



ORESTONE MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE SIX MONTHS ENDED JULY 31, 2023

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 September 29, 2023 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 six months ended July 31, 2023 and the Company's audited consolidated financial statements for the year ended January 31, 2023 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 March 2, 2023, the Company announced that it continued to refine the gold copper trend and porphyry drill targets on the Captain Property through compilation and interpretation of structural and geological data, combined with the interpretation of results of the airborne magnetotelluric (MT) survey. Three distinct MT low resistivity (high-conductivity) targets had been outlined over a five-kilometre strike length along a prominent north/south trending inferred regional fault. The three targets are aligned at the intersection of northeast and northwest trending interpreted cross faults. This trend remains open to the north and south on Orestone claims and additional airborne MT surveys are planned for 2023.

The MT vertical pseudo-sections over the primary target T1 indicate a steeply, easterly dipping, structurally controlled porphyry system beginning several hundred metres beneath a conductive tabular sequence of sulphide rich, highly phyllic-potassic-altered, latite volcanics. The T1 MT conductivity anomaly measures 300 to 400 metres by 1,200 metres at a depth of 500 metres and increases in size to 1,500 by 1,500 metres at a depth of 1,300 metres, indicating that the deep potential porphyry system narrows to a dike system near surface. Drilling in 2023 is planned to target the core of the system with two holes planned to a depth of 1,000 metres.

On May 9, 2023, the Company defined porphyry dykes that were strongly gold and copper mineralized, further confirming the potential of a large porphyry system at the Captain project. The Company has re-evaluated the presence of porphyry dykes intersected within thick sections of gold-copper mineralized altered volcanics in three drill holes C20-03, C21-01 and C21-02 on the Captain porphyry project. These highly altered, quartz monzonite porphyry dykes measure from 4 to 110 metres thick grading up to 0.84 gram per tonne gold and up to 0.17% copper.

The presence of these altered and mineralized dykes, both in the hanging wall and dipping into the observed MT conductor/potential porphyry intrusive, implies that they are related, and it is thought highly probable that the planned drill holes will intersect a gold-copper porphyry intrusive system with values similar to the adjacent dykes.



INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

On April 28, 2023, 400,000 options expired unexercised.

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 exploration efforts to continue throughout 2023. If the current market conditions continue or improve, the Company will make adjustments to budgets accordingly.

Liquidity

As at July 31, 2023, the Company had working capital deficiency of \$107,411 (January 31, 2023 – working capital of \$74,963). As at July 31, 2023, cash totaled \$8,749, a decrease of \$142,548 from \$151,297 as at January 31, 2023. The decrease was due to (a) operating expenses of \$138,487 and (b) exploration and evaluation assets expenditures of \$4,061.

Operations

For the three months ended July 31, 2023 compared with the three months ended July 31, 2022:

The Company recorded a net loss for the three months ended July 31, 2023 of \$75,318 (loss per share - \$0.00) compared to a net loss of \$82,071 (loss per share - \$0.00) for the three months ended July 31, 2022.

The Company's expenses decreased \$14,337 from \$89,560 in 2022 to \$75,223 in 2023. The change was primarily due to decreases in: (a) salaries, benefits and consulting fees expenses (2023 - \$24,245; 2022 - \$42,742) as two officers' monthly amounts were reduced, and (b) office, rent and miscellaneous expenses (2023 - \$11,302; 2022 - \$12,959). The decreases were offset by increases in (a) marketing expenses (2023 - \$3,849; 2022 - \$300) as the Company attended more conferences, (b) professional fees expenses (2023 - \$30,500; 2022 - \$27,299), and (c) filing fees expenses (2023 - \$4,441; 2022 - \$2,716).

For the six months ended July 31, 2023 compared with the six months ended July 31, 2022:

The Company recorded a net loss for the six months ended July 31, 2023 of \$178,313 (loss per share - \$0.00) compared to a net loss of \$131,480 (loss per share - \$0.00) for the six months ended July 31, 2022.

The Company's expenses increased \$9,279 from \$165,297 in 2022 to \$174,576 in 2023. The change was primarily due to increases in: (a) marketing expenses (2023 - \$28,964; 2022 - \$2,248) and (b) travel expenses (2023 - \$6,350; 2022 - \$3,649) as the Company attended more conferences. The Company also incurred more (c) professional fees expenses (2023 - \$44,000; 2022 - \$37,361), (d) office, rent and miscellaneous expenses (2023 - \$22,208; 2022 - \$20,882), and (e) filing fees expenses (2023 - \$16,009; 2022 - \$9,126) as the level of activities increased during the current period. These increases were offset by a decrease in (a) salaries, benefits and consulting fees expenses (2023 - \$57,045; 2022 - \$92,031) as two officers' monthly amounts were reduced and the Company also terminated one employee due to lack of work.



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, 2023 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 July 31, 2023 and as at the date of this MD&A:

	Issued and outstanding	
	July 31, 2023	September 29, 2023
Common shares outstanding	56,660,232	56,660,232
Stock options	4,120,000	4,120,000
Fully diluted common shares outstanding	60,780,232	60,780,232

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 (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.