

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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 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 - 23 |

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 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 23, which have been prepared on the going concern basis, were approved by the board of directors on November 24, 2022 and were signed on their behalf by:

Director

Director

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2022

Interim Condensed Consolidated Statements of Financial Position

| Figures in Canadian Dollar | Note(s) | September 30, 2022 | (Audited) December 31, 2021 |
|--|---------|-----------------------|-----------------------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 878,362 | 1,046,250 |
| Right of use asset | 3 | 123,592 | 166,783 |
| Long term deposit | 4 | 867,426 | - |
| | | 1,869,380 | 1,213,033 |
| Current Assets | | | |
| Sales tax receivables and other assets | 5 | 474,701 | 175,327 |
| Cash and cash equivalents | 6 | 3,695,675 | 12,703,462 |
| | | 4,170,376 | 12,878,789 |
| Total Assets | | 6,039,756 | 14,091,822 |
| Equity and Liabilities | | | |
| Equity | | | |
| Equity Attributable to Equity Holders of Parent | | | |
| Share capital | 7 | 76,585,960 | 57,221,521 |
| Reserves | | 12,142,909 | 12,837,447 |
| Accumulated deficit | | (88,429,774) | (58,397,856) |
| | | 299,095 | 11,661,112 |
| Non-controlling interest | | (1,442,666) | (1,101,758) |
| | | (1,143,571) | 10,559,354 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Other financial liabilities | 9 | 104,855 | 158,373 |
| Lease liability | 10 | 90,696 | 130,755 |
| | | 195,551 | 289,128 |
| Current Liabilities | | | |
| Trade and other payables | 11 | 1,614,159 | 3,131,248 |
| Consideration payable | 8 | 5,270,496 | - |
| Other financial liabilities | 9 | 59,043 | 68,509 |
| Lease liability | 10 | 44,078 | 43,583 |
| | | 6,987,776 | 3,243,340 |
| Total Liabilities | | 7,183,327 | 3,532,468 |
| Total Equity and Liabilities | | 6,039,756 | 14,091,822 |

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

Commitments (note 13)

Events after the reporting period (note 15)

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

Director

Director

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 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 September 30, 2022 | 3 months ended September 30, 2021 | 9 months ended September 30, 2022 | 9 months ended September 30, 2021 |
|--|---------|--|--|--|--|
| Amortisation and depreciation | 2/3 | (51,516) | (41,665) | (159,744) | (140,955) |
| Consulting and professional fees | | (448,034) | (283,046) | (1,236,020) | (778,862) |
| Exploration and evaluation | | (14,395,090) | (4,381,701) | (23,680,886) | (12,756,222) |
| Management fees | 17 | (135,000) | (135,000) | (405,000) | (420,000) |
| Office and administration | | (165,553) | (155,792) | (617,941) | (661,043) |
| Salaries and benefits | 7 | (697,837) | (484,776) | (2,074,876) | (1,400,307) |
| Stock option expense | 7 | (219,099) | (263,675) | (1,078,249) | (1,165,513) |
| Travel | | (38,317) | (10,432) | (164,524) | (30,153) |
| Operating loss | | (16,150,446) | (5,756,087) | (29,417,240) | (17,353,055) |
| Investment income | | 18,452 | 18,460 | 102,584 | 99,032 |
| Finance charges | 8/9 | (6,912) | (9,204) | (22,850) | (23,157) |
| Foreign exchange loss | 8 | (317,129) | - | (317,129) | - |
| Loss for the period | | (16,456,035) | (5,746,831) | (29,654,635) | (17,277,180) |
| Other comprehensive loss: | | | | | |
| Foreign currency translation | | (106,531) | (54,706) | (191,707) | (42,793) |
| Total comprehensive loss for the period | | (16,562,566) | (5,801,537) | (29,846,342) | (17,319,973) |
| Loss attributable to: | | | | | |
| Owners of the parent | | (16,412,602) | (5,502,980) | (29,297,435) | (16,570,733) |
| Non-controlling interest | | (43,433) | (243,851) | (357,200) | (706,447) |
| | | (16,456,035) | (5,746,831) | (29,654,635) | (17,277,180) |
| Total comprehensive loss attributable to: | | | | | |
| Owners of the parent | | (16,519,133) | (5,557,686) | (29,489,142) | (16,613,526) |
| Non-controlling interest | | (43,433) | (243,851) | (357,200) | (706,447) |
| | | (16,562,566) | (5,801,537) | (29,846,342) | (17,319,973) |
| Loss per share | | | | | |
| Weighted number of shares outstanding | | 136,817,263 | 109,644,171 | 129,872,388 | 106,468,499 |
| Loss per share - Basic and diluted | | \$0.12 | \$0.05 | \$0.23 | \$0.16 |

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 nine months ended September 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 | | | | | | | | |
| 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 | 814,219 | 1,224,374 | - | (331,683) | - | - | 892,691 | - |
| Exercise of warrants | 4,762,538 | 3,960,012 | - | (845,079) | - | - | 3,114,933 | - |
| Exercise of stock options | 406,779 | 275,751 | (127,575) | - | - | - | 148,176 | - |
| Foreign currency translation | - | - | - | - | (42,793) | - | (42,793) | - |
| Issuance of restricted stock units | - | - | 151,848 | - | - | - | 151,848 | - |
| Loss for the period | - | - | - | - | - | (16,570,733) | (16,570,733) | (706,447) |
| Movement in value of share options | - | - | 1,165,513 | - | - | - | 1,165,513 | - |
| Share issue costs | - | (13,779) | - | - | - | - | (13,779) | - |
| Issue of shares for mineral properties | 82,608 | 87,564 | - | - | - | - | 87,564 | - |
| Balance at September 30, 2021 | 110,144,164 | 48,921,305 | 5,493,104 | 5,245,151 | 102,398 | (48,344,401) | 11,417,557 | (1,452,744) |
| Exercise of broker warrants | 156,873 | 183,024 | - | (60,663) | - | - | 122,361 | - |
| Exercise of warrants | 131,250 | 181,007 | - | (43,194) | - | - | 137,813 | - |
| Exercise of stock options | 197,051 | 166,247 | (72,267) | - | - | - | 93,980 | - |
| Foreign currency translation | - | - | - | - | (116,420) | - | (116,420) | - |
| 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 | - | - | - | - | - | (9,310,827) | (9,310,827) | (391,642) |
| Movement in value of share options | - | - | 247,183 | - | - | - | 247,183 | - |
| Share issue costs | - | (687,908) | - | - | - | - | (687,908) | - |
| Acquisition of minority interests** | - | - | - | - | - | (742,628) | (742,628) | 742,628 |
| 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 2021 fiscal 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 | <u>\$742,628</u> |

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 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 |
|---|--------------------|-------------------|-----------------------------|------------------|--------------------------------|---------------------|---------------------|--------------------------|
| 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 | - | - | - | - | (191,707) | - | (191,707) | - |
| Issuance of restricted stock units | - | - | 863,935 | - | - | - | 863,935 | - |
| Loss for the period | - | - | - | - | - | (29,297,435) | (29,297,435) | (357,200) |
| Movement in value of stock options | - | - | 1,078,249 | - | - | - | 1,078,249 | - |
| Share issue costs | - | (103,673) | - | - | - | - | (103,673) | - |
| Acquisition of Razorback Gold Mining (Proprietary) Limited (note 8) | 11,630,628 | 8,955,584 | - | - | - | - | 8,955,584 | - |
| Shares issued on the acquisition of minority interests | 1,037,615 | 622,571 | - | - | - | - | 622,571 | - |
| Acquisition of minority interests** | - | - | - | - | - | (734,483) | (734,483) | 16,292 |
| Balance at September 30, 2022 | 140,135,150 | 76,585,960 | 7,610,204 | 4,738,434 | (205,729) | (88,429,774) | 299,095 | (1,442,666) |

** Acquisition of minority interests

During the year, the Company acquired 10% of the minority interests held in Osino Namibia Minerals Exploration (Pty) Ltd and the remaining 20% minority interest held in Richwing Exploration (Pty) Ltd. The breakdown and effect of the acquisitions in equity are as follows:

Non-controlling interests:

| | |
|--|-----------------|
| Adjustment to accumulated losses brought forward | \$13,359 |
| Adjustment to current year losses | <u>\$ 2,933</u> |
| Total effect disclosed in the statement of changes in Equity | <u>\$16,292</u> |

Owners of the parent:

| | |
|--|------------------|
| Adjustment to accumulated losses brought forward | <u>\$734,483</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 and nine months ended September 30, 2022

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

| Figures in Canadian Dollar | Note(s) | 9 months ended September 30, 2022 | 9 months ended September 30, 2021 |
|---|---------|--|--|
| Cash flows from operating activities | | | |
| Cash used in operations*+ | 12 | (16,125,327) | (15,515,943) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 2 | (18,561) | (390,057) |
| Proceeds on disposal of property, plant and equipment | 2 | - | 18,951 |
| Redemption of GIC's | | - | 11,000,000 |
| Acquisition of non-controlling interest | | (95,620) | - |
| Net cash flows (used in) / generated from investing activities | | (114,181) | 10,628,894 |
| Cash flows from financing activities | | | |
| Proceeds from common shares net of issuance costs | 7 | - | (13,779) |
| Proceeds from stock options | 7 | - | 148,176 |
| Net proceeds from the exercise of share purchase warrants and broker warrants | 7 | 7,341,269 | 4,007,624 |
| Repayment of loan | 9 | (69,597) | (77,506) |
| Proceeds from borrowings | 9 | - | 163,200 |
| Lease payments | 10 | (39,951) | (32,426) |
| Net cash from financing activities | | 7,231,721 | 4,195,289 |
| Total cash movement for the period | | (9,007,787) | (691,760) |
| Cash at the beginning of the period | | 12,703,462 | 9,464,124 |
| Total cash at end of the period | 6 | 3,695,675 | 8,772,364 |

*Cash utilised in operating activities includes:

| | | |
|-----------------|---------|--------|
| Interest income | 102,584 | 99,032 |
|-----------------|---------|--------|

+During the current nine-month period, 389,373 RSUs with a fair value of \$443,885 were issued to related parties in settlement of previously outstanding bonuses and long term service awards. The Company also issued 11,630,628 common shares for the Razorback Gold Mining Company (Proprietary) Limited acquisition for a value of \$8,955,584.

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 nine months ended September 30, 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 September 30, 2022 of \$88,429,774 (December 31, 2021 – \$58,397,856), and working capital deficit at September 30, 2022 of \$(2,817,400) (December 31, 2021 – working capital surplus of \$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 and nine months ended September 30, 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 November 24, 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.

i) Acquisition of an asset or business combination.

In accordance with IFRS 3, management has exercised their judgement in determining the acquisition of Razorback Gold Mining Company (Pty) Ltd. The acquisition was determined that of an asset acquisition as it did not meet the definition of a business acquisition.

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 Mining Investments Limited (formerly Osino (BVI) Limited), Razorback Mauritius Limited (formerly 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), Richwing Exploration (Pty) Ltd, Osino Namibia Minerals Exploration (Pty) Ltd ("Osino Namibia"), 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 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 August 25, 2022, Osino (BVI) Limited concluded its name change to Osino Mining Investments Limited. Effective June 6, 2022, the Company registered a new wholly owned subsidiary company in Mauritius, Osino Mauritius Holdings ("Osino Mauritius"). Effective August 25, 2022, Osino Mauritius Holdings registered a name change to Razorback Mauritius Limited.

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 nine months ended September 30, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

2. Property, plant and equipment

| | Nine Months ended September 30, 2022 | | | Year ended December 31, 2021 | | |
|---------------------------------|--------------------------------------|-----------------------------------|-------------------------|------------------------------|-----------------------------------|-------------------------|
| | Cost \$ | Accumulated depreciation \$ | Carrying value \$ | Cost \$ | Accumulated depreciation \$ | Carrying value \$ |
| Property, plant and machinery** | 524,539 | (85,378) | 439,161 | 570,097 | (81,850) | 488,247 |
| Furniture and fixtures | 47,257 | (19,656) | 27,601 | 47,350 | (14,155) | 33,195 |
| Motor vehicles | 420,462 | (168,216) | 252,246 | 462,291 | (129,654) | 332,637 |
| Office equipment | 2,915 | (2,336) | 579 | 6,369 | (4,599) | 1,770 |
| IT equipment | 44,840 | (11,780) | 33,060 | 46,792 | (10,068) | 36,724 |
| Leasehold improvements | 178,887 | (53,172) | 125,715 | 186,272 | (32,595) | 153,677 |
| Total | 1,218,900 | (340,538) | 878,362 | 1,319,171 | (272,921) | 1,046,250 |

Reconciliation of property, plant and equipment - nine months ended September 30, 2022

| | Opening balance \$ | Additions \$ | Carrying value of disposals \$ | Foreign exchange movements \$ | Depreciation \$ | Total \$ |
|---------------------------------|--------------------------|-----------------|--------------------------------------|--|--------------------|----------------|
| Property, plant and machinery** | 488,247 | 5,470 | (1,262) | (23,688) | (29,606) | 439,161 |
| Furniture and fixtures | 33,195 | 2,927 | - | (1,478) | (7,043) | 27,601 |
| Motor vehicles | 332,637 | - | (10,347) | (13,414) | (56,630) | 252,246 |
| Office equipment | 1,770 | - | (691) | (26) | (474) | 579 |
| IT equipment | 36,724 | 7,854 | (3,918) | (1,783) | (5,817) | 33,060 |
| Leasehold improvements | 153,677 | 2,310 | - | (6,729) | (23,543) | 125,715 |
| Total | 1,046,250 | 18,561 | (16,218) | (47,118) | (123,113) | 878,362 |

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 |
| Total | 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 and nine months ended September 30, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

3. Right of use asset

| | September 30, 2022 \$ | December 31, 2021 \$ |
|--|-----------------------------|----------------------------|
| Balance at beginning of period/year | 166,783 | 62,179 |
| Additions | - | 160,196 |
| Depreciation | (36,631) | (42,510) |
| Effect of exchange rate movement | (6,560) | (13,082) |
| Balance at end of period/year | 123,592 | 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

| | September 30, 2022 \$ | December 31, 2021 \$ |
|-------------------|-----------------------------|----------------------------|
| Long term deposit | 867,426 | - |

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 13 (b)).

5. Sales tax receivables and other assets

| | September 30, 2022 \$ | December 31, 2021 \$ |
|---|-----------------------------|----------------------------|
| Prepayments | 275,857 | 69,152 |
| Interest and other receivables | 198,844 | 106,175 |
| Total sales tax receivables and prepaid expenses | 474,701 | 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 and nine months ended September 30, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

6. Cash and cash equivalents

Cash and cash equivalents consist of:

| | September 30, 2022 \$ | December 31, 2021 \$ |
|---------------------------------|-----------------------------|----------------------------|
| Cash in bank and on hand | 3,660,675 | 12,668,462 |
| Cash held in short - term GIC's | 35,000 | 35,000 |
| | 3,695,675 | 12,703,462 |

7. Share capital

| | September 30, 2022 \$ | December 31, 2021 \$ |
|-------------------------------|-----------------------------|----------------------------|
| Issued and outstanding | | |
| Issued common shares | \$76,585,960 | \$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 |
| Acquisition of Razorback Gold Mining (Proprietary) Limited (refer to note 8) | 11,630,628 | 8,955,584 |
| Shares issued on the acquisition of minority interests | 1,037,615 | 622,571 |
| Exercise of broker warrants | 784,364 | 915,119 |
| Share issuance costs | - | (103,673) |
| Balance as at September 30, 2022 | 140,135,150 | \$76,585,960 |

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 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.

Effective July 20, 2022, in line with a commitment entered into between the Company and B2Gold Corp., the holder of EPL3195, 11,630,628 common shares of the Company with a fair value of \$8,955,584 was issued as part of the acquisition price for the acquisition of 100% shareholders' interest in Razorback Gold Mining Company (Pty) Ltd. (Refer to note 8).

Effective September 8, 2022, in line with a commitment entered into between the Company and certain EPL owners, 1,037,615 common shares of the Company with a fair value of \$622,571 was issued as part of the acquisition price for the remaining minority interests in Richwing Exploration (Pty) Ltd and Osino Namibia Minerals Exploration (Pty) Ltd.

During the period ended September 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 \$103,673 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 September 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 |
|---|----------------------|------------------------------------|
| 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 September 30, 2022 | 10,230,396 | \$0.78 |

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

7. Share capital (continued)

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

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

The stock options are subject to the following vesting conditions: 536,667 stock options vested on the grant date, 536,667 stock options will vest on March 5, 2022, the remaining 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 nine months ended September 30, 2022, the Company recorded \$1,078,249 (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 September 30, 2022:

| Options outstanding | Expiration Date | Exercisable September 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 | 400,000 | \$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/> 8,480,396 | <hr/> \$0.78 |

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 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 September 30, 2022 | 5,345,454 | \$1.32 |

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

| Grant Date | Expiration Date | Exercise Price | Balance Outstanding September 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> | September 30, 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 and nine months ended September 30, 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 year ended December 31, 2021, the Company granted 136,800 RSU's and during the nine months ended September 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 nine months ended September 30, 2022, the Company recorded \$420,050 (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.

During the current nine-month period, 389,373 RSUs with a fair value of \$443,885 were issued to related parties in settlement of previously outstanding bonuses and long term service awards.

As at September 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).

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

8. Acquisition of Razorback Gold Mining Company (Proprietary) Limited

On December 31, 2021, the Company entered into an agreement to acquire the Ondundu gold exploration property in Namibia from B2Gold Corp. ("B2Gold"). 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 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. The agreement was subsequently amended on June 28, 2022, and again on July 18, 2022.

On July 20, 2022, the transaction closed, and the Company acquired all of the issued and outstanding shares in Razorback in exchange for the issuance of 11,630,628 common shares of Osino to B2Gold (note 7) to satisfy aggregate consideration of US\$8,350,000. 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.

Per the terms of the acquisition agreement, a total of US\$3,850,000 will be paid to B2Gold on the first business day after the six-month anniversary of the closing date, at the option of B2 Gold, in either cash or common shares of Osino ("Six-Month Payable"). A total of 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 ("Deferred Consideration Payable").

The transaction does not constitute a business combination as Razorback does not meet the definition of a business under IFRS 3, Business Combinations. As a result, the transaction is accounted for as an acquisition of assets.

The acquisition has been measured using the fair value of the consideration transferred. The excess of the consideration transferred over the fair value of the other assets has been allocated to exploration and evaluation expenses.

The value of the common shares was based on the fair value of the shares on the date of close (July 20, 2022). The value of the Six-Month Payable was based on the fair value of the consideration disclosed in the acquisition agreement.

The Company used judgment to determine that the settlement for the Deferred Consideration payable could not be reliably estimated at this time, and as a result the amount has not been accrued for in the interim condensed consolidated financial statements.

The purchase price allocation is set out as follows:

| | | |
|--|-----------|-------------------|
| Issuance of 11,630,628 common shares | \$ | 8,955,584 |
| Value of Six-Month Payable | | 4,953,569 |
| Total consideration at acquisition date | \$ | 13,909,153 |

Allocation of purchase price at acquisition date:

| | | |
|---|-----------|-------------------|
| Cash | \$ | 332 |
| VAT Receivable | | 14 |
| Exploration and Evaluation Acquisition costs expensed | | 13,908,807 |
| Total | \$ | 13,909,153 |

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

8. Acquisition of Razorback Gold Mining Company (Proprietary) Limited (continued)

| | | |
|---|-----------|------------------|
| Total liability as of July 20, 2022 | \$ | 4,953,569 |
| Foreign exchange movement for the period | - | 316,927 |
| Total liability as of September 30, 2022 | \$ | 5,270,496 |

9. Other financial liabilities

| | September 30, 2022 \$ | December 31, 2021 \$ |
|---|-----------------------------|----------------------------|
| Held at amortised cost | | |
| First National Bank Leases | 163,898 | 226,882 |
| The finance leases are subject to interest at a rate between 10.25% and 11.25% per annum and are repayable in 54 monthly instalments. | | |
| Balance at beginning of period/year | 226,882 | 138,616 |
| Additions | - | 163,200 |
| Finance charges | 15,284 | 21,834 |
| Finance lease instalments | (69,597) | (100,693) |
| Effect of exchange rate movement | (8,671) | 3,925 |
| Balance at end of period/year | 163,898 | 226,882 |
| Split between non-current and current portions | | |
| Non-current liabilities | 104,855 | 158,373 |
| Current liabilities | 59,043 | 68,509 |
| | 163,898 | 226,882 |

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

10. Lease liability

| | September 30, 2022 \$ | December 31, 2021 \$ |
|---|-----------------------------|----------------------------|
| Balance at beginning of period/year | 174,338 | 52,441 |
| Additions | - | 160,196 |
| Finance charges | 7,565 | 10,002 |
| Lease instalments | (39,948) | (45,656) |
| Effect of exchange rate movement | (7,181) | (2,645) |
| Balance at end of period/year | 134,774 | 174,338 |
| Split between non-current and current portions | | |
| Non-current liabilities | 90,696 | 130,755 |
| Current liabilities | 44,078 | 43,583 |
| | 134,774 | 174,338 |

The lease liabilities are unsecured and bear interest at a rate of 6.5% per annum. The remaining lease terms vary from 18 to 43 months. The undiscounted future payments for settlement of the leases amount to \$148,066. 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.

11. Trade and other payables

| | September 30, 2022 \$ | December 31, 2021 \$ |
|-------------------------------|-----------------------------|----------------------------|
| Financial instruments: | | |
| Trade payables | 1,437,973 | 2,264,564 |
| Accrued expense | 176,186 | 866,684 |
| | 1,614,159 | 3,131,248 |

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

12. Cash used in operations

| | 9 months ended September 30, 2022 \$ | 9 months ended September 30, 2021 \$ |
|--|--|--|
| Loss before taxation | (29,654,635) | (17,277,180) |
| Adjustments for: | | |
| Depreciation and amortisation | 159,744 | 140,955 |
| Loss on disposal of assets | 16,218 | 24,204 |
| Leave pay provision | 15,340 | 67,512 |
| Stock options expense | 1,078,249 | 1,165,513 |
| Interest expense | 15,284 | 16,106 |
| Accretion on lease | 7,565 | 7,051 |
| Foreign exchange | 163,050 | 22,902 |
| Issue of shares for mineral properties | - | 87,564 |
| Acquisition of Razorback Gold Mining Company (Pty) Ltd | 13,909,153 | - |
| Vesting of restricted stock units | 420,050 | 151,848 |
| Changes in working capital: | | |
| Long term deposit | (867,426) | (1,652,868) |
| Sales tax receivables and prepaid expenses | (299,374) | 68,821 |
| Trade and other payables | (1,088,545) | 1,661,629 |
| | (16,125,327) | (15,515,943) |

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

13. Commitments

As at September 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. The Company has come to agreement with the surface rights owners to extend the term of the conditional agreement and signed extensions with a provisional closing date of December 31, 2022.

c) On August 15, 2022 Osino signed an agreement with Somerschild Investments Close Corporation ("Somerschild") to acquire 3% of the shares in the capital of Osino Gold Exploration and Mining (Proprietary) Limited for an aggregate value of C\$1,870,000 payable through the issuance of 1,700,000 common shares of the Company. Somerschild is owned and controlled by Lazarus Shigwedha, who is a director of the Company and therefore the transaction is a "related party transaction" and subject to regulatory approval by the Exchange and conditions precedent that are common to such transactions. The Company expects to close this transaction in due course.

d) On September 30, 2022, the Company announced that it had entered into an Earn-In and Shareholder Agreement with Prospect Resources Limited to allow Prospect to earn up to 85% interest in Richwing Exploration (Pty) Ltd which holds the Omaruru Lithium Project in Namibia.

Phase 1 consists of a US\$560,000 cash payment to acquire 20%, and a commitment to spend a further US\$440,000 on the Project with a 12-month period, to earn an additional 20%. Upon the completion of Phase 1, Prospect may commit to a further US\$560,000 within a 12-month period for in-ground exploration to reach 51% ownership. Upon the completion of Phase 2 and having earned 51%, development funds are to be contributed on a pro-rata basis. If one party fails to contribute their pro rata share, their shareholding will be diluted. The minority shareholder will be diluted down to 15%, at which point their interest shall be free carried until the completion of the Definitive Feasibility Study for the Project.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

14. Capital management

As at September 30, 2022, the capital structure of the Company consists of equity balance of \$(299,095) (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.

15. Events after the reporting period

(a) The Company entered into a US\$15M credit facility with Nebari Gold Fund 1, LP and Nebari Natural Resources Credit Fund 1, LP (each as Lender and collectively, "Nebari"), with Nebari Gold Fund LP 1, LP as collateral agent and certain Osino shareholders as guarantors.

Effective November 8, 2022, the Company drew the first US\$5m tranche of the credit facility. The Company can draw 2 additional tranches of US\$5M each, subject to conditions precedent.

The Credit Facility has a maturity date which is two years from the initial draw of the first tranche and is expected to be repaid from the proceeds of the project finance facilities to be arranged for the Twin Hills Gold Project in 2023. The Credit Facility has an initial arrangement fee of US\$50,000 payable to Nebari for the first tranche and additional arrangement fees of \$50,000 payable to Nebari for each subsequent tranche, and bears a coupon of Term SOFR (Secured Overnight Financing Rate) + Margin of 5% p.a. It also has an original issue discount of 10% for the first year of each loan made or to be made under each tranche provided for under the Credit Facility, 12% for the period between 13-18 months (inclusive) of each Loan, and 14% for the period between 19-24 months (inclusive) of each loan.

Osino will also grant to the lender, for each of the three tranches of the Credit Facility, the number of Warrants equal to approximately 26.67% of the amount of each applicable draw on a tranche divided by the applicable Exercise Price. The Exercise Price is equal to a 30% premium to the 10-day volume weighted average price for common shares of Osino for the 10 days immediately preceding the date of written request by Osino to Nebari for a draw on a tranche of the Credit Facility. Each Warrant entitles the holder to acquire a common share of the Company upon exercise thereof for a period of 24 months from the date of issuance. The loan is subject to certain financial covenants.

(b) Exercise of stock options: During November 2022, 2,789,132 common share stock options with an expiry date of November 28, 2022, were exercised on a cashless basis. No proceeds were received from the exercise and a net total of 1,518,281 common shares were issued.

16. 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 nine months ended September 30, 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

17. Related parties

| | 9 months ended September 30, 2022 | 9 months ended September 30, 2021 |
|--|--|--|
| Management and directors fees expensed | \$536,250 | \$504,375 |
| Share-based payments, non-cash | \$648,374 | \$737,304 |
| Total | \$1,184,624 | \$1,241,679 |

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 September 30, 2022, total key management compensation was \$1,184,624 (September 30, 2021 - \$1,241,679), which includes management fees, bonuses and salaries of \$405,000 (September 30, 2021 - \$420,000), directors fees of \$131,250 (September 30, 2021 - \$84,375) and share-based compensation of \$648,374 (September 30, 2021 - \$737,304).

As at September 30, 2022, \$30,000 (December 31, 2021 - \$790,750) of related party payments due was included in trade and other payables. During the current nine-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.