



Osino Resources Corp. (An exploration stage company)
Unaudited Interim Condensed Consolidated Financial Statements
for the three and nine months ended September 30, 2020

Osino Resources Corp. (An exploration stage company)

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Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020

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 condensed consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the unaudited interim condensed 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 the International Financial Reporting Standards.

The unaudited interim condensed consolidated financial statements are prepared in accordance with the 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 condensed 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 condensed consolidated financial statements. The unaudited interim condensed consolidated financial statements have been examined by the Company's independent reviewer.

The unaudited interim condensed consolidated financial statements set out on pages 3 to 21, which have been prepared on the going concern basis, were approved by the board of directors on November 27, 2020 and were signed on their behalf by:

/s/ "Heye Daun"
Director

/s/ "Alan Friedman"
Director

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020

Interim Condensed Consolidated Statements of Financial Position

Figures in Canadian Dollar	Note(s)	September 30, 2020	(Audited) December 31, 2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	368,133	203,805
Right of use asset	3	4,799	14,173
		372,932	217,978
Current Assets			
Sales tax receivables and prepaid expenses	4	1,236,518	781,621
Short - term investments	5	11,026,032	-
Cash and cash equivalents	6	14,843,769	1,252,375
		27,106,319	2,033,996
Total Assets		27,479,251	2,251,974
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	7	43,199,870	17,773,663
Reserves		9,033,610	2,811,907
Accumulated deficit		(25,472,519)	(18,808,575)
		26,760,961	1,776,995
Non-controlling interest		(566,422)	(346,772)
		26,194,539	1,430,223
Liabilities			
Non-Current Liabilities			
Other financial liabilities	8	78,292	60,216
Lease liability	9	-	4,324
		78,292	64,540
Current Liabilities			
Trade and other payables	10/15	1,169,150	716,864
Other financial liabilities	8	30,910	28,695
Lease liability	9	6,360	11,652
		1,206,420	757,211
Total Liabilities		1,284,712	821,751
Total Equity and Liabilities		27,479,251	2,251,974

Nature of business (note 1)

Events after the reporting period (note 14)

The notes are an integral part of the unaudited interim condensed consolidated financial statements.

/s/ "Heye Daun"
Director

/s/ "Alan Friedman"
Director

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020

Interim Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended:

Figures in Canadian Dollar	Note(s)	3 months ended September 30, 2020	3 months ended September 30, 2019	9 months ended September 30, 2020	9 months ended September 30, 2019
Amortisation and depreciation	2/3	(11,959)	(17,259)	(32,545)	(51,482)
Consulting and professional fees		(400,023)	(375,959)	(835,783)	(749,517)
Exploration and evaluation		(2,577,340)	(662,507)	(3,740,163)	(1,938,651)
Management fees	15	(207,000)	(64,500)	(393,000)	(727,757)
Office and administration		(135,839)	(251,420)	(420,454)	(498,802)
Salaries and benefits		(329,914)	(167,716)	(713,902)	(511,220)
Stock option expense	7	(299,467)	(104,296)	(837,697)	(316,466)
Travel		(1,693)	(33,073)	(48,059)	(125,933)
Operating loss		(3,963,235)	(1,676,730)	(7,021,603)	(4,919,828)
Investment income		108,594	4,788	145,186	37,974
Finance charges	8/9	(2,685)	-	(7,177)	-
Loss for the period		(3,857,326)	(1,671,942)	(6,883,594)	(4,881,854)
Other comprehensive (loss)/income:					
Foreign currency translation		65,102	(68,860)	(123,996)	(101,525)
Total comprehensive loss for the period		(3,792,224)	(1,740,802)	(7,007,590)	(4,983,379)
Loss attributable to:					
Owners of the parent		(3,717,084)	(1,631,469)	(6,663,944)	(4,772,984)
Non-controlling interest		(140,242)	(40,473)	(219,650)	(108,870)
		(3,857,326)	(1,671,942)	(6,883,594)	(4,881,854)
Total comprehensive loss attributable to:					
Owners of the parent		(3,651,982)	(1,700,329)	(6,787,940)	(4,874,509)
Non-controlling interest		(140,242)	(40,473)	(219,650)	(108,870)
		(3,792,224)	(1,740,802)	(7,007,590)	(4,983,379)
Loss per share					
Weighted number of shares outstanding	16	100,264,280	65,689,962	88,419,769	59,749,954
Loss per share - Basic and diluted	16	\$0.04	\$0.03	\$0.08	\$0.08

The notes are an integral part of the unaudited interim condensed consolidated financial statements.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the nine months ended September 30, 2020

Interim Condensed Consolidated Statements 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)
Shares 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	-
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)	-
Comprehensive loss adjustment	-	-	-	-	(101,525)	-	(101,525)	-
Loss for the period	-	-	-	-	-	(4,772,984)	(4,772,984)	(108,870)
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)
Private placement	-	-	-	-	-	-	-	-
Share issue costs	-	(57,701)	-	-	-	-	(57,701)	-
Issue of warrants	-	-	-	-	-	-	-	-
Private placement - Finders' Shares	-	-	-	-	-	-	-	-
Movement in value of stock options	-	-	57,666	-	-	-	57,666	-
Comprehensive income adjustment	-	-	-	-	69,304	-	69,304	-
Loss for the period	-	-	-	-	-	(2,150,696)	(2,150,696)	(78,619)
Balance at December 31, 2019	67,368,495	17,773,663	1,908,437	773,317	130,153	(18,808,575)	1,776,995	(346,772)

The notes are an integral part of the unaudited interim condensed consolidated financial statements.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the nine months ended September 30, 2020

Interim Condensed Consolidated Statements 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, 2019	67,368,495	17,773,663	1,908,437	773,317	130,153	(18,808,575)	1,776,995	(346,772)
Share issue costs	-	(2,552,866)	-	-	-	-	(2,552,866)	-
Prospectus offering	34,049,150	31,710,337	-	-	-	-	31,710,337	-
Exercise of warrants	1,838,850	1,863,488	-	(405,779)	-	-	1,457,709	-
Comprehensive loss adjustment	-	-	-	-	(123,996)	-	(123,996)	-
Loss for the period	-	-	-	-	-	(6,663,944)	(6,663,944)	(219,650)
Movement in value of stock options	-	-	837,697	-	-	-	837,697	-
Issue of warrants	-	(6,085,019)	-	6,085,019	-	-	-	-
Exercise of stock options	475,997	391,517	(171,238)	-	-	-	220,279	-
Shares issued for the acquisition of exploration licences	62,500	98,750	-	-	-	-	98,750	-
Balance at September 30, 2020	103,794,992	43,199,870	2,574,896	6,452,557	6,157	(25,472,519)	26,760,961	(566,422)

The notes are an integral part of the unaudited interim condensed consolidated financial statements.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020

Interim Condensed Consolidated Statements of Cash Flows for the period ended:

Figures in Canadian Dollar	Note(s)	9 months ended September 30, 2020	9 months ended September 30, 2019
Cash flows from operating activities			
Cash used in operations*	11	(6,011,631)	(4,622,726)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(226,271)	(29,594)
Purchase of short - term investments		(11,026,032)	-
Net cash used in investing activities		(11,252,303)	(29,594)
Cash flows from financing activities			
Proceeds from common shares net of issuance costs	7	29,157,471	3,516,890
Proceeds from warrants and stock options	7	1,677,988	-
Proceeds from loans	8/9	55,754	13,198
Repayment of loan/lease	8/9	(35,885)	(54,608)
Net cash from financing activities		30,855,328	3,475,480
Total cash movement for the period		13,591,394	(1,176,840)
Cash at the beginning of the period		1,252,375	4,199,104
Total cash at end of the period	6	14,843,769	3,022,264

*Cash utilised in operating activities includes:
Interest income

145,186 37,974

The notes are an integral part of the unaudited interim condensed consolidated financial statements.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020

Accounting Policies

1. Nature of business and significant accounting policies

Nature of Business

Osino Resources Corp. (the Company or the Group) 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 West Pender Street, Vancouver, BC, 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.

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."

During the first quarter of 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian and Namibian governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions and staff shortages, all of which may negatively impact the Company's business and financial condition. Due to the COVID-19 pandemic, all exploration operations including our site camps were demobilized and shutdown on March 27, 2020 in accordance with the "lockdown" procedures enacted in Namibia to combat the spread of the virus. This was done on the order of the President of the Republic of Namibia for certain regions of Namibia, which includes those in which Osino operates.

On April 30, 2020, the Government of Namibia announced that some restrictions would be lifted to allow exploration activities to resume, with certain limitations and adherence to COVID-19 related precautions. The Company recommenced field work on May 8, 2020.

a) Statement of compliance with IFRS

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited interim condensed consolidated financial statements are based on IFRSs issued and outstanding as of November 27, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited interim condensed consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2019, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's consolidated annual financial statements for the year ending December 31, 2020 could result in restatement of these unaudited interim condensed consolidated financial statements.

b) Functional currency translation

i) Functional and presentation currency

Items included in the interim condensed consolidated 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 interim condensed 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\$").

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020

Accounting Policies

c) Basis of presentation

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These interim condensed 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, the accounts of 80% owned Terrace Minerals Exploration (Pty) Ltd, the accounts of 80% owned Tolo Minerals Exploration (Pty) Ltd and the accounts of 90% owned Toroa Minerals Exploration (Pty) Ltd. All intercompany transactions, balances, and unrealized gains and losses on intercompany transactions have been eliminated.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

2. Property, plant and equipment

	Nine Months ended September 30, 2020			Year ended December 31, 2019		
	Cost \$	Accumulated depreciation \$	Carrying value \$	Cost \$	Accumulated depreciation \$	Carrying value \$
Property, plant and machinery	93,741	(33,881)	59,860	56,634	(27,719)	28,915
Furniture and fixtures	10,624	(4,793)	5,831	11,290	(4,141)	7,149
Motor vehicles	274,319	(58,403)	215,916	207,925	(58,207)	149,718
Office equipment	6,246	(3,206)	3,040	7,379	(2,864)	4,515
IT equipment	19,788	(3,430)	16,358	8,263	(2,622)	5,641
Leasehold improvements	69,889	(2,761)	67,128	9,372	(1,505)	7,867
Total	474,607	(106,474)	368,133	300,863	(97,058)	203,805

Reconciliation of property, plant and equipment - nine months ended September 30, 2020

	Opening balance \$	Additions \$	Foreign exchange movements \$	Depreciation \$	Total \$
Property, plant and machinery	28,915	47,121	(5,458)	(10,718)	59,860
Furniture and fixtures	7,149	1,099	(1,092)	(1,325)	5,831
Motor vehicles	149,718	101,151	(25,556)	(9,397)	215,916
Office equipment	4,515	-	(671)	(804)	3,040
IT equipment	5,641	13,161	(1,199)	(1,245)	16,358
Leasehold improvements	7,867	63,739	(2,948)	(1,530)	67,128
	203,805	226,271	(36,924)	(25,019)	368,133

Reconciliation of property, plant and equipment - year ended December 31, 2019

	Opening balance \$	Additions \$	Foreign exchange movements \$	Depreciation \$	Total \$
Property, plant and machinery	33,851	9,628	(573)	(13,991)	28,915
Furniture and fixtures	8,066	1,011	(134)	(1,794)	7,149
Motor vehicles	147,228	18,606	(2,206)	(13,910)	149,718
Office equipment	5,835	-	(104)	(1,216)	4,515
IT equipment	3,963	2,990	(42)	(1,270)	5,641
Leasehold improvements	2,123	6,986	36	(1,278)	7,867
	201,066	39,221	(3,023)	(33,459)	203,805

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

3. Right of use asset

	9 months ended September 30, 2020 \$	12 months ended December 31, 2019 \$
Balance at beginning of period/year	14,173	-
Adoption of IFRS - January 1, 2019	-	86,010
Modified retrospective adjustment for accumulated amortisation - January 1, 2019	-	(37,914)
	14,173	48,096
Depreciation	(7,526)	(33,023)
Effect of exchange rate movement	(1,848)	(900)
Balance at end of period/year	4,799	14,173

The right of use asset consisted 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 term has 6 months left. The undiscounted future payments for settlement by March 31, 2021 amount to \$6,109.

4. Sales tax receivables and prepaid expenses

	9 months ended September 30, 2020 \$	12 months ended December 31, 2019 \$
Value Added Taxation	1,079,593	703,478
Prepayments	156,925	78,143
Total sales tax receivables and prepaid expenses	1,236,518	781,621

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

5. Short - term investments

Short - term investments consist of:

	9 months ended September 30, 2020 \$	12 months ended December 31, 2019 \$
Short - term investments	11,026,032	-
	11,026,032	-

The Company has \$11,026,032 (December 31, 2019 – \$30,754) invested in various Guaranteed Investment Certificates ("GICs") and deposits earning interest rates ranging between 0.73% to 7.50%. The investments have maturity dates ranging from 180 days to 365 days.

The Company's short - term investments, by currency, at September 30, 2020 and December 31, 2019 was as follows:

	9 months ended September 30, 2020 \$	12 months ended December 31, 2019 \$
Canadian Dollar	11,000,000	-
Namibian Dollar	26,032	-
	11,026,032	-

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	9 months ended September 30, 2020 \$	12 months ended December 31, 2019 \$
Cash in bank and on hand	5,148,643	1,252,375
Cash held in trust with attorneys	360,126	-
Cash held in short - term GICs	9,335,000	-
	14,843,769	1,252,375

The Company's cash, by currency, at September 30, 2020 and December 31, 2019 was as follows:

Cash - Canada	12,994,994	753,988
Cash - Namibia	1,848,775	498,387
	14,843,769	1,252,375

Osino Resources Corp. (An exploration stage company)

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital

	9 months ended September 30, 2020 \$	12 months ended December 31, 2019 \$
Issued and outstanding		
Issued common shares	\$43,199,870	\$17,773,663

Issued and common shares are as follows:

	Number of Shares	Value
Balance as at December 31, 2018	56,297,976	\$14,832,727
Acquisition of exploration licences - March 2019	775,520	228,302
Finders' fee shares issued - July 2019	42,857	15,000
Share issuance costs	-	(151,949)
Private placement - July 2019	10,252,142	3,588,250
Share purchase warrants issued	-	(738,667)
Balance as at December 31, 2019	67,368,495	\$17,773,663
Prospectus Offering	34,049,150	31,710,337
Share issuance costs	-	(2,552,866)
Exercise of warrants	1,838,850	1,863,488
Share purchase warrants issued	-	(5,352,433)
Broker warrants issued	-	(732,586)
Exercise of stock options	475,997	391,517
Shares issued for the acquisition of exploration licences	62,500	98,750
Balance as at September 30, 2020	103,794,992	\$43,199,870

Effective March 21, 2019, in line with commitments entered into between the Company and certain EPL owners, 775,520 common shares with a fair value of \$228,302 was issued. The amount of \$228,302 was expensed and was included in the interim condensed consolidated statements of profit or loss and other comprehensive income.

Effective July 15, 2019, the Company completed and closed an oversubscribed non-brokered private placement 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. Share issuance costs amounting to \$151,949 were incurred with this offering and other capital activities during the year.

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital (continued)

On January 30, 2020, the Company completed its overnight marketed offering of units of the Company (the "Units"). Each Unit consists of one common share in the capital of the Company and one-half of one transferable common share purchase warrant (each whole warrant, a "Warrant"). Each warrant is exercisable for the acquisition of one common share in the Company at an exercise price of \$1.05 per share for a period of 24 months from the date of issuance. If, at any time following the date nine months after the Effective Date, the closing price of the Common Shares for any five consecutive trading days is equal to or greater than \$1.09 per Common Share, the Corporation may, within fifteen days, exercise the Acceleration Right by delivering an Acceleration Notice to the Warrantholders whereupon the Warrants will expire on the 30th calendar day after the date of such Acceleration Notice. The broker warrants issued as part of the offering are not subject to the acceleration right. An aggregate of 17,949,150 units were sold pursuant to the Offering, at a price of \$0.78 per Unit (the "Offering Price") for aggregate gross proceeds of \$14,000,337. Pursuant to the Underwriting Agreement, the Underwriters received a cash commission of \$815,740. A further \$393,169 in share issuance costs were incurred by the Company. The Company also issued to the Underwriters non-transferable common share purchase warrants entitling the Underwriters to acquire 1,045,820 Common Shares at an exercise price of \$0.78 per Common Share for a period of 24 months from the closing of the Offering. The broker warrants were valued at \$404,468 using the Black - Scholes pricing model. The Units were issued pursuant to a short form prospectus dated January 23, 2020.

During the nine months ended September 30, 2020, 1,838,850 share purchase and broker warrants were exercised for gross proceeds equivalent to \$1,457,709. The fair value of the warrants exercised were \$405,779 using the Black Scholes pricing model.

On July 14, 2020, the Company completed its overnight marketed offering of units of the Company (the "Units"). Each Unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") of the Company. Each Warrant will be exercisable to acquire one common share of the Company for a period of 12 months from the date of issuance at an exercise price of C\$1.50 per common share. An aggregate of 16,100,000 units were sold pursuant to the Offering, at a price of \$1.10 per Unit (the "Offering Price") for aggregate gross proceeds of \$17,710,000. Pursuant to the Underwriting Agreement, the Underwriters received a cash commission of \$1,062,600. An additional \$281,357 in share issuance costs were incurred by the Company. The Company also issued to the Underwriters non-transferable common share purchase warrants entitling the Underwriters to acquire 805,000 Common Shares at an exercise price of \$1.10 per Common Share for a period of 12 months from the closing of the Offering. The broker warrants were valued at \$328,118 using the Black - Scholes pricing model. The Units were issued pursuant to a short form prospectus dated July 8, 2020.

Effective September 8, 2020, in line with commitments entered into between the Company and certain EPL owners, 62,500 common shares of the Company with a fair value of \$98,750 was issued. \$98,750 was expensed and is included in the interim condensed consolidated statements of profit or loss and other comprehensive income for the period.

During the nine months ended September 30, 2020, 475,997 common stock options were exercised for gross proceeds equivalent to \$220,279. The stock options were valued at \$171,238 using the Black Scholes pricing model.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital (continued)

Stock options and share-based payments

	Number of Options	Weighted Average Exercise Price
Balance as at December 31, 2019	5,540,223	\$0.36
Issued	2,235,000	\$0.91
Exercised	(475,997)	(\$0.46)
Balance as at September 30, 2020	7,299,226	\$0.52

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.

The stock options are subject to the following vesting conditions: 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.

On February 27, 2020, the Company issued 1,835,000 stock options at an exercise price of \$0.80 and an expiry date of February 27, 2025. The stock options were valued at \$997,139 using the Black-Scholes pricing model with the following assumptions:

share price - \$0.75; risk free rate – 0.46%; expected volatility – 99%; dividend yield – nil; and expected life – 5 years.

The stock options are subject to the following vesting conditions: 611,667 stock options vested on the grant date, 611,667 stock options will vest on February 27, 2021, the remaining 611,666 stock options will vest on February 27, 2022.

On August 7, 2020, the Company issued 400,000 stock options at an exercise price of \$1.40 and an expiry date of August 7, 2025. The stock options were valued at \$386,160 using the Black-Scholes pricing model with the following assumptions:

share price - \$1.40; risk free rate – 0.23%; expected volatility – 96%; dividend yield – nil; and expected life – 5 years.

The stock options are subject to the following vesting conditions: 133,332 stock options vested on the grant date, 133,334 stock options will vest on August 7, 2021, the remaining 133,334 stock options will vest on August 7, 2022. The Option Shares will expire on August 7, 2025 (the "Expiry Date").

During the period ended September 30, 2020, the Company recorded \$837,697 (September 30, 2019: \$316,466) in share-based compensation related to the vesting of stock options.

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital (continued)

The following table summarizes information about the Company's stock options outstanding as at September 30:

Options outstanding	Expiration Date	Exercise price	Exercisable September 30, 2020
3,626,791	November 28, 2022	\$0.38	3,626,791
1,454,101	October 10, 2023	\$0.30	929,400
100,000	April 26, 2024	\$0.40	66,666
1,718,334	February 27, 2025	\$0.80	495,001
400,000	August 7, 2025	\$1.40	133,332
<u>7,299,226</u>		<u>\$0.52</u>	<u>5,251,190</u>

Warrants reserve

	Number of Warrants	Weighted Average Exercise Price
Balance as at December 31, 2019	5,126,072	\$0.55
Issued	18,875,395	\$1.23
Exercised	(1,838,850)	(\$0.79)
Balance as at September 30, 2020	<u>22,162,617</u>	<u>\$1.11</u>

The following table summarizes information about the Company's common share purchase warrants outstanding as at September 30, 2020:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding September 30, 2020
July 15, 2019	July 15, 2021	\$0.55	4,054,713
January 30, 2020	January 30, 2022	\$1.05	8,475,250
January 30, 2020	January 30, 2022	\$0.78	965,154
July 15, 2020	July 14, 2021	\$1.50	7,862,500
July 15, 2020	July 14, 2021	\$1.10	805,000
Total outstanding			<u>22,162,617</u>

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital (continued)

During the nine months ended September 30, 2020 and September 30, 2019, the following warrants were issued and valued using the Black - Scholes option pricing model parameters listed below (in each case with no dividends and a nil forfeiture rate):

Date of issuance	Expiry Date	Exercise Price	Grant Date Stock Price	Black - Scholes Option Pricing Parameters			Fair Value
				Risk - free Interest Rate	Expected life of option in years	Volatility Factor	
July 15, 2019 Warrants	July 15, 2021	\$0.55	\$0.34	1.56%	2.0	102%	\$0.14
January 30, 2020 Warrants	January 30, 2022	\$1.05	\$0.77	1.47%	2.0	95%	\$0.33
January 30, 2020 Warrants	January 30, 2022	\$0.78	\$0.77	1.47%	2.0	95%	\$0.39
July 14, 2020 Warrants	July 14, 2021	\$1.50	\$1.13	0.24%	1.0	91%	\$0.30
July 14, 2020 Warrants	July 14, 2021	\$1.10	\$1.13	0.24%	1.0	91%	\$0.41

8. Other financial liabilities

	9 months ended September 30, 2020 \$	12 months ended December 31, 2019 \$
Held at amortised cost		
First National Bank Leases	109,202	88,911

The finance leases are subject to interest at a rate between 9.75% and 11.25% per annum and are repayable in 54 monthly instalments.

Reconciliation of other financial liabilities

Balance at beginning of period/year	88,911	102,304
Additions	55,754	12,836
Finance charges	6,016	11,052
Finance lease instalments	(26,935)	(33,494)
Effect of exchange rate movement	(14,544)	(3,787)
Balance at end of period/year	109,202	88,911

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

8. Other financial liabilities (continued)

Split between non-current and current portions

	9 months ended September 30, 2020 \$	12 months ended December 31, 2019 \$
Non-current liabilities	78,292	60,216
Current liabilities	30,910	28,695
	109,202	88,911

9. Lease liability

Reconciliation of other financial liabilities

	9 months ended September 30, 2020 \$	12 months ended December 31, 2019 \$
Balance at beginning of period/year	15,976	-
Adoption of IFRS 16	-	51,689
	15,976	51,689
Finance charges	1,161	3,186
Lease instalments	(8,950)	(32,754)
Effect of exchange rate movement	(1,827)	(6,145)
Balance at end of period/year	6,360	15,976

Split between non-current and current portions

	9 months ended September 30, 2020 \$	12 months ended December 31, 2019 \$
Non-current liabilities	-	4,324
Current liabilities	6,360	11,652
	6,360	15,976

The lease liability is unsecured, bears interest at 10.5% per annum and is repayable over the following 6 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.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

10. Trade and other payables

	9 months ended September 30, 2020 \$	12 months ended December 31, 2019 \$
Financial instruments:		
Trade payables	1,024,161	386,902
Other payables	76,048	34,462
Accrued expense	68,941	295,500
	1,169,150	716,864

11. Cash used in operations

	9 months ended September 30, 2020 \$	9 months ended September 30, 2019 \$
Loss before taxation	(6,883,594)	(4,881,854)
Adjustments for:		
Depreciation and amortisation	32,545	51,482
Leave pay provision	26,446	8,443
Stock options expense	837,697	316,466
Interest expense	7,177	11,215
Acquisition of mineral exploration licences	-	228,302
Foreign exchange	(101,595)	(79,349)
Issue of shares for mineral properties	98,750	-
Changes in working capital:		
Sales tax receivables and prepaid expenses	(454,897)	(372,927)
Trade and other payables	425,840	95,496
	(6,011,631)	(4,622,726)

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

12. Commitments

As at September 30, 2020, the Company had the following contractual arrangements and commitments in place for the provision of certain services:

a) 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 exclusive prospecting license 5641. 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). On April 21, 2020, Osino signed an addendum to the agreement to extend the Exploration Period by an estimated 2 calendar months from the original anniversary date of April 21, 2020 in order to complete the technical specifications of the Exploration Period. Osino has successfully completed the work requirements to fulfil the terms of the agreement. Additional work is ongoing as agreed between the parties on EPL5641. (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 extended Exploration Period ("the Second Exploration Period"). (iii) Osino Namibia is entitled to a further 19% stake in Newco on the incurrence 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 therefore then be increased to 90%.

13. Capital management

As at September 30, 2020, the capital structure of the Company consists of equity attributable to common shareholders and includes share capital of \$43,199,870 (December 31, 2019 - \$17,773,663), share-based payment reserve of \$2,574,896 (December 31, 2019 - \$1,908,437), warrant reserve of \$6,452,557 (December 31, 2019 - \$773,317), cumulative translation reserve of \$6,157 (December 31, 2019 - \$130,153) and deficit of \$(25,472,519) (December 31, 2019 - \$(18,808,575)).

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.

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 28 exclusive prospecting licenses in the area and has applied for an additional exclusive prospecting license after the period end.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

15. Related parties

	Three Months ended September 30, 2020	Three Months ended September 30, 2019	Nine Months ended September 30, 2020	Nine Months ended September 30, 2019
Management and directors fees expensed	\$229,500	\$64,500	\$438,000	\$193,500
Share-based payments, non-cash	\$60,462	\$38,469	\$297,420	\$114,154
Executive remuneration adjustments and provisions	-	-	-	\$540,000
Total	\$289,962	\$102,969	\$735,420	\$847,654

Key management compensation – Management and Directors' Fees

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer, Executive Chairman and Directors. For the three and nine months ended September 30, 2020, total key management compensation was \$289,962 and \$735,420 (September 30, 2019 - \$102,969 and \$847,654), which includes management fees, bonuses and salaries of \$207,000 and \$393,000 (September 30, 2019 - \$64,500 and \$733,500), directors fees of \$22,500 and \$45,000 (September 30, 2019 - \$Nil) and share-based compensation of \$60,462 and \$297,420 (September 30, 2019 - \$38,469 and \$114,154).

As at September 30, 2020, \$Nil (December 31, 2019 – \$272,500) of related party payments due was included in trade and other payables.

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:

	Nine Months ended September 30, 2020	Nine Months ended September 30, 2019
Net loss attributable to owners of the company	\$6,663,944	\$4,772,984
Weighted average number of common shares outstanding (basic and diluted)	88,419,769	59,749,954
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 period ended September 30, 2020 was based on the loss attributable to common shareholders of \$6,663,944 (September 30, 2019 – \$4,772,984) and the weighted average number of common shares outstanding of 88,419,769 (September 30, 2019 – 59,749,954). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.