Origin Gold Corporation

(Formerly OneCap Investment Corporation)

Consolidated Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian dollars)

Raymond Chabot Grant Thornton

Independent Auditor's Report

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To the Shareholders of
Origin Gold Corporation
(formerly OneCap Investment Corporation)

Opinion

We have audited the consolidated financial statements of Origin Gold Corporation (formerly OneCap Investment Corporation) (hereafter "the Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, the consolidated statements of changes in equity (deficiency) and the consolidated statements of cash flows for the years then ended, and notes to 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 financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its 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, and 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.

Material uncertainty related to going concern

We draw attention to Note 2 to the consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the consolidated financial statements and the auditor’s report thereon

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor’s report thereon, included in the Management’s Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 the Management's Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. 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 International Financial Reporting Standards (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 to 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 the 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 judgment 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 risk 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;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 on the audit resulting in this independent auditor's report is Karine Desrochers.

Raymond Chabot Grant Thornton LLP[1]

Montréal
April 8, 2019

[1] CPA auditor, CA public accountancy permit no. A127023

Origin Gold Corporation
(Formerly OneCap Investment Corporation)
Consolidated Statements of Financial Position
As at December 31, 2018 and 2017
(In Canadian dollars)

	Note	2018	2017
		$	$
Assets			
Current assets			
Cash and cash equivalents	6	245,662	1,074,635
Sales taxes receivable		13,901	40,070
Prepaid expenses and advances to suppliers		19,951	31,297
		279,514	1,146,002
Non-current assets			
Property, plant and equipment, net of depreciation ($12)		2,070	-
		2,070	-
Total assets		281,584	1,146,002
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		43,673	76,000
Total liabilities		43,673	76,000
Equity			
Share capital	8	6,792,552	6,767,802
Contributed surplus		3,429,299	3,429,299
Deficit		(9,983,940)	(9,127,099)
Total equity		237,911	1,070,002
Total liabilities and equity		281,584	1,146,002

Going concern	2
Subsequent events	13

Approved by the Board of Directors

(s) Signed
Jacques Authier, Director

(s) Signed
Jean Depatie, Director

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

Origin Gold Corporation
(Formerly OneCap Investment Corporation)
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2018 and 2017
(In Canadian dollars, except for number of shares)

	Note	2018	2017
		$	$
Expenses			
Exploration and evaluation	7	393,999	212,049
Professional and consulting fees		325,045	188,069
Administration expenses		49,308	27,328
Shareholders communication and transfer agent fees		67,304	32,031
Travel expenses and representation		27,255	40,107
Shared-based payments	8	-	117,600
Foreign exchange loss		1,432	4,648
Listing expense	5	-	745,687
Operating loss		864,343	1,367,519
Other gains			
Interest income		7,502	944
Net loss and comprehensive loss		856,841	1,366,575
Loss per common share, basic and diluted		0.02	0.04
Weighted average number of common shares outstanding – basic and diluted		40,968,986	32,601,547

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

Origin Gold Corporation

(Formerly OneCap Investment Corporation)

Consolidated Statements of Changes in Equity (Deficiency)

For the years ended December 31, 2018 and 2017

(In Canadian dollars, except for number of shares)

	Note	Number of common shares outstanding	Share capital	Contributed surplus	Deficit	Total Equity
			$	$	$	$
Balance - January 1, 2018		40,909,191	6,767,802	3,429,299	(9,127,099)	1,070,002
Acquisition of mineral properties	7	225,000	24,750	-	-	24,750
Transactions with owners		41,134,191	6,792,552	3,429,299	(9,127,099)	1,094,752
Net loss and comprehensive loss		-	-	-	(856,841)	(856,841)
Balance – December 31, 2018		41,134,191	6,792,552	3,429,299	(9,983,940)	237,911

	Note	Number of common shares outstanding	Share capital	Contributed surplus	Deficit	Total Equity (Deficiency)
			$	$	$	$
Balance - January 1, 2017		61,458,710	4,535,475	2,728,727	(7,271,110)	(6,908)
Private placements						
Proceeds from shares issuance	8	5,000,000	250,000	-	-	250,000
Transactions as part of the reverse takeover						
Capital reorganization	5	(37,563,619)	-	-	-	-
		28,895,091				
Deemed issuance of common shares	5	6,914,100	1,140,827	-	-	1,140,827
Deemed issuance of stock options	5	-	-	31,656	-	31,656
Concurrent private placement	5	5,100,000	1,020,000	-	-	1,020,000
Less: Valuation of warrants	5	-	(178,500)	178,500	-	-
Agent compensation warrants	5	-	-	24,990	-	24,990
Replacement warrants	5	-	-	347,826	(347,826)	-
Share and unit issue expenses	5,8	-	-	-	(141,588)	(141,588)
Share options						
Share-based payments	8	-	-	117,600	-	117,600
Transactions with owners		40,909,191	6,767,802	3,429,299	(7,760,524)	2,436,577
Net loss and comprehensive loss		-	-	-	(1,366,575)	(1,366,575)
Balance – December 31, 2017		40,909,191	6,767,802	3,429,299	(9,127,099)	1,070,002

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

Origin Gold Corporation

(Formerly OneCap Investment Corporation)

Consolidated Statements of Cash Flows

For the years ended December 31, 2018 and 2017

(In Canadian dollars)

	Note	2018	2017
		$	$
Cash flows used in operating activities			
Net loss		(856,841)	(1,366,575)
Adjustments for:			
Depreciation of property, plant and equipment included in exploration and evaluation		12	-
Acquisition of a mineral property	7	24,750	-
Non-cash component of listing expense	5	-	590,473
Share-based payments	8	-	117,600
Changes in non-cash working capital items:			
Sales taxes receivable		26,169	(30,591)
Prepaid expenses and advances to suppliers		11,346	(31,297)
Accounts payable and accrued liabilities		(32,327)	20,812
		(826,891)	(699,578)
Cash flows from financing activities			
Proceeds from private placements	5,8	-	1,270,000
Share and unit issue expenses	5,8	-	(116,598)
Repayment of advance and loan from a related party		-	(65,000)
		-	1,088,402
Cash flows from investing activities			
Acquisition of property, plant and equipment		(2,082)	
Cash acquired through the acquisition of Origin	5	-	582,010
		(2,082)	582,010
Net change in cash and cash equivalents		(828,973)	970,834
Cash and cash equivalents, beginning		1,074,635	103,801
Cash and cash equivalents, end		245,662	1,074,635

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

1. INCORPORATION AND NATURE OF ACTIVITIES

Origin Gold Corporation (formerly OneCap Investment Corporation) ("Origin" or collectively with its subsidiaries the "Corporation") was incorporated under the *Canada Business Corporations Act* ("CBCA") on April 20, 2012. On July 11, 2018, the Corporation filed Articles of Amendment to change its name to Origin Gold Corporation (English version) / Corporation Aurifère Origin (French version). Origin's common shares are listed on the TSX Venture Exchange (the "Exchange") under the symbol OIC. The address of its head office and principal place of business is 1801 McGill College Avenue, Suite 950, Montreal (Quebec), Canada, H3A 2N4.

Prior to August 25, 2017, Origin was a capital pool company ("CPC") as defined in Policy 2.4 of the Exchange. On that date, it completed its qualifying transaction (the "Qualifying Transaction") pursuant to the rules and policies of the Exchange by acquiring 100% of the issued and outstanding share capital of Rio Moche Exploration Inc. ("Rio") and evolved into a mineral exploration company with its exploration activity focused in Colombia.

Accordingly, from an accounting standpoint, the transaction constitutes a reverse takeover. As Rio was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their carrying value. Origin's results have been included from the date of the reverse takeover. The legal share capital continues to be that of Origin, the legal parent.

2. GOING CONCERN

Given that the Corporation has not yet determined whether its mineral property contains mineral deposits that are economically recoverable, the Corporation has not yet generated income nor cash flows from its operations. As at December 31, 2018, the Corporation has an accumulated deficit of $9,983,940 ($9,127,099 as at December 31, 2017) and a working capital of $253,841, which is not sufficient to meet the Corporation's operating activities. These material uncertainties cast a significant doubt regarding the Corporation's ability to continue as a going concern.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern. The Corporation's ability to continue as a going concern is dependent upon its ability to raise additional financing, to meet its existing commitments, to further explore its mineral properties, to pay for general and administrative expenses and to continue to have the support from its suppliers and creditors. Even if the Corporation has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation. If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amount eventually realized for assets might be less than amounts reflected in these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation and evaluation

The consolidated financial statements have been prepared in accordance with IFRS. The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies. These areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The consolidated financial statements have been prepared using accounting policies specified by those IFRS that are in effect as at December 31, 2018.

These consolidated financial statements were approved by the Corporation's Board of Directors on April 8, 2019.

(b) Basis of consolidation

The acquisition of Rio has been accounted for as a reverse takeover of the Corporation by Rio. Accordingly, the reported balances and transactions for periods prior to August 25, 2017 are those of Rio.

The consolidated financial statements include the accounts of Origin since August 25, 2017 and those of its wholly-owned subsidiaries: Rio since the incorporation of Rio in 2007, 11023926 Canada Inc. and Trinité S.A.S., a Colombian subsidiary, newly created entities in 2018. All intra-group transactions, balances, income and expenses are eliminated during consolidation. All subsidiaries have reporting dates of December 31.

A subsidiary is an entity controlled by the Corporation. Origin controls an entity when the group is exposed to, or has the right to variable returns from involvement with the entity and has the ability to affect these returns through its power over the entity.

(c) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the parent company's functional currency. The functional currency has remained unchanged during the reporting period. The functional currency of Rio and 11023926 Canada Inc. is the Canadian dollars. The functional currency of Trinité S.A.S. is the Colombian pesos.

Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency of the respective Corporation entity at the exchange rate in effect at the consolidated financial position date, whereas non-monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the transaction date. Revenue and expenses denominated in a foreign currency are translated at the average rate in effect during the period with the exception of depreciation that is translated at the historical rate. Gains and losses on exchange arising from such translation are recorded in the profit and loss.

In the Corporation's consolidated financial statements, all assets, liabilities and transactions of Corporation entities with a functional currency other than the Canadian dollar are translated into Canadian dollars upon consolidation. The functional currencies of entities within the Corporation have remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Canadian dollars at the closing rate at the reporting date. Income and expenses have been translated into Canadian dollars at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to profit or loss and are recognized as part of the gain or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument and are measured initially at fair value plus transactions costs.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured subsequently as described below.

Amortized Cost
Cash, cash equivalents and accounts payable and accrued liabilities are measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. The financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term liquid investments, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Exploration and evaluation expenses

Pre-exploration costs, which include costs prior to the Corporation's obtaining rights to explore and evaluate a defined area are expensed as incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights or options to acquire such rights and expenses related to the exploration and evaluation of mineral properties are also expensed as incurred.

Exploration and evaluation expenses are costs incurred in the course of initial search for mineral resources before the technical feasibility and commercial viability of extracting a project's mineral resources are demonstrable, at which time any further directly attributable pre-production expenditures that give rise to future economic benefits are capitalized.

Expenses related to exploration and evaluation expenses include topographical, geological, geochemical and geophysical studies, drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

(g) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Income taxes (Cont'd)

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. However, since the Corporation is in exploration phase and has no taxable income, tax expense, if any, recognized in profit or loss is currently comprised only of deferred tax.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilized against future taxable income. This is assessed based on the Corporation forecast of future operating results, adjusted to significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the Corporation has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in profit or loss, except where they relate to items that are recognized in directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or in equity, respectively.

(h) Basic and diluted loss per share

Basic loss per share is calculated by dividing the net loss by the weighted average number of outstanding common shares during the period. Diluted loss per share is calculated by adjusting net loss and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares which include share purchase stock options ("Options") and common share purchase warrants ("Warrants"), if any. The diluted net loss per share is equal to the basic net loss per share due to the anti-dilutive effect of outstanding Options and Warrants.

(i) Share capital

Share capital represents the amount received on the issue of shares. If shares are issued when Options and Warrants are exercised, the share capital account also comprises the compensation costs previously recorded as Contributed Surplus.

(j) Equity-settled share-based payments

The Corporation operates equity-settled share-based remuneration plans ("Options Plan") for its eligible directors, officers, employees and consultants. None of the Corporation's plans feature any Options for a cash settlement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Equity-settled share-based payments (Cont'd)

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Corporation cannot estimate reliably the fair value of the goods or service received, the Corporation shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Corporation measured the fair value of the services received by reference to the fair value of the equity instruments granted.

All equity-settled share-based payments (except agent's compensation warrants) are ultimately recognized as an expense in the profit or loss with a corresponding credit to "Contributed Surplus", in equity. Equity-settled share-based payments to agents, in respect of an equity financing are recognized as issuance cost of the equity instrument with a corresponding credit to contributed surplus, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of Options expected to vest. Estimates are subsequently revised if there is any indication that the number of Options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if the number of Options ultimately exercised are different to that estimated on vesting.

(k) Unit placements

Proceeds from unit placements are allocated between shares and Warrants according to their respective fair value. The Corporation uses the quoted price of the share at the date of issuance and the Black-Scholes pricing model to determine the fair value of the shares and the Warrants issued.

(l) Other elements of equity

Contributed Surplus include charges related to Options and Warrants. When Options and Warrants are exercised, the related compensation costs are transferred to share capital.

Contributed surplus includes charges related to expired Options and Warrants.

Deficit includes all current and prior period retained profits or losses and share and unit issue expenses, deductions of all tax advantages on profit or loss of those share and unit issue expenses.

(m) Segmental reporting

The Corporation determined that it had only one operating segment being the acquisition, exploration and evaluation of mineral properties.

(n) Accounting standards issued but not yet adopted

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Corporation.

Management anticipates that all of the pronouncements will be adopted on the Corporation's accounting policies for the first period beginning after the effective date of each pronouncement. These new standards and interpretations have been issued but are not expected to have an impact on the Corporation's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) New Accounting Standard Issued and Effective

IFRS 9 - Financial instruments
In July 2015, the IASB published IFRS 9 which replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces improvements which include a logical model for classification and measurement of financial assets, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The standard was adopted on January 1, 2018 on a retrospective basis with restating comparatives.

The adoption of IFRS 9 has resulted in changes to the classification of some of the Corporation's financial assets but did not change the classification of the Corporation's financial liabilities. Cash and cash equivalents formerly classified as loans and receivable is classified presently at amortized cost. There is no difference in the measurement of these instruments under IFRS 9.

4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Significant Judgments:

Going concern
The assessment of the Corporation's ability to execute its strategy by funding future working capital and exploration and evaluation activities involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Areas of significant judgement in assessing whether the going concern assumption is appropriate relate to the expected timing to secure its financing on a timely basis.

Recognition of deferred income tax assets and measurement of income tax expense
Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period (See Note 3(g)).

Significant estimates:

Share-based payments
The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Corporation has made estimates as to the volatility determined by reference to historical data of comparable entities, the probable life of Options and Warrants granted and the time of exercise of those Options and Warrants. The model used by the Corporation is the Black-Scholes valuation model (see Note 8).

5. REVERSE TAKEOVER AND RELATED TRANSACTIONS

On August 25, 2017, in connection with an amalgamation agreement (the "Amalgamation") dated June 1, 2017, between the Corporation, Rio and 10146307 Canada Inc. ("Subco"), a wholly-owned subsidiary of the Corporation, Origin acquired of all the issued and outstanding share capital of Rio through a three-cornered amalgamation as follows:

a) The shareholders of Rio received one common share of Origin for each 2.3 issued and outstanding common shares of Rio (the "Exchange Ratio"). In total, Origin issued 28,895,091 common shares from treasury to Rio's shareholders. In addition, Origin issued 1,530,435 Options and 3,478,261 Warrants to all holders of Rio Options and Warrants in accordance with the Exchange Ratio. The replacement Options and Warrants issued by Origin are at a price of $0.20. The maturity date of the Options and Warrants have identical terms as the Rio Options and Warrants that were surrendered;

b) Origin completed a brokered private placement for aggregate proceeds of $1,020,000 through the issuance of 5,100,000 units at a price of $0.20 per unit. Each unit is comprised of one common share and one half of one common share purchase warrant. Each full warrant will allow for the purchase of one common share at a price of $0.25 until August 25, 2019;

c) In connection with the private placement, Origin paid to the agent an amount of $77,750 and issued 357,000 agent warrants. Each agent warrant entitles the holder to purchase one common share at a price of $0.25 until August 25, 2019; and

d) Rio and 10146307 Canada Inc., amalgamated and continued as one corporation under the CBCA under the name "Rio Moche Exploration Inc.".

On August 25, 2017, Origin had 6,914,100 issued and outstanding common shares and 791,410 options to acquire common shares of Origin at an exercise price of $0.20 per common share expiring twelve months after the completion of the Qualifying Transaction.

For accounting purposes, this transaction is considered to be a reverse takeover of the Corporation by Rio whereby Rio have acquired control of the Corporation through the deemed issuance of 6,914,100 common shares to the Corporation's shareholders based on the Corporation's net assets as at August 25, 2017. Accordingly, the reported balances and transactions for periods prior to August 25, 2017 are those of Rio.

This transaction constitutes a reverse takeover of the Corporation but does not meet the definition of a business combination under IFRS 3 *Business Combinations*. Accordingly, the reverse takeover transaction is accounted for in accordance with IFRS 2 *Share-based Payment*.

In accordance with IFRS 2, equity instruments issued were recognized at fair value of net assets acquired and services received. Services received by the Corporation consist in the listing of the Corporation as a publicly listed entity on the Exchange and are measured at the amount of the excess of the fair value of equity instruments issued to the Corporation' shares and stock options holders at the time of the merger over the Corporation' net assets acquired. The transaction with the Corporation is thus recognized in substance as if Rio had proceeded to the issuance of shares and Options to acquire the Corporation's net assets.

(In Canadian dollars)

5. REVERSE TAKEOVER AND RELATED TRANSACTIONS (CONT'D)

The acquisition of the Corporation has been accounted for as follows:

	Amount
Net assets acquired	$
Assets acquired	
Cash and cash equivalent	582,010
Sales taxes receivable	21,769
Prepaid expenses	15,435
Liabilities assumed	
Accounts payable and accrued liabilities	(127,474)
Corporation's net assets as at August 25, 2017	491,740
Consideration paid	
6,914,100 common shares deemed issued to the Corporation's existing shareholders	1,140,827
791,410 Options for common shares deemed issued to the Corporation's existing option holders	31,656
Transaction costs paid in cash	64,944
	1,237,427
Listing expense	**745,687**

The fair value of $1,140,827 of the 6,914,100 common shares was estimated based on the pricing of the concurrent financing with a value of $0.165 being allocated to each common share.

The fair value of $31,656 of the 791,410 options was estimated at using the Black-Scholes model based on the following assumptions: risk-free interest rate of 1.25%, expected volatility of 78.16%, dividend yield of 0% and expected life of 12 months. The underlying expected volatility was determined by reference to historical data of comparable entities as the common shares of the Corporation were not publically traded.

Concurrent private placement
From the total proceeds received from the units of $1,020,000, $178,500 has been allocated to warrants and $841,500 to capital stock, according to a pro-rata allocation of the estimated fair value of each of the two components.

Issue costs of the concurrent private placement totaled $132,901, consisting of the agent cash commission of $77,750, the value of the 357,000 agent warrants of $24,990 and the other issuance costs of $30,161.

The estimated fair value of the warrants and broker warrants were determined using the Black-Scholes pricing model based on the following assumptions: no expected dividend yield, an expected volatility of 102.82%, a risk free interest rate of 1.26% and an expected life of the warrants of 2 years. The underlying expected volatility was determined by reference to historical data of comparable entities as the common shares of the Corporation were not publicly traded.

Replacement warrants
In April 2017, Rio amended its outstanding warrants' terms entitling its holder to certain rights including an anti-dilution right and granted 8,000,000 warrants of Rio (or 3,478,261 of Origin's replacement warrants) subject to the closing of the Qualifying Transaction. Each full warrant will allow for the purchase of one Origin share at an exercise price of $0.20 until September 29, 2020.

(In Canadian dollars)

5. REVERSE TAKEOVER AND RELATED TRANSACTIONS (CONT'D)

This operation was treated as an exchange of the original warrant for a new warrant. The incremental value of $347,826 recorded in equity was measured as the difference in the fair value of the new and the original warrant at the amendment date. The fair value of the new warrants was calculated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 1.34%, expected volatility of 105.04%, dividend yield of 0% and expected life of three years. The underlying expected volatility was determined by reference to historical data of comparable entities as the common shares of the Corporation were not publicly traded.

6. CASH AND CASH EQUIVALENTS

	As at December 31,	
	2018	2017
	$	$
Cash	43,660	1,074,635
Guaranteed investment certificate bearing interest at 1.85%, redeemable at any time and maturing in August 2019	202,002	-
	245,662	1,074,635

7. EXPLORATION AND EVALUATION EXPENSES

	For the years ended December 31	
	2018	2017
	$	$
La Pantera, Colombia		
Acquisition cost	78,667	-
Exploration and evaluation expenditures	114,995	-
	193,662	-
Las Marias, Colombia		
Acquisition Cost	8,081	37,761
Exploration and evaluation expenditures	52,146	122,427
	60,227	160,188
Regional exploration expenditures - Colombia	140,110	51,861
	393,999	212,049

La Pantera

Under an option and assignment agreement dated July 14, 2018, the Corporation secured the ownership of an interest of 50% of the mining title 0-561 ("La Pantera property") in consideration for US$115,000 in cash and the issuance of 1,000,000 of its common shares under the following terms:

a) A cash payment of $$53,917 (US$40,000) paid as at December 31, 2018;

b) A cash payment of US$25,000 (Canadian equivalent of $34,000 converted at the exchange rate on December 31, 2018) at the date of issue of the administrative act before the competent mining authority which declares the execution of the title transfer (pending as at December 31, 2018); and

c) The issuance of 1,000,000 common shares of the Corporation and a cash payment of US$50,000 (Canadian equivalent of $68,000 converted at the exchange rate on December 31, 2018) on the date the transfer of the mining title is completed before the National Mining Registry (pending as at December 31, 2018);

7. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

d) The execution of an exploration program on the La Pantera property, according to the recommendation made in the National Instrument 43-101 technical report of 2018, also considering subsequent reviews within a period of 6 years.

The seller of the 50% interest will also receive US$8 as royalties for each ounce of gold recognized as measured and indicated resource (as defined by National Instrument 43-101) identified by a 6 year exploration program. Upon production, a royalty of 2% net smelter is payable by the Corporation on the ounces of gold produced, after deducting the quantity of ounces on which royalties were already paid.

In connection with this acquisition, the Corporation paid a finder's fee of 225,000 in common shares of the Corporation and valued at $24,750 being the fair value.

<u>Las Marias</u>
Pursuant to an exclusive option agreement signed on July 23, 2016, the Corporation had an option to earn a 100% interest in the Las Marias concession, located in Colombia, subject to the payment of US$1,000,000 and exploration work of US$4,350,000, over a 5-year period in addition to a 3% net smelter return ("NSR").On July 16, 2018, the Corporation notified the owners of the Las Marias property of its decision to terminate the option on this property.

8. SHARE CAPITAL

a) Authorized
An unlimited number of voting common shares without par value.

b) Private placements
In 2017, before the Amalgamation date, Rio issued 5,000,000 common shares for total consideration of $250,000 pursuant to non-brokered private placements. Issue costs totaled $8,687 in cash.

c) Escrowed shares
8,435,454 common shares of the Corporation are subject to a surplus security escrow agreement, whereby a 36-month escrow period applies, with 5% having been released on receipt of final approval of the Exchange (September 7, 2017), 5% been releasable on the date that is 6 months from the final Exchange approval, 10% being releasable on the dates that are 12 months and 18 months from final Exchange approval, 15% being releasable on the dates that are 24 months and 30 months from final Exchange approval and 40% being releasable on the date that is 36 months from final Exchange approval. As at December 31, 2018, 6,748,366 common shares are subject to this escrow.

A further 3,345,000 common shares are held under a CPC escrow agreement, with 10% having been released on receipt of final Exchange approval, and a further 15% being releasable every six month thereafter. As at December 31, 2018, 2,007,000 common shares are subject to this escrow.

d) Share-based payments
On May 14, 2018, the Corporation adopted a new "fixed" stock option plan (The "Fixed Stock Option Plan" or the "Plan"). Option issued under the old plan of 2013 (The "Floating Stock Option Plan") are included in the new plan and the original terms and conditions of the Options are not modified.

Under the Floating Stock Option Plan, the number of shares reserved for issuance did not exceed 10% of the shares issued and outstanding from time to time. Under the Fixed Stock Option Plan, Options to purchase an aggregate of up to 4,090,000 of the common shares outstanding from time-to-time may be granted by the Board of Directors.

(In Canadian dollars)

8. SHARE CAPITAL (CONT'D)

d) Share-based payments (Cont'd)

The Directors may, from time to time, at their discretion, and under the requirements of the Exchange, grant non-transferable Options to directors, officers, employees and consultants and determine, among other things, the number of Options, the exercise price for each Options and the times when Options will vest and be exercisable, provided that such date may not be later than the date which is the tenth anniversary of the date on which such Option is granted.

The exercise price per common share under each option shall not be less than the last closing price per common share on the trading day immediately preceding the grant date.

All stock-based compensation will be settled in equity instruments. The Corporation has no legal or constructive obligation to repurchase or settle the options in cash.

A summary of changes of the Corporation's options is presented below:

	For the years ended December 31			
	2018		2017	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
		$		$
Balance, beginning of year	4,055,757	0.18	1,530,434	0.20 [1]
Options deemed issued upon the Reverse Takeover (Note 5)	-	-	791,410	0.20
Granted [2]	-	-	1,960,000	0.15
Expired	(1,226,192)	0.20	(226,087)	0.20
Balance, end of year – outstanding	2,829,565	0.17	4,055,757	0.18
Balance, end of year – exercisable	2,829,565	0.17	4,055,757	0.18

(1) The replacement Options issued by the Corporation are at a price of $0.20 (see Note 5a))
(2) Vested on grant date

Options outstanding and exercisable as at December 31, 2018 are as follows:

Number of Options	Exercise price	Expiry date
	$	
434,782	0.20	October 6, 2019
1,960,000	0.15	December 12, 2019
434,783	0.20	June 1, 2020
2,829,565		

For the year ended December 31, 2017, the total share-based compensation fair value for the Options granted to directors, officers and consultants amount to $117,600 and was expensed in the consolidated statements of Comprehensive Loss and credited to Contributed Surplus.

(In Canadian dollars)

8. SHARE CAPITAL (CONT'D)

d) Share-based payments (Cont'd)

The weighted average fair value of the granted Options of $0.06 in 2017 was determined using the Black-Scholes option pricing model based on the following weighted average assumptions:

	For the years ended December 31	
	2018	**2017**
Expected dividends yield	-	-%
Expected volatility	-	104%
Risk-free interest rate	-	1.52%
Expected life	-	2 years
Exercise price at date of grant	-	$0.15
Share price at date of grant	-	$0.12

The underlying expected volatility was determined by reference to historical data of comparable entities as the common shares of the Corporation were not publicly traded before the Reverse Takeover.

e) Warrants

Warrants outstanding as at December 31, 2018 and 2017 are as follows:

Number of warrants	Exercise price	Expiry date
2,907,000	$0.25	August 25, 2019
3,478,261	$0.20	September 29, 2020
6,385,261		

9. INCOME TAXES

Relationship between expected tax expense and accounting loss

The relationship between the expected tax expense based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the statement of consolidated comprehensive loss can be reconciled as follows:

	For the years ended December 31,	
	2018	**2017**
	$	**$**
Expected tax recovery calculated using the combined federal and provincial tax rate of 26.70% (26.80% in 2017)	(228,776)	(366,242)
Difference in tax rates	1,561	1,472
Non-deductible expenses and other	70,154	233,787
Change in unrecognized temporary differences	157,061	130,983
Income tax expense	-	-

(In Canadian dollars)

9. INCOME TAXES (CONT'D)

As at December 31, 2018, deductible timing differences for which the Corporation has not recognized deferred tax asset are as follows:

	Federal	Provincial
	$	$
Net operating losses carried-forward	1,146,577	1,140,956
Capital losses carried forward	166,764	166,764
Equity instrument issuance costs	60,247	60,247
Exploration and evaluation expenditures	333,180	333,180
	1,706,768	1,701,146

As at December 31, 2017, deductible timing differences for which the Corporation has not recognized deferred tax asset are as follows:

	Federal	Provincial
	$	$
Net operating losses carried-forward	1,319,689	1,306,363
Capital losses carried forward	38,948	38,949
Equity instrument issuance costs	93,278	93,278
Exploration and evaluation expenditures	400,932	400,932
	1,852,847	1,839,522

The ability to realize the tax benefits is dependent upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. Accordingly, no deferred tax assets have been recognized. These deferred tax assets not recognized equal an amount of $451,630 as at December 31, 2018.

The Corporation has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the consolidated statement of financial position that can be carried over the following years:

Years ending December 31	Federal	Provincial
	$	$
2033	102,634	102,634
2034	149,409	149,409
2035	-	-
2036	-	-
2037	422,424	421,429
2038	472,110	467,484
	1,146,577	1,140,956

(In Canadian dollars)

10. COMPENSATION TO KEY MANAGEMENT AND RELATED PARTY TRANSACTIONS

Key management includes directors and officers. The compensation paid or payable to key management is presented below:

	For the years ended December 31,	
	2018	**2017**
	$	**$**
Professional and consulting fees [(a) (b)]	223,189	121,382
Share-based payments	-	72,900
Listing expense [(b)]	-	33,618
	223,189	**227,900**

Details of related party transaction with the directors and officers of the Corporation and companies controlled by the directors and officers not otherwise disclosed in these consolidated financial statements are as follows:

a) In 2018, the remuneration of the President and CEO, paid to a company controlled by him totaled $120,000 ($75,000 in 2017);

b) In 2018, a company controlled by the Chief Financial Officer and Secretary charged professional fees of $78,619 ($46,382 in 2017) and fees relating to the listing of $nil ($33,618 in 2017). In addition, his company charged fees of $24,750 ($10,752 in 2017) for the support staff in respect of accounting, bookkeeping and administrative support and office rent of $21,900 ($nil in 2017).

As at December 31, 2018, the balance due to officers amounted to $19,913 ($16,849 in 2017) and was recorded in accounts payable and accrued liabilities.

These related party transactions were recorded at the exchange value, which is the consideration determined and agreed to by the related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

11. FINANCIAL INSTRUMENT RISKS

Objectives and politics concerning financial risks management
The Corporation considers managing risk as being an integral part of its development and diversification strategies. The Corporation uses a proactive and rigorous approach for the management of the financial risks to which it is exposed. The Corporation’s management manages financial risks. The Corporation focusses on actively securing short to medium term cash flows by minimizing the exposures to financial markets.

The Corporation does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Fair value
The Corporation presents fair value information of its financial assets and liabilities in the consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on significance of inputs used in measuring the fair value of the financial assets and liabilities.

11. FINANCIAL INSTRUMENT RISKS (CONT'D)

The Corporation defines the fair value hierarchy under which its financial instruments are valued as follows:

- Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date;
- Level 2 includes inputs other than quoted prices in Level 1 that are observable for assets or liability, either directly or indirectly; and
- Level 3 includes inputs for the asset or liability that are not based on observable market data.

The carrying value of cash and cash equivalents, and accounts payable and accrued liabilities are considered to be a reasonable approximation of their fair value because of the short-term maturity and contractual terms of these instruments.

Financial risks
The Corporation's most significant financial risk exposure and its financial risk management policies are as follows:

Credit risk
Credit risk relates to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

As at December 31, 2018 and 2017, the Corporation may have been exposed to credit risk from its cash and cash equivalents.

The Corporation maintains substantially all of its cash and cash equivalents with a Canadian chartered bank, which reduces credit risk.

Interest rate risk
All of the Corporation's financial assets and liabilities are non-interest bearing, except for the cash equivalents. As at December 31, 2018, cash equivalents bear interest at a fixed rate until maturity in August 2019 and the Corporation is, therefore, not exposed to the cash flow risk from interest rate fluctuations.

Liquidity risk
Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Corporation has sufficient funding sources in the form of private and public investments. The Corporation also established budget and liquidity forecasts to ensure that it has to its disposal sufficient funds to meet its financial obligations. Over the past periods, the Corporation has financed its exploration and evaluations programs, its working capital requirements and acquisition of mining properties through private financings.

As at December 31, 2018, the Corporation estimates that funds available will not be sufficient to meet the Corporation's obligations and budgeted expenditures through December 31, 2019 (Note 2).

All of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Corporation regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

11. FINANCIAL INSTRUMENT RISKS (CONT'D)

Foreign currency risk

Parts of the Corporation purchases are denominated in foreign currencies, primarily in Colombian pesos. Consequently, certain assets and liabilities, namely cash, and accounts payable and accrued liabilities, include amounts in Colombian pesos that are exposed to currency fluctuations.

The following balance sheet items included amounts in foreign currencies:

	As at December 31,	
	2018	2017
	Colombian Pesos	Colombian Pesos
Cash	35,889,293	-
Accounts payable and accrued liabilities	(9,486,087)	-
Net balance	26,403,206	-
Equivalent in Canadian dollars	$11,089	-

Assuming that all the other variables are constant, a decrease of 10% in the Colombian exchange rate based on the balances as of December 31, 2018 would not have a significant impact on the Corporation's net loss.

12. CAPITAL MANAGEMENT

The Corporation's capital management objectives are to ensure the Corporation's ability to continue as a going concern, to increase the value of the entity's assets and to provide an adequate return to shareholders.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or obtaining sufficient proceed from their disposal.

The Corporation is not subject to any external imposed capital requirements.

The Corporation monitors capital on the basis of the carrying amount of equity.

As at December 31, 2018, managed capital totaled $237,911 ($1,070,002 as at December 31, 2017).

13. SUBSEQUENT EVENTS

a) In March 2019, the Corporation closed a non-brokered private placement consisting of 6,090,000 units at a price of $0.10 per unit for aggregate gross proceeds to the Corporation of $609,000. Each unit consists of one common share in the capital of the Corporation and one-half of a common share purchase warrant (the "Warrant"). Each Warrant shall be exercisable into one additional common share of the Corporation at an exercise price of $0.15 during a two-year period following the issuance of the Warrant.

b) On January 8, 2019, The Board of Directors of Origin has approved the granting of options for 1,160,000 common shares of the Corporation to the Directors, Officers and consultants of the Corporation, in accordance with its stock option plan. The options vested immediately, are exercisable at $0.10 per option and have a term of 2 years.