

# **OREFINDERS RESOURCES INC.**

**NOTICE OF MEETING**

**AND**

**INFORMATION CIRCULAR**

**for the Special Meeting of**

**Shareholders of**

**OREFINDERS RESOURCES INC.**

**Dated as of May 19, 2021**



**OREFINDERS RESOURCES INC.**  
1805 – 55 University Avenue  
Toronto, Ontario, M5J 2H7  
Tel: (416) 644-1567

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Special Meeting (the "**Meeting**") of the shareholders of Orefinders Resources Inc. (the "**Company**" or "**Orefinders**") will be held at Suite 1805, 55 University Avenue, Toronto, Ontario, on Friday, June 18, 2021, at 10:00 a.m. (Eastern Time) for the following purposes:

1. to consider and, if thought fit, to pass an ordinary resolution approving completion of the transactions contemplated by the option agreement dated April 21, 2021 among the Company, Kirkland Lake Gold Inc. ("**Kirkland**") and McGarry – Larder Mines Inc., a wholly-owned subsidiary of the Company, including the proposed grant of an option to Kirkland to acquire up to a 75% interest in each of Mirado Property, McGarry Property and the Knight Property.
2. to transact such further or other business as may properly come before the Meeting and any adjournment(s) thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the information circular (the "**Circular**") accompanying this notice.

**This notice is accompanied by the Circular, a form of proxy and a supplemental mailing list return card.**

All shareholders are entitled to attend and vote at the Meeting in person or by proxy; however, the Board of Directors (the "**Board**") is requesting that due to the current COVID-19 pandemic that all shareholders vote their shares by proxy and not attend in person. Shareholders are requested to complete, date and sign the enclosed form of proxy and to return it in the envelope provided for that purpose.

The Board has by resolution fixed the close of business on April 19, 2021 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

Proxies to be used at the Meeting must be deposited with the Company, c/o the Company's transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 no later than 10:00 a.m. (Eastern Time) on June 16, 2021, or no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any adjournment(s) thereof is held.

Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

**DATED** at Toronto, Ontario, the 19<sup>th</sup> day of May, 2021.

**BY ORDER OF THE BOARD**

"Stephen Stewart"

Stephen Stewart  
Chief Executive Officer

**OREFINDERS RESOURCES INC.**  
Suite 1805, 55 University Avenue  
Toronto, Ontario, M5J 2H7  
Tel: (416) 644-1567

## **INFORMATION CIRCULAR**

*(As at May 19, 2021, except as otherwise indicated)*

**Orefinders Resources Inc.** (the "**Company**") is providing this Information Circular (the "**Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the Special Meeting (the "**Meeting**") of shareholders of the Company (the "**Shareholders**") to be held at Suite 1805, 55 University Avenue, Toronto, Ontario, at 10:00 a.m. (Eastern Time) on Friday, June 18, 2021 and at any adjournment(s). The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

All dollar amounts referenced herein are expressed in Canadian Dollars unless otherwise stated.

### **APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the "**Management Proxyholders**").

**A Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.**

### **VOTING BY PROXY**

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Common shares of the Company ("**Shares**") represented by a properly executed proxy will be voted for or against or withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

**If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

### **COMPLETION AND RETURN OF PROXY**

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, P.O. Box 4572, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment(s) thereof, unless the chairman of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

## **NON-REGISTERED HOLDERS**

**Only registered Shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting.** Registered Shareholders are holders of Shares of the Company whose names appear on the share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company (in each case, a "**Nominee**") through which they purchased the Shares. The Company's Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators, the Company has elected to send the Meeting materials directly to NOBOs. If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions

The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

The Company is not sending the Meeting materials to Shareholders using "notice-and-access" as defined under NI 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

## **REVOCABILITY OF PROXY**

In addition to revocation in any other manner permitted by law, a Shareholder, their attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment(s) thereof, or with the chairman of the Meeting on the day of the Meeting. Only registered Shareholders have the right to revoke a proxy.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of common shares without par value, of which 247,158,742 shares were issued and outstanding as at May 18, 2021. Persons who were registered shareholders at the close of business on April 19, 2021 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

Under the Company's articles, the quorum for the transaction of business at the Meeting is one person present or represented by proxy.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### **APPROVAL OF OPTION AGREEMENT**

The Company entered into an option agreement (the "**Option Agreement**") dated April 21, 2021 with McGarry – Larder Mines Inc., a wholly-owned subsidiary of the Company, and Kirkland Lake Gold Inc. ("**Kirkland**"), a wholly owned subsidiary of Kirkland Lake Gold Ltd., pursuant to which Kirkland was granted, subject to required approvals, the Option (as defined below), consisting of the right to earn-in to acquire up to a 75% interest in each of the Company's Mirado Property, McGarry Property and Knight Property (each, a "**Property**" and collectively, the "**Properties**"). Concurrent with execution of the Option Agreement, the Company and Kirkland entered into a subscription agreement (the "**Subscription Agreement**") pursuant to which Kirkland agreed to acquire 24,400,000 common shares of the Company at a price of \$0.10 per common shares for aggregate proceeds of \$2,440,000, representing approximately 9.9% of the issued and outstanding common shares of the Company (the "**Subscription**" and together with the Option, the "**Transaction**"). Each of the Option Agreement and the Subscription Agreement replaced and superseded the terms of the Term Sheet (as defined below).

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, an ordinary (the "**Option Resolution**") approving the potential disposition of up to 75% of the Company's interest in the Properties and the formation of a joint venture in respect of such Properties, all in accordance with the terms of the Option Agreement. As of the date hereof, the Properties represent the only material assets of the Company.

To the best knowledge and belief of the Company, neither Kirkland nor its parent company own any shares in the Company as of the date hereof.

### **Background to Transaction**

In late 2020, the CEOs of Kirkland Lake Gold Ltd. and the Company engaged in a meeting for the purposes of facilitating an equity investment by Kirkland in the Company and forming a joint venture partnership between the two companies given the proximate and strategic nature of their assets.

On January 28, 2021, the Company and Kirkland entered into a non-binding term sheet (the "**Term Sheet**") setting out the general framework of the Transaction and certain of the material terms.

On April 21, 2021, the Company and Kirkland entered into the Option Agreement and the Subscription Agreement, establishing the definitive terms of the Transaction.

### **Transaction**

#### *Subscription*

On April 21, 2021, Kirkland entered into the Subscription Agreement with the Company to acquire 24,400,000 common shares in the capital of the Company, representing approximately 9.9% of the then issued and outstanding shares in the, at a price of \$0.10 for aggregate gross proceeds to the Company of \$2,440,000. Pursuant to the terms of the Subscription Agreement, the Company granted Kirkland a pre-emptive right to maintain its equity interest in the Company up to 9.9%, other than pursuant to dilutions as a result of securities of the Company issued (i) as compensation to officers, employees, directors or consultants; (ii) pursuant to the exercise of existing convertible securities of the Company; (iii) pursuant to the terms of existing agreements which pre-date the Term Sheet; or (iv) as consideration for future mergers and acquisitions.

In addition, Kirkland was granted a right of first refusal and rights of first offer with respect to any potential joint venture agreements, sale agreements or financing to be entered into between the Company and any third parties in respect of the Company's properties and/or any future property interests acquired by the Company in Ontario or Quebec, for so long as the Company maintains an equity interest of at least 5.0% in the Company.

### *Option*

The Company and Kirkland entered into the Option Agreement dated April 21, 2021, pursuant to which Kirkland has been granted the option (the "**Initial Option**") to acquire up to an undivided 50% interest in the Properties through the funding of exploration expenditures in the amount of C\$10 million (the "**Phase 1 Expenditures**") during the initial 5-year term of the Option Agreement (the "**Option Period**"), with Kirkland incurring a minimum C\$1 million of the Expenditures prior to the one year anniversary of the effective date of the Option Agreement and a further C\$1.5 million prior to the second anniversary date. During the Option Period, the Company will continue to act as operator of the Properties. Upon satisfaction of its funding obligations in respect of the Phase 1 Expenditures, Kirkland will have earned a 50% interest in the Properties, and the Company and Kirkland will be deemed to have formed a 50:50 joint venture (the "**Joint Venture**") to carry on operations in respect of the Properties.

Upon formation of the Joint Venture, Kirkland will have the further option (the "**Final Option**" and together with the Initial Option, the "**Option**") to acquire an additional 25% interest by incurring additional expenditures of C\$50 million within the first five year period following formation of the Joint Venture (the "**Second Option Period**"). During the Second Option Period, Kirkland will act as operator with respect to operations on the Properties. Kirkland Lake Gold Ltd., the parent of Kirkland, is an advanced stage gold producer operating in Canada and Australia and is listed on the Toronto Stock Exchange under the symbol KL.

Kirkland is an arm's length party to the Company. The Transaction and the provisions of the Subscription Agreement and Option Agreement are the result of arm's length negotiations conducted between the Company and Kirkland and their respective representatives and advisors.

### **Shareholder and Regulatory Approvals**

#### *Shareholder Approval*

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to authorize and approve an ordinary resolution approving the potential disposition of up to 75% of the Company's interest in the Properties and the formation of a joint venture in respect of such Properties, the full text of which is set out below under "*Option Resolution*".

The Transaction constitutes a "Reviewable Disposition" as that term is defined in Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets of the Exchange* ("**Policy 5.3**"). As such, the Transaction is subject to the acceptance of the Exchange. In addition, since the Transaction represents the potential disposition of more than 50% of the Company's assets, business or undertaking, a majority of the votes cast by shareholders on the Option Resolution is required.

For greater certainty, the Transaction is an arm's length transaction and there are no shareholders with a material interest in the Transaction or the disposition of the interest in the Properties.

#### **Regulatory Approval**

The Company has applied for Exchange acceptance of the Transaction. In accordance with the conditions set forth in the Option Agreement, the Company requires the final acceptance of the Exchange prior to closing (the "**Closing**") the Transaction. Final acceptance of the Exchange is subject to a number of customary conditions, including, but not limited to: (i) the receipt of shareholder approval of the Transaction at the Meeting; and (ii) confirmation that Company will continue to meet the requirements of the Exchange upon Closing. The Company

anticipates that it will satisfy the continued listing requirements of the Exchange post-Closing through the continuing interest in the Properties.

### **Related Party Transaction**

The Transaction is not considered to be a related party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

### **Reasons for the Transaction**

The Transaction has resulted from an ongoing strategic review of the Company's business, assets and prospects being undertaken by the board of Directors and a consideration of the Company's financial position. In the course of its evaluation of the Transaction, the Board consulted with the Company's senior management and legal counsel, and considered the Transaction with reference to the general industry, economic and market conditions, its prospects, strategic alternatives, competitive position and the risks related to the Company's ongoing financing requirements.

Specifically, the Board considered the following factors, among others:

- (a) the Company will maintain a significant interest in the Properties upon exercise of both the Initial Option and the Final Option by Kirkland;
- (b) it will give the Company the opportunity to expand its portfolio increasing the value through asset expansion and further acquisitions utilizing the proceeds of the Subscription;
- (c) the Company currently relies on ongoing equity financing to provide funding to advance its exploration projects and the ability to continue to obtain equity financing or partners for the Company's and exploration projects is uncertain;
- (d) the process to complete the Transaction is procedurally fair. The following rights and approvals protect shareholders of the Company: (i) the Option Resolution must be approved by a majority of votes cast in person or by proxy at the Meeting by Shareholders; and (ii) the Transaction must receive applicable regulatory approval;
- (e) the material conditions required for Closing, including Shareholder approval and regulatory approval, were considered by the Board to be reasonable under the circumstances;
- (f) Kirkland is an arm's length party to the Company; and
- (g) Kirkland's potential investment in the Properties of up to \$60,000,000 is highly likely to significantly increase the value of the Properties.

In the course of its deliberations, the Board also identified and considered a variety of risks and potentially negative factors in connection with the Transaction, including the risks set out under the heading "*Risk Factors*" below.

Based on the results of this strategic review and sales process, the Board concluded that the Transaction is in the best interests of the Company and authorized the submission of the Option Resolution to the shareholders for approval at the Meeting.

### *Risk Factors Related to the Transaction*

In evaluating whether to approve the Transaction, shareholders should carefully consider the following risk factors. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the Company

may also adversely affect the Transaction. The following risk factors are not a definitive list of all risk factors associated with the Transaction.

Whether or not the Transaction is completed, the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the filings of the Company filed with the securities regulatory authorities which have been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

#### *Completion of the Transaction*

There are a number of conditions precedents to the Transaction which are outside the control of the Company, including, but not limited to, approval of the Option Resolution, approval by the Exchange of the Transaction, and the completion of certain conditions of Closing. There can be no certainty, nor can the Company provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. Moreover, a substantial delay in obtaining satisfactory approvals could result in the Transaction not being completed. If the Transaction is not completed for any reason, there are risks that the announcement of the Transaction and the dedication of substantial resources of the Company to the completion thereof could have a material adverse effect on the current and future operations, financial condition and prospects of the Company.

#### *Trading Price of the Shares*

If, for any reason, the Transaction is not completed or its completion is materially delayed, the trading price of the Shares may be materially adversely affected to the extent that the current market price reflects a market assumption that the Transaction will be completed and the Company's business may suffer.

#### *Expenses of the Transaction*

There are certain costs related to the Transaction, such as legal, accounting and regulatory fees, that must be paid even if the Transaction is not completed, which will impact the Company's financial position.

#### **OPTION Resolution**

For the Transaction to proceed, the Option Resolution, which will be an ordinary resolution, must be approved by not less than (i) a majority of the votes cast by shareholders present in person or represented by proxy at the Meeting. The Option Resolution is expected to be substantially in the following form:

##### **"BE IT RESOLVED THAT:**

1. the completion of the transactions contemplated by the option agreement dated April 21, 2021 among the Company, Kirkland Lake Gold Inc. ("**Kirkland**") and McGarry – Larder Mines Inc., a wholly-owned subsidiary of the Company, including the proposed grant of an option to Kirkland to acquire up to a 75% interest in each of Mirado Property, McGarry Property and the Knight Property, as contemplated in the information circular of the Company dated May 19, 2021, be, and is hereby, authorized and approved; and
2. notwithstanding the approval of this resolution by the shareholders, the board of directors of the Company be, and is hereby, authorized and empowered, without further notice to, or approval of, the shareholders to: (a) amend, modify or supplement the terms of the Transaction, and (b) not proceed with the Transaction or any related transactions."

**The form of Option Resolution set out above is subject to such amendments as management may propose at the Meeting but which do not materially affect the substance of the Option Resolution.**

In the event that the Option Resolution is not passed by a simple majority of votes cast, the Company will not be able to proceed with the Transaction with Kirkland.

**Recommendation of the Board of Directors**

The Board has concluded that the Transaction is in the best interest of the Company and the Company's shareholders. Management believes that Kirkland has an experienced team and the proposed Joint Venture will assist in advancing the Properties through the exploration stage and into development.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the resolution to permit the Transaction.**

**The Board unanimously recommends that shareholders vote in favour of the Option Resolution at the Meeting.**

**OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

DATED at Vancouver, British Columbia this 19th day of May, 2021.

**APPROVED BY THE BOARD OF DIRECTORS**

"Stephen Stewart"

Stephen Stewart

Chief Executive Officer and Director

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