



ORESTONE MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE THREE MONTHS ENDED APRIL 30, 2018

OVERVIEW AND INTRODUCTORY COMMENT

Orestone Mining Corp. (“Orestone” or the “Company”) is a 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.

This MD&A is dated June 28, 2018 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the three months ended April 30, 2018 and the Company’s audited consolidated financial statements for the year ended January 31, 2018 and the related notes thereto.

Additional information relevant to the Company and the Company’s activities can be found on SEDAR at www.sedar.com, and/or on the Company’s website at www.orestone.ca.

MAJOR INTERIM PERIOD OPERATING MILESTONES

The Company continues to assess the best alternatives for its portfolio of gold-copper exploration targets on the Captain property, a 100% owned property situated in central British Columbia about 150 kilometers north of the City of Prince George.

On April 28, 2018, Andrew Muir and Douglas Willock resigned from the Board of Directors.

On April 30, 2018, Julia Aspillaga and Patrick Daniels were appointed as directors of the Company.

On June 15, 2018, the Company completed a non-brokered private placement issuing 1,000,000 units at a price of \$0.10 per unit for gross proceeds of \$100,000. Each unit consists of one common share and one-half of common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 until June 14, 2019.

INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company’s current treasury and the future cash flows from equity issuances and the potential exercise of warrants and options, along with the planned developments within the Company will allow its efforts to continue throughout 2018. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at April 30, 2018, the Company had working capital deficiency of \$69,118 (January 31, 2018 – working capital of \$1,991). As at April 30, 2018, cash totaled \$77,543, a decrease of \$29,339 from \$106,882 as at January 31, 2018. The decrease was due to (a) operating expenses of \$25,007 and (b) exploration and evaluation assets expenditures of \$4,332.



Operations

For the three months ended April 30, 2018 compared with the three months ended April 30, 2017:

The Company recorded a comprehensive loss for the three months ended April 30, 2018 of \$79,716 (loss per share - \$0.01) compared to a comprehensive loss of \$33,299 (loss per share - \$0.00) for the three months ended April 30, 2017.

Excluding the non-cash share-based compensation of \$12,939 (2017 - \$Nil), the expenses amounted to \$66,777 (2017 - \$33,299), an increase of \$33,478. The change in the expenses was mainly due to increases in: (a) Project search expenses of \$23,733 (2017 - \$420); (b) office expenditures of \$7,816 (2017 - \$3,295); and (c) professional fees of \$9,393 (2017 - \$3,250). All such increases are because the Company was active in its project search in other jurisdictions along with the professional support. The increases were offset by decreases in investor relations of \$484 (2017 - \$2,180) and salaries and benefits of \$17,791 (2017 - \$18,045).

SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there was no significant transaction between related parties.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As of the date of the MD&A, the Company has no outstanding commitments.

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

RISK FACTORS

In our MD&A filed on SEDAR May 30, 2018 in connection with our annual financial statements (the "Annual MD&A"), we have set out our discussion of the risk factors which we believe are the most significant risks faced by Orestone. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.



DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data as at April 30, 2018 and June 28, 2018:

	Issued and outstanding	
	April 30, 2018	June 28, 2018
Common shares outstanding	11,546,108	12,546,108
Stock options	1,020,000	900,000
Warrants	3,991,667	4,491,667
Fully diluted common shares outstanding	16,557,775	17,937,775

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 (APGEB) and a qualified person as defined by NI 43-101.

Cautionary Statements

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 our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. 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, except as required by law. 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 and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.