



Condensed Interim Financial Statements
For the three and six-month periods ended June 30, 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)

<i>As at</i>	June 30, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	\$ 145,185	\$ 180,027
Restricted cash (note 4 and note 14)	4,541	12,613
Tax recoverable (note 3)	52,445	51,627
Marketable securities (note 4)	44,067	74,938
Other assets	2,305	2,586
Total current assets	248,543	321,791
Non-current assets		
Long-term receivables	-	800
Investment in associate (note 5)	49,842	42,175
Property, plant and equipment (note 6)	18,191	14,779
Exploration and evaluation assets (note 7)	546,538	449,566
Total non-current assets	614,571	507,320
Total assets	\$ 863,114	\$ 829,111
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 29,484	\$ 21,796
Current lease liabilities	522	1,301
Financial liabilities (note 4)	-	21,888
Total current liabilities	30,006	44,985
Non-current liabilities		
Flow-through premium liability (note 11(a))	11,115	3,017
Share-based payment liability (note 8)	14,176	12,685
Asset retirement obligation (note 9)	5,926	6,385
Non-current lease liabilities	119	221
Deferred tax liability (note 10)	82,790	64,986
Total non-current liabilities	114,126	87,294
Total liabilities	144,132	132,279
Equity		
Share capital (note 11(a))	871,396	850,579
Contributed surplus (note 11(d))	59,161	55,611
Warrants (note 11(e))	15,909	15,909
Accumulated deficit	(227,484)	(225,267)
Total equity attributed to equity owners of the Corporation	718,982	696,832
Total liabilities and equity	\$ 863,114	\$ 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/(Income) and Comprehensive Loss/(Income)
(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)
(Unaudited)

<i>For the period ended</i>	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Expenses/(income)				
Compensation expenses (note 12 and 13)	\$ 5,052	\$ 8,845	\$ 8,612	\$ 13,691
General and administration expenses (note 12 and 13)	732	1,347	1,650	2,620
General exploration expenses	-	-	20	44
Gain from disposition of exploration and evaluation assets	-	(1,680)	-	(1,680)
Flow-through premium income (note 11(a))	(13,227)	(3,465)	(20,166)	(10,582)
(Gain)/loss from marketable securities (note 4 and note 12)	(2,622)	(15,721)	1,556	(7,331)
Loss/(gain) from disposition of property, plant and equipment	2	(2)	2	(2)
Other income	(14)	(9)	(20)	(10)
Operating income	(10,077)	(10,685)	(8,346)	(3,250)
Finance income	(462)	(363)	(985)	(1,249)
Finance costs	163	304	391	1,182
Net finance income	(299)	(59)	(594)	(67)
Share of loss/(gain) of associates (note 5)	164	-	(7,667)	-
Income before tax	(10,212)	(10,744)	(16,607)	(3,317)
Deferred income tax expense (note 10)	11,949	3,069	18,824	6,574
Loss/(income) and comprehensive loss/(income)	\$ 1,737	\$ (7,675)	\$ 2,217	\$ 3,257
Attributable to:				
Owners of the Corporation	\$ 1,737	\$ (4,824)	\$ 2,217	\$ 4,427
Non-controlling interests	-	(2,851)	-	(1,170)
Loss/(income) and comprehensive loss/(income)	\$ 1,737	\$ (7,675)	\$ 2,217	\$ 3,257
Basic and diluted (earnings)/loss per share (note 11(b) and (c))	\$ -	\$ (0.02)	\$ 0.01	\$ 0.02
Weighted average number of shares (note 11(b) and (c))	356,640,418	295,856,850	353,181,895	293,441,730

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
Income for the period	-	-	-	-	(2,217)	(2,217)	-	(2,217)
Stock-based compensation (note 11(d))	-	-	-	4,567	-	4,567	-	4,567
Issuance of shares upon exercise of stock options (note 11(a) and (d))	1,122,201	2,292	-	(1,017)	-	1,275	-	1,275
Private Placement (note 11(a))	13,085,000	37,894	-	-	-	37,894	-	37,894
Shares repurchased under normal course issuer bid (note 11(a))	(6,346,500)	(20,389)	-	-	-	(20,389)	-	(20,389)
Deferred tax asset on share issue cost (note 10)	-	1,020	-	-	-	1,020	-	1,020
Balance June 30, 2021	352,068,507	\$ 871,396	\$ 15,909	\$ 59,161	\$ (227,484)	\$ 718,982	\$ -	\$ 718,982
	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
(Income)/loss for the period	-	-	-	-	(4,427)	(4,427)	1,170	(3,257)
Stock-based compensation (note 11(d))	-	-	-	2,876	-	2,876	1,298	4,174
Issuance of shares upon exercise of stock options	2,641,409	8,853	-	(3,930)	-	4,923	-	4,923
Transactions with non-controlling interests	-	-	-	-	-	-	14,703	14,703
Private Placement	48,500,000	154,088	15,909	-	-	169,997	-	169,997
Private Placement completed by O3 Mining Inc.	-	-	-	-	-	-	29,666	29,666
Changes in Osisko's interest in O3 Mining Inc.	-	-	-	-	(10,756)	(10,756)	10,756	-
Shares repurchased under normal course issuer bid	(428,500)	(881)	-	-	-	(881)	-	(881)
Deferred tax asset on share issue cost (note 14)	-	1,798	-	-	-	1,798	-	1,798
Balance June 30, 2020	\$ 340,738,183	\$ 837,021	\$ 15,909	\$ 54,335	\$ (209,588)	\$ 697,677	\$ 132,266	\$ 829,943

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)

<i>For the period ended</i>	June 30, 2021	June 30, 2020
Cash flows provided by/(used in) operating activities		
Loss for the period	\$ (2,217)	\$ (3,257)
Adjustments for:		
Loss/(gain) from marketable securities (note 4 and 12)	1,556	(7,331)
Share of gain of associates (note 5)	(7,667)	-
Depreciation (note 6)	168	207
Accretion on asset retirement obligation (note 9)	45	13
Loss/(gain) from disposition of property, plant and equipment (note 6)	2	(2)
Gain from disposition of exploration and evaluation assets	-	(1,680)
Flow-through premium income (note 11(a))	(20,166)	(10,582)
Stock-based compensation (note 8 and 11(d))	4,752	9,298
Deferred income tax expense (note 10)	18,824	6,574
Interest expense on lease liabilities	44	134
Interest expense on financial liabilities (note 4)	120	436
Finance income	(985)	(1,249)
	(5,524)	(7,439)
Change in items of working capital:		
Change in taxes recoverable	(462)	26,969
Change in other assets	281	6,696
Change in accounts payable and accrued liabilities	3,320	(5,569)
Net cash (used in)/provided by operating activities	(2,385)	20,657
Cash flows provided by/(used in) investing activities		
Interest received	985	1,249
Acquisition of marketable securities (note 4)	(21,414)	(37,392)
Proceeds on disposition of marketable securities (note 4)	28,841	35,912
Proceeds on disposition of common shares of O3 Mining Inc.	-	14,570
Acquisition of property, plant and equipment (note 6)	(5,375)	(2,264)
Proceeds on disposition of property, plant and equipment (note 6)	1	-
Addition to exploration and evaluation assets (note 7)	(89,388)	(52,507)
Net cash paid on disposition of exploration and evaluation assets	-	(92)
Net cash paid on asset acquisitions (note 7(a))	(100)	(23)
Net cash used in investing activities	(86,450)	(40,547)
Cash flows provided by/(used in) financing activities		
Repayment of lease liabilities	(925)	(1,672)
Vesting of RSUs (note 8)	(78)	-
Interest expense on financial liabilities (note 4)	(120)	(436)
Cash received from entering into total return equity swap (note 4)	-	21,888
Changes in restricted cash (note 4 and 14)	8,072	(12,613)
Net cash received from private placements (note 11(a))	66,158	170,272
Net cash received from private placement completed by O3 Mining Inc.	-	38,113
Cash received from exercise of stock options (note 11(d))	1,275	4,923
Net cash used in repurchasing shares under normal course issuer bid (note 11(a))	(20,389)	(881)
Net cash provided by financing activities	53,993	219,594
(Decrease)/increase in cash and cash equivalents	(34,842)	199,704
Cash and cash equivalents, beginning of period	180,027	102,302
Cash and cash equivalents, end of period	\$ 145,185	\$ 302,006

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



Notes to Condensed Interim Financial Statements**For the three and six-month periods ended June 30, 2021 and 2020****(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)****(Unaudited)**

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 three and six-month periods ended June 30, 2021 include only the Corporation. The condensed interim consolidated financial statements of the Corporation for the three and six-month periods ended June 30, 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. 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 August 10, 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.



Notes to Condensed Interim Financial Statements
For the three and six-month periods ended June 30, 2021 and 2020
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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 June 30, 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 7) incurred in the Province of Québec.



Notes to Condensed Interim Financial Statements
For the three and six-month periods ended June 30, 2021 and 2020
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4) Marketable securities

The Corporation holds shares and warrants in various public and private companies. During the three and six-month periods ended June 30, 2021, these shares and warrants were fair valued, and this resulted in an unrealized gain of \$268,000 and loss of \$8,250,000, respectively (2020 – gain of \$16,152,000 and \$6,846,000). The Corporation sold shares during the three and six-month periods ended June 30, 2021, which resulted in a realized gain of \$2,354,000 and \$6,694,000, respectively (2020 – loss of \$431,000 and gain of \$485,000).

The shares in the various public companies are classified as FVTPL and are recorded at fair value using the quoted market price as at June 30, 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 June 30, 2021:

<i>As at</i>	June 30, 2021
Balance, beginning of period	\$ 74,938
Additions	21,414
Disposals	(50,729)
Realized gain	6,694
Unrealized loss	(8,250)
Balance, end of period	\$ 44,067



Notes to Condensed Interim Financial Statements

For the three and six-month periods ended June 30, 2021 and 2020

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

(Unaudited)

5) Investment in associate

O3 Mining is a mineral resource company focused on the exploration and development of its gold properties located in Canada. 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 June 30, 2021 was \$2.30 per share which corresponds to a quoted market value of \$42,039,000 for the Corporation's investment in O3 Mining. The equity accounting for O3 Mining is based on the results to June 30, 2021.

The Corporation's investment relating to its associates as at June 30, 2021 are detailed as follows:

	O3 Mining Inc.
Balance, December 31, 2020	\$ 42,175
Share of income for the period	7,667
Balance, June 30, 2021	\$ 49,842

6) Property, plant and equipment

The following table summarizes information regarding the Corporation's property, plant and equipment as at June 30, 2021:

Class	June 30, 2021								
	Cost				Accumulated depreciation				Net book value
	Opening balance	Additions/transfers	Write-off / disposals	Closing balance	Opening balance	Depreciation	Write-off / disposals	Closing balance	
Computer Equipment	\$ 2,266	\$ 38	\$ -	\$ 2,304	\$ 1,192	\$ 113	\$ -	\$ 1,305	\$ 999
Office Equipment	200	-	-	200	121	9	-	130	70
Office Buildings	896	-	-	896	476	127	-	603	293
Exploration Equipment	22,411	5,111	-	27,522	9,274	1,669	-	10,943	16,579
Automobiles	221	226	(11)	436	152	42	(8)	186	250
Total	\$ 25,994	\$ 5,375	\$ (11)	\$ 31,358	\$ 11,215	\$ 1,960	\$ (8)	\$ 13,167	\$ 18,191

7) Exploration and evaluation assets

The following table summarizes information regarding the Corporation's exploration and evaluation assets as at June 30, 2021:

	December 31, 2020			Acquisitions	Additions	June 30, 2021
Windfall Lake	\$ 403,277	\$ -	\$ 92,042	\$ -	\$ -	\$ 495,319
Quévillon Osborne	19,072	-	173	-	-	19,245
Urban-Barry	25,446	-	4,656	-	-	30,102
Urban Duke	1,646	-	-	-	-	1,646
Other	125	100	1	-	-	226
Total exploration and evaluation assets	\$ 449,566	\$ 100	\$ 96,872	\$ -	\$ -	\$ 546,538

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.



Notes to Condensed Interim Financial Statements

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

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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 June 30, 2021:

	Number of DSUs	Number of RSUs
Outstanding at December 31, 2020	1,918,869	3,275,000
Granted	531,617	725,000
Vested	-	(25,000)
Outstanding at June 30, 2021	2,450,486	3,975,000

During the period ended June 30, 2021, 531,617 DSUs were issued to directors, 56,617 of which were issued in lieu of directors' fees. The weighted average fair value of the DSU granted was \$3.27 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 June 30, 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 June 30, 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 \$3.09.

The combined total recognized expense for RSUs and DSUs for the three and six-month periods ended June 30, 2021 was \$1,751,000 and \$1,569,000, respectively (2020 – \$5,405,000 and \$6,129,000), from which \$357,000 and \$341,000, respectively, were capitalized to exploration and evaluation assets (2020 - \$512,000 and \$365,000).

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	45
Change in estimate	(504)
Balance June 30, 2021	\$ 5,926



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9) Asset retirement obligation (continued)

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

<i>For the period ended June 30,</i>	2021
Total undiscounted value of payments	\$ 6,760
Weighted average discount rate	1.39%
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:

<i>For the year ended</i>	June 30, 2021	June 30, 2020
Deferred income tax expense	\$ 9,940	\$ 1,733
Deferred mining tax expense	8,884	4,841
Total deferred income and mining tax expense	\$ 18,824	\$ 6,574

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:

<i>As at</i>	June 30, 2021
Deferred tax assets	
Losses	\$ 28,176
Mining tax deductible for income tax purposes	14,538
Share issue costs	10,234
Investment tax credits	622
Other net deductible temporary differences	2,870
Total deferred tax assets	56,440
Deferred tax liability	
Exploration and evaluation assets	(84,370)
Deferred mining tax liability	(54,860)
Other net taxable temporary differences	-
Total deferred tax liability	(139,230)
Net deferred tax liability	\$ (82,790)



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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 (\$3,847,000))	13,085,000	37,894
Issuance of shares upon exercise of stock options (note 11(d))	1,122,201	2,292
Shares repurchased under normal course issuer bid	(6,346,500)	(20,389)
Deferred tax asset on share issue cost (note 10)	-	1,020
Balance, June 30, 2021	352,068,507	\$ 871,396

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 \$3,847,000 and have been netted against the gross proceeds on closing. During the three and six-month periods ended June 30, 2021, flow-through premium income of \$13,227,000 and \$20,166,000, respectively (2020 – \$3,465,000 and \$10,582,000), was recognized relating to the flow-through shares issued.

During the period ended June 30, 2021, Osisko repurchased and cancelled 6,346,500 common shares of the Corporation at an average price of \$3.21 for a total cost of \$20,389,000.

b) Basic (earnings)/loss per share

The calculation of basic (earnings)/loss per share for the three and six-month periods ended June 30, 2021 and 2020 was based on the (income)/loss attributable to common shareholders and a basic weighted average number of common shares outstanding, calculated as follows:

<i>For the period ended</i>	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Common shares outstanding, at beginning of the period	358,384,174	291,070,027	344,207,806	290,025,274
Common shares (repurchased)/issued during the period	(1,743,756)	4,786,823	8,974,089	3,416,456
Basic weighted average number of common shares	356,640,418	295,856,850	353,181,895	293,441,730
Loss/(income) attributable to owners of the Corporation	\$ 1,737	\$ (4,824)	\$ 2,217	\$ 4,427
Basic (earnings)/loss per share	\$ -	\$ (0.02)	\$ 0.01	\$ 0.02

c) Diluted (earnings)/loss per share

For the six-month periods ended June 30, 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.



Notes to Condensed Interim Financial Statements

For the three and six-month periods ended June 30, 2021 and 2020

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

(Unaudited)

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 at June 30, 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, reduced by the numbers of RSUs and DSUs outstanding. 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 June 30, 2021:

	Number of stock options	Weighted-average exercise price
Outstanding at December 31, 2020	21,408,709	\$ 3.22
Exercised	(1,122,201)	1.14
Forfeited	(88,334)	3.78
Outstanding at June 30, 2021	20,198,174	\$ 3.34

During the period ended June 30, 2021, a total of 1,122,201 stock options were exercised for gross proceeds of \$1,275,000 in exchange for the issuance of 1,122,201 common shares of the Corporation.

The total recognized expense for stock options for the three and six-month periods ended June 30, 2021 was \$2,313,000 and \$4,567,000 (2020 – \$2,197,000 and \$4,174,000) from which \$533,000 and \$1,043,000 (2020 – \$349,000 and \$641,000) was capitalized to the Canadian projects.

The following table summarizes information regarding the Corporation's outstanding and exercisable stock options as at June 30, 2021:

Range of exercise prices per share (\$)	Options outstanding			Options exercisable		
	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	3.1	6,601,506	\$2.64	2.9	2,874,838	\$2.64
3.01 to 4.00	2.5	11,606,668	\$3.49	1.0	6,483,335	\$3.41
4.01 to 5.00	0.9	1,990,000	\$4.79	0.9	1,990,000	\$4.79
2.01 to 5.00	2.5	20,198,174	\$3.34	1.5	11,348,173	\$3.46

e) Warrants

The following table summarizes the transactions pertaining to the Corporation's outstanding standard warrants for the three and six-month periods ended June 30, 2021. These warrants were exercisable at one warrant for one common share of the Corporation.



Notes to Condensed Interim Financial Statements
For the three and six-month periods ended June 30, 2021 and 2020
(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)
(Unaudited)

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 June 30, 2021	24,250,000	\$ 5.25

12) Expenses

The following table summarizes information regarding the Corporation's expenses for the three and six-month periods ended June 30, 2021 and 2020:

<i>For the period ended</i>	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Compensation expenses				
Stock-based compensation (note 8 and 11(d))	\$ 3,175	\$ 6,743	\$ 4,752	\$ 9,298
Salaries and benefits	1,877	2,102	3,860	4,393
Total compensation expenses	\$ 5,052	\$ 8,845	\$ 8,612	\$ 13,691
General and administration expenses				
Shareholder and regulatory expense	\$ 103	\$ 281	\$ 184	\$ 256
Travel expense	19	6	25	162
Professional fees	183	496	552	976
Office expense	427	564	889	1,226
Total general and administration expenses	\$ 732	\$ 1,347	\$ 1,650	\$ 2,620
Marketable securities				
Realized (gain)/loss from marketable securities (note 4)	\$ (2,354)	\$ 431	\$ (6,694)	\$ (485)
Unrealized (gain)/loss from marketable securities (note 4)	(268)	(16,152)	8,250	(6,846)
Total marketable securities (gain)/loss	\$ (2,622)	\$ (15,721)	\$ 1,556	\$ (7,331)

13) Related party transactions

During the three and six-month periods ended June 30, 2021, management fees, geological services, rent and administration fees of \$31,000 and \$59,000 (2020 – \$28,000 and \$186,000) 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. Accounts payable to Osisko GR as at June 30, 2021 were \$11,000 (2020 – \$75,000).

During the three and six-month periods ended June 30, 2021, management fees, geological services, rent and administration fees of \$20,000 and \$41,000 (2020 – \$23,000 and \$41,000) were charged to Osisko GR by the Corporation. Accounts receivable from Osisko GR as at June 30, 2021 was \$2,000 (2020 – \$9,000).

During the three and six-month periods ended June 30, 2021, management fees, geological services, rent and administration fees of \$162,000 and \$343,000 (2020 – \$nil) were charged to the Corporation's associate, O3 Mining, by the Corporation. Accounts receivable from O3 Mining as at June 30, 2021 was \$60,000 (2020 – \$nil).

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



Notes to Condensed Interim Financial Statements
For the three and six-month periods ended June 30, 2021 and 2020
(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)
(Unaudited)

13) Related party transactions (continued)

The following table summarizes remuneration attributable to key management personnel for the three and six-month periods ended June 30, 2021 and 2020:

<i>For the period ended</i>	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Salaries expense of key management	\$ 555	\$ 271	\$ 1,032	\$ 543
Directors' fees	95	104	190	199
Stock-based compensation	3,279	5,149	4,861	6,898
Total	\$ 3,929	\$ 5,524	\$ 6,083	\$ 7,640

14) Commitments

The Corporation has the following exploration commitments as at June 30, 2021:

	Total	2021	2022	2023	2024	2025	2026
Office equipment leases	\$ 67	\$ 8	\$ 16	\$ 16	\$ 16	\$ 11	\$ -
Camp trailers and equipment leases	240	240	-	-	-	-	-
Total	\$ 307	\$ 248	\$ 16	\$ 16	\$ 16	\$ 11	\$ -

On April 22, 2021, the Corporation increased the letter of credit previously arranged with National Bank from \$2 million to \$4.5 million. The letter of credit is secured by the Corporation's restricted cash.

As at June 30, 2021, the Corporation has the following flow-through funds to be spent by December 31, 2022:

Closing Date of Financing	Province	Deadline for spending	Remaining	Flow-through Funds
February 12, 2021	Québec	December 31, 2022	\$	27,531
Total			\$	27,531

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 July 6, 2021 to August 10, 2021, Osisko repurchased and cancelled 684,500 common shares of the Corporation at an average price of \$3.09 for a total cost of \$2,112,000.

On July 12, 2021, Bonterra Resource Inc. ("Bonterra") completed the exploration earn-in on the Urban Duke Property. On July 19, 2021, Osisko and Bonterra entered into a joint venture agreement in respect of the property with Bonterra maintaining a 70% interest and Osisko maintaining a 30% interest.

On July 13, 2021, Osisko filed an early warning report in respect of its holdings in O3 Mining Inc. Osisko acquired 83,400 common shares of O3 Mining at an average price of \$2.20 per share.

On July 13, 2021, Osisko Green Acquisition Limited filed a preliminary prospectus for an initial public offering as a special purpose acquisition corporation formed for the purpose of effecting an acquisition of one or more businesses within 18 months. The sponsor of Osisko Green Acquisition Limited is Osisko Green Sponsor Corp., a newly formed wholly owned subsidiary of Osisko. Osisko will not have a material ownership in Osisko Green Acquisition Limited after the completion of the offering.