
EXPLORATION UPDATE – SEPTEMBER 2016

September 18, 2016

Dear Shareholders and Friends of Osino Resources:

Below please find a brief summary of progress made with our Gold Kop Exploration program since our last report during August 2016, and other corporate activities which Osino is currently engaged with.

General Issues

Since the last update we re-established our Namibian presence, recruited the exploration team consisting of 3 Namibian geologists with a support crew of 12 field technicians and labourers. In addition we work with 3 experienced, expatriate geologists on a part-time or consulting basis. We reached out to all of our service providers and old relationships in order to get going with the drilling program on Gold Kop. We currently have 2 drilling contractors with 1 drill rig each on site for DD and RC drilling, respectively.

During August we established a temporary tented-camp 2km from the drill site to house the field-team responsible for managing the drilling operations. Three geologists and a support crew of 12 field technicians and labourers were housed in the camp.

The two drill crews are made up of 5 (DD) and 6 (RC) personnel.

The company has also established a sample processing and core logging area in the nearby town of Omaruru, 45km from the drill site and field camp. A large 480m² warehouse with additional office space has been rented in the town's industrial area and all core logging, sampling and storage is done here. RC reference samples are also stored at this facility for possible check analyses and further laboratory work at a later stage.

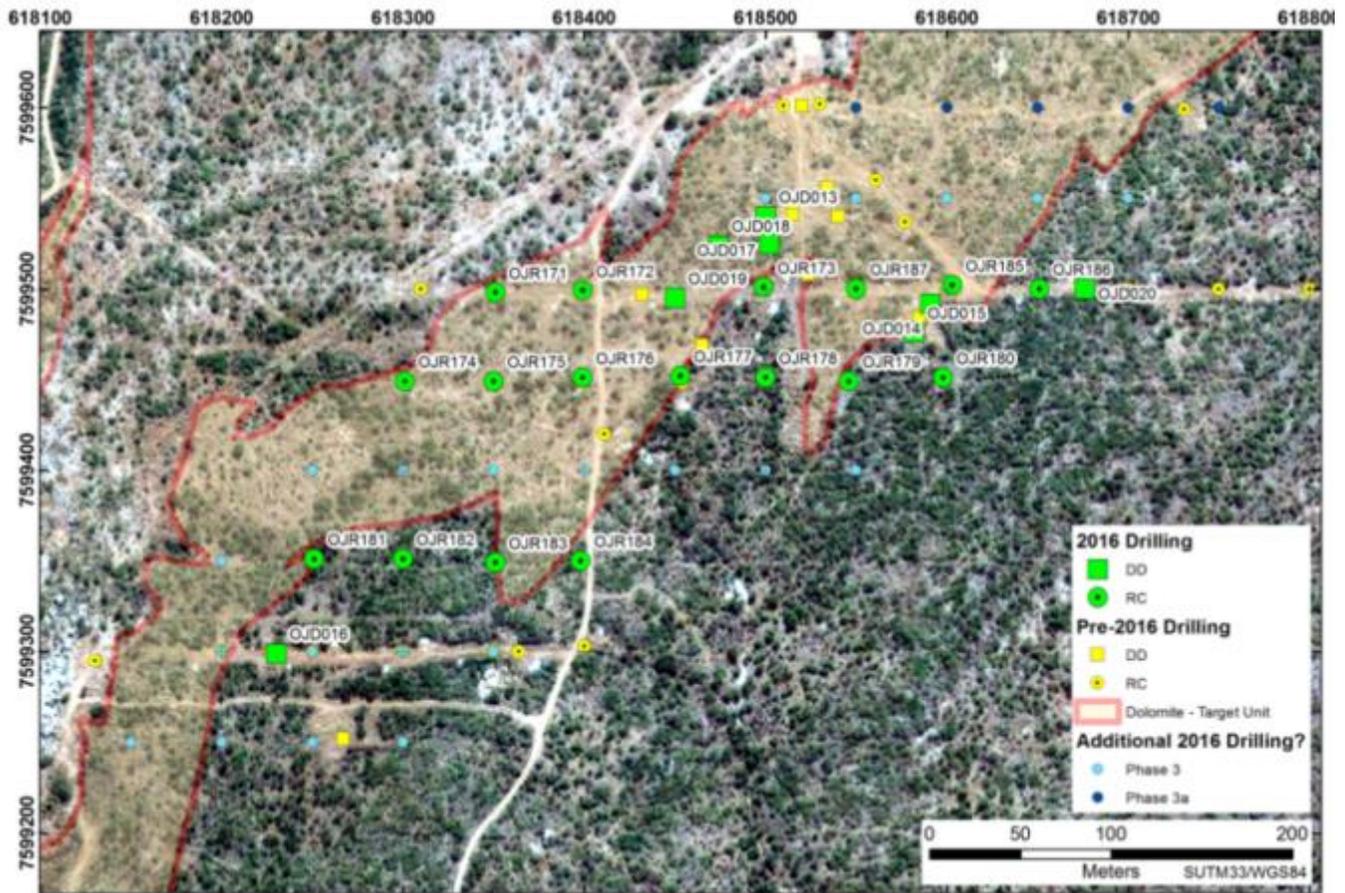
The field camp is in the process of being broken down and all equipment sent to the Omaruru warehouse for storage until the possible start-up of a 'Phase 3' program in mid-November.

Phase 1 diamond drilling (DD) started on 12 August and was completed on 9 September 2016. The initial Phase 1 DD included eight holes for 1,006m.

The reverse circulation (RC) drilling program ('Phase 2') commenced on 28 August 2016 and should complete the initial program on 19 September 2016; 17 holes for 1,935m (final hole, OJR187 at 43m on 17 September and target depth is 100m).

Samples are transported by road to a sample preparation facility in Swakopmund (~300km SW), after which the prepped samples are sent to Johannesburg for analyses. To date 450 samples have been shipped to the laboratory, and it is expected that all samples will have been shipped to the prep-lab by end-September.

Additional core and RC-chip logging will continue through to mid-October. It is expected that all laboratory analyses will be available by end-October at which time a comprehensive re-assessment of results and the geological model will be undertaken to plan the 'Phase 3' program.



Summary of Drilling Results to Date

Drilling focused on extending known mineralisation from the 'OJD001 area' and acquiring geological and assay data across the targeted dolomite unit which is host to the best gold mineralisation in the area. Interpretation of previous drilling results suggested a series of NE-SW trending or SW-plunging 'high-grade shoots'.

Diamond drillholes OJD013, OJD017 and OJD018 targeted the southwest continuation of the OJD001 mineralisation, while OJD014 and OJD015 targeted a high grade quartz vein, thought to be trending ~NNE-SSW and intersected in previous drillhole OJD007.

The rest of the drilling focused on obtaining information along section lines with drillholes spaced 50m apart.

OJD013 and OJD018 intersected significant sulphide mineralisation associated with skarn and silica alteration. OJR176, OJR181 and OJR182 which are SW of OJD013 and OJD018 also intersected significant mineralisation in the form of a number of pyritic/gossanous zones after sulphides, some associated with quartz veining. The mineralisation in these 5 drillholes supports a NE-SW trend to mineralisation within the target dolomite unit.

Additional significant mineralisation was intersected in OJR173, with mineralisation best developed 25-88m, mainly disseminated and veinlets of pyrite; semi-massive sulphide 50-55m, 63-64m and gossan 197-198m.

OJD014 and OJD015 both intersected significant quartz vein or silica rich zones which could correlate with the previous high-grade intersection in OJD007. Significant drilling difficulties (due to cavities and resultant water loss) prevented OJD014 from achieving target depth (33.52m drilled vs. 50m target).

Other drillholes which have intersected the target dolomite unit, generally contain disseminated pyrite +/- pyrrhotite mineralisation or Fe-oxide/hydroxide (after sulphides), and lab-analyses will be required to determine whether there is significant Au content associated with these apparently less mineralised zones.

Laboratory analyses are required to confirm the Au content of the abovementioned mineralised intersections, but visually and in comparison to previous drilling results, they are regarded as significant at this stage.

Staffing

We are pleased to announce that Dave Underwood has joined our team on a part-time basis with the responsibility of overseeing and directing all our exploration and technical activities. Dave has 26 years of broad exploration experience with Anglo American, Anglogold and Newmont, and as an independent consultant. Dave is already working with Jon Andrew, our Exploration Manager, and Chris MacKenzie, Bafex co-founder and Osino Director, who continues to provide oversight and specialist input as Specialist Exploration Consultant.

All Osino appointments are still temporary, or part-time, until the end of the current phase of exploration. We hope and anticipate that the results of the current program will be sufficiently attractive to justify an on-going and expanded program. This will require bulking up our Namibian office and field infrastructure and man-power. We will only be able to commit to this once we have received assays and interpreted the results of the current program. This is expected to be sometime towards the middle/end of October 2016.

Budget

Our cash position at the commencement of the program, plus expected budget for the completion of the program, is tabulated below.

Activities	Units	Total
Cash at Hand	CAD (as at June 2016)	2,500,000

Activities	Units	Phase 1 * 5-months	Phase 2 ** 7 months	Total
Namibia G & A	CAD	115,168	63,998	179,166
Drilling & Assaying	CAD	797,787	-	797,787
Exploration Management	CAD	162,863	103,856	266,720
Non-Namibia G&A	CAD	82,012	147,448	229,460
Total Cost	CAD	1,157,830	315,302	1,473,133

Comments:

- * Phase 1: June - Oct 2016 Evaluate Exploration Model (flat-lying structures)
 Demonstrate strike continuity
 Minimise overheads & advance remaining EPL's
- ** Phase 2: Nov - May 2017 Care & Maintenance Mode
 Further exploration subject to Phase 1 success

Our short term plan is to use the cash balance of CAD2.5m that was raised, to execute a short and efficient work program, with low overheads, which would deliver sufficient results to justify a significant follow-on capital raise during 2016 or early 2017, whilst at the same time retaining sufficient cash in treasury to generate alternative options for the company, in the case of exploration failure.

The Budget table above summarizes the cash requirements for the short-term program (Phase 1) and the on-going company overheads, with no exploration activities, for the remainder of the 12-month forecasting period (Phase 2).

The following are the objectives of this Phase 1, short-term program:

- “proving” the Gold Kop conceptual exploration model
- demonstrating strike continuity between “pockets” of good drilling results achieved previously
- advancing Osino’s other, lower priority targets and EPL’s
- developing our pipeline of Namibian gold projects through new acquisitions or earn-ins

We expect to be able to report back on progress made at the end of November 2016.

Corporate Update

Investor Relations & Business Development

From 19 – 27 September 2016 we are on a North America Road Show to Vancouver, Toronto and New York City. The purpose of the visit is to engage with current shareholders and update them on activities whilst also canvassing our financiers about future opportunities for the company. We are very fortunate to have been invited to a high-level Investor Event in New York City, hosted by Namibia's State President and key members of his cabinet, incl. the Ministers of Mines & Finance, whom we will be meeting with.

There is currently very strong international focus on and demand for lithium as a raw material in the production of batteries for electric cars. Osino has some very interesting, partially explored pegmatites on its southern licenses which have generated significant interest from a number of international investors. We have engaged with 2 of these, and we are in the process of negotiating an earn-in with one of these entities.

We have also made significant progress with two other Namibian EPL owners with the aim of further consolidating our existing ground position and securing additional prospective ground elsewhere in an attractive location along the Namibian gold belt.

About Osino Resources Corp.

Osino Resources Corp. is a private Canadian company, focused on the acquisition and development of gold projects in Namibia. Osino's Namibian interests comprise six exploration licences located within the central zone of Namibia's prospective Damara belt, in proximity to and along strike of the producing Navachab Gold Mine. Osino is currently focussing its efforts on EPL 3738 (Wilhelmstal) and EPL 3739 (Otjimbojo), jointly referred to as the Project.

The Project is located 130km north-west of Namibia's capital city, Windhoek. By virtue of its location, the Project benefits significantly from Namibia's well established infrastructure with paved highways, railway, power and water in close proximity. Namibia is mining-friendly and lauded as one of the continent's most politically and socially stable jurisdictions.

Please do not hesitate to get in touch with us in case you have any further questions.

Yours Sincerely,

Heye Daun
Co-founder
CEO
hdaun@osinoresources.com
+27 (82) 566 4494

Alan Friedman
Co-founder
President
afriedman@osinoresources.com
+1 (416) 250 1955