OSINO RESOURCES CORP.
(formerly Romulus Resources Ltd.)
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
For the three and six months ended June 30, 2018

Prepared by:

OSINO RESOURCES CORP.

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August 28, 2018

INTRODUCTION

Osino Resources Corp. (formerly Romulus Resources Ltd.) (the "**Company**" or "**Osino**") is a Canadian company, focused on the acquisition and development of gold projects in Namibia. Through its subsidiaries, Osino's Namibian interests currently comprise nineteen exclusive exploration licenses located within the central zone of Namibia's prospective Damara belt, mostly in proximity to and along strike of the producing Navachab and Otjikoto Gold Mines. Osino is currently focussing its efforts on further developing its new Karibib regional targets, advancing the Goldkuppe discovery and satellite targets, as well as defining new grassroots exploration targets in the Otjikoto East area.

Osino's head office is in Toronto, Canada. Osino was incorporated under the laws of the British Columbia *Business Corporations Act* on November 22, 2005, as "Romulus Resources Ltd." and changed its name to "Osino Resources Corp." on June 26, 2018. Osino's common shares (the "**Common Shares**") trade on the TSX Venture Exchange (the "**TSX-V**") under the symbol "OSI".

This management discussion and analysis ("**MD&A**") focuses on significant factors that affected Osino and its subsidiaries during the relevant reporting period and to the date of this report. The MD&A supplements, but does not form part of, the interim consolidated financial statements of the Company and the notes thereto for the three and six months ended June 30, 2018, and, consequently, should be read in conjunction with the aforementioned financial statements and notes thereto.

The Company and its subsidiaries are hereinafter referred to collectively as "Osino".

All amounts are reported in Canadian dollars, unless otherwise noted. This MD&A has been prepared as at August 28, 2018.

ADDITIONAL INFORMATION

Additional information about Osino is available under Osino's profile on SEDAR at www.sedar.com and on its website at www.osinoresources.com.

Osino reports its financial information in Canadian dollars and all monetary amounts set forth herein are expressed in Canadian dollars unless specifically stated otherwise. The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (the "**IASB**"). The Company's unaudited interim consolidated financial statements for the three and six months ended June 30, 2018 were prepared in accordance with IFRS.

David Underwood CPG (SACNASP), is a qualified person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and has reviewed and approved for inclusion the scientific and technical disclosure in this MD&A. Mr. Underwood is the Senior Vice-President, Exploration of the Company.

FORWARD LOOKING INFORMATION

Information and statements contained in this MD&A that are not historical facts are forward-looking information or forward looking statements within the meaning of Canadian securities legislation and the *U.S. Private Securities Litigation Reform Act of 1995* (hereinafter collectively referred to as "forward-looking statements") that involve risks and uncertainties. This MD&A contains forward-looking statements such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Examples of forward-looking statements in this MD&A include, but are not limited to, statements with respect to:

- Osino's acquisition of licenses and projects, and the regulatory reporting and amount of spending required to maintain the licences and concessions in good-standing;
- future development work, including proposed IP geophysical surveying and projected expenditures, on the Karibib Gold Project and other projects;
- Company plans to continue or initiate exploration and drilling programs, and possible related discoveries or extensions of new mineralization or increases or upgrades to reported mineral resource estimates at the Karibib Gold Project and other projects;
- proposed joint venture / earn-in arrangements with third parties on the Company's licences and concessions;
- the prospects for identifying and/or acquiring additional mining licences or concessions or projects, within or outside of Namibia, with realistic discovery potential that could add value to the Company;
- permitting and regulatory requirements related to any exploration and development and related operations, as well as any costs related thereto;
- legislative and regulatory reform initiatives, including those related to the fiscal regime, and their potential effects on Osino;
- the adequacy of the Company's working capital;
- the Company's ability to raise additional financing or find alternative ways to advance its corporate objectives, and the use of financing proceeds;
- that the Company will monitor market and political conditions (both globally and in Namibia) and the Government of Namibia's concession tender process;
- that the Company will continue to evaluate additional exploration project opportunities in Namibia and elsewhere;
- that the Company will bid on further prospective targets should they become available;
- the Company's going-forward strategy;
- that the Company will look for strategic partners for highly prospective gold deposits found on its new licences and concessions;
- projected expenditures on the Company's mineral licences and concessions;
- the Company's ability to continue as a going concern;
- the impact of future accounting standards on the Company;
- the risks and uncertainties around the Company's business;
- the Company's expectation of sustained improvement in gold and gold markets;
- the validity of the Government of Namibia's mineral licensing regime and the rights granted thereby;
- Namibia remaining an attractive mining jurisdiction; and,
- the mining assets and properties acquired by the Company being attractive investment opportunities.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", “goal”, "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Any such forward-looking statements are based, in part, on assumptions and factors that may change, thus causing actual results or achievements to differ materially from those expressed or implied by the forward-looking statements. Such factors and assumptions may include, but are not limited to: assumptions concerning gold, gold and other base and precious metal prices; cut-off grades; accuracy of mineral resource estimates and resource modeling; timing and reliability of sampling and assay data; representativeness of mineralization; timing and accuracy of metallurgical test work; anticipated political and social conditions; expected Namibia government policy, including reforms; and, ability to successfully raise additional capital.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, and without limitation:

- risks relating to price fluctuations for gold, gold, and other precious and base metals;
- risks inherent in mineral resource estimation;
- risks relating to inaccurate geological and engineering assumptions (including with respect to the tonnage, grade and recoverability of reserves and resources)
- risks relating to all the Company's mineral licences and concessions and projects being located in Namibia, including political, social, economic, security and regulatory instability;
- risks relating to changes in Namibia's national, provincial and local political leadership, including impacts these may have on public policies, administrative agencies and social stability;
- risks relating to local political and social unrest, including opposition to mining, pressure for economic benefits such as employment or social investment programs, access to land for agricultural or artisanal or illegal mining purposes, or other demands;
- risks relating to Osino's rights or activities being impacted by litigation;
- risks relating to Osino's operations being subject to environmental and remediation requirements;
- risks relating to Osino's ability to source qualified human resources, including consultants, attorneys, and sub-contractors, as well as the performances of all such resources (including human error and actions outside of the control of Osino, such as willful negligence of its counterparties or agents);
- risks of title disputes or claims affecting mining licences and concessions or surface ownership rights;
- risks relating to adverse changes to laws, regulations or other norms placing increased regulatory burdens or extending timelines for regulatory approval processes, including environmental, safety, social, taxation and other matters;
- risks relating to delays in obtaining governmental approvals or permits necessary for the execution of exploration, development or construction activities;
- risks relating to failure of plant, equipment or processes to operate as anticipated;
- risks relating to performance of human resources, including accidents and labour disputes;
- risks relating to competition inherent in the mining exploration industry;
- risks of impacts from unpredictable natural occurrences, such as adverse weather conditions, fire, natural erosion, landslides, and geological activity, including earthquakes and volcanic activity;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks relating to the fact that Osino's properties are not yet in commercial production;
- risks relating to the Company's ability to obtain any necessary funding for its operations, at all or on terms acceptable to the Company;
- risks relating to the Company's working capital and requirements for additional capital;
- risks relating to currency exchange fluctuations or change in national currency;
- risks relating to fluctuations in interest and inflation rates;
- risks relating to restrictions on access to and movement of capital;
- other risks of the mining industry;

as well as those factors discussed in the sections entitled “Risks and Uncertainties” in this MD&A.

Although the Company has attempted to identify important factors and risks that could affect the Company and might cause actual actions, events or results to differ, perhaps materially, from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to occur as projected, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Forward-looking statements and other information contained herein, including general expectations concerning the mining industry, are based on estimates prepared by the Company employing data from publicly available industry sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. Although generally indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and the data is subject to change based on various factors.

OVERVIEW OF SIGNIFICANT EVENTS AND REVIEW OF ACTIVITIES

On June 22, 2018, the Company (then Romulus Resources Ltd. (“**Romulus**”) completed an amalgamation with Osino Resources Corp. (“ORC”), a private company focused on the acquisition and development of gold properties in Namibia, and 1152372 B.C. Ltd. (“1152372”), a wholly-owned subsidiary of the Company (the “**RTO Transaction**”). Under the RTO Transaction, each of the issued and outstanding common shares in the capital of ORC were cancelled and exchanged for common shares of the Company. Concurrent with the amalgamation, ORC and 1152372 were amalgamated and the Company changed its name to “Osino Resources Corp.”. The RTO Transaction is detailed under “Significant Developments” below.

In May 2016, Osino acquired its key licenses, EPL 3738 and EPL 3739 from Helio Resources Corp. Between October 2016 up to and including the date of this report, Osino entered into various agreements with licence holders and landowners in Namibia with respect to purchase options for the acquisition of participating interests in EPL’s. The licences acquired will be transferred to newly established companies (each, a “**Newco**”) and the parties will enter into joint venture agreements upon the transfer of the licenses.

On September 12, 2017, Osino entered into a Letter Agreement with Romulus Resources Ltd, a NEX listed company under the symbol “ROM”, with respect to the Amalgamation and the RTO Transaction. The Letter Agreement was effective September 20, 2017. Details pertaining to the RTO Transaction and its completion are provided below.

SIGNIFICANT DEVELOPMENTS

To better understand the Company’s financial results, it is important to gain an appreciation of the significant events, transactions and activities involving mineral property interests that occurred during or have affected the period under review up to and including the date of this MD&A.

- On September 12, 2017, the Company entered into a letter agreement with ORC (the “**Letter Agreement**”), to be effective September 20, 2017, which outlined the basic terms and conditions of the RTO Transaction.

- The Letter Agreement was superseded by an amalgamation agreement (the "**Agreement**") among the Company, ORC and 1152372, dated May 17, 2018. Pursuant to the Agreement:

  - all of the issued and outstanding common shares in the capital of the Company were consolidated on the basis of every ten (10) Common Shares being consolidated into one (1) Common Share (the "**Consolidation**");
  - the Company changed its name from "Romulus Resources Ltd." to "Osino Resources Corp.";
  - each of the issued and outstanding ORC Shares were cancelled and exchanged on the basis of one Common Share (on a post-Consolidation basis) for every 5.4318 ORC Shares held;
  - 1152372 and ORC were amalgamated under the name "Osino Holdings Corp."; and
  - the Company assumed the obligations of all of the outstanding convertible securities of ORC.

- Pursuant to the RTO Transaction, 53,142,275 Common Shares were issued by the Company to ORC shareholders and the Company assumed the obligations of 3,847,703 stock options exercisable at a price of $0.38 until November 28, 2022 and 151,883 finder's warrants exercisable at a price of $0.48 until April 20, 2019.

- The RTO Transaction completed as of June 26, 2018. For additional information please refer to the Management Information Circular available under the Company's profile on SEDAR and the Company's news release dated June 26, 2018.

- Osino's post-consolidation capitalization structure is made up of unlimited shares with no par value. 56,297,975 shares are issued and outstanding as of June 30, 2018.

- 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.

- On April 20, 2018, the Company closed a private placement that raised gross proceeds of $2,855,779 through 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 paid a finder's fee to Beacon Securities Limited consisting of a cash fee equal to 5% of the gross proceeds from the issue and sale of shares to RCF Opportunities Fund LP; and 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.

- On May 15, 2018 and June 15, 2018, 31,654,659 warrants issued in May and June 2016 were exercised at a price of $0.044 per common share. In addition, 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. The exercise of the warrants by the warrant holders raised proceeds equivalent to $1,408,844.

- On June 30, 2018, the Company closed a private placement that raised gross proceeds of $325,600 by the issuance of 3,700,000 common shares of the Company at a price per common share of $0.088.

- On July 31, 2018, an addendum to the agreement signed between Osino and Vavali Investments CC was concluded relating to EPL5465. The parties agreed to modify the original agreement whereupon Osino shall transfer to Vavali the amount of $14, 415 upon signing the EPL transfer documents for submission to the Ministry of Mines and Energy in Namibia. A new company shall be registered in which a subsidiary of Osino shall have a 70% ownership stake for the transfer of the EPL. An additional amount of $33,637 shall be paid within 7 days of receipt of all regulatory approvals for the transfer of EPL5465 to the Newco.

- On July 23, 2018, pursuant to the terms of the Escrow Agreement dated June 26, 2018, 180,046 shares held in escrow were released. This represented the first release from Escrow. The balance of the shares remaining in Escrow amount to 3,420,892.

OVERVIEW OF OPERATIONS

Osino is focused on the acquisition and development of gold projects in Namibia. Through its subsidiaries, Osino's Namibian interests comprise nineteen exclusive exploration licenses located within the central zone of Namibia's prospective Damara belt, mostly in proximity to and along strike of the producing Navachab and Otjikoto Gold Mines. Osino is currently focusing its efforts on further developing its new Karibib regional targets (the "**Karibib Gold Project**"), advancing the Goldkuppe discovery and satellite targets, as well as defining new grassroots exploration targets in the Otjikoto East area.

The Karibib Gold Project includes the Goldkuppe discovery. The property has been actively explored by previous owners, with RC and DD drilling, geophysical surveys, rock, soil and stream geochemistry. Detailed geological mapping and historical data compilation has been undertaken on the property. Osino has further explored the property since its acquisition in February 2016 from Helio Resources Corp. No resource has yet been defined on the property.

A National Instrument 43-101 compliant technical report has been prepared for Romulus and Osino with respect to the Karibib Gold Project in connection with the RTO Transaction and is available under Osino's profile at www.sedar.com.

The Karibib Gold Project is located approximately 130 km north-west of Namibia's capital city, Windhoek. 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. Through is detailed and carefully constructed work programs for 2018, extensive progress has been made in identifying and defining a new mineralisation trend which is in the process of being drill-tested.

Work completed to date has focused on defining drill targets using systematic regional and follow up surface geochemical sampling techniques and field mapping. A number of new drill targets have been tested and results thereof are being finalized. Exploration work on targets along the newly defined Karibib Gold Project (formerly defined as the Khan River Fault Zone) is ongoing. Further drilling is planned for the second half of 2018.

Osino's overall landholding in Namibia is approximately 5,700km^2, comprising 19 licenses which have been grouped and ranked into three areas of activity, namely the Karibib Gold Project; the Otjikoto East Exploration Project; and the Otjiwarongo Regional Project. Osino is currently focusing the majority of its efforts on developing the Karibib Gold Project, which is well advanced. The remaining 2 focus areas are at the target definition and generation stage.

Availability of Funding
As at June 30, 2018, the consolidated working capital of Osino was $6,756,709 (December 31, 2017: $4,331,230). It is anticipated that the available funds will be sufficient to meet the Company's exploration activities and administrative costs for the following 12 months and to achieve the principal purposes as described in this report.

Principal Purposes and Application of the Available Funds
It is estimated that the Company will use the funds available for the following purposes over the 12 month period to June 30, 2019:

Project expenditures on the work program *(in Canadian dollars)*:	
• Regional Surface geochemistry (including laboratory assays)	700,000
• Follow-up surface geochemistry (including laboratory assays)	300,000
• Ground an airborne geophysics surveys	250,000
• Drilling (RC and/or Diamond) (including laboratory assays)	1,300,000
• Consultants	150,000
• Field support (camp, vehicles, supplies etc.)	200,000
Professional Fees (including legal, accounting and TSXV fees)	150,000
Salaries	750,000
General and Administrative Expenses	1,000,000
Unallocated Working Capital	1,956,709
Total ($):	**6,756,709**

Summary of Exploration Targets

The table below provides a summary and provisional ranking by level of technical advancement of Osino's exploration targets in Namibia:

Table 1: Target Pipeline ranked in terms of current prioritization

Exploration Stage	Rank	Target	Status	Work Program
Advanced Targets	1	Goldkuppe	Significant historical and current drilling	Previous work under review; modelling to identify areas for further targeted drilling
Follow-up and Drill-tested Targets	2 3 4 5 6 7 8 9	Twin Hills Wedge Oasis Goldkuppe Extensions Okapawe Okapawe Dam Dropstone Albrechts Group	Drill-tested; further work required/assay results pending	Additional Drill Targets have been or in the process of being identified Defined mineralization used as vector to higher grades?
Identified Targets	10 11 12 13 14 15 16 17 18	Twin Hills SW Extensions Shilongo Splay Etekero Puff Adder OJW KB Anomaly OK Anomaly Nuchomis Anomaly Omagonde Anomaly	Follow-up required prior to drill testing (if warranted)	Further surface sampling or airborne geophysics to prioritise drill targets
Grassroots / Conceptual Targets	19 20 21 22 23 24 25 26	Khan River Fault Zone Kalapuse Epako Domes Kamapu SHN (Fight Club) SHK (Fight Club) (Otjikoto) Far East	Newly acquired or awaiting permitting / access prior to initial work	Initial reconnaissance / regional sampling to in conjunction with proposed H2 airborne geophysics to identify targets

Karibib Gold Project

The Karibib Gold Project is made up of seven licenses comprising ± 1,400km^2. The main targets of the project are the Goldkuppe and Extension prospects and the newly discovered Karibib Fault and Karibib Gold Trend which has been defined to over 50km in length to date. The Karibib Fault has been shown to be mineralised over about 20km, with several gold-in-soil anomalies discovered along the fault and on splays leading off it. The remaining 30km is under cover and currently being explored by the Company. The geology in the area is Neo-Proterozoic in age located within a large turbidite basin between two carbonate horizons, which had never been systematically explored.

Osino has completed the initial drill program of inclined holes on the Twin Hills, Okapawe and Okapawe Dam Targets along the Karibib Gold Trend. The program included 25 Reverse Circulation (RC) holes and 4 Diamond Drill holes (DDH), for 2,468m of RC and 408m of DD. Detailed mapping of the Twin Hills target has confirmed zones of alteration and sulphide +/- quartz +/- calcite veining at surface over a strike extent of greater than 1km. The surface alteration correlates well with the visual alteration and mineralization observed in drilling.

Access to the southwestern extensions of the Karabib Fault and interpreted extension of the gold mineralisation has now been obtained. Surface geochemical sampling has commenced and is focusing on calcrete sampling in areas which have never been sampled previously (Shilongo Splay Target). Initial sampling along strike to the southwest of the Twin Hills Target has been completed (± 6km). The sampling will continue and will extend along strike for 20km to the southwest towards the Navachab Gold Mine.

Completion of the drill program testing the Goldkuppe Extension and adjacent targets in late 2017 was hindered by a delay in assay results from the laboratory (32 inclined RC holes, for a total of 3,309m).

An important development in Osino's exploration program was the commissioning of a mechanical auger to assist with sampling in areas of shallow overburden, especially transported gravels and Kalahari windblown sand which are prevalent in large parts of the Karibib and Otjikoto East Project areas. The 2018 work program is focused on the follow-up of targets defined by 2016/2017 work program conducted, including drilling, surface geochemistry and airborne geophysics (see below). ± 2,900m of drilling has been completed to date on the Twin Hills and Okapawe targets identified within the project. Approximately 3,000 soil and calcrete samples have been collected to date in the periods under review.

Otjikoto East Gold Project

The Otjikoto East Project is made up of five licenses covering approximately 1,850km^2 in north-eastern Namibia, most of which is in a contiguous block immediately east and along strike of the Otjikoto Gold Mine owned by B2 Gold Corp. (TSE: "BTO") The regional structural and stratigraphic targets extend for more than 120km within the Company's licenses in this region. The licenses lie within a zone of convergence of major tectonic boundaries which are likely to have produced increased quantities of hydrothermal fluid flow during and immediately after the Damara orogeny. This setting is ideal for orogenic style gold mineralisation. Detailed structural interpretation of the area utilizing aeromagnetic surveys as well as ground mapping, will be used to prioritise any nodes of maximum fluid flow.

Regional surface sampling on priority areas in the Otjikoto East Project continues. Sampling of soil, calcrete and anthill material is used depending on the regolith in different areas. To date three surface geochemical anomalies have been identified for follow up (one in calcrete and two in anthill sampling). Airborne geophysics will aid the prioritisation and identification of areas for detailed sampling and potential drilling.

The 2018 work program is focused on regional surface sampling (i.e.: +/- 12 000 soil, calcrete and anthill samples) and the recently completed detailed airborne geophysical survey. The aim is to define targets for follow up and potential drill testing in the second half of 2018, or early 2019.

Otjiwarongo Regional Project

The Otjiwarongo Regional Gold Project is made up of a series of six licenses covering over 2,450km^2. These licenses form part of the Company's ongoing identification and consolidation of key regional structural and stratigraphic targets in the Damara Belt. The licenses are focused on specific regional fault, fold and lithological targets with similarities to other gold deposits and occurrences in Namibia, while also fitting the general targeting criteria of the general orogenic gold model.

Two new licenses have recently been awarded (the 'Etekero' license housing the Etekero Target, and Kamapu) forming part of the Regional Project Area of mostly early stage licenses aimed at feeding the target pipeline in 2018 and 2019. The Etekero license (part of which will be covered by the Domes airborne survey block), includes a historical gold anomaly discovered by Teck in anthill samples, which was never followed up. The program for the remainder of 2018 is aimed at commencing work on the recently acquired Etekero Target and initial reconnaissance work on new licenses awarded.

Geological Approach

Osino is targeting gold mineralisation that fits the broad orogenic gold model. Much of the historical exploration for gold in Namibia has not taken this approach. The key regional features/criteria of the orogenic gold model, and how they relate to the Namibian and Damara Orogenic Belt setting, are as follows:

- Very Large, long-lived fault structures e.g. those found within the Omaruru and Okahandja Lineament and the recently identified Karibib Fault;
- Large sedimentary (schist) and volcanic basins as a source of fluids;
- Compressional tectonics, which are required for pumping the fluids out of the basins and through these large structures;
- Zones of structural complexity and the remobilization of older structures;
- Multiple associated gold occurrences across the target.

All of Osino's Project Areas, and the licenses secured within these areas were targeted, based on the occurrences of the criteria above and all lie within prospective structural corridors. In order to further define our focus, a 21,500 line-km airborne geophysical survey was commissioned and covers large parts of the Karibib, Otjikoto East and Otjiwarongo/Etekero target areas. The survey aims to refine the regional structural interpretation and target definition in areas where we have had limited exposure and sampling activities to date (Otjikoto East, Karibib) as well as refining the targets in areas of cover and known geochemical anomalies (Karibib, Wedge and Otjiwarongo, specifically the Etekero Target). The survey commenced on the Otavi West block and covered a large part of the Otjikoto East Gold Project area. The Otavi West, Domes (Etekero) and Wedge blocks have all been completed and the Karibib block is under survey. Preliminary results for each survey block are expected within two weeks of completing the surveys.

The Company is required to exercise proper supervision over its employees, agents, contractors, property, plant and equipment that work and operate on the mineral properties under licence. The Company shall take reasonable steps to ensure that all reasonable precautionary measures are in place to avoid fires, injury and death or damage to crops, animals, game and other property including improvements of the owner. The Company shall compensate the owners for such losses, costs or damages that may result directly therefrom on bases that may be mutually agreeable between the parties. Upon completion of activities on the property by the Company, or upon termination of the agreement between the parties, the Company shall rehabilitate and restore the surface of the property in accordance with the requirements of the Minerals Act in Namibia, including the sealing of all boreholes and ripping up of all roads established to enable the recovery of natural vegetation.

WORK PROGRAM RESULTS

Goldkuppe extension drill results and discovery of new system at Oasis/Wedge with large scale potential

The results for **Oasis** and **Wedge** represent new styles of mineralisation with large scale potential not seen previously at Goldkuppe. The gold mineralisation at **Oasis** occurs within a broad unit of banded marble which has been highly altered to skarn and calc-silicate. The **Goldkuppe** prospect extension drill program targets (32 inclined RC holes were drilled for a total of 3,309m) have been interpreted and analysed. The best hole at Oasis was OJR 210 which intersected several high-grade quartz-sulphide veins which occur within or adjacent to narrow calc-silicate layers. Metre assays of 9.45 and 6.95g/t were contained within lower grade haloes of 10m @ 1.58 and 8m @ 1.45g/t respectively, all of it contained within a disseminated zone of 45m @ 0,75g/t Au. This gold bearing zone is open to the north and south as well as down dip. The gold mineralisation at **Wedge North,** 1000m to the south west of Oasis, is similar in style to Oasis and is possibly the strike continuation of the same large-scale system we have identified.

At **Wedge South** two holes were drilled to intercept gold mineralized quartz veins sampled at surface which returned an assay of 5.48g/t Au. These veins occur within a biotite schist just below the contact with the marble. The best intercept is in hole OJR 215 which returned 10m @ 2.00g/t within intensive (diopside – garnet) skarn altered schist. Soil sampling and mapping indicates that this mineralisation continues to the southwest. The stratigraphic position and style of mineralisation at Wedge South is very similar to the Navachab Gold Mine, 30km to the southwest which has a global resource of in excess of 5 million ounces Au. A detailed magnetic survey, in-fill soil sampling, rock chip sampling and mapping studies are currently underway at Oasis and Wedge. This is expected to be completed in August 2018. A follow-up drill program is planned for the second half of 2018.

Gold occurrences at **Calidus, North End** and **Spang** (Goldkuppe Extension Targets) were found in boudinaged, massive sulphide (pyrrhotite) zones within dolomitic marble. These sulphide zones generally occur near fold noses and are associated with skarn alteration. Similar larger scale massive sulphide zones at Goldkuppe Central returned intercepts of 22m @ 3.44g/t Au and 28m @ 1.75g/t Au.

Goldkuppe is a very large (3000m long) mineralised system with gold occurring in several discontinuous plunging shoots. The geology of the Goldkuppe Prospect is dominated by a series of interbedded marble and dolomite units belonging to the Karibib Formation. The marbles are folded into an anticline which plunges gently to the northeast with beds dipping to southeast. These marbles are underlain by biotite schists, which outcrop to the southwest at Wedge South. A large part of Goldkuppe remains untested.

Quality assurance

All Osino sample assay results have been independently monitored through a quality control / quality assurance ("QA/QC") program including the insertion of blind standards, blanks and pulp and reject duplicate samples. Logging and sampling are completed at Osino's secure facility located in Omaruru, near the Goldkuppe project. Drill core is sawn in half on site and half drill-core samples are securely transported to Actlab's sample preparation facility in Windhoek, Namibia. The core is then dried, crushed to 95% -10mesh, split to 250g and pulverised to 95% -150 mesh. Sample pulps are sent to Ontario, Canada for further analysis. Gold analysis is by 30g fire assay with AA finish and automatically re-analysed with Gravimetric finish if Au >5 g/t. In addition, pulps undergo 4-Acid digestion and multi-element analysis by ICP-AES or ICP-MS.

EXPLORATION OUTLOOK

The outlook for the remainder of 2018 across our Project Areas is as follows:

Karibib Gold Project

- Finalisation and interpretation of 1H2018 drill results for Twin Hills and Okapawe/Dam Targets.
- Completion of the airborne geophysical survey commissioned.
- Prioritisation of new targets for drilling and future surface sampling with specific focusing on Wedge and Oasis properties in the initial phase.
- Completion of surface sampling activities on the South Western extensions of the Karibib Fault Zone.
- Follow-up drilling on selected targets on the Twin Hills and Okapawe properties as well as the extensions thereof (e.g. Twin Hills South West Extension and Shilongo Splay).
- Follow-up drilling on the Wedge, Oasis and Goldkuppe and Goldkuppe Extension Targets identified.

Otjikoto East Gold Project

- Existing surface geochemistry anomalies discovered in the Otjikoto East areas will be followed up, based on prioritization and ranking of the new magnetic and radiometric data.
- Ongoing regional sampling of the priority areas identified from soil, calcrete or anthill sampling, depending on regolith of the structure.
- There is potential for initial drill-testing of additional anomalies found on the project during the period under review.

Otjiwarongo Regional Gold Project

- Surface sampling and/or initial drilling of the Etekero Target to be undertaken.
- Initial field reconnaissance programs will be carried out on new licenses that have been awarded and on which earn-in agreements have been signed.

FINANCIAL POSITION

As at June 30, 2018, the Company had total assets of $7 232 755 and a net equity position of $6 955 195. This compares with total assets of $4 884 836 and a net equity position of $4 415 210 as at December 31, 2017. The Company had liabilities of $357 639 as at June 30, 2018, as compared with $476 768 as at December 31, 2017.
As at June 30, 2018, the Company had working capital of $6 756 709 compared with working capital of $4 331 230 as at December 31, 2017. The Company had cash on hand of $6 460 548 as at June 30, 2018, compared with $3 785 084 as at December 31, 2017, short-term investments of $576 259 at June 30, 2018 and $963 285 at December 31, 2017.

As of the date of this report, the company has cash on hand of approximately $5,5 million.

ENVIRONMENTAL REGULATION

The Company's activities may be subject to environmental regulations, which may cover a wide variety of matters. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enfOsinoement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company does not believe that any provision for such costs is currently required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

REVIEW OF FINANCIAL RESULTS

Summary of Quarterly Results

The following represents the summarized quarterly financial results for the past eight quarters:

Income Statement for the 3 months ended	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017
Exploration expenses	$1,141,626	$457,289	$480,378	$429,669
Professional fees	94,041	58,422	112,285	69,022
Consulting fees	156,600	107,500	46,688	0
Management fees	63,000	62,625	67,063	69,980
Salaries and benefits	180,911	160,911	183,204	89,981
Office and general	53,194	38,514	103,637	51,837
Travel	34,615	47,660	11,956	21,033
Investment income	(3,229)	0	4,528	(147)
Amortization	12,798	458	7,665	3,962
Stock options expense	319,180	0	965,455	0
Non-controlling interest	(72,087)	(849)	(7,142)	0
Net loss for the period	**$1,980,649**	**$ 932,530**	**$1,975,717**	**$ 735,337**
Foreign translation gain/(loss)	(179, 302)	(1,920)	53,716	(73,142)
Net comprehensive loss for the period	**$2,159,951**	**$ 934,450**	**$1,922,001**	**$ 808,479**
Weighted Average number of shares in issue	46,421,923	40,057,565	36,283,566	30,493,464
Basic and diluted loss per share	($0,05)	($0,02)	($0,05)	($0,03)

REVIEW OF FINANCIAL RESULTS (Contd.)

Summary of Quarterly Results (Contd.)

Income Statement for the 3 months ended	**Jun 30, 2017**	**Mar 31, 2017**	**Dec 31, 2016**	**Sep 30, 2016**
Exploration expenses	$212,089	$176,985	$519,221	$262,865
Professional fees	22,739	16,571	41,881	10,858
Consulting fees	0	0	0	0
Management fees	54,060	54,060	54,060	59,060
Salaries and benefits	35,807	12,374	14,225	14,876
Office and general	23,200	635	14,619	7,232
Travel	34,604	24,597	16,530	18,499
Investment income	(6,781)	0	(875)	(5,220)
Amortization	4,842	0	55	1,065
Stock options expense	0	0	0	0
Non-controlling interest	0	0	0	0
Net loss for the period	**$380,560**	**$285,222**	**$659,716**	**$369,235**
Foreign translation gain/(loss)	66,498	(12,497)	77,290	58,526
Net comprehensive loss for the period	**$314,062**	**$297,719**	**$582,426**	**$310,709**
Weighted Average number of shares in issue	26,773,981	24,452,842	24,452,842	24,452,842
Basic and diluted loss per share	($0,01)	($0,01)	($0,02)	($0,01)

The Company's expenses continued to increase throughout 2017 and 2018 as a result of the acceleration of the Company's drilling and related exploration activities, increased payments for the purchase of EPL licences and concessions, increased personnel as well as the legal and related costs attributable to the RTO Transaction concluded in June 2018. The Company uses Stock Options as part of the remuneration packages of its employees, officers and directors which are required to be expensed through the income statement on issuance over their vesting period.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's expenses and mineral property costs is provided below.

	Three months ended June 30, 2018	Three months ended June 30, 2017	Increase/ (Decrease)	Six months ended June 30, 2018	Six months ended June 30, 2017	Increase/ (Decrease)
Project Expenditure						
Geological Consultant	$25,366	$74,793	$(49,427)	$31,432	$132,365	$(100,933)
Geochemistry	548,984	51,900	497,084	831,936	132,035	699,900
Geophysics	246,638	14,327	232,311	247,995	15,449	232,546
GIS Costs	11,063	9,344	1,719	11,336	12,218	(882)
Tenements Costs	44,930	8,468	36,462	123,317	15,361	107,956
Environmental Costs	5,726	2,865	2,861	32,851	4,450	28,401
Drilling Costs	175,644	0	175,644	176,475	0	176,475
Field Support Costs	35,919	24,193	11,726	55,125	32,110	23,015
Travel & Field Accommodation	34,615	34,604	11	82,275	59,201	23,074
Vehicle Expenditure	20,550	13,056	7,494	35,370	19,837	15,533
Salaries & Wages	180,911	35,807	145,104	341,822	48,181	293,641
Total	**$1,330,345**	**$269,357**	**$1,060,988**	**$1,969,932**	**$471,207**	**$1,498,725**

General & Administrative Expenditure						
Audit, Accounting & Admin Fees	$26,278	$15,275	$11,003	$42,338	$23,988	$18,350
Office and General	50,797	23,200	27,597	87,521	23,835	63,686
Finance Charges	2,397	0	2,397	4,186	0	4,186
Amortisation	12,798	4,842	7,956	13,256	4,842	8,414
Legal Fees	4,185	507	3,678	10,058	8,365	1,694
Rent Expense	26,808	13,143	13,665	53,080	25,249	27,831
Investment Income	(3,229)	(6,781)	3,551	(3,229)	(6,781)	3,552
Professional Fees	63,578	6,957	56,621	100,067	6,957	93,110
Management Fees	63,000	54,060	8,940	125,625	108,120	17,505
Consulting Fees	156,600	0	156,600	264,100	0	264,100
Total	**$403,211**	**$111,203**	**$292,008**	**$697,002**	**$194,575**	**$502,427**

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE (continued)

Project Expenditure

During the three months ended June 30, 2018, the Company incurred project expenditure costs of $1,330,345 as compared to project expenditure costs of $269,357 for the three months ended June 30, 2017.

During the six months ended June 30, 2018, the Company incurred project expenditure costs of $1,969,932 as compared to project expenditure costs of $471,207 for the six months ended June 30, 2017.

The increase in exploration and project-based expenditure quarter on quarter and on a six-monthly basis has been driven by the ramp up of geochemical and drilling activities across the licence areas on which the group operates. During the periods under review, the group increased the volumes of its soil sample collections resulting in increased laboratory costs for analysis. The group also undertook 2 drill programs in the first half of 2018 to further define the target areas as discussed earlier in this document. A 21 500km line Geophysical survey was commissioned during the period, details of which are explained in the technical update section. The group has also significantly increased its physical footprint during the first half of 2018 as a result of securing an increased number of exploration licenses resulting in increased land access costs (tenement fees) and employee headcount (salaries and wages) in order to carry out the activities programmed. The Company's headcount has doubled in the periods under review.

General & Administrative Expenditure

During the three months ended June 30, 2018, the Company incurred general & administrative expenditure costs of $403,211 as compared to general & administrative expenditure costs of $111,203 for the three months ended June 30, 2017.

During the six months ended June 30, 2018, the Company incurred general & administrative expenditure costs of $697,002 as compared to general & administrative expenditure costs of $194,575 for the six months ended June 30, 2017.

The increase in the general & administrative expenditure has been largely driven by the costs associated with the groups' listing on the TSX-V resulting in significant accounting, auditing, listing/filing and other professional fees being incurred over the quarter and the six-month period to 30 June 2018. These costs are largely once off and amounted to approximately $205,000 over the period. The group also secured larger head office facilities to allow for the increased scope of the group activities, thus incurring higher rental and office costs over the period. The group utilizes finance lease agreements for the acquisition of its vehicles thereby incurring finance costs in respect of such transactions.

Professional and Consulting Fees

Professional fees represent amounts paid by the Company for professional services provided to the Company by independent service providers.

During the three months ended June 30, 2018, the Company incurred professional fees of $220,178 as compared to professional fees of $6,957 for the three months ended June 30, 2017.

During the six months ended June 30, 2018, the Company incurred professional fees of $364,167 as compared to professional fees of $6,957 for the six months ended June 30, 2017.

Consulting fees represent fees paid to external consultants, professional services and brokerage firms for services related to the RTO Transaction and capital raising initiatives over the period.

Management Fees

Management fees represent amounts paid by the Company for compensation to certain members of management.

During the three months ended June 30, 2018, the Company incurred management fees of $63,000 as compared to management fees of $54,060 for the three months ended June 30, 2017.

During the six months ended June 30, 2018, the Company incurred management fees of $125,625 as compared to management fees of $108,120 for the six months ended June 30, 2017.

Fees payable to members of the management team are disclosed in Note 10 to the Interim Consolidated Financial Statements.

Foreign Exchange

The foreign exchange movement during the three and six months ended September 30, 2017, reflects the movements of the Namibian dollar relative to the Canadian dollar. The Company's cash and cash equivalents and short-term investments are held in Canadian dollars and Namibian Dollars.

PROPOSED TRANSACTIONS

The Company will from time to time in the ordinary course of its business consider potential acquisitions, joint ventures, other investments and other opportunities. The Company will make disclosure in respect of any such opportunity when required under applicable securities rules. The Company is currently considering certain agreements which may result in a transaction being completed.

LIQUIDITY AND CAPITAL RESOURCES

The Financial Statements have been prepared on a going concern basis whereby the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Financial Statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption was not appropriate for the Financial Statements, then adjustments of a material nature would be necessary in the carrying value of assets such as petroleum and natural gas licenses, liabilities, the reported expenses, and the balance sheet classifications used. Management continues to pursue financing opportunities for the Company to ensure that it will have sufficient cash to carry out its planned exploration program beyond the next year.

During the six months ended June 30, 2018, the Company's overall position of cash and cash equivalents increased by $2,577,402. This increase in cash can be attributed to the following activities:

1) The Company's net cash used in continued operating activities during the six months ended June 30, 2018 was $2,737,268 as compared to cash used in operating activities of $2,654,160 for the six months ended June 30, 2017. This primary uses of cash were for expenditure incurred in exploration activities as well as once off amounts and expenditure attributable to the RTO finalized on June 26, 2018.

2) Cash used in investing activities during the six months ended June 30, 2018 amounted to $84,426 as compared to $139,654 for the six months ended June 30, 2017. The primary uses of cash related to the acquisition of vehicles used in the field.

3) Cash generated from financing activities for the six months ended June 30, 2018 was $5,399,096 as compared to $4,901,420 from financing activities during the six months ended June 30, 2017.

As discussed above, the Company is required to undertake specific exploration activities on each of the Company's licenses (See "Overview of Operations" for information on the Company's commitments as well as Notes 9 and 14 of the financial statements).

The Company has no revenue producing operations and continues to manage its costs, focusing on its higher potential licenses as described above. The Company may seek funding in the capital markets in the future to pursue additional joint venture and farm-in opportunities with other suitable companies having access to capital, in order to meet its exploratory commitments and development strategy. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favorable to the Company.

COMMON SHARE DATA (as at August 28, 2018)

As at the date of this M&A, the Company had the following securities issued and outstanding:

Common Shares	56,297,975
Share options issued to directors, officers and consultants and employees	3,866,122
Warrants issued and outstanding	151,883
Common shares outstanding on a fully diluted basis	60,315,980

Details with respect to the movements and value of share capital is set out in note 4 of the Interim Consolidated Financial Statements for the period ended June 30, 2018.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, and without limitation, such consolidations as liquidity, capital expenditure and capital resources that would be considered material to investors.

CONTRACTUAL COMMITMENTS

Licenses

The Company is committed to meeting all of the conditions of its licenses as discussed above, including annual lease renewal or extension fees as needed. Details of the Company's commitments are set out in Notes 9 and 14 of the Interim Consolidated Financial Statements for the period ended June 30, 2018.

RISKS AND UNCERTAINTIES

The business of exploring for, developing and producing mineral resources is inherently risky. The Company is in the development stage and has not determined whether its Licenses contain economically recoverable reserves. The Company's future viability as a going concern is dependent on the existence of gold resources and on the ability of the Company to obtain financing for its exploration programs and development of such reserves and ultimately on the profitability of operations or disposition of interests. As at June 30, 2018, the Company has incurred cumulative losses of $6,955,195.

The Company's actual exploration and operating results may be very different from those expected as at the date of this MD&A.

The Namibian economy is highly dependent on the mining sector, which, in 2016, was approximately 12% of gross domestic product ("**GDP**"). Namibia is also highly dependent on foreign imports, including fuel. These factors make the Namibian economy vulnerable to adverse commodity price fluctuations, which could have a material adverse effect on our business. In addition, Namibia is a member of the Southern African Customs Union ("**SACU**"), which provides for a common external tariff and guarantees free movement of goods between its member states. A high proportion of Namibia's trade is conducted with SACU members and, in its 2017 budget, the Namibian Ministry of Finance estimated that the SACU revenue would account for approximately 34% of Namibia's total government revenue. Accordingly, the Namibian Government is highly dependent on SACU revenue, but Namibia's share of the SACU revenue is expected to decline in the foreseeable future, as a result of which the Namibian government may be compelled to introduce additional taxes or increase current tax rates, which could have a material adverse effect on our business.

In addition, Namibia is an arid country, water resources are scarce, and there is the possibility of drought based on current weather patterns. Although the Government of Namibia currently pursues a seawater desalination project, Namibia may in the short-term experience water shortages, *inter alia*, on account of the following: (i) demand for water is increasing, both on account of growth in GDP as well as on account of increased mining operations; and (ii) the seawater desalination project pursued by the government may take several years to complete, may not be financed easily or at all, and may experience delays or cancellations.

The Company and its subsidiaries incur the majority of their expenditures in Namibian dollars, corporate G&A expenses are primarily paid in Canadian dollars. Thus, the Company is exposed to financial risk arising from fluctuations in the exchange rates between the Namibian dollar and Canadian dollar, and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risks.

The Company conducts operations through foreign subsidiaries and substantially the majority of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

For a complete discussion on risk factors, please refer to the Management Information Circular dated May 17, 2018 filed under the Company's profile at www.sedar.com.

FINANCIAL INSTRUMENTS

Other risks and uncertainties the Company faces at present are market risk and foreign exchange risk.

Market risk is the risk of loss that may arise from changes in interest rates, foreign exchange rates and gold prices. An extended period of depressed gold prices could make access to capital more difficult and the Company is dependent on capital markets to fund its exploration and ultimately, its development programs.

Foreign exchange risk arises since most of the Company's costs are in currencies other than the Canadian dollar. Fluctuations in exchange rates between the Canadian dollar, the Namibian dollar and the U.S. dollar could materially affect the Company's financial position. Management periodically considers reducing the effect of exchange risk through the use of forward currency contracts but has not entered into any such contracts to date.

TRANSACTIONS BETWEEN RELATED PARTIES AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's senior management, who are considered to be key management personnel by the Company.

Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Remuneration payable to the Company's executive directors, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Executive Vice President are set out in Note 10 of the Interim Consolidated Financial Statements for the period ended June 30, 2018.

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

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.

On April 20, 2017, the Company, via its wholly owned subsidiary entered into a licence purchase agreement with 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. As consideration, the Company issued 46,025 common shares of the Company plus a number of shares of Osino Namibia Mineral Exploration ("ONME") equal to 10% of its issued and outstanding share capital. As a result of this transaction, the Company's ownership of ONME was reduced from 100% to 90%.

For the six months ended June 30, 2018, the Company incurred management fees of $60,000 (December 31, 2017 – $30,000) to Sparenberg Capital Limited, $45,000 (December 31, 2017 – $24,060) to Rivonia Capital Inc., $1,500 (December 31, 2017 - Nil) to M & S Group and $19,125 (December 31, 2017 – $nil) to 2238012 Ontario Inc., all companies controlled by officers and/or directors of the Company. As at June 30, 2018, $53,950 (December 31, 2017 – $40,173) was included in accounts payable and accrued liabilities.

CRITICAL ACCOUNTING ESTIMATES

The Company's critical accounting estimates are defined as those estimates that have a significant impact on the portrayal of its financial position and operations and that require management to make judgments, assumptions and estimates in the application of IFRS. Judgments, assumptions and estimates are based on historical experience and other factors that management believes to be reasonable under current conditions. As events occur and additional information is obtained, these judgments, assumptions and estimates may be subject to change.

The Company believes the following are the critical accounting estimates used in the preparation of its consolidated financial statements:

Exploration and evaluation assets

The application of the Company's policy with respect to Mineral Property Costs requires judgement in determining whether it is likely that costs incurred will be recovered through successful exploration, development and/or sale of the asset under review. Furthermore, this assessment of whether an economically recoverable resource exists is in itself an estimation process. Estimates and assumptions may change as new information becomes available. If, after any expenditure is capitalized, new information suggests that the recovery of the expenditure is unlikely, the amount capitalized will be written off to profit or loss in the period in which the new information becomes available.

Warrants

Management uses judgement to determine the inputs to the Black-Scholes option pricing model including the expected life of the warrant, volatility, and dividend yield and making assumptions about them. The assumptions used for estimating the fair value of warrants are disclosed in Note 4 of the Annual Consolidated Financial Statements for the year ended December 31, 2017.

The Company' significant accounting policies can be found on pages 8-13 of the Company's Interim Consolidated Financial Statements.

USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the Financial Statements, and the reported amounts of revenues and expenses during the reporting period. Such estimates related to unsettled transactions and events as of the date of the Financial Statements. Accordingly, actual results may differ from these estimated amounts as future confirming events occur.

Significant estimates used in the preparation of the Company's Financial Statements include, but are not limited to impairment of exploration license costs capitalized in accordance with IFRS, stock based compensation and future income taxes.

The impairment of exploration licenses is dependent on the existence of economically recoverable reserves, the ability to obtain financing to complete the development and exploitation of such reserves, its ability to meet its obligations under various agreements and the success of future operations or dispositions.

Stock Based Compensation

The Company uses the fair value method, utilizing the Black-Scholes option pricing model, for valuing stock options granted to directors, officers, consultants and employees. The estimated fair value is recognized over the applicable vesting period as stock-based compensation expense. The recognized costs are subject to the estimation of what the ultimate payout will be using pricing models such as the Black-Scholes model which is based on significant assumptions such as volatility, dividend yield and expected term. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 4 of the Interim Consolidated Financial Statements for the three months ended June 30, 2018.

Income Taxes

The Company follows the liability method of accounting for income taxes whereby future income taxes are recognized based on the differences between the carrying values of assets and liabilities reported in the audited consolidated annual financial statements of the Company and their respective tax basis. Deferred income tax assets and liabilities are recognized at the tax rates at which Management expects the temporary differences to reverse. Management bases this expectation on future earnings, which require estimates for reserves, timing of production, crude oil price, operating cost estimates and foreign exchange rates. Management assesses, based on all available evidence, the likelihood that the deferred income tax assets will be recovered from future taxable income and a valuation allowance is provided to the extent that it is more than likely that deferred income tax assets will not be realized. As a result, future earnings are subject to significant Management judgment.

CHANGES IN ACCOUNTING POLICIES

Policies not yet adopted

IFRS 9 (Financial Instruments: Classification and Measurement), effective for interim periods beginning on or after January 1, 2018, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. IFRS 9 also replaces the models for measuring the equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 16 Leases was issued in January 2016 and replaces IAS 17 Leases. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. If the lease was classified as a finance lease, a lease liability was included on the statement of financial position. IFRS 16 now requires lessees to recognize a right of use asset and lease liability reflecting future lease payments for virtually all lease contracts. The right of use asset is treated similarly to other non-financial assets and depreciated accordingly. The lease liability accrues interest. The IASB has included an optional exemption for certain short-term leases and leases of low value assets; however, this exemption can only be applied by lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and obtain substantially all the economic benefits from that use. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied.

IFRIC 22 Foreign Currency Transactions and Advanced Consideration was issued in December 2016 and clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. For purposes of determining the exchange rate to use on initial recognition, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. IFRIC 22 is applicable for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Company has not determined the extent of the impact of the above standards and does not plan to early adopt these new standards.

DISCLOSURE CONTROLS, PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

1) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

2) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.