



**ORESTONE MINING CORP.**  
*(An Exploration Stage Company)*

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

**Three months ended  
April 30, 2022 and 2021**

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 STATMENTS**

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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	April 30, 2022 (Unaudited)	January 31, 2022 (Audited)
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 446,088	\$ 753,796
Marketable securities	4	20	20
GST receivable		16,930	10,148
Prepaid expenses	8	10,911	65,161
		<u>473,949</u>	<u>829,125</u>
<b>Non-current</b>			
Exploration and evaluation assets	5	2,999,296	2,897,676
Reclamation bonds	5	25,900	25,900
		<u>3,025,196</u>	<u>2,923,576</u>
		<u>\$ 3,499,145</u>	<u>\$ 3,752,701</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		\$ 22,336	\$ 186,381
Deferred premium on flow-through shares	12	26,355	51,929
Due to related parties	8	18,075	32,603
		<u>66,766</u>	<u>270,913</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6	9,408,395	9,408,395
Reserves	6	3,421,445	3,421,445
Deficit		<u>(9,397,461)</u>	<u>(9,348,052)</u>
		<u>3,432,379</u>	<u>3,481,788</u>
		<u>\$ 3,499,145</u>	<u>\$ 3,752,701</u>

**Nature of Operations and Going Concern (Note 1)**

These consolidated financial statements are authorized for issue by the Board of Directors on June 29, 2022.  
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)

		<b>Three months ended</b>	
		<b>April 30</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>
Expenses			
Filing fees		\$ 6,410	\$ 15,368
Investor relations		1,948	21,585
Office, rent and miscellaneous	8	7,923	11,056
Professional fees	8	10,062	19,159
Salaries, benefits and consulting fees	8	49,289	54,474
Share-based payments	8	-	277,665
Travel	8	105	1,116
		<u>75,737</u>	<u>400,423</u>
Other items			
Flow-through share premium reversal	12	(25,574)	(60,672)
Foreign exchange loss (gain)		(754)	1,718
		<u>(26,328)</u>	<u>(58,954)</u>
Net loss before income taxes		<u>49,409</u>	<u>341,469</u>
Total comprehensive loss for the period		<u>\$ 49,409</u>	<u>\$ 341,469</u>
Basic and diluted loss per share		<u>\$ 0.00</u>	<u>\$ 0.01</u>
Weighted average number of common shares outstanding		<u>56,660,232</u>	<u>43,015,265</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	
<b>Balance as at January 31, 2021 (Audited)</b>	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	1,529,562	324,908	-	-	-	1,854,470
Share issuance costs	-	(78,331)	-	-	-	-	(78,331)
Flow-through share premium	-	(143,677)	-	-	-	-	(143,677)
Share-based payments	-	-	-	-	277,665	-	277,665
Net loss and comprehensive loss	-	-	-	-	-	(341,469)	(341,469)
<b>Balance as at April 30, 2021 (Unaudited)</b>	<b>56,660,232</b>	<b>9,408,395</b>	<b>2,131,096</b>	<b>98,399</b>	<b>1,276,706</b>	<b>(9,137,100)</b>	<b>3,777,496</b>
Share-based payments	-	-	-	-	(84,756)	-	(84,756)
Net loss and comprehensive loss	-	-	-	-	-	(210,952)	(210,952)
<b>Balance as at January 31, 2022 (Audited)</b>	<b>56,660,232</b>	<b>9,408,395</b>	<b>2,131,096</b>	<b>98,399</b>	<b>1,191,950</b>	<b>(9,348,052)</b>	<b>3,481,788</b>
Net loss and comprehensive loss	-	-	-	-	-	(49,409)	(49,409)
<b>Balance as at April 30, 2022 (Unaudited)</b>	<b>56,660,232</b>	<b>\$ 9,408,395</b>	<b>\$ 2,131,096</b>	<b>\$ 98,399</b>	<b>\$ 1,191,950</b>	<b>\$ (9,397,461)</b>	<b>\$ 3,432,379</b>

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)

		Three months ended April 30	
	Note	2022	2021
<b>Cash provided by (used for):</b>			
<b>Operating activities</b>			
Net loss		\$ (49,409)	\$ (341,469)
Items not involving cash:			
Share-based payments		-	277,665
Loss on revaluation of marketable securities	4	-	2
Flow-through premium reversal	12	(25,574)	(60,672)
Changes in non-cash working capital items:			
GST receivable		(6,782)	(21,700)
Prepaid expenses		54,250	(22,175)
Trade and other payables		(164,044)	43,577
Due to related parties		(14,528)	(44,779)
Cash (used in) operating activities		(206,087)	(169,551)
<b>Investing activities</b>			
Exploration and evaluation assets	5	(101,621)	(338,530)
IVA receivable		-	1,770
Cash (used in) investing activities		(101,621)	(336,760)
<b>Financing activities</b>			
Net proceeds from the private placement	6	-	1,777,802
Cash provided by financing activities		-	1,777,802
<b>Net increase (decrease) in cash</b>		(307,708)	1,271,491
<b>Cash - beginning of the period</b>		753,796	69,719
<b>Cash - end of the period</b>		\$ 446,088	\$ 1,341,210
<b>Supplemental disclosure with respect to cash flows:</b>			
Exploration and evaluation assets in trade and other payables		\$ -	\$ 260,201
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 three months ended April 30, 2022 and 2021  
(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.

		<b>April 30, 2022</b>	<b>January 31, 2022</b>
Deficit	\$	(9,397,461)	\$ (9,348,052)
Working capital	\$	407,183	\$ 558,212

**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.

**2. BASIS OF PRESENTATION, (Continued)****(b) Basis of preparation, (Continued)**

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.



**ORESTONE MINING CORP.**

Notes to the Condensed Consolidated Interim Financial Statements  
For the three months ended April 30, 2022 and 2021  
(Unaudited: expressed in Canadian dollars)

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, 2022.

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, 2022. 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 three-month period ended April 30, 2022 are not necessarily indicative of the results that may be expected for the current fiscal year ending January 31, 2023.

**4. MARKETABLE SECURITIES**

<b>April 30, 2022</b>	<b>Shares</b>	<b>Cost</b>	<b>Fair Market Value</b>
Millrock Resources Inc.	333	\$ 75	\$ 20

<b>January 31, 2022</b>	<b>Shares</b>	<b>Cost</b>	<b>Fair Market Value</b>
Millrock Resources Inc.	333	\$ 75	\$ 20

**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 April 30, 2022, the Company had issued a \$25,900 reclamation bond (January 31, 2022 - \$25,900) to the Ministry of Energy, Mines and Petroleum Resources of British Columbia to guarantee reclamation of the environment on the Captain Property.

**ORESTONE MINING CORP.**

Notes to the Condensed Consolidated Interim Financial Statements  
For the three months ended April 30, 2022 and 2021  
(Unaudited: expressed in Canadian dollars)

**5. EXPLORATION AND EVALUATION ASSETS, (Continued)**

	<b>Captain Property</b>	<b>Total</b>
<b>Property acquisition costs</b>		
Balance, January 31, 2022	\$ 301,554	\$ 301,554
Balance, April 30, 2022	301,554	301,554
<b>Deferred exploration costs</b>		
Balance, January 31, 2022	2,956,498	2,956,498
Assays	4,703	4,703
Core and core cutting	1,350	1,350
Drilling	54,979	54,979
Field supplies	365	365
Maps, drafting, reproductions	2,094	2,094
Geological consulting - Other	4,900	4,900
Geophysics CEE	24,745	24,745
Other Expl. Expenditures	3,336	3,336
Travel & Accom	1,211	1,211
Meals	709	709
Truck Rental	3,228	3,228
Balance, April 30, 2022	3,058,118	3,058,118
<b>Mining exploration tax credit</b>		
Balance, January 31, 2022	(295,764)	(295,764)
Additions	(64,612)	(64,612)
Balance, April 30, 2022	(360,376)	(360,376)
<b>Total</b>	<b>\$ 2,999,296</b>	<b>\$ 2,999,296</b>

**ORESTONE MINING CORP.**

Notes to the Condensed Consolidated Interim Financial Statements  
For the three months ended April 30, 2022 and 2021  
(Unaudited: expressed in Canadian dollars)

**5. EXPLORATION AND EVALUATION ASSETS, (Continued)**

	<b>Captain Property</b>	<b>Total</b>
<b>Property acquisition costs</b>		
Balance, January 31, 2021	\$ 301,554	\$ 301,554
Staking claims	-	-
Balance, January 31, 2022	301,554	301,554
<b>Deferred exploration costs</b>		
Balance, January 31, 2021	2,289,208	2,289,208
Assays	9,670	9,670
Claim maintenance fee	-	-
Drilling	519,405	519,405
Field supplies and maps	11,728	11,728
Geological consulting	55,783	55,783
Road maintenance	62,558	62,558
Legal	-	-
Other	8,146	8,146
Balance, January 31, 2022	2,956,498	2,956,498
<b>Mining exploration tax credit</b>		
Balance, January 31, 2021	(295,764)	(295,764)
Additions	(64,612)	(64,612)
Balance, January 31, 2022	(360,376)	(360,376)
Impairment	-	-
<b>Total</b>	<b>\$ 2,897,676</b>	<b>\$ 2,897,676</b>

## ORESTONE MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three months ended April 30, 2022 and 2021  
(Unaudited: expressed in Canadian dollars)

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### 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 \$1,853,118 (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 \$1,854,470. 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 \$1,854,470. 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 additional share issue costs of \$16,485 related to this Offering.

#### 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 three months ended April 30, 2022 and 2021  
(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, 2021	Issued	Expired / cancelled	January 31, 2022	Issued	Expired / cancelled	April 30, 2022
November 22, 2022	0.15	385,000	-	(35,000)	350,000	-	-	350,000
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	-	(100,000)	915,000	-	-	915,000
August 29, 2024	0.20	290,000	-	-	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	-	-	1,615,000
Options outstanding		3,390,000	2,015,000	(535,000)	4,870,000	-	-	4,870,000
Options exercisable		3,390,000	503,750	(535,000)	4,870,000	-	-	4,870,000
Weighted average exercise price (\$)		\$ 0.14	\$ 0.12	\$ 0.13	\$ 0.14	\$Nil	\$Nil	\$ 0.14

At April 30, 2022, the weighted average remaining life of the outstanding and exercisable options is 2.73 years (January 31, 2022 – 2.98 years).

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

	2022	2021
Risk-free interest rate	Nil	0.92% - 1.27%
Expected stock price volatility	Nil	157.16% - 178.33%
Expected option life in years	Nil	5 years
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 three months ended April 30, 2022 and 2021  
(Unaudited: expressed in Canadian dollars)

**6. SHARE CAPITAL, (Continued)****d. Warrants**

Expiry date	Exercise price (\$)	January 31, 2021	Issued	Expired	January 31, 2022	Expired	April 30, 2022
April 28, 2021	0.15	10,005,545	-	(10,005,545)	-	-	-
March 23, 2022	0.15	-	10,228,556	-	10,228,556	(10,228,556)	-
May 29, 2022*	0.12	10,625,000	-	-	10,625,000	-	10,625,000
Warrants outstanding		20,630,545	10,228,556	(10,005,545)	20,853,556	(10,228,556)	10,625,000
Weighted average exercise price (\$)		\$ 0.13	\$ 0.15	\$ 0.15	\$ 0.13	\$ 0.15	\$ 0.12

\*Subsequently expired unexercised

At April 30, 2022, the weighted average remaining life of the outstanding warrants is 0.08 year (January 31, 2022 – 0.23 year).

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

	2022	2021
Risk-free interest rate	Nil	0.26%
Expected stock price volatility	Nil	169.77%
Expected option life in years	Nil	1 year
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 three months ended April 30, 2022 was based on the loss attributable to common shareholders of \$49,409 (April 30, 2021 – \$341,469) and a weighted average number of common shares outstanding of 56,660,232 (April 30, 2021 – 43,015,265).

Diluted loss per share did not include the effect of 4,870,000 stock options (April 30, 2021 – 5,405,000 stock options) and 10,625,000 warrants (April 30, 2021 – 20,853,556) since they were anti-dilutive.

**ORESTONE MINING CORP.**

Notes to the Condensed Consolidated Interim Financial Statements  
For the three months ended April 30, 2022 and 2021  
(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 three months ended April 30, 2022:

	Short-term employee benefits	Post- employment benefits	Other long- term benefits	Termination benefits	Share- based payments	Total
David Hottman Chief Executive Officer, Director	\$ 16,800	\$Nil	\$Nil	\$Nil	\$Nil	\$ 16,800
Mark T. Brown Chief Financial Officer <sup>(a)</sup>	\$ 14,950	\$Nil	\$Nil	\$Nil	\$Nil	\$ 14,950
Bruce Winfield President, Director <sup>(a)</sup>	\$ 22,500	\$Nil	\$Nil	\$Nil	\$Nil	\$ 22,500
Gary D. Nordin Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$ -
John Kanderka Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$ -
James Anderson Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$ -
Patrick Daniels Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$ -

<sup>(a)</sup> 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 three months ended April 30, 2021:

	Short-term employee benefits	Post- employment benefits	Other long- term benefits	Termination benefits	Share- based payments	Total
David Hottman Chief Executive Officer, Director	\$ 16,800	\$Nil	\$Nil	\$Nil	\$ 64,224	\$ 81,024
Mark T. Brown Chief Financial Officer <sup>(a)</sup>	\$Nil	\$Nil	\$Nil	\$Nil	\$ 25,578	\$ 25,578
Bruce Winfield President, Director <sup>(a)</sup>	\$Nil	\$Nil	\$Nil	\$Nil	\$ 22,378	\$ 22,378
Gary D. Nordin Director	\$Nil	\$Nil	\$Nil	\$Nil	\$ 64,782	\$ 64,782
John Kanderka Director	\$Nil	\$Nil	\$Nil	\$Nil	\$ 13,348	\$ 13,348
James Anderson Director	\$Nil	\$Nil	\$Nil	\$Nil	\$ 42,505	\$ 42,505
Patrick Daniels Director	\$Nil	\$Nil	\$Nil	\$Nil	\$ 8,650	\$ 8,650

<sup>(a)</sup> 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.

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Notes to the Condensed Consolidated Interim Financial Statements  
For the three months ended April 30, 2022 and 2021  
(Unaudited: expressed in Canadian dollars)

**8. RELATED PARTY TRANSACTIONS, (Continued)**

Related party transactions and balances:

		Three months ended		As at	As at
		April 30,		April 30,	January 31,
Amounts due to related parties:	Services for:	2022	2021	2022	2022
David Hottman	Salaries and benefits	\$ 16,800	\$ 16,800	\$ 4,273	\$ -
Gary Nordin	Geological consulting	4,900	21,700	195	10,500
John Kanderka	Expense reimbursement	-	-	-	-
Bruce Winfield	Expense reimbursement	-	-	456	-
A private company with an officer in common with the Company	Accounting, management, financing and rent services	14,950	14,700	5,276	10,290
A private company controlled by President of the Company	Management services	22,500	22,500	7,875	11,813
<b>Total</b>		<b>\$ 59,150</b>	<b>\$ 75,700</b>	<b>\$ 18,075</b>	<b>\$ 32,603</b>
Amounts in prepaid expenses:	Services for:				
David Hottman	Funds advanced	\$ -	\$ -	\$ 10,911	\$ 10,911
<b>Total</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,911</b>	<b>\$ 10,911</b>

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.

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.



## ORESTONE MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three months ended April 30, 2022 and 2021  
(Unaudited: expressed in Canadian dollars)

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### 9. FINANCIAL INSTRUMENTS, (Continued)

#### (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 \$28,817 dominated in US dollars.