



# **Origin Gold Corporation**

(Formerly OneCap Investment Corporation)

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

For the six-month period ended June 30, 2019  
(Expressed in Canadian dollars)

*The attached consolidated financial statements have been prepared by Management of Origin Gold Corporation and have not been reviewed by an independent auditor*

# Origin Gold Corporation

(Formerly OneCap Investment Corporation)

## Condensed Interim Consolidated Statements of Financial Position

(Unaudited - In Canadian dollars)

	Note	As at June 30, 2019 \$	As at December 31, 2018 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	642,149	245,662
Sales taxes receivable		22,354	13,901
Prepaid expenses and advances to suppliers		15,036	19,951
		679,539	279,514
<b>Non-current assets</b>			
Property and equipment	6	31,694	2,070
		31,694	2,070
<b>Total assets</b>		711,233	281,584
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		64,767	43,673
<b>Total liabilities</b>		64,767	43,673
<b>Equity</b>			
Share capital	8	7,676,076	6,792,552
Contributed surplus		3,634,750	3,429,299
Deficit		(10,650,170)	(9,983,940)
Accumulated other comprehensive loss		(14,190)	-
<b>Total equity</b>		646,466	237,911
<b>Total liabilities and equity</b>		711,233	281,584
<b>Going concern</b>	2		
<b>Subsequent event</b>	10		

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

# Origin Gold Corporation

(Formerly OneCap Investment Corporation)

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited – in Canadian dollars, except for number of shares)

	For the three-month ended June 30		For the six-month ended June 30		
	Note	2019 \$	2018 \$	2019 \$	2018 \$
<b>Expenses</b>					
Exploration and evaluation	7	111,258	143,822	163,114	243,050
Professional and consulting fees		80,363	91,888	169,418	183,444
Administration expenses		13,984	10,953	27,892	21,159
Shareholders communication and transfer agent fees		15,766	13,974	91,063	38,194
Travel expenses and representation		11,498	12,671	18,330	20,022
Share-based payments	8	-	-	58,000	-
Foreign exchange loss (gain)		-	(27)	-	(104)
<b>Operating loss</b>		<b>232,869</b>	<b>273,281</b>	<b>527,817</b>	<b>505,765</b>
<b>Other gains</b>					
Interest income		2,969	1,938	3,243	4,496
<b>Net loss</b>		<b>229,900</b>	<b>271,343</b>	<b>524,574</b>	<b>501,269</b>
<b>Other comprehensive loss</b>					
Currency translation of foreign subsidiary		12,820	-	14,190	-
<b>Comprehensive loss</b>		<b>242,720</b>	<b>271,343</b>	<b>538,764</b>	<b>501,269</b>
Loss per common share, basic and diluted		(0.005)	(0.01)	(0.01)	(0.01)
Weighted average number of common shares outstanding – basic and diluted		48,987,598	40,909,191	45,422,920	40,909,191

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# Origin Gold Corporation

(Formerly OneCap Investment Corporation)

## Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - in Canadian dollars, except number of shares)

		Number of common shares outstanding	Share capital \$	Contributed surplus \$	Deficit \$	Accumulated other comprehensive loss \$	Total Equity \$
<b>Balance - January 1, 2019</b>		41,134,191	6,792,552	3,429,299	(9,983,940)	-	237,911
Private placements							
Proceeds from unit issuance	8	9,656,000	965,600	-	-	-	965,600
Less: Valuation of warrants		-	(82,076)	82,076	-	-	-
Unit issue expenses		-	-	-	(76,281)	-	(76,281)
Replacement warrants	8	-	-	65,375	(65,375)	-	-
Share options							
Share-based payments	8	-	-	58,000	-	-	58,000
Transactions with owners		50,790,191	7,676,076	3,634,750	(10,125,596)	-	1,185,230
Net loss		-	-	-	(524,574)	-	(524,574)
Other comprehensive loss		-	-	-	-	(14,190)	(14,190)
<b>Balance – June 30, 2019</b>		50,790,191	7,676,076	3,634,750	(10,650,170)	(14,190)	646,466

		Number of common shares outstanding	Share capital \$	Contributed surplus \$	Deficit \$	Accumulated other comprehensive loss	Total Equity \$
<b>Balance - January 1, 2018</b>		40,909,191	6,767,802	3,429,299	(9,127,099)	-	1,070,002
Net loss and comprehensive loss		-	-	-	(501,269)	-	(501,269)
<b>Balance – June 30, 2018</b>		40,909,191	6,767,802	3,429,299	(9,628,368)	-	568,733

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

# Origin Gold Corporation

(Formerly OneCap Investment Corporation)

## Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - in Canadian dollars)

	For the six-months ended	
	June 30,	
	Note	
	2019	2018
	\$	\$
<b>Cash flows used in operating activities</b>		
Net loss	(524,574)	(501,269)
Adjustment for:		
Depreciation of property and equipment included in exploration and evaluation	66	-
Share-based payments	8 58,000	-
Changes in non-cash working capital items:		
Sales taxes receivable	(8,453)	19,605
Prepaid expenses and advances to suppliers	4,915	9,960
Accounts payable and accrued liabilities	21,094	5,832
	(448,952)	(465,872)
<b>Cash flows from financing activities</b>		
Proceeds from private placements	8 965,600	-
Unit issue expenses	8 (76,281)	-
	889,319	-
<b>Cash flows from investing activities</b>		
Addition to property and equipment	(29,690)	-
	(29,690)	-
Effect of foreign exchange rate changes on cash and cash equivalents	(14,190)	-
<b>Net change in cash and cash equivalents</b>	396,487	(465,872)
Cash and cash equivalents, beginning	245,662	1,074,635
Cash and cash equivalents, end	642,149	608,763

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

# Origin Gold Corporation

(Formerly OneCap Investment Corporation)

## Notes to Condensed Interim Consolidated Financial Statements

For the six-month periods ended June 30, 2019 and 2018

(Unaudited - in Canadian dollars)

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### 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* 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.

### 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 June 30, 2019, the Corporation has an accumulated deficit of \$10,650,170 (\$9,983,940 as at December 31, 2018) and a working capital of \$614,772, 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 condensed interim consolidated financial statements (the “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.

The 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 the Financial Statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and interpretations as approved by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*.

The Financial Statements do not include all of the disclosure required for annual financial statements and therefore should be read in conjunction with the Corporation’s audited annual consolidated financial statements and notes thereto for the year ended December 31, 2018 (“2018 Audited Financial Statements”).

# Origin Gold Corporation

(Formerly OneCap Investment Corporation)

## Notes to Condensed Interim Consolidated Financial Statements

For the six-month periods ended June 30, 2019 and 2018

(Unaudited - in Canadian dollars)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.2 Basis of presentation and evaluation

The significant accounting policies followed in the Financial Statements are consistent with those applied in the Corporation's 2018 Audited Financial Statements.

The Financial Statements were authorized for issuance by the Corporation's Board of Directors on August 14, 2019.

#### 3.3 Basis of consolidation

The Financial Statements include the accounts of Origin since August 25, 2017 and those of its wholly-owned subsidiaries: Rio Moche Exploration Inc. ("Rio") from its incorporation date in 2007 until its dissolution in February 2019, 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.

#### 3.4 New standards not yet adopted and interpretations issued but not yet effective

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the 2018 Audited Financial Statements.

### 4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the 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. The estimates and underlying assumptions are reviewed by management on an ongoing basis.

In preparing the Financial Statements, the significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2018 Audited Financial Statements of the Corporation.

### 5. CASH AND CASH EQUIVALENTS

	As at June 30, 2019	As at December 31, 2018
Cash	\$ 89,170	\$ 43,660
Guaranteed investment certificates ("GIC") bearing interest between 1.80% and 2.50%, redeemable at any time and maturing between May and July 2020	552,979	-
GIC bearing interest at 1.85%, redeemable at any time and maturing in August 2019	-	202,002
	642,149	245,662

# Origin Gold Corporation

(Formerly OneCap Investment Corporation)

## Notes to Condensed Interim Consolidated Financial Statements

For the six-month periods ended June 30, 2019 and 2018

(Unaudited - in Canadian dollars)

### 6. PROPERTY AND EQUIPMENT

	Land	Office equipment	Total
<b>Cost</b>	\$	\$	\$
Balance – January 1, 2019	-	2,082	2,082
Addition	29,232	458	29,690
Balance – June 30, 2019	29,232	2,540	31,772
<b>Accumulated depreciation</b>			
Balance – January 1, 2019	-	12	12
Depreciation	-	66	66
Balance – June 30, 2019	-	78	78
<b>Net book value – June 30, 2019</b>	<b>29,232</b>	<b>2,462</b>	<b>31,694</b>

### 7. EXPLORATION AND EVALUATION EXPENSES

	For the Six-months ended June 30	
	2019	2018
	\$	\$
La Pantera, Colombia		
Acquisition cost	-	33,879
Exploration and evaluation expenditures	139,113	15,949
	139,113	49,828
Las Marias, Colombia		
Exploration and evaluation expenditures	-	51,936
Regional exploration expenditures - Colombia	24,001	141,286
	163,114	243,050

#### 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 cash payment of \$\$53,917 (US\$40,000) paid as at December 31, 2018;
- A cash payment of US\$25,000 (Canadian equivalent of \$32,750 converted at the exchange rate on June 30, 2019) 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 June 30, 2019); and
- The issuance of 1,000,000 common shares of the Corporation and a cash payment of US\$50,000 (Canadian equivalent of \$65,500 converted at the exchange rate on June 30, 2019) on the date the transfer of the mining title is completed before the National Mining Registry (pending as at June 30, 2019);
- 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.



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## Notes to Condensed Interim Consolidated Financial Statements

For the six-month periods ended June 30, 2019 and 2018

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### 7. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

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, in 2018, of 225,000 in common shares of the Corporation and valued at \$24,750 being the fair value.

#### Las Marias

In July 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 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.

In May 2019, the Corporation closed a non-brokered private placement consisting of 3,566,000 units at a price of \$0.10 per unit for aggregate gross proceeds to the Corporation of \$356,600. Each unit consists of one common share in the capital of the Corporation and one-half of a common share purchase 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.

#### 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% being 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 June 30, 2019, 5,904,821 common shares are subject to this escrow.

A further 3,345,000 common shares are held under a capital pool company ("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 June 30, 2019, 1,505,250 common shares are subject to this escrow.

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## Notes to Condensed Interim Consolidated Financial Statements

For the six-month periods ended June 30, 2019 and 2018

(Unaudited - in Canadian dollars)

### 8. SHARE CAPITAL (CONT'D)

#### d) Share-based payments

A summary of changes of the Corporation's share purchase stock options ("Options") is presented below:

	For the six-months ended			
	June 30, 2019		June 30, 2018	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
		\$		\$
Balance, beginning of period	2,829,565	0.17	4,055,757	0.18
Granted <sup>(1)</sup>	1,160,000	0.10	-	-
Expired	-	-	(217,391)	0.20
Balance, end of period – outstanding	3,989,565	0.15	3,838,366	0.17
Balance, end of period – exercisable	3,989,565	0.15	3,838,366	0.17

(1) Vested on grant date

Options outstanding and exercisable as at June 30, 2019 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
1,160,000	0.10	January 8, 2021
3,989,565		

For the period ended June 30, 2019, the total share-based compensation fair value for the Options granted to directors, officers and consultants amount to \$58,000 and was expensed in the consolidated statement of Loss and credited to Contributed Surplus.

The weighted average fair value of the granted Options of \$0.05 was determined using the Black-Scholes option pricing model based on the following weighted average assumptions:

	For the six-months ended	
	June 30	
	2019	2018
Expected dividends yield	-%	-
Expected volatility	103%	-
Risk-free interest rate	1.89%	-
Expected life	2 years	-
Exercise price at date of grant	\$0.10	-
Share price at date of grant	\$0.10	-

The underlying expected volatility was determined by reference to historical data of comparable entities as the common shares of the Corporation started publicly trading in September 2017.

# Origin Gold Corporation

(Formerly OneCap Investment Corporation)

## Notes to Condensed Interim Consolidated Financial Statements

For the six-month periods ended June 30, 2019 and 2018

(Unaudited - in Canadian dollars)

### 8. SHARE CAPITAL (CONT'D)

#### e) Warrants

	For the six-months ended			
	June 30, 2019		June 30, 2018	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
		\$		
Balance, beginning of period	6,385,261	0.22	6,385,261	0.22
Issued	4,828,000	0.15	-	-
Balance, end of period	11,213,261	0.17	6,385,261	0.22

The average fair value of the warrants issued of \$82,076 was estimated using the Black-Scholes valuation model and based on the following weighted average assumptions:

	For the six-months ended	
	June 30	
	2019	2018
Expected dividends yield	-%	-
Expected volatility	105%	-
Average risk-free interest rate	1.59%	-
Expected life	2 years	-
Exercise price at date of grant	\$0.15	-
Average share price at date of grant	\$0.08	-

The underlying expected volatility of the Warrants was determined by reference to historical data of comparable entities as the common shares of the Corporation started publicly trading in September 2017.

Warrants outstanding as at June 30, 2019 are as follows:

Number of warrants	Exercise price	Expiry date
357,000	\$0.25	August 25, 2019
3,478,261	\$0.20	September 29, 2020
2,392,000	\$0.15 <sup>(1)</sup>	February 25, 2021 <sup>(1)</sup>
158,000	\$0.25 <sup>(1)</sup>	February 25, 2021 <sup>(1)</sup>
3,045,000	\$0.15	Between March 15 and 29, 2021
1,783,000	\$0.15	May 16, 2021
11,213,261		

- (1) In May 2019, the Corporation amended the expiry date and the exercise price of the outstanding Warrants issued in a private placement completed on August 25, 2017. An aggregate number of 2,550,000 Warrants were initially issued at an exercise price of \$0.25 and with an expiry date of August 25, 2019. An insider of the Corporation owns 412,500 of the amended Warrants; 254,500 of the insider Warrants were repriced and the expiry date was amended and 158,000 of the insider Warrants were amended as to the expiry date.

# Origin Gold Corporation

(Formerly OneCap Investment Corporation)

## Notes to Condensed Interim Consolidated Financial Statements

For the six-month periods ended June 30, 2019 and 2018

(Unaudited - in Canadian dollars)

### 8. SHARE CAPITAL (CONT'D)

#### e) Warrants (Cont'd)

The Corporation amended for 2,392,000 Warrants the exercise price to \$0.15 and extended the expiry date to February 25, 2021. If the closing price of the Corporation's common shares is \$0.1875 or more for a period of 10 consecutive trading days, then those warrant holders will have 30 days to exercise their Warrants.

In addition, the Corporation extended the expiry date for 158,000 Warrants to February 25, 2021.

This operation was treated as an exchange of the original warrant for a new Warrant. The incremental value of \$65,375 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 1.53%, expected volatility of 85%, dividend yield of 0% and expected life of 1.75 years. The underlying expected volatility was determined by reference to historical data of the Corporation's shares over the expected average life of the Warrants.

### 9. 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 six-months ended June 30,	
	2019	2018
	\$	\$
Professional and consulting fees <sup>(a)</sup> <sup>(b)</sup>	105,588	105,588
Share-based payments	22,500	-
Unit issue expenses <sup>(b)</sup>	22,531	-
	<b>150,619</b>	<b>105,588</b>

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 the Financial Statements are as follows during the six-month period ended June 30, 2019:

- The remuneration of the President and CEO, paid to a company controlled by him totaled \$60,000 (\$60,000 in for the six-month period ended June 30, 2018);
- A company controlled by the Chief Financial Officer and Secretary charged professional fees of \$68,119 credited to professional fees (\$45,588) and unit issue expenses (\$22,531) (for the six-month period ended June 30, 2018 - \$45,588 credited to professional fees). In addition, his company charged fees of \$16,920 (for the six-month period ended June 30, 2018 - \$13,545) for the support staff in respect of accounting, bookkeeping and administrative support, \$5,130 for administrative support related to unit issue expenses (Nil for the six-month period ended June 30, 2018) and office rent of \$12,000 (for the six-month period ended June 30, 2018 - \$10,950).

As at June 30, 2019, the balance due to officers amounted to \$28,152 (\$24,797 as at June 30, 2018) 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.

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(Formerly OneCap Investment Corporation)

## **Notes to Condensed Interim Consolidated Financial Statements**

For the six-month periods ended June 30, 2019 and 2018

(Unaudited - in Canadian dollars)

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### **10. SUBSEQUENT EVENT**

On July 2, 2019, The Board of Directors of Origin has approved the granting of Options for 1,000,000 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.