

Osino Resources Corp. (An exploration stage company)
Unaudited Interim Consolidated Financial Statements
for the period ended September 30, 2019

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Directors' Responsibilities and Approval

The directors are required in terms of the British Columbia Business Corporations Act to maintain adequate accounting records and are responsible for the content and integrity of the unaudited interim consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the unaudited interim consolidated financial statements fairly present the state of affairs of the company as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The unaudited interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the unaudited interim consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The independent reviewer is responsible for independently auditing and reporting on the company's unaudited interim consolidated financial statements. The unaudited interim consolidated financial statements have been examined by the company's independent reviewer.

The unaudited interim consolidated financial statements set out on pages 3 to 30, which have been prepared on the going concern basis, were approved by the board of directors on November 29, 2019 and were signed on their behalf by:

/s/ "Heye Daun"

Director

/s/ "Alan Friedman"

Director

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Statement of Financial Position as at September 30, 2019

Figures in Canadian Dollar	Note(s)	September 30, 2019	December 31, 2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	191,839	201,066
Right of use asset	3	18,035	-
		209,874	201,066
Current Assets			
Other receivables and prepaid expenses	4	774,619	428,457
Cash and cash equivalents	5	3,022,264	4,199,104
		3,796,883	4,627,561
Total Assets		4,006,757	4,828,627
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	6	17,831,364	14,832,727
Reserves		2,684,937	1,731,329
Accumulated Deficit		(16,657,879)	(11,881,298)
		3,858,422	4,682,758
Non-controlling interest		(268,153)	(159,283)
		3,590,269	4,523,475
Liabilities			
Non-Current Liabilities			
Other financial liabilities	7	64,367	83,010
Lease liability	8	7,772	-
		72,139	83,010
Current Liabilities			
Trade and other payables	9	306,787	202,848
Other financial liabilities	7	25,435	19,294
Operating lease liability	8	12,127	-
		344,349	222,142
Total Liabilities		416,488	305,152
Total Equity and Liabilities		4,006,757	4,828,627

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Canadian Dollar	Note(s)	9 months ended September 30, 2019	9 months ended September 30, 2018	3 months ended September 30, 2019	3 months ended September 30, 2018
Amortisation and depreciation		(51,482)	(22,008)	(17,259)	(8,752)
Consulting and professional fees		(749,517)	(591,563)	(375,959)	(175,000)
Exploration and evaluation		(1,938,651)	(1,736,378)	(662,507)	(384,989)
Listing Fees		-	(272,009)	-	-
Management fees	15	(727,757)	(182,625)	(64,500)	(57,000)
Office and administration		(498,802)	(219,428)	(251,420)	(127,600)
Salaries and benefits		(511,220)	(548,796)	(167,716)	(206,974)
Stock option expense		(316,466)	(481,415)	(104,296)	(162,235)
Travel		(125,933)	(132,755)	(33,073)	(50,480)
Operating loss		(4,919,828)	(4,186,977)	(1,676,730)	(1,173,030)
Investment income		37,974	13,559	4,788	10,330
Gain on disposal of assets		-	24,483	-	-
Loss for the period		(4,881,854)	(4,148,935)	(1,671,942)	(1,162,700)
Other comprehensive income/(loss):					
Foreign currency translation		(101,525)	(181,862)	(68,860)	(133)
Total comprehensive loss for the period		(4,983,379)	(4,330,797)	(1,740,802)	(1,162,833)
Loss attributable to:					
Owners of the parent		(4,772,984)	(4,044,062)	(1,631,469)	(1,130,763)
Non-controlling interest		(108,870)	(104,873)	(40,473)	(31,937)
		(4,881,854)	(4,148,935)	(1,671,942)	(1,162,700)
Total comprehensive loss attributable to:					
Owners of the parent		(4,874,509)	(4,225,924)	(1,700,329)	(1,130,896)
Non-controlling interest		(108,870)	(104,873)	(40,473)	(31,937)
		(4,983,379)	(4,330,797)	(1,740,802)	(1,162,833)
Earnings per share					
Weighted number of shares outstanding	16	59,749,954	47,651,976	65,689,962	56,297,976
Loss per share - Basic and diluted	16	\$0.08	\$0.08	\$0.03	\$0.02

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Statement of Changes in Equity

	Number of Shares	Share Capital	Share-based Payment Reserve	Warrant Reserve	Cumulative Translation Reserve	Deficit	Shareholders Equity	Non-controlling Interest
Figures in Canadian Dollar								
Balance at December 31, 2017	40,045,906	8,971,316	764,893	596,923	258,276	(6,176,198)	4,415,210	(7,142)
Private placement	5,974,453	2,855,779	-	-	-	-	2,855,779	-
Warrants conversion to shares	524,688	171,467	-	(46,067)	-	-	125,400	-
Private placement	681,174	325,600	-	-	-	-	325,600	-
Warrants exercise	5,916,055	1,959,700	-	(550,856)	-	-	1,408,844	-
Warrants issued	-	(34,650)	-	34,650	-	-	-	-
Private placement - Romulus Resources Ltd	3,155,700	599,583	-	-	-	-	599,583	-
Shares issued for termination of options	-	-	481,415	-	-	-	481,415	-
Comprehensive loss adjustment	-	-	-	-	-	575	575	-
Other comprehensive income	-	-	-	-	(181,862)	-	(181,862)	-
Loss for the period	-	-	-	-	-	(4,044,062)	(4,044,062)	(104,873)
Balance at September 30, 2018	56,297,976	14,848,795	1,246,308	34,650	76,414	(10,219,685)	5,986,482	(112,015)
Share issue costs	-	(16,068)	-	-	-	-	(16,068)	-
Comprehensive loss adjustment	-	-	-	-	85,960	-	85,960	-
Loss for the period	-	-	-	-	-	(1,661,613)	(1,661,613)	(47,268)
Stock options issued	-	-	287,997	-	-	-	287,997	-
Balance at December 31, 2018	56,297,976	14,832,727	1,534,305	34,650	162,374	(11,881,298)	4,682,758	(159,283)

On June 22, 2018, the company gave effect to a consolidation of the common shares in the capital of the company at a rate of 5,4318 pre-consolidation common shares for 1 post-consolidation common share. All share capital, option and warrant information has been updated accordingly (note 6).

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Statement of Changes in Equity

	Number of Shares	Share Capital	Share-based Payment Reserve	Warrant Reserve	Cumulative Translation Reserve	Deficit	Shareholders Equity	Non-controlling Interest
Figures in Canadian Dollar								
Balance at December 31, 2018	56,297,976	14,832,727	1,534,305	34,650	162,374	(11,881,298)	4,682,758	(159,283)
Share issue costs	-	(94,248)	-	-	-	-	(94,248)	-
Private placement	10,252,142	3,588,250	-	-	-	-	3,588,250	-
Shares issued for licence acquisition	775,520	228,302	-	-	-	-	228,302	-
Finders'shares	42,857	15,000	-	-	-	-	15,000	-
Comprehensive loss adjustment	-	-	-	-	(101,525)	-	(101,525)	-
Loss for the period	-	-	-	-	-	(4,772,984)	(4,772,984)	(108,870)
Movement in value of share options	-	-	316,466	-	-	-	316,466	-
Issue of warrants	-	(738,667)	-	738,667	-	-	-	-
IFRS 16 Adjustment - prior period	-	-	-	-	-	(3,597)	(3,597)	-
Balance at September 30, 2019	67,368,495	17,831,364	1,850,771	773,317	60,849	(16,657,879)	3,858,422	(268,153)
Note	6	6	6	6	6			

On June 22, 2018, the company gave effect to a consolidation of the common shares in the capital of the company at a rate of 5,4318 pre-consolidation common shares for 1 post-consolidation common share. All share capital, option and warrant information has been updated accordingly (note 6).

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Statement of Cash Flows

Figures in Canadian Dollar	Note(s)	9 months ended September 30, 2019	9 months ended September 30, 2018
Cash flows from operating activities			
Cash used in operations	10	(4,637,462)	(3,782,058)
Interest income		40,831	11,688
Net cash from operating activities		(4,596,631)	(3,770,370)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(29,594)	(91,583)
Cash flows from financing activities			
Proceeds from common shares and warrants	6	3,516,890	5,361,273
Repayment of other financial liabilities		11,844	28,084
Net cash from financing activities		3,528,734	5,389,357
Total cash movement for the period		(1,097,491)	1,527,404
Cash at the beginning of the period		4,199,104	3,785,084
Effect of exchange rate movement on cash balances		(79,349)	26,846
Total cash at end of the period	5	3,022,264	5,339,334

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Accounting Policies

1. Nature of business and significant accounting policies

Nature of Business

Osino Resources Corp. 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 Suite 810, 789 Westpender Street, Vancouver, British Columbia, V6C1H2, 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.

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

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."

a) Statement of compliance with IFRS

These condensed interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), including International Accounting Standard 34 – Interim Financial Reporting. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of November 29, 2019 the date the Board of Directors approved these condensed interim consolidated financial statements for issue. Accordingly, they do not include all of the information required for full annual financial statements.

b) Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2018 and 2017.

These consolidated financial statements include the accounts of Osino Resources Corp. and its wholly-owned subsidiaries, Osino BVI Limited (formerly Kailondo Capital Limited), Osino Namibia Holdings (Pty) Ltd ("Osino Holdings"), Osino Prospect Holdings (Pty) Ltd and Osino Otavi Holdings (Pty) Ltd as well as the accounts of 95% owned subsidiary, Osino Gold Exploration (Pty) Ltd, formerly, "Bafex Exploration (Pty) Ltd ("Osino Gold"), the accounts of 90% owned subsidiary, Osino Namibia Minerals Exploration (Pty) Ltd ("Osino Namibia"), the accounts of 80% owned Richwing Exploration (Pty) Ltd, the accounts of 80% owned Fairview Minerals Exploration (Pty) Ltd, the accounts of 70% owned Vavali Mining Exploration (Pty) Ltd, the accounts of 60% owned Mitten Minerals Exploration (Pty) Ltd and the accounts of 80% owned Terrace Minerals Exploration (Pty) Ltd. All intercompany transactions, balances, and unrealized gains and losses on intercompany transactions have been eliminated.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Where control of an entity is obtained during a financial period, its results are included in the consolidated statement of loss and comprehensive loss from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

c) Functional currency translation

i) Functional and presentation currency

Items included in the financial statements of each consolidated entity in the group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The condensed interim consolidated financial statements are presented in Canadian dollars, which is the reporting parent's functional currency. The functional currency of the reporting parent's subsidiaries is the Namibian dollar ("N\$").

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Accounting Policies

The financial statements of entities that have a functional currency different from that of the reporting parent's operations are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the consolidated statement of financial position, and income and expenses – at the average rate for the period (as this is considered a reasonable approximation to the actual rates). All resulting changes are recognized in other comprehensive income or loss as cumulative translation adjustments.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income or loss related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income related to the subsidiary are reallocated between controlling and non-controlling interests.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statement of loss and comprehensive loss.

d) Measurement uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgements made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

Significant areas requiring the use of estimates and assumptions include valuation of share-based payment reserves, warrant reserves, and recoverability of deferred tax assets. By their nature, these estimates and assumptions are subject to measurement uncertainty, and the impact of changes in estimates in the financial statements of a future period could be material. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in profit and loss in the periods in which they become known.

e) Significant accounting judgements

The critical judgements that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations (note 1(d)), that have the most significant effect on the amounts recognized in the Company's condensed interim consolidated financial statements are related to the economic recoverability of the mineral rights, determining the smallest group of assets that generates independent cash flow, the interpretation and application of tax laws, the determination of functional currency for the Company and its subsidiaries, and the assumption that the Company will continue as a going concern.

Valuation of right-of-use asset and lease liability loan: The company's lease liability is valued using the present value of the future cash flows. This method is based on underlying factors such as the interest rate and the company's ability to make all payments on a timely basis. Changes in the inputs to the calculation could impact the carrying value of the lease liability and the amount of interest expense recognised in profit and loss.

f) Property, plant, and equipment

Property, plant, and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant, and equipment consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at a rate calculated to expense the cost of equipment, less its estimated residual value, over the following expected useful lives:

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	4 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
IT equipment	Straight line	6 years
Leasehold improvements	Straight line	5 years

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Accounting Policies

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash with original maturities of three months or less and which are subject to an insignificant risk of changes in value.

h) Mineral property costs

Mineral property acquisition and exploration costs are expensed as incurred. The Company has not yet realized any revenues from its mineral operations. When it has been determined that a mineral property can be economically developed as a result of establishing probable and proven reserves, the costs then incurred to develop such property will be capitalized. Such costs will be amortized using the unit of production method over the estimated life of the probable reserve. If properties are abandoned or the carrying value is determined to be in excess of possible future recoverable amounts the Company will write off the appropriate amount.

i) Revenue recognition

Revenue will be recorded when consideration is received or receivable and will be recognized to the extent that it is probable that the economic benefits will flow to the Company and when the revenue can be reliably measured.

Interest income is recognized as it accrues.

j) Comprehensive income or loss

Comprehensive income or loss is the change in equity of an enterprise during a period from transactions, events and circumstances other than those under the control of management and the owners. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company reports comprehensive loss in its statement of loss and comprehensive loss and its statement of changes in equity.

k) Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not recognized on the initial recognition of goodwill, on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction, and on temporary differences relating to investments in subsidiaries and jointly controlled entities where the reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured, without discounting, at the tax rates that are expected to apply when the assets are recovered and the liabilities settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities and assets are expected to be settled or recovered.

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l) Non-monetary transactions

Transactions with no cash consideration are measured at the fair value of either the asset given up or the asset received, whichever is more reliably determinable.

m) Earnings/(loss) per share

Basic earnings (loss) per share is calculated by dividing the net earning (loss) available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculations as the effect would be anti-dilutive.

n) Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

A CGU recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized.

Industry specific indicators for an impairment review on mineral rights and capitalized exploration related expenditures arise typically when one of the following circumstances applies:

- Substantive expenditure on further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised;
- Adverse changes in variations in commodity prices and markets; and
- Variations in the exchange rate for the currency of operation.

o) Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when an environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant, other site preparation work, and water and soil management, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value of the liability. These costs are charged against profit or loss over the economic life of the related assets, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company may in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation or environmental obligations as at September 30, 2019.

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Accounting Policies

p) Share-based payments

The Company from time to time may issue shares or options to its directors, officers, consultants and employees. The Company values share-based payments using the fair-value method of the services provided. For stock options issued to its directors, officers, consultants and employees where the value of the services provided cannot be determined or the options are provided for services already provided to the Company, the Company values stock-based compensation by reference to the fair value of the stock options issued, utilizing the Black-Scholes option pricing model. The estimated fair value is recognized over the applicable vesting period as stock-based compensation expense and an increase or decrease to the share-based payment reserve.

Any consideration paid by employees on the exercise of stock options or purchase of stock is credited to share capital plus the amounts originally recorded as share-based payment reserve. An individual is classified as an employee when they are an employee for legal purposes, or primarily performing services similar to the services that would be provided by a legal employee.

q) IFRS 9 Financial instruments

Effective January 1, 2018, the Company adopted IFRS 9. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39, Financial Instruments: recognition and measurement (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no material impact to the Company's consolidated financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL).

Below is a summary showing the classification and measurement bases of our financial instruments as at January 1, 2018 as a result of adopting IFRS 9 (along with comparison to IAS 39).

Classification	IAS 39	IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Trade and other payables	Other financial liabilities (amortized cost)	Amortized cost

As a result of the adoption of IFRS 9, the accounting policy for financial instruments as disclosed in the Company's June 30, 2019 consolidated financial statements has been updated as follows:

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition.

i) Financial assets recorded at fair value through profit or loss ("FVTPL")

Financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Gains or losses on these items are recognized in profit or loss. The Company's cash is classified as financial assets measured at FVTPL.

ii) Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Accounting Policies

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i) Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's trade and other payables do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii) Financial liabilities recorded as fair value through profit or loss ("FVTPL").

Financial liabilities are classified as fair value through profit or loss if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at fair value through profit or loss, are expensed as incurred, while transaction costs associated with all other financial instrument are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements. The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

r) IFRS 15 Revenue from contracts with customers

On May 28, 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). The new standard is effective for the Company on January 1, 2018. Earlier application is permitted. IFRS 15 will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. On April 12, 2016, the IASB issued Clarifications to IFRS 15, Revenue from Contracts with Customers, which is effective at the same time as IFRS 15.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Accounting Policies

r) IFRS 15 Revenue from contracts with customers (continued)

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgemental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

The clarifications to IFRS 15 provide additional guidance with respect to the five-step analysis, transition, and the application of the Standard to licenses of intellectual property.

The adoption of IFRS 15 had no impact on the Company's financial statements.

s) IFRS 16 Right of use asset

The right-of-use asset is a lessee's right to use an asset over the life of a lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct cost incurred, minus any lease incentives received.

The amortization period for the right-of-use asset is from the lease commencement date to the earlier of the lease term or the end of the useful life of the asset.

If a right-to-use asset is determined to be impaired, the impairment is immediately recorded, thereby reducing the carrying amount of the asset. Its subsequent measurement is calculated as the carrying amount immediately after the impairment transaction, minus any subsequent accumulated amortization.

At the termination of a lease, the right-to-use asset and associated lease liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a profit or loss at that time.

Leases

Previously, a lease was classified as a finance lease if it transferred substantially all the risks and rewards incidental to ownership and a lease was classified as an operating lease if it did not transfer substantially all the risks and rewards incidental to ownership.

On transition to IFRS 16, the company applied IFRS 16 to contracts that were previously identified as leases.

The company allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone prices. However, for leases of properties in which it is a lessee, the company has elected not to separate non-lease components and instead account for it as a single lease component.

Lessee

The company recognises right-of-use assets and lease liabilities for all leases except for leases of low-value assets and leases with a duration of twelve months or less. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Accounting Policies

t) Standards adopted in the period

IFRS 16 Leases

Effective January 1, 2019 the Company adopted IFRS 16. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations. The Company early adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations. The weighted average incremental borrowing rate applied to lease liabilities on January 1, 2019 was 10.5%. The aggregate lease liability recognized in the statement of financial position at January 1, 2019 and Company's operating lease commitment at January 1, 2019 can be reconciled as follows:

Operating lease commitment at January 1, 2019	C\$ 86,010
Effect of discounting those lease commitments at an annual rate of 10.5%	<u>C\$ (34,321)</u>
Total	<u>C\$ 51,689</u>

Interpretation 23 Uncertainty over Income Tax Treatments

Effective January 1, 2019 the Company adopted Interpretation 23 Uncertainty over Income Tax Treatments. On June 7, 2017, the IASB issued Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Company has adopted Interpretation 23 Uncertainty over Income Tax Treatments on a retrospective basis, however this guidance had no material impact to the Company's consolidated interim financial statements.

u) Standards and interpretations in issue not yet adopted

At the date of statement of financial position of these unaudited interim consolidated financial statements the following standards and interpretations were in issue but not yet effective:

- IAS 1 Presentation of Financial Statements - (effective for accounting periods beginning on or after 1 January 2020);
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - (effective for accounting periods beginning on or after 1 January 2020)

The directors anticipate that the adoption of these Standards and Interpretations will have no material impact on the interim financial statements of the company in the period of initial application, except for certain amended disclosures.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Notes to the Unaudited Interim Consolidated Financial Statements

	9 months ended September 30, 2019	12 months ended December 31, 2018
Figures in Canadian Dollar		

2. Property, plant and equipment

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Plant and machinery	44,792	(21,113)	23,679	47,623	(13,772)	33,851
Furniture and fixtures	9,644	(3,442)	6,202	10,427	(2,361)	8,066
Motor vehicles	195,306	(51,264)	144,042	192,047	(44,819)	147,228
Office equipment	6,931	(2,399)	4,532	7,495	(1,660)	5,835
IT equipment	7,762	(2,137)	5,625	5,320	(1,357)	3,963
Leasehold improvements	8,803	(1,044)	7,759	2,338	(215)	2,123
Total	273,238	(81,399)	191,839	265,250	(64,184)	201,066

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Foreign exchange movements	Depreciation	Total
Plant and machinery	33,851	791	(2,084)	(8,879)	23,679
Furniture and fixtures	8,066	-	(530)	(1,334)	6,202
Motor vehicles	147,228	18,750	(11,534)	(10,402)	144,042
Office equipment	5,835	-	(387)	(916)	4,532
IT equipment	3,963	3,013	(417)	(934)	5,625
Leasehold improvements	2,123	7,040	(508)	(896)	7,759
	201,066	29,594	(15,460)	(23,361)	191,839

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Foreign exchange movements	Depreciation	Total
Plant and machinery	18,195	28,240	-	(2,018)	(10,566)	33,851
Furniture and fixtures	10,311	304	-	(670)	(1,879)	8,066
Motor vehicles	96,346	89,871	(14,280)	(9,316)	(15,393)	147,228
Office equipment	5,527	1,835	-	(422)	(1,105)	5,835
IT equipment	5,220	-	-	(332)	(925)	3,963
Leasehold improvements	868	1,572	-	(119)	(198)	2,123
	136,467	121,822	(14,280)	(12,877)	(30,066)	201,066

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Notes to the Unaudited Interim Consolidated Financial Statements

	9 months ended September 30, 2019	12 months ended December 31, 2018
Figures in Canadian Dollar		

3. Right of use asset

	2019			2018		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Right of use asset	47,196	(29,161)	18,035	-	-	-

Reconciliation of right of use asset - 2019

	Opening balance	Additions	Depreciation	Total
Right of use asset	-	47,196	(29,161)	18,035

The right of use asset consists of two properties used for office space in Feld Street, Windhoek, Namibia and Walter Sisulu Avenue, Cape Town, South Africa. The right of use asset is depreciated over the period of the lease term. The remaining lease terms vary from 1 to 18 months.

4. Other receivables and prepaid expenses

Other receivables	9,987	11,158
Non-financial instruments:		
Value Added Taxation	564,560	382,207
Prepayments	200,072	35,092
Total trade and other receivables	774,619	428,457

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3,022,264	4,199,104
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The Group's cash, by currency, at September 30, 2019 and December 31, 2018 was as follows:

Cash at bank and in hand- Canada	2,038,711	3,465,062
Cash at bank and in hand- Namibia	983,553	734,042
	3,022,264	4,199,104

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Notes to the Unaudited Interim Consolidated Financial Statements

Figures in Canadian Dollar	9 months ended September 30, 2019	12 months ended December 31, 2018
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6. Share capital

Authorised

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.

Issued and outstanding

Issued common shares	17,831,364	14,832,727
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Issued and common shares are as follows:

	Number of Shares	Value
Balance on hand as at December 31, 2017	40,045,906	8,971,316
Warrants exercised - March 2018	524,688	171,467
Private placement - March 2018	5,974,453	2,855,779
Warrants exercised - May/June 2018	5,916,055	1,959,700
Private placement - June 2018	681,174	325,600
Romulus RTO	3,155,700	599,583
Finders' fee warrants issued	-	(34,650)
Acquisition of exploration licences - March 2019	775,520	228,302
Finders' fee shares issued - July 2019	42,857	15,000
Share issuance costs	-	(110,316)
Private placement - July 2019	10,252,142	3,588,250
Share purchase warrants issued	-	(738,667)
Balance on hand as at September 30, 2019	67,368,495	17,831,364

On March 29, 2018, 524,688 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.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Notes to the Unaudited Interim Consolidated Financial Statements

	9 months ended September 30, 2019	12 months ended December 31, 2018
Figures in Canadian Dollar		

6. Share capital (continued)

On April 20, 2018, the Company closed a private placement that raised gross proceeds of \$2,855,779 by the issuance of 5,974,453 common shares of the Company at a price per common share of \$0.48. In connection with the financing, the Company paid 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 \$0.48 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 151,883 finder's warrants were issued to Beacon Securities Limited at a fair value of \$72,600.

On 15 May 2018 and 15 June 2018, 5,827,655 warrants issued in May and June, 2016 were exercised at a price of \$0.24 per common share. In addition, 88,400 finders warrants were exercised at a price of \$0.185 per common share. 416,071 previously issued warrants and 2,435 finders warrants expired unexercised. The exercise of the warrants by the warrant holders raised proceeds equivalent to \$1,408,844.

Effective June 22, 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 net result of which 3,155,700 new shares were issued to existing Romulus shareholders realising a market value of \$599,583 in accordance with IAS2 and IFRS Reverse Acquisition accounting. The financial effects of the transaction were as follows:

	\$
Cash on hand	318,199
Other receivables and prepaid expenses	15,155
Accounts payable and accrued liabilities	(5,780)
	<hr/>
	327,574
Share issuance at market value - Romulus	(599,583)
	<hr/>
Listing expense	272,009
	<hr/>

On June 30, 2018, the Company closed a private placement that raised gross proceeds of \$325,600 through the issuance of 681,174 common shares of the Company at a price per common share of \$0.48.

Effective March 21, 2019, in line with commitments entered into between the Company and certain EPL owners, 775,520 common shares with an equivalent value of \$228,302 was issued.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Notes to the Unaudited Interim Consolidated Financial Statements

	9 months ended September 30, 2019	12 months ended December 31, 2018
Figures in Canadian Dollar		

6. Share capital (continued)

Effective July 15, 2019, the Company completed and closed an oversubscribed non-brokered private placement (the "Offering") for gross proceeds of \$3,588,250 at a price of \$0.35 per Unit. The Company has issued 10,252,142 Units, consisting of one common share in the capital of the Company (a "Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each whole Warrant is exercisable for the acquisition of one Share at an exercise price of \$0.55 per share for a period of 24 months from the date of issuance. The Company has paid finder's fees in the amount of \$35,490 and issued a further 42,857 common shares valued at \$15,000 to Canaccord Genuity Corporation who acted as a financial advisor in connection with the Offering. The securities issued under this Offering are subject to a statutory hold period of four months and one day from the date of closing.

Amalgamation

On June 26, 2018, the Company entered into an agreement with Romulus Resources Ltd. ("Romulus"), a public company listed on the NEX Board of the TSX Venture Exchange, whereby Romulus acquired 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 were consolidated on a 10 for 1 basis resulting in an aggregate of 3,155,700 which was 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 were converted into 1 new common share of the Resulting Issuer. This resulted in a Reverse Takeover of Romulus by the Company.

Stock options and share-based payment

On November 28, 2017, the Company issued 3,866,122 stock options at an exercise price of \$0.38 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 - \$0.38; risk free rate - 1.59%; expected volatility - 136%; dividend yield - nil; and expected life - 5 years. 1,288,707 stock options vested on the grant date, 1,288,707 stock options vested on November 28, 2018 and the remaining 1,288,707 stock options will vest on November 28, 2019.

On October 10, 2018, the Company issued 1,574,101 stock options at an exercise price of \$0.30 and an expiry date of October 10, 2023. The stock options were valued at \$369,284 using the Black-Scholes pricing model with the following assumptions: share price - \$0.265; risk free rate - 2.43%; expected volatility - 141%; dividend yield - nil; and expected life - 5 years. 524,700 stock options vested on the grant date, 524,700 stock options will vest on October 10, 2019, the remaining 524,701 stock options will vest on October 10, 2020.

During the period ended September 30, 2019, the Company recorded \$316,466 (December 31, 2018: \$769,412) in share-based compensation related to the vesting of stock options.

On April 26, 2019, the TSX-V approved the issuance of 100,000 stock options by the Company at an exercise price of \$0.40 and an expiry date of April 26, 2024. The stock options were valued at \$32,770 using the Black-Scholes pricing model with the following assumptions: share price - \$0.37; risk free rate - 1.59%; expected volatility- 141%; dividend yield - nil; and expected life - 5 years. 33,333 stock options vested on the grant date, 33,333 stock options will vest on April 26, 2020, the remaining 33,334 stock options will vest on April 26, 2021.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Notes to the Unaudited Interim Consolidated Financial Statements

	9 months ended September 30, 2019	12 months ended December 31, 2018
Figures in Canadian Dollar		

6. Share capital (continued)

The following table summarizes information about the Company's stock options outstanding as at September 30, 2019 and December 31, 2018:

Options outstanding	Expiration Date	Exercise price	Exercisable September 30, 2019	Exercisable December 31, 2018
3,866,122	November 28, 2022	\$0.38	2,577,415	2,577,415
1,574,101	October 10, 2023	\$0.30	524,700	524,700
100,000	April 26, 2024	\$0.40	33,333	-
			3,135,448	3,102,115

Warrants reserve

As of September 30, 2019, there were 5,126,072 common share purchase warrants (December 31, 2018 – 151,883) and nil (December 31, 2018 – nil) finders warrants outstanding with a weighted average exercise price of \$0.55 (December 31, 2018 – \$0.48).

The following table summarizes information about the Company's common share purchase warrants outstanding as at September 30, 2019 and December 31, 2018:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding September 30, 2019	Balance outstanding December 31, 2018
May 12, 2016	May 12, 2018	\$0.24	Nil	Nil
May 12, 2016	May 12, 2018	\$0.185	Nil	Nil
June 17, 2016	June 17, 2018	\$0.24	Nil	Nil
June 17, 2016	June 17, 2018	\$0.185	Nil	Nil
June 21, 2016	June 21, 2018	\$0.24	Nil	Nil
June 21, 2016	June 21, 2018	\$0.185	Nil	Nil
June 23, 2016	June 23, 2018	\$0.24	Nil	Nil
April 20, 2018	April 20, 2019	\$0.48	Nil	151,883
July 15, 2019	July 15, 2021	\$0.55	5,126,072	Nil
Total outstanding			5,126,072	151,883

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Notes to the Unaudited Interim Consolidated Financial Statements

	9 months ended September 30, 2019	12 months ended December 31, 2018
Figures in Canadian Dollar		

6. Share capital (continued)

From May 12 to June 23, 2016, the Company issued 6,768,414 common share purchase warrants as part of the private placement unit. The common share purchase warrants were issued at an exercise price of \$0.24 and expiration of 2 years from the date of grant. The 6,768,414 share purchase warrants were valued at \$594,261 using the Black-Scholes pricing model with the following assumptions: share price - \$0.14; 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, 524,688 common share purchase warrants were exercised. During May and June 2018, 5,827,655 warrants issued in May and June, 2016 were exercised at a price of \$0.24 per common share. 416,071 previously issued warrants expired unexercised. The exercise of the warrants by the warrant holders raised proceeds equivalent to \$1,392,805.

From May 12 to June 21, 2016, the Company issued 90,835 finders warrants to brokers as part of the private placement unit. The finders warrants were issued at an exercise price of \$0.185 and expiration of 2 years from the date of grant. The 90,835 finders warrants were valued at \$8,439 using the Black-Scholes pricing model with the following assumptions:

share price - \$0.38; risk free rate - 1.59%; expected volatility - 136%; dividend yield - nil; and expected life - 5 years.

During May and June 2018, 88,400 finders warrants were exercised at a price of \$0.185 per common share. 2,435 finders warrants expired unexercised. The exercise of the warrants by the warrant holders raised proceeds equivalent to \$16,039. On April 20, 2019, 151,883 previously issued finders' warrants expired unexercised.

Effective July 15, 2019 as part of the oversubscribed non-brokered private placement, the Company issued 5,126,072 warrants, exercisable for the acquisition of one share at an exercise price of \$0.55 per share for a period of 24 months from the date of issuance. There were no finders' warrants issued. The warrants were valued at \$738,667 using the Black-Scholes pricing model with the following assumptions:

share price - \$0.34; risk free rate - 1.56%; expected volatility - 102%; dividend yield - nil; and expected life - 2 years.

7. Other financial liabilities

Held at amortised cost

First National Bank Leases	89,802	102,304
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The finance leases are subject to interest at a rate between 11% and 11.50% per annum and are repayable in 54 equal monthly instalments.

Split between non-current and current portions

Non-current liabilities	64,367	83,010
Current liabilities	25,435	19,294
	89,802	102,304

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Notes to the Unaudited Interim Consolidated Financial Statements

Figures in Canadian Dollar	9 months ended September 30, 2019	12 months ended December 31, 2018
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8. Lease liability

Non-current liabilities	7,772	-
Current liabilities	12,127	-
	19,899	-

The lease liability is unsecured, bears interest at 10.5% per annum and is repayable over periods of between 1 to 18 months. Refer to note 3 for the right of use asset. The repayment terms applicable to the lease liability are in terms of signed lease agreements.

9. Trade and other payables

Financial instruments:

Trade payables	274,236	58,002
Other payables	-	59,353
Accrued expense	32,551	85,493
	306,787	202,848

10. Cash used in operations

	9 months ended September 30, 2019	9 months ended September 30, 2018
Loss before taxation	(4,881,854)	(4,148,935)
Adjustments for:		
Depreciation and amortisation	51,482	22,008
Foreign exchange	(5,918)	(6,392)
Leave pay provision	8,443	14,059
Incentive share options movement	316,466	481,415
Acquisition of exploration licences	228,302	-
Interest paid/ (received)	11,215	(11,688)
IFRS 16 adjustment	(47,196)	-
Changes in working capital:		
Other receivables and prepaid expenses	(424,634)	457,180
Trade and other payables	106,232	(293,213)
	(4,637,462)	(3,782,058)

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Notes to the Unaudited Interim Consolidated Financial Statements

11. Commitments

As at September 30, 2019, 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 termination payments if the consulting agreement is terminated by the Company within the initial term of 36 months.

Effective January 1, 2018, the Company adopted a new consulting agreement with Sparenberg Capital Limited at a monthly fee of \$20,000 with no pre-determined termination dates or period. The agreement is subject to renegotiation and acceptance by the Remuneration Committee on an ad-hoc basis.

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.

Effective January 1, 2018, the Company adopted a new consulting agreement with Rivonia Capital Inc. at a monthly fee of \$10,000 with no pre-determined termination dates or period. The agreement is subject to renegotiation and acceptance by the Remuneration Committee on an ad-hoc basis.

c) On May 16, 2019, the Company entered into an agreement with Landmark Minerals Exploration (Pty) Ltd for the acquisition of EPL 5282, replacing the earn-in agreement signed and dated September 14, 2017. Through a wholly -owned subsidiary of Osino, Osino Prospect Holdings (Pty) Ltd, Mitten Minerals Exploration (Pty) Ltd ("Mitten") was registered effective as of June 4, 2019, for the transfer of the Licence to Osino. Osino has secured a 60% interest in Mitten. In consideration for the sale and transfer of the licence, a cash amount of \$9,265 (100,000 Namibian Dollars) was paid on signature of the contract with a further \$41,692 (450,000 Namibian Dollars) payable on the transfer of the licence.

Osino met all the terms and conditions with respect to the renegotiated agreement with Landmark Minerals Exploration (Pty) Ltd. A final payment in the amount of \$42,650 (450,000 Namibian Dollars) was settled effective July 17, 2019. The transfer of the licence to Osino was finalized effective July 17, 2019.

d) On October 10, 2017, the Company entered into an earn-in agreement with N S Ndokosho ("Ndokosho"), a third-party license holder of various mineral licenses in Namibia. Under the terms of the earn- In agreement, the license for EPL 5271 will be transferred to a new company and Osino Gold will hold a 70% interest in the new company. As consideration, (i) Osino Gold made a cash payment of \$19,221 (200,000 Namibian Dollars); (ii) must incur minimum exploration expenditures of \$37,752 (400,000 Namibian Dollars) within 24 months of the date of the agreement; and (iii) provide \$9,438 (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. Total spend to September 30, 2019 is \$40,111 (425,000 Namibian Dollars).

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Notes to the Unaudited Interim Consolidated Financial Statements

11. Commitments (continued)

The Company has met the conditions of the agreement above and will register a Newco in accordance with the terms of the agreement. Osino Prospect Holdings (Pty) Ltd ("Prospect"), a wholly owned subsidiary of the Company has entered into an agreement with N S Ndokosho, the holder of the exclusive prospecting licence to form a Newco. Osino has secured a 70% interest in the Newco in accordance with the earn-in agreement signed on October 10, 2017. Refer to Note 13(a).

e) 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 \$4,805 (50,000 Namibian Dollars); (ii) must incur minimum exploration expenditures of \$47,190 (500,000 Namibian Dollars) within 12 months of the date of the agreement; and (iii) provide \$9,438 (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. Total spend to September 30, 2019 is \$24,000 (275,000 Namibian Dollars).

f) The Company is committed to various lease agreements that require payments for a total of \$14,944 over the next year.

g) 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 a 60% interest in the new company. As consideration, (i) Osino Gold made a cash payment of \$4,805 (50,000 Namibian Dollars); (ii) must incur initial exploration expenditures of \$23,595 (250,000 Namibian Dollars) prior to January 18, 2019; (iii) after completion of the initial expenditure, must incur minimum exploration expenditures of \$23,595 (250,000 Namibian Dollars) over the next 12 months; and (iv) provide \$9,438 (100,000 Namibian Dollars) initial working capital after the completion of the minimum expenditures. Osino Gold has the option to acquire an 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.

The Company has met conditions (i), (ii) and (iii) of the agreement above and is in the process of registering a Newco in accordance with the terms of the agreement. Osino Otavi Holdings (Pty) Ltd ("Otavi"), a wholly owned subsidiary of the Company entered into an agreement with Hendrik Dawids, the holder of the exclusive prospecting licence 4885 to form the Newco. Osino will secure an 80% interest in the Newco having spent \$204,800 (2,346,300 Namibian Dollars) to date on the relevant properties. Refer to Note 13(b).

h) On March 8, 2018, the Company entered into a 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 a 70% interest in the new company. As consideration, (i) Osino Gold made a cash payment of \$28,831 (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 an additional cash payment of \$56,628 (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 an additional cash payment of \$283,140 (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%. Richwing Exploration (Pty) Ltd, in which Osino Gold held an effective 70% share, was registered in accordance with the letter agreement transaction above, effective June 6, 2018. Effective February 15, 2019, the Company's interest in Richwing Exploration (Pty) Ltd was increased to 80% and payment in terms of the letter agreement was made. The Company has to date complied fully with parts (i) and (ii) above with total spend to September 30, 2019 of \$37,100 (425,146 Namibian Dollars).

Osino Resources Corp. (An exploration stage company)

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Notes to the Unaudited Interim Consolidated Financial Statements

11. Commitments (continued)

i) On August 23, 2019, the Company entered into an earn-in agreement with Flocked Consultancy Services (Proprietary) Limited ("Flocked"), a third-party license holder of EPL5641. Under the terms of the earn- In agreement, the license will be transferred to a new company and Osino Namibia will hold a 51% interest in the new company ("Newco"). (i) Osino Namibia is obligated to spend \$21,822 (250,000 Namibian Dollars) within 6 months of the commencement date which will commence within 30 days of receiving the licence renewal by the Minister ("the Exploration Period"). As consideration, Osino Namibia made a cash payment of \$873 (10,000 Namibian Dollars), (ii)Osino is further obligated to incur another \$43,644 (500,000 Nambian Dollars) within 6 months of the later of receiving regulatory approval for the transfer of the licence by the Minister or the end of the Exploration Period ("the Second Exploration Period"). (iii) Osino Namibia is entitled to a further 19% stake in Newco on the incurrance of a further \$87,290 (1,000,000 Namibian Dollars) of exploration expenditure within 18 months after the end of the Second Exploration Period. This will increase Osino Namibia's interest in Newco to 70%; (iv) On completion of exploration programs and other conditions in the letter agreement, Osino Namibia has the right to a further 20% holding in Newco if the licence holder is unable to provide its proportionate share of funding to Newco going forward. Osino Namibia's interest in the new company will be therefore be increased to 90%.

j) On August 26, 2019, the Company entered into an earn-in agreement with Alston Minerals Investment Close Corporation ("Alston"), a third-party license holder of EPL's 7426, 7427 and 7439. Under the terms of the earn- In agreement, the licenses will be transferred to Osino Minerals, a 90% held subsidiary of Osino Namibia. As consideration thereof Osino Minerals will make a cash payment of \$13,093 (150,000 Namibian Dollars). The Company has also agreed to issue on behalf of the Vendor 31,250 common shares (the "Payment Shares") equivalent to the market price on the date which the share issuance is approved by the TSX-V. In terms of the Letter Agreement (i) Osino Minerals made a cash payment of \$2,182 (25,000 Namibian Dollars) within 3 days of signature, (ii) an additional payment of \$10,911 (125,000 Namibian Dollars) shall be payable on the transfer of the licences by the Minister and the receipt of regulatory approval from the Ministry (iii) In addition, upon the transfer of the abovementioned EPL's to Osino Minerals and therefore the Closing of the terms of the Letter Agreement, the vendor acknowledges that EPL 7511 shall also be transferred to Osino Minerals as part of this transaction.

k) On October 23, 2019, the Company entered into an earn-in agreement with Logan Exploration and Investments Close Corporation ("Logan"), a third-party license holder of EPL's 7344 and 7370. Under the terms of the earn- In agreement, the licenses will be transferred to Osino Minerals, a 90% held subsidiary of Osino Namibia. As consideration thereof Osino Minerals will make a cash payment of \$13,093 (150,000 Namibian Dollars). The Company has also agreed to issue on behalf of the Vendor 31,250 common shares (the "Payment Shares") equivalent to the market price on the date which the share issuance is approved by the TSX-V. In terms of the Letter Agreement (i) Osino Minerals made a cash payment of \$2,182 (25,000 Namibian Dollars) within 3 days of signature, (ii) an additional payment of \$10,911 (125,000 Namibian Dollars) shall be payable on the transfer of the licences by the Minister and the receipt of regulatory approval from the Ministry (iii) In addition, upon the transfer of the abovementioned EPL's to Osino Minerals and therefore the Closing of the terms of the Letter Agreement, the vendor acknowledges that EPL 7511 shall also be transferred to Osino Minerals as part of this transaction.

Osino Resources Corp. (An exploration stage company)

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Notes to the Unaudited Interim Consolidated Financial Statements

12. Capital management

As at September 30, 2019, the capital structure of the Company consists of equity attributable to common shareholders and includes share capital of \$17,831,364 (December 31, 2018 - \$14,832,727), share-based payment reserve of \$1,850,771 (December 31, 2018 - \$1,534,305), warrant reserve of \$773,317 (December 31, 2018 - \$34,650), cumulative translation reserve of \$60,849 (December 31, 2018 - \$162,374) and deficit of \$(16,657,879) (December 31, 2018 - \$(11,881,298)).

The Company's objective when managing the capital structure is to ensure sufficient financial resources exist to meet the Company's strategic exploration and business development activities.

The company is not subject to any externally imposed capital requirements.

13. Events after the reporting period

a) Company registration: The Company has met the conditions of the commitment with respect to EPL5271 ("Ndokosho") and is in the process of registering a Newco, that will own the respective licence (refer to note 11 (d)). Osino will secure a 70% interest in Newco.

b) Company registration: The Company has met the conditions of the commitment with respect to EPL4885 ("Dawids") and is in the process of registering a Newco, that will own the respective licence (refer to note 11 (g)). Osino will secure an 80% interest in Newco.

c) Transfer of EPL: The transfer of EPL5465 to Vavali Mining Exploration (Pty) Ltd, a company controlled by a subsidiary of Osino Otavi is pending.

14. 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 23 exclusive prospecting licenses in the area and applied for an additional exclusive prospecting license.

15. Related parties

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 and its related entities is listed below:

	9 months ended September 30, 2019	9 months ended September 30, 2018
Management fees expensed	\$193,500	\$182,625
Share-based payments, non-cash	94,690	210,906
Executive remuneration adjustments	540,000	-
Total	<u>\$828,190</u>	<u>\$393,531</u>

Osino Resources Corp. (An exploration stage company)

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Notes to the Unaudited Interim Consolidated Financial Statements

15. Related parties (continued)

Management fees

For the nine months ended September 30, 2019, the Company incurred management fees of \$112,500 (September 30, 2018 – \$90,000) to Sparenberg Capital Limited and \$67,500 (September 30, 2018 – \$67,500) to Rivonia Capital Inc., and \$13,500 (September 30, 2018 - \$6,000) to M & S Group and \$Nil (September 30, 2018 – \$19,125) to 2238012 Ontario Inc., companies controlled by officers and/or directors of the Company.

Share-based payments

On November 28, 2017 and October 10, 2018, the Company issued stock options at exercise prices of \$0.38 and \$0.30 respectively. These stock options are valued using the Black-Scholes pricing model the Company (refer to Note 6). The Company recorded \$94,690 (September 30, 2018: \$210,906) in share-based compensation related to the vesting of stock options to Related Parties.

Share-based bonus payment & settlement of accrued management fees

In October 2018, Osino's nomination & compensation committee resolved to address some historical executive pay inconsistencies by making bonus & retention payments to five key executives, mainly in lieu of compensation accrual which the CEO and President had previously agreed to, and also to bring Osino's executive compensation more in line with market expectations. In particular, these payments are in lieu of 1) to settle outstanding management fees to the CEO & President, who agreed to accrue a substantial part of their remuneration until a subsequent financing 2) to address historical pay imbalances (below-market executive compensation) and 3) to award bonus payments in lieu of performance. This was approved by the nominations & compensation committee in October 2018 and it was agreed to make these payments subject to a significant subsequent financing, and all executives concerned agreed to reinvest the proceeds as part of that financing.

Executive remuneration adjustments

In October 2018, Osino's nomination & compensation committee resolved to adjust some historical executive pay inconsistencies by making bonus & retention payments to 5 key executives. These payments are to settle accrued management fees to the CEO & President, who agreed to defer a substantial part of their remuneration until a subsequent financing and to partially address Osino's historical executive remuneration imbalances (below-market executive compensation during private and early public years). This was approved by Osino's nominations & compensation committee in October 2018 and it was agreed to make these payments subject to a significant subsequent financing, all executives concerned agreed to reinvest the proceeds as part of that financing.

As at September 30, 2019, \$Nil (September 30, 2018 – \$Nil) of fees due was included in accounts payable and accrued liabilities.

Osino Resources Corp. (An exploration stage company)

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Notes to the Unaudited Interim Consolidated Financial Statements

16. Loss per share

The calculation of basic and diluted loss per common share attributable to the owners of the company is based on the following data:

	9 months ended September 30, 2019	9 months ended September 30, 2018
Net loss attributable to owners of the company	\$4,772,984	\$ 4,044,062
Weighted average number of common shares outstanding (basic and diluted)	59,749,954	47,651,976
Loss per share - basic and diluted	\$0.08	\$0.08

Net loss per share

The calculation of basic and diluted loss per share for the year ended September 30, 2019 was based on the loss attributable to common shareholders of \$4,772,984 (September 30, 2018 – \$4,044,062) and the weighted average number of common shares outstanding of 59,749,954 (September 30, 2018 – 47,651,976). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

17. Financial instruments

Fair value hierarchy

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.

Fair value

As at September 30, 2019, the Company's financial instruments consist of other receivables, subscription receivables, accounts payable and accrued liabilities. These financial instruments are classified as loans and receivables or other financial liabilities and are carried at amortized cost. The fair values of these financial instruments approximate their carrying values due to the short-term nature of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. The Company takes steps to ensure that it has sufficient working capital and available sources of financing to meet future cash requirements for capital programs and operations.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Consolidated Financial Statements for the period ended September 30, 2019

Notes to the Unaudited Interim Consolidated Financial Statements

	9 months ended September 30, 2019	12 months ended December 31, 2018
Figures in Canadian Dollar		

17. Financial instruments (continued)

The Company intends to issue equity to ensure the Company has sufficient access to cash to meet current and foreseeable financial requirements. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support its financial obligations and the Company's capital programs.

Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations. The Company has credit risk with its other receivable, but it is considered to be minimal. There is no allowance for doubtful accounts recorded as at September 30, 2019.

Market risk

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

(i) Interest rate risk

The Company is not exposed to the risk that the value of financial instruments will change due to movement in market interest rates.

(ii) Currency risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company has a portion of accounts payable and accrued liabilities in US Dollar, British Pound, and Namibian Dollar.

The following assets were denominated in foreign currencies presented in Canadian dollars :

	NAD	NAD
Cash and cash equivalents	11,267,648	7,777,515
Other receivables and prepaid expenses	5,154,311	3,358,113
Property, plant and equipment	2,197,715	2,130,379
Right of use asset	206,609	-
Total	18,826,283	13,266,007

A fluctuation of +/-10% provided as an indicative range in currency movement, on assets that are denominated in foreign currencies other than Canadian dollars, with, all other things being equal, have an effect on the after-tax net income and other comprehensive income of approximately +/- \$164,334 (December 31, 2018: \$125,285).

(iii) Commodity price risk

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