



ORESTONE MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE THREE MONTHS ENDED APRIL 30, 2022

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 29, 2022 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, 2022 and the Company’s audited consolidated financial statements for the year ended January 31, 2022 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 Captain Project, British Columbia, Canada

On February 17, 2022, the Company announced that the Phase I drill program had been completed on the Captain Property. The program consisted of one NQ size diamond core C22-01 drilled to a total depth of 774 meters. A total of 89 samples were shipped to Activation Laboratories Ltd. for analysis.

On April 6, 2022, the Company announced the results of its January 2022 drilling program at the Captain Property. Hole C22-01 was drilled to the east of a major northwest trending fault to test an inferred porphyry intrusive target indicated by a large, highly conductive geophysical MT anomaly at a depth of 500 metres. The hole intersected a barren andesite volcanic and volcanoclastic sequence to 675 metres followed by highly conductive graphitic sediments to a total depth of 774 metres. A 75-metre-thick potassic altered porphyry sill with disseminated sulphides was intersected at the volcanic-sediment contact, however carried only background gold-copper values.

Orestone’s interpretation based on the results of drill hole C22-01, is that the major northwest trending fault both truncated the gold-copper mineralization to the west as well as uplifted by an estimated 450 metres, the sequence of andesitic volcanics, volcanoclastics, and the underlying graphic sediments. The sediments are interpreted as being responsible for the highly conductive MT anomaly.

Further exploration at the Captain Property will focus on the large sericite potassic feldspar alteration halo which measures 2,000 by 2,000 metres, where numerous gold-copper mineralized drill intercepts have been encountered. The principal porphyry style targets are:

1. A large target area measuring 800 metres along strike, a width in excess of 1,000 metres, and a thickness of 500 metres (500 by 800 by 1,000 m). Within this zone, sericite-potassic-altered latite volcanics host alkaline and calc-alkaline style gold-copper mineralization on three sides.
2. A large alteration zone located south of drill holes C12-02 and C12-04 both of which cut thick zones of sericite potassic feldspar alteration and sulphide mineralization, and west of drill holes



C13-02 and C19-07, which intersected a gold-copper mineralized alkaline dike system associated with a northwest trending fault.

Both of these target areas have only been drill tested at their margins and remain largely untested. Both targets are also co-incident with strong IP chargeability highs and magnetic lows.

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 2022. If the market conditions prevail or improve, the Company will make adjustments to budgets accordingly.

Liquidity

As at April 30, 2022, the Company had working capital of \$407,183 (January 31, 2022 – working capital \$558,212). As at April 30, 2022, cash totaled \$446,088, a decrease of \$307,708 from \$753,796 as at January 31, 2022. The decrease was due to (a) operating expenses of \$206,087 and (b) exploration and evaluation assets expenditures of \$101,621.

Operations

For the three months ended April 30, 2022 compared with the three months ended April 30, 2021:

The Company recorded a comprehensive loss for the three months ended April 30, 2022 of \$49,409 (loss per share - \$0.00) compared to a comprehensive loss of \$341,469 (loss per share - \$0.01) for the three months ended April 30, 2021.

Excluding the non-cash share-based compensation of \$Nil (2021 – non-cash share-based compensation of \$277,665), the expenses amounted to \$75,737 (2021 – \$122,758), a decrease of \$47,021. The change in the expenses was mainly due to decreases in: (a) filing fees (2022 – \$6,410; 2021 – \$15,368); (b) investor relations (2022 – \$1,948; 2021 – \$21,585), (c) Office, rent and miscellaneous (2022 – \$7,923; 2021 – \$11,056) and (d) professional fees (2022 – \$10,062; 2021 – \$19,159), (c) Salaries, benefits and consulting fees (2022 – \$49,289; 2021 – \$54,474) and (d) Travel (2022 – \$105; 2021 – \$1,116).

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, the Company does not have any commitments, expected or unexpected, or uncertainties.

RISK FACTORS



In our MD&A filed on SEDAR May 31, 2022 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, 2022 and June 29, 2022:

	Issued and outstanding	
	April 30, 2022	June 29, 2022
Common shares outstanding	56,660,232	56,660,232
Stock options	4,870,000	4,870,000
Warrants	10,625,000	-
Fully diluted common shares outstanding	72,155,232	61,530,232

QUALIFIED PERSON

The technical information reported in this MD&A has been reviewed and approved by Mr. Gary Nordin P. Geo, the Company’s Senior Consulting Geologist. Mr. Nordin is a Professional Geoscientist and member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia (APGECB) 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.