OSINO RESOURCES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
For the year ended December 31, 2020

Prepared by:

OSINO RESOURCES CORP.

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April 28, 2021

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 Audited Consolidated Annual Financial Statements of the Company and the notes thereto for the year ended December 31, 2020. It therefore 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 April 28, 2021.

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 Audited Consolidated Annual Financial Statements for the year ended December 31, 2020 were prepared in accordance with IFRS.

OVERVIEW OF SIGNIFICANT EVENTS AND ACTIVITIES

The key event during the fourth quarter of 2020 was the completion of the 2020 drill plan at Twin Hills Central ("THC") and related targets. The program included about 51,000 meters drilled with 5 diamond drill (DD) rigs and 4 reverse circulation (RC) rigs in constant rotation. The predominant infill and step out drill program was designed and executed in support of the mineral resource reported according to NI 43-101 standards of disclosure for mineral projects in April 2021.

Another significant development was the discovery of the "Clouds mineralization" located about 1500m along strike from THC. The development of the discovery was fast-tracked through an aggressive infill and step out drilling program to ensure the Clouds mineralization is included in the Mineral Resource Estimate("MRE").

In addition to the drilling activities above, regional surface sampling and mapping (lithological, structural and regolith) was completed at high-ranking targets previously identified in the Karibib district and Otjiwarongo project areas.

SIGNIFICANT DEVELOPMENTS FOR THE COMPANY

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

- The THC Resource Drilling in-fill and step out drilling program to define the MRE commenced at THC with five diamond and four RC drill rigs activated in October 2020. The first phase of the MRE drilling (31,000m) was completed on October 11th and after a short break the second phase (20,000m) commenced on October 27th. This was completed in February 2021. Additional significant drill intercepts at Twin Hills West and Barking Dog further reinforced the brownfields exploration potential of the overall Twin Hills gold system. Significant assays received at Clouds West and East confirmed the discovery of two new zones of gold mineralization. These new discoveries indicated the potential to double the mineralized strike at THC, thereby also significantly growing THC's contiguous resource potential.

- On April 12, 2021, the Company announced its maiden mineral resource for its Twin Hills Gold Project in the Karibib district, the Twin Hills Gold Project Mineral Resource Estimate ("MRE"). The MRE was estimated from approximately 69,000 meters (m) of diamond core (DD) and reverse circulation (RC) drilling, of which approximately 62,000 m was sampled with available assay data. Drill collars were spaced at 50 m x 50 m on the surface, with holes inclined at 60°, resulting in an effective data spacing of 50 m along strike and 40 m on section lines.

- The mineral resource estimate is that material within the reporting pit shell above a 0.5 g/t Au cut-off grade. The mineral resource estimate has an effective date of 01 April 2021, and a corresponding technical report disclosing the mineral resource estimate in accordance with NI 43-101 will be prepared by CSA Global (Pty) Ltd. for the Company, with Mr. Anton Geldenhuys, BSc (Hon) of CSA Global (PTY) Ltd. as an author of the report. He is responsible for all sections in respect of the mineral resource estimate. The Company will file the technical report on SEDAR under its profile at www.sedar.com by May 27, 2021, which is within 45 days of the April 12, 2021 news release announcing the MRE.

OVERVIEW OF OPERATIONS

The key focus during the fourth quarter was to complete the Twin Hills Gold Project MRE drilling predominantly at Twin Hills Central (THC) and Clouds. The drill plan consisted of 51,000m completed through the utilisation of 5 diamond drill (DD) rigs and 4 reverse circulation (RC) rigs. The MRE was fast tracked to inform on the input parameters required to complete the ongoing PEA study, due in Q2 of 2021.

In addition, regional surface sampling and mapping (lithological, structural and regolith) commenced for some high-ranking targets in the Karibib District and Otjiwarongo Project areas. Total line kilometers mapped was 410km, covering priority targets in 8 Exclusive Prospecting Licences ("EPL's"). Field teams also managed to collect a total of 9,723 geochemical soil, termite and calcrete samples from the target areas.

Availability of Funding

As at December 31, 2020, the Company had working capital of $19,306,997 (December 31, 2019: $728,958). This includes cash and cash equivalents totalling $2,129,124 (December 31, 2019: $877,375) and short-term investments in Guaranteed Investment Certificates totalling $18,335,000 (December 31, 2019: $375,000). 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 December 31, 2020, the Company held 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) * *(* 2 licences considered non-gold related)*	188,983	Central Namibia, in the vicinity of regional towns/ settlements of Omaruru, Usakos, Karibib and Wilhelmstal.
Otjikoto East Gold Project (2 licences)	97,171	Northern Namibia, in the vicinity of regional towns/ settlements of Otavi, Kombat and Grootfontein.
Otjiwarongo Regional Project (10 licences)	386,096	Central Namibia, in the vicinity of regional towns/ settlements of Otjiwarongo, Khorixas and Kalkfeld.
Total	**672,250**	

WORK PROGRAM AND RESULTS

Karibib District Project

The Karibib District Project includes sixteen licenses comprising approximately 1,889 km^2 as of December 31, 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 (THC) discovery and the strike extension targets which make up the Twin Hills Gold Project. THC is at least 1.3km in strike length and is open down-dip. The Twin Hills Gold

Project is 11km long and consists of 5 main target areas (from east to west): Twin Hills East, Barking Dog, Clouds, THC discovery and Twin Hills West. The Twin Hills Cluster of targets forms part of the Karibib Gold Trend located adjacent to the Karibib Fault. This has been defined over more than 50km strike length and is referred to in this MD&A as the Karibib District Project. Recent (IP) ground geophysics surveys have highlighted several new anomalies and targets that require follow-up. Additional results from the Twin Hills Gold Project were reported in the fourth quarter, confirming the presence of a large gold mineralized system. Significant assays received at Clouds confirm the discovery of two new zones of gold mineralization, including higher-grade shoots up to 1500m from the eastern edge of THC.

The Clouds discovery was confirmed with excellent shallow, high-grade assays of 50m @ 1.75g/t (OKR0921: 88 – 138m) and 29m @ 1.07g/t (31 – 60m), OKR113 returned 77m @ 0.88g/t incl. 5m @ 4.87g/t and OKR106 returned assays results of 97m @ 0.65g/t (OKR1061: 26 – 123m), incl. 10m @ 1.38g/t and 20m @ 1.19g/. The Clouds East mineralization is currently 350m in strike extent and open to the east and west. The gold mineralization is steeply dipping to the north and occurs within sheared and altered turbidites, hosting centimeter-scale veinlets of arsenopyrite and pyrrhotite. The Clouds mineralization is characterized by a strong and coincident magnetic and IP anomaly that continues strongly in the easterly direction where it links with the Barking Dog prospect. The host lithology and style of mineralization at Clouds appears to be the same as at THC. During December 2020, the Company engaged an experienced structural and ore deposit modelling consultant, to assist with the structural interpretation and refinement of the lithological models at THC and Clouds.

Assays returned at THC during the quarter indicates excellent continuity of grade and width within the two main shoots (Bulge and Central), separated by a narrow area of faulting (known as the ‘Gap’). Several infill and step-out holes were drilled to the north of THC to intersect the plunging mineralization at depth and to test for blind parallel zones. Some of these holes intersected over 200m width of mineralization including holes OKD119 (236m @ 0.78g/t), OKD118 (259m @ 0.72g/t) and OKD091 (259m @ 0.74g/t). Hole OKD116 intersected 113m @ 1.00g/t to over 350m down-dip. Hole OKD112 to the north of the east lobe intersected a zone of higher-grade mineralization from 220 to 295m (76m @ 1.09g/t). The higher-grade zone intersected in hole OKD112 is believed to represent the mineralized fold hinge of the Twin Hills Syncline which is sub-horizontal and east-west in orientation. An unexpected, shallow, high-grade quartz-pyrite vein system of 4m @ 11.67g/t was intersected in hole OKRD069 at a depth of 56m. This mineralization is unusual for its very high grade but also because it is associated with pyrite, whereas all the other mineralization at Twin Hills is associated with pyrrhotite and arsenopyrite. This new vein system will be targeted in the next round of drilling.

The in-house model of a syncline overturned towards the south has been confirmed, with refinements added to allow a tighter lithological framework for the footwall and internal waste. The consultant also logged and modelled several late vertical NNW striking faults which are usually characterized by breccia zones containing calcite, quartz and pyrite. These late faults do not seem to displace the mineralization significantly in a lateral sense but appear to have caused vertical displacement, particularly in the ‘Gap’ area between the Bulge and Central lobes.

Drilling at THC is being carried out on 50m x 50m drill spacing, covering the entire deposit as well as parts of the Clouds prospects to the east. The in-fill and step-out drill program focused at THC and Clouds was completed by the end of January 2021 and included approximately 66,000m of diamond and reverse-circulation (“RC”) drilling.

In addition to progressing THC and Clouds to a resource level estimate, drilling will also be focused on advancing some high priority brownfields targets located within the Twin Hills Gold Project. Narrow but significant intercepts have been returned from both Twin Hills West (16m @ 1.38g/t) and Barking Dog (8m @ 1.30g/t) which provide a clear indication of where future drilling should be focused at these targets.

Four holes were drilled during the 2020 program over a prominent IP anomaly to the south of Barking Dog. Hole OKD063 on the east side of the anomaly returned a positive intercept of 8m @ 1.30g/t. This mineralization will be followed-up along strike and down-dip to see if it develops into a wider shoot towards the east.

At Twin Hills West (THW) another four holes were drilled to the south and west of OKD011 (21m @ 0.83g/t) and OKD019 (11m @ 1.08g/t) to follow-up on the results from 2019. The best result from the recent drilling is 16m @ 1.38g/t in the southernmost hole (OKD037). This hole appears to have intersected the top of a developing ore shoot and step-out drilling is planned to follow-up on OKD037. This will also test the strong IP and gold-in-calcrete anomaly at THW to the north of the current drilling.

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. The total line kilometers mapped at high-ranking targets in the project are 113km along 3 EPL's. Field teams collected a total of 2133 geochemical soil and calcrete samples from the license areas.

Otjikoto East Project

The Otjikoto East Gold Project comprises two licenses covering approximately 972km^2. The license areas include approximately 90km of strike length of prospective geology similar to that which hosts the Otjikoto Gold Mine (owned by B2Gold Corp.) less than 10km to the west of the Company's licenses.

Work during the fourth quarter focused on the reinterpretation of results to facilitate the generating of high priority targets and follow-up field programs that are likely to begin in the second quarter of 2021. 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 Project

The Otjiwarongo Regional Gold Project comprises ten licenses with a surface area in excess of 3,861km^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 and mapping in the region continued during the fourth quarter under review on several licences.

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 deep structures including the Omaruru and Okahandja Lineaments as well as the recently identified Karibib Fault;
- Large sedimentary turbidite basins as a source of fluids;
- Compressional tectonics, which are required for pumping the fluids out of the basins and through these large structures;
- Association with domes and basement highs;
- Associated gold occurrences.

The discovery of THC during the second half of 2019 and Clouds in the fourth quarter of 2020 is a significant milestone in the Company's exploration work in Namibia. Work in 2020 focused on further defining the THC discovery.

The results vindicate the approach taken by Osino over the last few years. The discovery of the Twin Hills Cluster was made possible by systematically focussing in on the key structures and prospective geology using regional geophysics, regional mapping and geochemical sampling. Follow-up exploration was conducted using ground magnetics, RAB drilling for bedrock samples and IP surveys. 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 pulverized 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-analyzed with Gravimetric finish if Au >5 g/t. Pulps also undergo 4-Acid digestion and multi-element analysis by ICP-AES or ICP-MS. RC samples are prepared at the Actlabs sample prep facility in Windhoek, Namibia. The rock is dried, crushed to 95% -10mesh, split to 250g and pulverized 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 2021 across our Project Areas is as follows:

Karibib Gold Project

- Continue with the resource definition drill program at THC and Clouds at the Twin Hills Gold Project, focusing on the requirements for future feasibility studies later in the year;
- 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
- Drill test high ranking Brownfields targets identified by new drilling, IP and soil geochemical anomalies at the Twin Hills Gold Project to aid in discovering satellite orebodies.
- Review the regional work completed along the Karibib Fault, and design a follow-up drill program;
- Additional regional sampling in the Kranzberg, Dobbelsberg and other priority areas within the larger Karibib Project area.

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.
- Continue negotiations regarding 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);
- Follow-up on geochemical soil anomalies on the Terasse and Moselle targets with RAB and RC drilling campaigns
- Ongoing regional sampling and mapping programs on priority regional target areas;
- Ongoing reconnaissance visits to other identified areas of potential;
- Continue negotiations regarding farm/land access agreements for the commencement of additional sampling programs.

QUALIFIED PERSON'S STATEMENT

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. He 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 National Instrument NI 43-101 ("NI 43-101").

The mineral resource estimate was carried out by Mr. Anton Geldenhuys (MEng), a registered Professional Natural Scientist (SACNASP, membership number 400313/04) of CSA Global (Pty) Ltd., who is an independent Qualified Person ("QP") as defined by *CIM Definition Standards for mineral resources and Mineral Reserves* in accordance with NI 43-101. Mr. Geldenhuys is a geoscientist and is qualified as a geologist (Honours) and engineer (Masters) and has over 20 years of relevant industry experience. Mr. Geldenhuys is member in good standing of the South African Council for Natural Scientific Professions (SACNASP) and has sufficient experience relevant to the commodity, style of mineralization and activity which he is undertaking to qualify as a QP under NI 43-101. Mr. Geldenhuys has reviewed and approved the scientific and technical information in this MD&A.

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 December 31, 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 dated July 16, 2020. 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. There may, therefore 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 MD&A 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	Estimated Spend to December 31, 2020 as set out in the Prospectus (1)	Cumulative Spend for the year(2)	Remaining Spend as at Dec 31, 2020	Net Proceeds from July 2020 Financing as per the Prospectus(3)	Remaining Spend as at Dec 31, 2020 (4)
Project Expenditure					
Karibib district exploration(5)	$5,429,138	$7,077,740	$(1,648,602)	$6,696,000	$5,047,398
Feasibility study	-	-	-	250,000	250,000
Regional exploration	550,000	-	550,000	1,470,000	2,020,000
Development studies	995,250	1,356,042	(360,972)	470,000	109,208
Environmental studies	90,000	107,198	(17,198)	330,640	313,442
In-country G&A expenses(6)	1,046,444	1,369,931	(323,487)	1,390,000	1,066,513
Capital expenditures	565,011	775,550	(210,539)	4,460,000	4,249,461
Corporate G&A expenses(7)	1,668,600	2,678,104	(1,009,504)	1,261,000	251,496
Unallocated working capital(8)	970,000	970,000	-	-	-
Total	**$11,314,443**	**$14,333,564**	**($3,019,121)**	**$16,327,640**	**$13,308,519**

(1) Funds from the January 2020 financing as disclosed in the MD&A for the three months ended March 31, 2020 have been 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 twelve-month period to December 31, 2020 across both phase 1 and 2 of the work program and excludes any expenditure allocated to stock options or minority interests.

(3) Funding raised in the July 2020 financing is 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. It will also support the other regional exploration projects of the Company. The second phase of the Karibib Projects includes the Twin Hills metallurgical test work and maiden resource definition program which commenced in the latter part of the second half of 2020 and is expected to be complete by the end of the second quarter of 2021.

(4) The Company expects to meet this spend over the following twelve 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 as set out in the prospectus.

FINANCIAL POSITION

As at December 31, 2020, the Company had total assets of $23,293,337 and a net equity position of $22,484,137. This compares with total assets of $2,251,974 and a net equity position of $1,776,995 as at December 31, 2019. The Company had liabilities of $1,555,497 as at December 31, 2020, as compared with $821,751 as at December 31, 2019.

As at December 31, 2020, the Company had working capital of $19,306,997 compared with working capital of $728,958 as at December 31, 2019. The Company had cash on hand of $2,129,124 as at December 31, 2020, compared with $877,375 as at December 31, 2019, short term investments in Guaranteed Investment Certificates totalling $18,335,000, compared with $375,000 as at December 2019 and other receivables and prepaid expenses of $1,814,455 as at December 31, 2020 as compared to $781,621 as at December 31, 2019.

As of the date of this report, the Company has cash and cash equivalents on hand of approximately $15,500,000.

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"). This is 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 fieldwork 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 fieldwork 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 fieldwork, 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	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**	**Mar 31, 2020**
Amortization	$43,106	$ 11,959	$9,755	$10,831
Exploration expenses	3,216,228	2,577,340	765,884	396,939
Professional fees	178,529	304,147	160,461	175,785
Consulting fees	95,844	73,376	60,241	76,782
Management fees	93,000	207,000	96,000	90,000
Salaries and benefits	2,444,886	352,414	191,239	170,249
Office and General	159,026	135,839	59,447	210,159
Travel	12,276	1,693	8,769	37,597
Stock options expense	294,517	299,467	141,477	396,753
Investment income	(56,388)	(105,909)	(7,067)	(25,033)
Loss for the period	**$6,481,024**	**$ 3,857,326**	**$ 1,486,206**	**$1,540,062**
Foreign translation gain/(loss)	139,034	65,102	13,845	(202,943)
Net comprehensive loss for the period	**$6,341,990**	**$3,792,224**	**$1,472,361**	**$1,743,005**
Weighted average number of shares in issue	103,834,757	100,264,280	85,623,539	79,241,330
Basic and diluted loss per share	($0,06)	($0,04)	($0,02)	($0,02)

REVIEW OF FINANCIAL RESULTS (continued)

Summary of Quarterly Results (continued)

Income Statement for the three months ended	**Dec 31, 2019**	**Sep 30, 2019**	**Jun 30, 2019**	**Mar 31, 2019**
Amortization	$15,000	$17,259	$17,144	$17,079
Exploration expenses	1,166,563	662,507	611,308	692,031
Professional fees	176,576	125,165	119,717	72,370
Consulting fees	88,429	250,794	73,050	80,947
Management fees	64,500	64,500	574,500	94,500
Salaries and benefits	489,450	167,716	171,078	172,426
Office and General	144,486	251,420	146,604	97,194
Travel	29,141	33,073	39,082	53,778
Stock option expense	57,666	104,296	113,760	98,410
Investment income	(2,492)	(4,788)	(11,188)	(23,878)
Loss for the period	**$2,229,319**	**$1,671,942**	**$1,855,055**	**$1,354,857**
Foreign translation gain/(loss)	69,304	(68,860)	10,173	(42,838)
Net comprehensive loss for the period	**$2,160,015**	**$1,740,802**	**$1,844,882**	**$1,397,695**
Weighted average number of shares in issue	67,368,495	65,689,962	56,730,724	56,382,271
Basic and diluted loss per share	($0,03)	($0,03)	($0,03)	($0,02)

The Company's project/exploration expenditure increased significantly year on year as we continued with the accelerated drill program at Twin Hill. Professional and Consulting fees increased due to the prospectus-based financings concluded in the year, together with the associated costs and higher activity levels causing an increase in Office and General expenditure for the year.

The Company incurred significantly lower costs related to promotional events, conferences and travel due to the travel restrictions imposed by the COVID-19 pandemic. The company has, however, been very active using virtual platforms and events. 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 quarter and year end accounts for the higher investment income totals for both the quarter and year to date on a relative basis.

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

The Company has a restricted stock unit plan. Restricted stock units are expensed through the income statement at the fair market value of the units at issue date. The restricted stock units are fully disclosed in the Audited Consolidated Annual Financial Statements of the Company and the notes thereto for the year ended December 31, 2020. This accounts for the significant increase in Salaries and benefits costs.

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.

	Twelve months ended December 31, 2020	Twelve months ended December 31, 2019	Increase/ (Decrease)	Three months ended December 31, 2020	Three months ended December 31, 2019	Increase/ (Decrease)
Project Expenditure						
Geological Consultants	$892,198	$319,205	$572,993	$419,547	$60,179	$359,368
Geochemistry	1,200,612	734,604	466,008	681,767	338,577	343,190
Geophysics	150,885	53,390	97,495	3	10,493	(10,490)
GIS Costs	4,545	18,493	(13,948)	987	5,653	(4,666)
Licence Acquisition & Holding Costs	264,080	515,015	(250,935)	72,627	27,628	44,999
Environmental Costs	107,198	24,155	83,043	32,279	4,378	27,901
Drilling Costs	4,026,784	1,258,082	2,768,702	1,901,728	689,390	1,212,338
Field Support Costs	319,978	142,037	177,941	85,003	54,918	30,085
Travel & Field Accommodation	71,524	161,782	(90,258)	20,976	30,856	(9,880)
Vehicle Expenditure	98,753	95,781	2,972	34,777	24,182	10,595
Salaries & Wages	1,640,270	1,021,478	618,792	962,078	497,020	465,058
Total	**$8,776,827**	**$4,344,022**	**$4,432,805**	**$4,211,772**	**$1,743,274**	**$2,468,498**

General & Administrative Expenditure						
Audit, Accounting & Admin Fees	$118,849	$92,347	$26,502	$41,597	$35,512	$6,085
Office and General	459,934	616,009	(156,075)	155,740	115,886	39,854
Amortization	75,651	66,844	8,807	42,981	15,362	27,619
Legal Fees	29,541	18,121	11,420	10,119	5,091	5,028
Rent Expense	85,891	80,754	5,137	17,813	21,896	(4,083)
Professional Fees	473,095	232,904	240,191	75,522	71,702	3,820
Management Fees	486,000	798,000	(312,000)	93,000	64,500	28,500
Consulting Fees	430,207	530,386	(100,179)	138,119	100,922	37,197
Listing Expenses	34,614	-	34,614	-	-	-
Share-based Payments	1,456,192	-	1,456,192	1,456,192	-	1,456,192
Stock Option Expense	1,132,214	374,312	757,902	294,517	57,666	236,851
Total	**$4,782,188**	**$2,809,497**	**$1,972,691**	**$2,325,640**	**$488,537**	**$1,837,103**

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE (continued)

Project Expenditure

During the year ended December 31, 2020, the Company incurred project expenditure of $8,776,827 and $4,211,772 as compared to $4,344,022 and $1,743,274 for the year ended December 31, 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. Any decrease in expenditure for the year to date is mainly attributable to lower licence acquisition costs compared to 2019. This has been offset by the increased use of consultants and related expenditure due to the drill program(s) on the Karibib Gold Project, most notably assay fees, field and support costs and salaries and wages. 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 for the year. 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 is 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 year ended December 31, 2020, the Company incurred General & Administrative Expenditure of $4,782,188 and $2,325,640 as compared to $2,809,497 and $488,537 for year ended December 31, 2019.

The movement in the General & Administrative Expenditure for the year has largely been driven by costs associated with the following:

- The Company continues to incur 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.
- 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 year, which has been mostly accounted for under 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.
- The Company adopted a restricted stock unit plan, which has been fully disclosed in the Audited Consolidated Annual Financial Statements of the Company and the notes thereto for the year ended December 31, 2020, and expensed through Salaries and wages. The costs have been accounted for under share-based payments in the table above.

Professional and Consulting Fees

During the year ended December 31, 2020, the Company incurred professional and consulting fees of $903,302 and $213,641 as compared to $763,290 and $172,624 for the year ended December 31, 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, the filing fees related to the financings and the additional regulatory expenditure requirements related thereto. Above normal expenditure incurred amounted to approximately $250,000 in the year.

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. Additional expenditure incurred amounted to approximately $80,000 in the year mostly due to first time adoption.

Management Fees

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

During the year ended December 31, 2020, the Company incurred management fees of $486,000 compared to $798,000 for the year ended December 31, 2019.

Fees payable to members of the management team and related parties are disclosed in Note 18: Related Parties to the Audited Consolidated Annual Financial Statements for the year ended December 31, 2020.

Foreign Exchange

The foreign exchange movements during the year ended December 31, 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 year ended December 31, 2020 and the year ended December 31, 2019 was as follows:

Project Expenditure	**Twelve months ended December 31, 2020**	**Twelve months ended December 31, 2019**	**Increase/ (Decrease)**	**Three months ended December 31, 2020**	**Three months ended December 31, 2019**	**Increase/ (Decrease)**
Karibib Gold Project	$6,891,229	$2,477,491	$4,413,738	$3,351,775	$1,165,447	$2,186,328
Otjikoto East Gold Project	42,884	614,089	(571,205)	4,566	110,905	(106,339)
Otjiwarongo Regional Project	394,179	278,906	115,273	154,269	59,558	94,711
Other Project Expenditure	1,448,535	973,536	476,999	701,162	407,364	293,798
Total	**$8,776,827**	**$4,344,022**	**$4,432,805**	**$4,211,772**	**$1,743,274**	**$2,468,498**

General & Administrative Expenditure						
Audit, Accounting & Admin Fees	$118,849	$92,347	$26,502	$45,238	$35,512	$9,726
Office and General	397,275	565,471	(168,196)	137,281	94,876	42,405
Amortization	75,651	66,844	8,807	42,981	15,362	27,619
Legal Fees	26,059	6,247	19,812	9,141	-	9,141
Rent Expense	45,320	48,845	(3,525)	12,327	14,763	(2,436)
Professional Fees	473,095	232,904	240,191	75,522	71,702	3,820
Management Fees	486,000	798,000	(312,000)	93,000	64,500	28,500
Consulting Fees	430,207	530,386	(100,179)	138,119	100,922	37,197
Listing Expense	34,614	-	34,614	-	-	-
Share-based Payments	1,456,192	-	1,456,192	1,456,192	-	1,456,192
Stock Option expense	1,132,214	374,132	758,082	294,517	57,666	236,851
Regional projects	106,712	94,321	12,391	21,322	33,234	(11,912)
Total	**$4,782,188**	**$2,809,497**	**$1,972,691**	**$2,325,640**	**$488,537**	**$1,837,103**

The Karibib Gold Project, and more specifically, the THC and Clouds discoveries are the Company's main focus areas and continues to consume the majority of the Company's resources. Work during the quarter focused primarily on the drill program at THC and Clouds.

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.: structural, environmental and metallurgical activity) 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 fieldwork being carried out. This was due to the Company’s focus on field activities on the Karibib Gold Project.

Work on the Otjiwarongo Regional Project included some regional sampling and mapping work that was possible. New regional data compilations, the interpretation thereof, and 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 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 twelve months ended December 31, 2020, the Company's overall position of cash and cash equivalents increased by $8,211,749. This increase in cash can be attributed to the following activities:

1) The Company's net cash used in continued operating activities during the year ended December 31, 2020 was $10,997,460 as compared to $6,305,397 for the year ended December 31, 2019. The primary use of cash in the twelve-month period was for expenditure incurred in expanding the Company's exploration activities (especially drilling) and project areas, analyses of drill results, general and administration expenditure and fees incurred on the financing closed in the year.

2) Cash used in investing activities during the year ended December 31, 2020 amounted to $11,775,550 as compared to $39,221 for the year ended December 31, 2019. This was driven by the acquisition of property, plant and equipment in the form of field vehicles and a warehouse, as well as, upgrades to the Company's warehousing and camp facilities including the core shed in line with the advancement of the Company's projects and prospects. It was also driven by the investing of the proceeds raised in the financings closed in FY2020 into Guaranteed Investment Certificates with highly rated financial institutions. These have been disclosed under short term investments.

3) Cash generated from the Company's financing activities as discussed in this analysis, for the year ended December 31, 2020 was $30,984,759 as compared to $3,397,889 from financing activities during the year ended December 31, 2019. The primary contributor to the movement were the net proceeds raised from the offerings in the year. The cash inflow has been reduced by payments made against loan borrowings and leases during in the year.

4) The Company's cash movement for the year ended December 31, 2020 has been negatively impacted to the value of $20,642 by currency fluctuations as compared to the negative impact of $38,230 for the year ended December 31, 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 13 of the Audited Consolidated Annual Financial Statements for the year ended December 31, 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 April 28, 2021)

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

Common Shares outstanding at December 31, 2020	104 078 020
Shares issued in terms of mineral licence agreements	-
Share options issued to directors, officers and consultants and employees	8 129 539
Share options issued to independent holders	746 318
Warrants exercised and converted into common shares	639 612
Warrants issued and outstanding	21 334 981
Restricted stock units issued and outstanding	1 330 400
Stock options converted to shares	338 369
Common shares outstanding on a fully diluted basis	136 597 239

The number of Common Shares outstanding as at the date of this MD&A amounts to 105,056,001. Details with respect to the movement and value of share capital are set out in Note 7 of the Audited Consolidated Annual Financial Statements for the year ended December 31, 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 13 of the Audited Consolidated Annual Financial Statements for the year ended December 31, 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 yet 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 and development programs, the development of such resources and ultimately on the profitability of operations or disposition of interests. As at December 31, 2020, the Company has incurred cumulative losses of $31,773,668.

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

Namibia's economy remains weak and is expected to recover moderately in 2021 assuming a post-pandemic global economic recovery. Real GDP is expected to contract by 7.3 per cent in 2020, which is slightly lower than the 7.8 per cent contraction projected in the August 2020 Economic Outlook. 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. This is due to their robust healthcare systems, better access to financial resources and comparatively lower borrowing costs, which will underpin their economic recovery. The sectors expected to be most affected by COVID-19 induced travel restrictions and weakening global markets remain largely unchanged and include hotels and restaurants, mining, transport and storage, manufacturing, wholesale and retail trade, and construction. The Namibian economy is projected to recover with growth rates of 2.6 per cent and 3.2 per cent in 2021 and 2022, respectively. The relatively tepid recovery 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. According to the IMF World Economic Outlook (WEO) report released in October 2020, the contraction in global output is projected to be less severe than the earlier projection in June 2020. The revision is on the back of better than anticipated growth in advanced economies due to the scaling back of COVID-19 induced lockdowns coupled with signs of a better-than-expected recovery during the third quarter of 2020. Global output is estimated to contract by 4.4 per cent in 2020 before recovering with positive growth of 5.2 per cent in 2021

Risks to domestic growth are currently dominated by uncertainty regarding the duration of COVID-19 pandemic. In the medium term, however, such risks should dissipate. Overall, the domestic economy is expected to start with a gradual recovery during 2021, as most countries open their economies. During the fourth quarter of 2020, the second wave of COVID-19 infections hit and the resulting lockdowns in major economies have delayed the activation of a solid global recovery to mid-2021. The COVID-19 pandemic is expected to remain a health problem at least until mid-2021, after which effective vaccines and medicines for curing the disease may become more widely available. Furthermore, demand for Namibia's exports (minerals) is expected to pick up in 2021 as major economies restart normal operations as they are expected to recover quicker than developing economies.

South Africa, the region's largest economy, is still projected to contribute approximately 60% of regional economic output in 2020 and beyond. 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 achieving 3,1% growth in 2021.

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, but has since consolidated and remained in a holding pattern currently trading at approximately $1,768 an ounce. Due to its inverse relationship with real bond yields, it remains possible that Gold pricing could improve if real bond yields go negative or decrease further together with a significant downward shift in inflation expectations. The real 10-year Treasury yield (the nominal yield minus the inflation breakeven) currently sits at approximately 1,72% having rise sharply in the final quarter of 2020 and into the first quarter of 2021. There are increasing expectations by investors of a strong recovery from the recession. The US central bank said it sees stronger economic growth than previously estimated, forecasting gross domestic product to rise to 6.5% in 2021. This is up from the 4.2% GDP increase forecast in December.

The Federal Reserve also expects core inflation to hit 2.2% this year, but has a long-run expectation of it sticking around 2%. The U.S. central bank also indicated that it didn't plan to hike interest rates through 2023 and that it would continue its program of buying at least $120 billion of bonds a month. These projections reinforced the idea that the Fed is willing to let the economy run hot for a period of time to allow the U.S. to recover from the Covid pandemic. The U.S. labor market recovery is expected to be more V-shaped than many have thought, assisted by the mass rollout of vaccination campaigns worldwide that commenced in early 2021. This coupled with the absence of any fear of untoward inflationary concerns and with US unemployment at 6,3% seasonally adjusted, tells us that the outlook for 2021 is way more positive than originally thought, for developed economies at least.

Current planning by the Namibian government remains to finance the expected larger fiscal deficits by tapping finance from a variety of sources including the diversification of its funding sources globally. The Namibian government continues to run a record deficit for the 2020/21 fiscal year. Although there could be a decrease in the cost of funding by virtue of striking deals with the IMF and World Bank, currency weakness (the Namibian Dollar is pegged to the South African Rand), increased sovereign credit risks due the financial state of SOA's and continued funding pressures will likely remain.

The Bank of Namibia has continued to direct efforts towards supporting key players in the economy by contributing to economic development programs, economic growth initiatives, accelerated investment, and employment creation. The Namibian central bank has implemented measures to preserve financial stability and smooth credit flows amid the pandemic. 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 political stability, well-developed transport infrastructure and abundant, 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 2.3% in 2020 with December estimates at 2,4%. The Namibian dollar remains pegged to the South African Rand, thus 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 from 12.5% of GDP in 2020 to 2,7% by 2022 and to limit public debt to 48% of GDP. 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 has had a major impact on business activities, especially transport and tourism. Namibia's economy is heavily dependent on the extraction and processing of minerals for export. Mining accounts for about 12.5% of GDP, but provides more than 50% of foreign exchange earnings. Rich alluvial diamond deposits make Namibia a primary source for gem-quality diamonds. Marine diamond mining is increasingly important as the terrestrial diamond supply has dwindled. Namibian authorities have emphasized the need to add value to raw materials, do more in-country manufacturing and beneficiation, and exploit the services market, especially in the logistics and transportation sectors. Namibia is one of the world's largest producers of uranium, also producing large quantities of zinc as well as being a smaller producer of gold and copper.

Namibia's economy remains vulnerable to world commodity price fluctuations and drought. Growth in the mining sector is determined by mineral commodity markets and, to a certain degree, directs investment flows to a particular mineral. Countries can gain a competitive advantage, in terms of attracting investment in mining, by ensuring that their legislative and policy frameworks are conducive for investors to realise a return on their investment(s) while maximising the socio-economic benefits to the country.

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 has depreciated by as much as 37% and 26% versus the United States Dollar and the Canadian Dollar respectively in 2020. The Rand, after a tumultuous year, ended up only depreciating by approximately 4% versus the greenback and 6% versus the Canadian dollar by year end, and has continued to appreciate in 2021. This is driven, in part, by its relatively better management of the pandemic versus North America and Europe and solid inflows in ZAR from real money accounts.

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 Annual Information Form dated June 26, 2020, 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 18 of the Audited Consolidated Annual Financial Statements for the year ended December 31, 2020.

For the twelve months ended December 31, 2020, total key management compensation was $2,915,081 (December 31, 2019 - $1,208,673), which includes management fees and bonuses of $911,000 (December 31, 2019 - $1,070,500), directors fees of $72,500 (December 31, 2019 - $Nil) and share-based compensation of $1,931,581 (December 31, 2019 - $138,173).

Share-based Payments

During the year, the Company issued 1,225,000 stock options to key management at a weighted average exercise price of $0.95 and expiry dates of February 27, 2020 and December 21, 2025. The stock options were valued at $786,985 using the Black- Scholes pricing model. Effective December 21, 2020, the Company granted 1,193,600 restricted stock units (RSU's) to officers, directors and key employees under its RSU plan (refer to note 7). The fair value of the RSU's granted were $1,456,192.

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 Audited Consolidated Annual 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 judgment 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, stock options and restricted stock units are disclosed in Note 7 of the Company’s Audited Consolidated Annual Financial Statements for the year ended December 31, 2020.

The Company’s significant accounting policies can be found on pages 10 to 16 of the Company’s Audited Consolidated Annual Financial Statements for the year ended December 31, 2020.

USE OF ESTIMATES

The preparation of the Audited Consolidated Annual 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, warrants and restricted stock units 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 Audited Consolidated Annual Financial Statements for the year ended December 31, 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 IP geophysical surveying, on the Karibib Gold Project and other projects;
- the 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 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;
- the Company monitoring market and political conditions (both globally and in Namibia) and the Government of Namibia's concession tender process;
- the Company continuing to evaluate additional exploration project opportunities;
- the Company bidding on further prospective targets should they become available;
- the Company's going-forward strategy;
- the Company seeking strategic partners for highly prospective gold deposits found on its 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;
- the mining assets and properties acquired by the Company being attractive investment opportunities; and
- the impact on the Company of the pandemic relating to 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, nor 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, 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.