

Osino Resources Corp. (An exploration stage company)  
Unaudited Interim Condensed Consolidated Financial Statements  
for the three and six months ended June 30, 2022

# Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

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# Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

## Directors' Responsibilities and Approval

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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 August 25, 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 and six months ended June 30, 2022

## Interim Condensed Consolidated Statements of Financial Position

Figures in Canadian Dollar	Note(s)	June 30, 2022	(Audited) December 31, 2021
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	956,723	1,046,250
Right of use asset	3	141,473	166,783
Long term deposit	4	908,124	-
		<b>2,006,320</b>	<b>1,213,033</b>
<b>Current Assets</b>			
Sales tax receivables and other assets	5	212,891	175,327
Cash and cash equivalents	6	7,929,841	12,703,462
		<b>8,142,732</b>	<b>12,878,789</b>
<b>Total Assets</b>		<b>10,149,052</b>	<b>14,091,822</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<b>Equity Attributable to Equity Holders of Parent</b>			
Share capital	7	67,022,202	57,221,521
Reserves		11,946,513	12,837,447
Accumulated deficit		(71,282,690)	(58,397,856)
		7,686,025	11,661,112
Non-controlling interest		(1,415,525)	(1,101,758)
		<b>6,270,500</b>	<b>10,559,354</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Other financial liabilities	8	125,693	158,373
Lease liability	9	105,992	130,755
		<b>231,685</b>	<b>289,128</b>
<b>Current Liabilities</b>			
Trade and other payables	10	3,538,908	3,131,248
Other financial liabilities	8	61,813	68,509
Lease liability	9	46,146	43,583
		<b>3,646,867</b>	<b>3,243,340</b>
<b>Total Liabilities</b>		<b>3,878,552</b>	<b>3,532,468</b>
<b>Total Equity and Liabilities</b>		<b>10,149,052</b>	<b>14,091,822</b>

*Nature of business, going concern and significant accounting policies (note 1)*

*Commitments (note 12)*

*Events after the reporting period (note 14)*

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

/s/ "Heye Daun"

Director

/s/ "Alan Friedman"

Director

## Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

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

Figures in Canadian Dollar	Note(s)	3 months ended June 30, 2022	3 months ended June 30, 2021	6 months ended June 30, 2022	6 months ended June 30, 2021
Amortisation and depreciation	2/3	(52,728)	(47,843)	(108,228)	(99,289)
Consulting and professional fees		(424,832)	(296,812)	(787,988)	(495,816)
Exploration and evaluation		(5,222,271)	(4,439,027)	(9,285,795)	(8,374,521)
Management fees	16	(135,000)	(142,500)	(270,000)	(285,000)
Office and administration		(217,553)	(192,943)	(452,388)	(505,251)
Salaries and benefits	7	(629,417)	(305,993)	(1,377,038)	(915,531)
Stock option expense	7	(225,948)	(279,634)	(859,151)	(901,838)
Travel		(89,081)	(11,882)	(126,207)	(19,721)
<b>Operating loss</b>		<b>(6,996,830)</b>	<b>(5,716,634)</b>	<b>(13,266,795)</b>	<b>(11,596,967)</b>
Investment income		69,970	34,388	84,131	80,572
Finance charges	8/9	(7,630)	(8,916)	(15,937)	(13,952)
<b>Loss for the period</b>		<b>(6,934,490)</b>	<b>(5,691,162)</b>	<b>(13,198,601)</b>	<b>(11,530,347)</b>
<b>Other comprehensive loss:</b>					
Foreign currency translation		(112,375)	131,665	(85,176)	11,913
<b>Total comprehensive loss for the period</b>		<b>(7,046,865)</b>	<b>(5,559,497)</b>	<b>(13,283,777)</b>	<b>(11,518,434)</b>
<b>Loss attributable to:</b>					
Owners of the parent		(6,760,034)	(5,452,586)	(12,884,834)	(11,067,751)
Non-controlling interest		(174,456)	(238,576)	(313,767)	(462,596)
		<b>(6,934,490)</b>	<b>(5,691,162)</b>	<b>(13,198,601)</b>	<b>(11,530,347)</b>
<b>Total comprehensive loss attributable to:</b>					
Owners of the parent		(6,872,409)	(5,320,921)	(12,970,010)	(11,055,838)
Non-controlling interest		(174,456)	(238,576)	(313,767)	(462,596)
		<b>(7,046,865)</b>	<b>(5,559,497)</b>	<b>(13,283,777)</b>	<b>(11,518,434)</b>
<b>Loss per share</b>					
Weighted number of shares outstanding		127,466,907	105,179,475	126,342,396	104,854,345
Loss per share - Basic and diluted		\$0.05	\$0.05	\$0.10	\$0.11

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

## Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 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								
<b>Balance at December 31, 2020</b>	<b>104,078,020</b>	<b>43,387,383</b>	<b>4,303,318</b>	<b>6,421,913</b>	<b>145,191</b>	<b>(31,773,668)</b>	<b>22,484,137</b>	<b>(746,297)</b>
Exercise of broker warrants	129,969	192,799	-	(52,783)	-	-	140,016	-
Exercise of warrants	1,533,893	1,715,585	-	(378,906)	-	-	1,336,679	-
Exercise of stock options	406,779	275,751	(127,575)	-	-	-	148,176	-
Foreign currency translation	-	-	-	-	11,913	-	11,913	-
Issuance of restricted stock units	-	-	151,848	-	-	-	151,848	-
Loss for the period	-	-	-	-	-	(11,067,751)	(11,067,751)	(462,596)
Movement in value of share options	-	-	901,838	-	-	-	901,838	-
<b>Balance at June 30, 2021</b>	<b>106,148,661</b>	<b>45,571,518</b>	<b>5,229,429</b>	<b>5,990,224</b>	<b>157,104</b>	<b>(42,841,419)</b>	<b>14,106,856</b>	<b>(1,208,893)</b>
Exercise of broker warrants	841,123	1,214,599	-	(339,563)	-	-	875,036	-
Exercise of warrants	3,359,895	2,425,434	-	(509,367)	-	-	1,916,067	-
Exercise of stock options	197,051	166,247	(72,267)	-	-	-	93,980	-
Foreign currency translation	-	-	-	-	(171,126)	-	(171,126)	-
Issue of shares	9,545,455	10,500,001	-	-	-	-	10,500,001	-
Issuance of warrants	-	(2,042,155)	-	2,042,155	-	-	-	-
Loss for the period	-	-	-	-	-	(14,813,809)	(14,813,809)	(686,616)
Movement in value of share options	-	-	510,858	-	-	-	510,858	-
Share issue costs	-	(701,687)	-	-	-	-	(701,687)	-
Acquisition of minority interests**	-	-	-	-	-	(742,628)	(742,628)	742,628
Issue of shares for mineral properties	82,608	87,564	-	-	-	-	87,564	-
<b>Balance at December 31, 2021</b>	<b>120,174,793</b>	<b>57,221,521</b>	<b>5,668,020</b>	<b>7,183,449</b>	<b>(14,022)</b>	<b>(58,397,856)</b>	<b>11,661,112</b>	<b>(1,101,758)</b>

#### \*\* 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	\$446,130
Total effect disclosed in the statement of changes in Equity	\$742,628

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

## Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

### 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
<b>Balance at December 31, 2021</b>	<b>120,174,793</b>	<b>57,221,521</b>	<b>5,668,020</b>	<b>7,183,449</b>	<b>(14,022)</b>	<b>(58,397,856)</b>	<b>11,661,112</b>	<b>(1,101,758)</b>
Exercise of broker warrants	784,364	915,119	-	(303,314)	-	-	611,805	-
Exercise of warrants	6,507,750	8,974,838	-	(2,141,702)	-	-	6,833,136	-
Foreign currency translation	-	-	-	-	(85,176)	-	(85,176)	-
Issuance of restricted stock units	-	-	780,107	-	-	-	780,107	-
Loss for the period	-	-	-	-	-	(12,884,834)	(12,884,834)	(313,767)
Movement in value of stock options	-	-	859,151	-	-	-	859,151	-
Share issue costs	-	(89,276)	-	-	-	-	(89,276)	-
<b>Balance at June 30, 2022</b>	<b>127,466,907</b>	<b>67,022,202</b>	<b>7,307,278</b>	<b>4,738,433</b>	<b>(99,198)</b>	<b>(71,282,690)</b>	<b>7,686,025</b>	<b>(1,415,525)</b>

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

## Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

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

Figures in Canadian Dollar	Note(s)	6 months ended June 30, 2022	6 months ended June 30, 2021
<b>Cash flows from operating activities</b>			
Cash used in operations*	11	(12,037,718)	(10,893,420)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(15,037)	(306,453)
Proceeds on disposal of property, plant and equipment	2	-	18,951
Redemption of GIC's		-	11,000,000
<b>Net cash flows (used in) / generated from investing activities</b>		<b>(15,037)</b>	<b>10,712,498</b>
<b>Cash flows from financing activities</b>			
Proceeds from stock options	7	-	148,176
Net proceeds from the exercise of share purchase warrants and broker warrants	7	7,355,665	1,476,695
Repayment of loan	8	(49,552)	(54,923)
Proceeds from borrowings	8	-	(165,320)
Lease payments	9	(26,979)	(8,679)
<b>Net cash from financing activities</b>		<b>7,279,134</b>	<b>1,726,589</b>
<b>Total cash movement for the period</b>		<b>(4,773,621)</b>	<b>1,545,667</b>
Cash at the beginning of the period		12,703,462	9,464,124
<b>Total cash at end of the period</b>	6	<b>7,929,841</b>	<b>11,009,791</b>

\*Cash utilised in operating activities includes:

Interest income 84,131 80,572

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



# Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

## Accounting Policies

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### 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 June 30, 2022 of \$71,282,690 (December 31, 2021 – \$58,397,856), and working capital at June 30, 2022 of \$4,495,865 (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.

# Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

## Accounting Policies

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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.

### 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 August 25, 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 Mauritius Holdings, 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.

On April 19, 2022, the redomicile of Osino (BVI) Limited from the British Virgin Islands to the Republic of Mauritius by continuation was approved by the Registrar of Companies effective March 23, 2022. Effective June 6, 2022, the Company registered a new wholly owned subsidiary company in Mauritius, Osino Mauritius Holdings ("Osino Mauritius").

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 and six months ended June 30, 2022

### Notes to the Unaudited Interim Condensed Consolidated Financial Statements

#### 2. Property, plant and equipment

	Six Months ended June 30, 2022			Year ended December 31, 2021		
	Cost \$	Accumulated depreciation \$	Carrying value \$	Cost \$	Accumulated depreciation \$	Carrying value \$
Property, plant and machinery**	545,379	(79,444)	465,935	570,097	(81,850)	488,247
Furniture and fixtures	49,474	(18,177)	31,297	47,350	(14,155)	33,195
Motor vehicles	440,189	(157,498)	282,691	462,291	(129,654)	332,637
Office equipment	3,597	(2,345)	1,252	6,369	(4,599)	1,770
IT equipment	46,399	(10,333)	36,066	46,792	(10,068)	36,724
Leasehold improvements	187,280	(47,798)	139,482	186,272	(32,595)	153,677
<b>Total</b>	<b>1,272,318</b>	<b>(315,595)</b>	<b>956,723</b>	<b>1,319,171</b>	<b>(272,921)</b>	<b>1,046,250</b>

#### Reconciliation of property, plant and equipment - six months ended June 30, 2022

	Opening balance \$	Additions \$	Carrying value of disposals \$	Foreign exchange movements \$	Depreciation \$	Total \$
Property, plant and machinery**	488,247	1,693	(1,286)	(2,781)	(19,938)	465,935
Furniture and fixtures	33,195	2,984	-	(177)	(4,705)	31,297
Motor vehicles	332,637	-	(10,546)	(848)	(38,552)	282,691
Office equipment	1,770	560	(702)	3	(379)	1,252
IT equipment	36,724	7,445	(3,994)	(239)	(3,870)	36,066
Leasehold improvements	153,677	2,355	-	(658)	(15,892)	139,482
	<b>1,046,250</b>	<b>15,037</b>	<b>(16,528)</b>	<b>(4,700)</b>	<b>(83,336)</b>	<b>956,723</b>

#### 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
	<b>952,579</b>	<b>392,520</b>	<b>(43,155)</b>	<b>(86,299)</b>	<b>(169,395)</b>	<b>1,046,250</b>

\*\* 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 and six months ended June 30, 2022

### Notes to the Unaudited Interim Condensed Consolidated Financial Statements

#### 3. Right of use asset

	June 30, 2022 \$	December 31, 2021 \$
<b>Balance at beginning of period/year</b>	<b>166,783</b>	<b>62,179</b>
Additions	-	160,196
Depreciation	(24,892)	(42,510)
Effect of exchange rate movement	(418)	(13,082)
<b>Balance at end of period/year</b>	<b>141,473</b>	<b>166,783</b>

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

	June 30, 2022 \$	December 31, 2021 \$
Long term deposit	908,124	-

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

	June 30, 2022 \$	December 31, 2021 \$
Prepayments	116,690	69,152
Interest and other receivables	96,201	106,175
<b>Total sales tax receivables and prepaid expenses</b>	<b>212,891</b>	<b>175,327</b>

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 and six months ended June 30, 2022

### Notes to the Unaudited Interim Condensed Consolidated Financial Statements

#### 6. Cash and cash equivalents

Cash and cash equivalents consist of:

	June 30, 2022 \$	December 31, 2021 \$
Cash in bank and on hand	2,937,889	12,668,462
Cash held in Attorney's Trust Account	4,956,952	-
Cash held in short - term GIC's	35,000	35,000
	<b>7,929,841</b>	<b>12,703,462</b>

#### 7. Share capital

	June 30, 2022 \$	December 31, 2021 \$
<b>Issued and outstanding</b>		
Issued common shares	\$67,022,202	\$57,221,521

Issued and common shares are as follows:

	Number of Shares	Value
<b>Balance as at December 31, 2020</b>	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
<b>Balance as at December 31, 2021</b>	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	-	(89,276)
<b>Balance as at June 30, 2022</b>	<b>127,466,907</b>	<b>\$67,022,202</b>

## Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

### Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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#### 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 June 30, 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 \$89,276 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 June 30, 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
<b>Balance as at December 31, 2020</b>	7,604,226	\$0.56
Issued	1,610,000	\$1.25
Exercised	(603,830)	(\$0.40)
<b>Balance as at December 31, 2021</b>	8,610,396	\$0.70
Issued	1,620,000	\$1.20
Exercised	-	-
<b>Balance as at June 30, 2022</b>	<b>10,230,396</b>	<b>\$0.78</b>

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 and six months ended June 30, 2022

### Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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#### 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 six months ended June 30, 2022, the Company recorded \$859,151 (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 June 30, 2022:

Options outstanding	Expiration Date	Exercisable June 30, 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
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10,230,396		8,347,063	\$0.78

## Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

### Notes to the Unaudited Interim Condensed Consolidated Financial Statements

#### 7. Share capital (continued)

##### Warrants reserve

	Number of Warrants	Weighted Average Exercise Price
<b>Balance as at December 31, 2020</b>	21,974,589	\$1.11
Issued	5,345,454	\$1.32
Exercised	(5,864,880)	(\$0.73)
Expired	(7,738,250)	(\$1.50)
<b>Balance as at December 31, 2021</b>	13,716,913	\$1.14
Exercised	(7,292,114)	(\$1.02)
Expired	(1,079,345)	(\$1.05)
<b>Balance as at June 30, 2022</b>	<b>5,345,454</b>	<b>\$1.32</b>

The following table summarizes information about the Company's common share purchase warrants outstanding as at June 30, 2022:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding June 30, 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>	June 30, 2022	December 31, 2021
<b>Outstanding at the beginning of the period/year</b>	1,330,400	1,193,600
Granted	960,538	136,800
<b>Outstanding at the end of the period/year</b>	<b>2,290,938</b>	<b>1,330,400</b>

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 and six months ended June 30, 2022

### Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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#### 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 year ended December 31, 2021, the Company granted 136,800 RSU's and during the six months ended June 30, 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 six months ended June 30, 2022, the Company recorded \$336,222 (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 June 30, 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

	June 30, 2022 \$	December 31, 2021 \$
<b>Held at amortised cost</b>		
First National Bank Leases	187,506	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:		
<b>Balance at beginning of period/year</b>	<b>226,882</b>	<b>138,616</b>
Additions	-	163,200
Finance charges	10,594	21,834
Finance lease instalments	(49,552)	(100,693)
Effect of exchange rate movement	(418)	3,925
<b>Balance at end of period/year</b>	<b>187,506</b>	<b>226,882</b>
<b>Split between non-current and current portions</b>		
Non-current liabilities	125,693	158,373
Current liabilities	61,813	68,509
	<b>187,506</b>	<b>226,882</b>

## Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

### Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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#### 9. Lease liability

Reconciliation of other financial liabilities

	6 months ended June 30, 2022 \$	12 months ended December 31, 2021 \$
<b>Balance at beginning of period/year</b>	<b>174,338</b>	<b>52,441</b>
Additions	-	160,196
Finance charges	5,343	10,002
Lease instalments	(26,979)	(45,656)
Effect of exchange rate movement	(564)	(2,645)
<b>Balance at end of period/year</b>	<b>152,138</b>	<b>174,338</b>
<b>Split between non-current and current portions</b>		
Non-current liabilities	105,992	130,755
Current liabilities	46,146	43,583
	<b>152,138</b>	<b>174,338</b>

The lease liabilities are unsecured and bear interest at a rate of 6.5% per annum. The remaining lease terms vary from 21 to 46 months. The undiscounted future payments for settlement of the leases amount to \$168,345. 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

	June 30, 2022 \$	December 31, 2021 \$
<b>Financial instruments:</b>		
Trade payables	3,298,238	2,264,564
Accrued expense	240,670	866,684
	<b>3,538,908</b>	<b>3,131,248</b>

## Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

### Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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#### 11. Cash used in operations

	6 months ended June 30, 2022 \$	6 months ended June 30, 2021 \$
Loss before taxation	(13,198,601)	(11,530,347)
<b>Adjustments for:</b>		
Depreciation and amortisation	108,228	99,289
Loss on disposal of assets	16,529	24,764
Leave pay provision	1,442	48,254
Stock options expense	859,151	901,838
Interest expense	10,594	10,090
Accretion on lease	5,343	3,862
Foreign exchange	(81,041)	15,659
Vesting of restricted stock units	336,222	151,848
<b>Changes in working capital:</b>		
Long term receivables	(908,124)	(1,105,931)
Sales tax receivables and prepaid expenses	(37,564)	17,874
Trade and other payables	850,103	469,380
	<b>(12,037,718)</b>	<b>(10,893,420)</b>

## Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

### Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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#### 12. Commitments

As at June 30, 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 conditional agreements for the acquisition of surface rights for the development of the Twin Hills Project. The agreements are subject to the fulfilment of various suspensive conditions which the Company is in the process of completing. One of the agreements has surpassed the stop date due to delays, however, the Company expects to close the transaction in the coming months.

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 six-

## Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

### Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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#### 12. Commitments (continued)

month anniversary of the Closing Date; and

(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.

On June 28, 2022, the Company announced that B2Gold Corp. agreed to amend the Acquisition Agreement dated December 31, 2021 (further amended on July 18, 2022) to acquire the Ondundu gold exploration property in Namibia to allow for the payment of a significant portion and up to all of the Purchase Price (as defined above) by the issuance of Osino common shares to B2Gold instead of cash for the acquisition of the Ondundu gold project (refer to Note 14(a)).

The agreement is subject to the fulfilment of various suspensive conditions which are common to transactions of this nature. Refer to note 14(a).

#### 13. Capital management

As at June 30, 2022, the capital structure of the Company consists of equity balance of \$7,686,025 (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. Events after the reporting period

(a) On July 21, 2022, the Company announced the closing of its acquisition from B2Gold Corp. of the Ondundu gold exploration property in Namibia effective July 20, 2022 under the Acquisition Agreement dated December 31, 2021, as amended June 28, 2022 and July 18, 2022. Pursuant to the Acquisition Agreement, the Company issued 11,630,628 common shares of Osino to B2Gold to satisfy aggregate consideration of US\$8,850,000 to acquire all of the issued and outstanding shares of Razorback Gold Mining Company (Proprietary) Limited. Under the Acquisition Agreement, the remaining US\$6,350,000 of the aggregate US\$15,200,000 purchase price may also be settled through more shares in lieu of cash.

(1) US\$3,850,000 will be paid to B2Gold on the first business day after the six-month anniversary of the July 20, 2022 closing date, at the option of B2Gold, in either cash or common shares of Osino.

(2) US\$2,500,000 will be paid to B2Gold on the date which is 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.

#### 15. 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 26 exclusive prospecting licenses in the area.

## Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022

### Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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#### 16. Related parties

	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Management and directors fees expensed	\$357,500	\$313,125
Share-based payments, non-cash	\$513,186	\$564,216
Total	<u>\$870,686</u>	<u>\$877,341</u>

#### 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 June 30, 2022, total key management compensation was \$870,686 (June 30, 2021 - \$877,341), which includes management fees, bonuses and salaries of \$270,000 (June 30, 2021 - \$285,000), directors fees of \$87,500 (June 30, 2021 - \$28,125) and share-based compensation of \$513,186 (June 30, 2021 - \$564,216).

As at June 30, 2022, \$31,250 (December 31, 2021 - \$790,750) of related party payments due was included in trade and other payables. During the current six-month period, 389,373 RSU's with a fair value of \$443,885 were issued to related parties in settlement of previously outstanding bonuses and long term service awards.