

OROFINO MINERALS INC.
Management Discussion and Analysis
For the Years Ended
June 30, 2016 and 2015

The following discussion and analysis of the financial condition and results of operations of Orofino Minerals Inc. (the “Company” or “Orofino”) should be read in conjunction with the annual audited financial statements and related notes for the year ended June 30, 2016. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional information relating to the Company and other regulatory filings can be found on SEDAR website at www.sedar.com.

The Company’s head office and principal business address is Suite 200, 8338 – 120th Street, Surrey, British Columbia V3W 3N4. The Company is listed on the TSX Venture Exchange under the symbol “ORR”.

This MD&A is dated October 18, 2016.

DESCRIPTION OF BUSINESS AND REVIEW

Orofino is a Canadian company that is engaged in the acquisition and exploration of mineral resource properties. The Company was incorporated under the laws of British Columbia on October 9, 2008 and commenced operations after June 20, 2009.

The Company is in the process of acquiring mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

GOING CONCERN

The financial statements for the quarter ended June 30, 2016 have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company’s ability to generate future profitable operations and/or generate continued financial support in the form of equity or other financings.

Management feels that sufficient working capital will be obtained from public share offerings and the sale of marketable securities to meet the Company’s liabilities and commitments as they come due. The financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

OVERALL PERFORMANCE

Mineral Properties

	Independence and Homestead Claims	
Balance, June 30, 2014	\$	5,771
Impairment		(5,771)
Balance, June 30, 2015 and June 30, 2016	\$	-

Independence and Homestead Claim

During the year ended June 30, 2014, the balance of the Homestead claim was determined to be impaired and the Company wrote down \$590 in related acquisition costs. During the year ended June 30, 2015, the Company decided not to continue exploring these claims, and the balance of the remaining claims were written down to \$nil.

On May 22, 2014 the Company announced that it had entered into an assignment agreement to acquire an option agreement for the acquisition of certain staked mineral claims in Montana, USA. On May 30, 2014 the agreement was canceled and on July 16, 2014 the Company was reimbursed the \$16,523 deposit it had made towards the acquisition.

During the year ended June 30, 2016, the Company entered into discussions with regards to a potential transaction whereby the Company would acquire an interest in a Purchase of Assets Agreement, or would otherwise enter into a business combination. In connection with those discussions and the proposed agreement, the Company advanced \$191,535 (US\$150,000) for the purposes of facilitating the acquisition of the business and providing certain other services that would add value to the business being acquired under the agreement. The agreement has not been finalized, and the Company has fully impaired the advance due to the uncertainty of recoverability.

Acquisition

On November 4, 2014, the Company completed the purchase of British Crown & Milling S.A. (“British Crown”). The Company purchased 100% of the outstanding shares of British Crown for \$1, with the effect that British Crown will become a wholly owned subsidiary of the Company. The acquisition was considered an asset acquisition, and was measured at the fair value of the consideration given. British Crown is a Peruvian company holding certain mining concessions. In conjunction with the acquisition, the Company advanced British Crown \$103,500.

Subsequent to the acquisition, during the year ended June 30, 2015, the Company abandoned British Crown. As a result, the Company recognized a loss on the abandonment of the subsidiary of \$103,500, and impaired the properties acquired by \$1.

Results of Operations

Annual Results

The following table represents selected annual financial information on the Company's revenue and net income (loss) for the past three years:

Year Ended	June 30, 2016	June 30, 2015	June 30, 2014
Interest Income	\$ -	\$ 43	\$ -
General Administration (excluding property write offs)	304,074	99,663	93,232
Property Write Offs / Impairment	-	(5,771)	(590)
Impairment of Advance	(191,535)	-	-
Loss on abandonment of subsidiary	-	(103,500)	-
Net Income (Loss)	(495,609)	(208,891)	(93,822)
Net Income (Loss) per Share	(0.04)	(0.06)	(0.03)
Total Assets	\$ 61,105	\$ 345,341	\$ 102,793

Quarterly Results

The following table summarizes the results of operations for the eight most recent quarters:

	2016 Q4	2016 Q3	2016 Q2	2016 Q1
Interest Income	-	-	-	-
General Administration (excluding property write offs)	86,220	117,565	84,432	15,858
Property Write Offs / Impairment	-	-	-	-
Impairment of Advance	(191,535)	-	-	-
Net Income (Loss)	(277,755)	(117,565)	(84,432)	(15,858)
Net Income (Loss) per Share	(0.02)	(0.01)	(0.01)	(0.00)
Total Assets	61,105	157,900	259,201	332,478
	2015 Q4	2015 Q3	2015 Q2	2015 Q1
Interest Income	-	-	-	43
General Administration (excluding property write offs)	153,445	22,107	15,792	11,819
Property Write Offs / Impairment	(5,771)	-	-	-
Impairment of Advance	-	-	-	-
Net Income (Loss)	(159,216)	(22,107)	(15,792)	(11,776)
Net Income (Loss) per Share	(0.01)	(0.01)	(0.01)	(0.00)
Total Assets	345,341	116,230	116,608	89,703

Results for the Quarter ended June 30, 2016

The quarter ended June 30, 2016 resulted in a loss of \$277,755, compared to a loss of \$159,216 for the quarter ended June 30, 2015. This increase is mostly related to higher consulting fees, project investigation costs and impairment of advance.

Consulting fee for the three-month period ended June 30, 2016 was \$69,000, while for the same period ended June 30, 2015, it was \$14,286. Rent has stayed the same at \$9,000 for the quarters ended June 30, 2016 and 2015; project investigation costs for the quarter ended June 30, 2016 was \$37,607 compared to \$nil for the quarter ended June 30, 2015, and impairment of advance of \$191,535 for the quarter ended June 30, 2016 compared to \$nil for the quarter ended June 30, 2015.

Results for the Year ended June 30, 2016

The year ended June 30, 2016 resulted in a loss of \$495,609, compared to a loss of \$208,891 for the year ended June 30, 2015. This increase is mostly due to higher consulting fees, project investigation costs and impairment of advance incurred in the current fiscal year.

Consulting fees for the year ended June 30, 2016 was \$189,000, while for the year ended June 30, 2015, it was \$22,286. Rent was \$36,000 (2015 - \$35,000), professional fees were \$25,225 (2015 - \$10,733), project investigation costs were \$37,607 (2015 - \$nil) and impairment of advance were \$191,535 (2015 - \$nil).

LIQUIDITY AND CAPITAL RESOURCES

The Company is not in commercial production on its independence claim and accordingly, it does not generate cash from operations. The Company finances development and exploration activities by raising capital from equity markets from time to time. As at June 30, 2016, the Company had cash reserves of \$57,082 (2015 - \$338,147).

As at June 30, 2016, the Company has working capital of \$45,930 compared to working capital of \$283,345 as at June 30, 2015.

	June 30, 2016	June 30, 2015
Current Assets	61,005	345,097
Current Liabilities	15,075	61,752
Working Capital Surplus	45,930	283,345

The Company's operations consist of acquisition, maintenance and exploration of mining properties, including actively seeking joint venture partners to assist with exploration funding. The Company's financial success will be dependent on the extent to which it can discover new mineral deposits. The Company will require additional equity investment to fund exploration activities.

SHARE CAPITAL

As of October 18, 2016, there were 13,797,770 common shares.

In March 2016, a private placement was completed for 2,675,000 common shares for total proceeds of \$267,500 at a price of \$0.10 per common share. In addition, \$9,450 cash finders' fees were paid.

In June 2015, a private placement was completed for 8,000,000 units for total proceeds of \$400,000. Each unit consists of one common share and one common share purchase warrant. Each warrant has a term of 5 years at an exercise price of \$0.05 per share. Using the residual method, the Company allocated \$400,000 to common shares and \$nil to warrants.

On April 28, 2015, the Company completed a share consolidation of its share capital on the ratio of 1 new share for 3 old shares. All share and per share amounts have been adjusted to reflect this share consolidation.

Stock Options

As at June 30, 2016, there were 66,667 stock options outstanding with an exercise price of \$0.15 per common share, expiring February 26, 2019.

Warrants

As at June 30, 2016, there were 8,000,000 warrants outstanding with an exercise price of \$0.05 per common share expiring June 16, 2020.

Share-Based Payment Reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, key management personnel, close family members and enterprises that are controlled by these individuals. Key management personnel are those having authority and responsibility for planning and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The Company incurred the following fees to related parties:

- Consulting fees of \$8,500 (2015 - \$2,500) to a company related to a director; and
- Professional fees of \$nil (2015 - \$410) to Company's former Chief Financial Officer.

As at June 30, 2016, \$6,000 (2015 – (\$5,098)) was due to (from) companies having common management or related to a director.

The amounts due to and from related parties are unsecured, non-interest bearing, and have no fixed terms of repayment.

CONTRACTUAL COMMITMENTS

Previous commitments have expired and new arrangements have not been made.

CRITICAL ACCOUNTING ESTIMATES

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

A detailed summary of the Company's significant accounting policies is included in Note 3 to the financial statements for the year ended June 30, 2016.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

See Note 3 of the Company's financial statements for the year ended June 30, 2016 for a detailed summary of accounting standards issued but not yet effective.

FINANCIAL INSTRUMENTS

Financial assets included in the statement of financial position are as follows:

	June 30, 2016		June 30, 2015	
Loans and Receivables:				
Cash	\$	57,082	\$	338,147
Due from Related Parties		-		5,098
	\$	57,082	\$	343,245
Financial Liabilities:				
Accounts Payable	\$	6,275	\$	810
Loan Payable		-		53,442
	\$	6,275	\$	54,252

RISK AND UNCERTAINTIES

The principal business of the Company is the exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of exploration, the following risks factors, among others, should be considered.

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain economically recoverable reserves and, therefore, does not generate any revenues from production. The recovery of expenditures on mineral properties and the related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of the mineral properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that our exploration efforts will be successful.

Since the Company does not generate any revenues from production, it may not have sufficient financial resources to undertake by itself all of its planned mineral acquisition and exploration activities. Operations will continue to be financed primarily through the sale of securities, such as common shares. The Company will need to continue its reliance on sale of such securities for future financing, which may result in dilution to existing shareholders. In addition, the amount of

additional funds required may not be available under favourable terms, if at all, and will depend largely on the market conditions.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52- 109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

1. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
2. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement on a cost effective basis.

FORWARD LOOKING STATEMENTS

Forward looking statements are statements that are not historical facts and are generally, but not always identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or that events or conditions "will", "may", "could" or "should" occur. The information contained herein may contain forward looking statements including expectations of future production, cash flows or earnings. These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated. Factors that could cause the actual results to differ materially from those in forward looking statements, but are not limited to: the risk associated with the oil and gas industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price, price and exchange rate fluctuation and

uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. The foregoing list of assumptions is not exhaustive. Additional information on these and other factors that could affect the Company's operations or financial results are included in the Company's reports on file with Canadian securities regulatory authorities. Events or circumstances could cause results to differ materially.

Officers and Directors

Sonny Janda, CEO and Director

Rajen Janda, CFO

Jared Scharf, Director

John Anderson, Director

Contact

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