



OREFINDERS

OREFINDERS RESOURCES INC.

Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying condensed consolidated interim financial statements of the company have been prepared by and are the responsibility of the company's management. The company's independent auditor has not performed an audit or review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants.

OREFINDERS RESOURCES INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited - Expressed in Canadian dollars)

<i>As at</i>	<i>Notes</i>	July 31, 2022	October 31, 2021
ASSETS			
Current			
Cash		\$5,480,566	\$6,094,388
Restricted cash	5	570,967	570,967
Marketable securities	6	966,262	2,496,809
Amounts receivable		205,237	248,685
Due from related party	12	106,174	25,087
Prepaid expenses		30,767	28,498
Total current assets		7,359,973	9,464,434
Investments in associates	7	1,934,852	1,937,553
Property, plant and equipment	8	48,206	57,067
TOTAL ASSETS		\$9,343,031	\$11,459,054
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$264,831	\$345,594
Asset retirement obligation	11	570,967	570,967
Flow-through share liability	10	376,680	378,561
TOTAL LIABILITIES		1,212,478	1,295,122
SHAREHOLDERS' EQUITY			
Share capital	13	26,356,121	26,356,121
Reserves	13	4,661,723	4,571,911
Deficit		(22,887,291)	(20,764,100)
TOTAL SHAREHOLDERS' EQUITY		8,130,553	10,163,932
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$9,343,031	\$11,459,054

Nature of operations (Note 1)

Going concern (Note 2)

Commitments and contingencies (Note 15)

Approved on behalf of the Directors:

"Stephen Stewart"

Stephen Stewart – Director

"Alex Stewart"

Alex Stewart – Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

OREFINDERS RESOURCES INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

(Unaudited - Expressed in Canadian dollars)

		Three Months Ended		Nine Months Ended	
			July 31,		July 31,
	<i>Notes</i>	2022	2021	2022	2021
EXPENSES					
Consulting and management fees	12	\$71,356	\$59,035	\$215,300	\$184,973
Exploration expenses	9	(136,681)	147,529	133,186	1,829,339
Share-based payments	13	(4,120)	-	89,812	-
Amortization of property, plant and equipment	8	2,954	3,166	8,861	9,498
Office, rent and general		(7,300)	1,534	22,411	12,530
Professional fees		9,993	36,207	67,419	50,698
Transfer agent, filing fees and shareholder communications		8,443	33,009	46,740	138,555
Travel and related costs		6,513	1,412	8,095	2,318
Unrealized loss/(gain) on marketable securities	6	711,871	231,196	1,530,547	(1,892,883)
Dilution gain from investment in associates	7	2,346	(329,672)	(27,500)	(372,430)
Equity loss from investments in associates	7	(112,846)	36,860	30,201	316,039
TOTAL EXPENSES		\$552,529	\$220,276	\$2,125,072	\$278,637
Loss from operations for the period		(552,529)	(220,276)	(2,125,072)	(278,637)
Deferred income tax recovery					
Flow-through share premium liability renunciation		-	130,074	1,881	357,033
NET (LOSS) INCOME AND COMPREHENSIVE LOSS FOR THE PERIOD		\$(552,529)	\$(90,202)	\$(2,123,191)	\$78,396
Weighted average number of shares - basic and diluted		247,158,745	230,551,126	247,158,745	230,551,126
Loss per share – basic and diluted		\$ -	\$ -	\$ (0.01)	\$ -

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

OREFINDERS RESOURCES INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited - Expressed in Canadian dollars)

	Number of shares	Amount	Share-based Reserve	Retained Earnings (Deficit)	Total Equity
Balance at October 31, 2020	220,803,745	\$23,762,063	\$4,623,219	\$(20,507,291)	\$7,877,991
Income for the period	-	-	-	168,598	168,598
Stock options exercised	1,850,000	144,165	(46,665)	-	97,500
Exercise of warrants	105,000	9,893	(4,643)	-	5,250
Divided-in-kind - spinout of American Eagle shares	-	-	-	(850,000)	(850,000)
Balance at July 31, 2021	222,758,745	\$23,916,121	\$4,571,911	\$(21,188,693)	\$7,299,339
Income for the period	-	-	-	424,593	424,593
Private placement	24,400,000	2,440,000	-	-	2,440,000
Balance at October 31, 2021	247,158,745	\$26,356,121	\$4,571,911	\$(20,764,100)	\$10,163,932
Loss for the period	-	-	-	(2,123,191)	(2,123,191)
Share-based payments	-	-	89,812	-	89,812
Balance at July 31, 2022	247,158,745	\$26,356,121	\$4,661,723	\$(22,887,291)	\$8,130,553

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

OREFINDERS RESOURCES INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

<i>For the periods ended</i>	July 31, 2022	July 31, 2021
Operating activities		
(Loss) income for the period	\$(2,123,191)	\$78,396
Items not involving cash		
Amortization	8,861	9,498
Flow-through share premium renunciation	(1,881)	(357,033)
Share-based payments	89,812	-
Unrealized loss/(gain) on marketable securities	1,530,547	(1,892,883)
Dilution gain from investment in associates	(27,500)	(372,430)
Equity loss from investments in associates	30,201	316,039
Changes in non-cash working capital items		
Prepaid expenses	(2,269)	(10,524)
Accounts receivable	43,448	(41,943)
Accounts payable and accrued liabilities	(80,763)	(454,925)
Net cash used in operating activities	\$(532,735)	\$(2,725,805)
Investing activities		
Purchase of property, plant and equipment	-	(14,499)
Investments in marketable securities	-	(40,000)
Advances to related parties	(81,087)	(11,372)
Advances from associates	-	10,000
Net cash used in investing activities	\$(81,087)	\$(55,871)
Financing activities		
Proceeds on issue of common shares	-	2,440,000
Proceeds on exercise of warrants	-	5,250
Proceeds on exercise of stock options	-	97,500
Advances to associates	-	(1,251)
Net cash provided by financing activities	\$-	\$2,541,499
Net increase in cash	(613,822)	(240,177)
Cash, beginning of period	6,094,388	6,532,599
Cash, end of period	\$5,480,566	\$6,112,422

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

OREFINDERS RESOURCES INC.

Notes to condensed consolidated interim financial statements

For quarters ended July 31, 2022 and 2021

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Orefinders Resources Inc. (“Orefinders” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on July 26, 2011 and its principal activity is the exploration, development and production of exploration and evaluation assets in Canada. On December 17, 2012, the Company completed an Initial Public Offering (“Offering”) and its shares were listed for trading on the TSX Venture Exchange (“TSX-V”).

The head and principal office of the Company is located at 55 University Avenue, Suite 1805 Toronto, Ontario M5J 2H7.

2. GOING CONCERN

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The business of mining and exploration involves a high degree of risk and there can be no assurance that the Company’s exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its properties, making the required payments pursuant to mineral property option agreements and/or securing additional financing; all of which are uncertain.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company’s property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company has raised funds in recent periods and will utilize these funds for its exploration programs and working capital requirements. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at July 31, 2022, the Company had working capital of \$6,147,495 (October 31, 2021 - \$8,169,312) and an accumulated deficit of \$22,887,291 (October 31, 2021 - \$20,764,100).

The Company has no proven history of performance, earnings or success. However, management believes that the Company has sufficient working capital and investments to continue operating over the next 12 months.

These consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required

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to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these consolidated interim financial statements. Such adjustments could be material.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION**a) Statement of compliance and basis of measurement**

These unaudited condensed consolidated interim financial statements (“interim financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part I of the CPA Canada Handbook – Accounting, as applicable to the preparation of interim financial statements, including International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”). These interim financial statements should be read in conjunction with the October 31, 2021 consolidated annual financial statements. These interim financial statements were authorized for issuance by the Audit Committee on behalf of the Board of Directors on September 29, 2022.

These interim financial statements follow the same accounting principles and methods of application as disclosed in the consolidated financial statements as at and for the year ended October 31, 2021. The interim consolidated financial statements may condense or omit certain disclosures that otherwise would be present in annual financial statements prepared in accordance with IFRS.

b) Significant accounting judgments and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts and the valuation of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period reported.

Management uses its best estimates for these purposes, based on assumptions that it believes reflect the most probable set of economic conditions and planned courses of action. However, actual results could differ materially from these estimates.

The significant areas of estimation and uncertainty considered by management in preparing the condensed consolidated interim financial statements are the same as those described in the Company’s annual financial statements for the year ended October 31, 2021.

c) Significant accounting policies

The Company’s accounting policies applied to all periods presented in these Financial Statements are the same as those applied by the Company in its annual consolidated financial statements as at and for the year ended October 31, 2021, except as detailed in note 4.

4. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

At the date of authorization of these consolidated interim financial statements, the IASB has issued new and revised Standards and Interpretations which are not yet effective for the relevant reporting period. Many are not applicable or do not have a significant impact to the Company. Management is currently evaluating the impact of these pronouncements on the Company’s consolidated interim financial statements.

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(Expressed in Canadian dollars)

5. RESTRICTED CASH

At July 31, 2022, restricted cash totaled \$570,967 (2021 - \$570,967). This is comprised of funds placed by the Company with the Ontario government in the amount of \$88,806 (2021 - \$88,806) to be applied toward the reclamation of the Mirado stockpile area (Note 11) and \$482,161 (2021 - \$482,161) in funds placed by the Company with the Ontario government related to the McGarry Project (Note 11).

6. MARKETABLE SECURITIES

At July 31, 2022, the Company held fair value investments with a total carrying value of \$966,262 (October 31, 2021 - \$2,496,809).

(a) American Eagle Gold Corp.

As at July 31, 2022, the Company held 5,200,000 shares, representing a 7.5% interest. At July 31, 2022, the fair value of the investment was \$182,000 (October 31, 2021: \$650,000). An unrealized loss of \$130,000 and \$468,000 was recognized in the consolidated statement of income (loss) for the three and nine months ended July 31, 2022, respectively (three and nine months ended July 31, 2021 - \$Nil). The common shares of American Eagle began trading on May 3, 2021, on the TSX-V under the symbol "AE".

(b) QC Copper and Gold Corp. ("QC Copper")

As at July 31, 2022, the Company held 5,059,752 shares, representing a 3.5% interest. At July 31, 2022, the fair value of the investment was \$784,262 (October 31, 2021: \$1,846,809). For the three and nine months ended July 31, 2022, the Company recognized an unrealized loss of \$581,871 and \$1,062,548, respectively, in the consolidated statement of income (loss) (three and nine months ended July 31, 2021 – unrealized loss of \$50,597 and unrealized gain of \$430,079, respectively).

7. INVESTMENT IN ASSOCIATES

At July 31, 2022, the Company held investments in associates, being its investment in Mistango River Resources Inc. ("Mistango"), with a total carrying value of \$1,934,852 (October 31, 2021 - \$1,937,553).

At July 31, 2022, the Company's ownership in Mistango was 24,708,975 shares, or approximately 16%. The Company accounts for this investment using the equity method as a result of common management and directors.

Summarized financial statements for Mistango as at and for the quarter ended July 31, 2022, and year ended October 31, 2021, are as follows:

	July 31, 2022	October 31, 2021
Current assets	\$7,251,989	\$7,645,682
Non-current assets	39,311	41,256
Total assets	7,291,300	7,686,938
Total liabilities	749,114	870,477
Total net loss and comprehensive loss	\$(173,042)	\$(1,884,080)

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The continuity of the carrying value for the investment in Mistango is set out below:

	July 31, 2022	October 31, 2021
Balance – beginning of the year	\$1,937,553	\$1,937,080
Add: Gain on dilution	27,500	371,863
Less: Equity loss	(30,201)	(371,390)
Balance – end of period	\$1,934,852	\$1,937,553

Based on the quoted market price at July 31, 2022, the fair value of the Company's interest in Mistango was \$988,359 (October 31, 2021 - \$2,347,353).

8. PROPERTY, PLANT AND EQUIPMENT

	Furniture and Fixtures	Computer Equipment	Building	Automotive Equipment	Machinery and Equipment	Total
Cost						
Balance, November 1, 2020	\$5,750	\$1,298	\$28,748	\$19,026	\$22,999	\$77,821
Additions	-	-	-	14,499	-	14,499
Balance, October 31, 2021	5,750	1,298	28,748	33,525	22,999	92,320
Additions	-	-	-	-	-	-
Balance, July 31, 2022	\$5,750	\$1,298	\$28,748	\$33,525	\$22,999	\$92,320
Accumulated amortization						
Balance, November 1, 2020	\$2,438	\$919	\$6,626	\$2,854	\$9,752	\$22,589
Amortization	662	114	2,213	7,026	2,649	12,664
Balance, October 31, 2021	3,100	1,033	8,839	9,880	12,401	35,253
Amortization	398	60	1,493	5,320	1,590	8,861
Balance, July 31, 2022	3,498	1,093	10,332	15,200	13,991	44,14
Net book value, October 31, 2021	2,650	265	19,909	23,645	10,598	57,067
Net book value, July 31, 2022	\$2,252	\$205	\$18,416	\$18,325	\$9,008	\$48,206

9. EXPLORATION EXPENSES

The following are details of the Company's exploration and evaluation expenses for the quarter ended July 31:

	Three months ended July 31		Nine months ended July 31		Accumulated From Property Inception
	2022	2021	2022	2021	
Mirado Property, Ontario	\$-	\$-	\$-	\$1,474	\$5,444,737
MZ Claims Property, Ontario	-	-	-	-	680,879
Gold Hill Property, Ontario	-	-	-	572	68,841
Knight Property, Ontario	(151,918)	100,949	62,259	1,465,633	3,734,770
McGarry Property, Ontario	15,237	46,580	70,927	361,660	1,180,132
	\$(136,681)	\$147,529	\$133,186	\$1,829,339	\$11,109,359

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Notes to condensed consolidated interim financial statements

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During the nine months ended July 31, 2022, the Company recorded \$1,790,665 in exploration expense funding from Agnico Eagle, of which \$56,986 related to spending which occurred in 2021. These funds have been recorded as a credit against exploration and evaluation expenses. The recovery of spending which occurred in 2021 combined with the timing difference between the receipt of funds from Agnico Eagle and the completion of work has resulted in a credit balance in exploration and evaluation expenditures for the three months ended July 31, 2022.

Strategic Partnership with Kirkland Lake Gold

The Company has an agreement in place for a strategic partnership with Kirkland Lake Gold and its subsidiaries (now Agnico Eagle Gold Mines Limited or "Agnico Eagle" following a merger of equals) wherein Agnico Eagle holds a 9.9% interest in the Company. Additionally, Orefinders has granted Agnico Eagle the option to acquire up to a 75% interest in its Mirado, McGarry and Knight projects (the "Projects") in return for spending \$60 million in exploration and development on the Projects.

Agnico Eagle has rights of first refusal concerning certain potential joint venture agreements, sale agreements or royalty agreements to be entered into between the Company and third parties, so long as Agnico Eagle holds an interest in the Company of 5% or greater. For so long as Agnico Eagle holds a minimum equity interest of 5%, it will maintain anti-dilution rights concerning certain future share issuances by the Company.

Orefinders will grant Agnico Eagle the option to acquire up to an undivided 50% interest in the Projects over five years. The Option Agreement is contingent on Agnico Eagle spending a total of \$10 million in qualifying expenditures, with a minimum commitment of \$1 million before the first-year anniversary of the effective date of the Option Agreement and an additional \$1.5 million before the second-year anniversary of the effective date of the Option Agreement. Agnico Eagle, at its discretion, can complete its commitment by paying cash directly to Orefinders based on 125% of the remaining expenditures. Orefinders will continue to act as Operator for the duration of the Option Agreement.

Upon successful completion of the Option Agreement, a Joint Venture will be formed between Orefinders and Agnico Eagle, with Agnico Eagle having the right to acquire an additional 25% interest by incurring \$50M spend within the first five years of the formation of the Joint Venture (the "Second Stage Option"). During the Second Stage Option, Agnico Eagle will act as Operator. Agnico Eagle has the right to be granted its designated board nominee appointed to the Board of the Company for so long as Agnico Eagle holds an interest in the Company of 5% or greater.

As at September 29, 2022, spending at the property in accordance with the option agreement with Agnico Eagle is in good standing with all spending commitments met.

10. FLOW-THROUGH SHARE LIABILITY

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not incurred the required exploration expenditures. Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of the common shares. The incremental proceeds, or "premium", are recorded as a flow-through liability. As a result of flow-through financings during the year ended October 31, 2021, the Company recorded a total of \$376,680 in flow-through liabilities.

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During the three and nine months ended July 31, 2022, the Company recognized a flow-through share premium renunciation of \$Nil and \$1,881, respectively (three and nine months ended July 31, 2021 – \$130,074 and \$357,033, respectively). As of July 31, 2022, the flow-through liability was \$376,680 (2021 - \$378,561).

11. ASSET RETIREMENT OBLIGATION (“ARO”)

A provision for environmental rehabilitation was recognized for mining activities at the Company’s Mirado stockpile area in the amount of \$88,806 and the amount required to be held on deposit with the Ontario provincial government for the Company’s McGarry acquisition in the amount of \$482,161 for a total of \$570,967. The provision is estimated based on management’s estimates of projected reclamation costs and the timing of such reclamation activities. No change in the amount occurred in the quarter ended July 31, 2022.

12. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management includes directors and executive management. The remuneration of the key management of the Company during the three and nine months ended July 31, 2022 and 2021 was as follows:

	Three months ended		Nine months ended	
	July 31, 2022	July 31, 2021	July 31, 2022	July 31, 2021
Salaries and geological consulting included in exploration expenses	\$-	\$-	\$-	\$17,792
Management and consulting fees	64,365	50,500	201,218	166,733
Share-based payments	(4,120)	-	58,444	-
	\$63,245	\$50,500	\$259,662	\$184,525

	July 31, 2022	October 31, 2021
Due from Standard Ore Corporation	\$106,174	\$25,087

Standard Ore Corporation (“Standard Ore”) is controlled by a director of the Company. Standard Ore provides corporate and administrative services to the Company. These expenses are included in management and consulting fees in the compensation table above.

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

13. SHARE CAPITAL

Authorized share capital

Unlimited number of voting common shares without par value.

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Notes to condensed consolidated interim financial statements

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(Expressed in Canadian dollars)

Stock options

A summary of the changes in the Company's share-based payment reserve is set out as follows:

<i>For the period and year ended</i>	July 31, 2022			October 31, 2021		
	Number of options	Weighted average exercise price	Weighted average life (years)	Number of options	Weighted average exercise price	Weighted average life (years)
Outstanding, beginning of period	9,775,000	\$0.11	2.23	13,171,000	\$0.10	2.69
Granted	2,110,000	0.09	5.00	-	-	-
Cancelled	-	-	-	(450,000)	(0.12)	(2.81)
Expired/forfeited	(200,000)	0.10	4.50	(1,096,000)	(0.07)	-
Exercised	-	-	-	(1,850,000)	(0.05)	(0.36)
Outstanding, end of period	11,685,000	\$0.11	1.99	9,775,000	\$0.11	2.23
Exercisable, end of period	11,585,000	\$0.11	1.96	9,775,000	\$0.11	2.23

On December 20, 2021, the Company granted 1,700,000 stock options with an exercise price of \$0.10 and a term of five years with 1,600,000 of these options vesting immediately, and the remaining 100,000 vesting in 12 months. The fair value of \$83,698 was estimated using the Black-Scholes option pricing model assuming an expected life of 5 years, share price of \$0.07, a risk-free interest rate of 1.32%, dividend yield of \$0 and an expected volatility of 114% based on historical Company share data. The granting of these options resulted in a share-based payment recovery of \$4,923 and expense of \$78,775 being recorded during the three and nine-month periods ended July 31, 2022, respectively.

On April 2, 2022, the Company granted 410,000 stock options with an exercise price of \$0.06 and a term of five years with 310,000 of these options vesting immediately, and the remaining 100,000 vesting in 12 months. The fair value of \$13,181 was estimated using the Black-Scholes option pricing model assuming an expected life of 5 years, share price of \$0.06, a risk-free interest rate of 2.46%, dividend yield of \$0 and an expected volatility of 113% based on historical Company share data. The granting of these options resulted in a share-based payment expense of \$803 and \$11,037 being recorded during the three and nine-month periods ended July 31, 2022, respectively.

The following incentive stock options were outstanding and exercisable at July 31, 2022:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
400,000	400,000	\$0.07	13-Jul-22
3,850,000	3,850,000	\$0.13	05-Jan-23
100,000	100,000	\$0.11	05-Jun-23
3,225,000	3,225,000	\$0.07	09-Jul-24
2,150,000	2,150,000	\$0.13	14-Aug-25
50,000	50,000	\$0.17	21-Oct-25
1,500,000	1,500,000	\$0.10	20-Dec-26
410,000	310,000	\$0.06	01-Apr-27
11,685,000	11,585,000	\$0.11	

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Warrants

A summary of the changes in the Company's warrants is set out as follows:

<i>For the period and year ended</i>	July 31, 2022			October 31, 2021		
	Number of warrants	Weighted average exercise price	Weighted average life (years)	Number of warrants	Weighted average exercise price	Weighted average life (years)
Warrants outstanding, beginning of year	39,764,304	\$0.13	0.69	44,843,637	\$0.13	1.58
Warrants exercised	-	-	-	(105,000)	(0.05)	-
Warrants expired	(15,764,304)	0.08	-	(4,974,333)	(0.08)	-
Warrants outstanding, end of period	24,000,000	\$0.17	0.42	39,764,304	\$0.13	0.69

As at July 31, 2022 the following warrants were outstanding:

Number of warrants outstanding	Exercise Price	Expiry Date
11,500,000	\$0.15	30-Sep-22
7,500,000	\$0.18	30-Sep-22
5,000,000	\$0.18	30-Sep-22
24,000,000	\$0.17	

14. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 exposure to credit risk is on its cash held in bank accounts, restricted cash and marketable securities. Cash is held with major banks in Canada. Restricted cash is on deposit with an Ontario government agency. Certain marketable securities are held in a brokerage account. Management assesses credit risk of cash as remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company strives to ensure that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

Market risk

Market risk incorporates a range of risks. Movements in risk factors, such as interest rate risk, currency risk, market price risk, and commodity price risk, affect the fair value of financial assets and liabilities.

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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's interest rate risk is minimal as there are no outstanding loans or interest-bearing debt. The Company's current policy is to deposit excess cash in non-interest-bearing accounts at its Canadian banking institutions.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar as the majority of its transactions and operations are in Canada. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Market price risk

The prices of metals and minerals fluctuate widely and are affected by many factors outside of the Company's control. The prices of metals and minerals and future expectation of such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies. This in turn may impact the Company's ability to raise equity financing for its long-term working capital requirements.

The Company was also exposed to market risk relating to its investment in marketable securities and unfavourable market conditions could result in dispositions of marketable securities at less than favourable prices. The Company's marketable securities were comprised of investments in publicly traded corporations.

Commodity price risk

The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for this mineral. Adverse changes in the price of gold can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Based on management's knowledge and experience of the financial markets, the Company believes that movements at $\pm 10\%$ are "reasonably possible" over a one-year period:

(i) The Company does not hold significant balances in foreign currencies to give rise to significant exposure to foreign exchange risk.

(ii) Price risk is remote since the Company is a non-producing entity.

(iii) The Company's marketable securities are subject to fair value fluctuations. As at July 31, 2022, if the fair value of the marketable securities fluctuated by 10% all other factors held constant, net loss would have changed by approximately \$96,000 (October 31, 2021 - \$250,000). In addition, the fair value of the Company's investment in associates is subject to fluctuations based on the underlying share price of the associate. As at July 31, 2022, if the fair value of the share price of the associate fluctuated by 10% all other factors held constant, the underlying fair value would have changed by approximately \$100,000.

The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. The carrying value of the Company's financial instruments approximates fair value due to their short-term or demand nature.

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Classification of financial instruments

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

	July 31, 2022	October 31, 2021
Financial assets at amortized costs:		
Cash	\$5,480,566	\$6,094,388
Restricted cash	570,967	570,967
Accounts receivable	205,237	248,685
Due from related party	106,174	25,087
Financial assets at fair value through profit and loss:		
Marketable securities	966,262	2,496,809
	\$7,329,206	\$9,435,936
	July 31, 2022	October 31, 2021
Financial liabilities at amortized costs:		
Accounts payable and accrued liabilities	\$264,831	\$345,594
	\$264,831	\$345,594

15. COMMITMENTS AND CONTINGENCIES

- (i) The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.
- (ii) Pursuant to the terms of the flow-through share agreement entered into in 2019 and 2020, as at July 31, 2022, the Company is committed to spend a further \$1,485,340 in eligible exploration and evaluation expenses by December 31, 2022. The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitment.
- (iii) The Company is party to certain management contracts. These contracts contain minimum commitments of approximately \$10,000 due within one year.
- (iv) The COVID-19 pandemic is causing a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the Company's business, operations and financial results, as well as a deterioration of

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general economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is continues to develop and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company's business, operations or financial results, including the Company's ability to secure financing; however, the impact could be material. To-date there have been no material adverse effects to the Company's operations.