**OSINO RESOURCES CORP.**

**MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")**
**For the three and nine months ended September 30, 2020**

**Prepared by:**


**OSINO RESOURCES CORP.**

Suite 810 – 789 West Pender Street
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November 27, 2020

## INTRODUCTION

Osino Resources Corp, the "**Company**" or "**Osino**", is a Canadian company, focused on the acquisition and development of gold projects in Namibia. Through its subsidiaries, the Company's Namibian interests comprise 28 exclusive exploration licences located within the central zone of Namibia's prospective Damara belt, mostly in proximity to and along strike of the producing Navachab and Otjikoto Gold Mines. Osino is focusing its efforts on further developing its Twin Hills project and Karibib regional targets, advancing the Goldkuppe discovery and satellite targets, as well as defining new exploration targets in the Otjikoto East and Otjiwarongo areas.

The Company's head office is in Vancouver, Canada. The Company's common shares (the "**Common Shares**") trade on the TSX Venture Exchange (the "**TSX-V**") under the symbol "OSI" and on OTC Markets on the OTCQB Exchange under the symbol "OSIIF".

This Management Discussion and Analysis ("**MD&A**") focuses on significant factors that affected Osino and its subsidiaries during the relevant reporting period and to the date of this report. The MD&A supplements, but does not form part of, the Unaudited Interim Condensed Consolidated Financial Statements of the Company and the notes thereto for the three and nine months ended September 30, 2020, and, consequently, should be read in conjunction with the aforementioned financial statements and notes thereto.

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

All amounts are reported in Canadian dollars, unless otherwise noted. This MD&A has been prepared as at November 27, 2020.

## ADDITIONAL INFORMATION

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

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (the "**IASB**"). The Company's Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020 were prepared in accordance with IFRS.

David Underwood, BSc. (Hons.) is Vice President Exploration of Osino Resources Corp. and has reviewed and approved the scientific and technical information in this MD&A, and is a registered Professional Natural Scientist with the South African Council for Natural Scientific Professions (Pr. Sci. Nat. No. 400323/11) and a Qualified Person for the purposes of NI 43-101.

## OVERVIEW OF SIGNIFICANT EVENTS AND ACTIVITIES

The key event during the quarter was the continuation and expansion of the 2020 drill program at Twin Hills Central ("THC") and related targets. The initial COVID-19 lockdown conditions were eased and the company could expand its drilling operations through adding three additional reverse circulation (RC) rigs and two additional diamond drill rigs to the three existing rigs on site.

As of September 30, 2020, 25,490 meters of the planned drill program had been completed. The program largely aims to produce a maiden mineral resource estimate in early 2021.

**SIGNIFICANT DEVELOPMENTS**

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

- The Company resumed its exploration activities with the recommencement of the Twin Hills drill program in the second quarter of 2020. The government of Namibia announced on April 30, 2020, that exploration activities would be allowed to resume with certain COVID-19 related limitations and precautions in place As a result of this, Osino field work re-commenced on May 8, 2020, with Twin Hills drilling scheduled later in May 2020. A 20,000 meter drill program at the THC Discovery was initiated in mid-March 2020 with four drill holes completed before activities were halted on March 27,2020 due to COVID-19. The remainder of the program is still expected to be completed before the end of CY2020, in line with the February 2020 work program announcement.

- On July 14, 2020, the Company announced that it had closed its previously announced financing and that the underwriters had exercised the over-allotment option in full, raising aggregate gross proceeds totalling C$17,710,000.

  The Company intends to use the net proceeds from the Offering to fund exploration expenditure at the Company's exploration projects in Namibia as well as for working capital and general corporate purposes (refer to "Use of Funds" later in this report).

**OVERVIEW OF OPERATIONS**

Assays received during the reporting period for ten holes drilled returned significant intersections including very wide mineralized zones in the western portions of THC in an area referred to as "The Bulge".

The company also managed to complete an Induced Polarization (IP) survey over the Twin Hills Project covering a total of 16km$^2$. The survey has outlined a number of new drill targets below the calcrete cover as well as extended and amplified the scale of known targets previously indicated by gold-in-calcrete, as well as magnetic anomalies.

Furthermore, a preliminary metallurgical test work program on 10 samples from the Twin Hills project area was completed. A second, broader, phase of metallurgical test work is underway with results expected before the end of 2020.

*Availability of Funding*

*As* at September 30, 2020, the Company had working capital of $25,899,899 (September 30, 2019: $3,452,534). This includes cash and cash equivalents totalling $14,843,769 (September 30, 2019: $2,995,429) and short-term investments in Guaranteed Investment Certificates totalling $11,026,032 (September 2019: $26,835). It is anticipated that the available funds on hand will be sufficient to meet the Company's budgeted exploration activities and any administrative costs as well as achieve the Company's objectives as described in this report.

*Mineral Properties*

As at September 30, 2020, the Company had secured 28 Exclusive Prospective Licences in Namibia, which constitute the following project areas:

*Table 1: Project and Licence Areas*

| **Project Area** | **Area (Hectares)** | **Location** |
|---|---|---|
| | | |
| Karibib Gold Project (16 licences) * <br> *(* 2 licences considered non-gold related)* | 189,146 | Central Namibia, in the vicinity of regional towns/ settlements of Omaruru, Usakos, Karibib and Wilhelmstal. |
| Otjikoto East Gold Project (2 licences) | 104,846 | Northern Namibia, in the vicinity of regional towns/ settlements of Otavi, Kombat and Grootfontein. |
| Otjiwarongo Regional Project (10 licences) | 422,080 | Central Namibia, in the vicinity of regional towns/ settlements of Otjiwarongo, Khorixas and Kalkfeld. |
| | | |
| **Total** | **716,072** | |

**WORK PROGRAM AND RESULTS**

**Karibib Gold Project**

The Karibib Gold Project comprises sixteen licenses comprising approximately 1,891 km2 at September 30, 2020. This includes two licences considered as non-gold related, but still form part of the Company's ongoing programs in the area.

The main focus of the project remains the Twin Hills Central discovery and the strike extension targets which make up the Twin Hills Cluster. Twin Hills Central is at least 1.3km in strike length and is open to the east and west, as well as down dip. The Twin Hills Cluster is 11km long and consists of 5 main target areas (from east to west): Twin Hills East Prospect, Barking Dog Target, Clouds Target, Twin Hills Central discovery and Twin Hills West. Recent (IP) ground geophysics surveys have highlighted a number of new anomalies and targets that require follow up. The

Twin Hills Cluster of prospects and targets forms part of the Karibib Fault and Karibib Gold Trend, which has been defined over more than 50km strike length and is referred to in this report as the Karibib Gold Project.

Additional results from the Twin Hills Project were reported on in this quarter. These results continue to confirm the presence of a large gold mineralised system at Twin Hills Central. Assays received for ten holes during the reporting period returned significant intersections including very wide mineralized zones in the western portions of THC in an area referred to as “the bulge”. Holes OKD049 and OKD041 are considered exceptional for their mineralized widths of 268m at 0.60g/t and 203m at 0.74g/t (including 92m at 1.00g/t and 22m at 1.40g/t respectively). The results from these in-fill and expansion holes confirm the lateral continuity and depth extension (down-dip) to approximately 300m of previously identified gold mineralization at THC. Some deeper follow-up drilling with hole lengths up to 400m are planned to further test the down-dip and strike extension of the mineralization uncovered.

The 2020 drill program is constantly being reviewed and revised to reflect the field and laboratory results received. The primary focus of the drilling is now at Twin Hills Central and is aimed at highlighting a compliant mineral resource estimate in early 2021. To meet this target, the Company added three additional reverse circulation (“RC”) rigs and two additional diamond drill rigs to the site during the reporting period.

The gradient array IP (Induced Polarization) survey was completed and results were interpreted in August 2020. The survey area (16km$^2$) covers most of the buried, prospective geology at Twin Hills and has added a valuable layer of new data, which directly detects sulphide mineralization associated with gold, and enhances the geological mapping confidence. The survey identified 5 new drill ready targets, some of which were not previously detected in the ground magnetic data, indicating the potential for significant additional mineralization in this growing gold area. Existing targets at Twin Hills Central and Clouds were extended and parallel trend zones were identified to the east, south and north of Twin Hills Central, in areas that have never been drilled before. Follow up of these newly identified targets utilizing RC, DD and percussion drilling is planned for later on in 2020, carrying over into 2021.

The Company continues to get input from external consultant structural geologists which is augmenting the in-house work produced by the Company’s geologist’s, and is a vital aid in ongoing interpretation of the Twin Hills Central mineralisation controls. The Company has also engaged a consultant geotechnical specialist to assist with the collection of geotechnical logging data, in preparation for more advanced preliminary mining studies, which are likely to begin after the maiden resource estimate has been published.

Preliminary metallurgical test-work results were received in the quarter. Leach test-work concluded that samples were amenable to standard cyanide leaching. Indicated recoveries are up to 94.6% with an average dissolution estimated at 89.3%. This is promising for non-optimized test-work of this nature. Results also suggest a small gold grain size and no “nugget effect”. A specialist consultant has been appointed to manage the next phase of the metallurgical test-work on this project.

Work continues on the regional extensions of the Karibib Gold Trend and other regional targets which include RC, DD and shallow percussion calcrete and bedrock drilling, expected to begin in the last quarter of 2020. A surface sampling program to the north and south of the Twin Hills Project is also planned for the fourth quarter of 2020, carrying over into 2021.

**Otjikoto East Gold Project**

The Otjikoto East Gold Project comprises two licenses covering approximately 1,048km$^2$. The remaining license areas include more than 100km of strike length of prospective geology similar to that which hosts the gold mineralization at the Otjikoto Gold Mine (owned by B2Gold Corp.), which is less than 10km to the west of the Company's license area(s), and other known gold deposits in Namibia.

With the focus on the Karibib Project, and in order to better control travel and workforce movements during COVID-19 lockdown conditions, regional sampling and drilling programs on the project that were planned for the quarter under review were delayed until later in 2020. Work during this quarter focused on the reinterpretation of results and the preparation for field programs that are likely to begin in the fourth quarter of 2020. The work program will include the drilling of the Au-Cu anomalies identified in bedrock using percussion drill rigs at Fairview, as well as the commencement of a surface sampling program of unsampled regional targets that had been previously identified.

**Otjiwarongo Regional Gold Project**

The Otjiwarongo Regional Gold Project comprises ten licenses with a surface area in excess of 4,221km$^2$, situated in central Namibia, to the north of the Karibib Gold Project. The licenses lie roughly between the Company's Karibib and Otjikoto East Gold Projects.

Regional sampling in the region continued during the quarter under review on a number of licences. Drilling is planned for the first half of 2021 to follow up on an Au-As anomaly located and identified in 2019. The anomaly was identified using bedrock percussion drilling at Etekero. The drilling to be undertaken at Etekero aims to establish the size and grade potential of the anomaly, as well as obtaining geological and structural information on this target that is under cover.

Regional sampling and mapping will continue into the fourth quarter of 2020, primarily aimed at identifying new targets for drill testing in 2021.

**Geological Model and Operational Approach**

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

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

The discovery of Twin Hills Central during the second half of 2019 was a significant milestone in the Company's exploration work in Namibia. Work in 2020 is focusing on further defining the Twin Hills Central discovery with the aim of defining a maiden mineral resource estimate in early 2021.

The results vindicate the approach taken by Osino over the last few years. The discovery of the Twin Hills Cluster was possible through systematic surface geochemistry and mapping, complemented with ground magnetics and followed up by shallow bedrock drilling. The sampling and drilling undertaken focused on key geological structures interpreted from regional geophysical data and regional mapping. The Twin Hills Cluster has now clearly been shown to be associated with the regional Karibib Fault, and splays off this major structure. Ongoing work will further refine the model and our understanding of the mineralization controls in the area.

**Quality Assurance**

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

**EXPLORATION OUTLOOK**

The current outlook for the fourth quarter of 2020 and into 2021 across our Project Areas is as follows:

**Karibib Gold Project**

- Continue with the drill program at Twin Hills Central focusing on the requirements for meeting and determining a maiden resource in 2021;
- Follow up of Twin Hills Central strike extension targets as well as new targets identified by the IP survey (and related work);
- Implement the phase 2 metallurgical test-work and continue with ongoing baseline environmental, social and related studies towards the compilation of a preliminary economic assessment (PEA) in respect of the Twin Hills Gold Project
- Review of regional work completed along the Karibib Fault Zone, refine further targets for follow up;
- Additional regional sampling in the Kranzberg and new license areas, based on our ranking prioritization of regional targets.

**Otjikoto East Gold Project**

- Follow up of initial shallow bedrock percussion drilling at the Fairview Target (RC and/or DD);
- Surface sampling across additional high priority target areas planned to commence in early 2021.
- Continue negotiations with respect to farm/land access agreements for the commencement of additional sampling programs.

**Otjiwarongo Regional Project**

- Follow up of initial shallow bedrock percussion drilling at the Etekero Target (RC and/or DD);
- Ongoing regional sampling and mapping programs on priority regional target areas;
- Ongoing reconnaissance visits to other identified areas of potential;
- Continue negotiations with respect to farm/land access agreements for the commencement of additional sampling programs.

## USE OF FUNDS

The following table sets out the use of proceeds as raised in both the financings closed on January 30, 2020 and July 14, 2020, and compares the budgeted expenditure to the actual year to date expenditures as at September 30, 2020, together with the variances. There are no variances that are expected to negatively impact the Company's ability to achieve its business objectives and milestones as disclosed in its Prospectus issued in July 2020 and the Company remains on track to apply any remaining proceeds from its previous financing as set out in the table below.

The Company's actual use of the net proceeds may vary depending on the Company's operating and capital needs from time to time and, as such, there may be circumstances where, for sound business reasons, a reallocation of the use of proceeds is necessary. Any such reallocations will be determined at the discretion of the Company's management and there can be no assurance as of the date of this report as to how those funds may be reallocated.

The Company may require additional funding to complete further development work on the Karibib Gold Project. There is no assurance that such funds will be available on terms favourable to the Company.

| Concession Spending Analysis | Anticipated Spend to December 31, 2020 [(1)] | Cumulative Spend for the year to date[(2)] | Remaining Spend as at Sept 30, 2020 | Net Proceeds from July 2020 Financing[(3)] | Remaining Spend as at Sept 30, 2020 [(4)] |
|---|---|---|---|---|---|
| **Project Expenditure** | | | | | |
| Karibib District exploration[(5)] | $5,429,138 | $3,363,077 | $2,066,061 | $5, 070,000 | $7,136,061 |
| Feasibility study | - | - | - | 250,000 | 250,000 |
| Regional exploration | 550,000 | - | 550,000 | 390,000 | 940,000 |
| Development studies | 995,250 | 670,713 | 324,537 | 670,000 | 994,537 |
| Environmental studies | 90,000 | 74,633 | 15,367 | 110,000 | 125,367 |
| In-country G&A expenses[(6)] | 1,046,444 | 777,695 | 268,749 | 1,390,000 | 1,658,749 |
| Capital expenditures | 565,011 | 226,271 | 338,740 | 4,460,000 | 4,798,740 |
| Corporate G&A expenses[(7)] | 1,668,600 | 1,159,780 | 508,820 | 1,261,000 | 1,769,820 |
| Unallocated working capital[(8)] | 970,000 | - | 970,000 | 2,726,640 | 3,696,640 |
| **Total** | **$11,314,443** | **$6,272,169** | **$5,042,274** | **$16,327,640** | **$21,369,914** |

[(1)] Funds from the January 2020 financing as disclosed in the MD&A for the three months ended March 31, 2020 are being applied towards the completion of the first phase of the work program on the Karibib Project. This is accounted for primarily in the anticipated spend to December 31, 2020.

[(2)] The actual spend for the year to date on a cumulative basis reflects the spend for the nine-month period to September 30, 2020 and excludes any expenditure allocated to stock options or minority interests.

(3) Funding raised in the July 2020 financing outlined in this MD&A (See "Significant Developments") are intended to be applied towards the completion of the second phase of the work program on the Karibib Project, as set out in the Technical Report dated June 26, 2020, and to support the other regional exploration projects of the Company.

(4) The Company expects to meet this spend over the following twenty-one months as of the date of this report.

(5) The Company is primarily focused on the exploration and development of the Karibib Gold Project. In the near term, the Company intends to use the net proceeds of the Offerings to pursue further exploration of the Karibib Gold Project in accordance with the recommendations contained in the Technical Report dated June 26, 2020.

(6) In-country general and administrative expenses reflect overhead and payroll costs that cannot yet be allocated to specific exclusive prospecting licences.

(7) Corporate general and administrative expenses include management and consulting fees, regulatory, secretarial and public relations costs.

(8) Unallocated working capital reflects expenditure that we expect to incur but which cannot as yet be defined or allocated to any cost group.

**FINANCIAL POSITION**

As at September 30, 2020, the Company had total assets of $27,479,251 and a net equity position of $26,760,961. This compares with total assets of $4,006,757 and a net equity position of $3,858,422 as at September 30, 2019. The Company had liabilities of $1,284,712 as at September 30, 2020, as compared with $416,488 as at September 30, 2019.

As at September 30, 2020, the Company had working capital of $$25,899,899 compared with working capital of $3,452,534 as at September 30, 2019. The Company had cash on hand of $14,843,769 as at September 30, 2020, compared with $2,995,429 as at September 30, 2019, short term investments in Guaranteed Investment Certificates totalling $11,026,032, compared with $26,835 as at September 2019 and other receivables and prepaid expenses of $1,236,518 as at September 30, 2020 as compared to $774,619 as at September 30, 2019.

As of the date of this report, the Company has cash and cash equivalents on hand of approximately $22,500,000.

**ENVIRONMENTAL REGULATIONS**

All work carried out on each licence is subject to an Environmental Clearance Certificate (ECC) for that specific licence issued by the Ministry of Environment and Tourism ("MET"), based on an Environmental Scoping Study and Environmental Impact Assessment for the stages of exploration work envisaged for the ensuing three-year period. This ECC application process makes provision for public participation meetings, which includes the landowners affected by the proposed activities. No field work is permissible without an ECC first being granted for the particular licence. Similarly, no renewal of a licence by the Ministry of Mines and Energy (MME) is possible without a valid ECC.

The ECC is renewed by submitting a report of activities for the previous three-year period, together with supporting documentation including descriptions and photos of the types of field work carried out and the nature of the vegetation in areas where it has been disturbed (before the field activities commenced and after rehabilitation). All required ECC's have been obtained.

The Company takes particular care in monitoring its activities when undertaking field work, whether on private, communal or government-owned land. Detailed registers of personnel active on any property on any given day are maintained, and communication with landowners is monitored continuously. The company has strict environmental procedures in place to minimize any damage to the environment as outlined in the Company's Environmental Guidelines which form an integral part of the Company's standard operating procedures (SOPs) when operating in the field.

## REVIEW OF FINANCIAL RESULTS

### Summary of Quarterly Results

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

| Income Statement for the three months ended | Sep 30, 2020 | Jun 30, 2020 | Mar 31, 2020 | Dec 31, 2019 |
|---|---|---|---|---|
| Amortization | $11,959 | $9,755 | $10,831 | $15,000 |
| Exploration expenses | 2,577,340 | 765,884 | 396,939 | 1,166,563 |
| Professional fees | 304,147 | 160,461 | 175,785 | 176,576 |
| Consulting fees | 73,376 | 60,241 | 76,782 | 88,429 |
| Management fees | 207,000 | 96,000 | 90,000 | 64,500 |
| Salaries and benefits | 352,414 | 191,239 | 170,249 | 489,450 |
| Office and General | 135,839 | 59,447 | 210,159 | 144,486 |
| Travel | 1,693 | 8,769 | 37,597 | 29,141 |
| Stock options expense | 299,467 | 141,477 | 396,753 | 57,666 |
| Investment income | (105,909) | (7,067) | (25,033) | (2,492) |
| Loss for the period | **$3,857,326** | **$1,486,206** | **$1,540,062** | **$2,229,319** |
| Foreign translation gain/(loss) | 65,102 | 13,845 | (202,943) | 69,304 |
| Net comprehensive loss for the period | **$3,792,224** | **$1,472,361** | **$1,743,005** | **$2,160,015** |
| Weighted average number of shares in issue | 100,264,280 | 85,623,539 | 79,241,330 | 67,368,495 |
| Basic and diluted loss per share | ($0,04) | ($0,02) | ($0,02) | ($0,03) |

**REVIEW OF FINANCIAL RESULTS (continued)**

**Summary of Quarterly Results (continued)**

| Income Statement for the three months ended | Sep 30, 2019 | Jun 30, 2019 | Mar 31, 2019 | Dec 31, 2018 |
|---|---|---|---|---|
| Amortization | $17,259 | $17,144 | $17,079 | $8,058 |
| Exploration expenses | 662,507 | 611,308 | 664,836 | 777,368 |
| Professional fees | 125,165 | 119,717 | 99,844 | 227,656 |
| Consulting fees | 250,794 | 73,050 | 80,947 | 87,050 |
| Management fees | 64,500 | 574,500 | 94,500 | 57,000 |
| Salaries and benefits | 167,716 | 171,078 | 172,426 | 138,957 |
| Office and General | 251,420 | 146,604 | 95,836 | 123,617 |
| Travel | 33,073 | 39,082 | 53,778 | 27,533 |
| Stock option expense | 104,296 | 113,760 | 98,410 | 287,997 |
| Investment income | (4,788) | (11,188) | (22,799) | (26,930) |
| Loss for the period | **$1,671,942** | **$1,855,055** | **$1,354,857** | **$1,708,306** |
| Foreign translation gain/(loss) | (68,860) | 10,173 | (42,838) | 85,960 |
| Net comprehensive loss for the period | **$1,740,802** | **$1,844,882** | **$1,397,695** | **$1,622,346** |
| Weighted average number of shares in issue | 65,689,962 | 56,730,724 | 56,382,271 | 56,297,976 |
| Basic and diluted loss per share | ($0,03) | ($0,03) | ($0,02) | ($0,03) |

The Company's project/exploration expenditure increased quarter on quarter as we continued to execute the accelerated drill program announced by the Company. Professional and Consulting fees increased due to the prospectus financing concluded in the quarter as described earlier in this document, with the associated costs driving Office and General expenditure simultaneously.

The Company continues to incur significantly lower costs related to promotional events and conferences due to the travel restrictions imposed by the COVID-19 pandemic. The Company settled performance-based management fees in the quarter, accounting for the increase in management fees and salaries. The remaining expenditure incurred was generally in line with budgeted expectations.

The Company has invested surplus funds on hand in relatively high yielding investment grade guaranteed investment certificates. The increased value of investment funds on hand compared to the comparative periods accounts for the significant increase in investment income for both the quarter and year to date.

The Company has a standard stock option plan in place in order to retain and incentivize key employees, officers and directors. Stock options are expensed through the income statement on issuance over their vesting periods.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's expenses and mineral property costs is provided below. These are disclosed on a gross basis before foreign translation (gain)/loss.

| | Nine months ended September 30, 2020 | Nine months ended September 30, 2019 | Increase/ (Decrease) | Three months ended September 30, 2020 | Three months ended September 30, 2019 | Increase/ (Decrease) |
|---|---|---|---|---|---|---|
| **Project Expenditure** | | | | | | |
| Geological Consultants | $472,103 | $271,519 | $200,584 | $320,105 | $64,589 | $255,516 |
| Geochemistry | 516,863 | 396,027 | 120,836 | 341,399 | 116,693 | 224,706 |
| Geophysics | 150,305 | 42,897 | 107,408 | 41,514 | 2,073 | 39,441 |
| GIS Costs | 3,545 | 12,840 | (9,295) | 435 | 1,960 | (1,525) |
| Licence Acquisition & Holding Costs | 191,099 | 487,386 | (296,287) | 123,482 | 82,206 | (41,760) |
| Environmental Costs | 74,633 | 19,776 | 54,857 | 43,173 | 5,549 | 37,624 |
| Drilling Costs | 2,116,938 | 568,692 | 1,548,247 | 1,595,421 | 339,523 | 1,255,898 |
| Field Support Costs | 235,107 | 87,112 | 147,995 | 158,211 | 30,000 | 128,211 |
| Travel & Field Accommodation | 49,397 | 130,926 | (81,529) | 4,613 | 36,248 | (31,635) |
| Vehicle Expenditure | 57,118 | 71,599 | (14,481) | 32,155 | 24,706 | 7,449 |
| Salaries & Wages | 675,656 | 524,459 | 151,198 | 317,539 | 173,175 | 144,364 |
| **Total** | **$4,542,766** | **$2,613,233** | **$1,929,533** | **$2,978,047** | **$876,722** | **$2,101,325** |

| **General & Administrative Expenditure** | | | | | | |
|---|---|---|---|---|---|---|
| Audit, Accounting & Admin Fees | $79,155 | $64,647 | $14,508 | $25,961 | $23,054 | $2,907 |
| Office and General | 326,260 | 490,440 | (164,180) | 61,959 | 242,158 | (180,199) |
| Amortization | 32,545 | 51,482 | (18,937) | 12,163 | 17,770 | (5,607) |
| Legal Fees | 19,347 | 13,030 | 6,317 | 8,196 | 5,408 | 2,788 |
| Rent Expense | 67,818 | 58,858 | 8,960 | 29,556 | 20,670 | 8,886 |
| Professional Fees | 397,573 | 161,202 | 236,371 | 209,011 | 58,864 | 150,147 |
| Management Fees | 393,000 | 733,500 | (340,500) | 207,000 | 64,500 | 142,500 |
| Consulting Fees | 290,828 | 416,970 | (126,142) | 131,875 | 263,288 | (131,413) |
| Stock Option Expense | 837,697 | 316,466 | 521,231 | 299,467 | 104,296 | 195,171 |
| Listing Expense | 34,614 | - | 34,614 | - | - | - |
| **Total** | **$2,478,837** | **$2,306,595** | **$172,242** | **$985,188** | **$800,008** | **$185,180** |

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE (continued)**

**Project Expenditure**

During the three and nine months ended September 30, 2020, the Company incurred project expenditure of $2,978,047 and $4,542,766 as compared to $876,722 and $2,613,233 for the three and nine months ended September 30, 2019.

The increase in exploration and project-based expenditure on both a quarterly and year-to-date basis is due to the expanded drill program approved for 2020 in pursuit of the Company's maiden resource estimate expected in early 2021. Any decrease in expenditure for the year to date is mainly attributable to lower licence acquisition costs compared to 2019. This is offset in the by the increased use of consultants and related expenditure due to the drill program on the Karibib Gold Project. The expansion of the Company's drill program in 2020 has been a key success feature of the Company's activities, warranting the additional spend in the quarter and year to date. The group continues to enhance the project pipeline with advanced, intermediate and early stage priority targets as drill and assay results on the relevant project areas are interpreted. The remainder of the Company's project costs are within budget.

The use of expert consultants to augment our in-house geological expertise will continue and will impact expenditure going forward as the success of our programs continue. They serve not only to confirm and assist in the interpretation of results received, but also to streamline the efficiency, cost and quality of the exploration work programs undertaken and/or planned.

**General & Administrative Expenditure**

During the three and nine months ended September 30, 2020, the Company incurred General & Administrative Expenditure of $985,188 and $2,478,837 as compared to $800,008 and $2,306,595 for three and nine months ended September 30, 2019.

The movement in the General & Administrative Expenditure for the 3 and 9-month period has largely been driven by costs associated with:

- The Company incurs significant running costs due to being a public company. This includes expenditure undertaken as part of promoting the Company at conferences, roadshows and in industry publications as well as the requirement to publish news releases in terms of regulatory requirements. In general, office and general which includes certain travel related expenditure referred to above has been curtailed due to the pandemic in 2020, representing most of the decrease in spend.
- The Company incurred significant expenditure related to the prospectus-based financings closed in the first and third quarters of 2020, which has been mostly accounted for in professional and consulting fees.
- Accounting for the expenditure related to share options issued during this year and prior years in accordance with the relevant valuation parameters.

**Professional and Consulting Fees**

During the three and nine months ended September 30, 2020, the Company incurred professional and consulting fees of $340,886 and $688,401 as compared to $322,152 and $578,172 for the three and nine months ended September 30, 2019.

Professional fees represent amounts paid to external consultants in terms of contractual commitments, to professional services and brokerage firms for services rendered and/or fees on financing initiatives over the period. These included the two prospectus-based financings closed in the year to date, the filing fees related to the financings and the additional regulatory expenditure requirements related thereto. Additional expenditure incurred amounted to approximately $150,000 in the quarter.

Consulting fees incurred includes other expenditures incurred in connection with the Company's financing initiatives in 2020 as well as the use of external consultants for corporate services. Expenditure incurred amounted to approximately $132,000.

**Management Fees**

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

During the three and nine months ended September 30, 2020, the Company incurred management fees of $207,000 and $393, 000 as compared to $64,500 and $733,500 for the three and nine months ended September 30, 2019.

Fees payable to members of the management team and related parties are disclosed in Note 15: Related Parties to the Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020. The significant movement in the fees incurred against the comparative periods reflect the settlement of approved performance-based management fees in 2019 and 2020.

**Foreign Exchange**

The foreign exchange movements during the three and nine months ended September 30, 2020 reflects the currency fluctuation of the Namibian dollar relative to the Canadian dollar. The Company's cash and cash equivalents and short-term investments are held both in Canadian dollars and Namibian dollars.

**EXPLORATION AND EVALUATION OF MINERAL PROPERTIES**

**Regional Project Expenditure**

The Company's Exploration and Evaluation expenditure ("E&E) on its regional project areas for the three and nine months ended September 30, 2020 and the three and nine months ended September 30, 2019 was as follows:

| Project Expenditure | Nine months ended September 30, 2020 | Nine months ended September 30, 2019 | Increase/ (Decrease) | Three months ended September 30, 2020 | Three months ended September 30, 2019 | Increase/ (Decrease) |
|---|---|---|---|---|---|---|
| Karibib Gold Project | $3,590,376 | $1,314,680 | $2,275,696 | $2,528,416 | $531,309 | $1,997,107 |
| Otjikoto East Gold Project | 49,097 | 503,145 | (454,048) | 4,352 | 129,363 | (125,011) |
| Otjiwarongo Regional Project | 242,580 | 219,030 | 23,550 | 110,011 | 68,547 | 41,464 |
| Other Project Expenditure | 660,713 | 576,378 | 84,335 | 335,268 | 147,503 | 187,765 |
| | **$4,542,766** | **$2,613,233** | **$1,929,533** | **$2,978,047** | **$876,722** | **$2,101,325** |

| General & Administrative Expenditure | | | | | | |
|---|---|---|---|---|---|---|
| Audit, Accounting & Admin Fees | $79,155 | $64,467 | $14,508 | $25,961 | $23,054 | $2,907 |
| Office and General | 281,488 | 458,091 | (176,603) | 16,973 | 230,217 | (213,244) |
| Amortization | 32,545 | 51,482 | (18,937) | 12,163 | 17,770 | (5,607) |
| Legal Fees | 16,854 | 6,247 | 6,317 | 8,196 | - | 2,788 |
| Rent Expense | 32,867 | 34,082 | (1,215) | 29,556 | 11,938 | 8,886 |
| Professional Fees | 397,573 | 161,202 | 236,371 | 209,011 | 58,864 | 150,147 |
| Management Fees | 393,000 | 733,500 | (340,500) | 207,000 | 64,500 | 142,500 |
| Consulting Fees | 290,828 | 416,970 | (126,142) | 131,875 | 263,287 | (131,413) |
| Stock Option expense | 837,697 | 316,466 | 521,231 | 299,467 | 104,296 | 195,171 |
| Listing Expense | 34,614 | - | 34,614 | - | - | - |
| Regional projects | 82,216 | 64,088 | 18,128 | 44,986 | 26,082 | (18,904) |
| **Total** | **$2,478,837** | **$2,306,595** | **$172,242** | **$985,188** | **$800,008** | **$185,180** |

The Karibib Gold Project, and more specifically, the Twin Hills Central discovery is the company's main focus area and continues to consume the majority of the Company's resources. Work during the quarter focused primarily on the drill program at Twin Hills Central and related targets.

The difference in expenditure for the year to date compared to 2019, is mainly due to:

- The expanded drill program at the Twin Hills Project towards developing known and satellite deposits,

- Additional contractor and consultant activity at Twin Hills (e.g. IP, Structural, Environmental, Metallurgical) that has driven spend across these areas within the quarter.

Work during the quarter on the Otjikoto East Gold Project remains largely desktop based with minimal field work being carried out. This was due to the Company's focus on field activities on the Karibib Gold Project (Twin Hills Project) and the need to control and restrict travel in certain parts of Namibia in accordance with the COVID-19 precautions and recommendations applicable in Namibia.

As a result, field costs and licence acquisition & holding costs were significantly reduced in comparison to the corresponding periods in 2019, which had a commensurate effect on geochemistry fees in the quarter.

Work on the Otjiwarongo Regional Project included some regional sampling and mapping work that was possible despite ongoing restrictions as a result of the COVID-19 restrictions. New regional data compilations and the interpretation thereof, together with additional target generation was performed on new and existing license areas.

Other project expenditure reflects the following expenditure which cannot be allocated to any individual project:

- Geological consultants' fees of a general nature incurred at head office level to external independent consultants and service providers,
- Salaries & wages which includes fees paid to certain members of management and staff
- General field support, field consumables and travel costs

## PROPOSED TRANSACTIONS

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

## LIQUIDITY AND CAPITAL RESOURCES

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

During the nine months ended September 30, 2020, the Company's overall position of cash and cash equivalents increased by $13,591,394. This increase in cash can be attributed to the following activities:

1) The Company's net cash used in continued operating activities during the nine months ended September 30, 2020 was $6,011,631 as compared to $4,622,726 for the nine months ended September 30, 2019. The primary use of cash in the nine-month period was for expenditure incurred in expanding the Company's exploration activities (especially drilling) and project areas, analyses of drill results and general and administration expenditure incurred on the financing closed in the quarter.

2) Cash used in investing activities during the nine months ended September 30, 2020 amounted to $11,252,303 as compared to $29,594 for the nine months ended September 30, 2019. This was driven by the acquisition of property, plant and equipment in the form of field vehicles and upgrades to the Company's warehousing and camp facilities, including the core shed as well as the investing of the proceeds raised in the financings closed in 2020 into Guaranteed Investment Certificates disclosed under short term investments.

3) Cash generated from the Company's financing activities as discussed in this analysis, for the nine months ended September 30, 2020 was $30,855,328 as compared to $3,475,480 from financing activities during the nine months ended September 30, 2019. The primary contributor to the movement was the net proceeds raised from the two Prospectus based offerings in the year raising cumulative gross proceeds amounting to $31,710,337. The has been reduced by payments made against loan borrowings and leases during in the year.

4) The Company's cash movement for the nine months ended September 30, 2020 has been negatively impacted to the value of $101,595 by currency fluctuations as compared to the negative impact of $79,349 for the nine months ended September 30, 2019.

As discussed above, the Company is required to undertake specific exploration activities on each of its licences. (For information on the Company's commitments, refer to Note 12 of the Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020).

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

The Company has been awarded the rights to explore in various licence areas and is obliged to commit agreed upon expenditure in terms of signed earn-in agreements with the licence holders and the Government of Namibia, where applicable. The Company reports all spending to the Ministry of Mines and Energy in Namibia on a quarterly basis.

**CAPITAL MANAGEMENT**

The Company manages its capital conservatively to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital, reserves and an accumulated deficit. The Company manages its capital structure and makes adjustments to it in light of prevailing economic conditions. The Company, upon approval from its Board of Directors, will manage its capital structure through new share issues or the use of alternative financial instruments.

**SHARE STRUCTURE** (as at November 27, 2020)

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

| | |
|---|---:|
| Common Shares outstanding at September 30, 2020 | 103,794,992 |
| Shares issued in terms of mineral licence agreements | - |
| Share options issued to directors, officers and consultants and employees | 6,529,266 |
| Share options issued to independent holders | 769,960 |
| Warrants exercised and converted into common shares | 8,299 |
| Warrants issued and outstanding | 22,154,322 |
| Common shares outstanding on a fully diluted basis | 133,256,839 |

The number of Common Shares outstanding as at the date of this report amounts to 103,803,291. Details with respect to the movement and value of share capital are set out in Note 7 of the Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020.

**OFF-BALANCE SHEET ARRANGEMENTS**

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

## CONTRACTUAL COMMITMENTS

### Licences

The Company is committed to meeting all of the conditions of its licences as discussed above, including Annual lease renewal or extension fees as needed. Details of the Company's commitments are set out in Note 12 of the Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020.

## RISKS AND UNCERTAINTIES

The business of exploring for, developing and producing mineral resources is inherently risky. The Company is in the development stage and has not determined whether its licences contain economically recoverable reserves. The Company's future viability as a going concern is dependent on the existence of gold resources and on the Company's ability to obtain financing for its exploration programs, the development of such resources and ultimately on the profitability of operations or disposition of interests. As at September 30, 2020, the Company has incurred cumulative losses of $25,472,519.

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

Namibia's GDP contracted by -1.4% in 2019 due to poor performance in the agricultural, mining and construction sectors.  According to the IMF forecasts released in June 2020, forecasts for global GDP growth was for a decline of -4.9% in 2020 and then pick up gradually in 2021, assuming a post-pandemic global economic recovery. Developed economies are expected to be hit harder by the COVID-19 pandemic due to higher infection rates but are considerably better equipped to respond to the crisis when compared to developing economies, due to their stronger healthcare systems, better access to financial resources and comparatively lower borrowing costs, which will underpin the economic recovery.  The Namibian economy is now projected to contract by 7.8 percent in 2020 (a downward revision of 0.9 percentage point since the April 2020 Outlook) before recovering to a positive growth of 2.1 percent and 2.7 percent in 2021 and 2022, respectively. This is mainly driven by a recession in South Africa, containment measures taken to contain the COVID-19 pandemic, travel restrictions to and from Namibia, weather-related events and structural issues related to public utilities and State-owned Assets ("SOA") in the country. The SADC region's growth is still projected to be the most affected by COVID-19 in Africa.

Before COVID-19, Southern Africa's economy was projected to recover from an estimated 0.7% growth in 2019 to 2.1% in 2020. South Africa, the region's largest economy, is still projected to contribute approximately 60% of regional economic output in 2020. Following the outbreak of COVID-19, economic growth forecasts for the region have declined considerably from the baseline scenario, with a gradual increase in economic activity expected over the next 18 months reaching 3,4% growth in 2021. The African Continental Free Trade Area ("AfCFTA") is projected to provide medium- and long-term opportunities for regional markets to spur economic growth. The intra-African market is also expected to mitigate some of the negative effects of COVID-19.

Gold has responded positively in response to the current global economic conditions as a result of the COVID-19 pandemic and governments' response to the impact thereof. This is in contrast to 2015 when Gold markets were in a recessionary phase. In early August 2020, the gold price in USD pushed through the $2,000 per troy ounce marker signifying a new all-time high for the precious metal. The price has consolidated and has remained range bound within $1,850 and $1,950 throughout the 3$^{rd}$ quarter of 2020. Due to its inverse relationship with real bond yields, it remains possible that Gold is entering into a bull market as real bond yields go negative together with a significant downward shift in inflation expectations. Technical forecasts for the Gold price remain bullish at or above the $2,000 per troy ounce. The real 10-year Treasury yield (the nominal yield minus the inflation breakeven) dropped below minus 0.9% on July 22, 2020 and briefly dipped under the previous all-time low set in December 2012. It currently sits at approximately 0,82% due to the surprisingly strong recovery from the recession for the labor market being more V-shaped than many have thought. With US unemployment at 6,9% seasonally adjusted, this tells us that the outlook is likely to be more positive in 2021 than originally forecast. The recent results of the US presidential election could have a significant impact on this recovery.

Current planning by the Namibian government is to finance the expected larger fiscal deficits by tapping finance from a variety of sources including the diversification of its funding sources globally. The result is that the Namibian government is now running a record deficit for the 2020/21 fiscal year with interest payments on debt now the 3rd largest expense account in the budget, equal to about 14% of state revenue. Although there could be a decrease in the cost of funding, currency weakness (the Namibian Dollar is pegged to the South African Rand), increased credit risks and continued funding pressures are likely to remain and potentially worsen in coming years.

The Bank of Namibia is directing efforts towards supporting key players in the economy (including the government), to contribute to economic development, growth, accelerated investment, and employment creation. The central bank recently implemented measures to preserve financial stability and smooth credit flows amid the virus outbreak. These measures allowed the banks to institute loan repayment moratoriums during the height of the pandemic while ensuring uninterrupted lending to critical sectors in the economy.

Namibia has the potential to recover quickly from the impacts of the Covid-19 pandemic. Its young and rural population demographics, relatively limited number of cases, early intervention by the government and a strong revenue pool as a percentage of GDP may alleviate some of the impact. Namibia has been one the first countries in southern Africa to open its borders to international tourists after the outbreak of Covid-19. The immediate outlook however depends on the spread of new cases and the government managing the substantial budget deficits run over a number of years, despite the robust nature of the revenue pool. Boosting GDP through managing the expenditure side of the budget, investor friendly economic programs (and decisions) and focussing on increasing tax compliance rather than extracting more revenue from taxes would be a positive step.

Namibia has political stability, well-developed transport infrastructure and abundant and diverse natural resources. Its potential as a regional transport and logistics hub with the upgrading of and investment into increasing Walvis Bay port’s efficiency and container handling capacity is contributing to meeting the country’s growth ambitions. Namibia’s large pool of institutional savings could also finance high-return investments to contribute to rapid, inclusive, and sustainable growth.

Estimated at 3.7% in 2019, inflation in Namibia has averaged at 2.2% in 2020. With the Namibian dollar pegged to the rand, the level of inflation will remain vulnerable to the volatility of the South African currency. To ensure the sustainability of public finances and debt, the government is implementing a fiscal consolidation plan which aims to reduce the budget deficit to 2.7% of GDP by 2022 and to limit public debt to 48% of GDP (COVID-19 post mortem dependent). The plan also aims to improve spending efficiency and growth by creating fiscal space for public investment and encouraging private participation in infrastructure through public-private partnerships.

The economic impact of the COVID-19 pandemic will remain for the remainder of 2020 and will have a major impact on business activities, especially transport and tourism. Growth in the mining sector is determined by mineral commodity markets and, to a certain degree, directs investment flows to a particular mineral. Where countries can gain a competitive advantage, in terms of attracting investment in mining, is by ensuring that their legislative and policy frameworks are conducive for investors to realise a return on their investments while maximising the socio-economic benefits to the country.

Despite all the challenges facing the mining industry in Namibia, there has been a renewed interest in the exploration sector, especially gold. All indications are that by 2022, the mining sector's share of GDP will exceed current levels. The expected stabilization of the commodity pricing environment should fuel more equity listings across a number of commodities. This should result in an improvement of Namibia's investment attractiveness ranking over the medium to long term.

In order to foster an improved investment climate the Finance Minister of Namibia announced the repeal of the previous proposal to disallow the deductibility of royalties for mining companies. This was after consultations were held with various mining companies operating in the country. With the outbreak of Covid-19, new taxes or changes to the tax deductibility rules of expenditure could result in additional costs for mining companies, the focus going forward therefore should be to attract investment in all sectors of the economy, including mining and mineral beneficiation activities. To aid this strategy, the country will assess how it will be able to derive increased revenue and royalties from the exploitation of natural resources relative to improvements in commodity prices. A predictable mining regime is beneficial to the country as it attracts foreign investors and encourages those with investments in the country to invest in growing their current operations.

Namibia remains a member of the Southern African Customs Union ("SACU"), which provides for a common external tariff and guarantees the free movement of goods between its member states. Downside risks emanate from possible fiscal slippages that could trigger further debt increases, triggering lower SACU revenue, and weakening demand for its key exports.

The South African Rand had depreciated by as much as 37% and 26% versus the United States Dollar and the Canadian Dollar respectively in 2020. The Rand has recovered somewhat in the 3rd quarter of 2020 with the depreciation at approximately 9% versus both currencies at the date of this report, driven in part by its relatively better management of the pandemic, the results of the US presidential election and decent inflows in ZAR from real money accounts and funds due the recent Emerging Market rally.

The Company and its subsidiaries incur the majority of their expenditures in Namibian dollars. Corporate expenditure mainly in the form of General and Administrative costs is primarily paid for in Canadian dollars. Therefore, the Company is exposed to financial risk arising from fluctuations and volatility in the exchange rate between the Namibian dollar and Canadian dollar. The Company does not use derivative instruments to reduce its exposure to foreign currency risks.

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

For a complete discussion on risk factors, please refer to the Management Information Circular dated July 16, 2020 and the Annual Information Form dated June 26, 2020, both filed under the Company's profile at www.sedar.com.

**FINANCIAL INSTRUMENTS**

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

Market risk is the risk of loss that may arise from changes in interest rates, foreign exchange rates and gold prices. An extended period of depressed gold prices could make access to capital more difficult and the Company is dependent on capital markets to fund its exploration and, ultimately, its development programs. Foreign exchange risk arises as most of the Company's costs are in currencies other than the Canadian dollar. Fluctuations in exchange rates between the Canadian dollar, the Namibian dollar and the U.S. dollar could materially affect the Company's financial position. Management has considered reducing the effect of exchange risk through the use of forward currency contracts but has not entered into any such contracts to date.

**TRANSACTIONS BETWEEN RELATED PARTIES AND BALANCES**

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

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

Remuneration payable to the Company's executive directors, Chief Executive Officer and Chief Financial Officer is set out in Note 15 of the Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020.

For the nine months ended September 30, 2020, total key management compensation was $438,000 (September 30,2019 - $733,500), which includes management fees and bonuses of $393,000 (September 30,2019 - $733,500), directors fees of $45,000 (September 30, 2019 - $Nil) and share-based compensation of $297,420 (September 30,2019 - $114,154).

**Share-based Payments**

On February 27, 2020, the Company issued stock options at an exercise price $0.80 to related parties. These stock options are valued using the Black-Scholes pricing model by the Company (refer to Note 7 of the Company's Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020). The Company recorded $297,420 in share-based compensation related to the vesting of these stock options to Related Parties.

**CRITICAL ACCOUNTING ESTIMATES**

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

The Company believes the following are the critical accounting estimates used in the preparation of its Unaudited Interim Condensed Consolidated Financial Statements:

**Exploration and Evaluation Assets**

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

**Share Based Payments**

Management uses judgement to determine the inputs to the Black-Scholes option pricing model, including the expected life of the warrant, volatility and dividend yield, and making assumptions about them. The assumptions used for estimating the fair value of warrants are disclosed in Note 7 of the Company's Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020.

The Company's significant accounting policies can be found on pages 8 and 9 of the Company's Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020.

**USE OF ESTIMATES**

The preparation of the Unaudited Interim Condensed Consolidated Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the Financial Statements, and the reported amounts of revenues and expenses during the reporting period. Such estimates relate to unsettled transactions and events as of the date of the Financial Statements. Accordingly, actual results may differ from these estimated amounts as future confirming events occur. Significant estimates used in the preparation of the Company's Financial Statements include, but are not limited to impairment of exploration licence costs capitalized in accordance with IFRS, stock-based compensation and future income taxes.

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

Valuation of right-of-use assets and lease liability loans: 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 due 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 recognized in profit and loss.

**Stock-based Compensation**

The Company uses the fair value method, utilizing the Black-Scholes option pricing model, for valuing stock options granted to directors, officers, consultants and employees. The estimated fair value is recognized over the applicable vesting period as a stock-based compensation expense. The recognized costs are subject to the estimation of what the ultimate payout will be using pricing models such as the Black-Scholes model, which is based on significant assumptions such as volatility, dividend yield and expected term. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7 of the Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020.

**Income Taxes**

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

**DISCLOSURE CONTROLS, PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

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

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

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

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

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

**FORWARD-LOOKING INFORMATION**

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

- The Company's acquisition of licences and projects, and the regulatory reporting and amount of spending required to maintain the licences and concessions in good standing;
- future development work, including proposed IP geophysical surveying and projected expenditures, on the Karibib Gold Project and other projects;
- Company plans to continue or initiate exploration and drilling programs, and possible related discoveries or extensions of new mineralization or increases or upgrades to reported mineral resource estimates at the Karibib Gold Project and other projects;
- proposed joint venture/earn-in arrangements with third parties on the Company's licences and concessions;
- the prospects for identifying and/or acquiring additional mining licences or concessions or projects, within or outside of Namibia, with realistic discovery potential that could add value to the Company;
- permitting and regulatory requirements related to any exploration and development and related operations, as well as any costs related thereto;
- legislative and regulatory reform initiatives, including those related to the fiscal regime, and their potential effects on Osino;
- the adequacy of the Company's working capital;
- the Company's ability to raise additional financing or find alternative ways to advance its corporate objectives, and the use of financing proceeds;
- that the Company will monitor market and political conditions (both globally and in Namibia) and the Government of Namibia's concession tender process;
- that the Company will continue to evaluate additional exploration project opportunities in Namibia and elsewhere;
- that the Company will bid on further prospective targets should they become available;
- the Company's going-forward strategy;
- that the Company will look for strategic partners for highly prospective gold deposits found on its new licences and concessions;
- projected expenditures on the Company's mineral licences and concessions;
- the Company's ability to continue as a going concern;
- the impact of future accounting standards on the Company;
- the risks and uncertainties around the Company's business;
- the Company's expectation of sustained improvement in gold and gold markets;
- the validity of the Government of Namibia's mineral licensing regime and the rights granted thereby;
- Namibia remaining an attractive mining jurisdiction; and,
- the mining assets and properties acquired by the Company being attractive investment opportunities.
- the impact on the Company of the pandemic relating to a novel coronavirus known as COVID-19 causing significant financial market disruption and social dislocation. The pandemic is dynamic with various cities, counties, states, provinces and countries around the world responding in different ways to address and contain the outbreak. This includes the declaration of a global pandemic by the World Health Organization, a National State of Emergency across many countries across the world and local executive orders and ordinances forcing the closure of non-essential businesses and persons not employed in or using essential services to "stay at home" or "shelter in place". There is no certainty as to how long the pandemic, or a more limited epidemic, will last, what regions will be most affected, to what extent containment measures

will be applied. The ability to predict the ultimate geographic spread of the disease, the duration of travel restrictions, business closures or disruptions, and quarantine measures that are currently or may be put in place by Canada, Namibia and other countries to fight the virus are uncertain at this stage. The impact on the Company therefore cannot be predicted with confidence and could include supply chain disruptions, staff shortages, all of which may negatively affect the Company's business results and financial condition.

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

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

- risks relating to price fluctuations for gold and other precious and base metals;
- risks inherent in mineral resource estimation;
- risks relating to inaccurate geological and engineering assumptions (including with respect to the tonnage, grade and recoverability of reserves and resources)
- risks relating to all the Company's mineral licences and concessions and projects being located in Namibia, including political, social, economic, security and regulatory instability;
- risks relating to changes in Namibia's national, provincial and local political leadership, including impacts these may have on public policies, administrative agencies and social stability;
- risks relating to local political and social unrest, including opposition to mining, pressure for economic benefits such as employment or social investment programs, access to land for agricultural or artisanal or illegal mining purposes, or other demands;
- risks relating to The Company's rights or activities being impacted by litigation;
- risks relating to The Company's rights or activities being impacted by not being able to secure land access agreements;
- risks relating to The Company's operations being subject to environmental and remediation requirements;
- risks relating to The Company's ability to source qualified human resources, including consultants, attorneys and sub-contractors, as well as the performances of all such resources (including human error and actions outside of the control of Osino, such as wilful negligence of its counterparties or agents);
- risks of title disputes or claims affecting mining licences and concessions or surface ownership rights;
- risks relating to adverse changes to laws, regulations or other norms placing increased regulatory burdens or extending timelines for regulatory approval processes, including environmental, safety, social, taxation and other matters;

- risks relating to delays in obtaining governmental approvals or permits necessary for the execution of exploration, development or construction activities;
- risks relating to failure of plant, equipment or processes to operate as anticipated;
- risks relating to performance of human resources, including accidents and labour disputes;
- risks relating to competition inherent in the mining exploration industry;
- risks of impacts from unpredictable natural occurrences, such as adverse weather conditions, fire, natural erosion, landslides, and geological activity, including earthquakes and volcanic activity;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks relating to the fact that The Company's properties are not yet in commercial production;
- risks relating to the Company's ability to obtain any necessary funding for its operations, at all or on terms acceptable to the Company;
- risks relating to the Company's working capital and requirements for additional capital;
- risks relating to currency exchange fluctuations or change in national currency;
- risks relating to fluctuations in interest and inflation rates;
- risks relating to restrictions on access to and movement of capital;
- other risks of the mining industry;

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

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

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