OSISKO MINING

Condensed Interim Financial Statements

For the periods ended March 31, 2021 and 2020

Presented in Canadian dollars

(Unaudited)

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Condensed Interim Statements of Financial Position
(Tabular amounts express in thousands of Canadian dollars)
(Unaudited)

As at		March 31, 2021		December 31, 2020
Assets				
Current assets				
Cash and cash equivalents	$	208,147	$	180,027
Restricted cash (note 4 and note 14)		2,613		12,613
Tax recoverable (note 3)		53,971		51,627
Marketable securities (note 4)		48,943		74,938
Other assets		1,403		2,586
Total current assets		**315,077**		**321,791**
Non-current assets				
Long-term receivables		-		800
Investment in associate (note 5)		50,006		42,175
Property, plant and equipment (note 6)		16,529		14,779
Exploration and evaluation assets (note 7)		497,583		449,566
Total non-current assets		**564,118**		**507,320**
Total assets	**$**	**879,195**	**$**	**829,111**
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$	25,849	$	21,796
Current lease liabilities		945		1,301
Financial liabilities (note 4)		-		21,888
Total current liabilities		**26,794**		**44,985**
Non-current liabilities				
Flow-through premium liability (note 11(a))		24,342		3,017
Share-based payment liability (note 8)		12,503		12,685
Asset retirement obligation (note 9)		5,843		6,385
Non-current lease liabilities		140		221
Deferred tax liability (note 10)		70,847		64,986
Total non-current liabilities		**113,675**		**87,294**
Total liabilities		**140,469**		**132,279**
Equity				
Share capital (note 11(a))		891,655		850,579
Contributed surplus (note 11(d))		56,908		55,611
Warrants (note 11(e))		15,909		15,909
Accumulated deficit		(225,746)		(225,267)
Total equity attributed to equity owners of the Corporation		**738,726**		**696,832**
Total liabilities and equity	**$**	**879,195**	**$**	**829,111**

The accompanying notes are an integral part of these condensed interim financial statements.

Commitments (note 14)
Subsequent events (note 15)

Condensed Interim Statements of Loss and Comprehensive Loss
(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)
(Unaudited)

	Three months ended	
For the period ended	**March 31, 2021**	**March 31, 2020**
Expenses/(income)		
Compensation expenses (note 12 and 13)	$ 3,560	$ 4,846
General and administration expenses (note 12 and 13)	918	1,273
General exploration expenses	20	44
Flow-through premium income (note 11(a))	(6,939)	(7,117)
Loss from marketable securities (note 4 and note 12)	4,178	8,390
Other income	(6)	(1)
Operating loss	**1,731**	**7,435**
Finance income	(523)	(886)
Finance costs	228	878
Net finance income	**(295)**	**(8)**
Share of gain of associates (note 5)	(7,831)	-
(Income)/loss for before tax	**(6,395)**	**7,427**
Deferred income tax expense (note 14)	6,873	3,505
Loss and comprehensive loss	**$ 478**	**$ 10,932**
Attributable to:		
Owners of the Corporation	$ 479	$ 9,251
Non-controlling interests	-	1,681
Loss and comprehensive loss	**$ 479**	**$ 10,932**
Basic and diluted loss per share (note 11(b) and (c))	**$ -**	**$ 0.03**
Weighted average number of shares (note 11(b) and (c))	**351,428,701**	**291,026,609**

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed Interim Statements of Changes in Equity
(Tabular amounts express in thousands of Canadian dollars)
(Unaudited)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit and Accumulated Deficit	Equity attributed to equity owners of the Corporation	Non-controlling interest	Total
Balance January 1, 2021	**344,207,806**	**$ 850,579**	**$ 15,909**	**$ 55,611**	**$ (225,267)**	**$ 696,832**	**$ -**	**$ 696,832**
Loss for the period	-	-	-	-	(479)	**(479)**	-	**(479)**
Stock-based compensation (note 11(d))	-	-	-	2,253	-	**2,253**	-	**2,253**
Issuance of shares upon exercise of stock options (note 11(a) and (d))	1,091,368	2,145	-	(956)	-	**1,189**	-	**1,189**
Private Placement (note 11(a))	13,085,000	37,918	-	-	-	**37,918**	-	**37,918**
Deferred tax asset on share issue cost (note 14)	-	1,013	-	-	-	**1,013**	-	**1,013**
Balance March 31, 2021	**358,384,174**	**$ 891,655**	**$ 15,909**	**$ 56,908**	**$ (225,746)**	**$ 738,726**	**$ -**	**$ 738,726**

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit and Accumulated Deficit	Equity attributed to equity owners of the Corporation	Non-controlling interest	Total
Balance January 1, 2020	**290,025,274**	**$ 673,163**	**$ -**	**$ 55,389**	**$ (194,405)**	**$ 534,147**	**$ 74,673**	**$ 608,820**
Loss for the period	-	-	-	-	(9,251)	**(9,251)**	(1,681)	**(10,932)**
Stock-based compensation (note 11(d))	-	-	-	1,431	-	**1,431**	545	**1,976**
Transaction costs on prior year private placements	-	(29)	-	-	-	**(29)**	-	**(29)**
Issuance of shares upon exercise of stock options	1,373,253	4,502	-	(2,052)	-	**2,450**	-	**2,450**
Transactions with non-controlling interests	-	-	-	-	-	**-**	14,692	**14,692**
Changes in Osisko's interest in O3 Mining Inc.	-	-	-	-	(6,418)	**(6,418)**	6,418	**-**
Shares repurchased under normal course issuer bid	(328,500)	(631)	-	-	-	**(631)**	-	**(631)**
Balance March 31, 2020	**$ 291,070,027**	**$ 677,005**	**$ -**	**$ 54,768**	**$ (210,074)**	**$ 521,699**	**$ 94,647**	**$ 616,346**

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed Interim Statements of Cash Flows
(Tabular amounts express in thousands of Canadian dollars)
(Unaudited)

For the period ended	March 31, 2021	March 31, 2020
Cash flows provided by/(used in) operating activities		
Loss for the period	$ (478)	$ (10,932)
Adjustments for:		
Loss from marketable securities (note 4 and 12)	4,178	8,390
Share of gain of associates (note 4)	(7,831)	-
Depreciation (note 6)	84	103
Accretion on asset retirement obligation (note 9)	24	7
Flow-through premium income (note 11(a))	(6,939)	(7,117)
Stock-based compensation (note 8 and 11(d))	1,577	2,555
Deferred income tax expense (note 10)	6,873	3,505
Interest expense on lease liabilities	26	-
Interest expense on financial liabilities (note 4)	120	167
Finance income	(523)	(886)
	(2,889)	**(4,208)**
Change in items of working capital:		
Change in taxes recoverable	(2,344)	24,495
Change in other assets	1,183	(2,145)
Change in accounts payable and accrued liabilities	1,853	(2,716)
Net cash (used in)/provided by operating activities	**(2,197)**	**15,426**
Cash flows provided by/(used in) investing activities		
Interest received	523	886
Acquisition of marketable securities (note 4)	(8,290)	(12,902)
Proceeds on disposition of marketable securities (note 4)	8,219	9,145
Proceeds on disposition of common shares of O3 Mining Inc.	-	14,570
Acquisition of property, plant and equipment (note 6)	(2,704)	(636)
Addition to exploration and evaluation assets (note 7)	(44,219)	(34,103)
Net cash used in investing activities	**(46,471)**	**(23,040)**
Cash flows provided by/(used in) financing activities		
Repayment of lease liabilities	(463)	(771)
Interest expense on financial liabilities (note 4)	(120)	(167)
Cash received from entering into total return equity swap (note 4)	-	21,888
Decrease on restricted cash (note 4 and 14)	10,000	-
Net cash received/(used) from private placements (note 11(a))	66,182	(40)
Cash received from exercise of stock options (note 11(d))	1,189	2,450
Net cash used in repurchasing shares under normal course issuer bid	-	(631)
Net cash provided by financing activities	**76,788**	**22,729**
Increase in cash and cash equivalents	**28,120**	**15,115**
Cash and cash equivalents, beginning of period	**180,027**	**102,302**
Cash and cash equivalents, end of period	**$ 208,147**	**$ 117,417**

The accompanying notes are an integral part of these condensed interim financial statements.

1) Reporting entity

Osisko Mining Inc. ("Osisko" or the "Corporation") is a Canadian Corporation domiciled in Canada and was incorporated on February 26, 2010 under the Ontario Business Corporations Act. The address of the Corporation's registered office is 155 University Ave, Suite 1440, Toronto, Ontario, Canada. The Corporation is primarily in the business of acquiring, exploring, and developing precious mineral deposits in Canada. The condensed interim financial statements of the Corporation for the period ended March 31, 2021 include only the Corporation. The condensed interim consolidated financial statements of the Corporation for the period ended March 31, 2020 include the Corporation and its former subsidiary, O3 Mining Inc. ("O3 Mining"). As of August 21, 2020, the Corporation no longer controlled O3 Mining as the Corporation decreased its ownership of O3 Mining to 30%. Accordingly, the Corporation deconsolidated O3 Mining on August 21, 2020 and started accounting for its investment in O3 Mining using equity method on the same date (note 5).

The business of acquiring, exploring, and developing precious mineral deposits involves a high degree of risk. Osisko is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital, exploration, development, and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or, alternatively Osisko's ability to dispose of its interest on an advantageous basis; as well as global economic and commodity price volatility; all of which are uncertain. There is no assurance that Osisko's funding initiatives will continue to be successful. The underlying value of the mineral properties is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material write-downs of the carrying value of mineral properties and deferred exploration.

2) Basis of preparation

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements including IAS 34, Interim Financial Reporting and are presented in thousands of Canadian dollars.

These condensed interim financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with the Corporation's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2020.

These condensed interim financial statements were authorized for issuance by the Corporation's board of directors (the "Board of Directors') on May 6, 2021.

b) Significant accounting policies

The significant accounting policies followed in these condensed interim financial statements are consistent with those applied in the Corporation's audited annual consolidated financial statements for the year ended December 31, 2020, except as noted in note 2(c).

c) Changes in IFRS accounting policies and future accounting pronouncements

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Corporation and have been excluded from the summary below.

2) Basis of preparation (continued)

c) Changes in IFRS accounting policies and future accounting pronouncements (continued)

IAS 16, "Property, Plant and Equipment" ("IAS 16")

In 2020, the IASB issued amendments to IAS 16, prohibiting an entity from deducting from the carrying amount of an asset any proceeds received from selling items produced while the entity is preparing the asset for its intended use. Instead, these proceeds should be included in the statement of comprehensive income. The amendments to IAS 16 are effective for annual reporting periods beginning on or after January 1, 2022, with early adoption permitted.

The Corporation elected to early adopt the amendment to IAS 16 in 2021. The amendment was also applied to 2020. Because it did not have a material impact, the information presented for 2020 has not been restated.

d) Use of critical estimates and judgements

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements and estimates made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended December 31, 2020 other than as noted below.

Novel coronavirus ("COVID-19"):

The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Corporation suspended its operations in Québec due to COVID-19 on March 23, 2020 and resumed operations on May 15, 2020. The duration and impact of the COVID-19 pandemic is unclear at this time and as a result it is not possible for management to estimate the severity of the impact it may have on the financial results and operations of the Corporation in future periods. It is management's assumption that the Corporation will continue to operate as a going concern.

e) Functional and presentation currency

These financial statements are presented in Canadian dollars (tables in thousands of Canadian dollars), which is Osisko's functional currency.

3) Tax recoverable

As at March 31, 2021 and December 31, 2020, tax recoverable consists of sales tax recoverable and refundable tax credits. Sales tax recoverable consist of harmonized sales taxes, goods and services tax, and Québec sales tax receivable from Canadian taxation authorities. The refundable tax credits relate to eligible exploration and evaluation expenditures (note 10) incurred in the Province of Québec.

(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)

4) Marketable securities

The Corporation holds shares and warrants in various public and private companies. During the period ended March 31, 2021, these shares and warrants were fair valued, and this resulted in an unrealized loss of $8,518,000 (2020 – $9,306,000). The Corporation sold shares during the period ended March 31, 2021, which resulted in a realized gain of $4,340,000 (2020 – $916,000).

The shares in the various public companies are classified as FVTPL and are recorded at fair value using the quoted market price as at March 31, 2021 and December 31, 2020 and are therefore classified as level 1 within the fair value hierarchy. The warrants in the various public companies are classified as FVTPL and are recorded at fair value using a Black-Scholes option pricing model using observable inputs and are therefore classified as level 2 within the fair value hierarchy.

On February 11, 2020, Osisko entered into a total return equity swap (the “TRES”) with National Bank of Canada (“National Bank”). Under the TRES, Osisko sold 1,600,000 common shares of Osisko Gold Royalties Ltd (“Osisko GR”) to National Bank in exchange for $21.9 million in cash. The TRES matured on February 11, 2021. Prior to maturity, National Bank received interest payments at the annual rate of Canadian Dollar Offered Rate plus 3.75% from Osisko, and Osisko was entitled to cash payments equal to quarterly dividends from the common shares of Osisko GR sold. In addition, Osisko had the right to acquire the common shares of Osisko GR back for $21.9 million in cash at any time prior to maturity. As a result, the Corporation did not derecognize the investment in Osisko GR shares for the cash received at the time of signing the TRES. Instead, Osisko recorded $21.9 million in financial liabilities. The TRES was secured by $10 million of the Corporation’s restricted cash, which was released upon settlement of the TRES.

On February 11, 2021, Osisko received $1,000,000 from National Bank for the difference between National Bank’s proceeds of disposition from the 1,600,000 common shares of Osisko GR and $21.9 million, after paying remaining unpaid interest on the TRES. On the same day, Osisko derecognized the financial liabilities and the 1,600,000 common shares of Osisko GR from its statements of financial position.

The following table summarizes information regarding the Corporation’s marketable securities as at March 31, 2021:

As at		**March 31, 2021**
Balance, beginning of period	**$**	**74,938**
Additions		8,290
Disposals		(30,107)
Realized gain		4,340
Unrealized loss		(8,518)
Balance, end of period	**$**	**48,943**

(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)

5) Investment in associate

O3 Mining is a mineral resource company focused on the exploration and development of its gold properties located in Québec and Ontario. O3 Mining's head office is located in Canada and it is a public company listed on the TSX Venture Exchange. The trading price of O3 Mining's common shares on March 31, 2021 was $2.44 per share which corresponds to a quoted market value of $44,598,000 for the Corporation's investment in O3 Mining. The equity accounting for O3 Mining is based on the results to March 31, 2021.

The Corporation's investment relating to its associates as of March 31, 2021 are detailed as follows:

		O3 Mining Inc.
Balance, December 31, 2020	**$**	**42,175**
Share of income for the period		7,831
Balance, March 31, 2021	**$**	**50,006**

6) Property, plant and equipment

The following table summarizes information regarding the Corporation's property, plant and equipment as at March 31, 2021:

	March 31, 2021						
	Cost			Accumulated depreciation			
Class	Opening balance	Additions/ transfers	Closing balance	Opening balance	Depreciation	Closing balance	Net book value
Computer Equipment	$ 2,266	$ 14	$ 2,280	$ 1,192	$ 56	$ 1,248	$ 1,032
Office Equipment	200	-	200	121	4	125	75
Office Buildings	896	-	896	476	63	539	357
Exploration Equipment	22,411	2,472	24,883	9,273	816	10,089	14,794
Automobiles	221	218	439	153	15	168	271
Total	**$ 25,994**	**$ 2,704**	**$ 28,698**	**$ 11,215**	**$ 954**	**$ 12,169**	**$ 16,529**

7) Exploration and evaluation assets

The following table summarizes information regarding the Corporation's exploration and evaluation assets as at March 31, 2021:

	December 31, 2020	Acquisitions	Additions	March 31, 2021
Windfall Lake	$ 403,277	$ -	$ 45,074	$ 448,351
Quévillon Osborne	19,072	-	47	19,119
Urban-Barry	25,446	-	2,795	28,241
Urban Duke	1,646	-	-	1,646
Other	125	100	1	226
Total exploration and evaluation assets	**$ 449,566**	**$ 100**	**$ 47,917**	**$ 497,583**

(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)

7) Exploration and evaluation assets (continued)

a) Other Properties

On January 8, 2021, the Corporation completed the acquisition of 50% of the Blondeau Guillet Property, which was located in Belleterre in Temiscamingue, from O3 Mining for $100,000 in cash. The acquisition has been accounted for as an acquisition of assets as these properties do not meet the definition of a business under IFRS 3.

8) Deferred share unit and restricted share unit plans

In April 2017, Osisko established a DSU Plan and an RSU Plan. Under the plans, the DSUs can be granted to non-executive directors and the RSUs can be granted to executive officers and key employees, as part of their long-term compensation package, entitling them to receive payout in cash or shares, or a combination of both. Should the payout be in cash, the cash value of the payout would be determined by multiplying the number of DSUs and the RSUs vested at the payout date by the five-day volume weighted average price from closing price of the Corporation's shares on the day prior to the payout date. Should the payout be in shares, each RSU and each DSU represents an entitlement to one common share of the Corporation.

The following table summarizes information regarding the Corporation's outstanding and exercisable DSUs and RSUs as at March 31, 2021:

	Number of DSUs	Number of RSUs
Oustanding at December 31, 2020	**1,918,869**	**3,275,000**
Granted	503,785	725,000
Oustanding at March 31, 2021	**2,422,654**	**4,000,000**

During the period ended March 31, 2021, 503,785 DSUs were issued to directors, 28,785 of which were issued in lieu of directors' fees. The weighted average fair value of the DSU granted was $3.29 per DSU initially at the closing price of the common shares of the Corporation on the date of grant. The DSUs vest immediately on the date of grant.

During the period ended March 31, 2021, 725,000 RSUs were issued to management. The weighted average fair value of the RSU granted was $3.31 per RSU initially at the closing price of the common shares of the Corporation on the date of grant. The RSUs vest on the third anniversary date from the date of grant.

On March 31, 2021, the share-based payment liability related to each DSU and RSU of the Corporation was re-measured to fair value at the Corporation's closing share price of $2.94.

The total recognized recovery for RSUs and DSUs for the period ended March 31, 2021 was $182,000 (2020 – expense of $724,000). A net amount of $15,000, which was previously capitalized to exploration and evaluation assets, was reversed in the period (2020 – $147,000).

9) Asset retirement obligation

The Corporation's asset retirement obligation is estimated based on the Corporation's site remediation and restoration plan and the estimated timing of the costs to be paid in future years. The following table summarizes the Corporation's asset retirement obligation:

		Amount
Balance December 31, 2020	**$**	**6,385**
Accretion		24
Change in estimate		(566)
Balance March 31, 2021	**$**	**5,843**

(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)

9) Asset retirement obligation (continued)

The following are the assumptions used to estimate the provision for asset retirement obligation:

For the period ended March 31,		**2021**
Total undiscounted value of payments	$	6,794
Weighted average discount rate		1.55%
Weighted average expected life		10 years
Inflation rate		2.00%

10) Income taxes

The following table outlines the composition of the deferred income tax expense between income and mining tax:

For the year ended		**March 31, 2021**		**March 31, 2020**
Deferred income tax expense	$	3,319	$	204
Deferred mining tax expense		3,554		3,301
Total deferred income and mining tax expense	**$**	**6,873**	**$**	**3,505**

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Corporation has the legal right and intent to offset. Deferred tax assets are recognized when the Corporation concludes that sufficient positive evidence exists to demonstrate that it is probable that a deferred tax asset will be realized.

The following table provides the components of the deferred income and mining tax assets and liabilities:

As at		**March 31, 2021**		**December 31, 2020**
Deferred tax assets				
Losses	$	27,828	$	27,567
Mining tax deductible for income tax purposes		13,126		12,184
Share issue costs		10,227		9,214
Investment tax credits		622		622
Other net deductible temporary differences		2,568		1,419
Total deferred tax assets		**54,371**		**51,006**
Deferred tax liability				
Exploration and evaluation assets		(75,687)		(70,015)
Deferred mining tax liability		(49,531)		(45,977)
Total deferred tax liability		(125,218)		(115,992)
Net deferred tax liability	**$**	**(70,847)**	**$**	**(64,986)**

(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)

11) Capital and other components of equity

a) Share capital – authorized

	Number of Common Shares		Amount
Balance, December 31, 2020	**344,207,806**	**$**	**850,579**
Private placement (net of transaction costs ($3,823,000))	13,085,000		37,918
Issuance of shares upon exercise of stock options (note 11(d))	1,091,368		2,145
Balance, March 31, 2021	**358,384,174**	**$**	**890,642**

The authorized capital of Osisko consists of an unlimited number of common shares having no par value. The holders of common shares are entitled to one vote per share at shareholder meetings of the Corporation. All shares rank equally with regard to the Corporation's residual assets.

On February 12, 2021, the Corporation completed a private placement of 13,085,000 common shares of the Corporation at a price of $5.35 per common share issued as flow-through shares for aggregate gross proceeds of $70,005,000. The flow-through shares were issued at a premium of $2.16 to the closing market price of the Corporation's common shares at the day of issue. The premium was recognized as a long-term liability for $28,264,000 with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures are incurred. The transaction costs amounted to $3,823,000 and have been netted against the gross proceeds on closing.

During the period ended March 31, 2021, flow-through premium income of $6,939,000 (2020 – $7,117,000) was recognized relating to the flow-through shares issued.

b) Basic loss per share

The calculation of basic loss per share for the periods ended March 31, 2021 and 2020 was based on the loss attributable to common shareholders and a basic weighted average number of common shares outstanding, calculated as follows:

	Three months ended			
For the period ended		**March 31, 2021**		**March 31, 2020**
Common shares outstanding, at beginning of the period		344,207,806		290,025,274
Common shares issued during the period		7,220,895		1,001,335
Basic weighted average number of common shares		**351,428,701**		**291,026,609**
Loss attributable to owners of the Corporation	**$**	**479**	**$**	**9,251**
Basic loss per share	**$**	**-**	**$**	**0.03**

c) Diluted loss per share

For the period ended March 31, 2021 and 2020, the Corporation incurred net losses, therefore all outstanding stock options, warrants, RSUs and DSUs have been excluded from the calculation of diluted loss per share since the effect would be anti-dilutive. These options, warrants, RSUs and DSUs could potentially dilute basic earnings per share in the future.

(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)

11) Capital and other components of equity (continued)

d) Contributed surplus

In June 2017, the Corporation established an employee share purchase plan. Under the terms of the plan, the Corporation contributes an amount equal to 60% of the eligible employee's contribution towards the acquisition of common shares from treasury on a quarterly basis. A maximum of 5,000,000 of the issued and outstanding common shares are reserved for issuance under the current plan. As of March 31, 2021, no issuances have occurred under this plan.

On June 29, 2018, the Board of Directors re-issued an incentive stock-option plan to provide additional incentive to its directors, officers, employees, and consultants. The maximum number of shares reserved for issuance under the incentive stock option plan is 10% of the issued and outstanding common shares of the Corporation. The options issued under the plan may vest at the discretion of the board of directors and are exercisable for up to 5 years from the date of grant.

The following table summarizes the stock option transactions for the period ended March 31, 2021:

	Number of stock options		Weighted-average exercise price
Outstanding at December 31, 2020	**21,408,709**	**$**	**3.22**
Exercised	(1,091,368)		1.09
Forfeited	(73,334)		3.57
Outstanding at March 31, 2021	**20,244,007**	**$**	**3.34**

During the period ended March 31, 2021, a total of 1,091,368 stock options were exercised for gross proceeds of $1,189,000 in exchange for the issuance of 1,091,368 common shares of the Corporation.

The total recognized expense for stock options for the period ended March 31, 2021 was $2,253,000 (2020 – $1,977,000) from which $509,000 (2020 – $292,000) was capitalized to the Canadian projects.

The following table summarizes information regarding the Corporation's outstanding and exercisable stock options as at March 31, 2021:

	Options outstanding			Options exercisable		
Range of exercise prices per share ($)	Weighted-average remaining years of contractual Life	Number of stock options outstanding	Weighted average exercise price ($)	Weighted-average remaining years of contractual life	Number of stock options exercisable	Weighted average exercise price ($)
2.01 to 3.00	3.4	6,619,839	$2.64	3.2	2,893,171	$2.64
3.01 to 4.00	2.7	11,619,168	$3.48	1.2	6,429,168	$3.41
4.01 to 5.00	1.2	2,005,000	$4.79	1.2	2,005,000	$4.79
1.00 to 5.00	**2.8**	**20,244,007**	**$3.34**	**1.7**	**11,327,339**	**$3.46**

e) Warrants

The following table summarizes the transactions pertaining to the Corporation's outstanding standard warrants for the period ended March 31, 2021. These warrants were exercisable at one warrant for one common share of the Corporation.

(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)

11) Capital and other components of equity (continued)

e) Warrants (continued)

	Number of warrants		Weighted-average exercise price
Outstanding at December 31, 2020	**24,250,000**	**$**	**5.25**
Outstanding at March 31, 2021	**24,250,000**	**$**	**5.25**

12) Expenses

The following table summarizes information regarding the Corporation's expenses for the periods ended March 31, 2021 and 2020:

	Three months ended			
For the period ended		**March 31, 2021**		**March 31, 2020**
Compensation expenses				
Stock-based compensation (note 8 and 11(d))	$	1,577	$	2,555
Salaries and benefits		1,983		2,291
Total compensation expenses	**$**	**3,560**	**$**	**4,846**
General and administration expenses				
Shareholder and regulatory expense/(recovery)	$	81	$	(25)
Travel expense		6		156
Professional fees		369		480
Office expense		462		662
Total general and administration expenses	**$**	**918**	**$**	**1,273**
Marketable securities				
Realized gain from marketable securities (note 4)	$	(4,340)	$	(916)
Unrealized loss from marketable securities (note 4)		8,518		9,306
Total marketable securities loss	**$**	**4,178**	**$**	**8,390**

13) Related party transactions

During the period ended March 31, 2021, management fees, geological services, rent and administration fees of $28,000 (2020 – $158,000) were incurred with Osisko GR, a related company of the Corporation by virtue of Osisko GR owning or controlling, directly or indirectly, greater than 10% of the issued and outstanding common shares of the Corporation. Also, Mr. John Burzynski, the Chief Executive Officer and Chairman of the Board of Director of the Corporation, as well as Mr. Sean Roosen, Director of the Corporation, serve as directors of Osisko GR. Accounts payable to Osisko GR as at March 31, 2021 were $6,000 (2020 – $nil).

During the period ended March 31, 2021, management fees, geological services, rent and administration fees of $21,000 (2020 – $18,000) were charged to Osisko GR by the Corporation. Accounts receivable from Osisko GR as at March 31, 2021 was $8,000 (2020 – $9,000).

During the period ended March 31, 2021, management fees, geological services, rent and administration fees of $182,000 (2020 – $nil) were charged to the Corporation's associate, O3 Mining, by the Corporation. Accounts receivable from O3 Mining as at March 31, 2021 was $71,000 (2020 – $nil).

13) Related party transactions (continued)

On January 8, 2021, the Corporation completed the acquisition of 50% of the Blondeau Guillet Property (note 7), which was located in Belleterre in Temiscamingue, from O3 Mining for $100,000 in cash.

The following table summarizes remuneration attributable to key management personnel for the periods ended March 31, 2021 and 2020:

	Three months ended	
For the period ended	**March 31, 2021**	**March 31, 2020**
Salaries expense of key management	$ 408	$ 271
Directors' fees	95	95
Stock-based compensation	1,583	1,749
Total	**$ 2,086**	**$ 2,115**

14) Commitments

The Corporation has the following exploration commitments as at March 31, 2021:

	Total	2021	2022	2023	2024	2025	2026
Office equipment leases	$ 71	$ 12	$ 16	$ 16	$ 16	$ 11	$ -
Camp trailers and equipment leases	117	117	-	-	-	-	-
Total	**$ 188**	**$ 129**	**$ 16**	**$ 16**	**$ 16**	**$ 11**	**$ -**

On June 5, 2020, a one-year letter of credit for $2 million was arranged with National Bank. The letter of credit is secured by the Corporation's restricted cash.

As of March 31, 2021, the Corporation has the following flow-through funds to be spent by December 31, 2022 (in thousands of Canadian dollars):

Closing Date of Financing	Province	Deadline for spending	Remaining Flow-through Funds
February 12, 2021	Québec	December 31, 2022	$ 60,290
Total			**$ 60,290**

The Corporation is subject to Part XII.6 taxes on any unspent flow-through expenditures after February 1, 2022 for flow-through funds raised in 2021.

15) Subsequent events

From April 9, 2021 to May 5, 2021, Osisko repurchased and cancelled 2,946,500 common shares of the Corporation at an average price of $3.20 for a total cost of $9,431,000.

On April 22, 2021, the Corporation increased the letter of credit previously arranged with National Bank from $2 million to $4.5 million.