

# **Origin Gold Corporation**

(formerly OneCap Investment Corporation)

## **Management's Discussion and Analysis Quarterly Highlights**

For the nine-month period ended September 30, 2018

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The following quarterly highlights management discussion and analysis (the “MD&A Highlights”) of the financial condition and results of the operations of Origin Gold Corporation (formerly OneCap Investment Corporation) (“the Corporation”) and constitutes management’s review of the factors that affected the Corporation’s financial and operating performance for the nine-month period ended September 30, 2018 (“Q3-2018”).

This MD&A Highlights discussion should be read in conjunction with the accompanying condensed interim financial statements of the Corporation (“Q3-2018 Financials”) and the notes thereto for Q3-2018 and with the audited financial statements of the Corporation, the MDA and the notes thereto for the fiscal year ended December 31, 2017. These documents were prepared in accordance with the International Financial Reporting Standards (“IFRS”). All monetary amounts included in this report are expressed in Canadian dollars, the Corporation’s reporting currency, unless otherwise noted.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be accessed at [www.sedar.com](http://www.sedar.com).

### **Incorporation and nature of activities**

The Corporation was incorporated under the *Canada Business Corporations Act* on April 20, 2012. The Corporation’s 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.

On July 11, 2018, the Corporation changed its name to Origin Gold Corporation (English version) / Corporation Aurifère Origin (French version). No action was required by existing shareholders with respect to this name change. The Corporation continues to trade under its existing symbol “OIC”.

The Corporation is a mineral exploration company with its exploration activity focused in Colombia.

Prior to August 25, 2017, the Corporation was a capital pool company (“CPC”) as defined in Policy 2.4 of the Exchange. On that date, the Corporation 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 an exploration and evaluation company.

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.

### **Financial highlights**

The Corporation reported a net loss of \$679,740 in the nine-month period ended September 30, 2018 compared to a net loss of \$1,036,603 for the same period of last year reflecting:

- a) Exploration and evaluation expenses of \$330,765 during the nine-month period ended September 30, 2018 as compared to \$107,442 for the same period of last year.

#### Las Marias property

The exploration work performed on the Property in 2016 and 2017 was first aimed at defining the possibility of encountering a low grade, high tonnage gold deposit on the eastern central part of the property along a low ridge rising roughly 100 meters above the surrounding area. In addition the entire property was also mapped with an emphasis given to the structural pattern responsible for the emplacement of the mineralized veins, veinlets and breccia. Lithological and structural mapping was also conducted on the property.

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### Financial highlights (Cont'd)

The mineralization is mainly auriferous quartz veins, veinlets and breccia with pyrite and minor sphalerite/galena, dipping steeply, in soft saprolitic granodiorite. The principal host rock is a granodiorite body in contact with a metamorphic rock formation where phyllic and propylitic alterations are often associated with gold mineralization.

The Corporation has carefully analyzed the results obtained and the financial conditions to acquire the Las Marias property and came to the conclusion that the best course of action is to focus our exploration efforts on the La Pantera property. In July 2018, the Corporation terminated the option agreement of the Las Marias property.

#### Regional Exploration

In 2017, The Corporation has conducted a regional survey of artisanal gold mining operations sites in South Bolivar in order to better understand the geology of the area and evaluate the gold potential within 40 km radius around the Las Marias gold property.

This investigation was carried out in two campaigns, covering a total of 60 operations from 31 mining settlements or mining cooperatives in the region. It provided an inventory of all mines and their conditions, including daily tonnage, production type, number of mine workings, recovery methods and capacity, social acceptability, etc. All this information was compiled and recorded in a data base.

Following the encouraging results from this regional sampling program, management of the Corporation pursued discussions with Mining Solutions S.A.S., an active player in the Bolivar South region. In June 2018, Mining Solutions granted an exclusive option to the Corporation for 60 days to acquire 50% of the mining title 0-561 ("La Pantera property").

Furthermore, the samples collected during the two campaigns were combined to form two different composites. The composite weighing close to 300kg were then packed and shipped for metallurgical testing to Actlabs in Thunder Bay under the supervision of Bumigeme Inc. ("Bumigeme"), an independent engineering firm specialized in metallurgy and plant design in Montreal.

The positive results from the metallurgical testing, conducted on sites not owned by the Corporation, led to the engagement of Bumigeme, in January 2018, to conduct a study to evaluate the feasibility of operating a 300 tonnes per day ("t/d") (105,000 tonnes per year ("t/y") regional gold milling and processing facility in the Bolivar South province. The results of those metallurgical tests were used to design a flowsheet for a gravity followed by cyanidation processing plant.

On March 20, 2018, Bumigeme issued a report entitled "*Study of the regional gold processing plant, 300t/d mill project, Department of Bolivar (South), Colombia*". Highlights of the report are:

- Results indicate gold recovery of 90% using a process flowsheet consisting of gravity separation followed by cyanidation;
- Mineralized material from different artisanal miners to be trucked to the plant, weighted, assayed and stockpiled individually;
- Dry tailing will be produced and stockpiled;
- The capital expenditure for the project is estimated at US\$10.9 million;
- The implementation of the process plant in Bolivar South will benefit the stakeholders: elevated standard of living of the local community, improved infrastructure, cleaner environment and increased revenue for the government derived from taxes and royalties;
- The report recommends that the Corporation should decide the exact location of the plant in order to start the environmental and social impact study and to better define the transportation and infrastructure parameters. Bumigeme also recommends to perform additional metallurgical testwork in order to refine the plant design.

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### Financial highlights (Cont'd)

The results of this study show a potentially viable project. The Corporation is presently evaluating the financial market's appetite for this kind of project and will then define the technical, financial and regulatory parameters to implement the project.

Before proceeding with the mill project, the Corporation should obtain the Exchange approval that could trigger a Change of Business ("COB") as defined by Policy 5.2 of the Exchange. The securities of the Corporation could be subject to a trading halt until the Corporation satisfies Exchange's requirements for a COB and receives shareholders' approval.

#### La Pantera property

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. The Corporation exercised its option at the end of August 2018 and the Exchange approved the transaction in September 2018. An amount of \$53,917 (US\$40,000) was paid as at September 30, 2018 and the balance of payment in cash and issuance of shares is subject to the approval, among other things, of the Mining authorities in Colombia.

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 ("NI-43101") 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, 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 market value.

The property covers an area of 1,734 hectares in the gold rich San Lucas Range. The concession is characterized by numerous conventional artisanal small scale mining sites. The Corporation observed the conventional underground mining operation on high grade gold narrow quartz sulphide veins, in addition to large areas where shallow open pit saprolite mining is being carried. Thickness of the saprolite covering is estimated to be about 10 metres.

The best value obtained for the high grade, narrow quartz veins from a limited sampling program performed by the Corporation and the independent consulting geologist was 169.6 g/t Au over 50 to 70 cm in width at Mina Bulla located in the east portion of the Property. Two samples from large zones of saprolite returned 1.0 g/t Au and 0.53 g/t Au.

A NI 43-101 technical report on this property, dated July 25th, 2018, was prepared by Pierre O'Dowd, BSc., independent consulting geologist, and has been filed on Sedar ([www.Sedar.com](http://www.Sedar.com)). The author recommends a two-phase surface exploration program totaling US\$269,000 consisting of mapping, sampling, geophysical survey and mechanical trenching in order to generate drilling targets.

In October 2018, the Corporation initiated its first surface exploration program on the property in line with the recommendation of the technical report.

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### Financial highlights (Cont'd)

There are two main targets to be addressed by the exploration program:

a) Surface targets

It will consist of the surface reconnaissance of 10 known zones, totalling an area of 4.11 km<sup>2</sup> of saprolite (bedrock decomposed by weathering) being currently mined by artisans via shallow open pits and processed by gravity methods for their gold content.

The most important zone (No 6) is so far, 3.4 km in length by 400 to 800 metres in width. Limited samples taken by Origin and O'Dowd range from 0.336 g/t Au to 0.536 g/t Au in the Matos mine area (No 2) and from 1.002 g/t Au to 1.282 g/t Au in the Mina Bulla area (No 10). Both mines have underground workings. The mineralized saprolite is above.

The origin of such widespread gold mineralization has to be explored to determine its potential. It is to be noted that the size of the surface mining areas is much larger now than what is shown on a 2012 map of the concession indicating the increase success of such surface mining operations.

b) Underground mining targets

There are several old and new small gold mining operations on the Property that have to be evaluated. So far, only 3 of them have been visited and sampled (reconnaissance operation). The results are as follows:

Sample #	Au g/t	Description	Sampler
Bulla 1	11.99	Vein material from U/G operation, 40 cm	Origin
Bulla 2A	14.98	Vein material from U/G operation, 45 cm, sulphide rich	Origin
Bulla 2B	7.34	Vein material from piles at surface	Origin
P006	6.66	Vein material (15% sulph) from Mina Torrecillas, U/G	Origin
MB P01	24.35	Mina Bulla, vein 0.7 m thick	Origin, 2017
MB P02	0.77	Mina Bulal, vein 0.5 m thick	Origin, 2017
MB P03	13.65	Mina Bulla, vein 0.45 – 0.50 m thick	Origin, 2017
MB P04	14.93	Mina Bulla, vein 0.20 – 0.50 m thick	Origin, 2017
MB P05	6.51	Mina Bulla, vein 0.35 – 0.70 , thick	Origin, 2017
MB P06	28.57	Mina Bulla, vein 0.55 m thick	Origin, 2017
81081	7.49	Mina Los Caballeros, selected material	P. O'Dowd
81082	169.63	Mina Bulla, vein in shear zone	P. O'Dowd
81086	7.85	Mina Torrecillas, surface pile	P. O'Dowd

Note:

All samples of Bulla are channel samples across the indicated widths and different veins. Exception:

- samples Bulla 2B and P06 are a grab samples and not necessarily representative of the mineralization hosted on the Property.
- sample 81082 is a channel sample across a 50 to 70 cm. wide vein.

Samples taken from surface piles are representative of what the pile should run if processed.

Those are very encouraging result. At Mina Bulla area, the amount of parallel mineralized veins could probably be related to presence of a stockwork or shear zone. This possibility will be investigated.

The initial exploration program will consist of:

- Regional geology and geophysics.
- Survey of saprolite and vein type production; and
- Grade and volume definition of portion of the saprolite.

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The program, having a budget of \$130,000, will be done during the fourth quarter of 2018.

#### Quality Assurance / Quality Control/

All samples were sent to Actlabs in Medellin and were assayed for gold using the following methods: Code 1A2 Au – Fire Assay AA / Code AQ1-AR Ag Agua Regia – AA / Code 1A3 Au - Fire Assay Gravimetric (QOP AA-Au)

The samples were properly located (GPS), collected, bagged, numbered (paper tag inside each bag and plastic bag numbered with a marker), described and sealed on site under the supervision of the geologist. They were transported by truck to Medellin to an accredited laboratory (Actlabs in Medellin, Colombia, ISO9001:2015).

#### Qualified Persons

Daniel Goffaux, P.Eng., is the qualified person as defined by Regulation 43-101 who has reviewed the scientific and technical information in this document.

The study on the regional processing plant, 300t/d mill project has been prepared by Bumigeme and Daniel Goffaux (D.G. Mine Consultant Inc.). The qualified persons at Bumigeme responsible for the preparation of this report are independent of the Corporation. Mr. Goffaux is not independent of the Corporation as he acts as principal technical advisor for the Corporation.

The technical report on the La Pantera property, dated July 25<sup>th</sup>, 2018, was prepared by Pierre O'Dowd, BSc., independent consulting geologist.

Following are the exploration and evaluation expenses incurred during the nine-month period ended September 30, 2018 and 2017:

	Q3-2018	Q3-2017
	\$	\$
La Pantera property, Colombia		
Acquisition cost	78,667	-
Geology	21,125	-
Technical report	15,360	-
Logistic, travel and other	13,760	-
	<b>128,912</b>	-
Las Marias property, Colombia		
Acquisition cost	8,081	37,761
Sampling and assays	-	26,741
Geology	34,546	5,000
Technical report	-	1,275
Environmental study	8,040	17,638
Logistic, travel and other	9,262	19,027
Sub-total	<b>59,929</b>	<b>107,442</b>
Regional exploration expenditures in Colombia		
Technical study	83,962	-
Metallurgical study	14,279	-
Geology	25,077	-
Logistic, travel and other	18,606	-
	<b>141,924</b>	-
Exploration and evaluation expenses	<b>330,765</b>	<b>107,442</b>

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- b) Professional and consultant fees of:

	Nine-month period ended	
	September 30,	
	2018	2017
	\$	\$
Consulting fees	90,000	45,000
Accounting fees	78,269	43,118
External Auditor Service fees	36,173	17,237
Legal fees	38,706	2,081
Other	5,650	1,724
<i>Professional and consulting fees</i>	<b>248,798</b>	<b>109,160</b>

Consulting fees relate to the President & Chief Executive Officer compensation paid to a company controlled by him.

Accounting fees relates to the compensation of the Chief Financial Officer and his staff in respect of accounting, bookkeeping and administrative support, paid to a company controlled by him.

The increase in professional and consulting fees during the nine-month period ended September 30, 2018 as compared to the same period of last year is due to the step-up of the Corporation's exploration activities in Colombia and additional disclosure as a public entity.

- c) Shareholders communication and transfer agent fees: Following the listing of the Corporation on the Exchange in August 2017, expenses inherent to listed companies were incurred, most specifically relating to trustee fees, registration fees and communication with investors.
- d) Listing expenses for \$745,687 during the nine-month period ended September 30, 2017 relate to the reverse take-over operation. See note 5 of the condensed interim consolidated financial statements of Q3-2018 for additional details.

### Forward-looking information

All statements in this quarterly highlights management's discussion and analysis, other than statements of historical fact, that address future acquisitions and events or developments that the Corporation expects to occur, are forward-looking statements. Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include industry related risks, regulatory approvals, and continued availability of capital and financing and general economic, market or business conditions.

November 20, 2018