Osino Resources Corp.
Unaudited Interim Condensed Consolidated Financial Statements
for the three months ended March 31, 2024

Contents

The reports and statements set out below comprise the unaudited interim condensed consolidated financial statements presented to the shareholder:

	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
Material Accounting Policies	8 - 9
Notes to the Consolidated Financial Statements	10 - 30

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa 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 three months and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The unaudited interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 directors have reviewed the Company’s cash flow forecast for the three months to March 31, 2024 and, in light of this review and the current financial position, they are satisfied that the Company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewers is responsible for independently reviewing 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 reviewers.

The unaudited interim condensed consolidated financial statements set out on page 3 to 30, which have been prepared on the going concern basis, were approved by the on May 30, 2024 and were signed on their behalf by:

/s/ "Heye Daun"	/s/ "Alan Friedman"
Director	**Director**

Interim Condensed Consolidated Statement of Financial Position

Figures in Canadian Dollar	Note(s)	March 31, 2024	*Audited* December 31, 2023
Assets			
Non-Current Assets			
Property, plant and equipment	2	14,882,842	13,694,567
Right-of-use assets	3	51,155	62,632
Long term Deposit	5	1,950,840	1,434,246
		16,884,837	**15,191,445**
Current Assets			
Sales tax receivables and other assets	6	1,570,386	2,281,320
Cash and cash equivalents	7	28,359,642	9,343,228
		29,930,028	**11,624,548**
Total Assets		**46,814,865**	**26,815,993**
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	8	114,324,603	99,417,998
Reserves		11,733,217	13,832,083
Accumulated loss		(134,658,392)	(117,022,787)
		(8,600,572)	(3,772,706)
Non-controlling interest		(7,778)	(6,742)
		(8,608,350)	**(3,779,448)**
Liabilities			
Non-Current Liabilities			
Lease liabilities	11	16,764	28,678
Other financial liabilities	10	11,497	24,941
		28,261	**53,619**
Current Liabilities			
Trade and other payables	13	5,040,267	5,411,742
Nebari warrant derivatives	12	1,433,923	2,284,168
Lease liabilities	11	44,177	44,615
Yintai loan facility	12	16,158,793	-
Other financial liabilities	10	2,823,223	2,756,654
Nebari Credit facility	12	21,381,982	20,044,643
Yintai option derivative	12	8,512,589	-
		55,394,954	**30,541,822**
Total Liabilities		**55,423,215**	**30,595,441**
Total Equity and Liabilities		**46,814,865**	**26,815,993**

Nature of business, going concern and material 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"	/s/ "Alan Friedman"
Director	**Director**

Osino Resources Corp.

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2024
Presented in Canadian dollars

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, 2024	3 months ended March 31, 2023
Amortisation and depreciation	2/3	(48,859)	(50,334)
Consulting and professional fees		(1,777,232)	(520,643)
Exploration and evaluation		(619,962)	(3,494,190)
Management fees	19	(161,488)	(135,000)
Office and administration		(300,686)	(343,836)
Salaries and benefits	8	(1,181,254)	(350,329)
Stock option expense	8	(131,609)	(396,135)
Break Termination fee	1	(10,000,000)	-
Travel		(95,648)	(64,151)
Operating loss		**(14,316,738)**	**(5,354,618)**
Investment income		84,551	83,772
Finance charges and accretion adjustment	10/11/12	(3,032,327)	(397,668)
Foreign exchange profit/(loss)		153,418	(7,360)
Fair value changes to warrant derivative	12	(886,491)	(303,883)
Fair value changes to option derivative	12	360,946	-
Loss for the period		**(17,636,641)**	**(5,979,757)**
Other comprehensive loss:			
Foreign currency translation		(50,975)	(223,979)
Total comprehensive loss for the period		**(17,687,616)**	**(6,203,736)**
Loss attributable to:			
Owners of the parent		(17,635,605)	(5,939,657)
Non-controlling interest		(1,036)	(40,100)
		(17,636,641)	**(5,979,757)**
Total comprehensive loss attributable to:			
Owners of the parent		(17,686,580)	(6,163,636)
Non-controlling interest		(1,036)	(40,100)
		(17,687,616)	**(6,203,736)**
Loss per share			
Weighted number of shares outstanding		172,790,879	157,532,089
Loss per share - Basic and diluted		$0.10	$0.04

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

Osino Resources Corp.

Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2024

Presented in Canadian dollars

Interim Condensed Consolidated Statements of Changes in Equity

Figures in Canadian dollars, except number of shares	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)**
			-					
Acquisition of minority shares**	1,700,000	1,564,000	-	-	-	(2,974,616)	(1,410,616)	1,410,616
Comprehensive loss adjustment	-	-	-	-	(223,979)	-	(223,979)	
Exercise of restricted stock units	20,833	23,750	(23,750)	-	-	-	-	
Exercise of stock options	75,000	40,095	(17,595)	-	-	-	22,500	
Vesting of restricted stock units	-	-	120,172	-	-	-	120,172	
Loss for the period	-	-	-	-	-	(5,939,657)	(5,939,657)	(40,100)
Movement in value of stock options	-	-	396,135	-	-	-	396,135	
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 shares**	-	-	-	-	-	(1,681)	(1,681)	1,681
Comprehensive loss adjustment	-	-	-	-	502,611	-	502,611	-
Exercise of restricted stock units	153,034	158,849	(158,849)	-	-	-	-	-
Exercise of stock options	755,700	291,002	(251,002)	-	-	-	40,000	-
Exercise of warrants	711,907	1,127,012	-	(307,286)	-	-	819,726	-
Issue of shares	7,195,524	7,770,745	-	-	-	-	7,770,745	-
Loss for the period	-	-	-	-	-	(18,939,901)	(18,939,901)	(1,231)
Movement in value of stock options	-	-	958,731	-	-	-	958,731	-
Share issue costs	-	(264,645)	-	-	-	-	(264,645)	-
Vesting of restricted stock units	-	-	585,197	-	-	-	585,197	-
Balance at December 31, 2023	**167,017,930**	**99,417,998**	**9,329,273**	**4,431,146**	**71,664**	**(117,022,787)**	**(3,772,706)**	**(6,742)**

****** Acquisition of minority interests*

In January 2023, the Company acquired the remaining 3% minority interest held in Osino Gold Exploration and Mining (Pty) Ltd ($1,410,616). In June 2023, the company acquired the remaining 10% minority interest held in Toroa Minerals Exploration (Pty) Ltd ($1,681). The breakdown and effect of the acquisition in equity is as follows:

Non-controlling interests:

Adjustment to accumulated losses brought forward	*$1,371,156*
Adjustment to current year losses	*$ 41,141*
Total effect disclosed in the statement of changes in Equity	*$1,412,297*

Owners of the parent:

Adjustment to accumulated losses brought forward	*$2,976,297*

Interim Condensed Consolidated Statements of Changes in Equity

Figures in Canadian dollars, except number of shares	Number of Shares	Share Capital	Share-based Payment Reserve	Warrant Reserve	Cumulative Translation Reserve	Deficit	Shareholders Equity	Non-controlling Interest
Balance at December 31, 2023	**167,017,930**	**99,417,998**	**9,329,273**	**4,431,146**	**71,664**	**(117,022,787)**	**(3,772,706)**	**(6,742)**
Comprehensive loss adjustment	-	-	-	-	(50,975)	-	(50,975)	-
Exercise of restricted stock units	1,358,730	1,638,420	(1,638,420)	-	-	-	-	-
Exercise of warrants	4,638,387	8,049,356	-	(964,520)	-	-	7,084,836	-
Exercise of stock options	136,666	218,829	(82,829)	-	-	-	136,000	-
Issue of shares	4,424,778	5,000,000	-	-	-	-	5,000,000	-
Loss for the period	-	-	-	-		(17,635,605)	(17,635,605)	(1,036)
Movement in value of stock options	-	-	131,609	-			131,609	-
Vesting of restricted stock units and deferred stock units	-	-	506,269	-			506,269	-
Balance at March 31, 2024	**177,576,491**	**114,324,603**	**8,245,902**	**3,466,626**	**20,689**	**(134,658,392)**	**(8,600,572)**	**(7,778)**

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

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

Figures in Canadian Dollar		3 months ended March 31, 2024	3 months ended March 31, 2023
Cash flows from operating activities			
Cash used in operations*	14	(13,071,258)	(10,607,135)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1,319,991)	(7,952)
Movement in value of Long-term deposit		(516,594)	(160,159)
Net cash flows from/(used in) investing activities		**(1,836,585)**	**(168,111)**
Cash flows from financing activities			
Proceeds from private placement	8	5,000,000	-
Exercise of Nebari warrants	8/12	1,814,481	-
Exercise of broker warrants	8	3,478,765	-
Repayment of loan	10	(14,989)	(18,601)
Proceeds from borrowings	12	23,522,838	-
Proceeds from exercise of stock options	8	136,000	22,500
Lease payments	11	(12,838)	(12,981)
Net cash from/(used in) financing activities		**33,924,257**	**(9,082)**
Total cash movement for the period		**19,016,414**	**(10,784,328)**
Cash at the beginning of the period		9,343,228	19,606,677
Total cash at end of the period	7	**28,359,642**	**8,822,349**

*Cash utilised in operating activities includes:		
Interest income	84,551	83,772
Interest paid	598,720	-

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

Material Accounting Policies

1. Nature of business, going concern and material 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 1890-1075 West Georgia Street, Vancouver, BC, V6E 3C9, 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, 2024 of $134,658,392 (December 31, 2023 – $117,022,787), and working capital deficit at March 31, 2024 of $25,464,926 (December 31, 2023 – working capital deficit of $18,917,274). The Company will continue to require additional sources of financing to fund ongoing operating costs and exploration and development of its mineral properties. The Company has the capacity to seek additional funds during 2024 to fund its ongoing operations, and there can be no assurance that the Company will be able to obtain additional financing.

The Company announced on February 19, 2024, that it received a binding proposal from Yintai Gold Co. Ltd for the acquisition of all of the issued and outstanding common shares of the Company and all of the issued and outstanding securities convertible into Common Shares for cash consideration of $1.90 for each Common Share by way of a plan of arrangement. The New Offer contemplates that the offeror will provide the Company with a loan comprising of (i) US$10 million facility concurrently with the execution of the arrangement agreement to enable the continued, fast-tracked development of the Twin Hills gold project and to fund other liquidity needs of the Company and (ii) an advance in an amount of $10,000,000 (US$7,416,197) equal to the termination fee payable by the Company in the event of a termination of the Dundee Precious Meta Inc. ("DPM") Arrangement Agreement as a result of the New Offer. As a result, the Company secured funding in the amount of US$17,416,197 in terms of the Offer Agreement. The Company received the funding in the amount of US$17,416,197 on February 26, 2024. The Company is in the process of completing the binding proposal from Yintai Gold Co. Ltd and is of the opinion that sufficient cash and other reserves are available to meet its obligations and commitments until expected close. On February 25, 2024 the Company terminated its arrangement agreement with DPM and settled the termination fee due to DPM of $10,000,000 (US$7,416,197).

There can be no assurance that the Company will actively pursue obtaining additional financing beyond the closing of the definitive agreement(s). If the Company is unable to obtain adequate additional financing, the Company may need to further curtail its activities until additional funds can be available. 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 access financing through private placements and other sources of funding available to fund ongoing planned operating costs and planned activities for the development of its Twin Hills Gold Project. The non closure of the Yintai Gold Co. Ltd transactions to acquire Osino will create a material uncertainty which 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 unaudited interim condensed 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.

Material Accounting Policies

a) Statement of compliance with IFRS

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited interim condensed consolidated financial statements are based on IFRSs issued and outstanding as of May 30, 2024, 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, 2023, 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, 2024 could result in restatement of these unaudited interim condensed consolidated financial statements.

b) Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These unaudited interim condensed consolidated financial statements include the accounts of Osino Resources Corp. and its wholly-owned subsidiaries, Osino Holdings Corp., 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, Osino Property Holdings (Pty) Ltd (formerly Tolo Minerals Exploration (Pty) Ltd), Osino Namibia Minerals Exploration (Pty) Ltd (“Osino Namibia”), Osino Gold Exploration and Mining (Pty) Ltd, formerly, Osino Gold Exploration (Pty) Ltd (“Osino Gold"), Mitten Minerals Exploration (Pty) Ltd, Ambulant Investments (Pty) Ltd, Osino Farming Investments (Pty) Ltd, Klein Okawayo (Pty) Ltd, Toroa Minerals Exploration (Pty) Ltd (deregistered as at 26 March 2024), the accounts of 84% owned Terrace Minerals Exploration (Pty) Ltd, the accounts of 70% owned Vavali Mining Exploration (Pty) Ltd and the accounts of 80% of Fairview Minerals Exploration (Pty). All intercompany transactions, balances, and unrealized gains and losses on intercompany transactions have been eliminated.

During the December 31, 2023 year, the Company restructured the intercompany shareholding structure of Osino such that Osino Mining Investments Limited (“OMIL”) became the sole shareholder of Osino Prospect Holdings (Pty) Ltd, Osino Otavi Holdings (Pty) Ltd, Ambulant Investments (Pty) Ltd and Richwing Exploration (Pty) Ltd. All transactions have been accurately accounted for under IFRS in the Unaudited Interim Condensed Consolidated Financial Statements.

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 unaudited 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 unaudited interim condensed consolidated financial statements are presented in Canadian dollars, which is the reporting parent’s functional currency. The functional currency of the reporting parent’s subsidiaries is the Namibian dollar (“N$”) and United States Dollar ("US$").

Presented in Canadian dollars

2. Property, plant and equipment

	Three months ended March 31, 2024			Year ended December 31, 2023		
	Cost $	**Accumulated depreciation** $	**Carrying value** $	**Cost** $	**Accumulated depreciation** $	**Carrying value** $
Land	8,819,750	-	8,819,750	8,907,473	-	8,907,473
Development Costs*	5,475,714	-	5,475,714	4,163,157	-	4,163,157
Property, plant and machinery	438,391	(128,614)	309,777	441,227	(120,836)	320,391
Furniture and fixtures	53,089	(32,841)	20,248	53,018	(29,890)	23,128
Motor vehicles	374,844	(242,319)	132,525	378,560	(228,891)	149,669
Office equipment	-	-	-	2,711	(2,711)	-
IT equipment	58,439	(24,015)	34,424	57,554	(21,863)	35,691
Leasehold improvements	183,975	(93,571)	90,404	181,863	(86,805)	95,058
Total	**15,404,202**	**(521,360)**	**14,882,842**	**14,185,563**	**(490,996)**	**13,694,567**

Reconciliation of property, plant and equipment - three months ended March 31, 2024

	Opening balance	**Additions**	**Disposals**	**Foreign exchange movements**	**Depreciation**	**Total**
Land	8,907,473	-	-	(87,723)	-	8,819,750
Development costs*	4,163,157	1,312,580	-	(23)	-	5,475,714
Property, Plant and machinery	320,391	1,491	-	(3,169)	(8,936)	309,777
Furniture and fixtures	23,128	590	-	(236)	(3,234)	20,248
Motor vehicles	149,669	-	-	(1,521)	(15,623)	132,525
IT equipment	35,691	1,446	-	(354)	(2,359)	34,424
Leasehold improvements	95,058	3,884	-	(944)	(7,594)	90,404
	13,694,567	**1,319,991**	**-**	**(93,970)**	**(37,746)**	**14,882,842**

Reconciliation of property, plant and equipment - year ended December 31, 2023

	Opening balance	**Additions**	**Disposals**	**Foreign exchange movements**	**Depreciation**	**Total**
Land	79,690	8,802,939	-	24,844	-	8,907,473
Development costs*	-	4,167,887	-	(4,730)	-	4,163,157
Property, Plant and machinery	369,511	19,521	(400)	(34,017)	(34,224)	320,391
Furniture and fixtures	26,505	8,115	-	(2,344)	(9,148)	23,128
Motor vehicles	234,851	-	-	(20,917)	(64,265)	149,669
Office equipment	479	-	-	(21)	(458)	-
IT equipment	32,650	14,951	-	(2,918)	(8,992)	35,691
Leasehold improvements	123,790	11,853	-	(11,108)	(29,477)	95,058
	867,476	**13,025,266**	**(400)**	**(51,211)**	**(146,564)**	**13,694,567**

* The Company is in the development stage effective August 1,2023 with respect to its Twin Hills Gold Project. The Company has capitalised costs where such costs have characteristics of an asset relating to development of gold and other precious metal claims. Amortisation will begin when commercial production has commenced.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

3. Right of use asset

	March 31, 2024 $	December 31, 2023 $
Balance at beginning of period/year	**62,632**	**117,353**
Additions	-	-
Depreciation	(11,113)	(45,629)
Effects of exchange rate movement	(364)	(9,092)
Balance at beginning of period/year	**51,155**	**62,632**

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 judgement in determining the Company’s interest in the Richwing Agreement should be classified as a joint venture. During the year, 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.

On 7 August 2023, Prospect met the terms of Phase 1 of the Earn-in and Shareholders Agreement, earning the right to increase its shareholding of Richwing to 40%. The Company, through its wholly owned subsidiary Osino Mining Investments Limited, now holds 60% of Richwing. As at December 31, 2023, the value of the investment in the Richwing Agreement is $nil.

Effective March 20, 2024, Osino and Prospect Resources Limited, executed a binding purchase and sale agreement pursuant to which Prospect Resources has agreed to acquire the Company's interest in the Omaruru Project for cash consideration of US$75,000 (the “Omaruru Sale”). The Omaruru Sale was approved by the local authorities in Namibia. As at March 20, 2024 the value of the investment held in Richwing Agreement was $nil.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

4. Joint arrangements (continued)

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

	March 20, 2024 $	December 31, 2023 $
Loss and comprehensive loss for the period ended	504,083	789,508
Total assets	5,733	112,691
Total liabilities	(1,039,604)	(1,015,831)

5. Long term deposit

	March 31, 2024 $	December 31, 2023 $
Long term deposit	1,950,840	1,434,246

During the year ended December 31, 2022 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 in the amount of $1,466,296. As at December 31, 2023 all conditions relating to the agreement were met and the Company took control over the Land aquired. The prepaid portion under long term deposits has been allocated to Land (Refer to note 2).

During the year ended December 31, 2023 the Company made a further prepayment towards a new conditional agreement for the aquisition of Land for the Twin Hills Gold Project in the amount of $367,740 which is detailed in note 15(a).

In addition, the Company has made total payments of $1,583,100 (December 31, 2023 - $1,066,506) towards the NamPower commitment signed during the 2022 fiscal year and the amended commitment signed during the year ended December 31, 2023. Refer to Note 15(b).

6. Sales tax receivables and other assets

	March 31, 2024 $	December 31, 2023 $
Sales tax receivables	1,156,871	1,769,050
Prepayments	172,169	265,040
Deposits on hand and other receivables	241,346	247,230
Total sales tax receivables and prepaid expenses	**1,570,386**	**2,281,320**

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 March 31, 2024 to be recoverable. The Company continuously monitors the recoverability status of the Value Added Taxation claims submitted for refund.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

7. Cash and cash equivalents

Cash and cash equivalents consist of:

	March 31, 2024 $	December 31, 2023 $
Cash in bank and on hand	20,200,042	9,308,228
Cash held in short - term GIC's	8,159,600	35,000
	28,359,642	**9,343,228**

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 ($176,185). (Note 15(b)) and a pledge of NAD1,380,450 ($98,868) as restricted colleteral for the Wesbank finance facility (Note 16).

8. Share capital

	March 31, 2024 $	December 31, 2023 $
Issued and outstanding		
Issued common shares	**$114,324,603**	**$99,417,998**

	Number of Shares	Value
Balance as at December 31, 2022	**156,405,932**	**$88,707,190**
Exercise of stock options	830,700	331,097
Share issuance on exercise of restricted stock units	173,867	182,599
Share issuance on the aquisition of minority interest	1,700,000	1,564,000
Issue of shares	7,195,524	7,770,745
Exercise of broker warrants	711,907	1,127,012
Share issuance costs	-	(264,645)
Balance as at December 31, 2023	**167,017,930**	**$99,417,998**
Exercise of stock options	136,666	218,829
Exercise of warrants	2,576,863	4,443,285
Exercise of Nebari warrants	2,061,524	3,606,071
Exercise of restricted stock units	1,358,730	1,638,420
Issue of shares	4,424,778	5,000,000
Balance as at March 31, 2024	**177,576,491**	**$114,324,603**

8. Share capital (continued)

On August 15, 2022 Osino signed an agreement with Somerschield Investments Close Corporation ("Somerschield") to acquire 3% of the shares in the capital of Osino Gold Exploration and Mining (Proprietary) Limited. Somerschield 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 Somerschield, 1,700,000 common shares of the Company with a fair value of $1,564,000 were issued as consideration for the acquisition.

On October 18, 2023, the Company completed a non - brokered private placement, issuing a total of 2,770,745 shares at a price of $1.00 per share for aggregate gross proceeds of $2,770,745. An amount of $247,780 was paid in commission and share issuance costs.

On December 22, 2023, the Company completed a non - brokered private placement, issuing a total of 4,424,779 shares at a price of $1.13 per share for aggregate gross proceeds of $5,000,000.

During the year ended December 31, 2023, 711,907 share purchase and broker warrants were exercised for net proceeds of $819,726. The fair value of the warrants exercised was $307,286 using the Black Scholes pricing model.

During the year ended December 31, 2023, a total of 1,079,101 stock options with expiry dates of October 10, 2023 and February 27, 2025 respectively were exercised. 954,101 stock options were exercised on a net cash basis and were settled through the issuance of 705,700 common shares. The remaining 125,000 stock options were exercised for net proceeds of $62,500 and 125,000 common shares were issued. The fair value of the stock options exercised was $268,597 and was transferred to capital share capital upon exercise. A total of 660,000 stock options expired during the year ended December 31, 2023.

During the year ended December 31, 2023 173,867 RSUs were exercised resulting in the issue of 173,867 common shares. The fair value of the RSUs exercised was $182,599.

On January 30, 2024 the Company completed the second of the non-brokered priviate placement of common shares to DPM. The Company issued 4,424,778 shares to DPM at a price of $1.13 per share for an aggregate gross proceeds of $5,000,000.

On February 28, 2024 Nebari exercised 2,061,524 Tranche 1 warrants for the proceeds of $1,814,481. The fair value of the warrant derivative classified as a debt instrument derecognised was $1,791,590 using the Black Scholes pricing model. The non cash fair value of the debt instrument derecognised was included in share capital upon derecognition of the warrant derivative when the warrants were exercised.

During the period ended March 31, 2024 a total of 2,576,863 broker warrants were exercised for proceeds of $3,478,765. The fair value of the warrants exercised was $964,520 using the Black Scholes pricing model.

During the period ended March 31, 2024 a total of 136,666 stock options with expiry dates of February 27, 2025, February 22, 2027 and December 8, 2027 respectively were exercised resulting in a net total of 136,666 common shares issued for net proceeds of $136,000. The fair value of the stock options exercised was $82,829 using the Black Scholes pricing model.

During the period ended March 31, 2024 a total of 1,358,730 RSUs were excercised resulting in the issue of 1,358,730 common shares. The fair value of the RSUs exercised was $1,638,420.

Presented in Canadian dollars

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, 2022	10,785,235	$0.94
Issued	175,000	$1.14
Exercised	(1,079,101)	($0.32)
Expired	(660,000)	($0.89)
Balance as at December 31, 2023	9,221,134	$1.02
Issued	-	-
Exercised	(136,666)	($1.00)
Expired	-	-
Balance as at March 31, 2024	9,084,468	$1.02

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 assamptions:

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

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 March 31, 2024, the Company recorded $131,609 (December 31, 2023: $1,354,866) 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, 2024:

Options outstanding	Expiration Date	Exercisable March 31, 2024	Exercise price
100,000	April 26, 2024 (note 17)	100,000	$0.40
1,533,334	February 27, 2025	1,533,334	$0.80
400,000	August 7, 2025	400,000	$1.40
400,000	December 21,2025	400,000	$1.25
1,510,000	March 5, 2026	1,510,000	$1.25
1,270,000	February 22, 2027	1,270,000	$1.20
3,696,134	December 8, 2027	2,441,866	$0.90
175,000	May 9, 2028	58,333	$1.14
9,084,468		**7,713,533**	**$1.02**

Presented in Canadian dollars

8. Share capital (continued)

Warrant reserve

	Number of Warrants	Weighted Average Exercise Price
Balance as at December 31, 2022	**7,406,978**	**$1.20**
Issued (refer to note 12)	2,417,689	$1.46
Exercised	(711,907)	($1.15)
Expired	(7,320)	($1.10)
Balance as at December 31, 2023	**9,105,440**	**$1.27**
Issued	-	-
Exercised	(4,638,387)	($1.14)
Expired	-	-
Balance as at March 31, 2024	**4,467,053**	**$1.43**

The following table summarizes information about the Company's common share purchase warrants outstanding as at March 31, 2024:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding March 31, 2024
November 1, 2021	June 1, 2024	$1.35	2,049,364
May 9, 2023*	May 9, 2025	$1.47	1,233,737
August 17, 2023*	August 17, 2025	$1.53	1,183,952
Total outstanding			**4,467,053**

* 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:

(in number of units)	March 31, 2024	December 31, 2023
Outstanding at the beginning of the period/year	**3,831,648**	**2,290,938**
Granted	-	1,753,070
Exercised	(1,358,730)	(173,867)
Expired and unexercised	-	(38,493)
Outstanding at the end of the period/year	**2,472,918**	**3,831,648**

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

8. Share capital (continued)

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.

Effective July 14, 2023, the Company adopted an amended and restated Omnibus Long-Term Incentive Plan (the "LTIP"). The LTIP plan provides for a fixed maximum limit that the total number of shares reserved and available for grant and issuance pursuant to any awards under the plan or any grants under any Share Compensation Arrangements of the Company, including DSU's, RSU's and Stock Options, shall not exceed ten percent (10%) of the total issued and outstanding shares of the Company. The fair value of the RSUs and DSUs equals the fair market value of the corresponding shares as at the date of grant. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in equity.

Summary of Deferred Stock Units (DSU's)

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

(in number of units)	**March 31, 2024**	**December 31, 2023**
Outstanding at the beginning of the period/year	**139,244**	**-**
Granted	-	139,244
Outstanding at the end of the period/year	**139,244**	**139,244**

During the year ended December 31, 2023, the Company granted 1,753,070 RSU's and 139,244 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 vested on January 23, 2024
- 277,950 RSU's will vest one-third each year on May 09, 2024; May 09, 2025 and May 09, 2026
- 1,070,030 RSU's will vest on December 20, 2024
- 37,040 DSU's will vest on May 09, 2024
- 35,716 DSU's will vest on July 02, 2024
- 37,916 DSU's will vest on September 28, 2024
- 28,572 DSU's will vest on December 29, 2024

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

During the period ended March 31, 2024, the Company recorded $506,269 (December 31, 2023: $705,369) in share - based compensation relating to the vesting of RSU's and DSU's. This was recorded as salaries and benefits in the Unaudited Interim Condensed Consolidated Statements of Loss and Other Comprehensive Loss.

As at March 31, 2024, there are 2,472,918 RSU's outstanding and 1,187,298 RSU's are exercisable (December 31, 2023 - 3,831,648 RSU's outstanding and 1,945,412 RSU's were exercisable).

As at March 31, 2024, there were 139,244 DSU's outstanding and nil DSU's are exercisable (December 31, 2023 - 139,244 DSU's outstanding and nil DSU's were exercisable).

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

9. Acquisitions

a) Acquisition of Razorback Gold Mining Company (Pty) Ltd

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 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 excercised their judgement in determining the acquisition of Razorback Gold Mining Company (Pty) Ltd. The acquisition was determined that of an asset acquisition as it did not meet the definition of a business acquisition.

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**

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

9. Acquisitions (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	**$**	**5,214,209**
Foreign exchange gain		(77,731)
Repayment of liability		(5,136,478)
Total Liability as of December 31, 2023 and March 31, 2024	**$**	**-**

b) Aquisition 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 excercised 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 identifyable 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**

10. Other financial liabilities

At fair value through profit (loss)	**March 31, 2024 $**	**December 31, 2023 $**
Held at amortised cost		
First National Bank Leases	66,821	80,814
Deferred consideration payable	2,767,899	2,700,781
	2,834,720	**2,781,595**

The finance leases are subject to interest at rates between 9.50% and 13.5% per annum and are repayable in 54 monthly instalments.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

10. Other financial liabilities (continued)

Summary of First National Bank leases:	March 31, 2024 $	December 31, 2023 $
Balance at the beginning of the period/year	**80,814**	**156,699**
Finance charges	2,545	14,381
Finance lease instalments	(14,989)	(66,665)
Effects of exchange rate movements	(1,549)	(23,601)
Balance as end of period/year	**66,821**	**80,814**

Summary of Deferred consideration payable:	March 31, 2024 $	December 31, 2023 $
Balance at the beginning of the period/year	**2,700,781**	**-**
Deferred consideration for the aquisition of Land	-	2,496,330
Accretion on deferred consideration	93,325	198,065
Foreign exchange gain/(loss)	(26,207)	6,386
Balance at end of period/year	**2,767,899**	**2,700,781**

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.

Split between non-current and current portions

	March 31, 2024 $	December 31, 2023 $
Non-current liabilities	11,497	24,941
Current liabilities	2,823,223	2,756,654
	2,834,720	**2,781,595**

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

11. Lease liability

	March 31, 2024 $	December 31, 2023 $
Balance at beginning of period/year	**73,293**	**129,907**
Additions	-	-
Finance charges	1,244	6,216
Lease instalments	(12,838)	(51,005)
Effect of exchange rate movement	(758)	(11,825)
Balance at end of period/year	**60,941**	**73,293**

Split between non-current and current portions

	March 31, 2024 $	December 31, 2023 $
Non-current liabilities	16,764	28,678
Current liabilities	44,177	44,615
	60,941	**73,293**

The lease liabilities are unsecured and bear interest at a rate of 6.5% per annum. The remaining lease terms vary from 9 to 30 months. The undiscounted future payments for settlement of the leases amount to $77,026. 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

<u>a) Nebari Credit Facility</u>

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$5 million. 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 US$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$813,9541 of guaranteed interest payable inclusive of each tranche the Company commits to).

12. Credit facility (continued)

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.

Tranche 1

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 15.49%. 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 ($0.86), (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, 2023, at $1,271,205, using the Black - Scholes pricing model with the following assumptions:

> (i) volatility of 58.31%, (ii) risk free interest rate of 3.88%, (iii) exercise price ($0.86), (iv) fair value of common stock ($1.40), and (v) expected life of 0.85 years.

The Nebari Tranche 1 warrants were revalued at February 28, 2024 (warrant exercise and derecognition date), at $1,791,590, using the Black - Scholes pricing model with the following assumptions:

> (i) volatility of 58.65%, (ii) risk free interest rate of 4.19%, (iii) exercise price ($0.88), (iv) fair value of common stock ($1.70), and (v) expected life of 0.65 years.

On February 28, 2024 Nebari exercised the Tranche 1 warrants in full raising proceeds of $1,814,481 (US$1,339,991). The warrant derivative was subsequently derecognised. This resulted in an increase in share capital in the value of $1,791,590.

12. Credit facility (continued)

Tranche 2

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 12.16%. 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 3.80%, (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 December 31, 2023, at $500,585 using the Black - Scholes pricing model with the following assumptions:

(i) volatility of 61.49%, (ii) risk free interest rate of 3.88%, (iii) exercise price ($1.43), (iv) fair value of common stock ($1.40), and (v) expected life of 1.35 years.

The Nebari Tranche 2 warrants were revalued at March 31, 2024, at $719,863, using the Black - Scholes pricing model with the following assumptions:

(i) volatility of 56.53%, (ii) risk free interest rate of 4.17%, (iii) exercise price ($1.45), (iv) fair value of common stock ($1.77), and (v) expected life of 1.10 years.

Tranche 3

Effective August 17, 2023, the Company drew the third US$5 million tranche of the credit facility and issued 1,183,952 warrants ("Tranche 3 warrants") with an exercise price of US$1.13. The effective interest rate of the credit facility is 13.94%. The Company incurred transaction costs of $67,539 related to Tranche 3. A total of $63,605 of the costs were capitalized to the credit facility and $3,934 were expensed.

The Nebari warrants were valued at $354,655, using the Black - Scholes pricing model with the following assumptions:

(i) volatility of 59.63%, (ii) risk free interest rate of 4.78%, (iii) exercise price ($1.53), (iv) fair value of common stock ($1.14), and (v) expected life of 2.0 years.

The Nebari Tranche 3 warrants were revalued at December 31, 2023, at $512,378 using the Black - Scholes pricing model with the following assumptions:

(i) volatility of 62.74%, (ii) risk free interest rate of 3.88%, (iii) exercise price ($1.49), (iv) fair value of common stock ($1.40), and (v) expected life of 1.63 years.

The Nebari Tranche 3 warrants were revalued at March 31, 2024, at $714,060 using the Black - Scholes pricing model with the following assumptions:

(i) volatility of 57.21%, (ii) risk free interest rate of 4.17%, (iii) exercise price ($1.50), (iv) fair value of common stock ($1.77), and (v) expected life of 1.38 years.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

12. Credit facility (continued)

Loan liability summary

	March 31, 2024 $	December 31, 2023 $
Short term portion		
Balance at beginning of period/year	**20,044,643**	**5,771,493**
Loan advanced at fair value	-	12,528,175
Accretion on credit facility	380,696	779,724
Owner issuer discount interest charge	507,200	1,010,454
Foreign exchange effect	449,443	(333,262)
Capitalised interest	-	288,059
Balance at end of period/year	**21,381,982**	**20,044,643**

	March 31, 2024 $	December 31, 2023 $
Interest payable		
Balance at beginning of the period/year	-	**102,547**
Interest expense	595,959	1,583,781
Foreign exchange effect	2,761	(15,343)
Capitalised interest transferred to short term portion of debt facility	-	(288,059)
Interest payments on credit facility*	(598,720)	(1,382,926)
Balance at end of period/year	-	-

*Effective December 31, 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 year	**2,284,168**	**589,390**
Addition to warrant derivative	-	773,275
Fair value adjustment - Tranches 1, 2 and 3	886,491	962,627
Foreign exchange effect	54,854	(41,124)
Tranche 1 warrant exercised at fair value	(1,791,590)	-
Balance at the end of year	**1,433,923**	**2,284,168**

Included in financing charges and accretion adjustments in the Unaudited 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, Tranche 2 and Tranche 3 warrants) in the amount of $886,491 (December 31, 2023: $962,627) is included in the Company's Unaudited Interim Condensed Consolidated Statement of Loss and Other Comprehensive Loss.

The Company accrued interest of $595,959 (December 31, 2023: $1,583,781) 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 Unaudited Interm 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 March 31, 2024.

12. Credit facility (continued)

b) Yintai Credit Facility

Effective February 26, 2024, Yintai provided Osino with a loan comprising (i) US$10 million facility provided concurrently with the execution of the arrangement agreement to enable the continued, fast-tracked development of the Twin Hills Gold Project and to fund other liquidity needs of Osino and (ii) an amount equal to US$7,416,197 ($10,000,000 equivalent value) that equates to the termination fee paid by Osino following the termination of the DPM Arrangement Agreement. The loan's total value of US$17,416,197 will be known as the “Yintai Facility”.

The Yintai facility shall mature and become due and payable, inclusive of interest, on the earlier of (i) December 31, 2024, and (ii) the date on which the Company Termination Fee is due and payable by the borrower pursuant to the Arrangement Agreement (the "Maturity Date"). The Yintai facility shall bear interest at a rate of 6.8% per annum.

Upon the occurance of a Reverse Termination Fee Event ("RTFE"), as defined in the Arrangement Agreement, the outstanding principal amount together with all accrued and unpaid interest thereon, shall automatically convert into common shares of the Company at a conversion price of $1.39 per common share based on the Bank of Canada daily exchange rate on the day immediately prior to the date on which the conversion is to take place.

For any event other than a RTFE, the Yintai facility including any unpaid principal amount together with all accrured and unpaid interest thereon, may be convertible into common shares of the Company at any time prior to the Maturity Date in whole or in part at the option of Yintai at a conversion price of $1.39 per commom share.

The Company (or Borrower), may use the Yintai loan facility to advance its business objectives and for general corporate purposes, including funding ongoing operations, working capital requirements and discretionary capital programs, all in accordance with the Arrangment Argeement.

The conversion option in the Yintai Facility meets the definition of a derivative liability instrument as the Yintai Facility is denominated in a currency other than the Company’s functional currency, and as such does not meet the fixed for fixed criteria if the conversion option is exercised by Yintai. The Yintai 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 conversion option), future value and term.

Effective February 19, 2024 the conversion option was valued at $8,836,602 using the Black-Scholes pricing model with the following assumptions:

> (i) Number of shares of 16,892,583, (ii) volatility of 57.09%, (iii) risk free interest rate of 4.27%, (iv) exercise price ($1.39), (v) fair value of common stock ($1.76), and (vi) expected life of 0.61 years.

The conversion option was revalued at March 31, 2024, at $8,512,589 using theBlack-Scholes pricing model with the following assumptions:

> (i) Number of shares of 17,027,435, (ii) volatility of 56.02%, (iii) risk free interest rate of 4.29%, (iv) exercise price ($1.39), (v) fair value of common stock ($1.77), and (vi) expected life of 0.50 years.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

12. Credit facility (continued)

Loan liability summary

Short term loan	**March 31, 2024 $**	**December 31, 2023 $**
Loan advanced at fair value	14,644,088	-
Interest and accretion	1,450,728	-
Foreign exchange effect	63,977	-
Balance at end of period/year	**16,158,793**	**-**

Continuity of option derivative summary

Addition to option derivative	8,836,602	-
Fair value adjustment	(360,946)	-
Foreign exchange effect	36,933	-
Balance at end of period/year	**8,512,589**	**-**

13. Trade and other payables

	March 31, 2024 $	**December 31, 2023 $**
Financial instruments:		
Trade payables	2,459,797	3,651,311
Accrued expense	2,580,470	1,760,431
	5,040,267	**5,411,742**

14. Cash used in operations

	3 months ended March 31, 2024 $	**3 months ended March 31, 2023 $**
Loss before taxation	(17,636,641)	(5,979,757)
Adjustments for:		
Depreciation and amortisation	48,859	50,334
Leave pay provision	9,024	16,432
Financing charges and accretion adjustment	2,433,607	397,668
Foreign exchange movements	580,035	(265,775)
Fair value changes of warrant derivative	525,545	303,883
Stock options expense	131,609	396,135
Vesting of restricted and deferred stock units	506,269	120,172
Changes in working capital:		
Other receivables and prepaid expenses	710,934	120,347
Trade and other payables	(380,499)	(5,766,574)
	(13,071,258)	**(10,607,135)**

Notes to the Consolidated Financial Statements

15. Commitments

As at March 31, 2024, the Company had the following contractual arrangements and commitments in place for the provision of certain services:

a) 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 agreement is 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.

b) On June 21, 2022, the Company concluded a power supply agreement amended December 7, 2022 and amended January 22, 2024 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 that is not yet due. 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 $1,229,813 as at March 31, 2024 (December 31, 2023: $1,774,292).

16. Capital management

As at March 31, 2024, the capital structure of the Company consists of equity balance of ($8,600,572) (December 31, 2023 - ($3,772,706)). 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 ($286,480).

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 ($1,575,640) as at March 31, 2024 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(b).

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

17. Events after the reporting period

a) On April 25, 2024 the Company approved the grant of 22,348 DSUs having the aggregate value of $40,000 to independent directors of the Company pursuant to the Companys Omnibus LTIP.

b) On April 29, 2024 the Company announced that the majoriy of the security holders voted in favour of the resolution authorising the previously announced statutory arrangement pursuant to which Yintai Gold Co., Ltd will acquire all the outstanding common shares of the Company (Refer to Note 1).

c) Exercise of Stock options: On April 10, 2024 a total of 100,000 stock options with an exercise price of $0.40 were exercised raising gross proceeds of $40,000.This resulted in the issue 100,000 common shares of the Company.

d) Exercise of stock options: A total of 416,667 stock options held by the Company employees, directors and officers with exercise prices of $0.80, $0.90, $1.20 and $1.25 were exercised raising gross proceeds of $440,000.This resulted in the issue of 416,667 common shares of the Company.

e) Exercise of Warrants: A total of 1,207,503 warrants with an exercise price of $1.35 were exercised raising gross proceeds of $1,630,129. This resulted in the issue of 1,207,503 common shares of the Company.

f) Exercise of RSUs: A total of 111,532 RSUs were exercised. This resulted in the issue of 111,532 common shares of the Company.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

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 15 exclusive prospecting licenses in Namibia and 1 mining license for the Twin Hills Gold Project.

19. Related parties

	3 months ended March 31, 2024 $	**3 months ended March 31, 2023 $**
Management and directors fees expensed	$217,738	$185,000
Share-based payments, non-cash	$370,505	$260,542
Total	**$588,243**	**$445,542**

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, 2024, total key management compensation was $588,243 (March 31, 2023 - $445,542), which includes management fees, bonuses and salaries of $161,488 (March 31, 2023 - $135,000), directors fees of $56,250 (March 31, 2023 - $50,000) and share-based compensation of $370,505 (March 31, 2023 - $260,542).

As at March 31, 2024, $nil (March 31, 2022 - $nil) of related party payments due was included in trade and other payables.

Presented in Canadian dollars

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 (Level1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
Bank and cash	28,359,642	-	-
Option derivative	-	(8,512,589)	-
Warrant derivative	-	(1,433,923)	-
	28,359,642	**(9,946,512)**	**-**

Warrant and Option derivatives

The company has issued warrants which contain an warrant derivative component, the Company also obtained a credit facility which contains an option derivative component (Note 12). The following table is a sensitivity analysis of the impact on the unaudited interim condensed 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 $**
Warrant: Stock price, volatility rate and discount rate	10	781,725	(689,344)
Option: Stock price, volatility rate and discount rate	10	2,842,910	(2,450,943)
Total	-	**3,624,635**	**(3,140,287)**

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 +/- $3,418,781 (December 31, 2023: $2,131,655).

(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.