

O2Gold Inc.
(formerly Origin Gold Corp.)

Condensed Interim Consolidated Financial Statements
(unaudited)

For the three months ended March 31, 2021 and 2020

(Expressed in Canadian dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada (CPA Canada) for a review of interim financial statements by an entity's auditor.

O2Gold Inc. (formerly Origin Gold Corporation)
Condensed Interim Consolidated Statements of Financial Position
(In Canadian dollars- unaudited)

As at:	Notes	March 31, 2021	December 31, 2020
ASSETS			
Current assets:			
Cash and cash equivalents		\$ 529,574	\$ 405,472
Amounts receivable		50,737	29,374
Prepaid expenses and advances		37,708	27,023
Total current assets		618,019	461,869
Non-current assets:			
Property, plant and equipment	4	2,250	2,283
TOTAL ASSETS		\$ 620,269	\$ 464,152
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 152,479	\$ 221,425
Total liabilities		152,479	221,425
Shareholders' equity:			
Share capital	6	9,431,954	8,681,671
Shares to be issued	6	30,000	-
Contributed surplus	6	3,977,352	4,136,909
Deficit		(12,971,516)	(12,575,853)
Total shareholders' equity		467,790	242,727
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 620,269	\$ 464,152
Nature of operations and going concern	1		
Commitments and contingencies	10		
Subsequent events	11		

Approved by the Board of Directors

(s) Jaime Lalinde
Jaime Lalinde, Director

(s) Algimantas Didziulis
Algimantas Didziulis, Director

O2Gold Inc. (formerly Origin Gold Corporation)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(In Canadian dollars- unaudited)

		For the three months ended	
	Notes	2021	March 31, 2020
Expenses:			
Professional and consulting fees		\$ 95,960	\$ 127,024
Exploration and evaluation expenses	5	211,539	22,435
Shareholder communications and transfer agent fees		57,673	7,892
General and administrative expenses		22,213	7,162
Travel expenses		-	5,917
Foreign exchange loss		8,278	3,251
Total expenses before the undernoted		395,663	173,681
Other (gains)/losses		-	(218)
Net and comprehensive loss		\$ 395,663	\$ 173,463
Loss per share			
Basic and diluted loss per share		\$ (0.006)	\$ (0.003)
Weighted average number of common shares outstanding:			
Basic and diluted		66,490,530	51,590,191

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

O2Gold Inc. (formerly Origin Gold Corporation)

Condensed Interim Consolidated Statements of Changes in Equity

(In Canadian dollars- unaudited)

	Share capital		Contributed surplus	Accumulated other comprehensive loss	Shares to be issued	Deficit	Total shareholders' equity
	No.	\$	\$	\$	\$	\$	\$
Balance, December 31, 2019	51,590,191	7,651,920	3,806,506	(18,651)	-	(11,142,109)	297,666
Net loss	-	-	-	-	-	(171,697)	(171,697)
Other comprehensive loss	-	-	-	(1,766)	-	-	(1,766)
Balance, March 31, 2020	51,590,191	7,651,920	3,806,506	(20,417)	-	(11,313,806)	124,203
Balance, December 31, 2020	64,780,191	8,681,671	4,136,909	-	-	(12,575,853)	242,727
Subscription funds received (Note 6)	-	-	-	-	30,000	-	30,000
Warrants exercised (Note 6)	3,971,500	643,724	(122,998)	-	-	-	520,726
Options exercised (Note 6)	700,000	106,559	(36,559)	-	-	-	70,000
Net loss	-	-	-	-	-	(395,663)	(395,663)
Balance, March 31, 2021	69,451,691	9,431,954	3,977,352	-	30,000	(12,971,516)	467,790

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O2Gold Inc. (formerly Origin Gold Corporation)

Condensed Interim Consolidated Statements of Cash Flows

(In Canadian dollars- unaudited)

		For the three months ended	
	Notes	March 31,	
		2021	2020
Cash flows used in operating activities			
Net loss		\$ (395,663)	\$ (173,463)
Items not involving cash:			
Depreciation		33	31
Working capital adjustments:			
Change in amounts receivable		(21,363)	(1,659)
Change in prepaid expenses and advances		(10,685)	(9,792)
Change in accounts payable and accrued liabilities		(68,946)	53,371
Net cash (used in) operating activities		(496,624)	(131,512)
Cash flows from financing activities			
Proceeds from private placements	6	30,000	-
Exercise of options	6	70,000	-
Exercise of warrants	6	520,726	-
Net cash provided by financing activities		620,726	-
Change in cash		124,102	(131,512)
Cash, beginning of the period		405,472	252,070
Cash, end of the period		\$ 529,574	\$ 120,558

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

O2Gold Inc. (formerly Origin Gold Corporation)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(In Canadian dollars- unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

O2Gold Inc. (“O2Gold” or collectively with its subsidiaries the “Company”) was incorporated under the *Canada Business Corporations Act* on April 20, 2012. O2Gold’s common shares are listed on the TSX Venture Exchange (the “TSXV”) under the symbol OTGO. The address of its head office and principal place of business is 65 Queen Street West, 9th Floor, Toronto (Ontario), Canada, M5H 2M5.

The Company is engaged in the evaluation, acquisition and exploration of mineral properties in Colombia. It plans to explore the properties and, if warranted, develop the properties, bring them into production, option or lease the properties to third parties, or sell the properties outright. It has not determined whether these properties contain mineral reserves that are economically recoverable, and the Company is considered to be in the exploration stage.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Given that the Company has not yet determined whether its mineral property contains mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. As at March 31, 2021, the Company has an accumulated deficit of \$12,971,516 (\$12,575,853 as at December 31, 2020) and working capital of \$465,540 (\$240,444 as at December 31, 2020), which is not sufficient to meet the Company’s operating activities for the next twelve months. These material uncertainties cast significant doubt regarding the Company’s ability to continue as a going concern. Subsequent to March 31, 2021, the Company completed a private placement financing of 17,390,000 units at a price of \$0.20 per unit for gross proceeds of \$3,478,000. Refer to Note 11.

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern. The Company’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 Company 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 condensed interim 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 Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts eventually realized for assets might be less than amounts reflected in these condensed interim consolidated financial statements.

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.

O2Gold Inc. (formerly Origin Gold Corporation)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(In Canadian dollars- unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN (CONTINUED)

In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. COVID-19 has had a minimal effect on the Company's operations to date.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim consolidated 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 condensed interim consolidated financial statements do not include all of the disclosure required for annual financial statements and therefore should be read in conjunction with the Company's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2020.

Basis of preparation and evaluation

The significant accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's 2020 audited financial statements.

These condensed interim consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on May 26, 2021.

Basis of consolidation

The condensed interim consolidated financial statements include the accounts of O2Gold and those of its wholly owned subsidiaries: 11023926 Canada Inc. and Trinité S.A.S., a Colombian subsidiary, entities incorporated 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 Company. O2Gold 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.

New and future accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the financial statements:

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. Earlier adoption is permitted.

O2Gold Inc. (formerly Origin Gold Corporation)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(In Canadian dollars- unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New and future accounting policies (continued)

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) was amended in February 2021 to introduce the definition of an accounting estimate and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier adoption is permitted.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended in May 2020 to prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The amendments are effective for annual periods beginning on or after January 1, 2022. Earlier adoption is permitted.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e., a full-cost approach. Such costs include both the incremental costs of the contract (i.e., costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g., contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

3. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the condensed interim 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. These 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 Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2020 audited financial statements of the Company.

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Office equipment	Total
Cost	\$	\$	\$
Balance: December 31, 2019	29,232	2,540	31,772
Additions	-	-	-
Disposals	(29,232)	-	(29,232)
Balance: December 31, 2020 and March 31, 2021	-	2,540	2,540

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Notes to the Condensed Interim Consolidated Financial Statements

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4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land	Office equipment	Total
Accumulated depreciation	\$	\$	\$
Balance: December 31, 2019	-	119	119
Depreciation charge	-	138	138
Balance: December 31, 2020	-	257	257
Depreciation charge	-	33	33
Balance: March 31, 2021	-	290	290
Net book value- December 31, 2020	-	2,283	2,283
Net book value- March 31, 2021	-	2,250	2,250

5. EXPLORATION AND EVALUATION PROPERTIES

During the three months ended March 31, 2021 and 2020, the Company incurred the following exploration and evaluation expenditures:

	Three months ended March 31,	
	2021	2020
	\$	\$
Acquisition cost	126,850	-
Geology and metallurgical studies	-	7,873
Logistics, travel and overhead	84,689	14,562
	211,539	22,435

Otú Central

On October 26, 2020, the Company entered into a definitive agreement with, *inter alia*, Bullet Holding Corp. (“**Bullet**”), a private company, pursuant to which the Company expects to acquire a 100% interest in a gold mining project in Colombia known as the Otú Central Project. The definitive agreement was amended on November 30, 2020 to satisfy a condition imposed by the TSXV of a minimum price of \$0.18 per common share, converted to United States dollars (the “**Minimum Price**”) and then again on March 25, 2021 and April 5, 2021 to extend the drop-dead date and to allow the Company additional flexibility to raise the funds required pursuant to the agreement, respectively.

The Otú Central Project consists of interests in mining claim titles and applications in the Segovia/Zaragosa regions of Antioquia in Colombia (the “**Assets**”) for total consideration of US\$9,000,000 (\$11,458,800), payable as US\$1,000,000 (\$1,273,200) in cash and the remainder payable as follows, in each case subject to approval of the TSXV:

- Following completion of a private placement of the Company’s common shares for proceeds of greater than US\$3,000,000, that number of common shares equal to US\$3,000,000 divided by the greater of (i) the share price of the financing, and (ii) the Minimum Price.
- On October 26, 2021, that number of common shares equal to US\$2,500,000 divided by the greater of (i) the 30-day volume weighted average price (“**VWAP**”) of the common shares on the TSXV for the period immediately prior to the date such shares are issued, and (ii) the Minimum Price.
- On October 26, 2022, that number of common shares equal to US\$2,500,000 divided by the greater of (i) the 30-day VWAP of the common shares on the TSXV for the period immediately prior to the date such shares are issued, and (ii) the Minimum Price.

O2Gold Inc. (formerly Origin Gold Corporation)

Notes to the Condensed Interim Consolidated Financial Statements

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(In Canadian dollars- unaudited)

6. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

At March 31, 2021, the Company had paid US\$125,000 (\$157,188) in cash to Bullet in relation to the definitive agreement. If at the time of payment, the Company's share price is less than the Minimum Price, the Company shall pay any outstanding amounts in United States dollars.

The Company is acquiring the Assets free of debt and will also acquire the related infrastructure.

Bullet will retain a perpetual 2% net smelter return royalty affecting the entire Otú Central Project, with the exception of production from a certain mining title, which is already affected by a 5% net smelter return royalty payable to a third party. Bullet is also expected to contribute exploration expertise and community relationships developed during several years of grassroots exploration.

The transaction was closed subsequent to March 31, 2021. Refer to Note 11.

La Pantera

Under an option and assignment agreement dated July 14, 2018, the Company 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 of December 31, 2018;
- b) A cash payment of \$33,898 (US\$25,000) paid in August 2019, at the date of issue of the administrative act before the competent mining authority which declares the execution of the title transfer;
- c) The issuance of 1,000,000 common shares of the Company and a cash payment of US\$50,000 (Canadian equivalent of \$65,000 converted at the appropriate exchange rate on December 31, 2020) on the date the transfer of the mining title is completed before the National Mining Registry (not complete at December 31, 2020), and;
- 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.

Pursuant to the option agreement, the optionor of the 50% interest is also expected to receive US\$8 as royalties for each ounce of gold recognized as measured and indicated resource (as defined by National Instrument 43-101) identified during a 6-year exploration program. A royalty of 2% net smelter is payable by the Company on the ounces of gold produced, after deducting the quantity of ounces on which royalties were paid pursuant to the \$US8 royalty as defined.

As at March 31, 2021, the terms of the option have not yet been met.

6. SHARE CAPITAL

a) Authorized

An unlimited number of voting common shares without par value.

O2Gold Inc. (formerly Origin Gold Corporation)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(In Canadian dollars- unaudited)

6. SHARE CAPITAL (CONTINUED)

b) Private placements

	Number of Shares #	Amount \$
Balance, December 31, 2019	51,590,191	7,651,920
Shares issued from private placement - June 2020	10,000,000	496,750
Black-Scholes warrant valuation	-	(144,154)
Exercise of options	1,060,000	163,054
Exercise of warrants	2,130,000	514,101
Balance, December 31, 2020	64,780,191	8,681,671
Exercise of options	700,000	106,559
Exercise of warrants	3,971,500	643,724
Balance, March 31, 2021	69,451,691	9,431,954

On June 24, 2020, the Company closed a non-brokered private placement consisting of 10,000,000 units at a price of \$0.05 per unit for aggregate gross proceeds to the Company of \$500,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant shall be exercisable into one additional common share of the Company at an exercise price of \$0.075 until June 24, 2022. The fair value of the warrants issued was estimated at \$144,154 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.035; expected dividend yield of 0%; expected volatility of 112% based on the Company's historical share price volatility; risk-free interest rate of 0.30% and an expected life of 2 years. Directors and officers subscribed for 9,340,000 common shares of this private placement for proceeds of \$467,000.

c) Share-based payments

The Company has a stock option plan whereby the Company may grant to directors, officers, employees and consultants of the Company options to purchase shares of the Company. Options granted under the plan will be for a term not to exceed five years.

The Company also has a Restricted Share Unit Incentive Plan ("RSU Plan") whereby the Company is authorized to grant Restricted Share Units ("RSU's") under the plan to directors, officers and employees. An RSU represents the right to receive one common share of the Company on the vesting date. As the RSU's are to be settled in common shares, the value of outstanding RSU's will be included in share-based payment reserve within equity. As at March 31, 2021, no RSU's had been granted. Refer to Note 11.

The number of common shares reserved for issuance pursuant to the stock option plan and the RSU plan and all other security-based compensation arrangements shall, in aggregate, not exceed 10% of the Company's issued and outstanding capital.

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

	No. of options #	Weighted Average Exercise Price \$	Value of options \$
December 31, 2019	3,024,783	0.11	165,600
Granted, May 2020	650,000	0.06	32,825
Expired, June 2020	(434,783)	0.20	(40,000)
Granted, August 2020	800,000	0.29	164,560
Granted, November 2020	1,400,000	0.24	240,520
Exercised	(1,060,000)	0.12	(57,054)
December 31, 2020	4,380,000	0.17	506,451
Exercised	(700,000)	0.12	(36,559)
March 31, 2021	3,680,000	0.19	469,892

O2Gold Inc. (formerly Origin Gold Corporation)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(In Canadian dollars- unaudited)

6. SHARE CAPITAL (CONTINUED)

c) *Share-based payments (continued)*

Options outstanding and exercisable as at March 31, 2021 are as follows:

No. outstanding	No. exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
400,000	400,000	2-Jul-19	2-Jul-21	\$ 0.10	\$ 20,435	80%	2.00	0%	1.53%
430,000	430,000	5-Dec-19	5-Dec-21	\$ 0.10	\$ 11,552	81%	2.00	0%	1.66%
650,000	650,000	27-May-20	27-May-25	\$ 0.055	\$ 32,825	89%	5.00	0%	0.40%
800,000	800,000	26-Aug-20	26-Aug-25	\$ 0.29	\$ 164,560	94%	5.00	0%	0.41%
1,400,000	1,400,000	11-Nov-20	11-Nov-25	\$ 0.24	\$ 240,520	95%	5.00	0%	0.48%
3,680,000	3,680,000				\$ 469,892				

On May 27, 2020, the Company issued an aggregate of 650,000 stock options to certain consultants and a director of the Company pursuant to the Company's stock option plan. The stock options vest immediately and may be exercised at a price of \$0.055 per option for a period of five years from the date of grant. A director of the Company was granted 400,000 options, at a fair value of \$20,200.

On August 26, 2020, the Company granted an aggregate of 800,000 stock options to certain consultants, a director and an officer of the Company pursuant to the Company's stock option plan. The stock options vest immediately and may be exercised at a price of \$0.29 per option for a period of five years from the date of grant. Directors and officers were granted 600,000 options, at a fair value of \$123,420.

On November 11, 2020, the Company granted an aggregate of 1,400,000 stock options to certain consultants, a director and an officer of the Company pursuant to the Company's stock option plan. The stock options vest immediately and may be exercised at a price of \$0.24 per option for a period of five years from the date of grant. Directors and officers were granted 600,000 options, at a fair value of \$103,080.

During the three months ended March 31, 2021, an aggregate of 700,000 of the Company's stock options were exercised at an average price of \$0.10 per share, for gross proceeds of \$70,000 (three months ended March 31, 2020- no options exercised).

At March 31, 2021, the weighted-average remaining contractual life of the Company's exercisable options was 3.56 years (December 31, 2020 – 3.25 years).

The underlying expected volatility to the Company's stock options was determined by reference to historical data of the Company's shares over the expected average life of the options.

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(In Canadian dollars- unaudited)

6. SHARE CAPITAL (CONTINUED)

d) Warrants

A summary of changes of the Company's warrants is presented below:

	No. of warrants #	Weighted Average Exercise Price \$	Value of warrants \$
December 31, 2019(*)	11,256,261	0.17	777,933
Granted, June 2020	10,000,000	0.08	144,154
Exercised	(2,130,000)	0.15	(194,602)
Expired	(3,915,261)	0.19	(389,910)
December 31, 2020	15,211,000	0.09	337,576
Exercised	(3,971,500)	0.13	(122,999)
Expired	(648,000)	0.17	(31,267)
March 31, 2021	10,591,500	0.09	183,309

(*) 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. On May 29, 2019, the Company amended the expiry date and the exercise price of these warrants as follows:

- The Company 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 Company'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; and
- the Company 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.

On August 4, 2020, the automatic expiry acceleration clause in respect of the 2,392,000 amended warrants was triggered. 1,955,000 of the Company's warrants were exercised at a price of \$0.15 per share, for gross proceeds of \$293,250. The remaining 437,000 warrants subject to the acceleration clause expired unexercised on September 3, 2020.

On September 3, 2020, an additional 175,000 of the Company's warrants were exercised at a price of \$0.15 per share, for gross proceeds of \$26,250.

On September 29, 2020, an additional 3,478,261 of the Company's warrants expired unexercised.

During the three months ended March 31, 2021, 3,971,500 of the Company's warrants were exercised at a weighted-average price of \$0.13 per share, for gross proceeds of \$520,726 (three months ended March 31, 2020- no warrants exercised).

During the three months ended March 31, 2021, 648,000 of the Company's warrants expired unexercised (three months ended March 31, 2020- no warrants exercised).

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6. SHARE CAPITAL (CONTINUED)

d) Warrants (continued)

Warrants outstanding at March 31, 2021 are as follows:

No. outstanding	No. exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
1,191,500	1,191,500	16-May-19	16-May-21	\$ 0.15	\$ 42,889	106%	2.00	0%	1.59%
400,000	400,000	10-Oct-19	10-Oct-21	\$ 0.15	\$ 10,682	74%	2.00	0%	1.53%
9,000,000	9,000,000	24-Jun-20	24-Jun-22	\$ 0.075	\$ 129,739	112%	2.00	0%	0.30%
10,591,500	10,591,500				\$ 183,309				

At March 31, 2021, the weighted-average remaining contractual life of the Company's warrants was 1.08 years (December 31, 2020 – 1.08 years).

For the warrants granted in June 2020, the underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the warrants.

7. RELATED PARTY TRANSACTIONS

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

	Three months ended March 31,	
	2021	2020
	\$	\$
Consulting fees	45,000	47,643
	45,000	47,643

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

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

- In the three months ended March 31, 2021, the remuneration of the President and CEO totaled \$30,000 (three months ended March 31, 2020 - \$5,000).
- In the three months ended March 31, 2021, the Chief Financial Officer and Secretary charged professional fees of \$15,000 (three months ended March 31, 2020 - \$42,643).

As at March 31, 2021, the balance due to officers and directors amounted to \$870 (December 31, 2020 - \$nil). Such amounts are unsecured, non-interest bearing, with no fixed terms of payment or "due on demand", included in accounts payable and accrued liabilities.

These related party transactions were initially recorded at fair value. 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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8. FINANCIAL INSTRUMENTS

Objectives and policies concerning financial risk management

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

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

Fair value

The Company 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.

The Company 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 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 Company'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.

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

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company.

Historically, the Company has generated cash flow from private placement financing. There can be no assurances that sufficient funding, including adequate financing, will be available to cover the general and administrative expenses necessary for the maintenance of a public company. All of the Company's assets, liabilities and obligations are due within one year.

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8. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risks (continued)

As at March 31, 2021, the Company had working capital of \$465,540 (December 31, 2020- \$240,444), which included cash and cash equivalents of \$529,574 (December 31, 2020- \$405,472), amounts receivable of \$50,737 (December 31, 2020- \$29,374) and prepaid expenses of \$37,708 (December 31, 2020- \$27,023), offset by current liabilities of \$152,479 (December 31, 2020- \$221,425). The Company expects to raise additional net working capital to finance its planned activities. Subsequent to March 31, 2021, the Company completed a private placement financing of 17,390,000 units at a price of \$0.20 per unit for gross proceeds of \$3,478,000. Refer to Note 11.

Foreign currency risk

Some of the Company's 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 at March 31, 2021 and December 31, 2020:

	March 31, 2021	December 31, 2020
	Columbian Pesos	
Cash	1,740,558	71,751,002
Accounts payable and accrued liabilities	(36,835,403)	(14,321,758)
Net balance	(35,094,845)	57,429,244
Equivalent in Canadian dollars	\$ (12,006)	\$ 21,414

A 10% strengthening (weakening) of the Canadian dollar against the Columbian peso would decrease (increase) net loss by approximately \$(1,200) (December 31, 2020- \$2,100 net loss).

9. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity and current liabilities. The Company manages its capital structure and makes adjustments based on the funds available to support the development of its operations. The Board of Directors has not established quantitative return on capital criteria for management and relies on the expertise of management and the board of directors to sustain future development of the business.

The Company is dependent upon external financing to fund its activities. To continue to carry out the Company's planned development and funding of ongoing administrative expenses, the Company will utilize its existing working capital and will raise additional capital as appropriate.

The Company's management reviews its capital management approach on an ongoing basis and believes that it reflects a reasonable approach given the relative size of the Company. There were no changes to the approach to capital management for the three months ended March 31, 2021.

The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months. As at March 31, 2021, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

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10. COMMITMENTS AND CONTINGENCIES

Management contracts

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately \$156,000 to be made upon the occurrence of certain events such as a change of control, and management bonus payments of approximately \$5,860,000 to be made upon the achievement of certain performance benchmarks. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate \$91,000, due within one year.

Environmental

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

Litigation

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable, and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.

11. SUBSEQUENT EVENTS

On April 8, 2021, the Company granted 400,000 stock options to a director of the Company pursuant to the Company's stock option plan. The stock options vest immediately and may be exercised at a price of \$0.26 per option for a period of five years from the date of grant.

On April 16, 2021, the Company completed a private placement financing of 17,390,000 units at a price of \$0.20 per unit for gross proceeds of \$3,478,000. Each unit will consist of one common share of the Company and one half of one common share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at an exercise price of \$0.30 per common share for a period of 24 months following the closing date of the offering. Finder's fees were paid to eligible finders in accordance with the policies of the TSXV consisting of cash commissions of \$175,000 and 894,250 finder warrants. Each finder warrant will entitle the holder thereof to purchase one common share at a price of \$0.20 for a period of 24 months following the closing date of the offering.

On April 23, 2021, the Company closed the acquisition of the Otú Central Project. Pursuant to the terms of the amended share purchase agreement, the Company acquired all of the issued and outstanding shares of Buenaventura Gold, Inc., a company that indirectly owns, or has been indirectly irrevocably transferred, 100% of the assets. Subsequent to the year end, the Company paid US\$975,000 (approximately \$1,220,000) in cash and US\$3,000,000 (approximately \$3,750,000) satisfied by the issuance of 18,807,206 units of the Company, at a deemed price per unit of \$0.20.

On April 30, 2021, the Company granted 1,000,000 stock options to consultants of the Company pursuant to the Company's stock option plan. The stock options vest immediately and may be exercised at a price of \$0.26 per option for a period of five years from the date of grant.

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11. SUBSEQUENT EVENTS (CONTINUED)

On April 30, 2021, the Company granted 3,775,000 registered share units to certain directors, officers and consultants of the Company pursuant to the Company's RSU Incentive plan. Each RSU vests immediately and represents the right of the grantee to receive one common share of the Company.

Subsequent to March 31, 2021, 730,000 of the Company's stock options and 9,060,500 of the Company's warrants were exercised, generating proceeds of \$806,575.

Subsequent to March 31, 2021, 471,000 of the Company's warrants expired unexercised.