

Osino Resources Corp. (An exploration stage company)
Unaudited Interim Condensed Consolidated Financial Statements
for the three months ended March 31, 2022

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

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 - 20

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

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 20, which have been prepared on the going concern basis, were approved by the board of directors on May 26, 2022 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, 2022

Interim Condensed Consolidated Statements of Financial Position

Figures in Canadian Dollar	Note(s)	March 31, 2022	(Audited) December 31, 2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	1,085,252	1,046,250
Right of use asset	3	166,104	166,783
Long term deposit	4	982,335	-
		2,233,691	1,213,033
Current Assets			
Sales tax receivables and other assets	5	278,346	175,327
Cash and cash equivalents	6	13,740,416	12,703,462
		14,018,762	12,878,789
Total Assets		16,252,453	14,091,822
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	7	67,078,322	57,221,521
Reserves		11,750,023	12,837,447
Accumulated deficit		(64,522,656)	(58,397,856)
		14,305,689	11,661,112
Non-controlling interest		(1,241,069)	(1,101,758)
		13,064,620	10,559,354
Liabilities			
Non-Current Liabilities			
Other financial liabilities	8	152,736	158,373
Lease liability	9	129,598	130,755
		282,334	289,128
Current Liabilities			
Trade and other payables	10	2,786,645	3,131,248
Other financial liabilities	8	72,033	68,509
Lease liability	9	46,821	43,583
		2,905,499	3,243,340
Total Liabilities		3,187,833	3,532,468
Total Equity and Liabilities		16,252,453	14,091,822

Nature of business, going concern and significant accounting policies (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, 2022

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, 2022	3 months ended March 31, 2021
Amortisation and depreciation	2/3	(55,500)	(51,446)
Consulting and professional fees		(363,156)	(199,004)
Exploration and evaluation		(4,063,524)	(3,935,494)
Management fees	15	(135,000)	(142,500)
Office and administration		(234,835)	(312,308)
Salaries and benefits		(747,622)	(609,538)
Stock option expense	7	(633,202)	(622,204)
Travel		(37,126)	(7,839)
Operating loss		(6,269,965)	(5,880,333)
Investment income		14,161	46,184
Finance charges	8/9	(8,307)	(5,036)
Loss for the period		(6,264,111)	(5,839,185)
Other comprehensive loss:			
Foreign currency translation		27,199	(119,752)
Total comprehensive loss for the period		(6,236,912)	(5,958,937)
Loss attributable to:			
Owners of the parent		(6,124,800)	(5,615,165)
Non-controlling interest		(139,311)	(224,020)
		(6,264,111)	(5,839,185)
Total comprehensive loss attributable to:			
Owners of the parent		(6,097,601)	(5,734,917)
Non-controlling interest		(139,311)	(224,020)
		(6,236,912)	(5,958,937)
Loss per share			
Weighted number of shares outstanding		125,205,391	104,525,602
Loss per share - Basic and diluted		\$0.05	\$0.05

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, 2022

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, 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	-
Foreign currency translation	-	-	-	-	(119,752)	-	(119,752)	-
Loss for the period	-	-	-	-	-	(5,615,165)	(5,615,165)	(224,020)
Movement in value of share 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)
Issue of shares	9,628,063	10,587,565	-	-	-	-	10,587,565	-
Exercise of broker warrants	850,342	1,225,355	-	(343,128)	-	-	882,227	-
Exercise of warrants	4,781,288	4,038,095	-	(868,599)	-	-	3,169,496	-
Exercise of stock options	265,461	206,102	(90,127)	-	-	-	115,975	-
Share issue costs	-	(701,687)	-	-	-	-	(701,687)	-
Issuance of warrants	-	(2,042,155)	-	2,042,155	-	-	-	-
Movement in value of share options	-	-	790,492	-	-	-	790,492	-
Loss for the period	-	-	-	-	-	(20,266,395)	(20,266,395)	(874,069)
Acquisition of minority interests**	-	-	-	-	-	(742,628)	(742,628)	742,628
Foreign currency translation	-	-	-	-	(39,461)	-	(39,461)	-
Balance at December 31, 2021	120,174,793	57,221,521	5,668,020	7,183,449	(14,022)	(58,397,856)	11,661,112	(1,101,758)

** Acquisition of Minority Interests

During the year, the Company acquired 2% of the minority interests held in Osino Gold Exploration and Mining (Pty) Ltd and the remaining 20% minority interest held in Terrace Minerals Exploration (Pty) Ltd. The breakdown and effect of the acquisitions in equity are as follows:

Adjustment to accumulated losses brought forward	\$296,498
Adjustment to current year losses	<u>\$446,130</u>
Total effect disclosed in the statement of changes in Equity	<u>\$742,628</u>

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, 2022

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, 2021	120,174,793	57,221,521	5,668,020	7,183,449	(14,022)	(58,397,856)	11,661,112	(1,101,758)
Exercise of broker warrants	784,364	915,119	-	(303,314)	-	-	611,805	-
Exercise of warrants	6,507,750	8,974,838	-	(2,141,701)	-	-	6,833,137	-
Foreign currency translation	-	-	-	-	27,199	-	27,199	-
Share issue costs	-	(33,156)	-	-	-	-	(33,156)	-
Loss for the period	-	-	-	-	-	(6,124,800)	(6,124,800)	(139,311)
Movement in value of stock options	-	-	633,202	-	-	-	633,202	-
Issuance of restricted stock units	-	-	697,190	-	-	-	697,190	-
Balance at March 31, 2022	127,466,907	67,078,322	6,998,412	4,738,434	13,177	(64,522,656)	14,305,689	(1,241,069)

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, 2022

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

Figures in Canadian Dollar	Note(s)	3 months ended March 31, 2022	3 months ended March 31, 2021
Cash flows from operating activities			
Cash used in operations*	11	(6,326,146)	(4,803,830)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(11,601)	(221,990)
Proceeds on disposal of property, plant and equipment	2	-	18,951
Redemption of GIC's		-	11,000,000
Net cash flows (used in) / generated from investing activities		(11,601)	10,796,961
Cash flows from financing activities			
Proceeds from stock options	7	-	126,181
Net proceeds from the exercise of share purchase warrants and broker warrants	7	7,411,786	216,075
Repayment of loan	8	(23,672)	(31,553)
Proceeds from borrowings	8	-	163,200
Lease payments	9	(13,413)	(6,712)
Net cash from financing activities		7,374,701	467,191
Total cash movement for the period		1,036,954	6,460,322
Cash at the beginning of the period		12,703,462	9,464,124
Total cash at end of the period	6	13,740,416	15,924,446

*Cash utilised in operating activities includes:

Interest income	14,161	46,184
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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, 2022

Accounting Policies

1. Nature of business, going concern 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 and has suffered no further shutdowns since. On March 15, 2022, the Government of Namibia gazetted a new amendment to the Public Health Covid-19 general regulations further effectively eliminating all restrictions on company activities.

Going concern

The Company has a history of losses with no operating revenue, an accumulated deficit at March 31, 2022 of \$64,522,656 (December 31, 2021 – \$58,397,856), and working capital at March 31, 2022 of \$11,113,263 (December 31, 2021 – \$9,635,449). The Company will continue to require additional sources of financing to fund ongoing operating costs and exploration and development of its mineral properties. Although the Company raised gross proceeds of \$10,500,001 from nonbrokered private placements during 2021, and \$7,444,942 from the exercise of share purchase warrants with an expiry date of January 31, 2022 (refer to Note 7), the Company will seek additional funds during 2022 to fund its ongoing operations, and there can be no assurance that the Company will be able to obtain additional financing. If the Company is unable to obtain adequate additional financing, the Company may need to further curtail its activities until additional funds can be raised. It is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and require an impairment provision to the carrying value of exploration properties and related assets.

Due to operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing to fund ongoing planned operating costs and planned activities at its Twin Hills Gold Project. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

Management believes that the Company will be able to continue as a going concern for the foreseeable future and realize its assets and discharge its liabilities and commitments in the normal course of business. These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

Accounting Policies

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 26, 2022, 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, 2021, 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, 2022 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\$").

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, Osino Otavi Holdings (Pty) Ltd, The Twin Hills Trust and Osino Property Holdings (Pty) Ltd (formerly Tolo Minerals Exploration (Pty) Ltd) as well as the accounts of 97% owned subsidiary, Osino Gold Exploration and Mining (Pty) Ltd, formerly, "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 100% owned Terrace Minerals Exploration (Pty) Ltd, the accounts of 100% owned Osino Farming Investments (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.

A subsidiary is an entity over which the Company is exposed, or has rights to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiary. Where control of an entity is obtained during a financial period, its results are included in the consolidated statement of loss and other comprehensive loss from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

2. Property, plant and equipment

	Three Months ended March 31, 2022			Year ended December 31, 2021		
	Cost \$	Accumulated depreciation \$	Carrying value \$	Cost \$	Accumulated depreciation \$	Carrying value \$
Property, plant and machinery**	588,169	(76,019)	512,150	570,097	(81,850)	488,247
Furniture and fixtures	52,839	(17,095)	35,744	47,350	(14,155)	33,195
Motor vehicles	496,637	(159,861)	336,776	462,291	(129,654)	332,637
Office equipment	3,892	(2,375)	1,517	6,369	(4,599)	1,770
IT equipment	48,885	(9,120)	39,765	46,792	(10,068)	36,724
Leasehold improvements	202,584	(43,284)	159,300	186,272	(32,595)	153,677
Total	1,393,006	(307,754)	1,085,252	1,319,171	(272,921)	1,046,250

Reconciliation of property, plant and equipment - three months ended March 31, 2022

	Opening balance \$	Additions \$	Carrying value of disposals \$	Foreign exchange movements \$	Depreciation \$	Total \$
Property, plant and machinery**	488,247	-	(1,302)	35,835	(10,630)	512,150
Furniture and fixtures	33,195	2,367	-	2,470	(2,288)	35,744
Motor vehicles	332,637	-	-	23,981	(19,842)	336,776
Office equipment	1,770	569	(712)	118	(228)	1,517
IT equipment	36,724	6,280	(4,044)	2,740	(1,935)	39,765
Leasehold improvements	153,677	2,385	-	11,212	(7,974)	159,300
	1,046,250	11,601	(6,058)	76,356	(42,897)	1,085,252

Reconciliation of property, plant and equipment - year ended December 31, 2021

	Opening balance \$	Additions \$	Disposals \$	Foreign exchange movements \$	Depreciation \$	Total \$
Property, plant and machinery**	525,789	50,223	(113)	(42,466)	(45,186)	488,247
Furniture and fixtures	31,512	13,139	-	(2,772)	(8,684)	33,195
Motor vehicles	257,481	222,783	(41,025)	(26,241)	(80,361)	332,637
Office equipment	3,080	-	-	(187)	(1,123)	1,770
IT equipment	21,237	26,773	(2,017)	(2,693)	(6,576)	36,724
Leasehold improvements	113,480	79,602	-	(11,940)	(27,465)	153,677
	952,579	392,520	(43,155)	(86,299)	(169,395)	1,046,250

** Includes vacant land acquired for NAD1,000,000 which is not subject to depreciation and held at its carrying value.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

3. Right of use asset

	March 31, 2022 \$	December 31, 2021 \$
Balance at beginning of period/year	166,783	62,179
Additions	-	160,196
Depreciation	(12,603)	(42,510)
Effect of exchange rate movement	11,924	(13,082)
Balance at end of period/year	166,104	166,783

The right of use asset consists of three properties leased for office space in Feld Street, Windhoek, Namibia, Klein Okawayo, Karibib, Namibia and Walter Sisulu Avenue, Cape Town, South Africa. New leases subject to IFRS 16 were signed as of November 1, 2020 and April 1, 2021 respectively. The right of use assets are depreciated over the period of the lease term.

4. Long term deposit

	March 31, 2022 \$	December 31, 2021 \$
Long term deposit	982,335	-

The company has made a pre-payment for land transfer taxes against a conditional agreement for the acquisition of surface rights of the Twin Hills Project (refer to note 12 (b)).

5. Sales tax receivables and other assets

	March 31, 2022 \$	December 31, 2021 \$
Prepayments	136,441	69,152
Interest and other receivables	141,905	106,175
Total sales tax receivables and prepaid expenses	278,346	175,327

In the fiscal year 2021, Value Added Taxation amounting to \$3,518,044 has been provided for impairment. The impairment has been included in exploration and evaluation expenditure in the unaudited interim condensed consolidated statements of loss and other comprehensive loss. The company has elected to raise a provision due to delayed payment from the authorities in Namibia, however negotiations are in process for the refund thereof.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

Figures in Canadian Dollar

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	March 31, 2022 \$	December 31, 2021 \$
Cash in bank and on hand	8,800,516	12,668,462
Cash held in Attorney's Trust Account	4,904,900	-
Cash held in short - term GIC's	35,000	35,000
	13,740,416	12,703,462

7. Share capital

	March 31, 2022 \$	December 31, 2021 \$
Issued and outstanding		
Issued common shares	\$67,078,322	\$57,221,521

Issued and common shares are as follows:

	Number of Shares	Value
Balance as at December 31, 2020	104,078,020	\$43,387,383
Warrants issued	-	(2,042,155)
Exercise of warrants	4,893,788	4,141,019
Exercise of broker warrants	971,092	1,407,398
Exercise of stock options	603,830	441,998
Non-brokered private placement	9,545,455	10,500,001
Share issuance costs	-	(701,687)
Shares issued for the acquisition of exploration licences	82,608	87,564
Balance as at December 31, 2021	120,174,793	\$57,221,521
Exercise of warrants	6,507,750	8,974,838
Exercise of broker warrants	784,364	915,119
Share issuance costs	-	(33,156)
Balance as at March 31, 2022	127,466,907	\$67,078,322

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital (continued)

Effective August 24, 2021, in line with a commitment entered into between the Company and a certain EPL owner, 82,608 common shares of the Company with a fair value of \$87,564 was issued as part of the acquisition price for the remaining minority interest in Terrace Minerals Exploration (Pty) Ltd.

On November 1, 2021, the Company completed a non - brokered private placement, issuing a total of 9,545,455 units at a price of \$1.10 per Unit for aggregate gross proceeds of \$10,500,001. An amount of \$701,687 was paid in commission and share issuance costs. A total of 572,267 broker warrants have been issued with an exercise price of \$1.10 per share exercisable into one common share. The fair value of the broker warrants issued was \$255,723 using the Black Scholes pricing model. Each unit consists of one common share and one half of one common share purchase warrant. Each such whole warrant will entitle the holder to purchase one additional common share for a period of 22 months from the date of closing at a price of \$1.35 per share, amounting 4,772,727. The warrants have an expiry date of September 1, 2023. The fair value of the share purchase warrants issued was \$1,786,432 using the Black Scholes pricing model.

During the period ended March 31, 2022, 7,292,114 (December 31, 2021, 5,864,880) share purchase warrants were exercised for proceeds of \$7,444,942 (December 31, 2021, \$4,267,798). The Company incurred \$33,156 in share issuance costs in relation to the warrant exercises. The fair value of the warrants exercised was \$2,445,015 (December 31, 2021, \$1,280,619) using the Black Scholes pricing model.

During the period ended March 31, 2022, Nil (December 31, 2021, 603,830) common stock options were exercised for proceeds of \$Nil (December 31, 2021, \$242,156). The fair value of the stock options exercised was \$Nil (December 31, 2021, \$199,842) using the Black Scholes pricing model.

Stock options and share-based payments

	Number of Options	Weighted Average Exercise Price
Balance as at December 31, 2020	7,604,226	\$0.56
Issued	1,610,000	\$1.25
Exercised	(603,830)	(\$0.40)
Balance as at December 31, 2021	8,610,396	\$0.70
Issued	1,620,000	\$1.20
Exercised	-	-
Balance as at March 31, 2022	10,230,396	\$0.78

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.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital (continued)

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 536,666 stock options will vest on March 5, 2023.

On February 8, 2022, the Company issued 150,000 stock options at an exercise price of \$1.15 and an expiry date of February 8, 2027. The stock options were valued at \$109,065 using the Black-Scholes pricing model with the following assumptions:

share price - \$1.12; risk free rate - 1.28%; expected volatility - 82%; dividend yield - nil; and expected life - 5 years.

The stock options are subject to the following vesting conditions: 50,000 stock options vested on March 30, 2022, 50,000 stock options will vest on March 30, 2023, the remaining 50,000 stock options will vest on March 30, 2024.

On February 22, 2022, the Company issued 1,470,000 stock options at an exercise price of \$1.20 and an expiry date of February 22, 2027. The stock options were valued at \$1,080,597 using the Black-Scholes pricing model with the following assumptions:

share price - \$1.14; risk free rate - 1.45%; expected volatility - 82%; dividend yield - nil; and expected life - 5 years.

The stock options are subject to the following vesting conditions: 490,000 stock options vested on the grant date, 490,000 stock options will vest on February 22, 2023, the remaining 490,000 stock options will vest on February 22, 2024.

During the three months ended March 31, 2022, the Company recorded \$633,202 (December 31, 2021: \$1,412,696) 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, 2022:

Options outstanding	Expiration Date	Exercisable March 31, 2022	Exercise price
3,207,961	November 28, 2022	3,207,961	\$0.38
1,229,101	October 10, 2023	1,229,101	\$0.30
100,000	April 26, 2024	100,000	\$0.40
1,663,334	February 27, 2025	1,663,334	\$0.80
400,000	August 7, 2025	266,667	\$1.40
400,000	December 21, 2025	266,667	\$1.25
1,610,000	March 5, 2026	1,073,333	\$1.25
150,000	February 8, 2027	50,000	\$1.15
1,470,000	February 22, 2027	490,000	\$1.20
<hr/> 10,230,396		<hr/> 8,347,063	<hr/> \$0.78

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

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, 2020	21,974,589	\$1.11
Issued	5,345,454	\$1.32
Exercised	(5,864,880)	(\$0.73)
Expired	(7,738,250)	(\$1.50)
Balance as at December 31, 2021	13,716,913	\$1.14
Exercised	(7,292,114)	(\$1.02)
Expired	(1,079,345)	(\$1.05)
Balance as at March 31, 2022	5,345,454	\$1.32

The following table summarizes information about the Company's common share purchase warrants outstanding as at March 31, 2022:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding March 31, 2022
November 1, 2021	August 31, 2023	\$1.35	4,772,727
November 1, 2021	August 31, 2023	\$1.10	572,727
Total outstanding			5,345,454

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, 2022	December 31, 2021
Outstanding at the beginning of the period/year	1,330,400	1,193,600
Granted	960,538	136,800
Outstanding at the end of the period/year	2,290,938	1,330,400

For the year ended December 31, 2020, the Company adopted a RSU plan. The RSU plan provides for a fixed maximum limit of 10,217,904 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, 2022

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 twelve months ended December 31, 2021, the Company granted 136,800 RSU's and during the three months ended March 31, 2022, the Company granted and additional 960,538 RSU's to officers, directors and key employees under its RSU plan. The RSU's were issued in the following terms:

- 389,373 RSU's vested immediately on February 22, 2022
- 421,165 RSU's vest one-third immediately on February 22, 2022 and one-third each year on February 22, 2023 and February 22, 2024
- 50,000 RSU's vested on March 30, 2022
- 50,000 RSU's vest on December 30, 2022
- 50,000 RSU's vest on December 30, 2023

The RSU's are disclosed within the Share - based Payment Reserve in the Interim Condensed Consolidated Statements of Changes in Equity.

During the three months ended March 31, 2022, the Company recorded \$253,305 (December 31, 2021: \$151,848) in share - based compensation relating to the vesting of RSU's and was recorded as salaries and benefits in the Interim Condensed Consolidated Statements of Loss and Other Comprehensive Loss.

As at March 31, 2022, there were 2,290,938 RSU's outstanding and 1,910,161 are exercisable (December 31, 2021 - 1,330,400 outstanding and 1,330,400 were exercisable).

8. Other financial liabilities

	March 31, 2022 \$	December 31, 2021 \$
Held at amortised cost		
First National Bank Leases	224,769	226,882
The finance leases are subject to interest at a rate between 8% and 9.50% per annum and are repayable in 54 monthly instalments.		
Reconciliation of other financial liabilities:		
Balance at beginning of period/year	226,882	138,616
Additions	-	163,200
Finance charges	5,378	21,834
Finance lease instalments	(23,672)	(100,693)
Effect of exchange rate movement	16,181	3,925
Balance at end of period/year	224,769	226,882
Split between non-current and current portions		
Non-current liabilities	152,736	158,373
Current liabilities	72,033	68,509
	224,769	226,882

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

9. Lease liability

Reconciliation of other financial liabilities

	3 months ended March 31, 2022 \$	12 months ended December 31, 2021 \$
Balance at beginning of period/year	174,338	52,441
Additions	-	160,196
Finance charges	2,929	10,002
Lease instalments	(13,413)	(45,656)
Effect of exchange rate movement	12,565	(2,645)
Balance at end of period/year	176,419	174,338
Split between non-current and current portions		
Non-current liabilities	129,598	130,755
Current liabilities	46,821	43,583
	176,419	174,338

The lease liabilities are unsecured and bear interest at a rate of 6.5% per annum. The remaining lease terms vary from 24 to 49 months. The undiscounted future payments for settlement of the leases amount to \$196,524. 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

	March 31, 2022 \$	December 31, 2021 \$
Financial instruments:		
Trade payables	2,540,319	2,264,564
Accrued expense	246,326	866,684
	2,786,645	3,131,248

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

11. Cash used in operations

	3 months ended March 31, 2022 \$	3 months ended March 31, 2021 \$
Loss before taxation	(6,264,111)	(5,839,185)
Adjustments for:		
Depreciation and amortisation	55,500	51,446
Loss on disposal of assets	6,058	24,204
Leave pay provision	12,866	30,911
Stock options expense	633,202	622,204
Interest expense	5,378	3,875
Accretion on lease	2,929	1,161
Foreign exchange	(32,335)	(89,528)
Vesting of restricted stock units	253,305	151,848
Changes in working capital:		
Long term deposit	(982,335)	-
Long term receivables	-	(484,785)
Sales tax receivables and prepaid expenses	(103,019)	(32,003)
Trade and other payables	86,416	756,022
	(6,326,146)	(4,803,830)

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

12. Commitments

As at March 31, 2022, 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 incurrence of a further \$87,290 (1,000,000 Namibian Dollars) of exploration expenditure within 18 months after the end of the Second Exploration Period. This will increase Osino Namibia's interest in Newco to 70%; (iv) On completion of exploration programs and other conditions in the letter agreement, Osino Namibia has the right to a further 20% holding in Newco if the licence holder is unable to provide its proportionate share of funding to Newco going forward. Osino Namibia's interest in the new company will therefore then be increased to 90%.

b) On May 11, 2021 and August 3, 2021, the Company, through a wholly owned subsidiary, entered into a conditional agreement for the acquisition of surface rights for the development of the Twin Hills Project. The agreement is subject to the fulfilment of various suspensive conditions which the Company expects to close within approximately twelve months of the date of signature.

c) On December 31, 2021, the Company entered into an agreement to acquire the Ondundu gold exploration property in Namibia from B2Gold Corp. Under the terms of the Acquisition Agreement, Osino has agreed to purchase all of the issued and outstanding shares of the Namibian company, Razorback Gold Mining Company (Proprietary) Limited ("Razorback"), which owns 100% of the Namibian exclusive prospecting license 3195 covering 19,969 hectares located approximately 130km northwest of Osino's Twin Hills Gold Project in Namibia, together with all technical information and other books and records in respect thereof for an aggregate purchase price of US\$15,200,000 including a combination of cash, deferred cash and shares.

The commercial terms of the agreement are as follows:

Pursuant to the Acquisition Agreement, Osino will pay the Purchase Price to B2Gold as follows:

- (1) US\$3,850,000 will be paid into escrow, which will be released and paid to B2Gold on Closing or will be released and returned to Osino if the Purchase has not closed by June 30, 2022;
- (2) US\$5,000,000 in common shares of Osino will be issued to B2Gold on Closing having a price equal to the weighted average price for the 20 days immediately prior to Closing;
- (3) US\$3,850,000 will be paid to B2Gold on the first business day after the sixmonth anniversary of the Closing Date; and

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

12. Commitments (continued)

(4) US\$2,500,000 will be paid to B2Gold on the earlier of completion of a feasibility study including the License area and first production or sale of ores, minerals or mineral products from the License area, payable at Osino's option in cash or common shares of Osino having a price equal to the weighted average price for the 20 days immediately prior to the date of issuance thereof.

The agreement is subject to the fulfilment of various suspensive conditions which are common to transactions of this nature.

13. Capital management

As at March 31, 2022, the capital structure of the Company consists of equity balance of \$14,305,689 (December 31, 2021 - \$11,661,112).

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 27 exclusive prospecting licenses in the area.

15. Related parties

	March 31, 2022	March 31, 2021
Management and directors fees expensed	\$178,750	\$170,625
Share-based payments, non-cash	\$379,465	\$453,421
Total	\$558,215	\$624,046

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, the Chairman and Directors. For the period ended March 31, 2022, total key management compensation was \$558,215 (March 31, 2021 - \$624,046), which includes management fees, bonuses and salaries of \$135,000 (March 31, 2021 - \$142,500), directors fees of \$43,750 (March 31, 2021 - \$28,125) and share-based compensation of \$379,465 (March 31, 2021 - \$453,421).

As at March 31, 2022, \$42,204 (December 31, 2021 - \$790,750) of related party payments due was included in trade and other payables. During the quarter, 389,373 RSU's with a fair value of \$443,885 were issued to related parties in settlement of previously outstanding bonuses.