

Orefinders Concerned as Mistango Dilutes Itself by 41% in Entrenchment Financing, Continues to Sell Off Assets at a Discount

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TORONTO, June 24, 2019 - [Orefinders Resources Inc.](#) ("Orefinders" or the "Company") (TSX.V: ORX) is disappointed to announce that [Mistango River Resources Inc.](#) ("Mistango") (MIS:CSE) has rejected Orefinders' offer to arrange an arms length financing to be done at a premium to the Canadian Stock Exchange's minimum share issuance price of \$0.05. In turn Mistango announced on June 20, 2019 that it is completing a discounted flow-through share issuance at \$0.022 per share. This \$0.022 per share financing amounts to a minimum of a 56% discount in share price to what Orefinders had offered in its June 18, 2019 news release. Furthermore, Mistango is issuing 15,909,090 shares from its 38,073,481 shares outstanding which amounts to 41% dilution to existing shareholders.

Mistango's financing is a flow through share offering, meaning that the true cost to the investor, depending on their tax bracket, could be in the 1 cent range. Perhaps most concerning is the inclusion of the sale of a 3% NSR on all Mistango's assets, including Mistango's only asset of substance, the Omega Project. Given Mistango's financing transaction was a combined share issuance and royalty sale, Orefinders questions the assigned value of \$150,000 for these royalties. Orefinders believes these royalties are worth substantially more which would imply an even further discount the true value of the per share price issuance.

Why is Orefinders concerned about these entrenchment tactics?

Mistango's management and Board of Directors have demonstrated a pattern of liquidating assets, which belong to the company's shareholders, in order to fund management salaries, office rent paid directly to the CEO Robert Kasner and exploration and travel expenses above and beyond the salary of his son, COO Donald Kasner. Additionally, we note Donald Kasner recently took out a \$11,582 loan from Mistango.

Orefinders also notes the following Mistango Asset Sales in since 2013:

- 2013: Sale of HM Royalty for \$1,250,000 and 100,000 common shares of Premier Royalty Inc.
- 2015: Sale of 14,500 Sandstorm Gold shares for \$46,372
- 2016: Sale of Estrades property for \$700,000
- 2018: Sale of Surface Rights on one of its properties for \$35,078
- 2019 Q1: Sale of 1% NSR from Estrades transaction for \$75,000
- 2019 Q2: Sale of 3% royalty on all properties for \$150,000

Where has the \$2,256,450 in proceeds from these asset sales gone? As of March 31, 2019, Mistango's most recent financials, the company had \$8,245 in cash and a working capital deficiency.

During this same time period of asset liquidation since 2013, Mistango has not released a single exploration or drill result since July 2013.

Despite this, Mistango management and insiders have been well compensated since 2013:

- \$1,748,714 in management compensation paid to insiders;
- \$1,594,853 in exploration expenses, of which unspecified amounts are attributed to related party transactions or "certain corporate entities and consultants that are RELATED to the Company's officers and directors"
- \$137,805 in office rent paid to a company controlled by Mistango's President and CEO.

No Shareholder Approval, No Annual General Meeting for 2 Years

This 56% discounted financing, which sees existing Mistango shareholders diluted by 41%, in combination with an asset encumbering 3% royalty sale was completed by Mistango's board of directors and management without receiving any shareholder approval. Furthermore, as stated in multiple news releases, Mistango has not held an annual shareholders meeting, as required by law, in 2018 or 2019. As per Mistango's filings, only a single person on its board and management team is a shareholder of Mistango.

Mistango has misled its investors as well as governing authorities stating that it has held a Shareholder Meeting in 2018. To clarify, Mistango DID NOT hold any Shareholder Meeting in 2018. And Mistango did not call a Shareholder Meeting for 2019 until Orefinders requisitioned one. Mistango has not held a Shareholder Meeting since 2017. As per the Canada Business Corporations Act, annual shareholder meetings are required within 6 months of a company's year end. Mistango's year end is December 31, and therefore it's required to call a shareholder meeting before June 30, 2019, with the deadline this year approaching in 4 days (Friday, June 28), compliance for this year's meeting is impossible. Orefinders also notes that Mistango failed to hold a shareholder meeting in 2016 which further shows a pattern of shareholders disregard and poor corporate governance.

We encourage Mistango shareholders and governing authorities whose responsibility it is to govern fair practices within Canada capital markets to evaluate these facts and draw their own conclusions. All the information cited above was sourced from Mistango's public filings.

We also encourage all Mistango shareholders and governing authorities to ask why Mistango's board of directors chose not to pursue Orefinders' arms length financing proposal to be done at a significant premium and without encumbering its assets with royalties. Furthermore, why despite Mistango's statement that its extremely dilutive financing's use of proceeds "to fund development of its flagship Omega Project and for further exploration" is contrary to Mistango's monthly filings with the Canadian Securities Exchange (most recently, May 2019 Monthly Progress Report filed on June 4, 2019), where Mistango has consistently indicated that they continue "to defer exploration on all its properties until market conditions improve."

Legal Action

Orefinders will continue to fight for the rights of the shareholders who have been ignored by current Mistango's current leadership. Orefinders holds the strong opinion that the independent authorities who regulate fairness and improper practices on Canada's capital markets must independently intervene on what it sees egregious abuses of shareholder rights. Failing this, Orefinders reserves the right to pursue any and all appropriate legal steps to reverse both this dilutive and discounted share issuance of Mistango, along with the encumbering royalty issued to the same party.

About Orefinders Resources Inc.

Orefinders is a Gold exploration and development company focused exclusively within the Abitibi Greenstone Belt. The Company is listed on the Toronto Venture Exchange under the symbol ORX.

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