

Oroco Resource Corp.
Management Discussion and Analysis
For the nine months ended February 28, 2021
Date as of April 29, 2021

This Management Discussion and Analysis has been prepared as of April 29, 2021 and should be read in conjunction with the Company's condensed interim consolidated financial statements and related notes for the nine months ended February 28, 2021 and the audited consolidated financial statements and related notes thereto for the year ended May 31, 2020 (the "Financial Statements"). Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All amounts in the financial statements and in this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

FORWARD LOOKING INFORMATION

This Management Discussion and Analysis ("MD&A") contains certain forward-looking statements and information relating to Oroco Resource Corp. ("the Company") and its operations that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate," "believe," "budget," "estimate," "expect," "intends," "plans," "potential" and similar expressions, as they relate to the Company or its management and operations, are intended to identify forward looking statements.

These forward-looking statements or information relate to, among other things: the Company's future financial and operational performance; the sufficiency of the Company's current working capital, anticipated cash flow or its ability to raise necessary funds; the anticipated amount and timing of work programs; our expectations with respect to future exchange rates; the estimated cost of and availability of funding necessary for sustaining capital; forecast capital and non-operating spending; and the Company's plans and expectations for its property, exploration and community relations operations.

These forward-looking statements and information reflect the Company's current beliefs as well as assumptions made by, and information currently available to the Company and are necessarily based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic, competitive, political, regulatory, and social uncertainties and contingencies. These assumptions include: cost estimates for exploration programs; cost of drilling programs; prices for base and precious metals remaining as estimated; currency exchange rates remaining as estimated; capital estimates; our expectation that work towards the establishment of mineral resource estimates and the assumptions upon which they are based will produce such estimates; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions at our operations; no unplanned delays or interruptions in scheduled work; all necessary permits, licenses and regulatory approvals for our operations being received in a timely manner and can be maintained; and our ability to comply with environmental, health and safety laws, particularly given the potential for modifications and expansion of such laws. The foregoing list of assumptions is not exhaustive.

Forward-looking statements and information involve known and unknown risk, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those expressed or implied in the forward-looking statements (see "Risks and Uncertainties" in this MD&A), there may be other factors, such as the coronavirus global pandemic, which could cause results not to be as anticipated, estimated, described, or intended. Investors are cautioned against attributing undue certainty or reliance on forward-looking statements or information.

Forward-looking statements and information contained herein are made as of the date of this MD&A and the Company does not intend, and disclaims any obligation to update or revise forward-looking statements or information, whether as a result of new information, future events or to reflect changes in assumptions or in circumstances or any other events affecting such statements or information, other than as required by applicable law.

QUALIFIED PERSON

Mr. Paul McGuigan, P. Geo., of Cambria Geosciences Inc., a Qualified Person under NI 43-101 and a senior consulting geoscientist to the Company, has reviewed and approved the technical disclosure in this management discussion and analysis.

THE COMPANY

The Company was incorporated under the British Columbia Business Corporations Act on July 7, 2006. The Company's head office is located at Suite 1201 - 1166 Alberni Street, Vancouver, B.C., V6E 3Z3. The Company and its subsidiaries are engaged in the acquisition, exploration and development of mineral properties in Mexico with a primary focus on the assembly of the mineral concessions which make up the Santo Tomas porphyry copper project (the "Santo Tomas Project") in Sinaloa State, Mexico.

The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "OCO", and it also trades on the Frankfurt Stock Exchange Open Market under the trading symbol "OR6" and the US OTC exchange under the trading symbol "ORRCF.PK". The Company's website address is: "www.orcoresourcecorp.com".

The Company has four wholly owned, one majority owned and one 50% owned subsidiary:

Name of Subsidiary	Country of Incorporation	Percentage of Ownership	Principal Activity
Minera Xochipala S.A. de C.V. ("MX")	Mexico	100%	Exploration in Mexico
0973496 B.C. Ltd.	Canada	100%	Holding company
Altamura Copper Corp. ("Altamura")	Canada	100%	Holding company
Xochipala Gold S.A. de C.V. ("XG")	Mexico	71%	Exploration in Mexico
Desarrollos Copper, S.A. de C.V.	Mexico	100%	Holding company
Ruero International Ltd.	Bahamas	50%	Holding company (inactive)

The Company also holds an inactive, nominal company incorporated in Canada, and a majority interest in Aztec Copper Inc. ("Aztec"), an inactive subsidiary incorporated in the United States, which holds 99.9% of Prime Aztec Mexicana, S.A. de C.V.

On March 2, 2020, pursuant to an option agreement dated September 27, 2018 (the "Altamura Option Agreement") the Company acquired 100% ownership of Altamura. Altamura held a majority interest in Xochipala Gold, which itself holds registered title to the seven mineral concessions (the "Core Concessions") which cover the known core of the Santo Tomas Project. For a description of the Altamura transaction, see the Company's Management Information Circular filed on SEDAR on November 22, 2019. Subsequent to February 28, 2021, Xochipala Gold issued 5 shares to Altamura for conversion of inter-company debt into equity, and the Company acquired the sole other shareholder of Xochipala Gold's rights and interests in 25 shares of Xochipala Gold in consideration for US\$1,500,000. The Company now holds an 86.1% interest in Xochipala Gold.

MINERAL PROPERTIES

Santo Tomas Project, Sinaloa State, Mexico

The Company is focused on the exploration of the mineral concessions which encompass the Santo Tomas porphyry copper Cu-(Mo-Au-Ag) deposit in Sinaloa State, Mexico.

Xochipala Gold's 100% registered interest in the Core Concessions is subject to an aggregate of 15% in contractual interests granted to third parties, resulting in the Company currently holding a net 73.2% interest in the Core Concessions. The Company may increase its net interest to 85.5% by the funding up to a cumulative \$30,000,000 in property related expenditures, with no minimum obligations as set out in the following table.

MINERAL PROPERTIES (cont'd...)

Santo Tomas Project, Sinaloa State, Mexico (cont'd...)

Altamura's net interest in the Core Concessions to result from funding of property related expenditures:

Total Investment	\$1,000,000 (completed)	\$3,000,000 (partially completed)	\$10,000,000	\$20,000,000	\$30,000,000
Core Concession interest via XG equity					
Altamura	56.7%	75.5%	80.2%	83.2%	85.5%
Other	28.3%	10.8%	7.3%	5.6%	4.5%
Third party contractual interest					
Third parties	15.0%	13.7%	12.5%	11.3%	10.0%
Total	100%	100%	100%	100%	100%

The Company also holds a 77.5% interest in each of the Papago 17, La China II and AMP Santo Tomas Red 1 concessions (the "Peripheral Concessions"), each contiguous to the Core Concessions, and an 80% interest in the Rossy concession (collectively with the Peripheral Concessions, the "Santo Tomas Properties").

The Santo Tomas deposit lies within the Laramide porphyry copper province, a NW-SE trending, metallogenic belt formed in the Laramide Orogeny (80-40 Ma age). The province extends from the southwestern USA into northwestern Mexico.

The Santo Tomás deposit lies mostly within the Core Concessions. The deposit is associated with an NNE-trending zone of sheeted quartz monzonite porphyry dikes that are hosted in strongly faulted and fractured Mesozoic metamorphosed andesite and limestone. The deposit is similar in age, host rocks and mineralization styles to the Cananea deposits, in Sonora, and other Laramide-age deposits of the southwestern USA. Nearby examples of similar Laramide-age deposits include the Bahuerachi and La Reforma deposits. *This information is not necessarily indicative of mineralization on the Properties that are the subject of this summary.*

The Santo Tomás deposit is mostly comprised of chalcopyrite, pyrite, and molybdenite sulphides with minor bornite, covellite, and chalcocite, which occur as fracture fillings, veinlets, and fine disseminations. Minor copper oxides occur near the surface.

The Santo Tomás deposit is exposed in an outcrop pattern along a 5 km strike length. South of Rio Fuerte, mineralization on the eastern and western flanks of the N-S Santo Tomás ridge are called the North Zone and South Zones, respectively. A mineralized zone lying north of the Rio Fuerte is termed the Brasiles Zone. Historical information and recent geological mapping demonstrated that the Brasiles Zone extends from the Core Concessions to the N. E. onto the Peripheral Concessions. On the South Zone, extensions onto the Peripheral Concessions are evidenced by historical drilling data.

The main mineralized zone varies between approximately 100 to 600 m in true thickness and dips moderately to the WNW at 50° in the North Zone. Similar moderate angle dips are apparent in the South Zone and Brasiles.

The Santo Tomas deposit was defined by active exploration from 1968 to 1994. During that time, it was tested by 106 diamond and reverse circulation drill holes, for which the Company has data for 90, totalling 21,075 m of drilling. In 1994, Exall Resources Limited ("Exall") engaged Mintec, Inc. to conduct a historical mineral resource estimate and mining study, and Mountain States Research and Development, Inc. ("MSRDI") to conduct metallurgical testing. Relying on information generated by these studies, Bateman Engineering Inc., E&C Division, conducted a Prefeasibility Study.

Beginning in 2017, the Company initiated a program of mineral exploration on the Santo Tomas Properties with surface geological mapping and the assembly of historical drilling information by Cambria Geosciences Inc. ("Cambria"). Additionally, the Company acquired RadarSat 2 Synthetic Aperture Radar ("SAR") data for the Santo Tomas district from Auracle Geospatial Science, Inc. ("Auracle").

In early 2019, the Company commissioned fieldwork, led by D. A. Bridge, P. Geol., comprised of historical data verification and structural and another structural and geological mapping of the North Zone and Brasiles Zone, toward the preparation of a Technical Report.

MINERAL PROPERTIES (cont'd...)

Santo Tomas Project, Sinaloa State, Mexico (cont'd...)

Additional 3D modelling by Cambria of the Auracle SAR data, historical drilling, and the additional structural data significantly advanced the understanding of the genesis and later structural modification of the Santo Tomas deposit.

Results of the fieldwork, geological modelling, and historical mineral resource estimates are presented in a Technical Report prepared in the requirement of the Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”) titled “Geology, Mineralization, and Exploration of the Santo Tomás Cu-(Mo-Au-Ag) Porphyry Deposit, Sinaloa, Mexico” by D. A. Bridge, P. Geol. with an effective date of August 22, 2019 (available on the Company’s website at www.orocoresourcecorp.com).

The key geological information verified by Bridge (2019) is that the principal control to the Santo Tomas deposit are sheets of quartz monzonite dikes interleaved with screens of altered and hornfels andesite. Dikes and fracture sets are well-mineralized and have a dominant attitude of N20°E/50°W.

Bridge recommended a phased program of surface work and confirmation diamond drilling. Layouts of the drilling are based on the updated 3D geological model and the latest structural data. His recommendations encompassed the following:

1. Road and camp construction followed by 200 line-km of 3D Induced Polarization geophysical survey that will encompass the North & South Zones, and Brasiles.
2. Geological mapping, remote sensing, and baseline environmental studies.
3. Confirmation drilling is recommended, firstly with 7,300 m of diamond drilling in 11 drill holes in the North Zone, followed by a non-success contingent program of 20,950 m of diamond drilling in 30 drill holes, spanning the North and South Zones.
4. Success contingent drilling is recommended, awaiting the results of 3D IP and drilling, comprising 29,250 m of diamond drilling in 43 drill holes to test for extensions of the North and South Zone, and to test the Brasiles Zone.

In late 2019 the Company commenced the recommended program of Bridge (2019). To date, the Company has completed construction of an exploration base camp (“Buena Vista”) and the repair and upgrade of road access to the North and South Zones. A 2.5 by 5.5 km grid staked with wooden pickets has been completed for 3D Induced Polarization geophysical surveys. The geophysical surveys commenced in September 2020. The Company has also retained an Environmental consultant and permitting applications are underway.

The new fieldwork is supported by an extensive network of existing access roads and historical drill roads, therefore expediting preparations for the confirmation diamond drilling program expected to follow in mid-2021.

The Company currently operates community-based social and environmental programs in the area of the Santo Tomas Properties from its logistics and administrative base in the nearby community of Choix. The Company has supported modest public works such as water distribution, community road and infrastructure projects, and other social programs, as part of its commitment to the communities proximal to the Company’s operations.

In mid-September 2020, the Company commenced a 3D resistivity and induced polarization survey (the “Survey”) that targeted coverage of the known and inferred mineralized South, North and Brasiles Zones at the Santo Tomas project. The Survey utilizes the DIAS Geophysical Limited (“DIAS”) DIAS32 direct current resistivity and induced polarization (“DCIP”) system and uses a rolling layout of transmitters and receivers that advanced the Survey from the south toward the north for planned coverage of about 10 km². The Survey has been staffed by DIAS operators and up to 20 field assistants drawn from the local community. The camp and field crews were divided into small cohorts operating under a COVID protocol developed by the Company in compliance with the requirements of the Mexican authorities and with 2020 COVID protocol and survey experience gained by DIAS in Canada. By November 5th, the survey was about 40% complete and Dias had modeled preliminary inversion data from the first 25% of the Survey, mapping the resistivity and chargeability characteristics over the known mineralization of the South Zone, returning a view of chargeability that accorded well with widely spaced historical drilling. The survey defined a wedge 200-400 m thick at the western limit, increasing to 600 m on the eastern fringe of the surveyed area. Surveying continued northward until December 6th, completing approximately 80% of the initially planned coverage. Following evaluation of the initial data set, several injection lines were increased in length both to the west and east to improve depth resolution of chargeability features at the North Zone, to better define the depth extent of the downthrown limestone cap rocks in the valley west of the South Zone, and, particularly, to try to constrain an apparent eastward extension of chargeability in the South Zone.

MINERAL PROPERTIES (cont'd...)

Santo Tomas Project, Sinaloa State, Mexico (cont'd...)

The Company has now received a preliminary dataset and inversion model for the surveying completed to December, wherein the model has revealed an extensive area of strong chargeability response that encloses the known North Zone deposit and extends beyond the historical drilling to the north, the west and to depth. The first 800 m of modelling of the Brasiles Zone indicates that the North and Brasiles Zones are a contiguous exploration target spanning an average of one kilometer in width and a minimum of two kilometers along strike at the 100 m level elevation. The chargeability model remains open to the north at Brasiles. At the North Zone, a 1,000 m wide, strong chargeability-high response is broader than the model previously derived from historical drilling. Notably, the chargeability-high response extends westward of the Company's 3D geological model of the mineral deposit (the 2009 Gradeshell of Cu > 0.30%), under the concealing limestone cap of the Santo Tomas ridge. Responses extend to the 600 m depth-limit of the 3D IP survey, which is often significantly deeper than the historical drilling. Results also indicate that certain planned drill targets may intersect chargeable target rocks at a shallower depth below the Santo Tomas ridge than was previously estimated.

Since December, 2021, the Company further extended the DCIP survey to the east of the initially planned Survey area in the southern part of the property to more fully constrain the South Zone chargeability features, and completed the Brasiles Zone Survey northwards. The resulting data is now being analyzed. The Company is exceptionally pleased with the survey results and the efficacy of the technology.

The Company incurred \$26,194 in acquisition costs and \$3,603,528 in exploration expenditures on the Santo Tomas Properties during the nine months ended February 28, 2021.

Xochipala Property, Guerrero State, Mexico

The Xochipala Property, comprised of the Celia Gene (100 ha) and the contiguous Celia Generosa (93 ha) concessions, is located in the Municipality of Eduardo Neri, Guerrero, Mexico at the southern end of the Guerrero Gold Belt (the "GGB").

The Xochipala Property lies approximately four kilometres southeast of the Los Filos mine, just one kilometre from the town of Xochipala and 30 kilometres by good paved road from the state capital of Chilpancingo. The area is well served by a network of local roads. The district is served with hydroelectric power from the Caracol Dam.

The Company did not conduct exploration on the Xochipala Property during the nine months ended February 28, 2021 and continues to assess the appropriate next stage of exploration.

Salvador Property, Guerrero State, Mexico

The Salvador Property is a 100-hectare mining concession 100% owned by Minera Xochipala which lies approximately 25 kilometers to the west of the Xochipala Property and approximately 30 kilometers west of Chilpancingo, Guerrero. The Salvador property also hosts skarn mineralization associated with felsic intrusions similar to mineralization in the known ore deposits in the area.

The Company did not conduct exploration on the Salvador Property during the nine months ended February 28, 2021.

CERRO PRIETO ROYALTY

Pursuant to the sale of the Company's interest in the Cerro Prieto Property to Goldgroup in fiscal 2013, Goldgroup agreed to pay to the Company a production royalty (the "Production Royalty") quarterly in arrears. The Production Royalty, payable for each month in which the monthly average of the daily PM London gold fix is in excess of US\$1,250 per ounce, is calculated at the rate of 20% of the dollar value of that excess for each ounce of gold produced from the property during that month, to a maximum royalty of US\$90 per ounce. This Production Royalty will be payable for each and every ounce of the first 90,000 ounces of gold produced from the Property (approximately 72,000 ounces have been produced as at February 28, 2021).

During the nine months ended February 28, 2021, the Company recorded \$1,057,580 (2020 - \$595,182) in royalty revenue.

RESULTS OF OPERATIONS

For the nine months ended February 28, 2021, the Company recorded a loss from continuing operations of \$1,740,261 (2020 - \$1,175,781) or \$0.01 per share (2020 - \$0.01). The Company has no income producing assets. The Company reported royalty revenues during the period from the Cerro Prieto Property. The Company is considered to be in the acquisition and exploration stage.

The Company is focused on the exploration of mineral concessions which make up the Santo Tomas porphyry copper project in Sinaloa State, Mexico.

For the nine months ended February 28, 2021, the Company recorded operating expenses of \$2,845,787 (2020 - \$1,715,797), which included business development of \$69,550 (2020 - \$50,850), consulting fees of \$182,000 (2020 - \$214,225), management and directors' fees of \$314,833 (2020 - \$241,500), professional fees of \$379,954 (2020 - \$254,994), and share-based payment of \$1,315,546 (2020 - \$341,123).

SELECTED QUARTERLY RESULTS

Quarter	February 28, 2021	November 30, 2020	August 31, 2020	May 31, 2020
Operating loss	\$676,410	\$1,655,922	\$513,455	\$500,265
Other items	\$(389,965)	\$(371,059)	\$(232,477)	\$(347,541)
Loss for the period	\$286,445	\$1,284,863	\$280,978	\$152,724
Loss per share	\$0.00	\$0.01	\$0.00	\$0.00
Total assets	\$54,076,888	\$46,323,332	\$30,733,555	\$28,501,576
Total liabilities	\$466,982	\$1,202,001	\$1,163,227	\$1,419,618

Quarter	February 29, 2020	November 30, 2019	August 31, 2019	May 31, 2019
Operating loss	\$373,874	\$697,370	\$644,553	\$683,191
Other items	\$(292,902)	\$(224,636)	\$(130,598)	\$(320,125)
Loss for the period	\$80,972	\$472,734	\$513,955	\$363,066
Loss per share	\$0.00	\$0.00	\$0.01	\$0.00
Total assets	\$5,240,760	\$4,979,154	\$4,142,773	\$3,732,108
Total liabilities	\$501,243	\$425,626	\$420,664	\$480,784

The slightly higher "Operating loss" for the quarter ending February 28, 2021 is due primarily to the payment of year-end bonuses and increased insurance costs and marketing costs. Increase in "Total assets" for the period is principally due to an increase in cash resulting from an equity financing completed in the quarter and the exercise of warrants, which brought in \$8,615,423. The increase in the loss in the quarter ending November 30, 2020 is primarily due to \$1,118,323 in share-based compensation in the quarter. The slightly higher loss over the period February 28, 2018 to November 30, 2019 is due primarily to the Company's efforts to solidify control of the Santo Tomas Project, such as additional time spent by the Special Committee of Directors, management and legal counsel on the negotiation and preparation of various agreements related to the Altamura transaction and the acquisition of controlling interests in surrounding mineral concessions and related due diligence. There has been an increase in expenditures subsequent to gaining control of the Santo Tomas Project in the quarter ending May 31, 2020 in connection with supporting significantly expanded operations at the Santo Tomas Project. The increase in "Total assets" for the quarter ending May 31, 2020 is primarily due to the acquisition of Altamura, and the increase in the quarter ending November 30, 2020 is primarily due to an increase in the Company's holdings of cash from the sale of securities and subscription proceeds received in advance of a sale of securities. Changes in "Total liabilities" over the period are principally due to the assumption upon the acquisition of Altamura in the quarter ending May 31, 2020 of a contingent legal fee obligation owed upon the registration of the Core Concessions to XG and to changes in accrued directors and management fees. Variations in "Other items" is principally due to variations in the Goldgroup Royalty.

ANALYSIS OF FINANCINGS

The following table sets out prior disclosure by the Company of its intended use of proceeds, other than working capital related costs, from financings, the Company's actual achievements and an explanation of any variation.

ANALYSIS OF FINANCINGS (cont'd...)

Disclosed Use of Proceeds (other than working capital)	Company Achievements	Reasons for Variation
<p>December 9, 2020 News Release</p> <p>(1) Advance the Santo Tomas Project, including the environmental permits;</p> <p>(2) Expansion of the Company's Definition drill program, which will include both additional infill and step-out drilling;</p> <p>(3) Preliminary engineering studies, and general corporate purposes.</p> <p>(4) Certain contingent legal costs relating to the acquisition of the core Santo Tomas concessions are to be paid.</p>	<p>(1) The Company has completed the 3D IP Program over the South Zone, North Zone and Brasiles Zone, completed the airborne component of a helicopter magnetics survey over the Santo Tomas Project and surrounding area, and advanced the environmental permitting process,</p> <p>(2) The Company has used the results of the 3D IP program to confirm that a more expansive drill program is warranted.</p> <p>(3) Funds have been allocated for preliminary engineering studies, which will be commenced at the appropriate time.</p> <p>(4) The Company has paid US\$400,000 in contingent legal fees.</p>	
<p>September 15, 2020 News Release</p> <p>(1) To generally advance the Santo Tomas Project, including the acquisition of surface rights and environmental permits;</p> <p>(2) Site preparation for the Phase 1.1 drill program;</p> <p>(3) Contingent legal and data acquisition costs</p>	<p>(1) The Company completed the formalization and registration of surface rights agreements covering the South Zone and Brasilles Zone, and pre-paid the first six months rent for each and is currently advancing the acquisition of surface rights for the North Zone.</p> <p>(2) The Company has completed digital road design to NOM-120 constraints for road & drill permit applications: site biological studies for permit applications and existing road maintenance and surveying.</p> <p>(3) The Company has paid US\$200,000 in contingent legal and data acquisition costs.</p>	<p>(2) Further preparation will follow completion of the 3D IP program and receipt of necessary permits, which have been delayed due to the current Covid-19 pandemic.</p>
<p>March 11, 2020 and June 30, 2020 News Releases</p> <p>(1) Preparation for drill program;</p> <p>(2) acquisition of surface rights and permits;</p> <p>3D IP survey</p>	<p>(1) Road and drill pad plans prepared and advanced the applications for necessary permits.</p> <p>(2) The Company completed the formalization and registration of surface rights agreements covering the South Zone and Brasilles Zone, and pre-paid the first six months rent for each and is currently advancing the acquisition of surface rights for the North Zone.</p> <p>(3) The 3D IP survey is underway and is approximately 80% complete.</p>	<p>(1) Further preparation will follow completion of the 3D IP program and receipt of necessary permits, which have been delayed due to the current Covid-19 pandemic;</p> <p>(3) Commencement of the 3D IP program was delayed due to the current Covid-19 pandemic.</p>

LIQUIDITY AND CAPITAL RESOURCES

As at February 28, 2021, the Company had working capital of \$22,266,784 as compared with a working capital deficit of \$519,927 for the year ended May 31, 2020. As at February 28, 2021, the Company held marketable securities of \$327,056, which included 5,601,250 shares of Goldgroup (the “Goldgroup Shares”) valued at \$252,056.

During the nine months ended February 28, 2021, the Company issued: (1) 5,500,000 units at a price of \$0.30 per unit by way of a private placement for total proceeds of \$1,650,000, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to acquire an additional common share a price of \$0.42 per common share, for a period of 24 months from the date of issue. The Company paid a total of \$31,155 in cash for fees and issued 40,800 finder’s fee warrants, with each such warrant having the same terms and conditions as those issued in the private placement; (2) 12,100,000 units at a price of \$0.60 per unit by way of a private placement for total proceeds of \$7,260,000, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to acquire an additional common share at a price of \$0.90 per common share, for a period of 24 months from the date of issue. The Company paid a total of \$54,719 in cash for fees and issued 575,000 finder’s fee warrants. Each whole share purchase warrant entitles the holder to acquire an additional common share at a price of \$0.60 per common share, for a period of 24 months from the date of issue; and (3) 12,900,000 units at a price of \$1.20 per unit for total proceeds of \$15,480,000. Each unit is comprised of one common share and one-half of one common share purchase warrant, exercisable at a price of \$1.60 per common share, for a period of two years from the date of issue, subject to acceleration. The Company paid a total of \$50,000 in cash, issued 38,400 units, comprised of the same common share and half warrant as the 12,900,000 units, and issued 120,000 warrants for finder’s fees. Each finders’ warrant entitles the holder to purchase one common share at a price of \$1.20 per common share, for a period of two years from the date of issue, subject to acceleration.

The Company also received proceeds of \$2,394,838 pursuant to the exercise of 5,831,876 warrants. The Company also received proceeds of \$353,125 pursuant to the exercise of 2,705,000 share purchase options.

Subsequent to February 28, 2021, the Company received proceeds of \$35,000 pursuant to the exercise of 100,000 Options and \$196,379 pursuant to the exercise of 281,068 warrants, of which \$9,900 was received prior to February 28, 2021:

OFF BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

During the nine months ended February 28, 2021, the Company entered into transactions with related parties as follows:

- (a) paid or accrued management and directors’ fees totalling \$119,250 to a company controlled by Craig Dalziel, President and CEO of the Company, for management and other services, and to Mr. Dalziel directly for Mr. Dalziel’s services as director of the Company;
- (b) paid or accrued consulting fees totalling \$13,500 to a company controlled by Craig Dalziel, for project research services;
- (c) paid or accrued professional and consulting fees totalling \$116,500 to David Rose, Corporate Secretary of the Company, for legal and management consulting services provided to the Company;
- (d) paid or accrued consulting and directors’ fees totalling \$37,958 to a company controlled by Steve Vanry, Chief Financial Officer of the Company, and to Mr. Vanry directly, for his services as Chief Financial Officer and director;
- (e) paid or accrued management and directors’ fees totalling \$13,750 to Robert Friesen for Mr. Friesen’s services as a director;
- (f) paid or accrued management and directors’ fees totalling \$14,250 to Stephen Leahy for Mr. Leahy’s services as a director;
- (g) paid or accrued management and directors’ fees totalling \$93,250 to a company controlled by Ian Graham, a director of the Company,
- (h) paid or accrued management and directors’ fees totalling \$12,625 to Ian Rice for Mr. Rice’s services as a director;
- (i) recorded share-based payments of \$298,484 to a company controlled by Craig Dalziel;
- (j) recorded share-based payments of \$223,863 to David Rose; and
- (k) recorded share-based payments of \$197,446 to Ian Rice.

TRANSACTIONS WITH RELATED PARTIES (cont'd)

As at February 28, 2021, \$332,925 was owing to officers and directors for directors, management, consulting, legal and accounting fees. These charges were measured by the exchange amount, which is the amount agreed upon by the related parties. The amounts owing are unsecured, non-interest bearing and have no fixed repayment terms. The above transactions were incurred in the normal course of operations and are recorded at the exchange amount, being the amount agreed upon by the transacting parties.

CONTRACTUAL OBLIGATIONS

The Company has no material capital lease agreements and no material long term obligations other than those described above or in the description of mineral properties.

RISKS AND UNCERTAINTIES

For full details on the risks and uncertainties affecting the Company, please refer to the Company's audited annual consolidated financial statements and related notes thereto and the annual MD&A for the year ended May 31, 2020. These documents are available for viewing at the Company's website at www.orocoresourcecorp.com or on the Company's profile at www.sedar.com.

Activities of the Company may be impacted by the spread of COVID-19.

The Company's business could be adversely affected by the effects of the recent outbreak of respiratory illness caused by the novel coronavirus ("COVID-19"). Since early March 2020, several significant measures have been implemented in Canada, Mexico and the rest of the world by authorities in response to the increased impact from COVID-19. The Company cannot accurately predict the impact COVID-19 will have on the ability of third parties to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill programs and other factors that depend on future developments beyond the Company's control. In addition, the significant outbreak of a contagious disease has resulted in a widespread health crisis that has adversely affected the economies and financial markets of many countries (including Canada and Mexico), resulting in a potential economic downturn that may negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital, in 2020. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's exploration activities, including the duration and impact on its planned feasibility study, cannot be reasonably estimated at this time.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Share-based payment - The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Changes in the input assumptions can materially affect the fair value estimate of stock options.

Valuation of marketable securities - The Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of, and near-term business outlook for, the investee, including factors such as industry and sector performance, changes in technology, and operational and financing cash flow.

CRITICAL ACCOUNTING ESTIMATES (cont'd)

The carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration, evaluation and related costs incurred, which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Valuation of production royalty - The Company is entitled to royalty income as disclosed in Note 5 of the condensed interim consolidated financial statements. The Company has estimated the value of the production royalty to be \$Nil due to lack of certainty of future ongoing production and values.

CHANGES IN ACCOUNTING POLICIES

New accounting policies adopted

There were no new accounting policies adopted during the nine months ended February 28, 2021, with the exception of:

Derivatives

The Company utilizes forward currency derivative exchange contract(s) to hedge its exposure to fluctuations in the exchange rate between the Canadian Dollar and Mexican Peso. The Company has hedged a total of 15,460,000 Mexican Pesos in a contract maturing in 2023, which hedges a portion of the forecast cash flows of Mexican Peso denominated operating costs of the Company's Mexican subsidiaries. These derivative forward contracts are not designated for hedge accounting treatment. Accordingly, changes in the fair value of derivative forward contracts are recorded in earnings to offset the changes in the fair value of the underlying currency assets or liabilities being hedged. For the three and nine months ended February 28, 2021 the Company recorded a \$64,079 (2020 - \$Nil) unrealized loss associated with a decrease in the fair value of derivative the forward contracts(s) and a corresponding increase in liabilities which was recorded in accounts payable and accrued liabilities. As of February 28, 2021, the Company had on margin \$97,000 in connection with the derivative contracts.

FINANCIAL INSTRUMENT RISK AND CAPITAL MANAGEMENT

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity. There has been no significant change in the Company's objectives, policies and processes for managing its capital during the nine months ended February 28, 2021.

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. The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

Fair value hierarchy

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

FINANCIAL INSTRUMENT RISK AND CAPITAL MANAGEMENT (cont'd)

Management of Financial Risk

The carrying value of cash, receivables, and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments. Cash is measured at a level 1 of the fair value hierarchy. The Goldgroup Shares recorded in marketable securities are measured at a level 1 of the fair value hierarchy and the BC Co. shares recorded in marketable securities are measured using level 3 of the fair value hierarchy. Investments classified within level 3 have significant unobservable inputs. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value. The investments are based on cost at time of acquisition.

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The bank accounts are mainly held with a major Canadian bank and this minimizes the risk to the Company.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Foreign Exchange Risk

The Company's property interests in Mexico make it subject to foreign currency fluctuations, which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and foreign currencies. The Company does invest in derivatives to mitigate these risks. The effect of a 10% change in the foreign exchange rate on the cash held in foreign currencies at February 28, 2021 is \$136,000.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Management of Industry Risk

The Company is engaged in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing as well as changes in foreign government policy. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of

its current operations; however, it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

OTHER MD&A DISCLOSURE REQUIREMENTS

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 acquisition and deferred exploration costs of the Company's mineral properties is disclosed in the annual Financial Statements to which this MD&A relates.

OTHER MD&A DISCLOSURE REQUIREMENTS (cont'd)

Share Capital

As at April 29, 2021, the Company had 186,962,149 common shares, 6,095,000 incentive stock options, and 16,078,556 share purchase warrants outstanding.

Information Available on SEDAR

Additional information relating to the Company is available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors,

April 29, 2021

***“Craig Dalziel”* CEO**