INTRODUCTORY COMMENT

This is Management's Discussion and Analysis ("MD&A") for Orestone Mining Corp. ("Orestone" or the Company") and has been prepared based on information known to management as of June 29, 2012. This MD&A is intended to help the reader understand the consolidated financial statements of Orestone.

This MD&A should be read in conjunction with the unaudited consolidated interim financial statements for the three months ended April 30, 2012 and the related notes, and the audited consolidated financial statements for the year ended January 31, 2012 and the related notes, all of which are prepared in accordance with International Financial Reporting Standards ("IFRS").

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information system, procedures and internal controls. Management also ensures that the information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate-governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review the consolidated financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

Throughout this report we refer from time to time to "Orestone", "the Company", "we", "us", "our" or "its". All these terms are used in respect of Orestone Mining Corp. which is the reporting issuer in this document. *We recommend that readers consult the "Cautionary Statement" on the last page of this report.*

All currency amounts are expressed in Canadian dollars unless otherwise noted.

Additional information relating to the Company can be found on SEDAR www.sedar.com and the Company's website www.orestone.ca.

FORWARD LOOKING STATEMENTS

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set out below.

HIGHLIGHTS

The management team at Orestone is encouraged by the recent results of Orestone's exploration efforts and the following are the highlights on those results to the date of this MD&A.

- The Company announced the results of its initial drilling program in the Capitan Project. The results were successful in demonstrating that the porphyry system of the Captain copper-gold project is large and mineralized.
- The Company has 30 drill sites approved on the Captain Project by the BC Ministry of Energy and Mines.

OUTLOOK

The Company announced a private placement to continue with the Company's drill program in the Captain Project anticipated to start in late summer.

DESCRIPTION OF BUSINESS AND OVERALL PERFORMANCE

Orestone Mining Corp. is a junior mineral exploration company incorporated on April 30, 2007 and subsequently listed on the TSX Venture Exchange under the trading symbol "ORS" on March 11, 2008. The Company's exploration strategy has emphasized copper-gold and gold projects in Quesnel Terrane of British Columbia. Quesnel Terrane, which extends from the US border to Northern B.C., hosts numerous mines and many developing bulk tonnage copper-gold prospects such as those on the Mt. Milligan and Kwanika properties in North-central B.C., as well as sediment-hosted gold mineralization on the Spanish Mountain and Frasergold properties in South-central B.C.

On August 30, 2011, the Company completed a corporate reorganization consisting of the restructuring of its board of directors, the appointment of new executive officers, the issue of shares-for-debt as a settlement arrangement, and the completion of a non-brokered private placement.

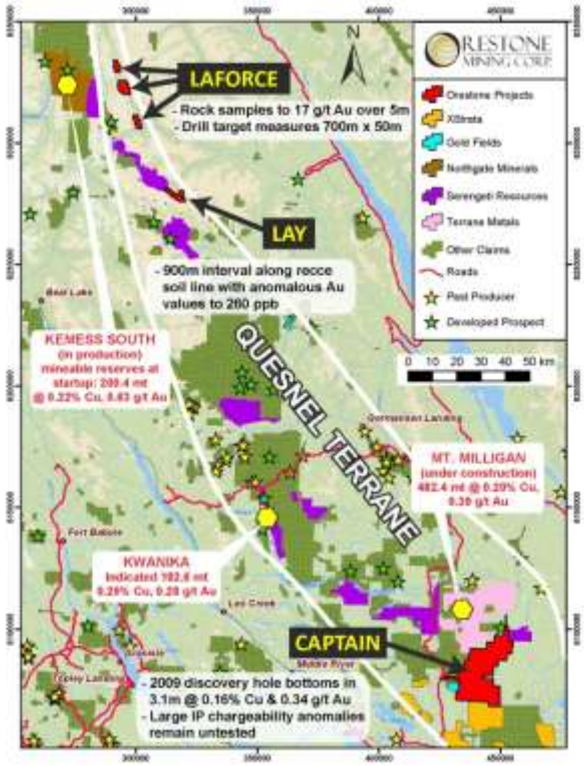
On June 20, 2011 Michael Tulumello resigned as a director, and David Hottman and Gary Nordin were appointed directors of the Company. Jose Antonio Pinedo resigned as president and chief executive officer, and David Hottman has been appointed to both positions. Mr. Pinedo has also resigned as corporate secretary and Bernard Poznanski has been appointed as corporate secretary. Robert Perry has resigned as vice-president exploration, and Gary Nordin has been appointed as VP, exploration. Subsequently, on January 1, 2012 Lorne Torjhelm resigned as chief financial officer and Erika Vargas was appointed chief financial officer.

RESULTS OF OPERATIONS - MINERAL PROPERTIES

To best understand Orestone's financial results, it is important to gain an appreciation for the significant events, transactions and activities which occurred on its mineral properties during and subsequent to the reporting period. These are summarized below.

Captain Property

Orestone owns 100% of the 41,659 hectare land position royalty free located within the Cariboo and Omineca Mining Divisions. The property is centered about 65 kilometers northeast of Fort St. James in the Nechako Plateau area of north-central British Columbia.



The Captain Property and surrounding lands contain many airborne magnetic-high anomalies on ground previously worked by Placer Dome, Noranda and several junior resource companies during 1989 to 1996. Numerous airborne magnetic-high targets in Quesnel Terrane are known to be related to underlying intrusions important for their relationship with copper-gold porphyry deposits such as Thompson Creek Metals' Mt. Milligan deposit immediately North of the Captain Property. Induced polarization ("IP") surveys over the airborne magnetic highs are a key method of identifying drill targets in the largely overburden covered Captain Property. Between 2008 and 2010, the Company undertook geochemical sampling, induced polarization and ground magnetic surveys, and limited percussion and diamond drilling. Detailed results are filed on Sedar.

In August, 2011 Orestone completed an IP/Resistivity and ground magnetics survey that consisted of a total of 30 kilometers of survey in six lines spaced 400 meters apart and was designed to expand upon previous geophysical surveys along logging roads. The objective of the survey was to better define the potential for copper-gold sulphide mineralization in the area surrounding diamond drill hole 09-05 which encountered potassic-altered volcanic and intrusive rocks. This vertical drill hole reached a depth of 137 meters with the last 3.1 meters encountering mineralized breccia grading 0.21 per cent copper and 0.35 grams per tonne (g/t) gold.

The results of the survey completed by Peter E. Walcott & Associates show three separate IP chargeability anomalies that flank magnetic high anomalies. The IP anomalies have widths of 1,000 meters or more that remain open, thus have yet to be fully outlined. The principal IP chargeability anomaly in the central portion of the survey area currently measures 1,000 meters by more than 4,000 meters and corresponds with a resistivity high. This coincident chargeability and resistivity high area is located on the western flank of a magnetic high interpreted to be a magnetite-bearing intrusive measuring 1,000 to 2,000 meters wide and in excess of five kilometers in strike length. This geophysical signature covering the central IP/resistivity high target on the Captain project is similar in nature to the geophysical signature of the MBX copper-gold deposit at Mt. Milligan. The geophysical report by Peter E. Walcott & Associates also recommends additional work to define anomalies that are located to the east and west of the current grid area.

In the area of the geophysical anomalies the Company has a total of 31 drill hole sites permitted. In December of 2011, the Company initiated a diamond drilling program that was completed in January 2011. The drill program consisted of 4 holes totaling 1,275 meters with the objectives to test the previously described anomalies. Overburden depth from all the drill holes was relatively uniform, averaging 45 meters, which is consistent with overburden depth from the previous drill hole 09-05 The best results from the drilling are found in drill hole C11-01 that consisted of 0.23 g/t gold and 0.03% copper over 87 meters that included 0.298 g/t gold and 0.09% copper over 43 meters.

The drill program was successful in confirming the presence of copper and gold mineralization within a sequence of altered rocks consistent with that found in economic copper-gold porphyry systems. To confirm the presence of favorable alteration in the recent drill holes a suite of samples from three drill holes were sent out for petrographic analysis.. The results of this study support the Company`s revised interpretation that the alteration pattern from the drilling is indicating the best potential for economic mineralization lies to the east of the recent drilling, possibly associated with a moderate magnetic high located in this direction. The Company realizes that this phase 1 program was able to test a small portion of the potential interpreted through the geophysical program and believes additional surface geophysics and drilling is required to properly assess the potential of the property. First priority will be to test this area to the east of the previous drilling, as well as additional targets within the area. An exploration plan for the 2012 summer season is currently being developed based on the results of surface geophysics, diamond drilling, and petrographic work completed in the past year.

Todd Property

The Todd Property is located in the Skeena Mining Division of North-west British Columbia, approximately 35 km North-east of the town of Stewart. The property occurs within the Jurassic Hazelton Group volcano-sedimentary rock package. This geological environment hosts several large and significant mineral deposits including the Granduc Mine (historic resource and production of: 39MM Tonnes at 1.73% Cu with minor silver, gold, and zinc), Eskay Creek Mine (historic production of: 2.2MM Tonnes at 46 g/T Au and 2200 g/T Ag), and the Kerr-Sulphurets-Mitchell deposit (indicated and inferred resources of: 1,750 MM Tonnes at 0.60 g/T Au, 0.21% Cu). Intuitive believes that the Todd Property has the potential to host significant mineral deposits of a type consistent with the other known deposits in the district. These include Besshi and Kuroko type massive sulfide copper-zinc, epithermal gold-silver, and porphyry copper-gold deposits.

On April 30, 2010, Orestone signed the Todd Creek Joint Venture Agreement with Goldeye and Polar and became the Manager of the Joint Venture, in which it holds a 51% interest, acquired through the purchase of Intuitive Exploration Inc. ("Intuitive"). The Company completed the acquisition with Intuitive on June 3, 2010 by way of share exchange. As of June 3, 2010 Intuitive was the Company' wholly-owned subsidiary and the Company is the parent of Intuitive. The principle asset of Intuitive is the 51% ownership in the Todd Creek Venture. Under the Todd Creek option agreement, the Company earned its 51% interest in the Todd Property by making payments on the property aggregating $180,000, issuing 170,000 shares and by incurring expenses related to the Todd Creek Property aggregating $2,500,000. Geofine has a net smelter return royalty in the amount of 2.5%. The Todd Creek Joint Venture pays a $25,000 advance on the above royalty to Geofine every November.

Pursuant to an option agreement dated August 19, 2008 between Intuitive and Mr. Kelly Funk, the Todd Creek Joint Venture also held an option to acquire 100% of the Kelly Funk Property, which is adjacent to and east of the Todd Property. Under the option agreement, the Todd Creek Joint Venture could earn 100% of the property by making payments of $450,000 and issuing 350,000 shares. Intuitive paid $65,000 and issued 65,000 common shares. On October 22, 2010, Orestone on behalf of the Joint Venture issued 50,000 shares in the capital of the Company to Mr. Funk (49% was reimbursed to the Company by the Joint Venture Partners) and the Joint Venture made the required 2010 payment of $75,000. If Intuitive acquires the property, Intuitive has agreed to pay a net smelter return royalty of 2.0%. The royalty may be purchased at any time during the four year period following the grant of the royalty in 0.5% increments at $750,000 per increment. On September 26, the Company, after review of its holdings and with the consent of its Joint Venture Partners, dropped its option on the property and has no further obligations under the option agreement.

Dr. Mark Fedikow of Mount Morgan Resources Ltd. completed a NI 43-101 technical report on the Todd Property and the Todd Creek Report has been filed on SEDAR at www.sedar.com. The author of the Todd Creek Report, Dr. Fedikow, is an independent Qualified Person under NI 43-101.

LaForce Property

The 100% owned LaForce Project consists of 47 square kilometers located approximately 20 kilometers east of Northgate Minerals Kemesss copper-gold mine in northern British Columbia.

The LaForce project falls within the Quesnel Terrane and straddles the contact between an Early Jurassic batholith of monzonitic to quartz dioritic composition in the west and Upper Triassic Takla Group basic to intermediate flows, breccias and tuffs and minor sedimentary rocks in the east. Previous surface work by Orestone has defined a zone of gold mineralization that has a strike length of more than 2 kilometers with widths up to 50 meters that roughly parallels this contact. Mineralization discovered to date is typically found within moderately to locally well-developed quartz stockwork/vein zones hosted by strongly pyritized and silica-sericite altered clastic sediments. These zones of quartz veins up to 20 cm wide carry variable amounts of pyrite, listwanite and minor chalcopyrite and lesser galena and may in part be stratabound.

Highlights of previous surface sample programs include 17.7 g/t gold over a 5 meter width and 10.6 g/t gold over a 2 meter width. These two samples were collected 700 meters apart along strike of the interpreted mineralized zone and are located at the hanging wall contact of the structure. Additional rock and soil sampling show the potential for the zone over a strike length of 2 kilometers.

In September 2011 the Company completed additional surface exploration that consisted of channel sampling across the area where outcrop sampling had returned a gold value of 17.7 g/t over 5.0 meters, and additional channel sampling along the 900 meter strike length of the interpreted structural zone that hosts gold mineralization. Sampling did show results anomalous in gold but did not confirm the grades that resulted from previous sampling.

The program was cut short due to bad weather that limited accessibility and the Company is now developing an exploration plan for additional work for the 2012 summer field season.

On February 1, 2012 a number of claims that were part of the La Force property were allowed to expire. The remaining claims that comprise the La Force property now total 1,057 hectares.

Lay Property

The 1,673 hectare Lay Property (owned 100% by Orestone) is located 30 km southeast of the LaForce property and covers similar geology and regional geochemistry as the LaForce. Additional surface exploration is currently being planned to further evaluate the potential of the property.

Connor Creek Property

The Company entered into an arm's length letter agreement dated November 10, 2009 with Kootenay Gold Inc ("Kootenay"), a publicly traded company on the TSX Venture Exchange (TSX-V:KTN), for the acquisition of an option to earn 60% of Kootenay's 100% interest in the Connor Creek gold property in the Nelson Mining Division, Southeastern British Columbia.

Pursuant to the Letter Agreement, Orestone could earn 60% of Kootenay's 100% interest in the Connor Creek Property by: (i) expending $1,000,000 on the Property prior to November 10, 2013 including $150,000 in exploration costs by November 10, 2010; and (ii) delivering to Kootenay an aggregate 750,000 shares of Orestone by November 10, 2013 including 150,000 shares on acceptance of the Letter Agreement by the TSX Venture Exchange. Upon making the foregoing expenditures and share payments, Orestone will have earned an undivided 60% interest in the Connor Creek Property. Orestone has made the initial 150,000 share payment and incurred exploration costs in excess of $300,000, which satisfies the terms of the agreement through to November 10, 2010. Subsequently on November 9, 2010, the Company issued an additional 150,000 shares to Kootenay in order to maintain the option until November 2011. In addition, the Company is required to incur $50,000 of exploration expenditures by November 10, 2011.

On September 8, 2011, the Company, after review of its holdings, dropped its option on Connor Creek Property and has no further obligations under the option agreement.

QUALIFIED PERSON

The technical information reported in this MD&A has been reviewed and approved by Mr. Ross Zawada P. Geo., the Company's Exploration Manager. Mr. Zawada is a Professional Geoscientist and member of the Professional Engineers and Geoscientist Association of British Columbia (APGEBC) and a qualified person as defined by NI 43-101.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company completed an impairment analysis as at April 30, 2012, which considered the indicators of impairment in accordance with IAS 36, "Impairment Assets". Management concluded that other than the $162,502 write-off on the termination of the options on the Kelly Funk and the Connor Creek Properties in the second quarter of fiscal 2012, no other impairment charge was required because:

- there have been no significant changes in the legal factors or climate that affects the value of the properties;
- all property rights remain in good standing;
- there have been no significant changes in the projections for the properties;
- exploration results continue to be positive;
- the Company intends to continue its exploration and development plans on its properties.

RISKS AND UNCERTAINTIES

Below are some of the risks and uncertainties that the Company faces.

Industry
The Company is engaged in the exploration of mineral properties, an inherently risky business. There is no assurance that a mineral deposit will ever be discovered and economically produced. Most exploration projects do not result in the discovery of commercially mineable ore deposits. If market conditions make financings difficult, it may be difficult for the Company to find joint venture partners. The Company may be unsuccessful in identifying and acquiring projects of merit.

Mineral resource estimates
The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated.

Gold and metal prices
The price of gold is affected by numerous factors including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, supply and demand, political, economic conditions and production levels. In addition, the price of gold has been volatile over short periods of time due to speculative activities. The prices of other metals and mineral products that the Company may explore have the same or similar price risk factors.

Cash flows and additional funding requirements
The Company currently has no revenue from operations. If any of its exploration programs are successful and optionees of properties complete their earn-in, the Company would have to provide its share of ongoing exploration and development costs in order to maintain its interest or be reduced in interest or to a royalty interest. Additional capital would be required to put a property into commercial production. The sources of funds currently available to the Company are equity capital or the offering of an interest in its projects to another party. Current economic conditions have limited the Company's ability to access financing through equity markets and this has created significant uncertainty as to the Company's ability to fund ongoing operations for the next operating period.

Environmental
The Company's exploration and development activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation-related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by NGOs has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

Laws and regulations
The Company's exploration activities are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

Title to mineral properties
While the Company has investigated title to its mineral properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. Unresolved native land claim issues in Canada may affect its properties in this jurisdiction in the future.

Possible dilution to present and prospective shareholders
The Company's plan of operation, in part, contemplates the financing of its business by the issuance of securities and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued shares of common stock, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective holders of common stock. The Company may seek joint venture partners to fund in whole or in part exploration projects. This dilutes the Company's interest in properties. This dilution is undertaken to spread or minimize the risk and to expose the Company to more exploration plays. However, it means that any increased market capitalization or profit that might result from a possible discovery would be shared with the joint venture partner. There is no guarantee that the Company can find a joint venture partner for any property.

Material risk of dilution presented by large number of outstanding share purchase options and warrants
At June 18, 2012 there were 3,630,000 stock options outstanding. Directors and officers hold 2,325,000 of the options and 917,675 are held by employees and consultants of the Company. At June 18, 2012 there were 8,582,500 outstanding warrants with expiry dates from November 29, 2012 to June 13, 2013.

Trading volume
The relatively low trading volume of the Company's shares reduces the liquidity of an investment in its shares.

Volatility of share price
Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries or discouraging exploration results, changes in financial results, and other factors could have a significant effect on share price.

Competition
There is competition from other mining exploration companies with operations similar to the Company's. Many of the companies with which it competes have operations and financial strength greater than the Company's.

Dependence on management
The Company depends heavily on the business and technical expertise of its management.

Conflict of interest
Some of the Company's directors and officers are directors and officers of other natural resource or mining-related companies. These associations may give rise from time to time to conflicts of interest. As a result of such conflict, the Company may miss the opportunity to participate in certain transactions.

SUMMARY OF SELECTED ANNUAL FINANCIAL INFORMATION

	Year ended January 31, 2012	Year ended January 31, 2011	Year ended January 31, 2010
	Under IFRS $	Under IFRS $	Under Canadian GAAP $
Net sales/ total revenues	-	-	-
Income (loss) before discontinued operations and extraordinary items	(913,700)	(461,765)	(161,468)
Per share basis	(0.02)	(0.01)	-
Diluted per share basis	(0.02)	(0.01)	-
Net income or loss, total	(913,700)	(461,765)	(161,468)
Per share basis	(0.02)	(0.01)	-
Diluted per share basis	(0.02)	(0.01)	-
Total assets	3,689,866	3,048,235	2,293,508
Total long-term financial liabilities	-	-	-
Cash dividends declared per share	-	-	-

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

Fiscal quarter ended	Revenues* $	Net income (loss)** $	Loss per share from continuing operations $	Net comprehensive income (loss) $	Net income (loss) per share $
30-Apr-12	Nil	(178,769)	(0.00)	(178,769)	(0.00)
31-Jan-12	Nil	(352,901)	(0.00)	(352,901)	(0.00)
31-Oct-11	Nil	(280,701)	(0.00)	(280,701)	(0.00)
31-Jul-11	Nil	(245,547)	(0.01)	(245,547)	(0.01)
30-Apr-11	Nil	(34,551)	(0.01)	(34,551)	(0.00)
31-Jan-11	Nil	(261,984)	(0.01)	(346,832)	(0.01)
31-Oct-10	Nil	(9,297)	(0.00)	(9,297)	(0.00)
31-Jul-10	Nil	(175,467)	(0.01)	(175,467)	(0.01)

* Revenues exclude interest income.
** Net income (loss) before income taxes.

Results of operation for the three months ended April 30, 2012 compared to the three months ended April 30, 2011:
For the quarter ended April 30, 2012 the Company recorded a net loss of $178,769 (loss per share - $0.003) compared to $34,551 (loss per share - $0.001) in the first quarter of fiscal 2012.

During the three months ended April 30, 2012, the Company incurred $178,769 (2011 - $34,551) in general and administrative expenses, of which $60,800 (2011 - $Nil) relates to non-cash share-based payments expense for options vested during the period and non-cash depreciation of $170 (2011 - $286). Excluding the non-cash items, the Company's general and administrative expenses amounted to $117,799 compared to 2011's $34,265, an increase of

$83,534. The increase was primarily due to the Company's change of management and the hiring of salaried employees (2012 – $54,548; 2011 - $Nil), the relocation of the Company's headquarters and increase of office space and other office and administration expenses (2012 - $27,156; 2011 – $5,604), and the Company's efforts to increase awareness of the Company's projects by engaging investor relations consultants and attending industry shows (2012 - $20,793; 2011 – $1,020). Other administrative expenditures varied over the periods but the overall effect of these variances was not material.

During the three months ended April 30, 2012, the Company spent $133,382 in exploration costs compared to $18,250 exploration costs incurred in the same period in fiscal 2012.

LIQUIDITY AND CAPITAL RESOURCES

At April 30, 2012, the Company had current assets of $307,199 and current liabilities of $423,432 (January 31, 2012 - $512,470 and $478,292 respectively). Working capital deficiency was $116,233 (January 31, 2012 – $34,178).

Cash used in operations during the quarter ended April 30, 2012 was $6,466 (2011 – provided by $34,237), after adjusting for non-cash activities. Significant non-cash items in the current quarter include share based payments.

Cash used in investing activities during the quarter ended April 30, 2012 were $133,382 (2011 – $18,250). Significant investments made in the period include investments in mineral property which include drilling on the Captain property in British Columbia. Investments in mineral property interests are net of any proceeds received from option agreements and costs recovered or impaired.

The Company has obligations pursuant to option agreements it has entered into. The Company has no contractual commitments to satisfy these obligations, however it would forfeit any interest it may have earned to that date should it decide not to satisfy these obligations. Detailed terms of those agreements and the obligations are included in the financial statements.

The Company has announced a private placement for raising addition capital. The Company has no material debt obligations, other than short term liabilities incurred in the normal activities of exploration and administration. The Company has no long term debt.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would potentially affect its operations or financial condition of the Company.

OUTSTANDING SHARE DATA

Common Shares
The authorized share capital of the Company consists of an unlimited number of common shares without par value.

	Number of common shares issued and outstanding	**Share Capital Amount**
January 31, 2012	65,589,313	4,709,009
April 30, 2012	65,589,313	4,709,009
June 29, 2012	65,589,313	4,709,009

Stock options
The Company has adopted an incentive share option plan for its directors, officers, employees and consultants under which the Company may gran options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company.

On April 15, 2012, 300,000 incentive stock options at an exercise price of $0.10 were granted to a consultant of the Company. These options are exercisable until April 15, 2013.

As at April 30, 2012 a total of 3,630,000 were outstanding as follows:

Number of shares	Exercise price ($)	Expiry date
500,000	0.200	March 7, 2013
555,000	0.105	September 8, 2013
200,000	0.150	January 12, 2015
1,875,000	0.105	September 8, 2016
200,000	0.100	September 29, 2016
300,000	0.100	April 15, 2013
3,630,000		

If all the remaining outstanding options were exercised, the Company's available cash would increase by $435,150.

Warrants
As at April 30, 2012, a total of 8,782,500 share purchase warrants were outstanding as follows:

Number of Warrants	Exercise Price ($)	Expiry Date
200,000	$0.15	June 3, 2012
4,900,000	$0.10	July 11, 2013
3,057,500	$0.20	November 29, 2012
625,000	$0.20	December 2, 2012
8,782,500		

If all the remaining outstanding warrants were exercised, the Company available cash would increase by $1,256,500.

RELATED PARTY TRANSACTIONS

Payments to related parties were made in the normal course of operations and were valued at fair value as determined by management. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

a) Key management personnel compensation

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows for the three months ended April 30, 2012:

	Three months ended April 30	
	2012	2011
	$	$
Short-term employee benefits	39,000	-
Share-based payments	-	-
Total	39,000	-

a) Other related party transactions

		Three months ended April 30			
		2012		2011	
		Total charges	Balance outstanding	Total charges	Balance outstanding
Amounts due to:	Description of charges:	$	$	$	$
A private company controlled by a director of the Company	Management fees	-	45,875	18,000	101,151
A private company controlled by a director of the Company	Management fees	-	-	-	7,000
A private company controlled by a director of the Company	Geological consulting fees	-	-	-	22,176
A public company with two directors in common with the Company	Rent	-	5,363	-	-
A private company with one director in common with the Company	Loan payable	90,000	90,000	-	-
		90,000	141,238	18,000	130,327

During the three months ended April 30, 2012, the Company received a loan from a private company with a director in common for $90,000. The loan is unsecured, non-interest bearing and has no fixed terms of repayment. As of April 30, 2012 the Company owes this private company $90,000 (January 31, 2012 – $Nil).

During the year ended January 31, 2012 the Company issued 2,648,400 shares at a price of $0.05 in settlement for certain debts owed by the Company in an amount of $132,420 to certain directors and officers of the Company, resulting in a loss on settlement of debt of $79,462. As at April 30, 2012 $45,875 (January 31, 2012 - $45,875) was owed to certain officers and directors as a result of this settlement.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the board of directors. All current transactions are fully disclosed in the financial statements for the period ended April 30, 2012.

OTHER ITEMS NOT RELATED TO ONGOING BUSINESS ACTIVITIES

Changes in the direction of business

Since incorporation on April 30, 2007, the Company is and continues to be primarily in the exploration stage with respect to its mineral properties. On August 30, 2011 the Company completed a management reorganization and a change in management. (See Description of Business and Overall Performance).

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, mineral tax credit recoverable, loans payable, accounts payable and due to related parties. The carrying value of these financial instruments approximates their fair

value and are measured based on Level 1 of the fair value hierarchy. The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk and interest risk.

Management of Financial Risk

The Company's financial instruments are exposed to certain financial risks, which include credit risk, interest rate risk, liquidity risk, and market risk.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation causing the other party to incur a financial loss. The Company is exposed to credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. Receivables are due from the Government of Canada and for reimbursements. Management believes that credit risk related to these amounts is low. As at April 30, 2012, the Company's maximum exposure to credit risk is the carrying value of its cash equivalents and accounts receivable.

Interest Rate Risk
Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk relates to its ability to maintain the current rate of interest on its short-term investment.

Liquidity Risk
Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Company is not subject to currency risk as the functional currency is the Canadian dollar. The Company does not use any form of derivative or hedging instruments to reduce its foreign currency risk. The Company is not affected by price risk.

Management of Industry Risk
The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

Commodity Price Risk
The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of gold and other precious metals.

Management of Capital

The Company manages its common shares, stock options and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these financial statements include, among others, the recoverability of accounts receivable and deferred income tax assets, impairment of assets, measurement of share-based payments and valuation of reclamation obligations.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the expected economic lives of and the estimated future operating results and net cash flows from exploration properties and equipment.

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for the April 30, 2012 reporting period.

The following new standards, amendments and interpretations that have not been early adopted in these financial statements, are not expected to have a material effect on the Company's future results and financial position:

a) IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9);
b) IFRS 10 Consolidated Financial Statements (New; to replace consolidation requirements in IAS 27 (as amended in 2008) and SIC-12);
c) IFRS 11 Joint Arrangements (New; to replace IAS 31 and SIC-13);
d) IFRS 12 Disclosure of Interests in Other Entities (New; to replace disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31);
e) IFRS 13 Fair Value Measurement (New; to replace fair value measurement guidance in other IFRSs);
f) IAS 1 Presentation of Financial Statements, (Amendments regarding Presentation of Items of Other Comprehensive Income);
g) IAS 19 Employee Benefits (Amended in 2011);
h) IAS 27 Separate Financial Statements (Amended in 2011);

i) IAS 28 Investments in Associates and Joint Ventures (Amended in 2011); and
j) IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (New).

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact in its results and financial position.

OTHER MD&A DISCLOSURE REQUIREMENTS

Information available on SEDAR:
As specified by National Instrument 51-102, Orestone advises readers of this MD&A that important additional information about the Company is available on the SEDAR website (www.sedar.com).

Disclosure by venture issuer without significant revenue
An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates. An analysis of the material components of the mineral property and deferred exploration costs of the Company's mineral properties for its first two completed financial years is disclosed in Note 5 to the financial statements to which this MD&A relates.

Going concern issue
The Company is in the exploration stage and has no revenue or income from operations. The Company has limited capital resources and has to rely upon the sale of equity and/or debt securities for cash required for exploration and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity or debt securities or joint venture agreements to raise capital. It follows that there can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company.

The Company's financial statements have been prepared on a 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 for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its mineral exploration programs.

The Company may encounter difficulty sourcing future financing in light of the recent economic downturn. The current financial equity market conditions and the inhospitable funding environment make it difficult to raise capital through the private placements of shares. The junior resource industry has been severely affected by the world economic situation as it is considered speculative and high-risk in nature, making it even more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

Evaluation of Disclosure Controls and Procedures
Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Management of the Company, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as at April 30, 2012, as required by Canadian securities law. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of April 30, 2012, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws were recorded, processed, summarized and reported within the time period specified by those laws and that material information was accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for accurate disclosure to be made on a timely basis.

Changes in Internal Control over Financial Reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and Chief Financial Officer have concluded that there has been no change in the Company's internal control over financial reporting during the period ended April 30, 2012 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. As of April 30, 2012, the Company's internal control over financial reporting was effective.

Cautionary Statement

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and the Company's other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, with limitation, (i)

estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational, political and environmental risks.

Dated: June 29, 2012