

Osino Resources Corp. (An exploration stage company)
Unaudited Interim Condensed Consolidated Financial Statements
for the three months ended March 31, 2023

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

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Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

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 year 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 judgments 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 29, which have been prepared on the going concern basis, were approved by the board of directors on May 29, 2023 and were signed on their behalf by:

/s/ "Heye Daun"

Director

/s/ "Alan Friedman"

Director

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Interim Condensed Consolidated Statements of Financial Position

Figures in Canadian Dollar	Note(s)	March 31, 2023	December 31, 2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	789,230	867,476
Right of use asset	3	99,467	117,353
Long term deposit	5	2,249,490	2,089,331
		3,138,187	3,074,160
Current Assets			
Sales tax receivables and other assets	6	2,145,805	2,266,152
Cash and cash equivalents	7	8,822,349	19,606,677
		10,968,154	21,872,829
Total Assets		14,106,341	24,946,989
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	8	90,335,035	88,707,190
Reserves		12,502,681	12,251,698
Accumulated deficit		(98,081,205)	(89,166,932)
		4,756,511	11,791,956
Non-controlling interest		(7,192)	(1,377,708)
		4,749,319	10,414,248
Liabilities			
Non-Current Liabilities			
Other financial liabilities	10	66,568	95,341
Lease liability	11	68,318	83,743
Credit facility	12	5,977,670	5,771,493
		6,112,556	5,950,577
Current Liabilities			
Trade and other payables	13	1,954,833	2,568,496
Consideration payable	9	-	5,214,209
Other financial liabilities	10	57,978	61,358
Lease liability	11	43,621	46,164
Interest payable	12	288,059	102,547
Warrant derivative	12	899,975	589,390
		3,244,466	8,582,164
Total Liabilities		9,357,022	14,532,741
Total Equity and Liabilities		14,106,341	24,946,989

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

Commitments (note 15)

Events after the reporting period (note 17)

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

/s/ "Heye Daun"
Director

/s/ "Alan Friedman"
Director

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

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

Figures in Canadian Dollar	Note(s)	3 months ended March 31, 2023	3 months ended March 31, 2022
Amortisation and depreciation	2/3	(50,334)	(55,500)
Consulting and professional fees		(520,643)	(363,156)
Exploration and evaluation		(3,494,190)	(4,063,524)
Management fees	19	(135,000)	(135,000)
Office and administration		(343,836)	(234,835)
Salaries and benefits	8	(350,329)	(747,622)
Stock option expense	8	(396,135)	(633,202)
Travel		(64,151)	(37,126)
Operating loss		(5,354,618)	(6,269,965)
Investment income		83,772	14,161
Finance charges and accretion adjustment	10/11/12	(397,668)	(8,307)
Foreign exchange loss		(7,360)	-
Fair value changes for warrant derivative	12	(303,883)	-
Loss for the year		(5,979,757)	(6,264,111)
Other comprehensive loss:			
Foreign currency translation		(223,979)	27,199
Total comprehensive loss for the year		(6,203,736)	(6,236,912)
Loss attributable to:			
Owners of the parent		(5,939,657)	(6,124,800)
Non-controlling interest		(40,100)	(139,311)
		(5,979,757)	(6,264,111)
Total comprehensive loss attributable to:			
Owners of the parent		(6,163,636)	(6,097,601)
Non-controlling interest		(40,100)	(139,311)
		(6,203,736)	(6,236,912)
Loss per share			
Weighted number of shares outstanding		157,532,089	125,205,391
Loss per share - Basic and diluted		\$0.04	\$0.05

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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Interim Condensed Consolidated Statements of Changes in Equity

	Number of Shares	Share Capital	Share-based Payment Reserve	Warrant Reserve	Cumulative Translation Reserve	Deficit	Shareholders Equity	Non-controlling Interest
Figures in Canadian Dollar								
Balance at December 31, 2021	120,174,793	57,221,521	5,668,020	7,183,449	(14,022)	(58,397,856)	11,661,112	(1,101,758)
Exercise of broker warrants	784,364	915,119	-	(303,316)	-	-	611,803	-
Exercise of warrants	6,507,750	8,974,838	-	(2,141,701)	-	-	6,833,137	-
Foreign currency translation	-	-	-	-	27,199	-	27,199	-
Issuance of restricted stock units	-	-	697,190	-	-	-	697,190	-
Loss for the period	-	-	-	-	-	(6,124,800)	(6,124,800)	(139,311)
Movement in value of stock options	-	-	633,202	-	-	-	633,202	-
Share issue costs	-	(33,156)	-	-	-	-	(33,156)	-
Balance at March 31, 2022	127,466,907	67,078,322	6,998,412	4,738,432	13,177	(64,522,656)	14,305,687	(1,241,069)
Share issue costs	-	(679,979)	-	-	-	-	(679,979)	-
Movement in value of share options	-	-	1,400,113	-	-	-	1,400,113	-
Exercise of stock options	1,518,282	928,692	(928,692)	-	-	-	-	-
Foreign currency translation	-	-	-	-	(220,145)	-	(220,145)	-
Issue of shares for mineral properties	11,630,628	8,955,584	-	-	-	-	8,955,584	-
Issue of shares	14,752,500	11,802,000	-	-	-	-	11,802,000	-
Issue of restricted stock units	-	-	250,401	-	-	-	250,401	-
Acquisition of minority interests**	1,037,615	622,571	-	-	-	(733,797)	(111,226)	15,606
Loss for the year	-	-	-	-	-	(23,910,479)	(23,910,479)	(152,245)
Balance at December 31, 2022	156,405,932	88,707,190	7,720,234	4,738,432	(206,968)	(89,166,932)	11,791,956	(1,377,708)

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

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
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Figures in Canadian Dollar

**** Acquisition of minority interests**

In August 2022, the Company acquired the 10% minority interest held in Osino Namibia Minerals Exploration (Pty) Ltd and the remaining 20% minority interest held in Richwing Exploration (Pty) Ltd ("Richwing"). 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>\$ 2,247</u>
Total effect disclosed in the statement of changes in Equity	<u>\$15,606</u>

Owners of the parent:

Adjustment to accumulated losses brought forward	<u>\$733,797</u>
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Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

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, 2022	156,405,932	88,707,190	7,720,234	4,738,432	(206,968)	(89,166,932)	11,791,956	(1,377,708)
Movement in value of share options	-	-	396,135	-	-	-	396,135	-
Exercise of stock options	75,000	40,095	(17,595)	-	-	-	22,500	-
Issue of shares for acquisition of minority interest***	1,700,000	1,564,000	-	-	-	(2,974,616)	(1,410,616)	1,410,616
Issue of restricted stock units	-	-	120,172	-	-	-	120,172	-
Exercise of restricted stock units	20,833	23,750	(23,750)	-	-	-	-	-
Comprehensive lost adjustment	-	-	-	-	(223,979)	-	(223,979)	-
Loss for the year	-	-	-	-	-	(5,939,657)	(5,939,657)	(40,100)
Balance at March 31, 2023	158,201,765	90,335,035	8,195,196	4,738,432	(430,947)	(98,081,205)	4,756,511	(7,192)

*** Acquisition of minority interests

In January 2023, the Company acquired the remaining 3% minority interest held in Osino Gold Exploration and Mining (Pty) Ltd. The breakdown and effect of the acquisition in equity is as follows:

Non-controlling interests:

Adjustment to accumulated losses brought forward	\$1,371,156
Adjustment to current year losses	<u>\$ 39,460</u>
Total effect disclosed in the statement of changes in Equity	<u>\$1,410,616</u>

Owners of the parent:

Adjustment to accumulated losses brought forward	<u>\$2,974,616</u>
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The notes are an integral part of the unaudited interim condensed consolidated financial statements.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

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

Figures in Canadian Dollar	Note(s)	3 months ended March 31, 2023	3 months ended March 31, 2022
Cash flows from operating activities			
Cash used in operations*	14	(10,607,135)	(5,343,811)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(7,952)	(11,601)
Increase in value of long-term deposit		(160,159)	(982,335)
Net cash flows (used in) / generated from investing activities		(168,111)	(993,936)
Cash flows from financing activities			
Net proceeds from the exercise of share purchase warrants and broker warrants	8	-	7,411,786
Repayment of loan	10	(18,601)	(23,672)
Proceeds from borrowings	10/12	-	-
Proceeds from exercise of options		22,500	-
Lease payments	11	(12,981)	(13,413)
Net cash from financing activities		(9,082)	7,374,701
Total cash movement for the period		(10,784,328)	1,036,954
Cash at the beginning of the period		19,606,677	12,703,462
Total cash at end of the period	7	8,822,349	13,740,416

*Cash utilised in operating activities includes:
Interest income

83,772 14,161

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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

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."

Going concern

The Company has a history of losses with no operating revenue, an accumulated deficit at March 31, 2023 of \$98,081,205 (December 31, 2022 – \$89,166,932), and working capital surplus at March 31, 2023 of \$7,723,688 (December 31, 2022 – working capital surplus of \$13,290,665). 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 and \$11,802,000 from nonbrokered private placements during 2021 and 2022 respectively, and \$7,444,940 from the exercise of share purchase warrants with an expiry date of January 31, 2022 (refer to Note 8), the Company will seek additional funds during 2023 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 for the development of 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.

a) Statement of compliance with IFRS

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited interim condensed consolidated financial statements are based on IFRSs issued and outstanding as of May 29, 2023, 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, 2022, 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, 2023 could result in restatement of these unaudited interim condensed consolidated financial statements.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Accounting Policies

b) Basis of presentation

These 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), Osino Namibia Minerals Exploration (Pty) Ltd ("Osino Namibia"), as well as the accounts of 100% (2022: 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.

Richwing Exploration (Pty) Ltd of which 80% of the shares are held by Osino Gold Exploration and Mining (Pty) Ltd is accounted for as a joint venture due to the minority 20% shareholder and the Company having joint control over the strategic direction and operational work program of the company.

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 in the British Virgin Islands 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.

c) 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 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\$") and United States Dollar ("US\$").

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Notes to the Consolidated Financial Statements

2. Property, plant and equipment

	Three Months ended March 31, 2023			Year ended December 31, 2022		
	Cost \$	Accumulated depreciation \$	Carrying value \$	Cost \$	Accumulated depreciation \$	Carrying value \$
Property, plant and machinery**	523,200	(100,464)	422,736	545,816	(96,615)	449,201
Furniture and fixtures	46,766	(24,306)	22,460	49,493	(22,988)	26,505
Motor vehicles	398,434	(192,819)	205,615	421,663	(186,812)	234,851
Office equipment	2,886	(2,886)	-	3,054	(2,575)	479
IT equipment	45,008	(15,971)	29,037	46,961	(14,311)	32,650
Leasehold improvements	177,026	(67,644)	109,382	187,350	(63,560)	123,790
Total	1,193,320	(404,090)	789,230	1,254,337	(386,861)	867,476

Reconciliation of property, plant and equipment - three months ended March 31, 2023

	Opening balance \$	Additions \$	Foreign exchange movements \$	Depreciation \$	Total \$
Property, plant and machinery**	449,201	7,311	(24,725)	(9,051)	422,736
Furniture and fixtures	26,505	-	(1,430)	(2,615)	22,460
Motor vehicles	234,851	-	(12,742)	(16,494)	205,615
Office equipment	479	-	(21)	(458)	-
IT equipment	32,650	641	(1,776)	(2,478)	29,037
Leasehold improvements	123,790	-	(6,729)	(7,679)	109,382
	867,476	7,952	(47,423)	(38,775)	789,230

Reconciliation of property, plant and equipment - year ended December 31, 2022

	Opening balance \$	Additions \$	Disposals \$	Foreign exchange movements \$	Depreciation \$	Total \$
Property, plant and machinery**	488,247	5,409	(2,795)	(3,210)	(38,450)	449,201
Furniture and fixtures	33,195	2,894	-	(221)	(9,363)	26,505
Motor vehicles	332,637	4,049	(25,369)	(2,265)	(74,201)	234,851
Office equipment	1,770	-	(682)	(12)	(597)	479
IT equipment	36,724	7,766	(3,874)	(243)	(7,723)	32,650
Leasehold improvements	153,677	2,284	-	(1,029)	(31,142)	123,790
	1,046,250	22,402	(32,720)	(6,980)	(161,476)	867,476

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

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Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Notes to the Consolidated Financial Statements

3. Right of use asset

	March 31, 2023 \$	December 31, 2022 \$
Balance at beginning of period/year	117,353	166,783
Additions	-	-
Depreciation	(11,559)	(48,291)
Effect of exchange rate movement	(6,327)	(1,139)
Balance at end of period/year	99,467	117,353

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. Joint arrangements

Joint ventures

On November 9, 2022, the Company entered into an Earn-In and Shareholder Agreement (the "Richwing Agreement") with Prospect Resources Limited to allow Prospect Resources Limited 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.

In accordance with IFRS 11, management has exercised their judgment in determining the Company's interest in the Richwing Agreement should be classified as a joint venture. During the year ended December 31, 2022, the Company completed the transfer of a 20% interest in Richwing to Prospect and collected cash proceeds of US\$560,000. The sale of the interest was recorded as a gain of \$708,042 included in exploration and evaluation in the statement of loss and comprehensive loss. On loss of control, the value of the investment in the Richwing Agreement was \$nil as at December 31, 2022. As at March 31, 2023, the value of the investment in the Richwing Agreement was \$nil.

Summarized financial information of Richwing is presented below, on a 100% basis:

	March 31, 2023 \$	December 31, 2022 \$
Loss and comprehensive loss for the period ended	299,905	122,063
Total assets	59,325	86,117
Total liabilities	(483,416)	(222,332)

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Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Notes to the Consolidated Financial Statements

5. Long term deposit

	March 31, 2023 \$	December 31, 2022 \$
Long term deposit	2,249,490	2,089,331

The company has made pre-payments for land transfer taxes and other advances against a conditional agreement for the acquisition of surface rights of the Twin Hills Project. Refer to note 15 (b).

In addition, the Company has made payments towards the NamPower commitment signed during the 2022 fiscal year and the period ended March 31, 2023. Refer to Note 15(d).

6. Sales tax receivables and other assets

	March 31, 2023 \$	December 31, 2022 \$
Sales tax receivables	1,799,336	2,049,850
Prepayments	155,171	90,311
Interest and other receivables	191,298	125,991
Total sales tax receivables and prepaid expenses	2,145,805	2,266,152

In the fiscal year 2021, Value Added Taxation amounting to \$3,518,044 was provided for impairment. The impairment had been included in exploration and evaluation expenditure in the consolidated statements of loss and other comprehensive loss. The company elected to raise a provision due to delayed refund from the authorities in Namibia.

In the fiscal year 2022, a decision was taken to reverse the provision raised in 2021 as the Company has been successful in securing the refund of Value Added Taxation claims from the tax authorities in Namibia on a regular basis, and the Company therefore considers the Value Added Taxation receivable outstanding as at December 31, 2022 to be recoverable. Included in exploration and evaluation in the interim consolidated statements of loss and comprehensive loss for the period ended March 31, 2023 is a gain from the reversal of impairment in the amount of \$nil (December 31, 2022: \$3,399,934). The Company continuously monitors the recoverability status of the Value Added Taxation claims submitted for refund.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Notes to the Consolidated Financial Statements

7. Cash and cash equivalents

Cash and cash equivalents consist of:

	March 31, 2023	December 31, 2022
	\$	\$
Cash in bank and on hand	8,787,349	9,571,677
Cash held in short - term GIC's	35,000	10,035,000
	8,822,349	19,606,677

The cash held in short-term GIC's is held in both Canadian and United States Dollar.

Included in cash in bank and on hand, is restricted cash pledged with respect to the NamPower guarantee in the amount of NAD2,460,000 (\$185,238). (Note 15 (d)).

8. Share capital

	March 31, 2023	December 31, 2022
	\$	\$
Issued and outstanding		
Issued common shares	\$90,335,035	\$88,707,190

Issued and common shares are as follows:

	Number of Shares	Value
Balance as at December 31, 2021	120,174,793	\$57,221,521
Private placement	14,752,500	11,802,000
Exercise of warrants	6,507,750	8,974,838
Exercise of stock options	1,518,282	928,692
Acquisition of Razorback Gold Mining (Proprietary) Limited (refer to note 9)	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	-	(713,135)
Balance as at December 31, 2022	156,405,932	\$88,707,190
Exercise of stock options	75,000	40,095
Share issuance on exercise of restricted stock units	20,833	23,750
Shares issued on the acquisition of minority interests	1,700,000	1,564,000
Balance as at March 31, 2023	158,201,765	\$90,335,035

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Notes to the Consolidated Financial Statements

8. Share capital (continued)

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 9).

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.

On December 8, 2022, the Company completed a non - brokered private placement, issuing a total of 14,752,500 shares at a price of \$0.80 per share for aggregate gross proceeds of \$11,802,000. An amount of \$713,135 was paid in commission and share issuance costs.

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. Somerschild is owned and controlled by Lazarus Shigwedha, who is a director of the Company and therefore the transaction is a "related party transaction". Effective January 31, 2023, in line with the commitment entered into between the Company and Somerschild, 1,700,000 common shares of the Company with a fair value of \$1,564,000 were issued as consideration for the acquisition.

During the year ended December 31, 2022, 2,789,132 stock options were exercised on a cashless basis. No proceeds were received from the exercise and a net total of 1,518,282 common shares were issued. The fair value of the stock options exercised was \$928,692 using the Black-Scholes pricing model.

During the period ended March 31, 2023, Nil (December 31, 2022, 7,292,114) share purchase warrants were exercised for proceeds of Nil (December 31, 2022, \$7,444,940). The fair value of the warrants exercised was Nil (December 31, 2022, \$2,445,017) using the Black Scholes pricing model.

During the period ended March 31, 2023, 75,000 stock options with an expiry date of October 10, 2023 were exercised for proceeds of \$22,500. The fair value of the stock options exercised was \$17,595 using the Black-Scholes pricing model.

During the period ended March 31, 2023 20,833 RSUs were exercised and 20,833 common shares were issued (December 31, 2022: nil). The fair value of the RSUs exercised was \$23,750 (December 31, 2022: nil).

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Notes to the Consolidated Financial Statements

8. Share capital (continued)

Stock options and share-based payments

	Number of Options	Weighted Average Exercise Price
Balance as at December 31, 2021	8,610,396	\$0.70
Issued	5,382,800	\$0.99
Exercised	(2,789,132)	(\$0.38)
Expires	(418,829)	(\$0.38)
Balance as at December 31, 2022	10,785,235	\$0.94
Issued	-	-
Exercised	(75,000)	(\$0.30)
Expired	-	-
Balance as at March 31, 2023	10,710,235	\$0.94

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.

On December 8, 2022, the Company issued 3,762,800 stock options at an exercise price of \$0.90 and an expiry date of December 8, 2027. The stock options were valued at \$2,038,945 using the Black-Scholes pricing model with the following assumptions:

share price - \$0.82; risk free rate - 3.78%; expected volatility - 80%; dividend yield - nil; and expected life - 5 years.

The stock options are subject to the following vesting conditions: 1,254,267 stock options vested on the grant date, 1,254,267 stock options will vest on December 8, 2023, the remaining 1,254,267 stock options will vest on December 8, 2024.

During the period ended March 31, 2023, the Company recorded \$396,135 (December 31, 2022: \$2,033,315) in share - based compensation relating to the vesting of stock options.

The following table summarizes information about the Company's stock options outstanding as at March 31, 2023:

Osino Resources Corp. (An exploration stage company)

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Notes to the Consolidated Financial Statements

8. Share capital (continued)

Options outstanding	Expiration Date	Exercisable March 31, 2023	Exercise price
1,154,101	October 10, 2023	1,154,101	\$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	400,000	\$1.25
1,610,000	March 5, 2026	1,610,000	\$1.25
150,000	February 8, 2027	100,000	\$1.15
1,470,000	February 22, 2027	980,000	\$1.20
3,762,800	December 9, 2027	1,254,267	\$0.90
10,710,235		7,661,702	\$0.94

Warrants reserve

	Number of Warrants	Weighted Average Exercise Price
Balance as at December 31, 2021	13,716,913	\$1.14
Issued (refer to note 12)	2,061,524	\$0.87
Exercised	(7,292,114)	(\$1.02)
Expired	(1,079,345)	(\$1.05)
Balance as at December 31, 2022	7,406,978	\$1.20
Exercised	-	-
Expired	-	-
Issued	-	-
Balance as at March 31, 2023	7,406,978	\$1.20

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Notes to the Consolidated Financial Statements

8. Share capital (continued)

The following table summarizes information about the Company's common share purchase warrants outstanding as at March 31, 2023:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding March 31, 2023
November 1, 2021	August 31, 2023	\$1.35	4,772,727
November 1, 2021	August 31, 2023	\$1.10	572,727
November 8, 2022 *	November 8, 2024 *	\$0.88	2,061,524
Total outstanding			7,406,978

* The exercise price is calculated in USD. (Refer to Note 12).

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:

	March 31, 2023	December 31, 2022
<i>(in number of units)</i>		
Outstanding at the beginning of the period/year	2,290,938	1,330,400
Granted	405,090	960,538
Exercised	(20,833)	-
Outstanding at the end of the period/year	2,675,195	2,290,938

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)

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Notes to the Consolidated Financial Statements

8. 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, 2022, the Company granted 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 on February 22, 2022 and one-third after each one year period on February 22, 2023 and February 22, 2024 respectively
- 50,000 RSU's vested on March 30, 2022
- 50,000 RSU's vested on December 30, 2022
- 50,000 RSU's will vest on December 30, 2023

During the period ended March 31, 2023, the Company granted 405,090 RSU's to officers, directors and key employees under its updated Omnibus Long Term Incentive Plan. The RSU's were issued on the following terms:

- 405,090 RSU's will vest over one year period on January 23, 2024

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

During the three months ended March 31, 2023, the Company recorded \$120,172 (December 31, 2022: \$503,706) 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 year ended December 31, 2022, 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.

As at March 31, 2023, there were 2,675,195 RSU's outstanding and 2,290,938 RSU's are exercisable (December 31, 2022 - 2,290,938 outstanding and 1,910,161 were exercisable).

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Notes to the Consolidated Financial Statements

9. 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 8) to satisfy aggregate consideration of US\$8,850,000. 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").

In accordance with IFRS 3, management has exercised their judgment 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.

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 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 months ended March 31, 2023

Notes to the Consolidated Financial Statements

9. 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	\$	260,640
Total liability as of December 31, 2022	\$	5,214,209
Foreign exchange gain	\$	(77,731)
Repayment of liability	\$	(5,136,478)
Total liability as of March 31, 2023	\$	-

The company has settled the "Six-Month Payable" in cash.

10. Other financial liabilities

	March 31, 2023 \$	December 31, 2022 \$
Held at amortised cost		
First National Bank Leases	124,546	156,699
The finance leases are subject to interest at rates between 11.50% and 12.50% per annum and are repayable in 54 monthly installments.		
Balance at beginning of period/year	156,699	226,882
Additions	-	-
Finance charges	4,234	20,050
Finance lease installments	(18,601)	(88,720)
Effect of exchange rate movement	(17,786)	(1,513)
Balance at end of period/year	124,546	156,699
Split between non-current and current portions		
Non-current liabilities	66,568	95,341
Current liabilities	57,978	61,358
	124,546	156,699

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Notes to the Consolidated Financial Statements

11. Lease liability

	March 31, 2023 \$	December 31, 2022 \$
Balance at beginning of period/year	129,907	174,338
Additions	-	-
Finance charges	2,042	9,667
Lease installments	(12,981)	(52,918)
Effect of exchange rate movement	(7,029)	(1,180)
Balance at end of period/year	111,939	129,907
Split between non-current and current portions		
Non-current liabilities	68,318	83,743
Current liabilities	43,621	46,164
	111,939	129,907

The lease liabilities are unsecured and bear interest at a rate of 6.5% per annum. The remaining lease terms vary from 12 to 37 months. The undiscounted future payments for settlement of the leases amount to \$120,999. 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.

12. Credit facility

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. Certain Osino subsidiaries are pledged as a security against the loan. The credit facility is available in three separate tranches of US\$5M. 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. The credit facility bears an interest rate based on the Secured Overnight Financing Rate of the Federal Reserve Bank of New York (SOFR) plus a margin of 5%. The credit facility also carries an additional guaranteed interest, at an original issue discount of 10% for the first year of each loan to be made under each tranche provided for under the credit facility (US \$555,556 of guaranteed interest payable inclusive of each tranche the Company commits to), 12% for the period between 13-18 months (US \$681,818 of guaranteed interest payable inclusive of each tranche the Company commits to), and 14% for the period between 19-24 months (US \$813,954 of guaranteed interest payable inclusive of each tranche the Company commits to).

Osino will also grant to the lender, for each of the three tranches of the credit facility that the Company commits to, 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 calculated in USD and 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.

Osino Resources Corp. (An exploration stage company)

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Notes to the Consolidated Financial Statements

12. Credit facility (continued)

The warrants issued under the credit facility meets the definition of a derivative liability instrument as the exercise price is denominated in a currency other than the Company's functional currency, and as such does not meet the fixed for fixed criteria. The credit facility has been subsequently measured at amortized cost using the effective interest method. The effective interest rate of the credit facility is based on the present value (credit facility principal, less value of the warrants and issuance costs), future value and term.

Effective November 8, 2022, the Company drew the first US\$5 million tranche of the credit facility and issued 2,061,524 warrants with an exercise price of US\$0.65. The effective interest rate of the credit facility is 14.35%. The Company incurred transaction costs of \$538,876 related to tranche one. A total of \$488,844 of the costs were capitalized to the credit facility and \$50,032 were expensed. The Nebari warrants were valued at \$622,494, using the Black - Scholes pricing model with the following assumptions:

- (i) volatility of 61%, (ii) risk free interest rate of 4.14%, (iii) strike price (\$0.87),
- (iv) fair value of common stock (\$0.85), and (v) expected life of 2.0 years.

The Nebari warrants were revalued at December 31, 2022, at \$589,390, using the Black - Scholes pricing model with the following assumptions:

- (i) volatility of 60%, (ii) risk free interest rate of 4.07%, (iii) strike price (\$0.87),
- (iv) fair value of common stock (\$0.85), and (v) expected life of 1.833 years.

The Nebari warrants were revalued at March 31, 2023, at \$899,975, using the Black - Scholes pricing model with the following assumptions:

- (i) volatility of 63%, (ii) risk free interest rate of 3.74%, (iii) strike price (\$0.88),
- (iv) fair value of common stock (\$1.08), and (v) expected life of 1.61 years.

Loan liability summary

	March 31, 2023 \$	December 31, 2022 \$
Long term portion		
Balance at beginning of period/year	5,771,493	-
Tranche 1 loan advance at fair value	-	5,610,084
Accretion on credit facility	113,701	63,895
Originating issuer discount interest charge	92,476	54,406
Foreign exchange effect	-	43,108
Payments	-	-
Balance at end of period/year	5,977,670	5,771,493
Short term portion		
Balance at the beginning of period/year	102,547	-
Interest expense	185,215	102,267
Foreign exchange	297	280
Balance at end of period/year	288,059	102,547
Continuity of warrant derivative summary		
Balance at the beginning of period/year	589,390	-
Addition	-	622,494
Fair value adjustment	303,883	(32,229)
Foreign exchange gain	6,702	(875)
Balance at the end of period/year	899,975	589,390

Osino Resources Corp. (An exploration stage company)

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Notes to the Consolidated Financial Statements

12. Credit facility (continued)

Included in financing charges and accretion adjustment in the interim consolidated statements of loss and comprehensive loss is the accretion and OID interest related to the credit facility, as described above. A fair value adjustment to the warrant derivative in the amount of \$303,883 is included in the Company's income statement. In addition, the Company accrued interest of \$185,215 (December 31, 2022: \$102,267) related to the credit facility calculated at an interest rate of SOFR plus a margin of 5%. This amount has been included in financing charges and accretion adjustment in the consolidated statements of loss and comprehensive loss.

The loan is subject to certain financial covenants. The Company was in compliance with all covenants as at March 31, 2023.

13. Trade and other payables

	March 31, 2023 \$	December 31, 2022 \$
Financial instruments:		
Trade payables	1,741,643	1,359,225
Accrued expense	213,190	1,209,271
	1,954,833	2,568,496

14. Cash used in operations

	3 months ended March 31, 2023 \$	3 months ended March 31, 2022 \$
Loss before taxation	(5,979,757)	(6,264,111)
Adjustments for:		
Depreciation and amortisation	50,334	55,500
Loss on disposal of assets	-	6,058
Leave pay provision	16,432	12,866
Stock options expense	396,135	633,202
Financing charges and accretion adjustment	397,668	8,307
Foreign exchange	(265,775)	(32,335)
Vesting of restricted stock units	120,172	253,305
Fair value changes for warrant derivative	303,883	-
Changes in working capital:		
Other receivables and prepaid expenses	120,347	(103,019)
Trade and other payables	(5,766,574)	86,416
	(10,607,135)	(5,343,811)

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Notes to the Consolidated Financial Statements

15. Commitments

As at March 31, 2023, 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 fulfillment 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 to the agreements with a provisional closing date of June 30, 2023.

c) On December 5, 2022, the Company, through a wholly owned subsidiary, entered into another conditional agreement for the acquisition of surface rights for the development of the Twin Hills Project. The agreements are subject to the fulfillment of various suspensive conditions which the Company is in the process of completing. The conditional agreement has "Longstop Date" of November 15, 2024, which term could be extended should it be necessary.

d) On June 21, 2022, amended December 7, 2022, the Company concluded a power supply agreement with the national utility for electrical power in Namibia, NamPower, for the supply of electrical power to the Twin Hills Gold Project. The commitment consists of a upfront capital contribution, monthly extension charges and a security deposit. The Company is compliant with the terms of the agreement and has commenced making payments towards the commitment in the year ended December 31, 2022. The commitment amounts to approximately \$1.2 million as at March 31, 2023.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2023

Notes to the Consolidated Financial Statements

16. Capital management

As at March 31, 2023, the capital structure of the Company consists of equity balance of \$4,756,511 (December 31, 2022 - \$11,791,956).

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 has access to a facility with Wesbank, a division of FirstRand Bank Limited in South Africa to the value of NAD4,000,000 (\$301,200).

The Company has also secured a performance guarantee from First National Bank of Namibia, via Rand Merchant Bank in the amount of NAD22,000,000 (\$1,656,600) as at March 31, 2023 with respect to the power supply agreement signed with NamPower. The guarantee is subject to suspensive conditions and terms that are common to such transactions. Refer to note 15(d).

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

17. Events after the reporting period

a) Warrant exercise: Effective April 17, 2023, 38,636 broker warrants with a strike price of \$1.10 were exercised. Gross proceeds of \$42,500 were received from the warrant exercise.

b) Issue of RSUs and DSUs: Effective May 3, 2023, the Company granted an aggregate of 277,950 restricted share units ("RSUs") to certain directors, officers and employees of the Company and has approved the grant of deferred share units ("DSUs") having an aggregate value of \$160,000 to the 4 independent directors of the Company pursuant to the Company's Omnibus Long-Term Incentive Plan, which was approved by the Company's shareholders at its last shareholder meeting and by the TSX Venture Exchange (the "Exchange"). The DSUs having an aggregate value of \$40,000, will be granted each calendar quarter over the 2023 fiscal year. Each RSU represents a right to receive one common share of the Company and will vest as follows: 1/3 to vest on May 4, 2024; 1/3 to vest on May 4, 2025 and 1/3 to vest on May 4, 2026. The DSUs shall fully vest on May 4, 2024.

c) Nebari credit facility: On May 9, 2023, the Company announced the draw of the second tranche of the Nebari Loan in the amount of US \$5 million less the arrangement fee of US\$50,000 payable to Nebari for each tranche. In addition, the Company granted to the lender, 1,233,737 warrants at an exercise price of US \$1.08 (\$1.45 in Canadian Dollars) which 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. The warrants expire 2 years from the date of issue on May 9, 2025.

d) Filing of Base Shelf Prospectus: Effective May 9, 2023, the Company filed its maiden base shelf prospectus for a total value of \$200 million which will be available for drawdown for a period of 25 months from the filing date.

e) Issue of stock options: The company granted 175,000 stock options pursuant to its stock options plan. The stock options have an exercise price of \$1.14 per common share. The stock options shall vest as follows: 1/3 will vest and be exercisable immediately; 1/3 will vest on May 9, 2024; and 1/3 will vest on May 9, 2025. The expiry date of the stock options will be May 9, 2028.

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Notes to the Consolidated Financial Statements

18. Mineral rights

The Company has various early stage gold exploration projects ("The Twin Hills Project") in the Republic of Namibia ("Namibia"). The Twin Hills 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 20 exclusive prospecting licenses in the area.

19. Related parties

	3 months ended March 31, 2023 \$	3 months ended March 31, 2022 \$
Management and directors fees expensed	\$185,000	\$178,750
Share-based payments, non-cash	\$260,542	\$379,465
Total	\$445,542	\$558,215

Key management compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer, the Chairman and Directors. For the period ended March 31, 2023, total key management compensation was \$445,542 (March 31, 2022 - \$558,215), which includes management fees, bonuses and salaries of \$135,000 (March 31, 2022 - \$135,000), directors fees of \$50,000 (March 31, 2022 - \$43,750) and share-based compensation of \$260,542 (March 31, 2022 - \$379,465).

As at March 31, 2023, \$Nil (March 31, 2022 - \$42,204) of related party payments due was included in trade and other payables. As at March 31, 2023, the Company pre-paid directors fees for the year in the amount of \$37,500 (March 31, 2022 - \$Nil).

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20. Financial instruments

Fair value hierarchy

IFRS 7 establishes a fair value hierarchy that reflects significance of inputs in measuring fair value as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

Fair value

The following tables set forth the Company's assets and liabilities measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy. As required by accounting guidance, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
Cash and cash equivalents	8,822,349	-	-
Warrant derivative	-	(899,975)	-
	8,822,349	(899,975)	-

Warrant derivatives

The company has issued warrants which contain an warrant derivative component (Note 12). The following table is a sensitivity analysis of the impact on the consolidated statement of loss and comprehensive loss of an increase or a decrease in the assumptions that are used to value the warrant liability which is and classified as a level 2 in the fair value hierarchy:

Inputs	Sensitivity rate %	Impact of increase \$	Impact of decrease \$
Stock price, volatility rate and discount rate	10	202,442	(231,715)

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20. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. The Company takes steps to ensure that it has sufficient working capital and available sources of financing to meet future cash requirements for capital programs and operations.

The Company intends to issue equity and secure debt funding to ensure the Company has sufficient access to cash to meet current and foreseeable financial requirements. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support its financial obligations and the Company's capital programs.

Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations. The Company is exposed to minimal credit risk on cash. The risk is mitigated by cash being held with chartered banks.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices.

(i) Interest rate risk

The Company is not exposed to the risk that the value of financial instruments will change due to movement in market interest rates.

(ii) Currency risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

A fluctuation of +/-10% provided as an indicative range in currency movement, on assets that are denominated in foreign currencies other than Canadian dollars and Namibian dollars, with, all other things being equal, have an effect on the after-tax net income and other comprehensive income of approximately +/- \$591,470 (December 31, 2022: \$553,462).

(iii) Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

(iv) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any other price risk.