



ORESTONE MINING CORP.
(An Exploration Stage Company)

**Condensed Consolidated Interim Financial Statements
(Unaudited)**

**Six months ended
July 31, 2021 and 2020**

Orestone Mining Corp.
Suite 407 – 325 Howe Street
Vancouver, British Columbia, Canada V6C 1Z7

Trading Symbol: ORS
Telephone: 604-629-1929



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**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

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

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

ORESTONE MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	July 31, 2021 (Unaudited)	January 31, 2021 (Audited)
ASSETS			
Current			
Cash		\$ 926,748	\$ 69,719
Marketable securities	4	24	37
GST receivable		8,068	16,582
Prepaid expenses	8	6,720	12,720
		<u>941,560</u>	<u>99,058</u>
Non-current			
Exploration and evaluation assets	5	2,777,461	2,294,998
IVA receivable		44,553	45,690
Reclamation bonds	5	15,000	15,000
		<u>2,837,014</u>	<u>2,355,688</u>
		<u>\$ 3,778,574</u>	<u>\$ 2,454,746</u>
LIABILITIES			
Current			
Trade and other payables		16,927	201,779
Deferred premium on flow-through shares	12	70,424	-
Due to related parties	8	16,778	44,129
		<u>104,129</u>	<u>245,908</u>
SHAREHOLDERS' EQUITY			
Share capital	6	9,365,074	8,100,841
Reserves	6	3,517,106	2,903,628
Deficit		(9,207,735)	(8,795,631)
		<u>3,674,445</u>	<u>2,208,838</u>
		<u>\$ 3,778,574</u>	<u>\$ 2,454,746</u>

Nature of Operations and Going Concern (Note 1)

These consolidated financial statements are authorized for issue by the Board of Directors on September 29, 2021. They are signed on the Company's behalf by:

"David Hottman"

David Hottman, Director

"Gary Nordin"

Gary Nordin, Director

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

ORESTONE MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars; Unaudited)

	Note	Three months ended July 31		Six months ended July 31	
		2021	2020	2021	2020
Expenses					
Filing fees		\$ 1,117	\$ 3,036	\$ 16,485	\$ 9,313
Investor relations		30,916	17,098	52,501	31,267
Marketing		-	-	-	5,743
Office, rent and miscellaneous	8	9,584	10,913	20,640	21,801
Professional fees	8	17,758	19,202	36,917	30,504
Salaries, benefits and consulting fees	8	57,359	100,833	111,833	152,032
Share-based payments	8	(32,415)	190,404	245,250	195,428
Travel	8	52	5,126	1,168	7,262
		<u>84,371</u>	<u>346,612</u>	<u>484,794</u>	<u>453,350</u>
Other items					
Flow-through share premium reversal	12	(12,581)	-	(73,253)	-
Foreign exchange loss (gain)		(1,155)	7,961	563	6,091
Interest income		-	(56)	-	(56)
		<u>(13,736)</u>	<u>7,905</u>	<u>(72,690)</u>	<u>6,035</u>
Net loss before income taxes		<u>70,635</u>	<u>354,517</u>	<u>412,104</u>	<u>459,385</u>
Total comprehensive loss for the period		<u>\$ 70,635</u>	<u>\$ 354,517</u>	<u>\$ 412,104</u>	<u>\$ 459,385</u>
Basic and diluted loss per share		<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Weighted average number of common shares outstanding		<u>56,660,232</u>	<u>35,488,160</u>	<u>48,086,902</u>	<u>31,873,385</u>

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

ORESTONE MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share capital		Reserves				Total shareholders' equity
	Number of shares	Amount	Warrants	Agent's Warrants	Share-based payments	Deficit	
Balance as at January 31, 2020 (Audited)	28,178,283	\$ 7,559,093	\$ 1,460,436	\$ 98,399	\$ 864,403	\$ (7,421,298)	\$ 2,561,033
Shares issues:							
Private placement	10,625,000	483,216	366,824	-	-	-	850,040
Share issuance costs	-	(27,012)	-	-	-	-	(27,012)
Exercise of warrants	444,546	87,754	(21,072)	-	-	-	66,682
Share-based payments	-	-	-	-	195,428	-	195,428
Net loss and comprehensive loss	-	-	-	-	-	(459,385)	(459,385)
Balance as at July 31, 2020 (Unaudited)	39,247,829	8,103,051	1,806,188	98,399	1,059,831	(7,880,683)	3,186,786
Shares issues:							
Share issuance costs	-	(2,210)	-	-	-	-	(2,210)
Share-based payments	-	-	-	-	(60,790)	-	(60,790)
Net loss and comprehensive loss	-	-	-	-	-	(914,948)	(914,948)
Balance as at January 31, 2021 (Audited)	39,247,829	8,100,841	1,806,188	98,399	999,041	(8,795,631)	2,208,838
Shares issues:							
Private placement	17,412,403	1,486,242	368,228	-	-	-	1,854,470
Share issuance costs	-	(78,332)	-	-	-	-	(78,332)
Flow-through share premium	-	(143,677)	-	-	-	-	(143,677)
Share-based payments	-	-	-	-	245,250	-	245,250
Net loss and comprehensive loss	-	-	-	-	-	(412,104)	(412,104)
Balance as at July 31, 2021 (Unaudited)	56,660,232	\$ 9,365,074	\$ 2,174,416	\$ 98,399	\$ 1,244,291	\$ (9,207,735)	\$ 3,674,445

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

ORESTONE MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars; Unaudited)

		Six months ended July 31	
	Note	2021	2020
Cash provided by (used for):			
Operating activities			
Net loss		\$ (412,104)	\$ (459,385)
Items not involving cash:			
Share-based payments		245,250	195,428
Loss (gain) on revaluation of marketable securities	4	13	(36)
Flow-through premium reversal	12	(73,253)	-
Changes in non-cash working capital items:			
GST receivable		8,514	(3,975)
Prepaid expenses		6,000	8,468
Trade and other payables		(2,729)	(25,759)
Due to related parties		(16,778)	8,713
Cash (used in) operating activities		(245,087)	(276,546)
Investing activities			
Exploration and evaluation assets	5	(676,823)	(70,728)
IVA receivable		1,137	-
Reclamation bond		-	14,000
Cash (used in) investing activities		(675,686)	(56,728)
Financing activities			
Net proceeds from the private placement	6	1,777,802	823,028
Proceeds from exercise of warrants	6	-	66,682
Cash provided by financing activities		1,777,802	889,710
Net increase in cash		857,029	556,436
Cash - beginning of the period		69,719	159,419
Cash - end of the period		\$ 926,748	\$ 715,855
Supplemental disclosure with respect to cash flows:			
Exploration and evaluation assets in trade and other payables		\$ 3,686	\$ 500
Share issue costs included in trade and other payables		\$ 1,664	\$ -

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

ORESTONE MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended July 31, 2021 and 2020

(Unaudited: expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Orestone Mining Corp. (the “Company” or “Orestone”) was incorporated under the Business Corporations Act (British Columbia) on April 30, 2007 and its principal business activity is the acquisition and exploration of mineral properties. The address of the Company’s registered and head office is 19th Floor, 885 West Georgia Street, Vancouver, BC V6C 3H4. The Company’s shares are listed on the TSX Venture Exchange and trade under the symbol “ORS”.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to develop its exploration and evaluation assets, and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and is considered to be in the exploration stage. These uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

Management’s plan includes continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration, monitoring exploration activity and reducing overhead costs. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated financial statements of financial position. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary should the Company be unable to continue in existence.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

	July 31, 2021	January 31, 2021
Deficit	\$ (9,207,735)	\$ (8,795,631)
Working capital (deficiency)	\$ 837,431	\$ (146,850)

2. BASIS OF PRESENTATION

(a) Statement of compliance

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

(b) Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities classified and measured at fair value through profit or loss. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

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Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended July 31, 2021 and 2020

(Unaudited: expressed in Canadian dollars)

2. BASIS OF PRESENTATION, (Continued)

(b) Basis of preparation, (Continued)

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended January 31, 2021.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended January 31, 2021. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the six-month period ended July 31, 2021 are not necessarily indicative of the results that may be expected for the current fiscal year ending January 31, 2022.

4. MARKETABLE SECURITIES

July 31, 2021	Shares	Cost	Fair Market Value
Millrock Resources Inc.	333	\$ 75	\$ 24

January 31, 2021	Shares	Cost	Fair Market Value
Millrock Resources Inc.	333	\$ 75	\$ 37

5. EXPLORATION AND EVALUATION ASSETS

Captain Property

The Company owns a 100% interest in certain mineral claims comprising the Captain Property located near Fort St. James, British Columbia.

As at July 31, 2021, the Company had issued a \$15,000 (January 31, 2021 - \$15,000) reclamation bond to the Ministry of Energy, Mines and Petroleum Resources of British Columbia to guarantee reclamation of the environment on the Captain Property.

Resguardo Property

On August 16, 2018, the Company signed a unilateral purchase option agreement (the "Agreement") for a 100% interest in certain mining concessions in the Resguardo copper-gold project in northern Chile. During the term of the Agreement, the Company made cash payments totalling US\$220,000 (\$288,934). Following a review of the results from the reverse circulation drilling program in fiscal 2021, the low copper-gold values encountered on the primary target did not justify further work and Orestone terminated the Agreement. This resulted in an impairment of \$734,863 during the year ended January 31, 2021.

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Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended July 31, 2021 and 2020

(Unaudited: expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS, (Continued)

	Captain Property	Total
Property acquisition costs		
Balance, January 31, 2021	\$ 301,554	\$ 301,554
Staking claims	-	-
Balance, July 31, 2021	<u>301,554</u>	<u>301,554</u>
Deferred exploration costs		
Balance, January 31, 2021	<u>2,289,208</u>	<u>2,289,208</u>
Assays	9,653	9,653
Drilling	357,720	357,720
Field supplies and maps	8,313	8,313
Geological consulting	45,283	45,283
Geophysical consulting	-	-
Road maintenance	58,558	58,558
Legal	-	-
Other	2,937	2,937
Balance, July 31, 2021	<u>2,771,671</u>	<u>2,771,671</u>
Mining exploration tax credit		
Balance, January 31, 2021	(295,764)	(295,764)
Additions	-	-
Balance, July 31, 2021	<u>(295,764)</u>	<u>(295,764)</u>
Total	<u>\$ 2,777,461</u>	<u>\$ 2,777,461</u>

ORESTONE MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended July 31, 2021 and 2020

(Unaudited: expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS, (Continued)

	Captain Property	Resguardo Property	Total
Property acquisition costs			
Balance, January 31, 2020	\$ 295,158	\$ 288,934	\$ 584,092
Staking claims	6,396	-	6,396
Balance, January 31, 2021	301,554	288,934	590,488
Deferred exploration costs			
Balance, January 31, 2020	1,955,507	126,401	2,081,908
Assays	5,308	15,584	20,892
Claim maintenance fee	-	26,397	26,397
Drilling	282,676	224,573	507,249
Field supplies and maps	11,339	6,368	17,707
Geological consulting	31,378	40,992	72,370
Legal	500	5,614	6,114
Other	2,500	-	2,500
Balance, January 31, 2021	2,289,208	445,929	2,735,137
Mining exploration tax credit			
Balance, January 31, 2020	(295,764)	-	(295,764)
Additions	-	-	-
Balance, January 31, 2021	(295,764)	-	(295,764)
Impairment	-	(734,863)	(734,863)
Total	\$ 2,294,998	\$ -	\$ 2,294,998

ORESTONE MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended July 31, 2021 and 2020

(Unaudited: expressed in Canadian dollars)

6. SHARE CAPITAL

a. Authorized

There are an unlimited number of common shares without par value.

b. Share issuance

Fiscal 2022

On March 23, 2021, the Company completed a non-brokered private placement of units ("Units") and flow-through common shares ("Flow-Through Shares") for \$1,854,470 (the "Offering"). In part "A" of the Offering, the Company issued 10,228,556 Units at a price of \$0.09 per Unit for gross proceeds of \$920,570. Each Unit consisted of one common share of the Company ("Common Share") and one common share purchase warrant ("Warrant"). Each Warrant is exercisable for one Common Share at a price of \$0.15 until March 23, 2022. In part "B" of the Offering, the Company issued 7,183,847 Flow-Through Shares at a price of \$0.13 per Flow-Through Share for gross proceeds of \$933,900. The Warrants were ascribed a value of \$368,228 under the Black-Scholes valuation model with the residual being allocated to share capital. Finders' fees amounting to \$61,846 were paid in connection with the Offering. The Company also incurred another \$16,486 share issue costs related to this Offering.

Fiscal 2021

During the year ended January 31, 2021, the Company issued an aggregate of 444,546 common shares for gross proceeds of \$66,682 pursuant to the exercise of warrants.

On May 29, 2020, the Company completed a non-brokered private placement issuing 10,625,000 units ("Unit") at a price of \$0.08 per Unit for gross proceeds of \$850,000. Each Unit consisted of one common share of the Company and one common share purchase warrant. Each warrant is exercisable for one common share of the Company at a price of \$0.12 until May 29, 2022. If the closing trading price of the shares on the TSX Venture Exchange (or such other stock exchange on which the shares may be listed) is at or greater than \$0.25 per share for any 20 consecutive trading days at any time commencing after September 29, 2020, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and, in such case, the warrants will expire on the earlier of (a) the 10th trading day after the date on which such notice is given by the Company and (b) the original expiry date of the warrants. The warrants were ascribed a value of \$366,824 under the Black-Scholes valuation model with the residual being allocated to share capital. No finders' fees were paid in connection with the private placement. The Company incurred \$29,182 share issue costs related to this private placement.

c. Share purchase option compensation plan

The Company has adopted an incentive share option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX Venture Exchange requirements, grant to directors, officers, employees and technical consultants to 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 common shares to be outstanding at closing. Such options will be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, 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 all technical consultants will not exceed 2% of the issued and outstanding common shares.

ORESTONE MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended July 31, 2021 and 2020

(Unaudited: expressed in Canadian dollars)

6. SHARE CAPITAL, (Continued)**c. Share purchase option compensation plan, (Continued)**

The continuity of options is as follows:

Expiry date	Exercise price (\$)	January 31, 2020	Issued	Expired / cancelled	January 31, 2021	Issued	Expired / cancelled	July 31, 2021
November 22, 2022	0.15	385,000	-	-	385,000	-	-	385,000
March 2, 2023	0.12	-	-	-	-	400,000	-	400,000
April 28, 2023	0.15	400,000	-	-	400,000	-	-	400,000
October 4, 2023	0.15	150,000	-	-	150,000	-	-	150,000
June 3, 2024	0.15	1,015,000	-	-	1,015,000	-	-	1,015,000
August 29, 2024	0.20	300,000	-	(10,000)	290,000	-	-	290,000
June 8, 2025	0.12	-	1,150,000	-	1,150,000	-	-	1,150,000
April 1, 2026	0.12	-	-	-	-	1,615,000	-	1,615,000
Options outstanding		2,250,000	1,150,000	(10,000)	3,390,000	2,015,000	-	5,405,000
Options exercisable		2,250,000	1,150,000	(10,000)	3,390,000	503,750	-	3,793,750
Weighted average exercise price (\$)		\$ 0.16	\$ 0.12	\$ 0.20	\$ 0.14	\$ 0.12	\$Nil	\$ 0.14

At July 31, 2021, the weighted average remaining life of the outstanding and exercisable options is 3.32 years (January 31, 2021 – 3.37 years).

The assumptions used in the Black Scholes Option Pricing Model to estimate the fair value of options were:

	2021	2020
Risk-free interest rate	0.92% - 1.27%	Nil
Expected stock price volatility	157.16% - 178.33%	Nil
Expected option life in years	5 years	Nil
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

ORESTONE MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended July 31, 2021 and 2020

(Unaudited: expressed in Canadian dollars)

6. SHARE CAPITAL, (Continued)

d. Warrants

Expiry date	Exercise price (\$)	January 31, 2020	Issued	Exercised	Expired	January 31, 2021	Issued	Expired	July 31, 2021							
August 20, 2020	0.22	786,875	-	-	(786,875)	-	-	-	-							
August 23, 2020	0.22	1,300,000	-	-	(1,300,000)	-	-	-	-							
April 28, 2021	0.15	10,450,091	-	(444,546)	-	10,005,545	-	(10,005,545)	-							
March 23, 2022	0.15	-	-	-	-	-	10,228,556	-	10,228,556							
May 29, 2022	0.12	-	10,625,000	-	-	10,625,000	-	-	10,625,000							
Warrants outstanding		12,536,966	10,625,000	(444,546)	(2,086,875)	20,630,545	10,228,556	(10,005,545)	20,853,556							
Weighted average exercise price (\$)	\$	0.11	\$	0.12	\$	0.15	\$	0.22	\$	0.13	\$	0.15	\$	0.15	\$	0.13

At July 31, 2021, the weighted average remaining life of the outstanding warrants is 0.74 year (January 31, 2021 – 0.80 year).

The assumptions used in the Black Scholes Option Pricing Model to estimate the fair value of warrants were:

	2021	2020
Risk-free interest rate	0.26%	Nil
Expected stock price volatility	169.77%	Nil
Expected option life in years	1 year	Nil
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

e. Reserves

The reserves account records items recognized as share-based payments expense and other share-based payments. When stock options are exercised, the corresponding amount will be transferred to share capital. Amounts recorded for forfeited or expired unexercised options remain in the reserves account. Amounts recorded for exercised, cancelled or expired warrants remain in the reserves account.

7. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the six months ended July 31, 2021 was based on the loss attributable to common shareholders of \$412,104 (July 31, 2020 – \$459,385) and a weighted average number of common shares outstanding of 48,086,902 (July 31, 2020 – 31,873,385).

Diluted loss per share did not include the effect of 5,405,000 stock options (July 31, 2020 – 3,400,000 stock options) and 20,853,556 warrants (July 31, 2020 – 22,717,420) since they were anti-dilutive.

ORESTONE MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended July 31, 2021 and 2020

(Unaudited: expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the six months ended July 31, 2021:

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
David Hottman Chief Executive Officer, Director	\$ 33,600	\$Nil	\$Nil	\$Nil	\$ 43,279	\$ 76,879
Mark T. Brown Chief Financial Officer ^(a)	\$ 29,400	\$Nil	\$Nil	\$Nil	\$ 17,200	\$ 46,600
Bruce Winfield President, Director ^(a)	\$ 45,000	\$Nil	\$Nil	\$Nil	\$ 15,118	\$ 60,118
Gary D. Nordin Director	\$Nil	\$Nil	\$Nil	\$Nil	\$ 43,838	\$ 43,838
John Kanderka Director	\$Nil	\$Nil	\$Nil	\$Nil	\$ 9,159	\$ 9,159
James Anderson Director	\$Nil	\$Nil	\$Nil	\$Nil	\$ 28,542	\$ 28,542
Patrick Daniels Director	\$Nil	\$Nil	\$Nil	\$Nil	\$ 5,857	\$ 5,857

^(a) Mark T. Brown and Bruce Winfield receive payments for their services through private companies they control. Please refer to the table on the next page.

For the six months ended July 31, 2020:

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
David Hottman Chief Executive Officer, Director	\$ 33,600	\$Nil	\$Nil	\$Nil	\$ 34,221	\$ 67,821
Mark T. Brown Chief Financial Officer ^(a)	\$ 29,400	\$Nil	\$Nil	\$Nil	\$ 10,077	\$ 39,477
Bruce Winfield President, Director ^(a)	\$ 45,000	\$Nil	\$Nil	\$Nil	\$ 16,921	\$ 61,921
Gary D. Nordin Director	\$Nil	\$Nil	\$Nil	\$Nil	\$ 58,352	\$ 58,352
John Kanderka Director	\$Nil	\$Nil	\$Nil	\$Nil	\$ 28,728	\$ 28,728
James Anderson Director	\$Nil	\$Nil	\$Nil	\$Nil	\$ 9,168	\$ 9,168
Patrick Daniels Director	\$Nil	\$Nil	\$Nil	\$Nil	\$ 8,107	\$ 8,107

^(a) Mark T. Brown and Bruce Winfield receive payments for their services through private companies they control. Please refer to the table on the next page.

ORESTONE MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements

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8. RELATED PARTY TRANSACTIONS, (Continued)

Related party transactions and balances:

		Six months ended		As at	As at
		July 31,		July 31,	January 31,
Amounts in due to related parties:	Services for:	2021	2020	2021	2021
David Hottman	Salaries and benefits	\$ 33,600	\$ 33,600	\$ -	\$ 4,264
Gary Nordin	Geological consulting	21,700	-	-	21,700
Directors	Expense reimbursement	-	-	3,758	-
A private company with an officer in common with the Company	Accounting, management, financing and rent services	29,400	29,400	5,145	10,290
A private company controlled by President of the Company	Management services	45,000	45,000	7,875	7,875
Total		\$ 129,700	\$ 108,000	\$ 16,778	\$ 44,129

Amounts in prepaid expenses:	Services for:				
David Hottman	Funds advanced	\$ -	\$ -	\$ 6,720	\$ 6,720
Total		\$ -	\$ -	\$ 6,720	\$ 6,720

Amounts owing to/from related parties are non-interest bearing, unsecured, and have no fixed terms of repayment. The changes during the period were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

9. FINANCIAL INSTRUMENTS

The fair value of the Company's cash, marketable securities, receivables and trade and other payables approximate their carrying values.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

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9. FINANCIAL INSTRUMENTS, (Continued)

Cash and marketable securities are measured using level 1 inputs. There were no transfers between levels 1, 2 and 3.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest risk and market risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfil an obligation causing the other party to incur a financial loss. The Company is exposed to credit risks arising from its cash holdings, reclamation bonds and receivables (excluding GST). The Company manages credit risk by placing cash with major Canadian financial institutions. Management believes that credit risk related to these amounts is low.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash and cash equivalents, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

(c) Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk is minimal.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and price risk. The Company is not subject to currency risk as the functional currency is the Canadian dollar. The Company does not use any form of derivative or hedging instruments to reduce its foreign currency risk. The Company is not affected by price risk.

(e) Management of industry risk

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

(f) Currency risk

The Company's property interest in Chile makes it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currency. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary assets of \$74,975 dominated in US dollars.

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10. CAPITAL MANAGEMENT

The Company considers its capital structure to be shareholders' equity represented by assets over liabilities. The Company manages its capital structure based on the funds available to the Company, in order to support acquisition, maintenance, exploration, and development of exploration and evaluation assets.

The Board of Directors has not established any quantitative return on capital criteria for management, instead relying on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has interests are in the exploration stage so the Company is dependent on external financing to fund its activities. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed.

The Company is not subject to externally imposed capital restrictions.

11. SEGMENTED FINANCIAL INFORMATION

The Company operates in one industry segment, being the acquisition, exploration and development of mineral property interests. Geographic information is as follows:

	July 31, 2021	January 31, 2021
Non-current assets		
Canada	\$ 2,792,461	\$ 2,309,998
Chile	44,553	45,690
	<u>\$ 2,837,014</u>	<u>\$ 2,355,688</u>

12. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

	July 31, 2021	January 31, 2021
Balance, beginning of period	\$ -	\$ -
Deferred premium on flow-through shares issued	143,677	-
Recognition of deferred premium on flow-through shares	(73,253)	-
Balance, end of period	<u>\$ 70,424</u>	<u>\$ -</u>

Flow-through common shares require the Company to spend 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 made the required exploration expenditures.

During the six months ended July 31, 2021, the Company received \$933,900 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of \$143,677. During the six months ended July 31, 2021, the Company incurred and renounced eligible expenditures of \$476,145. These expenditures will not be available to the Company for future deduction from taxable income.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium", are recorded as deferred income. As at July 31, 2021, the Company has a remaining qualifying expenditure commitment of \$457,755 from the proceeds of flow-through shares issued on March 23, 2021.

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13. SUBSEQUENT EVENT

On August 4, 2021, the Company increased its reclamation bond to the Ministry of Energy, Mines, and Petroleum Resources of British Columbia by \$10,900 to guarantee reclamation of the environment on the Captain Property.