

Osino Resources Corp. (An exploration stage company)
Unaudited Interim Condensed Consolidated Financial Statements
for the three months ended March 31, 2021

Osino Resources Corp. (An exploration stage company)

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Contents

	Page
Directors' Responsibilities and Approval	2
Interim Condensed Consolidated Statements of Financial Position	3
Interim Condensed Consolidated Statements of Loss and Other Comprehensive Loss	4
Interim Condensed Consolidated Statements of Changes in Equity	5 - 6
Interim Condensed Consolidated Statements of Cash Flows	7
Accounting Policies	8 - 9
Notes to the Unaudited Interim Condensed Consolidated Financial Statements	10 - 21

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Directors' Responsibilities and Approval

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

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

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

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

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

The unaudited interim condensed consolidated financial statements set out on pages 3 to 21, which have been prepared on the going concern basis, were approved by the board of directors on May 27, 2021 and were signed on their behalf by:

/s/ "Heye Daun"
Director

/s/ "Alan Friedman"
Director

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Interim Condensed Consolidated Statements of Financial Position

Figures in Canadian Dollar	Note(s)	March 31, 2021	(Audited) December 31, 2020
Assets			
Non-Current Assets			
Property, plant and equipment	2	1,056,835	952,579
Right of use asset	3	54,748	62,179
Long term receivables	4	2,030,913	1,546,128
		3,142,496	2,560,886
Current Assets			
Sales tax receivables and other assets	4	300,330	268,327
Short - term investments	5	-	11,000,000
Cash and cash equivalents	6	15,924,446	9,464,124
		16,224,776	20,732,451
Total Assets		19,367,272	23,293,337
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	7	43,908,246	43,387,383
Reserves		11,346,115	10,870,422
Accumulated deficit		(37,388,833)	(31,773,668)
		17,865,528	22,484,137
Non-controlling interest		(970,317)	(746,297)
		16,895,211	21,737,840
Liabilities			
Non-Current Liabilities			
Other financial liabilities	8	198,481	91,760
Lease liability	9	46,190	38,283
		244,671	130,043
Current Liabilities			
Trade and other payables	10/15	2,151,373	1,364,440
Other financial liabilities	8	66,310	46,856
Lease liability	9	9,707	14,158
		2,227,390	1,425,454
Total Liabilities		2,472,061	1,555,497
Total Equity and Liabilities		19,367,272	23,293,337

Nature of business (note 1)

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

/s/ "Heye Daun"
Director

/s/ "Alan Friedman"
Director

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

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

Figures in Canadian Dollar	Note(s)	3 months ended March 31, 2021	3 months ended March 31, 2020
Amortisation and depreciation	2/3	(51,446)	(10,831)
Consulting and professional fees		(199,004)	(252,567)
Exploration and evaluation		(3,935,494)	(396,939)
Management fees	15	(142,500)	(90,000)
Office and administration		(312,308)	(210,159)
Salaries and benefits		(609,538)	(170,249)
Stock option expense	7	(622,204)	(396,753)
Travel		(7,839)	(37,597)
Operating loss		(5,880,333)	(1,565,095)
Investment income		46,184	27,707
Finance charges	8/9	(5,036)	(2,674)
Loss for the period		(5,839,185)	(1,540,062)
Other comprehensive loss:			
Foreign currency translation		(119,752)	(202,943)
Total comprehensive loss for the period		(5,958,937)	(1,743,005)
Loss attributable to:			
Owners of the parent		(5,615,165)	(1,508,653)
Non-controlling interest		(224,020)	(31,409)
		(5,839,185)	(1,540,062)
Total comprehensive loss attributable to:			
Owners of the parent		(5,734,917)	(1,711,596)
Non-controlling interest		(224,020)	(31,409)
		(5,958,937)	(1,743,005)
Loss per share			
Weighted number of shares outstanding	16	104,525,602	79,241,330
Loss per share - Basic and diluted	16	\$0.05	\$0.02

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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Interim Condensed Consolidated Statements of Changes in Equity

	Number of Shares	Share Capital	Share-based Payment Reserve	Warrant Reserve	Cumulative Translation Reserve	Deficit	Shareholders Equity	Non-controlling Interest
Figures in Canadian Dollar								
Balance at December 31, 2019	67,368,495	17,773,663	1,908,437	773,317	130,153	(18,808,575)	1,776,995	(346,772)
Shares issue costs	-	(1,199,024)	-	-	-	-	(1,199,024)	-
Prospectus offering	17,949,150	14,000,337	-	-	-	-	14,000,337	-
Exercise of warrants	71,000	49,281	-	(10,231)	-	-	39,050	-
Movement in value of share options	-	-	396,753	-	-	-	396,753	-
Issue of warrants	-	(2,953,533)	-	2,953,533	-	-	-	-
Issue of broker warrants	-	(404,468)	-	404,468	-	-	-	-
Comprehensive loss adjustment	-	-	-	-	(202,943)	-	(202,943)	-
Loss for the period	-	-	-	-	-	(1,508,653)	(1,508,653)	(31,409)
Balance at March 31, 2020	85,388,645	27,266,256	2,305,190	4,121,087	(72,790)	(20,317,228)	13,302,515	(378,181)
Prospectus offering	16,100,000	17,710,000	-	-	-	-	17,710,000	-
Share issue costs	-	(1,357,234)	-	-	-	-	(1,357,234)	-
Issue of broker warrants	-	(328,118)	-	328,118	-	-	-	-
Issue of warrants	-	(2,398,900)	-	2,398,900	-	-	-	-
Exercise of warrants	1,866,913	1,850,529	-	(391,789)	-	-	1,458,740	-
Exercise of broker warrants	88,965	103,796	-	(34,403)	-	-	69,393	-
Exercise of stock options	570,997	442,304	(193,525)	-	-	-	248,779	-
Shares issued on the acquisition of exploration licences	62,500	98,750	-	-	-	-	98,750	-
Issue of restricted stock units	-	-	1,456,192	-	-	-	1,456,192	-
Movement in value of stock options	-	-	735,461	-	-	-	735,461	-
Comprehensive income adjustment	-	-	-	-	217,981	-	217,981	-
Loss for the period	-	-	-	-	-	(11,456,440)	(11,456,440)	(368,116)
Balance at December 31, 2020	104,078,020	43,387,383	4,303,318	6,421,913	145,191	(31,773,668)	22,484,137	(746,297)

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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Interim Condensed Consolidated Statements of Changes in Equity

Figures in Canadian Dollar	Number of Shares	Share Capital	Share-based Payment Reserve	Warrant Reserve	Cumulative Translation Reserve	Deficit	Shareholders Equity	Non-controlling Interest
Balance at December 31, 2020	104,078,020	43,387,383	4,303,318	6,421,913	145,191	(31,773,668)	22,484,137	(746,297)
Exercise of broker warrants	120,750	182,043	-	(49,218)	-	-	132,825	-
Exercise of warrants	112,500	102,924	-	(19,674)	-	-	83,250	-
Comprehensive loss adjustment	-	-	-	-	(119,752)	-	(119,752)	-
Loss for the period	-	-	-	-	-	(5,615,165)	(5,615,165)	(224,020)
Movement in value of stock options	-	-	622,204	-	-	-	622,204	-
Exercise of stock options	338,369	235,896	(109,715)	-	-	-	126,181	-
Issuance of restricted stock units	-	-	151,848	-	-	-	151,848	-
Balance at March 31, 2021	104,649,639	43,908,246	4,967,655	6,353,021	25,439	(37,388,833)	17,865,528	(970,317)

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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

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

Figures in Canadian Dollar	Note(s)	3 months ended March 31, 2021	3 months ended March 31, 2020
Cash flows from operating activities			
Cash used in operations*	11	(4,803,830)	(1,550,471)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(221,990)	-
Proceeds on disposal of property, plant and equipment	2	18,951	-
Redemption of GIC's		11,000,000	-
Net cash flows from investing activities		10,796,961	-
Cash flows from financing activities			
Proceeds from common shares net of issuance costs	7	-	12,840,363
Proceeds from stock options	7	126,181	-
Proceeds from share purchase and broker warrants	7	216,075	-
Repayment of loan	8	(31,553)	(8,727)
Proceeds from borrowings	8	163,200	-
Lease payments	9	(6,712)	(3,073)
Net cash from financing activities		467,191	12,828,563
Total cash movement for the period		6,460,322	11,278,092
Cash at the beginning of the period		9,464,124	1,252,375
Total cash at end of the period	6	15,924,446	12,530,467

*Cash utilised in operating activities includes:

Interest income	46,184	27,707
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The notes are an integral part of the unaudited interim condensed consolidated financial statements.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Accounting Policies

1. Nature of business and significant accounting policies

Nature of Business

Osino Resources Corp. (the Company or the Group) was incorporated on June 5, 2012 in the province of British Columbia, Canada, under the British Columbia Business Corporations Act. The principal activity of the Company is the acquisition, exploration and development of gold mining properties in Namibia. The Company's head office is located at Suite 810, 789 West Pender Street, Vancouver, BC, V6C1H2, Canada.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

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

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

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

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

a) Statement of compliance with IFRS

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited interim condensed consolidated financial statements are based on IFRSs issued and outstanding as of May 27, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited interim condensed consolidated financial statements as compared with the most recent consolidated annual financial statements as at and for the year ended December 31, 2020, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's consolidated annual financial statements for the year ending December 31, 2021 could result in restatement of these unaudited interim condensed consolidated financial statements.

b) Functional currency translation

i) Functional and presentation currency

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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Accounting Policies

c) Basis of presentation

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

These unaudited interim condensed consolidated financial statements include the accounts of Osino Resources Corp. and its wholly-owned subsidiaries, Osino BVI Limited (formerly Kailondo Capital Limited), Osino Namibia Holdings (Pty) Ltd ("Osino Holdings"), Osino Prospect Holdings (Pty) Ltd and Osino Otavi Holdings (Pty) Ltd as well as the accounts of 95% owned subsidiary, Osino Gold Exploration (Pty) Ltd, ("Osino Gold"), the accounts of 90% owned subsidiary, Osino Namibia Minerals Exploration (Pty) Ltd ("Osino Namibia"), the accounts of 80% owned Richwing Exploration (Pty) Ltd, the accounts of 80% owned Fairview Minerals Exploration (Pty) Ltd, the accounts of 70% owned Vavali Mining Exploration (Pty) Ltd, the accounts of 100% owned Mitten Minerals Exploration (Pty) Ltd, the accounts of 80% owned Terrace Minerals Exploration (Pty) Ltd, the accounts of 100% owned Tolo Minerals Exploration (Pty) Ltd and the accounts of 90% owned Toroa Minerals Exploration (Pty) Ltd. All intercompany transactions, balances, and unrealized gains and losses on intercompany transactions have been eliminated.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

2. Property, plant and equipment

	Three Months ended March 31, 2021			Year ended December 31, 2020		
	Cost \$	Accumulated depreciation \$	Carrying value \$	Cost \$	Accumulated depreciation \$	Carrying value \$
Property, plant and machinery	559,625	(51,588)	508,037	568,753	(42,964)	525,789
Furniture and fixtures	37,266	(8,881)	28,385	37,973	(6,461)	31,512
Motor vehicles	455,551	(77,855)	377,696	351,520	(94,039)	257,481
Office equipment	6,717	(4,006)	2,711	6,925	(3,845)	3,080
IT equipment	31,040	(6,177)	24,863	26,036	(4,799)	21,237
Leasehold improvements	131,356	(16,213)	115,143	120,680	(7,200)	113,480
Total	1,221,555	(164,720)	1,056,835	1,111,887	(159,308)	952,579

Reconciliation of property, plant and equipment - three months ended March 31, 2021

	Opening balance \$	Additions \$	Carrying value of disposals \$	Foreign exchange movements \$	Depreciation \$	Total \$
Property, plant and machinery	525,789	8,471	(113)	(15,770)	(10,340)	508,037
Furniture and fixtures	31,512	432	-	(943)	(2,616)	28,385
Motor vehicles	257,481	190,377	(41,026)	(7,852)	(21,284)	377,696
Office equipment	3,080	-	-	(93)	(276)	2,711
IT equipment	21,237	8,400	(2,014)	(640)	(2,120)	24,863
Leasehold improvements	113,480	14,310	-	(3,409)	(9,238)	115,143
	952,579	221,990	(43,153)	(28,707)	(45,874)	1,056,835

Reconciliation of property, plant and equipment - year ended December 31, 2020

	Opening balance \$	Additions \$	Foreign exchange movements \$	Depreciation \$	Total \$
Property, plant and machinery	28,915	482,046	30,676	(15,848)	525,789
Furniture and fixtures	7,149	25,596	1,175	(2,408)	31,512
Motor vehicles	149,718	146,214	(1,601)	(36,850)	257,481
Office equipment	4,515	-	(353)	(1,082)	3,080
IT equipment	5,641	17,091	691	(2,186)	21,237
Leasehold improvements	7,867	104,603	6,421	(5,411)	113,480
	203,805	775,550	37,009	(63,785)	952,579

Note: Additions of \$8,471 (2020: \$432,514) to property were purchased during the period, but are not yet depreciated as it is not yet ready for its intended use.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

3. Right of use asset

	3 months ended March 31, 2021 \$	12 months ended December 31, 2020 \$
Balance at beginning of period/year	62,179	14,173
Additions	-	61,572
Depreciation	(5,572)	(11,866)
Effect of exchange rate movement	(1,859)	(1,700)
Balance at end of period/year	54,748	62,179

The right of use asset consisted of two properties used for office space in Feld Street, Windhoek, Namibia and Walter Sisulu Avenue, Cape Town, South Africa. A new lease subject to IFRS 16 was signed as of November 1, 2020 for a property situated in Karabib district, Namibia. The right of use assets are depreciated over the period of the lease term.

4. Sales tax receivables and other assets

	3 months ended March 31, 2021 \$	12 months ended December 31, 2020 \$
Value Added Taxation	2,160,362	1,655,658
Prepayments	68,293	83,055
Interest receivable	102,588	75,742
Total sales tax receivables and prepaid expenses	2,331,243	1,814,455
Split between non-current and current portions		
Non-current assets	2,030,913	1,546,128
Current assets	300,330	268,327
	2,331,243	1,814,455

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

5. Short - term investments

Short - term investments consist of:

	3 months ended March 31, 2021 \$	12 months ended December 31, 2020 \$
Short - term investments	-	11,000,000
	-	11,000,000

The Company has \$Nil (December 31, 2020 – \$11,000,000) invested in various Guaranteed Investment Certificates ("GIC's") and deposits earning interest rates ranging between 1.20% to 1.40%. The investments have maturity dates ranging from 180 days to 365 days.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	3 months ended March 31, 2021 \$	12 months ended December 31, 2020 \$
Cash in bank and on hand	1,924,446	2,129,124
Cash held in short - term GIC's	14,000,000	7,335,000
	15,924,446	9,464,124

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital

	3 months ended March 31, 2021 \$	12 months ended December 31, 2020 \$
Issued and outstanding		
Issued common shares	\$43,908,246	\$43,387,383

Issued and common shares are as follows:

	Number of Shares	Value
Balance as at December 31, 2019	67,368,495	\$17,773,663
Prospectus Offering	34,049,150	31,710,337
Share issuance costs	-	(2,556,258)
Exercise of warrants	1,937,913	1,899,810
Share purchase warrants issued	-	(5,352,433)
Broker share purchase warrants issued	-	(732,586)
Exercise of stock options	570,997	442,304
Exercise of broker share purchase warrants	88,965	103,796
Shares issued for the aquisition of exploration licences	62,500	98,750
Balance as at December 31, 2020	104,078,020	\$43,387,383
Exercise of warrants	112,500	102,924
Exercise of broker warrants	120,750	182,043
Exercise of stock options	338,369	235,896
Balance as at March 31, 2021	104,649,639	\$43,908,246

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital (continued)

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

On July 14, 2020, the Company completed its overnight marketed offering of units of the Company (the "Units"). Each Unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") of the Company. Each Warrant will be exercisable to acquire one common share of the Company for a period of 12 months from the date of issuance at an exercise price of C\$1.50 per common share. An aggregate of 16,100,000 units were sold pursuant to the Offering, at a price of \$1.10 per Unit (the "Offering Price") for aggregate gross proceeds of \$17,710,000. Pursuant to the Underwriting Agreement, the Underwriters received a cash commission of \$1,062,600. An additional \$284,749 in share issuance costs were incurred by the Company. The Company also issued to the Underwriters non-transferable common share purchase warrants entitling the Underwriters to acquire 805,000 Common Shares at an exercise price of \$1.10 per Common Share for a period of 12 months from the closing of the Offering. The broker warrants were valued at \$328,118 using the Black - Scholes pricing model. The Units were issued pursuant to a short form prospectus dated July 8, 2020.

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

During the year ended December 31, 2020, 2,026,878 share purchase and broker warrants were exercised for gross proceeds of \$1,567,182. The fair value of the warrants exercised was \$436,423 using the Black Scholes pricing model.

During the year ended December 31, 2020, 570,997 common stock options were exercised for gross proceeds of \$248,779. The stock options were valued at \$193,525 using the Black Scholes pricing model.

During the period ended March 31, 2021, 233,250 share purchase warrants were exercised for gross proceeds of \$216,075. The fair value of the warrants exercised was \$68,892 using the Black Scholes pricing model.

During the period ended March 31, 2021, 338,369 common stock options were exercised for gross proceeds of \$126,181. The fair value of the stock options exercised was \$109,715 using the Black Scholes pricing model.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital (continued)

Stock options and share-based payments

	Number of Options	Weighted Average Exercise Price
Balance as at December 31, 2019	5,540,223	\$0.36
Issued	2,635,000	\$0.96
Exercised	(570,997)	(\$0.44)
Balance as at December 31, 2020	7,604,226	\$0.56
Issued	1,610,000	\$1.25
Exercised	(338,369)	(\$0.37)
Balance as at March 31, 2021	8,875,857	\$0.69

On March 5, 2021, the TSX-V approved the issuance of 1,610,000 stock options by the Company at an exercise price of \$1.25 and an expiry date of March 5, 2026. The stock options were valued at \$1,187,697 using the Black-Scholes pricing model with the following assumptions:

share price - \$1.11; risk free rate – 0.31%; expected volatility– 89%; dividend yield – nil; and expected life – 5 years.

The stock options are subject to the following vesting conditions: 536,667 stock options vested on the grant date, 536,667 stock options will vest on March 5, 2022, the remaining 566,666 stock options will vest on March 5, 2023.

During the three months ended March 31, 2021, the Company recorded \$622,204 (March 31, 2020: \$396,753) in share - based compensation relating to the vesting of stock options.

The following table summarizes information about the Company's stock options outstanding as at March 31, 2021:

Options outstanding	Expiration Date	Exercisable March 31, 2021	Exercise price
3,318,422	November 28, 2022	3,318,422	\$0.38
1,329,101	October 10, 2023	1,329,101	\$0.30
100,000	April 26, 2024	66,666	\$0.40
1,718,334	February 27, 2025	1,106,667	\$0.80
400,000	August 7, 2025	133,332	\$1.40
400,000	December 21, 2025	133,332	\$1.25
1,610,000	March 5, 2026	536,667	\$1.25
8,875,857		6,624,187	\$0.69

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital (continued)

Warrants reserve

	Number of Warrants	Weighted Average Exercise Price
Balance as at December 31, 2019	5,126,072	\$0.55
Issued	18,875,395	\$1.23
Exercised	(2,026,878)	(\$0.77)
Balance as at December 31, 2020	21,974,589	\$1.11
Exercised	(233,250)	(\$0.93)
Balance as at March 31, 2021	21,741,339	\$1.11

The following table summarizes information about the Company's common share purchase warrants outstanding as at March 31, 2021:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding March 31, 2021
July 15, 2019	July 15, 2021	\$0.55	3,793,284
January 30, 2020	January 30, 2022	\$1.05	8,466,950
January 30, 2020	January 30, 2022	\$0.78	956,855
July 15, 2020	July 14, 2021	\$1.50	7,840,000
July 15, 2020	July 14, 2021	\$1.10	684,250
Total outstanding			<u>21,741,339</u>

Restricted Stock Unit Plan and Reserve

Summary of Restricted Stock Units (RSU's)

Below is a summary of RSU's outstanding including performance RSU's:

<i>(in number of units)</i>	March 31, 2021	December 31, 2020
Outstanding at the beginning of the period/year	1,193,600	-
Granted	136,800	1,193,600
Outstanding at the end of the period/year	<u>1,330,400</u>	<u>1,193,600</u>

For the year ended December 31, 2020, the Company adopted a RSU plan. The RSU plan provides for a fixed maximum limit of 10,464,964 RSU's. The grant date fair value of the RSU equals the fair market value of the corresponding shares at the grant date. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in equity.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital (continued)

The total amount expensed is recognized over the vesting period, which is the period over which all the specified vesting conditions should be satisfied. During the three months ended March 31, 2021, the Company granted 136,800 RSU's (March 31, 2020 - Nil RSU's) to officers, directors and key employees under its RSU plan. The RSU's vested immediately at the date of grant. The RSU's are disclosed within the Share - based Payment Reserve in the interim Consolidated Statements of Changes in Equity.

During the three months ended March 31, 2021, the Company recorded \$151,848 (March 31, 2020: \$Nil) in share - based compensation relating to the vesting of RSU's and was recorded as salaries and benefits in the statement of loss and comprehensive loss.

As at March 31, 2021, there were 1,330,400 RSU's outstanding (December 31, 2020 - 1,193,600).

8. Other financial liabilities

	3 months ended March 31, 2021 \$	12 months ended December 31, 2020 \$
Held at amortised cost		
First National Bank Leases	264,791	138,616
The finance leases are subject to interest at a rate between 8% and 10.50% per annum and are repayable in 54 monthly instalments. Reconciliation of other financial liabilities:		
Balance at beginning of period/year	138,616	88,911
Additions	163,200	81,574
Finance charges	3,875	8,478
Finance lease instalments	(31,553)	(40,903)
Effect of exchange rate movement	(9,347)	556
Balance at end of period/year	264,791	138,616
Split between non-current and current portions		
Non-current liabilities	198,481	91,760
Current liabilities	66,310	46,856
	264,791	138,616

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

9. Lease liability

Reconciliation of other financial liabilities

	3 months ended March 31, 2021 \$	12 months ended December 31, 2020 \$
Balance at beginning of period/year	52,441	15,976
Additions	-	61,572
Finance charges	1,161	1,773
Lease instalments	(6,712)	(25,953)
Effect of exchange rate movement	9,007	(927)
Balance at end of period/year	55,897	52,441
Split between non-current and current portions		
Non-current liabilities	46,190	38,283
Current liabilities	9,707	14,158
	55,897	52,441

The lease liability is unsecured, bears interest at rates ranging from 6.5% to 9.5% per annum. The remaining lease terms vary from 1 to 55 months. The undiscounted future payments for settlement of the leases amount to \$64,825. Refer to note 3 for the right of use asset. The repayment terms applicable to the lease liability are in terms of signed lease agreements.

10. Trade and other payables

	3 months ended March 31, 2021 \$	12 months ended December 31, 2020 \$
Financial instruments:		
Trade payables	1,691,197	1,277,356
Other payables	437,176	64,084
Accrued expense	23,000	23,000
	2,151,373	1,364,440

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

11. Cash used in operations

	3 months ended March 31, 2021 \$	3 months ended March 31, 2020 \$
Loss before taxation	(5,839,185)	(1,540,062)
Adjustments for:		
Depreciation and amortisation	51,446	10,831
Leave pay provision	30,911	6,316
Stock options expense	622,204	396,753
Interest expense	3,875	-
Foreign exchange	(89,528)	(185,765)
Accretion on lease	1,161	2,674
Vesting of restricted stock units	151,848	-
Loss on sale of assets	24,204	-
Changes in working capital:		
Long term receivables	(484,785)	-
Sales tax receivables and prepaid expenses	(32,003)	(60,542)
Trade and other payables	756,022	(180,676)
	(4,803,830)	(1,550,471)

12. Commitments

As at March 31, 2021, the Company had the following contractual arrangements and commitments in place for the provision of certain services:

a) On August 23, 2019, the Company entered into an earn-in agreement with Flocked Consultancy Services (Proprietary) Limited ("Flocked"), a third-party license holder of exclusive prospecting license 5641. Under the terms of the earn- In agreement, the license will be transferred to a new company and Osino Namibia will hold a 51% interest in the new company ("Newco"). (i) Osino Namibia is obligated to spend \$21,822 (250,000 Namibian Dollars) within 6 months of the commencement date which will commence within 30 days of receiving the licence renewal by the Minister ("the Exploration Period"). As consideration, Osino Namibia made a cash payment of \$873 (10,000 Namibian Dollars). On April 21, 2020, Osino signed an addendum to the agreement to extend the Exploration Period by an estimated 2 calendar months from the original anniversary date of April 21, 2020 in order to complete the technical specifications of the Exploration Period. Osino has successfully completed the work requirements to fulfil the terms of the agreement. Additional work is ongoing as agreed between the parties on EPL5641. (ii) Osino is further obligated to incur another \$43,644 (500,000 Namibian Dollars) within 6 months of the later of receiving regulatory approval for the transfer of the licence by the Minister or the end of the extended Exploration Period ("the Second Exploration Period"). (iii) Osino Namibia is entitled to a further 19% stake in Newco on the incurrance of a further \$87,290 (1,000,000 Namibian Dollars) of exploration expenditure within 18 months after the end of the Second Exploration Period. This will increase Osino Namibia's interest in Newco to 70%; (iv) On completion of exploration programs and other conditions in the letter agreement, Osino Namibia has the right to a further 20% holding in Newco if the licence holder is unable to provide its proportionate share of funding to Newco going forward. Osino Namibia's interest in the new company will therefore then be increased to 90%.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

13. Capital management

As at March 31, 2021, the capital structure of the Company consists of equity balance of \$17,865,528 (December 31, 2020 - \$22,484,137).

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

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

14. Mineral rights

The Company has various early stage gold exploration projects ("Osino Gold Project") in the Republic of Namibia ("Namibia"). The Osino Gold Project is located in central Namibia in the area known as the Central Plateau. The project area extends from approximately 150 km northwest to 300km north-northeast of the capital city of Namibia, Windhoek. The Company currently holds the controlling share in the rights to 28 exclusive prospecting licenses in the area.

15. Related parties

	3 Months ended March 31, 2021	3 Months ended March 31, 2020
Management and directors fees expensed	\$170,625	\$90,000
Share-based payments, non-cash	\$453,421	\$109,413
Total	\$624,046	\$199,413

Key management compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer, Executive Chairman and Directors. For the period ended March 31, 2021, total key management compensation was \$624,046 (March 31, 2020 - \$199,413), which includes management fees, bonuses and salaries of \$142,500 (March 31, 2020 - \$90,000), directors fees of \$28,125 (March 31, 2020 - \$Nil) and share-based compensation of \$453,421 (March 31, 2020 - \$109,413).

As at March 31, 2021, \$187,250 (March 31, 2020 - \$272,500) of related party payments due was included in trade and other payables.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2021

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

16. Loss per share

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

	3 Months ended March 31, 2021	3 Months ended March 31, 2020
Net loss attributable to owners of the company	\$5,615,165	\$1,508,653
Weighted average number of common shares outstanding (basic and diluted)	104,525,602	79,241,330
Loss per share - basic and diluted	\$0.05	\$0.02

Net loss per share

The calculation of basic and diluted loss per share for the period ended March 31, 2021 was based on the loss attributable to common shareholders of \$5,615,165 (March 31, 2020 – \$1,508,653) and the weighted average number of common shares outstanding of 104,525,602 (March 31, 2020 – 79,241,330). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

17. Events after the reporting period

Warrant exercises: As of May 24, 2021, 441,362 warrants were exercised raising net proceeds equivalent to \$244,869.