

Osino Resources Corp. (An exploration stage company)
Unaudited Interim Condensed Consolidated Financial Statements
for the six months ended June 30, 2023

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

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 Consolidated Financial Statements	10 - 30

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 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 30, which have been prepared on the going concern basis, were approved by the board of directors on August 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 and six months ended June 30, 2023

Interim Condensed Consolidated Statements of Financial Position

Figures in Canadian Dollar	Note(s)	June 30, 2023	December 31, 2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	9,361,518	867,476
Right of use asset	3	82,738	117,353
Long term deposit	5	1,159,821	2,089,331
		10,604,077	3,074,160
Current Assets			
Sales tax receivables and other assets	6	2,251,646	2,266,152
Cash and cash equivalents	7	5,824,412	19,606,677
		8,076,058	21,872,829
Total Assets		18,680,135	24,946,989
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	8	90,442,127	88,707,190
Reserves		13,182,114	12,251,698
Accumulated deficit		(103,538,725)	(89,166,932)
		85,516	11,791,956
Non-controlling interest		(7,742)	(1,377,708)
		77,774	10,414,248
Liabilities			
Non-Current Liabilities			
Other financial liabilities	10	50,054	95,341
Lease liability	11	53,159	83,743
Credit facility	12	12,565,759	5,771,493
		12,668,972	5,950,577
Current Liabilities			
Trade and other payables	13	2,113,360	2,568,496
Consideration payable	9	-	5,214,209
Other financial liabilities	10	2,519,064	61,358
Lease liability	11	40,991	46,164
Interest payable	12	-	102,547
Warrant derivative	12	1,259,974	589,390
		5,933,389	8,582,164
Total Liabilities		18,602,361	14,532,741
Total Equity and Liabilities		18,680,135	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 and six months ended June 30, 2023

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

Figures in Canadian Dollar	Note(s)	3 months ended June 30, 2023	3 months ended June 30, 2022	6 months ended June 30, 2023	6 months ended June 30, 2022
Amortisation and depreciation	2/3	(39,700)	(52,728)	(90,034)	(108,228)
Consulting and professional fees		(759,283)	(424,832)	(1,279,926)	(787,988)
Exploration and evaluation		(2,168,260)	(5,222,271)	(5,662,450)	(9,285,795)
Management fees	19	(173,500)	(135,000)	(308,500)	(270,000)
Office and administration		(283,280)	(217,553)	(627,116)	(452,388)
Salaries and benefits	8	(702,650)	(629,417)	(1,052,979)	(1,377,038)
Stock option expense	8	(355,726)	(225,948)	(751,861)	(859,151)
Travel		(82,657)	(89,081)	(146,808)	(126,207)
Operating loss		(4,565,056)	(6,996,830)	(9,919,674)	(13,266,795)
Investment income		69,251	69,970	153,023	84,131
Finance charges and accretion adjustment	10/11/12	(625,045)	(7,630)	(1,022,713)	(15,937)
Foreign exchange loss		(385,872)	-	(393,232)	-
Fair value changes for warrant derivative	12	48,652	-	(255,231)	-
Loss for the year		(5,458,070)	(6,934,490)	(11,437,827)	(13,198,601)
Other comprehensive loss:					
Foreign currency translation		233,709	(112,375)	9,730	(85,176)
Total comprehensive loss for the year		(5,224,361)	(7,046,865)	(11,428,097)	(13,283,777)
Loss attributable to:					
Owners of the parent		(5,457,520)	(6,760,034)	(11,397,177)	(12,884,834)
Non-controlling interest		(550)	(174,456)	(40,650)	(313,767)
		(5,458,070)	(6,934,490)	(11,437,827)	(13,198,601)
Total comprehensive loss attributable to:					
Owners of the parent		(5,223,811)	(6,872,409)	(11,387,447)	(12,970,010)
Non-controlling interest		(550)	(174,456)	(40,650)	(313,767)
		(5,224,361)	(7,046,865)	(11,428,097)	(13,283,777)
Loss per share					
Weighted number of shares outstanding		158,234,096	127,466,907	157,885,032	126,342,396
Loss per share - Basic and diluted		\$0.03	\$0.05	\$0.07	\$0.10

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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 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, except number of shares								
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	-	-	-	-	(85,176)	-	(85,176)	-
Issuance of restricted stock units	-	-	780,107	-	-	-	780,107	-
Loss for the period	-	-	-	-	-	(12,884,834)	(12,884,834)	(313,767)
Movement in value of stock options	-	-	859,151	-	-	-	859,151	-
Share issue costs	-	(89,276)	-	-	-	-	(89,276)	-
Balance at June 30, 2022	127,466,907	67,022,202	7,307,278	4,738,432	(99,198)	(71,282,690)	7,686,024	(1,415,525)
Acquisition of minority interests**	1,037,615	622,571	-	-	-	(733,797)	(111,226)	15,606
Comprehensive loss adjustment	-	-	-	-	(107,770)	-	(107,770)	-
Exercise of stock options	1,518,282	928,692	(928,692)	-	-	-	-	-
Issue of restricted stock units	-	-	167,484	-	-	-	167,484	-
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	-
Loss for the period	-	-	-	-	-	(17,150,445)	(17,150,445)	22,211
Movement in value of share options	-	-	1,174,164	-	-	-	1,174,164	-
Share issue costs	-	(623,859)	-	-	-	-	(623,859)	-
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)

** 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>
--	------------------

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 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, except number of shares								
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)
Comprehensive loss adjustment	-	-	-	-	9,730	-	9,730	-
Exercise of warrants	38,636	59,751	-	(17,248)	-	-	42,503	-
Exercise of stock options	75,000	40,095	(17,595)	-	-	-	22,500	-
Exercise of restricted stock units	62,360	71,091	(71,091)	-	-	-	-	-
Issue of shares for acquisition of minority interest***	1,700,000	1,564,000	-	-	-	(2,974,616)	(1,410,616)	1,410,616
Loss for the period	-	-	-	-	-	(11,397,177)	(11,397,177)	(40,650)
Movement in value of share options	-	-	751,861	-	-	-	751,861	-
Vesting of stock units	-	-	274,759	-	-	-	274,759	-
Balance at June 30, 2023	158,281,928	90,442,127	8,658,168	4,721,184	(197,238)	(103,538,725)	85,516	(7,742)

***** 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	\$ 39,460
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>
--	--------------------

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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

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

Figures in Canadian Dollar	Note(s)	6 months ended June 30, 2023	6 months ended June 30, 2022
Cash flows from operating activities			
Cash used in operations*	14	(14,762,171)	(11,129,594)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(4,991,265)	(15,037)
Proceeds on disposal of property, plant and equipment	2	5,315	-
Movement in value of Long-term deposit		(409,495)	(908,124)
Net cash flows (used in) / generated from investing activities		(5,395,445)	(923,161)
Cash flows from financing activities			
Net proceeds from the exercise of share purchase warrants and broker warrants	8	42,503	7,355,665
Interest payments on credit facility	12	(311,488)	-
Repayment of loan	10	(33,206)	(49,552)
Proceeds from borrowings	10/12	6,680,050	-
Proceeds from stock options	8	22,500	-
Lease payments	11	(25,008)	(26,979)
Net cash from financing activities		6,375,351	7,279,134
Total cash movement for the period		(13,782,265)	(4,773,621)
Cash at the beginning of the period		19,606,677	12,703,462
Total cash at end of the period	7	5,824,412	7,929,841

*Cash utilised in operating activities includes:
Interest income

153,023 84,131

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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 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 June 30, 2023 of \$103,538,725 (December 31, 2022 – \$89,166,932), and working capital surplus at June 30, 2023 of \$2,142,669 (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 curtail certain 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 August 30, 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 and six months ended June 30, 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 Ambulant Investments (Pty) Ltd, the accounts of 100% owned Osino Farming Investments (Pty) Ltd, the accounts of 100% owned Klein Okawayo (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 Mining Investments Limited 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 and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

2. Property, plant and equipment

	Six Months ended June 30, 2023			Year ended December 31, 2022		
	Cost \$	Accumulated depreciation \$	Carrying value \$	Cost \$	Accumulated depreciation \$	Carrying value \$
Land	8,715,215	-	8,715,215	79,690	-	79,690
Property, plant and equipment	424,673	(101,440)	323,233	466,367	(96,856)	369,511
Furniture and fixtures	43,947	(24,950)	18,997	49,493	(22,988)	26,505
Motor vehicles	370,343	(192,611)	177,732	421,663	(186,812)	234,851
Office equipment	2,711	(2,711)	-	3,054	(2,575)	479
IT equipment	45,171	(16,957)	28,214	46,961	(14,311)	32,650
Leasehold improvements	168,660	(70,533)	98,127	187,350	(63,560)	123,790
Total	9,770,720	(409,202)	9,361,518	1,254,578	(387,102)	867,476

Reconciliation of property, plant and equipment - Six months ended June 30, 2023

	Opening balance \$	Additions \$	Carrying value of disposals \$	Foreign exchange movements \$	Depreciation \$	Total \$
Land	79,690	8,802,939	-	(167,414)	-	8,715,215
Property, plant and equipment	369,511	12,428	(400)	(41,224)	(17,082)	323,233
Furniture and fixtures	26,505	-	-	(2,745)	(4,763)	18,997
Motor vehicles	234,851	-	-	(24,855)	(32,264)	177,732
Office equipment	479	-	-	(21)	(458)	-
IT equipment	32,650	3,571	-	(3,544)	(4,463)	28,214
Leasehold improvements	123,790	2,347	-	(13,238)	(14,772)	98,127
	867,476	8,821,285	(400)	(253,041)	(73,802)	9,361,518

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

	Opening balance \$	Additions \$	Disposals \$	Foreign exchange movements \$	Depreciation \$	Total \$
Land	80,210	-	-	(520)	-	79,690
Buildings	-	-	-	-	-	-
Property, plant and equipment	408,037	5,409	(2,795)	(2,690)	(38,450)	369,511
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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

3. Right of use asset

	June 30, 2023 \$	December 31, 2022 \$
Balance at beginning of period/year	117,353	166,783
Additions	-	-
Depreciation	(16,232)	(48,291)
Effect of exchange rate movement	(18,383)	(1,139)
Balance at end of period/year	82,738	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 ("Richwing") 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 and as at December 31, 2022. As at June 30, 2023, the value of the investment in the Richwing Agreement was \$nil.

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

	June 30, 2023 \$	December 31, 2022 \$
Loss and comprehensive loss for the period ended	530,191	122,063
Total assets	83,305	86,117
Total liabilities	(735,535)	(222,332)

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

5. Long term deposit

	June 30, 2023 \$	December 31, 2022 \$
Long term deposit	1,159,821	2,089,331

The Company had made pre-payments for land transfer taxes and other advances against a conditional agreement for the acquisition of Land forming part of the Twin Hills Gold Project. As at June 30, 2023 all conditions to the agreement were met and the Company took control over the Land acquired. The prepaid portion under long term deposits has been allocated to Land. Refer to note 2. During the period ended June 30, 2023 the Company made a further prepayment towards a conditional agreement for the acquisition of Land for the TwinHills Gold 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 June 30, 2023. Refer to Note 15(c).

6. Sales tax receivables and other assets

	June 30, 2023 \$	December 31, 2022 \$
Sales tax receivables	1,585,291	2,049,850
Prepayments	458,124	90,311
Interest and other receivables	208,231	125,991
Total sales tax receivables and prepaid expenses	2,251,646	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 refunds 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 June 30, 2023 and December 31, 2022 to be recoverable. Included in exploration and evaluation expenditure in the Consolidated Statements of Loss and Comprehensive Loss for the period ended June 30, 2023 is a gain from the reversal of impairment in the amount of \$52,938 (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 and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

7. Cash and cash equivalents

Cash and cash equivalents consist of:

	June 30, 2023	December 31, 2022
	\$	\$
Cash in bank and on hand	5,789,412	9,571,677
Cash held in short - term GIC's	35,000	10,035,000
	5,824,412	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 (\$174,070). (Note 15 (c)).

8. Share capital

	June 30, 2023	December 31, 2022
	\$	\$
Issued and outstanding		
Issued common shares	\$90,442,127	\$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	62,360	71,091
Shares issued on the acquisition of minority interests	1,700,000	1,564,000
Exercise of broker warrants	38,636	59,751
Balance as at June 30, 2023	158,281,928	\$90,442,127

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 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 June 30, 2023, 38,636 (December 31, 2022, 7,292,114) share purchase and broker warrants were exercised for proceeds of \$42,503 (December 31, 2022, \$7,444,940). The fair value of the warrants exercised was \$17,248 (December 31, 2022, \$2,445,017) using the Black Scholes pricing model.

During the period ended June 30, 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 June 30, 2023 62,360 RSUs were exercised resulting in the issue of 62,360 common shares (December 31, 2022: \$nil). The fair value of the RSUs exercised was \$71,091 (December 31, 2022: \$nil).

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 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)
Expired	(418,829)	(\$0.38)
Balance as at December 31, 2022	10,785,235	\$0.94
Issued	175,000	\$1.14
Exercised	(75,000)	(\$0.30)
Expired	-	-
Balance as at June 30, 2023	10,885,235	\$0.95

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.

On May 09, 2023, the company issued 175,000 stock options at an exercise price of \$1.14 and an expiry date of May 08, 2028. The stock options were valued at \$129,710 using the Black-Scholes pricing model with the following assumptions:

share price - \$1.19; risk free rate - 3.80%; expected volatility - 71.28%; dividend yield - nil; and expected life - 5 years.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

8. Share capital (continued)

The stock options are subject to the following vesting conditions: 58,333 stock options vested on the grant date, 58,333 stock options will vest on May 9, 2024, the remaining 58,334 stock options will vest on May 9, 2025.

During the period ended June 30, 2023, the Company recorded \$751,861 (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 June 30, 2023:

Options outstanding	Expiration Date	Exercisable June 30, 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 8, 2027	1,254,267	\$0.90
175,000	May 9, 2023	58,333	\$1.14
10,885,235		7,720,035	\$0.95

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
Issued (refer to note 12)	1,233,737	\$1.43
Exercised	(38,636)	(\$1.10)
Expired	-	-
Balance as at June 30, 2023	8,602,079	\$1.23

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 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 June 30, 2023:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding June 30, 2023
November 1, 2021	August 31, 2023	\$1.35	4,772,727
November 1, 2021	August 31, 2023	\$1.10	534,091
November 8, 2022 *	November 8, 2024 *	\$0.86	2,061,524
May 9, 2023*	May 8, 2025*	\$1.43	1,233,737
Total outstanding			8,602,079

* 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:

<i>(in number of units)</i>	June 30, 2023	December 31, 2022
Outstanding at the beginning of the period/year	2,290,938	1,330,400
Granted	683,040	960,538
Exercised	(62,360)	-
Outstanding at the end of the period/year	2,911,618	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)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

8. Share capital (continued)

Summary of Deferred Stock Units (DSU's)

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

<i>(in number of units)</i>	June 30, 2023	December 31, 2022
Outstanding at the beginning of the period/year	-	-
Granted	37,040	-
Outstanding at the end of the period/year	37,040	-

On July 15, 2022, the company adopted an Omnibus Long-Term Incentive Plan allowing the Company to award a variety of equity based awards including stock options, RSU's, DSU's and PSU's to directors, officers, employees and consultants. The total amount expensed is recognized over the vesting period, which is the period over which all the specified vesting conditions should be satisfied. The grant date fair value of the DSU equals the fair market value of the corresponding shares at the grant date. The fair value of these cash and equity-settled awards is recognized as compensation expense with a corresponding increase in equity.

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 and DSU'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 June 30, 2023, the Company granted 720,080 RSU's and DSU's to officers, directors and key employees under its updated Omnibus Long Term Incentive Plan. The RSU's and DSU's were issued on the following terms

- 405,090 RSU's will vest on January 23, 2024
- 277,950 RSU's will vest one-third each year on May 09, 2024, May 09, 2025, May 09 2026
- 37,040 DSU's will vest on May 9, 2024

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

During the period ended June 30, 2023, the Company recorded \$274,759 (December 31, 2022: \$503,706) in share - based compensation relating to the vesting of RSU's and DSU's. This 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 longterm service awards.

As at June 30, 2023, there are 2,911,618 RSU's outstanding and 1,988,189 RSU's are exercisable (December 31, 2022 - 2,290,938 RSU's outstanding and 1,910,161 RSU's were exercisable).

As at June 30, 2023, there were 37,040 DSU's outstanding and nil DSU's are exercisable (December 31, 2022 - nil DSU's outstanding and nil DSU's were exercisable).

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

9. Investment in Subsidiaries

a) 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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

9. Investment in Subsidiaries (continued)

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

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 June 30, 2023	\$	-
--	-----------	----------

**The Company settled the "Six-Month Payable" in cash in accordance with the terms of the agreement.*

b) Acquisition of Klein Okawayo (Proprietary) Limited

On May 11, 2021, the Company entered into an agreement to acquire Klein Okawayo (Pty) Ltd ("Klein Okawayo") in Namibia from the sellers. Under the terms of the Acquisition agreement, Osino has agreed to purchase all of the issued and outstanding shares of Klein Okawayo for the amount of \$1,802,060 in cash. The agreement was subsequently amended on June 30, 2022, and again on December 18, 2022. On May 22, 2023, the transaction closed.

In accordance with IFRS 3, management has exercised their judgment in determining the acquisition of Klein Okawayo (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 identifiable assets has been allocated to Land included in Property, Plant and Equipment (note 2).

The purchase price allocation is set out as follows:

Cash payments transferred	\$	1,802,060
Total consideration at acquisition date:	\$	1,802,060

Consideration allocation:

Land	\$	1,802,060
Total consideration transferred	\$	1,802,060

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

10. Other financial liabilities

	June 30, 2023 \$	December 31, 2022 \$
First National Bank Leases	104,536	156,699
Deferred consideration payable	2,464,582	-
	2,569,118	156,699

Summary of First National Bank leases:

	June 30, 2023 \$	December 31, 2022 \$
Balance at beginning of period/year	156,699	226,882
Finance charges	7,724	20,050
Finance lease instalments	(33,206)	(88,720)
Effect of exchange rate movement	(26,681)	(1,513)
Balance at end of period/year	104,536	156,699

The finance leases are held at amortized cost and are subject to interest at rates between 11.50% and 12.50% per annum and are repayable in 54 monthly instalments.

Summary of Deferred consideration payable:

	June 30, 2023 \$	December 31, 2022 \$
Balance at beginning of period/year	-	-
Deferred consideration for the acquisition of Land	2,496,330	-
Accretion on deferred consideration	14,223	-
Foreign exchange gain/(loss)	(45,971)	-
Balance at end of period/year	2,464,582	-

The Deferred consideration payable refers to the Okawayo Land acquisition.

The agreement was entered into as of August 2, 2021 which was amended on June 27, 2022 and again on December 5, 2022. The agreement closed on June 15, 2023 whereby Osino Property Holdings (Pty) Ltd, a wholly owned subsidiary of the Company acquired the Land for the Twin Hills Gold Project. The purchase price is to be settled as NAD\$50,000,000 in cash by the registration date (paid), NAD\$20,000,000 ("First Anniversary Payment") payable within 30 days after the first anniversary of the registration date in cash and NAD\$25,000,000 ("Second Anniversary Payment") due and payable within 30 days from the second anniversary of the registration date in cash or shares at the election of the Company (exclusive of costs, fees and taxes). The agreement also includes an early settlement option to pay the second Anniversary Payment within 30 days after the first anniversary registration date, with the benefit of a 20% discount to the Second Anniversary Payment settlement value. The Company has estimated that it will settle the deferred consideration a year from the registration date thus the obligation is classified as a current liability. The deferred consideration liabilities are subject to accretion rates of 14.24% per annum.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

10. Other financial liabilities (continued)

Split between non-current and current portions

	June 30, 2023 \$	December 31, 2022 \$
Non-current liabilities	50,054	95,341
Current liabilities	2,519,064	61,358
	2,569,118	156,699

11. Lease liability

	June 30, 2023 \$	December 31, 2022 \$
Balance at beginning of period/year	129,907	174,338
Additions	-	-
Finance charges	3,420	9,667
Lease installments	(25,008)	(52,918)
Effect of exchange rate movement	(14,169)	(1,180)
Balance at end of period/year	94,150	129,907

Split between non-current and current portions

	June 30, 2023 \$	December 31, 2022 \$
Non-current liabilities	53,159	83,743
Current liabilities	40,991	46,164
	94,150	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 \$104,536. 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.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

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.

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 ("Tranche 1 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) exercise price (\$0.87), (iv) fair value of common stock (\$0.85), and (v) expected life of 2.0 years.

The Nebari Tranche 1 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) exercise price (\$0.87), (iv) fair value of common stock (\$0.85), and (v) expected life of 1.833 years.

The Nebari Tranche 1 warrants were revalued at June 30, 2023, at \$895,692, using the Black - Scholes pricing model with the following assumptions:

(i) volatility of 60.30%, (ii) risk free interest rate of 4.54%, (iii) exercise price (\$0.86) (iv) fair value of common stock (\$1.12), and (v) expected life of 1.36 years.

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

12. Credit facility (continued)

Effective May 9, 2023, the Company drew the second US\$5 million tranche of the credit facility and issued 1,233,737 warrants ("Tranche 2 warrants") with an exercise price of US\$1.08. The effective interest rate of the credit facility is 9.12%. The Company incurred transaction costs of \$68,932 related to Tranche 2. A total of \$64,504 of the costs were capitalized to the credit facility and \$4,429 were expensed. The Nebari warrants were valued at \$429,213, using the Black - Scholes pricing model with the following assumptions:

(i) volatility of 60.48%, (ii) risk free interest rate of 3.8%, (iii) exercise price (\$1.45), (iv) fair value of common stock (\$1.19), and (v) expected life of 2.0 years.

The Nebari Tranche 2 warrants were revalued at June 30, 2023, at \$364,282, using the Black - Scholes pricing model with the following assumptions:

(i) volatility of 60.0%, (ii) risk free interest rate of 4.54%, (iii) exercise price (\$1.43), (iv) fair value of common stock (\$1.12), and (v) expected life of 1.86 years.

Loan liability summary

	June 30, 2023 \$	December 31, 2022 \$
Long term portion		
Balance at beginning of period/year	5,771,493	-
Loans advanced at fair value	6,186,333	5,610,084
Accretion on credit facility	264,293	63,895
Owner issuer discount interest charge	239,085	54,406
Foreign exchange effect	(183,504)	43,108
Capitalized interest transferred from short term portion of debt facility	288,059	-
Balance at end of period/year	12,565,759	5,771,493
Short term portion		
Balance at the beginning of period/year	102,547	-
Interest expense	492,955	102,267
Foreign exchange	4,045	280
Capitalized interest transferred to Long term portion of debt facility	(288,059)	-
Interest payments made to Nebari*	(311,488)	-
Balance at end of period/year	-	102,547
*Effective June 30, 2023, the company settled the accrued interest on the credit facility in accordance with the terms of the Credit Facility Agreement.		
Continuity of warrant derivative summary		
Balance at the beginning of period/year	589,390	-
Addition to warrant derivative	429,213	622,494
Fair value adjustment - Tranche 1 and 2	255,231	(32,229)
Foreign exchange gain	(13,860)	(875)
Balance at the end of period/year	1,259,974	589,390

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

12. Credit facility (continued)

Included in financing charges and accretion adjustments in the Interim Condensed Consolidated Statements of Loss and Other Comprehensive Loss is the accretion and owner issuer discount ("OID") interest related to the credit facility, as described above. A fair value adjustment to the warrant derivatives (Tranche 1 and Tranche 2 warrants) in the amount of \$255,231 (December 31, 2022: (\$32,229)) is included in the Company's Interim Condensed Consolidated Statement of Loss and Other Comprehensive Loss.

The Company accrued interest of \$492,955 (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 finance charges and accretion adjustment in the Interim Condensed Consolidated Statements of Loss and Other Comprehensive Loss.

The loan is subject to certain financial covenants. The Company was compliant with all credit facility covenants as at June 30, 2023.

13. Trade and other payables

	June 30, 2023 \$	December 31, 2022 \$
Financial instruments:		
Trade payables	1,849,240	1,359,225
Accrued expense	264,120	1,209,271
	2,113,360	2,568,496

14. Cash used in operations

	6 months ended June 30, 2023 \$	6 months ended June 30, 2022 \$
Loss before taxation	(11,437,827)	(13,198,601)
Adjustments for:		
Depreciation and amortisation	90,034	108,228
Financing charges and accretion adjustment	1,021,700	15,937
Fair value changes for warrant derivative	255,231	-
Foreign exchange	(140,588)	(81,041)
Loss on disposal of assets	400	16,529
Leave pay provision	21,044	1,442
Stock options expense	751,861	859,151
Vesting of restricted stock units	274,759	336,222
Changes in working capital:		
Other receivables and prepaid expenses	14,506	(37,564)
Trade and other payables	(5,613,291)	850,103
	(14,762,171)	(11,129,594)

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

15. Commitments

As at June 30, 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 incurrance of a further \$87,290 (1,000,000 Namibian Dollars) of exploration expenditure within 18 months after the end of the Second Exploration Period. This will increase Osino Namibia's interest in Newco to 70%; (iv) On completion of exploration programs and other conditions in the letter agreement, Osino Namibia has the right to a further 20% holding in Newco if the licence holder is unable to provide its proportionate share of funding to Newco going forward. Osino Namibia's interest in the new company will therefore then be increased to 90%.

b) On December 5, 2022, the Company, through a wholly owned subsidiary, entered into a conditional agreement for the acquisition of Land for the development of the Twin Hills Gold Project. The agreements are subject to the fulfilment of various suspensive conditions which the Company is in the process of completing. The conditional agreement has "Longstop Date" of November 15, 2024.

c) On June 21, 2022, the Company concluded a power supply agreement amended December 7, 2022 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 and 2023. The commitment amounts to approximately \$1.2 million as at June 30, 2023.

16. Capital management

As at June 30, 2023, the capital structure of the Company consists of equity balance of \$85,516 (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 (\$283,040).

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 (\$1,556,720) as at June 30, 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(c).

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

16. Capital management (continued)

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

17. Events after the reporting period

a) Issue of DSUs: Effective July 3, 2023, the Company granted an aggregate of 35,716 deferred share units ("DSUs") having an aggregate value of \$40,000 to the 4 independent directors of the Company. Each DSU represents a right to receive one common share of the Company and will vest on the date that is 12 months from date of grant in compliance with the rules of the Exchange.

b) Joint venture arrangements: On August 7, 2023, Prospect Resources Limited ("Prospect") met the terms of Phase 1 of the Earn-In Agreement, earning the right to increase its shareholding of Richwing Exploration (Pty) Ltd ("Richwing") to 40%. The Company through its wholly owned subsidiary Osino Mining Investments Limited, now holds 60% of Richwing. Prospect achieved the Phase 1 Earn-In Expenditure as per the Richwing Agreement allowing it to earn an additional 20% interest. Refer to Note 4.

c) Nebari credit facility: On August 17, 2023, the Company confirmed the draw of the third 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, 1,183,952 warrants at an exercise price of US\$1.13 (\$1.50 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 August 17, 2025.

d) On August 18, 2023 3,600 broker warrants with an exercise price \$1.10 were exercised. Gross proceeds of \$3,960 were received from the warrant exercised.

e) Warrant extension: The Company has amended terms of its indenture dated October 28, 2021 for common share purchase warrants exercisable at \$1.35, extending the expiry the expiry date by 9 months from the original expiry date of September 1, 2023 to the new expiry date of June 1, 2024 subject to approval of the Exchange.

18. Mineral rights

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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

19. Related parties

	6 months ended June 30, 2023 \$	6 months ended June 30, 2022 \$
Management and directors fees expensed	\$408,500	\$357,500
Share-based payments, non-cash	\$525,621	\$513,186
Total	\$934,121	\$870,686

Key management compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer, the Chairman and Directors. For the period ended June 30, 2023, total key management compensation was \$934,121 (June 30, 2022 - \$870,686), which includes management fees, bonuses and salaries of \$308,500 (June 30, 2022 - \$270,000), directors fees of \$100,000 (June 30, 2022 - \$87,500) and share-based compensation of \$525,621 (June 30, 2022 - \$513,186).

As at June 30, 2023, \$nil (June 30, 2022 - \$31,250) of related party payments due was included in trade and other payables. As at June 30, 2023, the Company pre-paid directors fees for the year in the amount of \$25,000 (June 30, 2022 - \$nil).

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

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

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	5,824,412	-	-
Warrant derivative	-	(1,259,974)	-
	5,824,412	(1,259,974)	-

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	378,316	(365,145)

Osino Resources Corp. (An exploration stage company)

Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2023

Notes to the Consolidated Financial Statements

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 +/- \$1,257,419 (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.