

ORIGEN RESOURCES INC.

Consolidated Financial Statements
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Origen Resources Inc.

Opinion

We have audited the accompanying consolidated financial statements of Origen Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2023 and 2022, and the consolidated statements of (loss) income and comprehensive (loss) income, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023 and 2022, 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at March 31, 2023, the Company had a working capital of \$179,412, and had not yet achieved profitable operations. The Company expects to incur further losses in the development of its business. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters ("KAMs") are those matters that in the auditor's professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.



Assessment of Impairment Indicators of Exploration and Evaluation Assets (“E&E Assets”) and Investment in Forty Pillars Mining Corp. (“Forty Pillars”)

As described in Note 7 and 9 to the consolidated financial statements, the carrying amount of the Company’s E&E Assets and investment in Forty Pillars was \$4,423,310 and \$81,940 respectively as of March 31, 2023. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Assets and the investment in Forty Pillars for indicators of impairment at each reporting period or whenever events or changes in circumstances indicate the carrying values may not be fully recoverable.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets and investment in Forty Pillars is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment, specifically relating to the assets’ carrying amount which is impacted by the Company’s intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets and investment in Forty Pillars.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management’s assessment of impairment indicators.
- Evaluating the intent for the E&E Assets including those held by Forty Pillars through discussion and communication with management.
- Reviewing the Company’s recent expenditure activity.
- Assessing compliance with agreements including reviewing option agreements and vouching cash payments and share issuances.
- Assessing the Company’s rights to explore E&E Assets including confirmation requests to optionors to ensure good standing of agreement.
- Obtaining, on a test basis through government websites and confirmation of title to ensure mineral rights underlying the E&E Assets and those held by Forty Pillars are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management’s Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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 Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 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 Company 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Carmen Newnham.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

July 27, 2023

ORIGEN

RESOURCES INC.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	<u>March 31,</u> <u>2023</u>	<u>March 31,</u> <u>2022</u>
ASSETS		
Current		
Cash	\$ 473,058	\$ 656,827
Receivables (Note 5)	146,865	69,344
Investments (Note 6)	<u>125,296</u>	<u>1,251,772</u>
	745,219	1,977,943
Non-current assets		
Promissory note (Note 8)	1,711,527	1,726,420
Exploration and evaluation assets (Note 7 and 10)	4,423,310	2,804,796
Investment in Forty Pillars (Note 9)	81,940	1,475,013
Reclamation deposits (Note 7)	<u>63,500</u>	<u>63,500</u>
	<u>\$ 7,025,496</u>	<u>\$ 8,047,672</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 10)	\$ 565,807	\$ 309,776
Provision for flow-through indemnification	<u>-</u>	<u>31,000</u>
	565,807	340,776
Non-current liabilities		
Deferred income tax liability (Note 14)	<u>-</u>	<u>345,000</u>
	565,807	685,776
Shareholders' equity		
Share capital (Note 11)	7,630,756	6,221,992
Share-based payment reserves (Note 11)	726,744	573,250
Subscriptions received in advance (Note 17)	50,000	-
(Deficit) retained earnings	<u>(1,947,811)</u>	<u>566,654</u>
	<u>6,459,689</u>	<u>7,361,896</u>
	<u>\$ 7,025,496</u>	<u>\$ 8,047,672</u>

Nature and continuance of operations (Note 1)

Subsequent events (Note 17)

Approved on Behalf of the Board on July 27, 2023:

"Garry Stock"
Garry Stock, Director

"Gary Schellenberg"
Gary Schellenberg, Director

The accompanying notes are an integral part of these Consolidated Financial Statements

ORIGEN

RESOURCES INC.

Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income (Expressed in Canadian Dollars)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenses		
Consulting (Note 10)	\$ 134,500	\$ 195,819
General office	42,865	14,683
Management fees (Note 10)	165,000	350,000
Marketing	71,843	187,967
Professional fees (Note 10)	128,892	143,437
Rent (Note 10)	21,600	20,100
Share-based payments (Notes 10 and 11)	191,812	158,898
Transfer agent and filing fees	44,940	49,695
Operating expenses	(801,452)	(1,120,599)
Realized gain on investments (Note 6)	16,403	220,150
Unrealized (loss) gain on investments (Note 6)	(1,014,020)	668,414
Financing expense (Note 10)	-	(60,800)
Interest income (Note 8)	193,511	96,248
Loss on sale of Investment in Forty Pillars (Note 9)	(312,869)	-
Equity loss on Investment in Forty Pillars (Note 9)	(285,039)	(53,273)
Impairment of Investment in Forty Pillars (Note 9)	(734,999)	-
Write-off of provision for flow-through indemnification	31,000	-
Flow-through premium recovery (Note 11)	48,000	-
Gain on sale of mineral property (Note 7)	-	2,795,413
Gain on deconsolidation of Forty Pillars (Note 9)	-	136,904
(Loss) income before income taxes	(2,859,465)	2,682,457
Income tax recovery (expense) (Note 14)	345,000	(345,000)
(Loss) income and comprehensive (loss) income for the year	\$ (2,514,465)	\$ 2,337,457
Basic (loss) earnings per common share	\$ (0.07)	\$ 0.07
Diluted (loss) earnings per common share	\$ (0.07)	\$ 0.07
Weighted average number of common shares outstanding (Note 11)		
Basic	37,197,088	33,570,701
Diluted	37,197,088	34,162,665

The accompanying notes are an integral part of these Consolidated Financial Statements

ORIGEN

RESOURCES INC.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Subscriptions received in advance	Share-based payment reserves	Retained earnings (deficit)	Total
Balance, March 31, 2021	32,248,656	\$ 5,444,648	\$ -	\$ 422,016	\$(1,459,515)	\$ 4,407,149
Shares issued for exploration and evaluation assets	750,000	255,500	-	-	-	255,500
Shares issued upon exercise of warrants	2,396,998	479,695	-	-	-	479,695
Shares issued upon exercise of stock options	75,000	18,914	-	(7,664)	-	11,250
Shares purchased pursuant to normal course issuer bid	(161,000)	(37,565)	-	-	-	(37,565)
Shares issued pursuant to financing fee	160,000	60,800	-	-	-	60,800
April 2021 Plan of Arrangement	-	-	-	-	(311,288)	(311,288)
Share-based payments	-	-	-	158,898	-	158,898
Net income for the year	-	-	-	-	2,337,457	2,337,457
Balance, March 31, 2022	35,469,654	6,221,992	-	573,250	566,654	7,361,896
Shares issued for exploration and evaluation assets	400,000	74,000	-	-	-	74,000
Shares issued upon exercise of warrants	400,000	88,000	-	-	-	88,000
Shares issued upon exercise of stock options	375,000	94,568	-	(38,318)	-	56,250
Shares purchased pursuant to normal course issuer bid	(106,000)	(25,430)	-	-	-	(25,430)
Shares issued pursuant to flow-through private placement	1,600,000	480,000	-	-	-	480,000
Shares issued pursuant to private placement, net of share issuance costs	3,000,000	745,626	-	-	-	745,626
Subscriptions received in advance	-	-	50,000	-	-	50,000
Flow-through share premium liability	-	(48,000)	-	-	-	(48,000)
Share-based payments	-	-	-	191,812	-	191,812
Net loss for the year	-	-	-	-	(2,514,465)	(2,514,465)
Balance, March 31, 2023	41,138,654	\$ 7,630,756	\$ 50,000	\$ 726,744	\$(1,947,811)	\$ 6,459,689

The accompanying notes are an integral part of these Consolidated Financial Statements

ORIGEN

RESOURCES INC.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Net (loss) income for the year	\$ (2,514,465)	\$ 2,337,457
Non-cash items:		
Share-based payments	191,812	158,898
Gain on sale of mineral property	-	(2,795,413)
Gain on deconsolidation of Forty Pillars	-	(136,904)
Equity loss on Investment in Forty Pillars	285,039	53,273
Loss on sale of Investment in Forty Pillars	312,869	-
Impairment of Investment in Forty Pillars	734,999	-
Income tax (recovery) expense	(345,000)	345,000
Interest Income	(193,511)	(96,248)
Financing expense	-	60,800
Realized gain on investments	(16,403)	(220,150)
Unrealized loss (gain) on investments	1,014,020	(668,414)
Write-off of provision for flow-through indemnification	(31,000)	-
Flow-through premium recovery	(48,000)	-
Changes in non-cash working capital items:		
Receivables	12,044	(1,063)
Prepaid expenses	-	145,930
Accounts payable and accrued liabilities	330,936	23,688
Net cash used in operating activities	(266,660)	(793,146)
Cash flows from investing activities		
Cash paid as part of the April 2021 Plan of Arrangement	-	(66,894)
Exploration and evaluation assets	(1,931,803)	(1,011,247)
Investment in Forty Pillars	-	(1,000,000)
Purchases of investments	(108,995)	(572,133)
Proceeds from sale of Investment in Forty Pillars	109,005	-
Proceeds from sale of investments	367,354	2,047,692
Proceeds from sale of mineral property	-	1,000,000
Recovery on exploration and evaluation assets	182,884	412,338
Net cash (used in) provided by investing activities	(1,381,555)	809,756
Cash flows from financing activities		
Cash received from loan	-	1,000,000
Repayment of loan	-	(1,000,000)
Issuance of shares, net of share issuance costs	1,369,876	490,945
Repurchase of shares pursuant to normal course issuer bid	(25,430)	(37,565)
Promissory note repayment received	70,000	-
Subscriptions received in advance	50,000	-
Net cash provided by financing activities	1,464,446	453,380
Net change in cash	(183,769)	469,990
Cash, beginning of the year	656,827	186,837
Cash, end of the year	\$ 473,058	\$ 656,827

Supplemental cash flow information (Note 15)

The accompanying notes are an integral part of these Consolidated Financial Statements

1 NATURE AND CONTINUANCE OF OPERATIONS

Origen Resources Inc. (the “Company” or “Origen”) was incorporated under the Business Corporations Act (British Columbia) (“BCBCA”) on September 12, 2019. The address of its head office is located at Suite 488-625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6. The Company’s registered and records office is 1008-550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. The Company is listed on the Canadian Securities Exchange (“CSE”) under the symbol ORGN and the Frankfurt Exchange under the symbol 4VX. The Company is an exploration company engaged in generating, acquiring and advancing base and precious metal properties.

The Company entered into an arrangement agreement dated April 1, 2021 to complete a plan of arrangement (the “April 2021 Plan of Arrangement”) under the BCBCA with its formerly wholly owned subsidiary, Forty Pillars Mining Corp. (“Forty Pillars”). The April 2021 Plan of Arrangement was completed on May 21, 2021 (Note 4). Pursuant to the April 2021 Plan of Arrangement, the Company completed a share reorganization and spun out its Silver Dollar Property, Beatrice Property and \$66,894 in cash to Forty Pillars in exchange for 3,242,587 common shares of Forty Pillars (the “Forty Pillars Shares”) valued at \$0.16 per Forty Pillars Share, of which 1,945,551 Forty Pillars Shares were distributed to Origen’s shareholders and 1,297,036 Forty Pillars Shares were retained by Origen, for total consideration of \$518,814. Forty Pillars is listed on the CSE under the symbol PLLR. On February 22, 2022, Forty Pillars completed a share consolidation on a 2 for 1 basis. All references to Forty Pillars share and per share amounts in these consolidated financial statements have been retroactively restated for the share consolidation.

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at March 31, 2023, the Company had working capital of \$179,412 (2022 - \$1,637,167) and had not yet achieved profitable operations. The Company expects to incur further losses in the development of its business. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption were not appropriate for these consolidated financial statements, it could be necessary to restate the Company’s assets and liabilities on a liquidation basis.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

2 BASIS OF PRESENTATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”).

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its formerly wholly-owned subsidiary, Forty Pillars, from the date of Forty Pillars' incorporation on February 4, 2021 until May 21, 2021 when Forty Pillars was spun-out. All significant intercompany accounts and transactions between the Company and its former subsidiary have been eliminated upon consolidation.

3 SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

The following is the Company's accounting policy for financial assets and liabilities:

Financial assets:

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), or at amortized cost.

The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in profit or loss in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) as they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value

and subsequently carried at amortized cost less any impairment. The Company has classified its cash, receivables, promissory note and reclamation deposits as amortized cost.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Financial liabilities at FVTPL: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Financial liabilities at amortized cost: This category includes accounts payable and accrued liabilities which is recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at FVTPL are recognized in profit or loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

b) Exploration and evaluation assets

Exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. No exploration costs are capitalized until the legal right to explore the property has been obtained. When it is determined that such costs will be recouped through successful development and exploitation, the capitalized expenditures are depreciated over the expected productive life of the asset. Costs for a producing asset are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

Impairment review for exploration and evaluation assets is carried out on a project by project basis, with each project representing a single cash generating unit. At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that these assets are impaired. An impairment review is undertaken when indicators of impairment arise but typically when one or more of the following circumstances apply:

- Unexpected geological occurrences are identified that render the resource uneconomical;
- Title to the asset is compromised;
- Fluctuations in the metal prices render the project uneconomical;
- Variation in the currency of operations; and
- Threat to political stability in the country of operation.

From time to time, the Company may acquire or dispose of exploration and evaluation assets pursuant to the terms of option agreements. Due to the fact that these options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation assets or recoveries when the payments are made or received.

The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its exploration and evaluation assets, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from their disposition thereof.

When entitled, the Company records refundable mineral exploration tax credits or incentive grants on an accrual basis and as a reduction of the carrying value of the mineral property interest. When the Company is entitled to non-refundable exploration tax credits, and it is probable that they can be used to reduce future taxable income, a deferred income tax benefit is recognized.

c) Impairment of tangible and intangible assets

Tangible and intangible assets with finite useful lives are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the assets' cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss except to the extent it reverses gains previously recognized in other comprehensive loss/income. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized in profit or loss.

d) Provision for environmental rehabilitation

The Company recognizes the liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets in the period when the liability arises. The net present value of future rehabilitation costs is capitalized to the long-lived asset to which it relates with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as interest expense.

The Company has no known restoration, rehabilitation or environmental costs related to its exploration and evaluation assets.

e) Investment in associates

An associate is an entity over which the Company has significant influence, and which is neither a subsidiary nor a joint arrangement.

The Company has significant influence over an entity when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control.

Under the equity method, the Company's investment in the common shares of the associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of net income and losses of the associate, after any adjustments necessary to give effect to uniform accounting policies, any other movement in the associate's reserves, and for impairment losses after the initial recognition date. The Company's share of income and losses of the associate is recognized in profit or loss during the period.

Dividends and repayment of capital received from an associate are accounted for as a reduction in the carrying amount of the Company's investment.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating there is a significant or prolonged decline in the fair value of an equity investment below its cost. When there is objective evidence that an investment is impaired, the carrying amount of such investment is compared to its recoverable amount, being the higher of its fair value less costs of disposal and value-in-use. If the recoverable amount of an investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss is recognized in the period in which the relevant circumstances are identified. When an impairment loss reverses in a subsequent period, the carrying amount of the investment is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in profit or loss in the period in which the reversal occurs.

f) Valuation of equity units issued in private placements

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are assigned value based on the residual value method. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

g) Share-based compensation

The Company uses the fair value-based method for measuring compensation costs. The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

h) Income (loss) per share

The Company presents basic income (loss) per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share does not adjust the income (loss) attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

i) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable relating to previous periods.

Deferred tax is recognized in respect to the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The

following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Significant judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the reporting period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The carrying value and the recoverability of exploration and evaluation assets, which are included in the consolidated statements of financial position: The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- The carrying value and recoverability of investments in associates, which are included in the consolidated statements of financial position. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- The carrying value of investments: Publicly traded common shares are valued using a quoted share price and non-traded warrants of publicly traded companies are valued using the Black-Scholes option pricing model as a measurement of fair value.
- The fair value of the exploration and evaluation properties transferred in the plan of arrangement: Management estimated the fair value of the exploration and evaluation assets transferred which formed the value recorded on completion of the transaction.

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include: the assessment of the Company's degree of control and influence over its investments in other companies; and the conclusion that the Plan of Arrangement was an acquisition of assets and not a business combination.

k) New and amended standards adopted by the Company

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The adoption of this standard on April 1, 2022 did not have a material measurement or disclosure impact on the Company's consolidated financial statements.

l) Accounting standards issued but not yet applied

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024. The Company does not expect this amendment to have a significant effect on its consolidated financial statements.

Amendments to IAS 8 – Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company does not expect this amendment to have a significant effect on its consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company does not expect this amendment to have a significant effect on its consolidated financial statements.

4 TRANSFER OF ASSETS

The Company entered into the April 2021 Plan of Arrangement dated April 1, 2021 under the BCBCA with Forty Pillars. The April 2021 Plan of Arrangement was completed on May 21, 2021. Pursuant to the April 2021 Plan of Arrangement, the Company completed a share reorganization and spun out its Silver Dollar Property, Beatrice Property and \$66,894 in cash to Forty Pillars in exchange for 3,242,587 Forty Pillars Shares valued at \$0.16 per Forty Pillars Share, of which 1,945,551 Forty Pillars Shares were distributed to Origen's shareholders and 1,297,036 Forty Pillars Shares were retained by Origen, for total consideration of \$518,814. Upon completion Forty Pillars was listed on the CSE under the symbol PLLR.

The imputed value assigned to the Silver Dollar Property was \$434,040 and the Beatrice Property was \$17,880, which resulted in an impairment of \$1,029,398 and \$42,408, respectively, for the year ended March 31, 2021.

As a result of the April 2021 Plan of Arrangement, the Company issued an aggregate of 187,184 additional share purchase warrants to the Company's warrant holders, comprising of: (1) 50,730 share purchase warrants exercisable at \$0.22 per common share expiring on April 28, 2022; (2) 86,106 share purchase warrants exercisable at \$0.20 per common share expiring on December 1, 2021; and (3) 50,348 share purchase warrants exercisable at \$0.20 per common share expiring on January 12, 2022 with a fair value of \$32,974 recorded as share based compensation. The weighted average fair value per warrant was \$0.18 and was estimated using the Black-Scholes option pricing model assuming a life expectancy of 0.64 years, risk-free rate of 0.31% and volatility of 100%.

The value of the net assets transferred to Forty Pillars consisted of the following:

	\$
Cash	66,894
Exploration and evaluation assets	451,920
Carrying value of net assets	518,814
Fair value of consideration received	518,814

In accordance with IFRIC 17, Distribution of Non-Cash Assets to Owners, the Company recognized the distribution of net assets to the Company's shareholders at fair value which was based on Forty Pillars' concurrent private placement share price.

5 RECEIVABLES

	March 31, 2023	March 31, 2022
Tax receivables	\$ 8,236	\$ 20,280
Interest receivable (Note 8)	138,629	49,064
	\$ 146,865	\$ 69,344

6 INVESTMENTS

	Number of Common Shares		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Exploits Discovery Corp. (NFLD)	-	582,222	\$ -	\$ 148,467
Tearlach Resources Ltd. (TEA)	-	100,000	\$ -	\$ 25,000
West Mining Corp. (WEST)	10,000	10,000	\$ 450	\$ 900
Opawica Explorations Inc. (OPW)	44,500	95,000	\$ 6,230	\$ 304,000
CAVU Energy Metals Corp. (CAVU)	-	500,000	\$ -	\$ 295,000
Generation Gold Corp. (GEN)	1,100,000	-	\$ 77,000	\$ -
NevGold Corp. (NAU)	31,500	-	\$ 12,285	\$ -
Hawthorn Resources Corp. (HWTN)	150,000	-	\$ 19,500	\$ -
			\$ 115,465	\$ 773,367

	Number of Share Purchase Warrants		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
West Mining Corp. (WEST)	-	55,000	\$ -	\$ 353
Opawica Explorations Inc. (OPW) ⁽¹⁾	37,500	37,500	\$ -	\$ 31,183
CAVU Energy Metals Corp. (CAVU) ⁽²⁾	-	500,000	\$ -	\$ 148,989
Alpha Copper Corp. (ALCU) ⁽²⁾	350,000	-	\$ 2,233	\$ -
Forty Pillars Mining Corp. (PLLR) ⁽³⁾	5,000,000	5,000,000	\$ 7,598	\$ 297,880
			\$ 9,831	\$ 478,405

⁽¹⁾ Each share purchase warrant is exercisable for one common share at an exercise price of \$0.60 per common share until May 31, 2023. These warrants have expired unexercised subsequent to March 31, 2023.

⁽²⁾ Each share purchase warrant is exercisable for one common share at an exercise price of \$0.60 per common share until January 21, 2024.

⁽³⁾ Each share purchase warrant is exercisable for one common share at an exercise price of \$0.24 per common share until October 28, 2024.

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Notes to the Consolidated Financial Statements

For the Years ended March 31, 2023 and 2022

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The changes in investments during the years ended March 31, 2023 and 2022 are summarized as below:

	Common Shares	Share Purchase Warrants	Total Investments
Balance, March 31, 2021	\$ 1,838,767	\$ -	\$ 1,838,767
Additions	572,133	-	572,133
Disposals	(2,047,692)	-	(2,047,692)
Realized gain	220,150	-	220,150
Unrealized gain	190,009	478,405	668,414
Balance, March 31, 2022	773,367	478,405	1,251,772
Additions	238,495	-	238,495
Disposals	(367,354)	-	(367,354)
Realized gain	16,403	-	16,403
Unrealized loss	(545,446)	(468,574)	(1,014,020)
Balance, March 31, 2023	\$ 115,465	\$ 9,831	\$ 125,296

Exploits Gold Corp.

On June 4, 2020, the Company entered into a strategic investment agreement with Exploits Gold Corp. ("Exploits Gold"). Exploits Gold was a private exploration company. The Company was granted an exclusive one year right of first refusal to acquire any of the new projects generated by Exploits Gold in exchange for 666,667 common shares of Exploits Gold for gross proceeds of \$100,000.

On September 1, 2020, the Company entered into a share purchase and sale agreement with Crest Resources Inc. ("Crest") to purchase additional shares of Exploits Gold. The Company purchased 3,000,000 common shares of Exploits Gold from Crest in exchange for 4,200,000 common shares of the Company valued at \$840,000. This transaction is non-arm's length due to common directors between the companies.

Exploits Gold was acquired by Exploits Discovery Corp. ("Exploits") on September 18, 2020, resulting in the Company's strategic investment becoming a reporting issuer traded on the CSE.

During the year ended March 31, 2023, the Company sold 582,222 (2022 – 3,084,445) common shares of Exploits for net proceeds of \$142,681 (2022 - \$1,978,599).

These transactions are deemed to be related party transactions by virtue of common directors.

West Mining Corp.

During the year ended March 31, 2021, the Company acquired 110,000 units of West Mining Corp. ("West") at a price of \$0.18 per unit totaling \$19,800. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant was exercisable into a common share at an exercise price of \$0.35 for 2 years. On initial recognition, no value was assigned to the share purchase warrants. The common share purchase warrants expired on December 15, 2022.

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On November 4, 2020, the Company received 500,000 common shares of West in relation to the Kagoot Brook Project valued at \$90,000.

During the year ended March 31, 2023, the Company sold nil (2022 – 100,000) common shares of West for net proceeds of \$nil (2022 - \$69,093).

Tearlach Resources Ltd.

On January 22, 2021, the Company received 100,000 common shares of Tearlach Resources Ltd. (“Tearlach”) in relation to the Bonanza Mountain Project valued at \$8,000 (Note 7).

During the year ended March 31, 2023, the Company sold 100,000 (2022 – nil) common shares of Tearlach for net proceeds of \$14,810 (2022 - \$nil).

Opawica Explorations Inc.

On May 31, 2021, the Company purchased 75,000 units of Opawica Explorations Inc. (“Opawica”) for a total of \$300,000. Each unit is comprised of one common share and one-half of one share purchase warrant, with each whole warrant exercisable at \$6.00 per common share until May 31, 2023. This transaction is non-arm’s length as an officer and director of the Company is also an officer and director of Opawica. On initial recognition, no value was assigned to the share purchase warrants. As at March 31, 2023, the warrants were valued using the Black-Scholes option pricing model with the following inputs: expected life – 0.17 years; risk-free rate of 3.74%; stock price of \$0.14; exercise price of \$6.00; and volatility of 252%. Subsequent to March 31, 2023, the share purchase warrants held expired unexercised.

During the year ended March 31, 2022, the Company purchased an additional 20,000 common shares of Opawica for \$72,133.

During the year ended March 31, 2023, the Company sold 50,500 (2022 – nil) common shares of Opawica for net proceeds of \$7,363 (2022 - \$nil).

On March 9, 2023, Opawica completed a share consolidation on a 10 for 1 basis. All references to Opawica share and per share amounts in these consolidated financial statements have been retroactively restated for the share consolidation.

Alpha Copper Corp. (CAVU Energy Metals Corp.)

On January 21, 2022, the Company purchased 500,000 units of CAVU Energy Metals Corp. (“CAVU”) for a total of \$200,000. Each unit is comprised of one common share and one share purchase warrant, with each whole warrant exercisable at \$0.60 per common share until January 21, 2024. On initial recognition, no value was assigned to the share purchase warrants.

During the year ended March 31, 2023, the Company sold 500,000 (2022 – nil) common shares of CAVU for net proceeds of \$125,810 (2022 - \$nil).

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On December 19, 2022, CAVU was acquired by Alpha Copper Corp. (“ALCU”) pursuant to a plan of arrangement. As a result, each holder of a common share of CAVU received 0.7 common share of ALCU. Warrants of CAVU were also exchanged for ALCU warrants based on the 0.7 exchange ratio. Prior to the exchange date, the Company had sold all of its common shares of CAVU.

As at March 31, 2023, the ALCU warrants were valued using the Black-Scholes option pricing model with the following inputs: expected life – 0.81 years; risk-free rate of 3.74%; stock price of \$0.14; exercise price of \$0.85; and volatility of 118%.

Forty Pillars Mining Corp.

On October 28, 2021, the Company purchased 5,000,000 units of Forty Pillars at a price of \$0.20 per unit. Each unit is comprised of one common share and one common share purchase warrant, with each warrant exercisable for one common share at an exercise price of \$0.24 per common share until October 28, 2024. On initial recognition, no value was assigned to the share purchase warrants. As at March 31, 2023, the warrants were valued using the Black-Scholes option pricing model with the following inputs: expected life – 1.58 years; risk-free rate of 3.51%; stock price of \$0.02; exercise price of \$0.24; and volatility of 115%.

The Company has used the equity method to account for its common shares of Forty Pillars and has recognized an investment in associate on the consolidated financial statements (Note 9).

NevGold Corp.

On July 25, 2022, the Company purchased 200,000 common shares of NevGold Corp. (“NevGold”) for a total of \$108,995.

During the year ended March 31, 2023, the Company sold 168,500 (2022 – nil) common shares of NevGold for net proceeds of \$76,690 (2022 - \$nil).

Generation Gold Corp.

On December 16, 2022, the Company received 1,100,000 common shares of Generation Gold Corp. (“GEN”) in relation to the Arlington Property option agreement valued at \$110,000 (Note 7). 200,000 common shares were received pursuant to final approval of the option agreement by the TSX Venture Exchange, and 900,000 common shares were received pursuant to the required reimbursement.

Hawthorn Resources Corp.

On March 30, 2023, the Company received 150,000 common shares of Hawthorn Resources Corp. (“Hawthorn”) in relation to the Broken Handle Project option agreement valued at \$19,500 (Note 7).

7 EXPLORATION AND EVALUATION ASSETS

	Silver Dollar Property	Arlington Property	Beatrice Property	Bonanza Mountain Project	Broken Handle Project	Wishbone Property	LGM Property	Middle Ridge Property	NFLD Lithium Project	Los Sapitos Lithium	Total
Acquisition Costs											
Opening, March 31, 2021	\$ 434,040	\$ 63,920	\$ 17,829	\$ 463,926	\$ 337,500	\$ 94,167	\$ 624,833	\$ 29,000	\$ 40,118	\$ -	\$ 2,105,333
Additions	-	69,500	-	-	-	60,000	-	64,500	35,770	140,306	370,076
Recoveries	-	-	-	-	-	(154,167)	-	-	-	-	(154,167)
Transfer of assets (Note 4)	(434,040)	-	(17,829)	-	-	-	-	-	-	-	(451,869)
Closing, March 31, 2022	-	133,420	-	463,926	337,500	-	624,833	93,500	75,888	140,306	1,869,373
Additions	-	-	-	-	-	-	-	40,000	-	186,334	226,334
Recoveries	-	(20,000)	-	-	(44,500)	-	-	-	-	-	(64,500)
Closing, March 31, 2023	-	113,420	-	463,926	293,000	-	624,833	133,500	75,888	326,640	2,031,207
Exploration Costs											
Opening, March 31, 2021	-	1,000	51	(4,307)	-	49,618	279,350	97,867	-	-	423,579
Assay	-	25,940	-	819	-	-	-	-	17,859	-	44,618
Equipment, field supplies, and other	-	49,264	-	1,580	-	801	32,609	-	261,446	19,000	364,700
Geological	-	35,613	-	5,488	-	-	-	7,888	-	-	48,989
Geophysical	-	-	-	-	-	140,089	88,757	9,278	-	-	238,124
Staking	-	-	-	-	-	-	-	-	73,635	-	73,635
Recoveries	-	(10,000)	-	(7,897)	-	(190,508)	(49,766)	-	-	-	(258,171)
Transfer of assets (Note 4)	-	-	(51)	-	-	-	-	-	-	-	(51)
Closing, March 31, 2022	-	101,817	-	(4,317)	-	-	350,950	115,033	352,940	19,000	935,423
Assays	-	-	-	-	-	-	56,326	-	27,334	3,053	86,713
Drilling	-	-	-	-	-	-	405,014	-	-	-	405,014
Equipment, field supplies, and other	-	-	-	-	-	-	877,280	-	201,711	133,845	1,212,836
Recoveries	-	(137,263)	-	-	-	-	(27,570)	-	(83,050)	-	(247,883)
Closing, March 31, 2023	-	(35,446)	-	(4,317)	-	-	1,662,000	115,033	498,935	155,898	2,392,103
Balance, March 31, 2023	\$ -	\$ 77,974	\$ -	\$ 459,609	\$ 293,000	\$ -	\$ 2,286,833	\$ 248,533	\$ 574,823	\$ 482,538	\$ 4,423,310

Silver Dollar Property, British Columbia

The Company owned a 100% interest in the Silver Dollar Property, located in the Revelstoke Mining District of British Columbia, subject to an existing 1% net smelter return (“NSR”) royalty held by Happy Creek Minerals Ltd., beginning upon commencement of commercial production on the property.

During the year ended March 31, 2022, the Company spun out the Silver Dollar Property to Forty Pillars (Note 4).

Arlington Property, British Columbia

The Company owned a 100% interest in the Arlington Property located in British Columbia. On April 15, 2021, the Company increased the size of its Arlington property through the purchase of a 100% interest in the Fresh Pot claims in Beaverdell, British Columbia by paying \$3,500 in cash and issuing 200,000 common shares by August 15, 2021 (issued with a fair value of \$66,000). The Fresh Pot claims are subject to a 1% NSR royalty, which can be purchased by the Company for \$1,000,000.

The Company entered into an option agreement with Generation Gold Corp. (formerly Jessy Ventures Corp.) (“GEN”) on September 17, 2021, whereby GEN has the right to acquire a 60% interest in the Arlington Property. Pursuant to the option agreement, GEN will be paying the Company \$185,000, issuing 2,000,000 common shares and incurring \$750,000 in exploration expenditures on the property as follows:

- Paying \$10,000 upon signing as a non-refundable deposit (received);
- Issuing 200,000 common shares upon final receipt of final approval of the option agreement by the TSX Venture Exchange (the “Exchange Approval Date”) (received 200,000 common shares of GEN valued at \$20,000);
- Paying \$25,000, issuing 300,000 common shares and incurring \$125,000 in exploration expenditures on or before the first anniversary of the Exchange Approval Date;
- Paying \$50,000, issuing 500,000 common shares and incurring \$250,000 in exploration expenditures on or before the second anniversary of the Exchange Approval Date; and
- Paying \$100,000, issuing 1,000,000 common shares and incurring \$375,000 in exploration expenditures on or before the third anniversary of the Exchange Approval Date.

Any shortfall in cumulative exploration expenditures can be settled in either cash or common shares at the option of the Company. GEN is also required to reimburse the Company for the costs that have been incurred on the recently completed exploration program on the Fresh Pot claims totaling approximately \$110,000 within 5 days of the Exchange Approval Date. On October 13, 2022, the terms of the required reimbursement were amended such that GEN issued 900,000 common shares at a deemed price of \$0.10 per common share (received 900,000 common shares of GEN valued at \$90,000) and paid \$20,000 in cash (received).

Upon exercise of the option, the Company will be granted a 1.5% NSR royalty on the property, of which GEN can purchase 1% of the NSR royalty for \$1,000,000 within one year of commencement of commercial production.

On December 21, 2022, GEN announced that it received final approval from the TSX Venture Exchange, and it changed its name from Jessy Ventures Corp. to Generation Gold Corp.

Beatrice Property, British Columbia

The Company owned 100% of the Beatrice Property, which is located in the southern portion of the Silver Dollar Property and forms part of the Silver Dollar Property.

During the year ended March 31, 2022, the Company spun out the Beatrice Property to Forty Pillars (Note 4).

Bonanza Mountain Project, British Columbia

The Company holds a 100% interest in the Bonanza Mountain Project in the historic Knight's Mining Camp, Grand Forks area, British Columbia. To complete the obligation to earn its 100% interest, the Company issued 300,000 common shares, valued at \$54,000, during the year ended March 31, 2021.

On June 12, 2020, the Company granted Tearlach an option to acquire a 75% interest in the project by paying an aggregate of \$210,000 (\$35,000 received), issuing 500,000 common shares over a 3-year period (100,000 common shares received), and incurring \$500,000 in exploration expenditures.

Upon exercise of the option, the Company was to be granted a 1.5% NSR royalty on the project, of which Tearlach could purchase 1% of the NSR royalty for \$1,000,000 within one year of commencement of commercial production.

During the year ended March 31, 2022, Tearlach elected to terminate the option agreement.

Broken Handle Project, British Columbia

On May 11, 2020, the Company acquired a 100% interest in the Broken Handle Project located in Grand Forks, British Columbia, through issuance of 1,500,000 shares valued at \$352,500. The property is subject to a 1% NSR royalty. The Company has the option to purchase 0.5% of the 1% NSR royalty for \$1,000,000.

On December 15, 2020, the Company granted Hawthorn an option to acquire a 75% interest in the project by incurring \$500,000 in exploration expenditures on the property, paying the Company \$250,000 (\$35,000 received) and issuing 1,000,000 common shares (150,000 common shares received) as follows:

- Paying \$15,000 upon signing (received);
- Paying \$25,000 (received) and issuing 150,000 common shares (received 150,000 shares of Hawthorn valued at \$19,500) within 15 days of listing approval from a recognized Canadian stock exchange and acceptance of the 43-101 report (“Exchange Approval Date”);
- Issuing 200,000 common shares and incurring \$100,000 in exploration expenditures on or before 12 months after the Exchange Approval Date;
- Paying \$60,000 on or before 18 months of the Exchange Approval Date;
- Paying \$70,000 and issuing 250,000 common shares on or before the second anniversary of the Exchange Approval Date; and
- Paying \$80,000, issuing 400,000 common shares and incurring \$400,000 in exploration expenditures on or before the third anniversary of the Exchange Approval Date.

Upon exercise of the option, the Company will be granted a 1.5% NSR royalty on the property, of which Hawthorn can purchase 1% of the NSR royalty for \$1,000,000 within one year of commencement of commercial production. This transaction is deemed to be a related party transaction by virtue of common directors.

On February 23, 2023, Hawthorn announced that it received final approval from the CSE.

LGM Property and Wishbone Property, British Columbia

On May 27, 2020, the Company entered into a Sale and Assignment Agreement to acquire a 100% interest in the LGM Property located in British Columbia and an option to acquire a 100% interest in the Wishbone Property located in British Columbia from Orogenic Regional Exploration Ltd. (“Orogenic”). The transaction is deemed to be a related party transaction by virtue of two common directors.

In consideration for the assignment and the property transfer, the Company:

- Paid a non-interest-bearing advance to Orogenic in the amount of \$25,000 which was repayable by September 10, 2020 with a fee of up to \$10,000 (\$35,000 was received, of which \$10,000 was recorded as recovery against acquisition costs);
- Issued 5,000,000 common shares (issued and valued at \$700,000); and
- Granted Orogenic a right to appoint a further member to the Board of Directors of the Company.

The LGM and Wishbone Properties are subject to NSR royalties of 2% and 1%, respectively.

During the year ended March 31, 2021, the Company paid \$63,500 in relation to reclamation deposits associated with the LGM and Wishbone Properties.

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Wishbone Property

Pursuant to the option agreement dated May 29, 2019 to acquire 100% interest of the Wishbone Property, the Company was to:

- Pay \$10,000 (paid by Orogenic) and issue 100,000 common shares (issued by Orogenic) upon execution of option agreement;
- Pay \$15,000 (paid) and issue 100,000 common shares (issued and valued at \$14,000) by May 29, 2020;
- Pay \$25,000 (paid) and issue 100,000 common shares (issued and valued at \$35,000) by May 29, 2021;
- Pay \$50,000 and issue 200,000 common shares by May 29, 2022 (paid and issued by Forty Pillars); and
- Pay \$50,000 and issue 200,000 common shares by May 29, 2023 (paid and issued subsequent to March 31, 2023).
- On exercise of the option, advance royalty payments of \$10,000 cash commencing on May 29, 2024 until the commencement of commercial production.

On October 4, 2021, the Company entered into an assignment agreement with Forty Pillars to transfer to Forty Pillars a 100% interest in the Wishbone Property.

In consideration for the assignment and the property transfer, the Company:

- Received \$1,000,000 in cash from Forty Pillars;
- Issued a \$2,000,000 promissory note to Forty Pillars with a three-year term bearing interest at 5% per annum, payable monthly (Note 8); and
- Received a 1% NSR royalty of which 50% of the NSR can be purchased by Forty Pillars prior to commercial production for \$1,000,000.

Forty Pillars was obligated to make the remaining share issuances and cash payments under the original property agreement. Forty Pillars has also reimbursed the Company \$140,089 for geophysical exploration costs incurred.

During the year ended March 31, 2022, the Company recorded a gain on sale of Wishbone of \$2,795,413.

Subsequent to March 31, 2023, the Company entered into an agreement whereby it repurchased the rights to the Wishbone Property from Forty Pillars in exchange for extinguishment of the promissory note.

Middle Ridge Property, Newfoundland

On October 28, 2020, the Company entered into an option agreement to acquire a 100% interest in the Middle Ridge Pond Property located in Newfoundland from private vendors. Pursuant to the option agreement, the Company is to:

- Pay \$16,000 (paid) and issue 100,000 common shares (issued and valued at \$13,000) by November 1, 2020;
- Pay \$15,000 (paid) and issue 150,000 common shares (issued and valued at \$49,500) by November 1, 2021;
- Pay \$25,000 (paid by Nord) and issue 200,000 common shares by November 1, 2022 (issued and valued at \$40,000);
- Pay \$25,000 and issue 250,000 common shares by November 1, 2023; and
- Pay \$35,000, issue 400,000 common shares and incur exploration expenditures of \$750,000 by November 1, 2024.

The property is subject to a 2% NSR royalty, of which 1% NSR royalty can be purchased for \$1,000,000.

On November 4, 2022, the Company entered into an assignment and assumption agreement with Nord Battery Resources (formerly 1345984 B.C. Ltd) (“Nord”) for the Middle Ridge Property. Nord is a private company that intends to enter into a transaction with a publicly traded entity (the “Transaction”). In consideration for the agreement, Nord will issue 500,000 common shares to the Company on completion of the Transaction, and assume the \$25,000 option payment due November 1, 2022 (paid by Nord), and the subsequent option payments and share issuances of the underlying agreement.

Subsequent to March 31, 2023, the Company extended the due date of the 500,000 common shares to September 30, 2023.

NFLD Lithium Project, Newfoundland

During the year ended March 31, 2021, the Company acquired a 100% interest in the NFLD Lithium Project by staking.

On June 10, 2021, the Company purchased additional lithium claims within the NFLD Lithium Project. The Company paid a total of \$2,770, issued 100,000 common shares (issued and valued at \$33,000) and granted a 1% NSR royalty to private vendors. 0.5% of the NSR royalty can be purchased prior to commercial production for \$500,000. An ‘Area of Mutual Interest’ was also granted within the existing boundaries of the NFLD Lithium Project (the “AMI”). If the Company stakes new claims within the AMI, the staked claims will become part of the NFLD Lithium Project and its NSR royalty. If the vendors stake or caused to stake any new claims within the AMI on or before June 10, 2023, the Company must issue an additional 10,000 common shares per claim staked.

On September 21, 2022 (“Effective Date”), the Company granted Nord an option to acquire a 100% interest in the project. Pursuant to the option agreement, Nord was to:

- Pay \$100,000 (received \$74,000) and issue 7,000,000 common shares of a public, or soon to be public company within 90 days of the Effective Date; and
- Pay \$150,000 and grant the Company a 1.5% NSR royalty within 12 months of the Effective Date.

During the year ended March 31, 2023, Nord elected to terminate the option agreement. The \$74,000 in option payments received and \$2,000 in legal fees are to be repaid to Nord through the issuance of units equal in value in the next private placement completed by the Company. Subsequent to March 31, 2023, the Company issued 304,000 units to Nord, valued at \$76,000 (Note 17).

Los Sapitos Lithium Project, Argentina

On October 1, 2021, the Company entered into an option agreement to acquire a 100% interest in the Los Sapitos Lithium Project (the "Project") located in Argentina from private vendors. On September 30, 2022, October 18, 2022 and November 30, 2022, certain terms of the option agreement were amended. Pursuant to the option agreement, the Company is to:

- Pay USD\$25,000 (paid) upon signing;
- Pay USD\$25,000 (paid) and issue 200,000 common shares (issued and valued at \$72,000) on November 15, 2021;
- Pay USD\$10,000 (paid) and issue 200,000 common shares by October 15, 2022 (issued and valued at \$34,000);
- Pay USD\$75,000 by December 15, 2022 (paid);
- Incur USD\$200,000 in exploration expenditures on or before December 15, 2022 (satisfied in March 2023);
- Pay USD\$75,000 and issue 200,000 common shares on each anniversary of December 15, 2021 for four years beginning on the second anniversary until the Company completes a reorganization; and
- Incur an additional USD\$4,800,000 in exploration expenditures on or before December 15, 2026.

If the Company re-organizes its lithium assets in a reorganization to an affiliate company or sale transaction to a third-party company, acceptable by the private vendors, the required exploration expenditures totaling USD\$5,000,000 are not required. In addition, the Company shall:

- a) Issue to the private vendors the greater of:
 - 1,000,000 common shares of the affiliate or third-party company; or
 - Number of common shares of the affiliate or third-party company having a fair market value of USD\$1,000,000.
- b) Use its best efforts to enter into five year services contracts with Petra Gold Servicios Mineros S.R.L and one of the private vendors, for the supply of geological and logistical services, and corporate management services, respectively.

If the payment of USD\$75,000 (paid in March 2023) by December 15, 2022 is not met, the Company shall pay a late fee of USD\$5,000 each month to the private vendors (paid for December 2022, January 2023, February 2023, and March 2023).

During the year ended March 31, 2021, the Company staked additional concessions to expand the area of the Project. The total Project area includes 7 concessions in the San Juan province and 3 concessions in the La Rioja province. In February 2023, the provincial government passed a resolution to cease the concessions in the La Rioja province. As at March 31, 2023, management has filed a legal appeal against this decision for which a conclusion remains pending with the Supreme Court of the province.

8 PROMISSORY NOTE

Balance, March 31, 2021	\$	-
Additions		1,679,240
Accretion		47,180
Balance, March 31, 2022		1,726,420
Loss on promissory note modification		(41,660)
Promissory note repayment received		(70,000)
Accretion		96,767
Balance, March 31, 2023	\$	1,711,527

On October 4, 2021, as part of the sale of the Wishbone Property to Forty Pillars, the Company received an unsecured promissory note for \$2,000,000, bearing interest at 5% per annum and maturing on October 4, 2024. As the Company is a significant shareholder of Forty Pillars, the Company has determined that a below-market interest rate was provided. The Company fair valued the loan at \$1,679,240 using a 6% discount rate, which represents the difference between the market interest rate of 11% and the promissory note interest rate of 5%. The difference between the initial fair value and the face value of the promissory note of \$320,760 has been treated as a capital contribution to Forty Pillars from the Company and was added to the Company's Investment in Forty Pillars (Note 9). The promissory note will be accreted to its face value over the term of the note at an effective interest rate of 5.70%.

On October 14, 2022, the Company entered into a loan reduction agreement with Forty Pillars. Pursuant to the terms of the agreement, the Company received a \$70,000 payment and reduced the principal of the promissory note by \$140,000. A new promissory note has been signed for the principal amount of \$1,860,000 with all other terms and conditions being the same. During the year ended March 31, 2023, the Company recorded a loss on promissory note modification of \$48,839 which was applied to reduce the principal by \$41,660 and interest receivable by \$7,179. The loss on promissory note modification has been treated as a capital contribution to Forty Pillars from the Company and was added to the Company's Investment in Forty Pillars (Note 9).

Interest receivable of \$138,629 (2022 - \$49,068) has been included in receivables on the consolidated statements of financial position. During the year ended March 31, 2023, accretion income of \$96,767 (2022 - \$47,180) and interest income of \$96,744 (2022 - \$49,068) was recognized for the promissory note and included in interest income on the statements of (loss) income and comprehensive (loss) income.

9 INVESTMENT IN FORTY PILLARS

On May 21, 2021, the Company completed a share reorganization and spun out its Silver Dollar Property, Beatrice Property and \$66,894 in cash to Forty Pillars in exchange for 3,242,587 common shares of Forty Pillars valued at \$0.16 per Forty Pillars Share, of which 1,945,551 Forty Pillars Shares were distributed to Origen's shareholders and 1,297,036 Forty Pillars Shares were retained by Origen, for total consideration of \$518,814. As a result of this transaction, the Company's ownership of Forty Pillars was diluted from 100% to 40% which led to a loss of control and deconsolidation of Forty Pillars from the Company's consolidated financial statements. As a result of the deconsolidation, the Company recognized a gain on deconsolidation of \$136,904. The Company retained significant influence over Forty Pillars, resulting in Forty Pillars being recorded on the Company's consolidated financial statements as an investment in associate.

On May 25, 2021, Forty Pillars issued additional shares through a private placement that diluted the Company's ownership of Forty Pillars from 40% to 18.55%. In addition to share ownership interest, the Company considered various qualitative factors including representation rights on Forty Pillars' board of directors in arriving at the determination that significant influence was retained.

On October 28, 2021, the Company participated in Forty Pillar's private placement and acquired 5,000,000 units of Forty Pillars at a price of \$0.20 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each share purchase warrant is exercisable for one common share at an exercise price of \$0.24 per common share until October 28, 2024 (Note 6). This increased the Company's ownership of Forty Pillars from 18.55% to 43.45%.

On February 22, 2022, Forty Pillars completed a share consolidation on a 2 for 1 basis. All references to Forty Pillar share and per share amounts in these consolidated financial statements have been retroactively restated.

On May 29, 2022, Forty Pillars issued additional shares that diluted the Company's ownership of Forty Pillars from 43.45% to 42.86%.

On August 3, 2022, the Company sold 2,200,000 common shares of Forty Pillars for net proceeds of \$109,005. This decreased the Company's ownership of Forty Pillars from 42.86% to 27.89%. As a result of the sale, the Company recognized a loss of \$312,869, and a decrease in its Investment in Forty Pillars by \$421,874.

As at March 31, 2023, the Company had 4,097,036 (2022 – 6,297,036) common shares of Forty Pillars which represented 27.89% (2022 – 43.45%) of the issued and outstanding shares of Forty Pillars. As at March 31, 2023, management concluded certain indicators of impairment existed on the investment in associate for which an impairment of \$734,999 (2022 - \$nil) was recorded.

ORIGEN

RESOURCES INC.

Notes to the Consolidated Financial Statements

For the Years ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

Balance, March 31, 2021	\$	-
Cost – 1,297,036 shares acquired on May 21, 2021		207,526
Cost – 5,000,000 shares acquired on October 28, 2021		1,000,000
Capital contribution (Note 8)		320,760
Equity loss (May 21, 2021 to March 31, 2022)		(53,273)
Balance, March 31, 2022		1,475,013
Sale of Forty Pillars Shares		(421,874)
Capital contribution (Note 8)		48,839
Equity loss		(285,039)
Impairment of Investment in Forty Pillars		(734,999)
Balance, March 31, 2023	\$	81,940

The equity accounting for Forty Pillar is based on financial results for the year ended February 28, 2023, and for the one-month period ended March 31, 2023. The Company's estimated equity share of Forty Pillar's net loss for the period from April 1, 2022 to March 31, 2023 was \$285,039.

A summary of Forty Pillars' financial information as at March 31, 2023 and loss and comprehensive loss for the period from April 1, 2022 to March 31, 2023 are as follows:

Current assets	\$	57,966
Non-current assets		3,745,842
Total assets		3,803,808
Current liabilities		330,051
Non-current liabilities		1,850,156
Total liabilities		2,180,207
Net assets	\$	1,623,601
		Period from April 1, 2022 to March 31, 2023
Loss before income taxes	\$	(786,905)
Deferred income tax recovery		-
Net loss for the period		(786,905)
Other comprehensive income		-
Total comprehensive loss	\$	(786,905)

10 RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the year ended March 31, 2023, the Company entered into the following transactions with related parties:

Paid or accrued exploration costs of \$1,060,079 (2022 - \$495,025) that were capitalized as exploration and evaluation assets to a company controlled by a director of the Company.

Paid or accrued management fees of \$90,000 (2022 - \$180,000) to a company controlled by a director and Chief Executive Officer of the Company.

Paid or accrued management fees of \$75,000 (2022 - \$170,000) to a company controlled by a former director and President of the Company.

Paid or accrued consulting fees of \$Nil (2022 - \$2,000) to a former director of the Company.

Paid or accrued consulting fees of \$72,000 (2022 - \$102,000) to a company controlled by a director of the Company.

Paid or accrued rent of \$21,600 (2022 - \$20,100) to a company controlled by a director and Chief Executive Officer of the Company.

Paid or accrued professional fees of \$Nil (2022 - \$16,250) to a company controlled by the former Chief Financial Officer of the Company.

Paid or accrued professional fees of \$37,731 (2022 - \$20,276) to a company of which the Chief Financial Officer of the Company is an owner.

Paid or accrued professional fees of \$12,000 (2022 - \$12,000) to a company controlled by a director and Chief Executive Officer of the Company.

During the year ended March 31, 2021, the Company prepaid \$100,000 to Crest for strategic consulting services of which \$Nil (2022 - \$70,000) has been expensed to consulting fees during the year ended March 31, 2023.

During the year ended March 31, 2023, the Company issued 150,000 (2022 - 250,000) stock options to a director of the Company. Upon issuance, \$29,952 (2022 - \$54,048) in share-based payments expense was recorded in profit and loss.

As at March 31, 2023, \$306,742 (2022 - \$244,822) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to services provided and reimbursement of expenses.

Short term loan

During the year ended March 31, 2022, the Company received a non-interest-bearing short-term loan from Crest of \$1,000,000 for a 30-day term. In exchange, the Company issued Crest a one-time bonus of 160,000 common shares (valued at \$60,800). The loan was repaid during the year ended March 31, 2022.

11 SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

During the year ended March 31, 2023, the following common share issuances occurred:

On June 23, 2021, the Company executed a normal course issuer bid ("NCIB") through the facilities of the CSE. Under the NCIB, the Company intended to acquire up to 1,620,000 common shares. The NCIB expired on June 30, 2022. During the year ended March 31, 2023, the Company acquired 106,000 common shares for \$25,430.

On March 13, 2023, the Company closed a private placement for gross proceeds of \$750,000 through the issuance of 3,000,000 units at a price of \$0.25 per unit. Each unit is comprised of one common share and one-half share purchase warrant, with each whole share purchase warrant exercisable at \$0.40 per common share until September 13, 2024. Within the unit, a value of \$0.25 was attributed to the common share and \$nil to the warrant using the residual value method. Transaction costs of \$4,374 were paid in connection with the private placement.

During the year ended March 31, 2023, the Company issued 400,000 common shares pursuant to exercise of share purchase warrants for gross proceeds of \$88,000.

During the year ended March 31, 2023, the Company issued 375,000 common shares pursuant to exercise of share options for gross proceeds of \$56,250. The Company transferred \$38,318 from share-based payments reserves to share capital on exercise.

During the year ended March 31, 2023, the Company issued 1,600,000 flow-through share units at a price of \$0.30 per unit for gross proceeds of \$480,000. Each flow-through share unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant will entitle the holder to purchase an additional share at a price of \$0.50 per share for a two-year term. The Company did not incur cash issuance costs in respect of this placement. The fair value of

the flow-through shares was determined to be \$432,000 with the remaining \$48,000 being allocated to the flow-through premium liability. The flow-through premium liability has been fully amortized to the statements of income (loss) and comprehensive income (loss), as the Company has incurred all of the required qualifying flow-through expenditures.

During the year ended March 31, 2023, the Company issued 400,000 common shares valued at \$74,000 relating to exploration and evaluation assets (Note 7).

During the year ended March 31, 2022, the following common share issuances occurred:

During the year ended March 31, 2022, under the NCIB, the Company acquired 161,000 common shares for \$37,565.

On October 21 2021, the Company issued 160,000 common shares valued at \$60,800 as financing fees (Note 10).

During the year ended March 31, 2022, the Company issued 2,396,998 common shares pursuant to exercise of share purchase warrants for gross proceeds of \$479,695.

During the year ended March 31, 2022, the Company issued 75,000 common shares pursuant to exercise of stock options for gross proceeds of \$11,250. The Company transferred \$7,664 from share-based payments reserves to share capital on exercise.

During the year ended March 31, 2022, the Company issued 750,000 common shares valued at \$255,500 relating to exploration and evaluation assets (Note 7).

c) Share-based payments

Stock Option Plan

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

As at March 31, 2023, the following stock options were outstanding:

	Number of Stock Options	Weighted Average Exercise Price
Balance, March 31, 2021	3,200,000	\$ 0.19
Granted	450,000	0.27
Exercised	(75,000)	0.15
Forfeited	(650,000)	0.17
Balance, March 31, 2022	2,925,000	0.20
Granted	1,250,000	0.22
Exercised	(375,000)	0.15
Cancelled	(500,000)	0.22
Balance, March 31, 2023	3,300,000	\$ 0.21

During the year ended March 31, 2023, the Company issued:

- 500,000 stock options with an exercise price of \$0.17 per share and a fair value of \$54,107. The weighted average fair value per option was \$0.11. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 3 years, risk-free rate of 4.06% and volatility of 100%.
- 150,000 stock options with an exercise price of \$0.24 per share and a fair value of \$29,952. The weighted average fair value per option was \$0.20. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, risk-free rate of 3.39% and volatility of 100%.
- 600,000 stock options with an exercise price of \$0.26 per share with a fair value of \$107,753. The weighted average fair value per option was \$0.18. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, risk-free rate of 3.45% and volatility of 100%.

During the year ended March 31, 2022, the Company issued:

- 325,000 stock options with an exercise price of \$0.29 per share and a fair value of \$70,262. The weighted average fair value per option was \$0.22. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, risk-free rate of 1.39% and volatility of 100%.
- 125,000 stock options with an exercise price of \$0.23 per share with a fair value of \$22,585. The weighted average fair value per option was \$0.18. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, risk-free rate of 1.69% and volatility of 100%.

During the year ended March 31, 2023, the Company has recorded \$191,812 (2022 - \$92,847) of share-based payments with respect to grant of stock options.

A summary of the Company's stock options outstanding and exercisable as at March 31, 2023 is as follows:

Expiry Date	Number of Stock Options	Exercise Price	Number of Stock Options Exercisable	Remaining Life (Years)
June 1, 2025	850,000	\$0.15	850,000	2.17
October 17, 2025	500,000	\$0.17	500,000	2.55
January 21, 2026 ⁽¹⁾	750,000	\$0.23	750,000	2.81
December 3, 2026	325,000	\$0.29	325,000	3.68
January 18, 2027	125,000	\$0.23	125,000	3.81
February 14, 2028	150,000	\$0.24	150,000	4.88
February 16, 2028	600,000	\$0.26	600,000	4.88
	<u>3,300,000</u>		<u>3,300,000</u>	

⁽¹⁾ 250,000 options were cancelled subsequent to March 31, 2023.

d) Share purchase warrants

As at March 31, 2023, the following share purchase warrants were outstanding:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2021	4,132,783	\$ 0.21
Granted	387,184	0.29
Exercised	(2,396,998)	0.20
Expired	(773,122)	0.20
Balance, March 31, 2022	<u>1,349,847</u>	<u>0.24</u>
Granted	2,300,000	0.43
Exercised	(400,000)	0.22
Expired	(749,847)	0.22
Balance, March 31, 2023	<u>2,500,000</u>	<u>\$ 0.43</u>

During the year ended March 31, 2023, the Company issued:

- 800,000 share purchase warrants with an exercise price of \$0.50 per share pursuant to the flow-through private placement with a fair value of \$Nil.
- 1,500,000 share purchase warrants pursuant to the private placement completed during the year.

During the year ended March 31, 2022, the Company issued:

- 187,184 additional share purchase warrants with a fair value of \$32,974 to the Company's warrant holders as a result of the April 2021 Plan of Arrangement (Note 4).
- 200,000 share purchase warrants to a consultant with an exercise price of \$0.36 per share with a fair value of \$33,077. The weighted average fair value per warrant was \$0.17. The fair value of the warrants are estimated using the Black-Scholes option pricing model assuming a life expectancy of 2 years, risk-free rate of 0.33% and volatility of 100%.

During the year ended March 31, 2023 the Company has recorded \$Nil (2022 - \$66,051) of share-based payments with respect to grant of share purchase warrants.

As at March 31, 2023, the following share purchase warrants were outstanding:

Expiry Date	Number of Warrants	Exercise Price	Remaining Life (Years)
May 17, 2023 ⁽¹⁾	200,000	\$ 0.36	0.13
July 29, 2024	800,000	\$ 0.50	1.33
September 13, 2024	1,500,000	\$ 0.40	1.46
	2,500,000		

⁽²⁾ Expired unexercised subsequent to March 31, 2023.

e) Escrowed shares and warrants

As at March 31, 2023, 233,424 (2022 – 700,286) common shares and 56,620 (2022 – 169,854) share purchase warrants of the Company were held in escrow. All escrowed common shares and share purchase warrants were released on May 5, 2023.

f) Earnings (loss) per share

	2023	2022
Weighted average common shares outstanding	37,197,088	33,570,701
Plus net incremental shares from assumed conversions:		
Stock options	-	591,964
Diluted weighted average common shares outstanding	37,197,088	34,162,665

For the year ended March 31, 2023, there was a net loss attributable to shareholders of the Company and, accordingly, all potentially dilutive shares were considered anti-dilutive and were excluded from the calculation of diluted weighted average common shares outstanding. At March 31, 2023, the weighted average common shares outstanding and diluted weighted average common shares outstanding were therefore the same. At March 31, 2022, 2,999,847 potentially dilutive shares were not included in the diluted weighted average common shares outstanding calculation as their effect was anti-dilutive.

12 CAPITAL MANAGEMENT

Capital is comprised of items within the Company's shareholders' equity. As at March 31, 2023, the Company's shareholders' equity was \$6,459,689. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects.

There were no changes in the Company's approach to capital management during the year ended March 31, 2023. The Company is not subject to any externally imposed capital requirements.

13 FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair values of the Company's cash, receivables and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature. The Company's fair value of investments (except for warrants) were based on the quoted market prices of the shares as at March 31, 2023 and was therefore measured using Level 1 inputs. The fair value of the warrants were determined using certain Level 3 inputs disclosed in Note 6, as the Black-Scholes option pricing model was utilized. The Company's promissory note is measured as the present value of the discounted future cash flows.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

The majority of the Company's cash is held with major Canadian based financial institutions. Receivables are due from a government agency and Forty Pillars.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2023, the Company had a cash balance of \$473,058 to settle current liabilities of \$565,807.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The promissory note receivable bears interest at 5% per annum. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada and Argentina. The Company does not have financial assets or liabilities in a foreign currency.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

The Company's investments of \$125,296 are subject to fair value fluctuations. As at March 31, 2023, if the fair value of the Company's investments had decreased/increased by 10% with all other variables held constant, loss and comprehensive loss for the year ended March 31, 2023 would have been approximately \$12,500 higher/lower.

14 INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2023	2022
(Loss) income for the year	\$ (2,859,465)	\$ 2,682,457
Expected income tax (recovery) expense	(772,000)	724,000
Change in statutory rates and other	(7,000)	(13,000)
Permanent difference	165,000	(98,000)
Impact of flow through shares	130,000	-
Share issue costs	(1,000)	(16,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	138,000	22,000
Change in unrecognized deductible temporary differences	2,000	(274,000)
Total income tax (recovery) expense	\$ (345,000)	\$ 345,000

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2023	2022
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ (602,000)	\$ (473,000)
Investments	190,000	(142,000)
Non-capital losses	412,000	270,000
Net deferred tax liability	\$ -	\$ (345,000)

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RESOURCES INC.

Notes to the Consolidated Financial Statements

For the Years ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

The significant components of the Company's deductible temporary differences and unused tax losses that have not been recognized in the consolidated statements of financial position are as follows:

	2023	Expiry Date Range	2022
Temporary Differences			
Property and equipment	\$ 108,000	No expiry date	\$ 108,000
Share issue costs	\$ 42,000	2044 -2047	\$ 51,000
Marketable securities	\$ 197,000	No expiry date	\$ -
Promissory note	\$ 218,000	No expiry date	\$ 274,000
Provision for flow-through indemnification	\$ -	No expiry date	\$ 31,000
Non-capital losses	\$ 6,000	2043	\$ -

15 SUPPLEMENTAL CASH FLOW INFORMATION

	Year ended March 31, 2023	Year ended March 31, 2022
Exploration expenditures in accounts payable and accrued liabilities	\$ 307,491	\$ 232,586
Shares issued for exploration and evaluation assets	\$ 74,000	\$ 255,500
Shares received in relation to exploration and evaluation assets agreement	\$ 129,500	\$ -
Reclassification of option fair value from share-based payment reserve to share capital on exercise of options	\$ 38,318	\$ 7,664
Allocation of flow-through private placement proceeds to flow-through premiums	\$ 48,000	\$ -
Loss on debt modification – capital contribution (Note 9)	\$ 48,839	\$ -
Plan of Arrangement / Transfer of Assets	-	Note 4

16 SEGMENTED INFORMATION

As at March 31, 2023, the Company operates in a single operating segment, being the acquisition and exploration and evaluation of resource assets located in Canada and Argentina as described in Note 7.

Geographic information about the Company's exploration and evaluation assets, as at March 31, 2023 and 2022 is as follows:

	2023	2022
Canada	\$ 3,940,772	\$ 2,645,490
Argentina	482,538	159,306
Total	\$ 4,423,310	\$ 2,804,796

All other non-current assets held are located in Canada as at March 31, 2023 and 2022.

17 SUBSEQUENT EVENTS

Subsequent to March 31, 2023, the Company entered into the following transactions:

- a) In April 2023, the Company issued 50,000 common shares pursuant to the exercise of share options for gross proceeds of \$8,500.
- b) In May 2023, the Company closed the second tranche of its private placement for gross proceeds of \$266,000 through the issuance of 1,064,000 units at a price of \$0.25 per unit. Each unit is comprised of one common share and one-half share purchase warrant, with each whole share purchase warrant exercisable at \$0.40 per common share until November 25, 2024. As at March 31, 2023, share subscriptions of \$50,000 have been received and recorded as subscriptions received in advance on the consolidated statements of financial position. \$76,000 of the units were issued to Nord as repayment of the cash option payments received upon termination of the option agreement (Note 7).
- c) In June 2023, the Company closed the last tranche of its private placement for gross proceeds of \$500,000 through the issuance of 2,000,000 units at a price of \$0.25 per unit. Each unit is comprised of one common share and one-half share purchase warrant, with each whole share purchase warrant exercisable at \$0.40 per common share until December 19, 2024.