

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

OSINO RESOURCES CORP.
(An exploration stage company)

For the three months ended March 31, 2018 and 2017

(Expressed in Canadian dollars)

(Unaudited)

Osino Resources Corp.

**Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2018 and 2017**

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

The accompanying condensed interim consolidated financial statements have been prepared by management and approved by the Board.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Osino Resources Corp.
(An exploration stage company)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	March 31, 2018 (Unaudited)	December 31, 2017 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 3,895,295	\$ 3,785,084
Other receivables (note 3)	381,270	298,547
Subscriptions receivable	-	516,031
Prepaid expenses	10,983	148,707
	<u>4,287,548</u>	<u>4,748,369</u>
Deposits on Equipment	30,248	-
Property, Plant, and Equipment (note 4)	229,665	136,467
Total Assets	<u>\$ 4,547,461</u>	<u>\$ 4,884,836</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 834,709	\$ 417,139
Current portion of long-term financing	21,168	-
	<u>855,877</u>	<u>417,139</u>
Long-term Financing	93,685	59,629
Total Liabilities	<u>\$ 949,562</u>	<u>\$ 476,768</u>
SHAREHOLDERS' EQUITY		
Share Capital (note 6)	\$ 9,142,783	\$ 8,971,316
Share-based Payment Reserve (note 6)	764,893	764,893
Warrants Reserve (note 6)	550,856	596,923
Cumulative Translation Reserve	256,086	258,276
Deficit	(7,110,426)	(6,176,198)
Equity	<u>3,604,192</u>	<u>4,415,210</u>
Non-controlling Interest	<u>(6,293)</u>	<u>(7,142)</u>
Total Equity	<u>3,597,899</u>	<u>4,408,068</u>
Total Liabilities and Shareholders' Equity	<u>\$ 4,547,461</u>	<u>\$ 4,884,836</u>

Nature of Business (note 1)

Commitments and Contractual Arrangements (note 8)

Subsequent events (note 11)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Heye Daun"

Director

"Alan Friedman"

Director

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

Osino Resources Corp.
(An exploration stage company)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended March 31, 2018	Three months ended March 31, 2017
Expenses		
Exploration and evaluation	\$ 457,289	\$ 176,985
Professional fees	58,171	16,571
Management fees (note 7)	62,625	54,060
Consulting fees	107,500	-
Salaries and benefits	160,911	12,374
Office and administration	43,739	13,132
Travel	47,660	24,597
Net Loss	\$ 933,379	\$ 297,719
Other Comprehensive (Income)		
Foreign currency translation	2,190	(12,497)
Comprehensive Loss	\$ 935,569	\$ 285,222
Attributable to:		
Owners of the parent	934,228	297,719
Non-controlling interest	(849)	-
Net loss	\$ 933,379	\$ 297,719
Weighted Average Number of Shares Outstanding (Note 6)	217,584,683	132,822,947
Loss per Share - Basic and Diluted	\$ 0.00	\$ 0.00

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

Osino Resources Corp.
(An exploration stage company)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)
(Unaudited)

	Number of Shares	Common Shares	Share-based Payment Reserve	Warrants Reserve	Cumulative Translation Reserve	Deficit	Shareholders' Equity (Deficiency)	Non- controlling Interest
Balance – December 31, 2016	132,822,947	3,120,493	277,600	594,261	223,701	(2,799,362)	1,416,693	-
Other comprehensive income (loss)	-	-	-	-	12,497	-	12,497	-
Loss for the year	-	-	-	-	-	(297,719)	(297,719)	-
Balance – March 31, 2017	132,822,947	3,120,493	277,600	594,261	236,198	(3,097,081)	1,131,471	-
Balance – December 31, 2017	217,521,350	8,971,316	764,893	596,923	258,276	(6,176,198)	4,408,068	(7,142)
Shares issued for exercise of warrants	2,850,000	171,467	-	(46,067)	-	-	125,400	-
Other comprehensive income (loss)	-	-	-	-	(2,190)	-	(2,190)	-
Loss for the year	-	-	-	-	-	(934,228)	(933,379)	849
Balance – March 31, 2018	220,371,350	9,142,783	764,893	550,856	256,086	(7,110,426)	3,597,899	(6,293)

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

Osino Resources Corp.
(An exploration stage company)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended March 31, 2018	Three months ended March 31, 2017
Operating Activities:		
Net loss for the period	\$ (933,379)	\$ (297,719)
Changes in non-cash working capital items:		
Other receivables	(63,964)	(16,292)
Subscriptions receivable	418,531	-
Prepaid expenses	140,652	(774)
Accounts payable and accrued liabilities	465,117	4,172
Net Cash Provided by (Used in) Operating Activities	26,957	(310,613)
Investing Activities:		
Deposits on equipment	(30,248)	-
Additions in property, plant, and equipment	(81,176)	(10,187)
Net Cash Used in Investing Activities	(111,424)	(10,187)
Financing Activities:		
Proceeds from common shares and warrants	125,400	-
Proceeds from long-term financing	50,987	-
Net Cash Provided by Financing Activities	176,387	-
Impact of foreign exchange on cash	18,291	9,249
Net increase (decrease) in cash	110,211	(311,551)
Cash - beginning of period	3,785,084	1,609,134
Cash - end of period	\$ 3,895,295	\$ 1,297,583

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

Osino Resources Corp.
(An exploration stage company)
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2018 and 2017
(Expressed in Canadian dollars)
(Unaudited)

1. Nature of Business

Osino Resources Corp. (“Osino” or the “Company”) was incorporated on June 5, 2012 in the province of British Columbia, Canada, under the British Columbia Business Corporations Act. The principal activity of the Company is the acquisition, exploration and development of gold mining properties in Namibia. The Company’s head office is located at 1000 – 595 Burrard Street, Vancouver, British Columbia, V7X 1S8, Canada.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

2. Significant Accounting Policies

The Company’s significant accounting policies are detailed in the Company’s Consolidated Annual Financial Statements for the years ended 31 December 2017 and 2016. These accounting policies have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

3. Other Receivables

Other receivables are comprised of the following:

	March 31, 2018	December 31, 2017
Refundable value added taxes and input tax credits	\$ 374,903	\$ 275,710
Other	6,367	22,837
Total	\$ 381,270	\$ 298,547

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4. Property, Plant, and Equipment

	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	IT equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance - December 31, 2016	7,068	555	75,535	644	-	-	83,802
Asset acquisition	14,260	9,940	103,793	5,296	5,505	860	139,654
Foreign exchange movement	784	417	6,414	233	222	35	8,105
Balance - December 31, 2017	22,112	10,912	185,742	6,173	5,727	895	231,561
Asset acquisition	22,061	-	58,998	117	-	-	81,176
Disposals	-	-	(42,911)	-	-	-	(42,911)
Foreign exchange movement	2,203	776	13,659	442	407	64	17,551
Balance - March 31, 2018	46,376	11,688	215,488	6,732	6,134	959	287,377
Accumulated amortization							
Balance - December 31, 2016	156	12	75,535	24	-	-	75,727
Additions during the year	3,611	566	11,182	597	487	25	16,468
Foreign exchange movement	150	23	2,679	25	20	2	2,899
Balance - December 31, 2017	3,917	601	89,396	646	507	27	95,094
Additions during the period	-	-	-	-	-	-	-
Disposals	-	-	(42,911)	-	-	-	(42,911)
Foreign exchange movement	278	43	5,122	45	40	1	5,529
Balance - March 31, 2018	4,195	644	51,607	691	547	28	57,712
Net book value							
March 31, 2018	42,181	11,044	163,881	6,041	5,587	931	229,665
December 31, 2017	18,195	10,311	96,346	5,527	5,220	868	136,467

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5. Mineral Rights

The Company has various early stage gold exploration projects (“Osino Gold Project”) in the Republic of Namibia (“Namibia”) The Osino Gold Project is located in central Namibia in the area known as the Central Plateau. The project area extends from approximately 150 km northwest to 300km north-northeast of the capital city of Namibia, Windhoek. The Company currently holds the controlling share in the rights to 19 exclusive prospecting licenses in the area and applied for an additional exclusive prospecting license.

6. Share Capital

a) *Authorized*

Unlimited number of common shares.

IFRS 2 recommends that an entity shall measure any equity-settled share-based payment transactions directly at the fair value of the goods or services received. The Company issued warrants and options as part of the private placements and compensation payments to agents and brokers. The Company determined that the fair value of services received is not reliably measurable because the warrants attached to these transactions are not from the result of any services purchased by the Company. Also, fair value of services from agents and brokers are not reliably determinable because there is no similar open market for the services they provide, and the compensation is not based on a fixed market rate, but rather subject to negotiation by management. Lastly, it is common for exploration stage companies to provide share-based compensation as part of its equity and debt transactions in addition to a cash component. As such management determined that the fair value of warrants rather than the fair value of services received should be used to determine the fair value of share-based transactions.

b) *Issued and outstanding*

Issued common shares are as follows:

	Number of shares	Amount
Balance – December 31, 2016	132,822,947	\$ 3,120,493
Private placement (i)	77,224,652	5,433,221
Share issue cost – in cash (i)	-	(47,900)
Share issue cost – in shares and finders warrants (i)	392,857	(30,161)
Shares issued for mineral rights (ii)	250,000	17,500
Shares issued for termination of stock options (iii)	6,830,894	478,163
Balance – December 31, 2017	217,521,350	8,971,316
Shares issued for exercise of warrants (iv)	2,850,000	171,467
Balance – March 31, 2018	220,371,350	\$ 9,142,783

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6. Share Capital (cont'd)

- (i) From May 18, 2017 to December 31, 2017, the Company issued 77,224,652 common shares of the Company at a price of \$0.07 per share for gross proceeds of \$5,433,221. The Company incurred a cost of \$47,900 in cash and issued 392,857 common shares of the Company valued at \$27,500 to a broker related to the transaction. As of December 31, 2017, the Company had a balance of \$516,031 of subscriptions receivable as funds were not received for shares issued before year end. The subscriptions receivable was received subsequent to year end.
- (ii) On August 2, 2017, the Company issued 250,000 common shares at a value of \$0.07 per share as per the licence purchase agreement as described in note 8 d).
- (iii) On November 24, 2017, the Company issued 6,830,894 common shares at a value of \$0.07 per share as consideration for the termination of 13,282,294 stock options to the original holders of the stock options.
- (iv) On March 29, 2018, 2,850,000 share purchase warrants originally issued on May 12, 2016 were exercised. The Company received gross proceeds of \$125,400. As a result of the transaction, the original fair value of these warrants in the amount of \$46,067 was reclassified from the warrants reserve to share capital.

c) Stock options and share-based payment

On June 23, 2016, the Company issued 13,282,294 stock options at an exercise price of \$0.034 and an expiry date of June 23, 2020. The stock options were valued at \$277,600 using the Black-Scholes pricing model with the following assumptions: share price - \$0.026; risk free rate - 0.70%; expected volatility - 136%; dividend yield - nil; and expected life - 4 years. These stock options vested on the grant date. On November 24, 2017, these 13,282,294 stock options were terminated by the Company in exchange for a total of 6,830,894 common shares of the Company.

On November 28, 2017, the Company issued 21,000,000 stock options at an exercise price of \$0.07 and an expiry date of November 28, 2022. The stock options were valued at \$1,287,300 using the Black-Scholes pricing model with the following assumptions: share price - \$0.07; risk free rate - 1.59%; expected volatility - 136%; dividend yield - nil; and expected life - 5 years. 7,000,000 stock options vested on the grant date, 7,000,000 stock options will vest on November 28, 2018, the remaining 7,000,000 stock options will vest on November 28, 2019.

During the year ended December 31, 2017, the Company recorded \$965,455 in share-based compensation related to the vesting of stock options (December 31, 2016 - \$277,600).

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6. Share Capital (cont'd)

The following table summarizes information about the Company's stock options outstanding as at March 31, 2018 and December 31, 2017:

Number of options outstanding	Expiration Date	Exercise Price	Number of options exercisable
21,000,000	November 28, 2022	\$0.07	7,000,000

d) *Warrant Reserve*

As of March 31, 2018, there were 33,914,674 common share purchase warrants (December 31, 2017 – 36,764,674) and 493,414 (December 31, 2017 – 493,414) finders warrants outstanding with a weighted average exercise price of \$0.044 (December 31, 2017 – \$0.044).

The following table summarizes information about the Company's common share purchase warrants outstanding as at March 31, 2018:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding March 31, 2018	Balance Outstanding December 31, 2017
May 12, 2016 (i)	May 12, 2018	\$0.044	22,185,882	25,035,882
May 12, 2016 (ii)	May 12, 2018	\$0.034	44,100	44,100
June 17, 2016 (i)	June 17, 2018	\$0.044	9,241,794	9,241,794
June 17, 2016 (ii)	June 17, 2018	\$0.034	431,674	431,674
June 21, 2016 (i)	June 21, 2018	\$0.044	2,303,175	2,303,175
June 21, 2016 (ii)	June 21, 2018	\$0.034	17,640	17,640
June 23, 2016 (i)	June 23, 2018	\$0.044	183,823	183,823
Total outstanding			34,408,088	37,258,088

- (i) From May 12 to June 23, 2016, the Company issued 36,764,674 common share purchase warrants as part of the private placement unit described in note 7(b). The common share purchase warrants were issued at an exercise price of \$0.044 and expiration of 2 years from the date of grant. The 36,764,674 share purchase warrants were valued at \$594,261 using the Black-Scholes pricing model with the following assumptions: share price - \$0.026; risk free rate – 0.52% to 0.62%; expected volatility – 146% to 147%; dividend yield – nil; and expected life – 2 years. On March 29, 2018, 2,850,000 common share purchase warrants were exercised.

From May 12 to June 21, 2016, the Company issued 493,414 finders warrants to brokers as part of the private placement unit described in note 7(b). The finders warrants were issued at an exercise price of \$0.034 and expiration of 2 years from the date of grant. The 493,414 finders warrants were valued at \$8,439 using the Black-Scholes pricing model with the following assumptions:

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6. Share Capital (cont'd)

share price - \$0.026; risk free rate – 0.52% to 0.60%; expected volatility – 146%; dividend yield – nil; and expected life – 2 years.

e) *Net loss per share*

The calculation of basic and diluted loss per share for the three months ended March 31, 2018 was based on the loss attributable to common shareholders of \$933,379 (March 31, 2017 – \$297,719) and the weighted average number of common shares outstanding of 217,584,683 (March 31, 2017 – 132,822,947). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

7. Related Party Transactions

The Company considers its Board of Directors and certain consultants which, by virtue of the contracts in place and the functions performed, to be key management. The Company has no compensation arrangements with its Board of Directors. Compensation accrued to the key management is listed below:

	Three months ended March 31, 2018	Three months ended March 31, 2017
Management fees expensed	\$ 62,625	\$ 54,060
Total	\$ 62,625	\$ 54,060

For the three months ended March 31, 2018, the Company incurred management fees of \$30,000 (March 31, 2017 – \$30,000) to Sparenberg Capital Limited and \$22,500 (March 31, 2017 – \$24,060) to Rivonia Capital Inc., and \$10,125 (March 31, 2017 – \$nil) to 2238012 Ontario Inc., companies controlled by officers and/or directors of the Company. As at March 31, 2018, \$52,566 (December 31, 2017 – \$40,173) was included in accounts payable and accrued liabilities.

8. Commitments and Contractual Arrangements

As at March 31, 2018, the Company had the following contractual arrangements and commitments in place for the provision of certain services:

- a) On May 12, 2016, the Company entered into a consulting agreement with Sparenberg Capital Limited, a company owned and controlled by an officer and director of the Company, at a monthly fee of \$10,000. The consulting agreement has an initial term of 36 months from the date of agreement and is subject to various severance and

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8. Commitments and Contractual Arrangements (cont'd)

termination payments if the consulting agreement is terminated by the Company within the initial term of 36 months.

- b) On May 12, 2016, the company entered into a consulting agreement with Rivonia Capital Inc., a company owned and controlled by an officer and director of the Company, at a monthly fee of \$7,500. The consulting agreement has an initial term of 36 months from the date of agreement and is subject to various severance and termination payments if the consulting agreement is terminated by the Company within the initial term of 36 months.
- c) On October 31, 2016, the Company entered into an Earn-In agreement with Namgold (Pty) Ltd (“Namgold”). Under the terms of the Earn-In agreement, Osino Gold has options, at its sole discretion:
 - (i) to acquire 51% of mineral claims (“First Option”) in Namibia owned by Namgold (“Namgold Property”) by incurring \$108,830 (1,000,000 Namibian Dollars) exploration expenditures on or before 12 month anniversary from the date of all required regulatory approvals in respect of the Namgold Property are completed;
 - (ii) to acquire additional 19% of mineral claims (“Second Option”) in Namgold Property by incurring additional up to \$108,830 (up to 1,000,000 Namibian Dollars) on or before 24 months anniversary from the exercise date of the Second Option whereby the Company has 12 months from the completion of the First Option to exercise the Second Option;
 - (iii) to acquire additional 10% of mineral claims (“Final Option”) in Namgold Property by issuing the number of the Company’s common shares valued at \$54,415 (500,000 Namibian Dollars), using the value of the Company’s common shares of the most recently completed financing of the Company at that time whereby the Company has 24 months from the completion of the Second Option to exercise the Final Option.
- d) On April 20, 2017, the Company entered into a licence purchase agreement among the Company, Osino Namibia, and Aloe Investments Number 88 (Pty) Ltd. (“Aloe 88”) whereby Aloe 88 would sell, assign, and transfer 100% of its rights and interest in and to certain mineral rights in Namibia to Osino Namibia. As consideration, the Company issued 250,000 common shares of the Company plus a number of shares of Osino Namibia equal to 10% of the issued and outstanding share capital of Osino Namibia. As a result of this transaction, the Company’s ownership of Osino Namibia was reduced from 100% to 90%.

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8. Commitments and Contractual Arrangements (cont'd)

- e) On May 16, 2014, the Company, through Osino Holdings, signed two agreements, one with Scarab Environmental and Geological Enterprises CC and the second with Riana Getruida Scholtz, whereby Osino Holdings would acquire 100% of the ownership interests in EPL's 5117, 5196 and 5649 for a combined consideration of 250,000 common shares of the Company. The agreement became effective in October 2015 when the license transfer application was submitted. Osino Namibia, a 100% held subsidiary at the time would secure the transfer and hold the licences.

On June 22, 2017, the Company, through Osino Namibia, was transferred EPLs 5117 and 5196 from Riana Getruida Scholtz. The transfer of EPL 5649 is still pending.

- f) On June 26, 2017, the Company entered into an agreement with Cedric Shilongo ("Shilongo") with respect to the earn-in of an initial 60% interest in EPL 5658, which is subject to a renewal application. The acquisition of the initial 60% interest will be structured in a new company ("5658 Newco") as a corporate joint venture. Pursuant to the agreement, the Company will earn its initial 60% interest after having incurred \$108,830 (1,000,000 Namibian Dollars) exploration expenditures within 18 months of receipt of all approvals (including environmental permits). The Company can acquire an additional 20% interest by incurring \$54,415 (500,000 Namibian Dollars) additional exploration expenditures on or before the 18 months anniversary of the agreement. As of March 31, 2018, the initial interest has not yet been earned.
- g) On July 4, 2017, the Company entered into an agreement with Vavali Investment CC ("Vavali"), with respect to the acquisition of a 70% ownership interest in EPL 5465, which is currently subject to a renewal application submitted with the Ministry of Mines and Energy. On the granting of the renewal license, Vavali will transfer the license to a new company to be incorporated ("5465 Newco"). 5465 Newco will be held 70% by the Company and 30% by Vavali. The parties will enter into a joint venture agreement upon the transfer of the license to 5465 Newco. As of March 31, 2018, the initial interest has not yet been earned.
- h) On September 12, 2017, the Company entered into a non-binding letter of intent with Romulus Resources Ltd. ("Romulus"), a public company listed on the NEX Board of the TSX Venture Exchange, whereby Romulus will acquire all of the issued and outstanding common shares and securities convertible into common shares of the Company by way of a three-cornered amalgamation, or such other business combination transaction as the parties may agree upon (the "Transaction"). As part of the Transaction, the common shares of Romulus will be consolidated on a 10 for 1 basis resulting in an aggregate of 3,155,700 which will be converted into 1 new common share of the Resulting Issuer ("Resulting Issuer Share") and 5.4318 outstanding common shares or convertible security exercisable into common shares of Osino will be converted into 1 new common share of the Resulting Issuer. This will result in a Reverse Takeover of Romulus by the Company.

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8. Commitments and Contractual Arrangements (cont'd)

- i) On September 14, 2017, the Company entered into an earn-in agreement with a third-party license holder of various mineral licenses in Namibia. Under the terms of the earn-In agreement, the licenses will be transferred to a new company and Osino Gold will hold 60% interest in the new company. As consideration, (i) Osino Gold made a cash payment of \$19,534 (200,000 Namibian Dollars); (ii) must incur minimum exploration expenditures of \$43,532 (400,000 Namibian Dollars) within 24 months of the date of the agreement; (iii) provide \$10,883 (100,000 Namibian Dollars) initial working capital after the completion of the minimum expenditures. The Company has the right, in its sole discretion, to terminate the earn-In agreement at anytime.
- j) On September 15, 2017, the Company entered into an earn-in agreement with a third-party license holder of various mineral licenses in Namibia. Under the terms of the earn-In agreement, the licenses will be transferred to a new company and Osino Gold will hold 60% interest in the new company. As consideration, (i) Osino Gold made a cash payment of \$9,767 (100,000 Namibian Dollars); (ii) must incur minimum exploration expenditures of \$43,532 (400,000 Namibian Dollars) within 24 months of the date of the agreement; (iii) provide \$10,883 (100,000 Namibian Dollars) initial working capital after the completion of the minimum expenditures. The Company has the right, in its sole discretion, to terminate the earn-In agreement at anytime.
- k) On October 10, 2017, the Company entered into an earn-in agreement with a third-party license holder of various mineral licenses in Namibia. Under the terms of the earn-In agreement, the license will be transferred to a new company and Osino Gold will hold 70% interest in the new company. As consideration, (i) Osino Gold made a cash payment of \$19,534 (200,000 Namibian Dollars); (ii) must incur minimum exploration expenditures of \$43,532 (400,000 Namibian Dollars) within 24 months of the date of the agreement; (iii) provide \$10,883 (100,000 Namibian Dollars) initial working capital after the completion of the minimum expenditures. The Company has the right, in its sole discretion, to terminate the earn-In agreement at anytime.
- l) On November 2, 2017, the Company entered into an earn-in agreement with a third-party license holder of various mineral licenses in Namibia. Under the terms of the earn-In agreement, the license will be transferred to a new company and Osino Gold will hold 60% interest in the new company. As consideration, (i) Osino Gold made a cash payment of \$4,884 (50,000 Namibian Dollars); (ii) must incur minimum exploration expenditures of \$54,415 (500,000 Namibian Dollars) within 12 months of the date of the agreement; (iii) provide \$10,883 (100,000 Namibian Dollars) initial working capital after the completion of the minimum expenditures. The Company has the right, in its sole discretion, to terminate the earn-In agreement at anytime.
- m) The Company is committed to various lease agreements that require payments for a total of \$56,737 over the next year and \$27,434 from 2 to 5 years.

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(Unaudited)

8. Commitments and Contractual Arrangements (cont'd)

- n) On January 29, 2018, the Company entered into an earn-in agreement with Hendrik Dawids, a third-party license holder of various mineral licenses in Namibia. Under the terms of the earn-in agreement, the license will be transferred to a new company and Osino Gold will hold 60% interest in the new company. As consideration, (i) Osino Gold made a cash payment of \$5,081 (50,000 Namibian Dollars); (ii) must incur initial exploration expenditures of \$27,208 (250,000 Namibian Dollars) prior to January 18, 2019; (iii) after completion of the initial expenditure, must incur minimum exploration expenditures of \$27,208 (250,000 Namibian Dollars) over the next 12 months; (iv) provide \$10,883 (100,000 Namibian Dollars) initial working capital after the completion of the minimum expenditures. Osino Gold has the option to acquire additional interest in the new company by incurring further exploration expenditures. The Company has the right, in its sole discretion, to terminate the earn-in agreement at anytime.
- o) On March 8, 2018, the Company entered into letter agreement with Richroad Investments CC, a third-party license holder of various mineral licenses in Namibia. Under the terms of the letter agreement, the license will be transferred to a new company and Osino Gold will hold 70% interest in the new company. As consideration, (i) Osino Gold made a cash payment of \$30,483 (300,000 Namibian Dollars); (ii) On receipt of the regulatory approval for the transfer of the license to the new company, Osino Gold is required to make additional cash payment of \$65,298 (600,000 Namibian Dollars) or issue an equivalent amount in common shares of the Company and Osino Gold's interest in the new company will be increased to 80%; (iii) On completion of exploration programs and other conditions in the letter agreement, Osino Gold is required to make additional cash payment of \$326,490 (3,000,000 Namibian Dollars) or issue an equivalent amount in common shares of the Company and Osino Gold's interest in the new company will be increased to 90%. The Company has the right, in its sole discretion, to terminate the letter agreement at anytime. Upon termination of the letter agreement, any interest owned by Osino Gold would be lost.

9. Capital Management

As at March 31, 2018, the capital structure of the Company consists of equity attributable to common shareholders and includes share capital of \$9,142,783 (December 31, 2017 - \$8,971,316), share-based payment reserve of \$764,893 (December 31, 2017 - \$764,893), warrant reserve of \$550,856 (December 31, 2017 - \$596,923), cumulative translation reserve of \$256,086 (December 31, 2017 - \$258,276) and deficit of \$7,110,426 (December 31, 2017 - \$6,176,198).

The Company's objective when managing capital structure is to ensure sufficient financial resources exist to meet the Company's strategic exploration and business development objectives, and to ensure that the Company continues as a going concern. The Company is not exposed to any external capital requirements.

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10. Financial Instruments

IFRS 7 establishes a fair value hierarchy that reflects significance of inputs in measuring fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. process) or indirectly (i.e. derived from process); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets and liabilities at fair value through profit or loss, consisting of cash and cash equivalents, are classified as level 1.

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

The groups policies with regard to Financial Instruments are detailed in the groups Consolidated Annual Financial Statements for the years ended 31 December 2017 and 2016.

11. Subsequent Events

- a) Subsequent to March 31, 2018, 31,654,380 previously issued warrants were exercised at a price of \$0.044 per common share and 480,169 finders warrants were exercised at a price of \$0.034 per common share. 2,260,294 previously issued warrants and 13,245 finders warrants expired unexercised.
- b) On April 20, 2018, the Company closed a private placement that raised gross proceeds of \$2,855,779 by the issuance of 32,452,032 common shares of the Company at a price per common share of \$0.088. In connection with the financing, the Company is to pay a finder's fee to Beacon Securities Limited consisting of, (a) a cash fee equal to 5% of the gross proceeds from the issue and sale of shares to RCF Opportunities Fund LP; and (b) finder's warrants equal to 5% of the number of shares issued and sold to RCF, exercisable to purchase common shares at a price of \$0.088 per share for a period of 12 months from closing. The Company has received subscription agreements for all the common shares in connection with the private placement, and 825,000 finder's warrants have been issued to Beacon Securities Limited.

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11. Subsequent Events (cont'd)

- c) As detailed in note 8(h), on June 26, 2018, Osino completed a reverse take-over transaction pursuant to an amalgamation agreement dated May 17, 2018 between Osino and Romulus pursuant to which:
- (i) all of the issued and outstanding common shares in the capital of the Issuer ("Romulus **Common Shares**") were consolidated on the basis of every ten (10) Common Shares being consolidated into one (1) Common Share (the "**Consolidation**");
 - (ii) the Issuer changed its name from "Romulus Resources Ltd" to "Osino Resources Corp.";
 - (iii) each of the issued and outstanding common shares in the capital of Osino (the "**Osino Shares**") were cancelled and exchanged on the basis of one Common Share (on a post-Consolidation basis) for every 5.4318 Osino Shares held; and
 - (iv) the Issuer assumed the obligations of all of the outstanding convertible securities of Osino.
 - (v) Effective at market open on Thursday, June 28, 2018, the Issuer's common shares began trading under the symbol "OSI" on TSX Venture Exchange as a Tier 2 Mining Issuer.