

Orefinders Announces Agreement with Province of Ontario to enable Development of McGarry Mine & Barber-Larder Project

TORONTO, June 28, 2018 /CNW/ - Orefinders Resources Inc. ("Orefinders" or the "Company") (TSXV: ORX) is pleased to announce that it has negotiated an agreement with the Province of Ontario's Ministry of Northern Development and Mines to resolve a series of Directors Orders and other outstanding issues that have effectively impeded investment on the McGarry Mine & Barber Larder properties. Accordingly, Orefinders has now waived a condition precedent to completing its acquisition of these properties and will now move to close the acquisition in the near term.

"This a big win for our shareholders. The price we paid for McGarry/Barber-Larder reflected an asset which had been tied up in controversy, litigation and environmental issues. This new understanding with the Province eliminates such issues and creates a clear path forward for Orefinders to develop this project. Having resolved this issue, we will now own a valuable asset encompassing 3.0km of prime Cadillac-Larder Lake Break real estate, a high-grade resource with significant upside, all of which sits between the historic world-class Kerr-Addison Mine and Bonterra's Larder Lake assets. This agreement opens up the region and we see McGarry and its neighbours having a bright future," said Stephen Stewart, Orefinders' Chief Executive Officer.

Over the past 12 months, Orefinders has completed substantial due diligence to evaluate and devise a strategy to ultimately de-risk this project. The region's environmental issues largely stemmed from the lack of a progressive rehabilitation plan for the tailings facility for the Kerr Addison Mine, which has historically produced over 11 million ounces of gold during a 56-year period. With the new progressive rehabilitation plan in place and the Province's Directors Orders now being rescinded, Orefinders sees this as the inflection point for investment flowing into the McGarry, and surrounding Larder Lake district, which has a long and well understood history of high grade gold mineralization and production.

Orefinders now owns a large and self-contained tailings facility

In addition to the existing resources and exploration upside at the McGarry Mine & Barber-Larder property, Orefinders will now also own a large and self-contained tailings facility. Owning such a facility could serve as a significant advantage to the Company as it develops the McGarry & Barber-Larder and its other proximate assets including the Mirado Mine and Knight Projects.

Tailings facilities are the most complex and time-consuming element with respect to permitting any mill or processing facility, thus ownership of this brownfield facility could prove advantageous as Orefinders moves its development plans ahead.

McGarry & Barber-Larder Are Positioned Between Two Highly Prospective Assets

Orefinders McGarry Mine & Barber-Larder properties are contiguous with--and directly between--two high profile and prospective properties. To the east is one of Canada's largest past producing mines, the Kerr-Addison Mine, and to the west is Bonterra Resources' Larder Lake properties. Of recent note is the proposed merger of Bonterra and Metanor Resources' who announced that as a part of the merger, their Larder Lake assets would be spun-out into a new company with \$7 million cash in its treasury. See Figure 1 for area map.

About McGarry Mine & Barber-Larder

The McGarry Mine & Barber-Larder property is in Virginiatown, Ontario within the Abitibi Greenstone Belt and spans 3.0km on one of the world's most prolific gold structures, the Cadillac Larder-Lake Break. The property encompasses 681 hectares and is comprised of 46 Patented Mining Claims and 5 Mining Licenses of Occupation.

McGarry hosts a NI43-101 indicated resource of 123,000 oz at an average grade of 7.7g/t gold (uncut or 112,000 ounces with grades top-cut to 51.4 gpt), and an additional inferred resource of 30,000 oz. at an average grade of 5.3 g/t (uncut or 29,000 ounces with grades top-cut to 51.4 gpt) as per McGarry resource estimate from 2009 (see cautionary below). McGarry also has a NI 43-101 Preliminary Economic Assessment, published in 2011, which is based off McGarry's 2009 resource estimate.

McGarry is located east of and immediately adjacent to the Kerr-Addison Mine, which was one of Canada largest gold mines producing over 11,000,000 ounces gold over a 58-year period ending in 1996 (Figure 1) (see MNDM OFR5831). Adjacent to the west of McGarry is Bonterra Resources' Cheminis Mine and Bear Lake deposits which host a historic estimate (2011, P+E Mining) of 3,750,000 tonnes at 5.7 g/t (683,000 oz) (inferred) and the Cheminis Deposit contains a historic resource estimate (2011, P+E Mining) of 335,000 tonnes of indicated resources at 4.1 g/t (43,800 oz) and 1,391,000 tonnes of inferred resources at 5.2 g/t (233,400 oz). Bonterra's Technical Reports are available at www.sedar.ca.

On site infrastructure includes a head frame, shaft compartments, hoist, offices, and fully functional core shack all refurbished over the last ten years. McGarry is easily accessible with the Trans-Canada Highway running directly through the property.

McGarry Production and Infrastructure

As recently as 2013 the McGarry Mine was in production from significant underground workings and was undergoing underground exploration. Kerr/Armistice spent considerable capital upgrading the McGarry's infrastructure including the shaft, hoist and onsite facilities necessary to extract ore from underground. Additionally, extensive underground exploration yielded outstanding grades over very long drift lengths, including:

325 N Zone – 2280 sublevel

- 8.2g/t gold over 98m length and 1.5m width, Stope #1 (E & W)
- 4.6 g/t gold over 26m length and 1.3m width, Stope #1.5 (E & W)
- 7.6 g/t gold over 79.2m length and 1.4m width, Stope #2 (E & W)

325 N Zone – 2330 sublevel

- 11.1 g/t gold over 24m length and 1.7m width, Stope #1 (E)
- 6.1 g/t gold over 7.6m length and 1.2m width, Stope #2 (E)
- 4.3 g/t gold over 7.6m length and 1.8m width, Stope #2 (W)

440 N Zone – 2250 level

- 6.2 g/t gold over 18m length and 1.6m width

The above exploration results and grades include 35% dilution and are reported from Kerr Mines news release April 22, 2013 which is available on Sedar.com.

McGarry Historical Mineral Resources

The McGarry Property was the subject of a PEA study in 2011 that outlined a historical mineral resource of 447,000 tonnes grading 7.89 gpt gold for a total of 112,000 gold ounces in the Indicated Category and an additional 157,000 tonnes grading 5.83 gpt gold for a total of 29,000 ounces in the Inferred Category (Table 1 below). This estimate was based on a 3.43 gpt Au lower cut-off with assay grades limited to 51.4 gpt gold. A specific gravity of 2.79 grams per cubic metres was used along with a minimum horizontal mining width of 1.5 metres. The report is available at www.sedar.ca under Kerr Mines Inc. and its amended version was published on 30 September 2011.

Cautionary Statement

		Cut to 51.4 gpt gold		Uncut	
Mineral Resource Category	Tonnes	Grade (gpt gold)	Gold (oz)	Grade (gpt gold)	Gold (oz)
Indicated					
Total Indicated (all zones)	447,000	7.89	112,000	8.57	123,000

Inferred					
Total Inferred (all zones)	157,000	5.83	29,000	5.83	30,000

Table 1: McGarry Historical Mineral Resource Estimate, Armistice Resources 2011 Technical Report

The McGarry Project contains a historic mineral resource estimate. Python Mining Consultants Inc. was commissioned by Armistice Resources Corp (now Kerr Mines) to prepare a mineral resource estimate as reported in a technical report titled "Technical Report and Mineral Resource Estimate McGarry Project, McGarry Township (Virginiatown), Ontario". This report was published on 8 April 2009 and was amended on 30 September 2011. Orefinders considers the historical estimate to be relevant and reliable given that it was prepared under NI 43-101 standards. However, Orefinders considers this resource estimate to be historical as it has not independently verified it, and therefore it cannot be relied upon as a current mineral resource for Orefinders. A qualified person of Orefinders has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and as such, Orefinders is not treating the historical estimate as current mineral resource.

Barber-Larder Open Pit

The McGarry Property also hosts the Barber-Larder open pit which produced 70,000 tonnes of materials, of which approximately 51,000 tonnes were processed at the Kerr Mill which returned a total of 6,700 ounces of gold for an average reconciled grade of 4.1 gpt gold (see MNDM AFRI file 32D04SE0006). This area of the property and its historical production are distinct from, although abutting, the production and resources on the McGarry shaft zone.

McGarry Exploration Potential

The McGarry Property is host to numerous gold mineralized zones and many have only been drilled to relatively shallow depth. The following is a short summary of potential targets on the Property that merit follow-up.

McGarry Mine

Development work by the previous owners has prepared the 325N Zone for production. This zone is of particular interest because of its high grades as described above.

Exploration on the McGarry Deposit was quite extensive in and near the existing mining infrastructure but generally outside the area of the shaft between the 1,250 and 2,250 ft levels exploration has been a lot less intensive. Considering the abundant underground infrastructure, the targets that can be pursued can be quite small. In particular, between the shaft and the eastern limit of the Property, there is ample room for discovery and the proximity of the historic Kerr-Addison mine opens up the possibility of deep extensions of that deposit on the west side of the Armistice Fault as suggested by north side down movement along the Larder Lake Break (see MNDM OFR5831).

Barber-Larder Extensions

The Barber-Larder deposit was mined as a small open-pit by Golden Shield Resources between November 1987 and July 1988. Production bottomed out at approximately 46 metres. However, the deposit continues below at similar grades (see MNDM, AFRI 32D04SE0006). Moreover, beyond the top 120 metres vertical the deposit has not been much explored and there are indications of significant gold mineralization down to at least 600 metres vertical where a hole intersected a narrow 30 cm core length interval at 11.7 gpt gold.

To the west of the Barber-Larder deposit, previous exploration identified a number of targets that merit follow-up. Approximately 150 metres grid-west of the shaft a hole intersected 1.8 metres grading 3.4 gpt gold. 30 metres grid-east of this, another hole intersected 3.9 gpt gold over 3.5 metres.

Approximately 25 metres east of the open pit a hole intersected a 7.9 metre interval grading 7.5 gpt gold and although there is only 330 metres between the eastern end of the old workings in the Barber-Larder mine (120 metres) and the western end of the 2,250 foot level in the McGarry Mine the vertical distance is over 550 metres. Within this envelope there is ample room for exploration.

Peninsula Zone

The Peninsula Zone is located immediately west of the Barber-Larder Mine along the same package of deformed and altered rocks. A hole drilled near the peninsular island returned 3.4 gpt gold over a core interval of 6.1 metres at a vertical depth of 85 metres (see MNDM AFRI 32D04SE0006).

Mill Zone and Western Zone

The Mill and Western Zones are located in a northeast striking ultramafic unit that has been completely altered to carbonate. The Mill Zone is located at the southern end of the 750m long ultramafic unit and is cut off by an east-northeast trending fault. Drilling on this zone intersected up to 36.7 gpt gold over 2.1 metres.

The Western Zone is located near the northeastern end of the same altered ultramafic unit. The zone was trenched over 75 metres in length and indicated the presence of a small mineralized shoot approximately 15 metres long and 1.7 metres wide and assaying an average of 3.9 gpt gold (see MNDM AFRI 32D04SE0402).

Dyke Zone

The Dyke Zone is located in the southeastern corner of the McGarry Property and is hosted by an altered diorite or gabbro. The NE trending dike is fractured in places and contains quartz and calcite stringers with pyrite. The zone extends for over 300 metres and was sampled over about 100 m giving an average of 7.25 gpt gold over about 1.0 metres in width (see MNDM AFRI 32D04SE0402).

Lamprophyre Zone

The Lamprophyre Zone is located on the southeastern corner of the Property and is hosted by mafic volcanics of the Temiskaming Assemblage. The mineralized zone consists of a NE trending shear at the contact of a lamprophyre dike. Values up to 3.9 gpt gold are reported over 0.9 metres (MNDM, ARV050).

Arjon Zone

The Arjon Shear Zone is located in the northeast corner of the McGarry Property and extends to the northeast onto the adjacent Kerr Property. There are a few drill holes marked on a 1941 map (MNDM ARV50, MDC03) and mapping indicates the presence sheared ultramafics rocks transformed to green carbonate. The map also shows some NE trending quartz veins several tens of metres long but no assays. None of these drill holes were compiled by later explorers and are of uncertain origin. The Arjon Shear is oriented NE and cuts the Blake River mafic volcanics, some altered Ultramafic Units, and the syenite porphyry. Only low grade gold values (up to 2.8 gpt Au) were found on the occurrence as there was generally no interest in the past for bulk-minable targets little work was done after the 1930's. On the adjacent Kerr property there is a description of a "Northern" crosscut that was driven on the 2,500 foot level across the Temiskaming sediments into some mafic volcanics which are presumably the Blake River Assemblage. This reference describes a 400 foot (122 metres) section of drifting in altered and sheared volcanics that assayed a minimum of 200 ppb over the whole interval with some higher grade sections within.

This target needs to be followed-up for its potential for intrusion-hosted bulk-minable gold mineralization.

About Orefinders Resources Inc.

Orefinders is a Gold exploration and development company focused exclusively within the Abitibi Greenstone Belt. The Company owns all of its assets 100% and is listed on the Toronto Venture Exchange under the symbol ORX.

QP Statement

The technical information contained in this news release has been reviewed and approved by Charles Beaudry, P.Geo, Director and Vice President Exploration for Orefinders, who is a Qualified Person as defined in "National Instrument 43-101, Standards of Disclosure for Mineral Projects."

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