

# **OREFINDERS**

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**RESOURCES INC.**



**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(Expressed in Canadian Dollars)**

**January 31, 2015**

## **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

**OREFINDERS RESOURCES INC.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited)  
(Expressed in Canadian dollars)  
AS AT

	Notes	January 31, 2015	October 31, 2014 (Note 1)
<b>ASSETS</b>			
<b>Current</b>			
Cash	13	\$ 229,469	\$ 93,898
Short-term investments	4 & 13	561,500	611,500
Receivables	5	38,963	61,489
Prepays		1,744	1,744
		831,676	768,631
Equipment and software	6	14,606	19,205
Exploration and evaluation assets	7	7,802,261	7,706,807
<b>TOTAL ASSETS</b>		<b>\$ 8,648,543</b>	<b>\$ 8,494,643</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	8	\$ 47,361	\$ 88,361
Flow-through share liability	10	64,179	-
		111,540	88,361
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	13,245,499	13,027,749
Share-based payment reserve	11	2,217,255	2,201,497
Deficit		(6,925,751)	(6,822,964)
<b>TOTAL EQUITY</b>		<b>8,537,003</b>	<b>8,406,282</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 8,648,543</b>	<b>\$ 8,494,643</b>

Going concern (Note 1)  
Subsequent event (Note 14)

Approved on behalf of the Directors:

*"William Yeomans"*  
\_\_\_\_\_  
William Yeomans – Director

*"Stephen Stewart"*  
\_\_\_\_\_  
Stephen Stewart – Director

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

**OREFINDERS RESOURCES INC.**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited)  
(Expressed in Canadian dollars)  
**THREE MONTHS ENDED JANUARY 31,**

	Notes	2015	2014
<b>EXPENSES</b>			
Amortization	6	4,599	\$ 4,599
Consulting	9	45,238	72,000
Office, rent and general		14,228	11,345
Professional fees		7,155	29,186
Share-based payments	10	15,758	-
Transfer agent, filing fees and shareholder communications		27,631	19,578
Travel and related costs		187	8,366
		(114,796)	(145,074)
<b>OTHER ITEMS</b>			
Interest income		1,188	8,985
Flow-through share liability reversal	10	10,821	-
		12,009	8,985
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>			
		\$ (102,787)	\$ (136,009)
<b>Loss per Common Share - Basic and Diluted</b>			
		\$ (0.00)	\$ (0.00)
<b>Weighted Average Number of Common Shares Outstanding - Basic and Diluted</b>			
		49,253,890	47,931,143

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

**OREFINDERS RESOURCES INC.**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
(Unaudited)  
(Expressed in Canadian dollars)

	Share capital		Share-based Payment Reserve	Deficit	Total
	Number of shares	Amount			
<b>Balance at October 31, 2013</b>	47,931,143	\$ 13,019,199	\$ 2,185,700	\$ (6,185,832)	\$ 9,019,067
Comprehensive loss:					
Loss for the period	-	-	-	(136,009)	(136,009)
<b>Balance at January 31, 2014</b>	47,931,143	\$ 13,019,199	\$ 2,185,700	\$ (6,321,841)	\$ 8,883,058
<b>Balance at October 31, 2014</b>	48,001,143	\$ 13,027,749	\$ 2,201,497	\$ (6,822,964)	\$ 8,406,282
Comprehensive income:					
Loss for the period	-	-	-	(102,787)	(102,787)
Transactions with owners, in their capacity as owners, and other transfers:					
Shares issued for cash	3,000,000	300,000	-	-	300,000
Flow-through share liability	-	(75,000)	-	-	(75,000)
Share issuance costs	-	(7,250)	-	-	(7,250)
Share-based payments	-	-	15,758	-	15,758
<b>Balance at January 31, 2015</b>	51,001,143	\$ 13,245,499	\$ 2,217,255	\$ (6,925,751)	\$ 8,537,003

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

**OREFINDERS RESOURCES INC.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(Expressed in Canadian dollars)  
**THREE MONTHS ENDED JANUARY 31,**

	2015	2014
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Loss for the period	\$ (102,787)	\$ (136,009)
Items not involving cash		
Amortization	4,599	1,545
Share-based payments	15,758	-
Accrued interest receivable	(1,062)	(5,868)
Flow-through share liability reversal	(10,821)	-
Changes in non-cash working capital items:		
Receivables	23,588	14,899
Prepays	-	(22,458)
Accounts payable and accrued liabilities	2,260	(6,753)
Net cash used in operating activities	(68,465)	(142,908)
<b>INVESTING ACTIVITIES</b>		
Short-term investments	50,000	655,000
Exploration and evaluation assets	(138,714)	(459,471)
Net cash provided by (used in) investing activities	(88,714)	195,529
<b>FINANCING ACTIVITY</b>		
Issuance of common shares for cash, net	292,750	-
Net cash provided by financing activity	292,750	-
<b>INCREASE IN CASH</b>	<b>135,571</b>	<b>52,621</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>93,898</b>	<b>18,281</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 229,469</b>	<b>\$ 70,902</b>

Supplemental cash flow information (Note 13)

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

## **OREFINDERS RESOURCES INC.**

Notes to the Condensed Interim Financial Statements

January 31, 2015

(Unaudited)

(Expressed in Canadian dollars)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Orefinders Resources Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on July 26, 2011 and its principal activity is the exploration and development 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 408 - 837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6. The registered address and records office of the Company is located at 10<sup>th</sup> floor - 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. The Company has no subsidiaries.

These unaudited condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at January 31, 2015, the Company had not advanced its property to commercial production and is not able to finance day to day activities through operations. The Company has sufficient funds to finance operating costs over the next twelve months, however, the Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet future obligations.

The Company changed its fiscal year end from July 31 to October 31.

### **2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION**

The condensed interim financial statements were authorized for issue on March 30, 2015 by the directors of the Company.

#### ***Statement of compliance and conversion to International Financial Reporting Standards***

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the fiscal period ended October 31, 2014.

### **3. ADOPTION OF NEW ACCOUNTING STANDARDS**

On November 1, 2014, the Company adopted the “Amendment to IAS 32 Financial Instruments: Presentation”. There were no adjustments required on the adoption of this amendment.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

**OREFINDERS RESOURCES INC.**

Notes to the Condensed Interim Financial Statements

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(Unaudited)

(Expressed in Canadian dollars)

**4. SHORT-TERM INVESTMENTS**

Short-term investments consist of highly liquid Canadian dollar dominated guaranteed investment certificates (“GIC’s”) that are readily convertible to contracted amounts of cash.

During the three months ended January 31, 2015, the GIC’s earned a variable interest of prime less 1.80%. The GICs allow for early redemption after the first 30 days of investment.

**5. RECEIVABLES**

Receivables consist of the following:

	<b>January 31, 2015</b>	<b>October 31, 2014</b>
GST/HST receivable	\$ 32,824	\$ 49,259
Interest receivable	6,139	12,230
	<b>\$ 38,963</b>	<b>\$ 61,489</b>

**6. EQUIPMENT AND SOFTWARE**

	<b>Equipment</b>	<b>Software</b>	<b>Total</b>
<b>Cost</b>			
Balance, October 31, 2014 and January 31, 2015	\$ 26,560	\$ 41,570	\$ 68,130
<b>Accumulated amortization</b>			
Balance, October 31, 2014	\$ 13,280	\$ 35,645	\$ 48,925
Amortization	2,607	1,992	4,599
Balance, January 31, 2015	15,887	37,637	44,326
<b>Net book value, October 31, 2014</b>	<b>\$ 13,280</b>	<b>\$ 5,925</b>	<b>\$ 19,205</b>
<b>Net book value, January 31, 2015</b>	<b>\$ 10,673</b>	<b>\$ 3,966</b>	<b>\$ 14,606</b>

**OREFINDERS RESOURCES INC.**

Notes to the Condensed Interim Financial Statements

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**7. EXPLORATION AND EVALUATION ASSETS**

The following are details of the Company's exploration and evaluation assets:

	Derlak	Mirado	MZ Claims	South Break Project	Gold Hill Project	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, July 31, 2013</b>	<b>2,183,435</b>	<b>3,870,190</b>	<b>105,689</b>	<b>124,954</b>	<b>-</b>	<b>6,284,268</b>
Acquisition costs	36,209	127,130	31,750	1,040	28,800	224,929
Exploration costs						
Assays and drilling	-	140,736	17,024	1,049	-	158,809
Consulting	-	239,702	247,985	4,500	-	492,187
Field expenses	-	513,429	128,988	15,350	35,740	693,507
	-	893,867	393,997	20,899	35,740	1,344,503
Impairment	-	-	-	(146,893)	-	(146,893)
<b>Balance, October 31, 2014</b>	<b>2,219,644</b>	<b>4,891,187</b>	<b>531,436</b>	<b>-</b>	<b>64,540</b>	<b>7,706,807</b>
Acquisition costs	-	-	-	-	-	-
Exploration costs						
Consulting	-	30,439	18,600	-	2,000	51,039
Field expenses	-	38,772	5,643	-	-	44,415
	-	69,211	24,243	-	2,000	95,454
<b>Balance, January 31, 2015</b>	<b>2,219,644</b>	<b>4,960,398</b>	<b>555,679</b>	<b>-</b>	<b>66,540</b>	<b>7,802,261</b>

**OREFINDERS RESOURCES INC.**

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**7. EXPLORATION AND EVALUATION ASSETS (cont'd)****Derlak Red Lake Project (“Derlak”) and Mirado Gold Project (“Mirado”)**

On January 25, 2012 (amended on January 17, 2014 and October 23, 2014), the Company entered into an agreement with Fечи, Inc. (“Fечи”) whereby Fечи agreed to transfer all its right, title and interest in an option agreement (the “Micon/Fечи Agreement”) with Micon Gold Inc. (“Micon”) to the Company. Micon subsequently changed its name to Jubilee Gold Exploration Ltd. (“Jubilee”).

The terms of the Jubilee/Fечи Agreement provide for the granting of an option by Jubilee to Fечи for the acquisition of a 100% interest in the Derlak and twelve claims comprising part of the Mirado. The claims are located in the Catherine, McElroy, Baird and Heyson Townships, Ontario.

To exercise the Jubilee/Fечи Agreement, the Company must make cash payments to Jubilee and incur exploration expenditures as follows:

Derlak, Baird and Heyson Townships, Ontario

Due Date	Cash Payments \$	Cumulative Expenditures \$
January 19, 2012 (paid)	10,000	-
January 19, 2013 (paid and incurred)	20,000	200,000
January 19, 2014 (paid and incurred)	30,000	300,000
January 19, 2017	-	500,000
	60,000	1,000,000

Mirado, Catherine and McElroy Townships, Ontario

Due Date	Cash Payments \$	Cumulative Expenditures \$
January 19, 2012 (paid)	25,000	-
January 19, 2013 (paid and incurred)	50,000	300,000
January 19, 2014 (paid and incurred)	75,000	500,000
January 19, 2015 (incurred)	-	1,200,000
	150,000	2,000,000

The Jubilee/Fечи Agreement also provided for the issuance to Jubilee of the number of common shares of the Company which will result in Jubilee owning 30% of the outstanding common shares of the Company at the time the Company has raised aggregate proceeds of \$5,000,000. The Company had also agreed to issue to Jubilee warrants equal to 30% of the number of incentive options issued to directors and officers of the Company at the completion of the \$5,000,000 financing, on the same terms applicable to the incentive options. Concurrent with the completion of the Company’s Offering on December 17, 2012, the Company issued 14,117,143 shares, 291,000 warrants and 1,403,571 option warrants to Jubilee pursuant to this agreement (see note 10).

The Derlak and the Mirado are subject to a 3% net smelter return royalty (“NSR”) payable to Jubilee, of which the first 1% of the Derlak NSR may be purchased by the Company for \$1,000,000 and the first 1% of the Mirado NSR may be purchased by the Company for \$1,000,000, the second 1% for \$2,000,000, and the third 1% for \$3,000,000.

In August, 2013, the Company completed its work obligation of \$2,000,000 and made the final payment of \$75,000 to Micon and acquired a 100% interest in the 12 patented claims of the Mirado gold project, subject to a 3% NSR. The Mirado patent claims were transferred to the Company.

**OREFINDERS RESOURCES INC.**

Notes to the Condensed Interim Financial Statements

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(Unaudited)

(Expressed in Canadian dollars)

**7. EXPLORATION AND EVALUATION ASSETS (cont'd)****MZ Claims Comprising Part of the Mirado**

On February 9, 2012, as amended March 27, 2012, the Company entered into an agreement with Fechi whereby Fechi agreed to transfer all right, title and interest in an option agreement for the MZ Claims (the "MZ/Fechi Agreement") to the Company.

The terms of the MZ/Fechi Agreement provides an option for the acquisition of a 100% interest in mining claims in Catherine and McElroy Townships, Ontario, which are contiguous to the Mirado. To exercise the option, the Company must make cash payments, issue common shares and incur exploration expenditures as follows:

Due Date	Cash Payments \$	Cumulative Expenditures \$	Share Issuances
February 8, 2012 (paid)	20,000	-	-
On April 8, 2012 (shares issued with a fair value of \$7,500)	-	-	75,000
February 8, 2013 (paid and incurred; shares issued with a fair value of \$13,750)	25,000	50,000	25,000
February 8, 2014 (paid and incurred; shares issued with a fair value of \$6,750)	25,000	75,000	50,000
February 8, 2015 (paid, incurred and shares issued subsequent to January 31, 2015)	30,000	100,000	50,000
February 8, 2016	40,000	200,000	50,000
	140,000	425,000	250,000

The Company has met all of its expenditure requirements by January 31, 2015. The MZ Claims are subject to a 2% NSR payable to the vendors of which 1% of the NSR may be purchased by the Issuer for \$1,000,000, and the second 1% of the NSR may be purchased for \$2,000,000.

**Gold Hill project, Kirkland Lake, Ontario**

On September 19, 2014, the Company entered into an option agreement with Allan Legros, to acquire 9 patented claims encompassing the past producing Gold Hill mine. In order to earn a 100% interest in the claims, the Company was required to make a cash payment of \$27,000 (paid) and issue 20,000 shares (issued with a fair value of \$1,800) upon acceptance for filing by the TSX-V.

There is a 1.5% NSR payable to the vendor which can be purchased for \$500,000.

The Company retains the exclusive rights to purchase the surface rights for a period of two years from the date of closing on September 29, 2014.

**OREFINDERS RESOURCES INC.**

Notes to the Condensed Interim Financial Statements

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(Unaudited)

(Expressed in Canadian dollars)

**7. EXPLORATION AND EVALUATION ASSETS (cont'd)****South Break project, Kirkland Lake, Ontario**

In March 2013, the Company entered into agreements to acquire several properties along a major structure which is called the "South Break Project" in the Kirkland Lake- Larder Lake gold district.

This land package included patent claims optioned from the "Yost" estate which have not been optioned or explored since the late 1940's. To exercise the option, the Company was required to make cash payments and incur exploration expenditures as follows:

Due Date	Cash Payments \$	Cumulative Expenditures \$
February 20, 2013 (paid)	50,000	-
March 8, 2014	50,000	200,000
March 8, 2015	75,000	350,000
March 8, 2016	100,000	350,000
	275,000	900,000

A second option was obtained from Misema Holdings Ltd. with regard to four leased mining claims located along the eastern extension of the Yost patent claims, providing four kilometers of strike along the South Break. In order to exercise the option and earn in 100% ownership of the Misema Holdings leased mining claims, the Company was required to make cash payments, issue common shares and incur exploration expenditures as follows:

Due Date	Cash Payments \$	Cumulative Expenditures \$	Share Issuances
March 8, 2013 (paid; issued with a fair value of \$16,000)	15,000	-	40,000
March 8, 2014	15,000	50,000	10,000
March 8, 2015	15,000	50,000	10,000
March 8, 2016	15,000	50,000	10,000
March 8, 2017	20,000	50,000	10,000
	80,000	200,000	80,000

The Company elected not to make the option payments of \$50,000 and \$15,000 or other commitments when due on March 8, 2014 and, as a result, the properties comprising the South Break project were abandoned, with all related costs (\$146,893) being fully impaired during the fiscal period ended October 31, 2014.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following:

	January 31, 2015	October 31, 2014
Trade payables	\$ 32,361	\$ 73,361
Accruals	15,000	15,000
	\$ 47,361	\$ 88,361

**OREFINDERS RESOURCES INC.**

Notes to the Condensed Interim Financial Statements

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(Unaudited)

(Expressed in Canadian dollars)

**9. RELATED PARTY TRANSACTIONS*****Key management personnel compensation***

The Company's related parties include key management. Key management includes executive directors and non-executive directors. The remuneration of the key management of the Company during the three months ended January 31, 2015 and 2014 was as follows:

	2015	2014
Consulting fees	\$ 42,000	\$ 44,500
Geological consulting capitalized	36,000	66,000
	\$ 78,000	\$ 110,500

These transactions were in the normal course of operations and were measured at the exchange amount as agreed to by the related parties.

**10. SHARE CAPITAL*****Authorized share capital***

Unlimited number of voting common shares without par value.

***Issued share capital***

At January 31, 2015, there were 51,001,143 issued and fully paid common shares.

On December 24, 2014, the Company completed a private placement of 3,000,000 flow-through shares at a price of \$0.10 per share for gross proceeds of \$300,000. The shares are subject to a hold period expiring on April 25, 2015. No finders fees were payable in conjunction with this placement. The Company incurred share issuance costs of \$7,250.

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. Upon issuance of the flow-through shares in December 2014, the Company recorded a flow-through liability of \$75,000. As expenditures are incurred, the flow-through share liability is reversed. To January 31, 2015, the Company incurred \$43,286 in eligible exploration expenditures and, accordingly, the flow-through share liability was reduced to \$64,179 and the reduction of \$10,821 has been recognized in the Statement of Comprehensive Loss.

On September 29, 2014, the Company issued 20,000 common shares at a fair value of \$0.09 per share to the vendors of the Gold Hill project pursuant to an agreement dated September 19, 2014 (see note 7).

On February 2, 2014, the Company issued 50,000 common shares at a fair value of \$0.135 per share to the vendors of the MZ claims pursuant to an agreement dated February 9, 2012, as amended March 27, 2012 (see note 7).

***Escrow shares***

As at January 31, 2015, there were 6,335,144 common shares held in escrow which are subject to release under the policies of the TSX-V at the rate of 3,167,572 common shares every six months to December 17, 2015.

**OREFINDERS RESOURCES INC.**

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(Unaudited)

(Expressed in Canadian dollars)

**10. SHARE CAPITAL (cont'd)***Stock options*

The Board of Directors of the Company has adopted a stock option plan which permits the Company to grant to directors, officers and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares and be exercisable for a period of up to five years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant or individual conducting investor relations activities will not exceed 2% of the issued and outstanding shares. Options typically vest on the date of grant.

The changes in options during the three months ended January 31, 2015, and during the fifteen month period ended October 31, 2014 were as follows:

	Three Months Ended January 31, 2015			Fifteen Months Ended October 31, 2014	
	Number of options	Weighted average exercise price	Weighted average life (years)	Number of options	Weighted average exercise price
Options outstanding, beginning of period	4,978,571	\$ 0.49	2.53	4,778,571	\$ 0.50
Options granted	400,000	0.10	5.00	200,000	0.20
Options outstanding, end of period	5,378,571	\$ 0.49	2.45	4,978,571	\$ 0.49
Options exercisable, end of period	5,378,571	\$ 0.46		4,928,571	\$ 0.50

On January 22, 2015 the Company granted, to a director of the Company, an option to purchase 400,000 shares at a price of \$0.10 per share, exercisable for a period of 5 years from the date of grant. The fair value of \$15,322 was estimated using the Black-Scholes option pricing model assuming an expected life of 5 years, a risk-free rate of 1.54%, and an expected volatility of 196%. The options vested 100% on grant.

On May 7, 2014, the Company granted 200,000 stock options with an exercise price of \$0.20 and a term of five years. These options vested 25% upon grant and 25% every 3 months thereafter. The total fair value of \$21,464 was estimated using the Black-Scholes option pricing model assuming an expected life of 5 years, a risk-free interest rate of 1.50% and an expected volatility of 140%. The granting of these options resulted in a share-based payment expense of \$436 being recorded during the three months ended January 31, 2015.

The following incentive stock options were outstanding and exercisable at January 31, 2015:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
3,275,000	3,275,000	\$ 0.50	April 3, 2017
100,000	100,000	\$ 0.50	May 29, 2018
200,000	200,000	\$ 0.20	May 7, 2019
400,000	400,000	\$ 0.10	January 21, 2020
3,975,000	3,975,000	\$ 0.46	

**OREFINDERS RESOURCES INC.**

Notes to the Condensed Interim Financial Statements

January 31, 2015

(Unaudited)

(Expressed in Canadian dollars)

**10. SHARE CAPITAL (cont'd)***Warrants*

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life (years)
Balance as at July 31, 2013	2,424,951	\$ 0.50	2.50
Expired	(1,021,380)	0.50	-
Balance as at October 31, 2014 and January 31, 2015	1,403,571	\$ 0.50	2.17

**11. SHARE-BASED PAYMENT RESERVE**

The share-based payment reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount remains in share-based payment reserve.

**12. FINANCIAL RISK MANAGEMENT**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. 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 primary exposure to credit risk is on its cash held in bank accounts and short term investment. The majority of cash is deposited in bank accounts held with major banks in Canada. As all of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As at January 31, 2015, the Company had cash of \$229,469 and short-term investments of \$561,500. Management assesses credit risk of cash and short term investment as low.

The Company's secondary exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

*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 ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

To date, the Company's sole source of funding has been the issuance of equity securities for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

**OREFINDERS RESOURCES INC.**

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January 31, 2015

(Unaudited)

(Expressed in Canadian dollars)

**12. FINANCIAL RISK MANAGEMENT (cont'd)*****Foreign exchange risk***

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and foreign currencies will affect the Company's operations and financial results. The Company's functional currency is the Canadian dollar. All expenses are transacted in Canadian dollars. The Company maintains all of its cash in Canadian dollars.

***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk as its bank account and short-term investments earn interest income at variable rates. The income earned on the bank account and short-term investments is subject to the movements in interest rates. Due to the short-term maturity, the fair value of its short-term investments is relatively unaffected by changes in short term interest rates. A 1% change in interest rates will not have a material effect to the Company.

***Capital Management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

The Company is not subject to any externally imposed capital requirements.

***Fair value***

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at January 31, 2015:

	As at January 31, 2015		
	Level 1	Level 2	Level 3
Cash	\$ 229,469	\$ -	\$ -
Short-term investments	\$ 561,500	\$ -	\$ -

The following is an analysis of the Company's financial assets measured at fair value as at October 31, 2014:

	As at October 31, 2014		
	Level 1	Level 2	Level 3
Cash	\$ 93,898	\$ -	\$ -
Short-term investments	\$ 611,500	\$ -	\$ -

**OREFINDERS RESOURCES INC.**

Notes to the Condensed Interim Financial Statements

January 31, 2015

(Unaudited)

(Expressed in Canadian dollars)

**13. SUPPLEMENTAL CASH FLOW INFORMATION**

During the three months ended January 31, 2015 and 2014, the Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	<b>January 31, 2015</b>	<b>October 31, 2014</b>
Exploration expenditures included in accounts payable and accrued liabilities	\$ 24,475	\$ 67,735
Flow-through share liability	\$ 75,000	\$ -

Cash and short-term investments consist of the following:

	<b>January 31, 2015</b>	<b>October 31, 2014</b>
Cash and short-term investments	\$ 534,255	\$ 705,398
Restricted cash *	256,714	-
	\$ 790,969	\$ 705,398

\* The Company has restricted cash of \$256,714 relating to the unspent balance from the \$300,000 flow-through private placement that closed during the three months ended January 31, 2015 (Note 10). The Company's unspent flow-through funds are required to be spent on qualified mineral exploration expenditures by December 31, 2015.

**14. SUBSEQUENT EVENT**

Subsequent to January 31, 2015, the Company granted 1,125,114 stock options to directors, officers and to a consultant of the Company, exercisable at \$0.10 per share for a period of five years and issued 50,000 common shares pursuant to an option payment on the MZ claims.