



OREFINDERS

**OREFINDERS RESOURCES INC.
Consolidated Financial Statements**

For the Years ended October 31, 2022 and 2021

(Expressed in Canadian Dollars unless otherwise indicated)

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Orefinders Resources Inc.

Opinion

We have audited the consolidated financial statements of Orefinders Resources Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2022 and 2021, and the consolidated statements of (loss) income and comprehensive (loss) income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at October 31, 2022 and 2021 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") .

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
February 28, 2023

OREFINDERS RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
As at October 31, 2022 and 2021

<i>As at</i>	<i>Notes</i>	October 31, 2022	October 31, 2021
ASSETS			
Current			
Cash		\$5,533,174	\$6,094,388
Restricted cash	5	592,924	570,967
Marketable securities	6	966,963	2,496,809
Amounts receivable		228,891	248,685
Due from related parties	13	97,338	25,087
Prepaid expenses		15,240	28,498
Total current assets		7,434,530	9,464,434
Investment in associate	7	1,908,768	1,937,553
Property and equipment	8	45,254	57,067
TOTAL ASSETS		\$9,388,552	\$11,459,054
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10,13	\$82,343	\$345,594
Due to related party	13	100,894	-
Asset retirement obligation	12	570,967	570,967
Flow-through share liability	11	376,610	378,561
TOTAL LIABILITIES		1,130,814	1,295,122
SHAREHOLDERS' EQUITY			
Share capital	14	26,356,121	26,356,121
Reserves	14	4,662,528	4,571,911
Deficit		(22,760,911)	(20,764,100)
TOTAL SHAREHOLDERS' EQUITY		8,257,738	10,163,932
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$9,388,552	\$11,459,054

Going concern (Note 2)
Commitments and contingencies (Notes 5, 9, 12 and 18)
Subsequent events (Note 19)

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 consolidated financial statements.

OREFINDERS RESOURCES INC.

CONSOLIDATED STATEMENTS OF (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME

(Expressed in Canadian dollars)

For the years ended October 31, 2022 and 2021

	<i>Notes</i>	October 31, 2022	October 31, 2021
EXPENSES			
Consulting and management fees	13	\$320,115	\$263,975
Exploration expenses (recovered)	9,13	(55,261)	1,895,605
Share-based payments	14,13	90,617	-
Amortization of property and equipment	8	11,813	12,664
Office, rent and general, net of interest		(60,972)	12,137
Professional fees		69,547	82,615
Transfer agent, filing fees and shareholder communications		54,856	178,653
Travel and related costs		9,416	4,811
Unrealized loss/(gain) on marketable securities	6	1,529,846	(1,578,289)
Realized gain on spin-out of American Eagle	6	-	(614,817)
Dilution gain from investment in associate	7,6(a)	(55,190)	(988,606)
Equity loss from investments in associate	7,6(a)	83,975	506,900
TOTAL EXPENSES (RECOVERY)		\$1,998,762	\$(224,352)
(Loss) income from operations for the year		(1,998,762)	224,352
Deferred income tax recovery			
Flow-through share premium liability renunciation	11	1,951	368,839
NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME FOR THE YEAR		\$(1,996,811)	\$593,191
Weighted average number of shares - basic and diluted		247,158,745	234,825,444
(Loss) income per share – basic and diluted		\$ (0.01)	\$ 0.00

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

OREFINDERS RESOURCES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)
For the years ended October 31, 2022 and 2021

	Number of shares	Amount	Share-based Reserve	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 year	-	-	-	593,191	593,191
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)
Private placement – Kirkland Lake Gold (Note 13)	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 year	-	-	-	(1,996,811)	(1,996,811)
Share-based payments	-	-	90,617	-	90,617
Balance at October 31, 2022	247,158,745	\$26,356,121	\$4,662,528	\$(22,760,911)	\$8,257,738

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

OREFINDERS RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
For the years ended October 31, 2022 and 2021

	October 31, 2022	October 31, 2021
Operating activities		
(Loss) income for the year	\$(1,996,811)	\$593,191
Items not involving cash		
Amortization	11,813	12,664
Flow-through share premium renunciation	(1,951)	(368,839)
Share-based payments	90,617	-
Unrealized loss/(gain) on marketable securities	1,529,846	(1,578,289)
Realized gain on spin-out of American Eagle	-	(614,817)
Dilution gain from investment in associate	(55,190)	(988,606)
Equity loss from investments in associate	83,974	506,900
Accrued interest	(21,957)	-
Changes in non-cash working capital items		
Prepaid expenses	13,258	(4,440)
Amounts receivable	19,794	(170,566)
Accounts payable and accrued liabilities	(263,250)	(124,742)
Net cash used in operating activities	\$(589,857)	\$(2,737,544)
Investing activities		
Purchase of property and equipment	-	(14,499)
Investments in marketable securities	-	(40,000)
Advances from (to) related parties, net	28,643	(17,667)
Advances from associate	-	10,000
Net cash from (used in) investing activities	\$28,643	\$(62,166)
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 associate	-	(1,251)
Net cash provided by financing activities	\$-	\$2,541,499
Net decrease in cash	(561,214)	(258,211)
Cash, beginning of year	6,094,388	6,352,599
Cash, end of year	\$5,533,174	\$6,094,388

Supplemental information:

Dividend in kind-spin-out American Eagle shares	-	\$850,000
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The accompanying notes are an integral part of these consolidated financial statements.

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 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

These consolidated 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 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 financial statements. Such adjustments could be material.

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 recoverability of the amounts expended on mineral properties is dependent upon future profitable production or proceeds from the disposition of properties.

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 operations may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company raised funds during the years ended October 31, 2021 and 2020 and has utilized these funds for its exploration programs and working capital requirements. No funds were raised in the year ended October 31, 2022. The ability of Orefinders 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 Orefinders 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 Orefinders 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.

Management is also closely evaluating the impact of COVID-19 on the Company’s business. In order for the Company to continue as a going concern and fund its operations, the Company will require additional financing. The availability of financing will be affected by, among other things, the state of the capital markets considering the impact of COVID-19 and strategic partnership arrangements. The impact to date has been minimal, while the impact in the future is uncertain.

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

As at October 31, 2022, the Company had working capital, excluding the flow-through liability, of \$6,680,396 (2021 - \$8,547,873) and an accumulated deficit of \$22,760,911 (2021 - \$20,764,100). Orefinders has no proven history of performance, earnings or success. Management believes the Company has sufficient funds or access to sufficient funds to cover planned operations throughout the next twelve-month period. However, management plans on securing additional financing through the issue of new equity, among other things. Nevertheless, there is no assurance that these initiatives will be successful.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The consolidated financial statements were authorized for issue on February 28, 2023 by the directors of the Company.

Statement of compliance

The consolidated financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these consolidated financial statements are based on IFRS issued and effective for the year ended October 31, 2022.

Basis of presentation

The consolidated financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs, except for certain financial instruments which are measured at fair value, as explained in the accounting policies.

Functional and presentation currency

The functional currency of the Company is determined using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the Company's functional and presentation currency. The Company does not have any significant expenditures in foreign currencies.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the consolidated statement of financial position. Exchange differences are recognized in operations in the period in which they arise.

Basis of consolidation

The consolidated financial statements include the financial statements of Orefinders Resources Inc. and its wholly owned subsidiary, McGarry-Larder Mines Inc. which was incorporated on July 8, 2018. Control is achieved when the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statements of income (loss) from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-company transactions, balances, income and expenses are eliminated through the consolidation process. The accounts of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

Investment in associates

Associates are entities over which the Company has significant influence, but not control. Significant influence is generally presumed to exist where the Company has between 20 percent and 50 percent of the voting rights but can also arise where the Company holds less than 20 percent of the voting rights, but it has power to be actively involved and influential in policy decisions affecting the entity. The Company accounts for its investment in associates using the equity method. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's shares of profit or loss of the associate.

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

Dilution gains and losses arising from changes in interests in investments in associates where significant influence is retained are recognized in the consolidated statements of income (loss). At each reporting date, the Company determines whether there is any objective evidence that the investment in the associate is impaired or if previously recorded impairment should be reversed. If impairment is determined to exist, the amount of the impairment is recognized in the consolidated statement of income (loss). The amount of impairment is calculated as the difference between the recoverable amount of the investment in the associate and its carrying value.

Significant accounting judgements, estimates and assumptions

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Such estimates and assumptions affect the carrying value of assets, the determination of impairment charges of non-current assets, and affect estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of share-based payments, warrants and income tax accounts. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material.

(a) Estimation of decommissioning and restoration costs and timing of expenditure

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. The cost estimates are updated annually during the life of a project to reflect known developments, (e.g., revisions to cost estimates and to the estimated lives of operations) and are subject to review at regular intervals. See Notes 9 and 12.

(b) Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded. Such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(c) Share-based payments and warrants

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are estimated at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

uncertain. Warrants are valued in a similar way. Changes in these assumptions affect the fair value estimates.

(d) Investment in associate

Investments in associates are accounted for using the equity method, whereby the investment is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Company's share of the net assets of the investment. The Company's share of the results of operations of an associate is reflection in the profit and loss. An associate is an entity in which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not represent control or joint control over those decisions. The management reviews the relevant factors and makes considerations in determining whether significant influence exists in associates. Significant judgment is involved in the determination of significant influence. In particular, the Company has assessed that in 2021, it lost significant influence over American Eagle Inc. ("American Eagle"). The Company has assessed that in 2021 and 2022, it exerted significant influence over Mistango River Resources Inc. ("Mistango") despite owning less than 20% of the outstanding shares of Mistango (Note 7).

(e) Impairment of investment in associate and due from associate

Where there is objective evidence of impairment, the impairment loss is calculated as the amount when the carrying value of the investment in associate and due from associate exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The determination of whether there is evidence of impairment is a matter of significant management judgement.

(f) Contingencies – Refer to Note 18

Exploration and evaluation expenditures

Mineral property acquisition costs are expensed as incurred. Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. All exploration expenditures are expensed as incurred.

Where the Company has granted an option on one of its properties, the Company does not record any expenditures made by the optionee on its account. Any cash consideration received directly from the optionee related to an option or sale agreement is credited against the exploration expenditures incurred.

When economically viable reserves have been determined and the decision to proceed with development has been approved, the expenditures incurred subsequent to this date related to development and construction are capitalized as construction-in-process and classified as a component of property, plant and equipment.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Mining properties and process facility assets are amortized upon commencement of commercial production either on a unit-of-production basis over measured and indicated resources included in the mine plan or the life of mine.

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of income (loss).

Share-based payments

The Company has adopted an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. Share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments issued at the grant date. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using a Black–Scholes pricing model which incorporates market and vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The share-based payment reserve records items recognized as share-based payments 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.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share calculation assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. All of the Company's outstanding stock options and warrants were anti-dilutive for the year ended October 31, 2022. Certain outstanding stock options and warrants of the Company were dilutive for the year ended October 31, 2021. The diluted earnings per share calculation for the year ended October 31, 2021 excludes 6,150,000 stock options and 24,000,000 warrants as these were anti-dilutive.

Financial instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL,

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets classified as FVPL are measured at fair value with unrealized gains and losses recognized through profit or loss. In 2022 and 2021, the Company accounted for Mistango using the equity method of accounting as well as American Eagle up until the date significant influence was lost.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – Financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the consolidated statements of income (loss).

Subsequent measurement - Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statement of income (loss). The Company classified its marketable securities as financial assets at FVPL.

Subsequent measurement - Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial asset subject to are the amounts due from related party and associate, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable has been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities and due to associate, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

costs.

Subsequent measurement - financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of income (loss).

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of income (loss).

Financial instruments fair value hierarchy

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the assets or liabilities that are not based on observable market data.

Property and equipment

Property and equipment are stated at historical cost less accumulated amortization and accumulated impairment losses.

Amortization is provided at rates calculated to write off the cost of property, plant and equipment, less their estimated residual value, using the declining balance method over their expected useful lives, at the following annual rates.

Class	Amortization rate
Computer Equipment	30%
Automotive Equipment	30%
Furniture and Fixtures	20%
Building	10%
Machinery and Equipment	20%

Asset retirement obligations ("ARO")

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in loss.

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

Income tax

Income tax expense is comprised of both current and deferred income taxes. Income tax expense is recognized in the consolidated statement of income (loss) and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through share issuances

The Company finances a portion of its exploration activities through the issue of flow-through shares issued pursuant to the Canadian Income Tax Act ("Tax Act"). Proceeds received from the issuance of flow-through shares are restricted to be used only for qualifying Canadian exploration and development expenses as defined in the Tax Act.

Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying expenditures to flow-through investors. On issuance, the Company allocates a portion of the subscription proceeds as a flow-through share premium, equal to the estimated premium, if any, that investors pay for the flow-through feature, which is recognized as a flow-through share liability. As expenditures are incurred and applied against the Company's associated flow-through commitment, the flow-through share liability is reduced proportionately, charged as a deferred income tax recovery in operations.

4. FUTURE NEW AND REVISED STANDARDS AND INTERPRETATIONS

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after November 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. Management is currently evaluating the impact of these pronouncements on the Company's consolidated financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2021 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 12 - In May 2021, the IASB issued ‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’ that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023.

5. RESTRICTED CASH

At October 31, 2022, restricted cash totaled \$592,924 (2021 - \$570,967). This is comprised of funds placed by the Company with the Ontario government in the amount of \$93,245 (2021 - \$88,806) to be applied toward the reclamation of the Mirado stockpile area (Notes 9 and 12) and \$499,679 (2021 - \$482,161) in funds placed by the Company with the Ontario government related to the McGarry Project (Notes 9 and 12).

6. MARKETABLE SECURITIES

As at October 31, 2022, the Company held fair value investments with a total carrying value of \$966,963 (October 31, 2021 - \$2,496,809).

(a) American Eagle Gold Corp.

During the year ended October 31, 2021, the Company purchased 200,000 common shares of American Eagle for a total value of \$40,000 in connection with American Eagle’s February 5, 2021 private placement. Prior to this, the Company owned 40% of the outstanding shares of American Eagle.

On April 6, 2021, the Company completed a "spin-out" of American Eagle whereby, pursuant to a plan of arrangement under the Business Corporations Act (British Columbia) involving the Company, its shareholders, and American Eagle. The arrangement was approved by the Supreme Court of British Columbia on April 8, 2021, whereby each existing shareholder of the Company exchanged their shares of the Company for: (a) one new common share of the Company for each one existing share of the Company held; and (b) such shareholder's pro rata portion of 5,000,000 common shares of American Eagle held by the Company (being approximately one common share of American Eagle for every 44.50 shares of the Company held on the effective date of the Arrangement). After completion of the arrangement, the Company continues to hold 5,200,000 common shares of American Eagle, representing approximately 9% of the issued and outstanding shares of American Eagle. Accordingly, the Company was no longer considered to have significant influence and the investment was re-characterized as an investment at FVPL.

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

As a result of the distribution of the American Eagle shares, the Company recorded a dividend in-kind of \$850,000 during the year ended October 31, 2021. The fair value of the dividend was estimated using the February 5, 2021 private placement financing share price of \$0.17 calculated under Black Scholes. A realized gain of \$614,817 was recognized in the consolidated statement of income (loss) for the year ended October 31, 2021.

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

	2021
Balance – beginning of year	\$ -
Less: Equity loss from American Eagle	(95,499)
Less: Equity loss from American Eagle not recognized in 2020	(40,011)
Add: Dilution gain in American Eagle	616,743
Less: Loss of significant influence of American Eagle	(481,233)
Balance – end of year	\$ -

As at October 31, 2021, the fair value was estimated at \$650,000 using the quoted market value. An unrealized gain of \$363,949 was recognized in the consolidated statement of income (loss) for the year ended October 31, 2021. The common shares of American Eagle began trading on May 3, 2021 on the TSX-V under the symbol “AE”.

As at October 31, 2022, the Company held 5,200,004 shares, representing a 7.5% interest. At October 31, 2022, the fair value of the investment was \$208,000 (October 31, 2021: \$650,000). An unrealized loss of \$442,000 was recognized in the consolidated statement of income (loss) for the year ended October 31, 2022 (October 31, 2021 – unrealized gain \$363,949).

(b) QC Copper and Gold Corp. (“QC Copper”)

As at October 31, 2022, the Company held 5,059,752 shares, representing a 3.4% interest. At October 31, 2022, the fair value of the investment was \$758,963 (October 31, 2021 - \$1,846,809). For the year ended October 31, 2022, the Company recognized an unrealized loss of \$1,087,846, in the consolidated statement of income (loss) (October 31, 2021 – unrealized gain of \$1,214,340).

7. INVESTMENT IN ASSOCIATE

As at October 31, 2022, the Company held an investment in an associate, being its investment in Mistango River Resources Inc. (“Mistango”) with a total carrying value of \$1,908,768 (2021 - \$1,937,553).

(a) Mistango River Resources Inc.

As at October 31, 2022, the Company’s ownership in Mistango was 24,708,975 shares or approximately 16% and the Company accounts for this investment using the equity method as three Directors of the Company sit on the Board of Mistango.

Summarized financial statements for Mistango as at and for the twelve months ended September 30, 2022 and October 31, 2021 are as follows:

	September 30, 2022	October 31, 2021
Current assets	\$7,653,885	\$7,645,682
Non-current assets	26,885	41,256
Total assets	7,680,770	7,686,938
Total liabilities	852,643	870,477
Total net loss and comprehensive loss	\$507,502	\$1,884,080

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

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

	September 30, 2022	October 31, 2021
Balance – beginning of the year	\$1,937,553	\$1,937,080
Add: Gain on dilution	55,190	371,863
Less: Equity loss	(83,975)	(371,390)
Balance – end of year	\$1,908,768	\$1,937,553

Based on the quoted market price at October 31, 2022, the fair value of the Company's interest in Mistango was \$1,606,083 at \$0.065 per share (2021 - \$2,347,353). Refer to Note 6(a).

8. PROPERTY AND EQUIPMENT

	Furniture and Fixtures	Computer Equipment	Building	Automotive Equipment	Machinery and Equipment	Total
Cost						
Balance, October 31, 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, October 31, 2022	5,750	1,298	28,748	33,525	22,999	92,320
Accumulated amortization						
Balance, October 31, 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	530	80	1,991	7,093	2,119	11,813
Balance, October 31, 2022	3,630	1,113	10,830	16,973	14,520	47,066
Net book value, October 31, 2021	\$ 2,650	\$ 265	\$ 19,909	\$ 23,645	\$ 10,598	\$ 57,067
Net book value, October 31, 2022	\$ 2,120	\$ 185	\$ 17,918	\$ 16,552	\$ 8,479	\$ 45,254

9. EXPLORATION EXPENSES

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

	2022	2021	Cumulative Since Property Inception to October 31, 2022
Mirado Property, Ontario	\$ -	\$ 1,474	\$ 5,444,737
MZ Claims Property, Ontario	-	-	680,879
Gold Hill Property, Ontario	-	572	68,841
Knight Property, Ontario	(25,305)	1,516,736	3,647,206
McGarry Property, Ontario	(29,956)	376,823	1,079,249
	\$ (55,261)	\$ 1,895,605	\$ 10,920,912

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

Mirado Gold Project “Mirado”

The Mirado project is located in Kirkland Lake, Ontario and consists of contiguous patented claims, with surface and mining rights, owned 100% by the Company and mining claims owned 100% by the Company. They are subject to a 3% NSR payable to the vendor of which 1% can be purchased by the Company for \$1,000,000. In addition, the Company previously entered into a series of transactions whereby it granted a royalty with the following rights: (a) the right to purchase a 1% NSR on the Mirado project for \$2,000,000 at any time prior to 90 days after the commencement of commercial production from the Mirado Mine; (b) the right of first refusal to provide any future stream financing component to the Company on its possible future Phase Two production from expansion of the open pit provided the financing is on reasonable and competitive commercial terms consistent with industry standards; and (c) the right to receive a 2% NSR with total proceeds capped at a maximum of \$1,000,000 on any future revenues from the Company's possible Phase Two production from expansion of the open pit once a preliminary economic assessment has been completed.

MZ Claims (Comprising Part of the Mirado Gold Project)

The MZ Claims consist of contiguous claims and is owned 100% by the Company. The MZ claims are subject to a 2% NSR payable to the vendors of which 1% of the NSR may be purchased by the Company for \$1,000,000, and the second 1% of the NSR may be purchased for \$2,000,000.

Gold Hill Project “Gold Hill”

The Gold Hill project is located in Kirkland Lake, Ontario and consists of patented claims and is owned 100% by the Company. They are subject to a 1.5% NSR payable to the vendor which can be purchased by the Company for \$500,000.

Knight Project “Knight”

On November 30, 2017, the Company entered into agreements for a series of three acquisitions of contiguous properties from two individual landholders. All properties are located in the Shining Tree district, in the Province of Ontario. The Tyrenite Extension and Porphyry Lake properties were acquired from two individual landholders and consist of a 100% interest in mining claims. These properties are subject to a 3% NSR with a right to buyback 2% of the NSR for \$2,000,000. During the year ended October 31, 2018, the Company transferred the Mann property and MacMurchy property components of Knight to QC Copper. These properties are subject to various NSR ranging from 2% to 4% with rights to buyback 1% of the NSR for amounts ranging from \$500,000 to \$1,000,000.

McGarry Project “McGarry”

On August 20, 2018, the Company closed the acquisition of the McGarry Mine project, a former producer, and the Barber-Larder project. The McGarry Mine project consists of patented mining claims and mining leases and the Barber-Larder Project consists of patented mining claims and mining leases. All assets are located in McGarry Township in the Province of Ontario. The properties are subject to a 2% NSR with a right to buyout 1% of the NSR for \$1,000,000.

Strategic Partnership with Kirkland Lake Gold

On May 4, 2021, the Company closed its agreement for a strategic partnership with Kirkland Lake Gold Ltd. ("Kirkland Lake Gold") wherein Kirkland Lake Gold acquired a 9.9% interest in the Company. Additionally, Orefinders has granted Kirkland Lake Gold Inc. a wholly-owned subsidiary of Kirkland Lake Gold ("KL Gold") 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.

Orefinders issued Kirkland Lake Gold 24,400,000 common shares at \$0.10 per share for gross proceeds of \$2,440,000 (the "Private Placement Financing"). During the year ended October 31, 2021 Kirkland Lake

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

Gold will also have 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 KL Gold holds an interest in the Company of 5% or greater. For so long as Kirkland Lake Gold holds a minimum equity interest of 5%, it will maintain anti-dilution rights concerning certain future share issuances by the Company.

Option to Earn-in and Joint Venture

Orefinders will grant KL Gold the option to acquire up to an undivided 50% interest in the Mirado, Knight and McGarry over five years. The Option Agreement is contingent on KL Gold spending a total of \$10 million in the ground, with a minimum commitment of \$1M before the first-year anniversary of the effective date of the Option Agreement, an additional \$1.5M before the second-year anniversary of the effective date of the Option Agreement and \$7.5 million before April 19, 2026. KL Gold, 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 KL Gold, with KL Gold having the right to acquire an additional 25% interest by incurring \$50 million spend within the first five years of the formation of the Joint Venture (the "Second Stage Option"). During the Second Stage Option, KL Gold will act as Operator. Subject to the required TSX-V approvals, KL Gold will be granted a right to have its designated board nominee appointed to the Board of the Company for so long as KL Gold holds an interest in the Company of 5% or greater.

American Eagle's NAK Copper-Gold Porphyry project.

In October 2022, the Company entered into an option agreement with American Eagle to acquire a 20% interest (except the NSR as defined below) (the "Interest") in American Eagle's NAK Copper-Gold Porphyry project (the "Project"), consisting of 5 mineral claims located northeast of Smithers, British Columbia.

Pursuant to the option agreement and subsequent to October 31, 2022, Orefinders has carried out an aggregate of \$1,000,000 in work obligations to enable the carrying out of exploration work on the Project (the "Work Obligations"). The completion of the Work Obligations on December 21, 2022 has resulted in the granting of the Interest to Orefinders.

The Interest in the Project is subject to two separate NSR on the Project. A 2% net smelter royalty on the Project is payable to third party, which American Eagle has the right to buy back half (50% of the aforementioned two percent thereof), at a price of \$1,500,000. (the "NSR"). The Interest in the Project is also subject to a 1% net smelter royalty on the project which American Eagle has the right to buy back half (50% of the aforementioned one percent thereof), at a price of \$1,000,000.

American Eagle shall, subject to prior approval of the TSX Venture Exchange, have the right to re-acquire the Interest from Orefinders at any time after February 28, 2023 but before April 30, 2024 (the "Call Option"). The purchase price payable by American Eagle to Orefinders for the Interest on the Closing Date is \$1,500,000, which may be paid, at the sole option of American Eagle, in cash or in common shares of American Eagle.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are principally comprised of amounts outstanding for trade purchases relating to exploration activities, financing activities, general and administrative expenses and professional fees. The usual credit period taken for trade purchases is between 30 to 90 days.

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

Accounts payable and accrued liabilities consist of the following:

	2022	2021
Trade payables	\$ 23,843	\$ 309,400
Accruals	58,500	36,194
	\$ 82,343	\$ 345,594

11. 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. During the year ended October 31, 2022, the Company recognized a flow-through share premium renunciation of \$1,951 (2021 - \$368,839). As of October 31, 2022, the flow-through liability was \$376,610 (2021 - \$378,561).

12. 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. The provision is estimated based on management’s estimates of projected reclamation costs and the timing of such reclamation activities.

	2022	2021
ARO – beginning of year	\$ 570,967	\$ 570,967
Accretion expense	-	-
ARO – end of year	570,967	570,967
Current portion – obligation to be funded within one year	570,967	570,967
	\$ -	\$ -

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

Key management includes directors and executive officers. The remuneration of the key management of the Company during the years ended October 31, 2022 and 2021 was as follows:

	2022	2021
Management and consulting fees	\$ 267,983	\$ 234,733
Geological consulting fees included in exploration expenses	-	17,792
Share-based payments	58,444	-
	\$ 326,427	\$ 252,525

Standard Ore Corporation (“Standard Ore”) is a company controlled by a director of Orefinders and provides corporate and administrative services to the Company. For the year ended October 31, 2022, Standard Ore charged the Company \$120,000 of management fees, which is included in the amounts in the chart above. For the year ended October 31, 2021, Standard Ore charged \$32,750 in fees for CFO services, \$15,000 in fees for CEO services (which are both included in management and consulting fees above) and \$9,801 in rent expenses included in office, rent and general.

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

Related Party Balances

The following are the balances due from (to) associates and related parties as at October 31, 2022 and 2021:

	2022	2021
Due from Standard Ore Corporation	\$84,603	\$25,087
Due from QC Copper	12,735	-
Due (to) Mistango	(100,894)	-
	(\$3,556)	25,087

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

Accounts payable as at October 31, 2022 includes \$1,241 (2021 - \$3,998) payable to officers and directors.

A director of the Company held approximately 44% of the common shares of American Eagle before the share exchange and approximately 26% after the share exchange agreement (Note 6).

14. SHARE CAPITAL***Authorized share capital***

Unlimited number of voting common shares without par value.

Issued share capital

On May 4, 2021, the Company closed a private placement with Kirkland Lake Gold for 24,400,000 common shares at \$0.10 per share for gross proceeds of \$2,440,000. There were no finders' fees associated with this financing. (Note 9)

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. Otherwise specified otherwise by the Board of Directors options vest on the date of grant.

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

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

<i>For the year ended</i>	October 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 year	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	(1,725,000)	0.10	4.50	(1,096,000)	(0.07)	-
Exercised	-	-	-	(1,850,000)	(0.05)	(0.36)
Outstanding, end of year	10,160,000	\$0.10	1.84	9,775,000	\$0.11	2.23
Exercisable, end of year	10,060,000	\$0.10	1.81	9,775,000	\$0.11	2.23

The weighted average share price at the time of option exercises was \$0.20.

There were no options granted during the year ended October 31, 2021. The weighted average fair value of all grants in the year ended October 31, 2022 was \$0.04 per share.

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 expense, net of recovery of \$4,923 from the forfeiture of unvested option, of \$78,775 being recorded during the year ended October 31, 2022.

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 \$11,842 being recorded during the year ended October 31, 2022.

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

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
3,000,000	3,000,000	\$0.13	05-Jan-23*
450,000	450,000	\$0.11	05-Jun-23
3,125,000	3,125,000	\$0.07	09-Jul-24
1,725,000	1,725,000	\$0.13	14-Aug-25
50,000	50,000	\$0.17	21-Oct-25
1,400,000	1,400,000	\$0.10	20-Dec-26
410,000	310,000	\$0.06	01-Apr-27
10,160,000	10,060,000	\$0.10	

* Expired unexercised.

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

Warrants

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

<i>For the year ended</i>	October 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	(39,764,304)	0.13	-	(4,974,333)	(0.08)	-
Warrants outstanding, end of year	-	-	-	39,764,304	\$0.13	0.69

Broker compensation options

As at October 31, 2022, no broker compensation options were outstanding. As at October 31, 2021 the following broker compensation options were outstanding:

Number of broker compensation options outstanding	Exercise Price	Expiry Date
3,099,600	\$0.10 (1)	September 30, 2022

- (1) Exercisable into one unit, comprised of one common share and one-half of one common share purchase warrant. Each whole warrant was exercisable until September 30, 2022 at an exercise price of \$0.15 for one common share.

15. CAPITAL MANAGEMENT

The Company's capital structure is adjusted based on management's and the Board of Directors' decision to fund expenditures with the issuance of debt or equity such that it may complete the acquisition, exploration and development of properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business. The capital of the Company consists of share capital, reserves and deficit.

The Company's mineral properties are in the exploration stage and, as a result, the Company does not currently generate cash flow from operations. The Company intends to raise such funds as and when required to complete its exploration projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms.

The only sources of future funds presently available to the Company are through the exercise of outstanding stock options and warrants and the sale of equity capital of the Company, the issuance of loans and/or debentures or the sale of an interest in any of its mineral properties in whole or in part. 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, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended October 31, 2022 and 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSX-V") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As at October 31, 2022, the Company is compliant with the policies of the TSX-V.

16. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2022	2021
(Loss) income for the year before income taxes	\$ (1,998,762)	\$ 593,191
Statutory tax rate	26.5%	26.5%
Expected income tax (recovery)	\$(529,000)	\$157,000
Loss (gain) on changes in fair value through profit and loss financial assets	203,000	(209,000)
Equity loss from investment in associates	11,000	67,000
(Gain) on dilution of associate	(8,000)	(131,000)
(Gain) on sale of marketable securities	-	(78,000)
Flow-through renunciation	7,000	482,000
Non-taxable items	3,000	3,000
Share-based payments	24,000	-
Tax benefit not realized	289,000	(291,000)
Flow-through share premium renunciation	(1,951)	(368,839)
Deferred income tax (recovery)	\$(1,951)	\$ (368,839)

Deferred income tax assets and liabilities have been recognized in respect of the following:

	2022	2021
Investment in associate	\$ (94,000)	\$(300,000)
Non-capital losses	94,000	300,000
	\$ -	\$ -

Deferred income tax assets and liabilities have not been recognized in respect of the following deductible temporary differences.

	2022	2021
Property and equipment	\$ 47,000	\$ 35,000
Exploration and evaluation expenses	12,940,000	12,892,000
Share issue costs	198,000	301,000
Non-capital losses available for future years	3,839,000	2,667,000
Asset retirement obligation	570,967	570,967
	\$ 17,594,967	\$ 16,465,967

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

The tax pool balances on hand at October 31, 2022, including expiry dates, are as follows:

	Non-capital losses	Property and equipment	Share and debt issue costs	Exploration and evaluation expenses
2023	\$-	-	100,000	-
2035	\$492,000	-	98,000	-
2036	\$578,000	-	-	-
2037	\$78,000	-	-	-
2038	\$598,000	-	-	-
2039	\$952,000	-	-	-
2040	\$702,000	-	-	-
2041	\$377,000	-	-	-
2042	\$416,000	-	-	-
No expiry	-	47,000	-	12,940,000
	\$ 4,193,000	\$ 47,000	\$ 198,000	\$ 12,940,000

The potential future benefits of these losses have not been recognized in the consolidated financial statements because it is not probable that future taxable profit will be available against which the Company can use the benefits.

17. 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. All 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. The Company's accounts payable and accrued liabilities are due in 30 days and are subject to normal trade terms.

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.

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 interest-bearing accounts at its Canadian banking institutions.

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

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:

- (iii) 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 October 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 \$100,000 (2021 - \$250,000).

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.

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

Classification of financial instruments

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

	2022	2021
Financial assets at amortized cost:		
Cash	\$ 5,533,174	\$ 6,094,388
Restricted cash	592,924	570,967
Due from related parties	97,338	25,087
Financial assets at FVPL:		
Marketable securities	966,963	2,496,809
	\$ 7,190,399	\$ 9,187,251

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

	2022	2021
Financial liabilities at amortized cost:		
Accounts payable and accrued liabilities	\$ 82,343	\$ 345,594
Due to related party	100,894	-
	\$ 183,237	\$ 345,594

The Company held marketable securities during 2022 and 2021 that were carried at fair value. They were classified at Level 1 in the fair value hierarchy.

18. 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 2020, as at October 31, 2022, the Company is committed to spend a further \$1,477,685 in eligible exploration and evaluation expenses by December 31, 2022. Certain interpretations are required to assess the eligibility of flow-through expenditures that if changed, could result in the denial of renunciation. 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 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.

OREFINDERS RESOURCES INC.

Notes to Consolidated Financial Statements

For years ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

19. SUBSEQUENT EVENTS

In November 2022, Orefinders Resources Inc entered into an option agreement to acquire a 100% interest in the Grizzly Gold Project (“Grizzly”) in the Chibougamau District of Quebec. Orefinders committed \$450,000 in cash or shares and \$750,000 in work commitments on the property over the next 48 months to earn 100% interest in Grizzly. Payments, if made in common shares of the Company is based on the 15 day volume weight average price in the 15 days prior to the due date of the payment (the “Deemed Share Price”). Where the Deemed Share Price is less than \$0.045 per Common Share, the Company shall make the payment in cash, and where the Deemed Share Price is \$0.045 or more, the Company shall make the payment in common shares. Grizzly is subject to a 2.5% NSR of which 1% can be purchased by the Company for \$1,000,000.

In February 2023, the Company issued 555,556 common shares pursuant to the acquisition of mineral properties for Grizzly. These shares were issued along with the initial cash payment of \$20,000.