OSISKO MINING

Condensed Interim Consolidated Financial Statements

For the three and nine month periods ended September 30, 2019 and September 30, 2018

Presented in Canadian dollars

(Unaudited)

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

As at	September 30, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	$ 70,253	$ 88,280
Other receivables	793	582
Advances and prepaid expenses	1,019	507
Tax recoverable	45,305	34,873
Marketable securities (note 5)	12,966	14,200
Inventories	159	-
Total current assets	**130,495**	**138,442**
Non-current assets		
Reclamation deposit	404	404
Long-term investment	150	150
Investment in associate (note 7)	39,319	56,998
Right-of-use assets (note 3(a))	4,503	-
Plant and equipment (note 8)	8,458	7,972
Exploration and evaluation assets (note 9)	474,092	368,902
Total non-current assets	**526,926**	**434,426**
Total assets	**$ 657,421**	**$ 572,868**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 22,965	$ 10,260
Current lease liabilities (note 3(a))	2,868	-
Total current liabilities	**25,833**	**10,260**
Non-current liabilities		
Flow-through premium liability (note 10(a))	13,203	2,560
Share-based payment liability (note 12)	3,510	874
Asset retirement obligation (note 13)	3,999	3,628
Non-current lease liabilities (note 3(a))	1,671	-
Deferred tax liability (note 15)	46,390	24,523
Total non-current liabilities	**68,773**	**31,585**
Total liabilities	**94,606**	**41,845**
Equity		
Share capital (note 10(a))	618,578	580,616
Contributed surplus (note 10(d))	54,620	55,606
Warrants (note 10(e))	-	2,568
Accumulated deficit	(183,161)	(107,767)
Total equity attributed to equity owners of the Corporation	**490,037**	**531,023**
Non-controlling interest (note 11)	72,778	-
Total equity	**562,815**	**531,023**
Total liabilities and equity	**$ 657,421**	**$ 572,868**

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

Commitments (note 16)
Subsequent events (note 17)

OSISKO MINING

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

	Three months ended		Nine months ended	
For the period ended	**September 30, 2019**	**September 30, 2018**	**September 30, 2019**	**September 30, 2018**
Expenses				
Compensation expenses (note 6)	$ 3,967	$ 2,971	$ 11,291	$ 16,102
General and administration expenses (note 6)	1,307	1,916	3,808	4,292
General exploration expenses	47	-	87	60
Exploration and evaluation assets impairment (loss reversal)/loss (note 9)	(300)	-	24,635	-
Impairment on investment in associate (note 7)	21,737	-	21,737	-
Flow-through premium income (note 10(a))	(3,310)	(430)	(5,870)	(11,867)
Loss/(gain) from marketable securities (note 5)	1,708	(287)	2,032	4,638
Realized gain from sale of equipment	-	(6)	-	(6)
Foreign currency exchange gain	(12)	-	(12)	-
Other income	(109)	(436)	(235)	(595)
Operating loss	**25,035**	**3,728**	**57,473**	**12,624**
Finance income	(413)	(199)	(1,154)	(869)
Finance costs	218	26	577	101
Net finance income	**(195)**	**(173)**	**(577)**	**(768)**
Share of loss/(gain) of associates (note 7)	349	583	(805)	(59)
Loss for before tax	**25,189**	**4,138**	**56,091**	**11,797**
Deferred income tax expense (note 15)	7,032	684	20,547	10,586
Loss and comprehensive loss	**$ 32,221**	**$ 4,822**	**$ 76,638**	**$ 22,383**
Attributable to:				
Owners of the Corporation	30,977	$ 4,822	75,394	$ 22,383
Non-controlling interests	1,244	-	1,244	-
Loss and comprehensive loss	**$ 32,221**	**$ 4,822**	**$ 76,638**	**$ 22,383**
Basic and diluted loss per share (note 10(b) and (c))	**$ 0.12**	**$ 0.02**	**$ 0.29**	**$ 0.11**
Weighted average number of shares (note 10(b) and (c))	**270,070,131**	**213,255,132**	**264,430,529**	**209,797,307**

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

Condensed Interim Consolidated 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, 2018	**207,845,240**	**$ 456,231**	**$ 17,204**	**$ 28,761**	**$ (73,771)**	**$ 428,425**	**$ -**	**$ 428,425**
Loss for the period	-	-	-	-	(22,383)	**(22,383)**	-	**(22,383)**
Stock-based compensation (note 10(d))	-	-	-	11,024	-	**11,024**	-	**11,024**
Issuance of shares upon exercise of stock options (note 10(a))	649,332	1,560	-	(687)	-	**873**	-	**873**
Issuance of shares upon exercise of warrants (note 10(a))	503,835	1,084	(354)	-	-	**730**	-	**730**
Expiry of warrants	-	-	(14,425)	14,425	-	**-**	-	**-**
Private Placement (note 10(a))	3,823,000	6,139	-	-	-	**6,139**	-	**6,139**
Private Placement (note 10(a))	27,046,031	62,147	-	-	-	**62,147**	-	**62,147**
Deferred tax asset on share issue cost (note 15)	-	3,043	-	-	-	**3,043**	-	**3,043**
Balance September 30, 2018	**239,867,438**	**$ 530,204**	**$ 2,425**	**$ 53,523**	**$ (96,154)**	**$ 489,998**	**$ -**	**$ 489,998**

	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, 2019	**257,201,331**	**$ 580,616**	**$ 2,568**	**$ 55,606**	**$ (107,767)**	**$ 531,023**	**$ -**	**$ 531,023**
Loss for the period	-	-	-	-	(75,394)	**(75,394)**	(1,244)	**(76,638)**
Stock-based compensation (note 10(d))	-	-	-	3,568	-	**3,568**	-	**3,568**
Issuance of shares upon exercise of stock options (note 10(a))	4,895,813	11,032	-	(4,849)	-	**6,183**	-	**6,183**
Issuance of shares upon exercise of warrants (note 10(a))	3,172,123	6,987	(2,273)	-	-	**4,714**	-	**4,714**
Expiry of warrants	-	-	(295)	295	-	**-**	-	**-**
Transactions with non-controlling interests (note 11)	-	-	-	-	-	**-**	64,341	**64,341**
Private Placement (note 10(a))	9,264,250	29,139	-	-	-	**29,139**	-	**29,139**
Changes in Osisko's interest in O3 Mining	-	(9,681)	-	-	-	**(9,681)**	9,681	**-**
Deferred tax asset on share issue cost (note 15)	-	485	-	-	-	**485**	-	**485**
Balance September 30, 2019	**274,533,517**	**$ 618,578**	**$ -**	**$ 54,620**	**$ (183,161)**	**$ 490,037**	**$ 72,778**	**$ 562,815**

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

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

For the period ended	September 30, 2019	September 30, 2018
Cash flows used in operating activities		
Loss for the period	$ (76,638)	$ (22,383)
Adjustments for:		
Marketable securities loss (note 5)	2,032	4,638
Share of gain of associates (note 7)	(805)	(59)
Impairment on investment in associate (note 7)	21,737	-
Exploration and evaluation assets impairment loss (note 9)	24,635	-
Depreciation	299	108
Accretion on asset retirement obligation (note 13)	35	25
Realized gain from sale of equipment	-	(6)
Flow-through premium income (note 10(a))	(5,870)	(11,867)
Stock-based compensation (note 10(d))	6,544	9,066
Deferred income tax expense (note 15)	20,547	10,586
Interest income	(1,154)	(869)
	(8,638)	**(10,761)**
Change in items of working capital:		
Change in other receivables	154	(1,467)
Change in advances and prepaid expenses	(476)	123
Change in taxes recoverable	(1,030)	6,909
Change in accounts payable and accrued liabilities	95	(2,046)
Net cash used in operating activities	**(9,895)**	**(7,242)**
Cash flows used in investing activities		
Interest received	1,154	869
Acquisition of marketable securities (note 5)	(6,893)	(3,849)
Proceeds on disposition of marketable securities (note 5)	6,107	4,956
Acquisition of Beaufield equity investment	-	(2,369)
Acquisition of Barkerville equity investment (note 7)	(3,253)	-
Acquistion of plant and equipment (note 8)	(1,912)	(2,808)
Proceeds on disposition of plant and equipment (note 8)	-	13
Proceeds on refund of reclaimation deposit	-	570
Addition to exploration and evaluation assets (note 9)	(79,674)	(90,350)
Proceeds on disposition of exploration and evaluation assets (note 9(b))	300	-
Net cash and cash equivalents paid on asset acqusitions (note 4)	(2,385)	-
Net cash used in investing activities	**(86,556)**	**(92,968)**
Cash flows provided by financing activities		
Repayment of lease liabilities	(1,255)	-
Net cash received from private placements (note 10(a))	68,782	72,356
Cash received from exercise of warrants (note 10(e))	4,714	730
Cash received from exercise of stock options (note 10(d))	6,183	873
Net cash provided by financing activities	**78,424**	**73,959**
Decrease in cash and cash equivalents	**(18,027)**	**(26,251)**
Cash and cash equivalents, beginning of period	**88,280**	**111,504**
Cash and cash equivalents, end of period	**$ 70,253**	**$ 85,253**

The accompanying notes are an integral part of these condensed interim consolidated 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 unaudited condensed interim consolidated financial statements of the Corporation at September 30, 2019 include the Corporation and its subsidiary, O3 Mining Inc. ("O3 Mining"), formerly Chantrell Ventures Corp. ("Chantrell"). The Corporation is primarily in the business of acquiring, exploring and developing precious mineral deposits in Canada.

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 impairment of the carrying value of mineral properties and deferred exploration.

2) Basis of preparation

a) Statement of compliance

These unaudited condensed interim consolidated 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 unaudited condensed interim consolidated 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, 2018.

These consolidated financial statements were authorized for issuance by the Corporation's board of directors (the "Board of Directors') on November 11, 2019.

b) Significant accounting policies

The significant accounting policies followed in these unaudited condensed interim consolidated financial statements are consistent with those applied in the Corporation's audited annual consolidated financial statements for the year ended December 31, 2018, except in relation to policies adopted in the nine-month period ended September 30, 2019. The accounting policies set out below are in accordance with IFRS and have been applied to these unaudited condensed interim consolidated financial statements.

Leases

The Corporation leases various offices and equipment. Lease agreements are typically made for fixed periods of two to six years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Prior to January 1, 2019, leases of offices and equipment were classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, were charged to profit or loss on a straight-line basis over the period of the lease.

2) Basis of preparation (continued)

b) Significant accounting policies (continued)

Leases (continued)

From January 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Corporation. Each lease payment is allocated between the lease liabilities and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liabilities for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from leases are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

c) Use of critical estimates and judgements

The preparation of these unaudited condensed interim consolidated 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.

The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both current and future year.

In preparing these unaudited condensed interim consolidated 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, 2018.

3) 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 ended after December 31, 2019. Many are not applicable or do not have a significant impact to the Corporation and have been excluded from the summary below.

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

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

a) New Accounting Standards Issued and Effective

IFRIC 23, Uncertainty over Income Tax Treatments ("IFRIC 23")

In June 2017, the IASB issued IFRIC 23. IFRIC 23 clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 and requires an entity to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it uses or plans to use in its income tax filing. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 and permits early adoption. The adoption of IFRIC 23 did not have a material impact on the consolidated financial statements.

IFRS 16, "Leases" ("IFRS 16")

In January 2016, the IASB issued IFRS 16. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting periods on or after January 1, 2019.

The Corporation has applied IFRS 16 on January 1, 2019 and selected the modified retrospective transition approach which does not require restatement of comparative periods, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized on the opening balance sheet on January 1, 2019. On adoption of IFRS 16, the Corporation recognized lease liabilities in relation to leases, which had previously been classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 8%. The following table reconciled the differences between the operating lease commitments as at December 31, 2018 and lease liabilities recognized on January 1, 2019:

Reconciliation		
Operating lease commitments disclosed as at December 31, 2018	**$**	**4,317**
Less:		
Short-term leases recognized on a straight-line basis as expense		**(1,208)**
Discounted using the lessee's incremental borrowing rate at the date of initial application		**(179)**
Lease liabilities recognized as at January 1, 2019	**$**	**2,930**

The associated right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized on the balance sheet as at December 31, 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognized right-of-use assets relate to the following types of assets:

As at		**September 30, 2019**		**January 1, 2019**
Offices	$	820	$	809
Equipment		3,683		2,121
Total	**$**	**4,503**	**$**	**2,930**

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

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

a) New Accounting Standards Issued and Effective (continued)

IFRS 16, "Leases" ("IFRS 16") (continued)

In applying IFRS 16 for the first time, the Corporation has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

4) Asset acquisitions

Consideration paid for companies	Chalice	Alexandria	Harricana	Total
Share consideration - O3 Mining	$ 9,278	$ 27,909	$ 2,003	$ **39,190**
Cash consideration	1,035	-	-	**1,035**
Transaction costs	415	1,282	104	**1,801**
Options - O3 Mining	-	409	-	**409**
Warrants - O3 Mining	-	68	-	**68**
	$ 10,728	**$ 29,668**	**$ 2,107**	**$ 42,503**

Net assets acquired	Chalice	Alexandria	Harricana	Total
Cash	$ -	$ -	$ 451	$ **451**
Other receivables	-	362	4	**366**
Tax recoverable	1,034	1,306	-	**2,340**
Marketable securities	-	12	-	**12**
Advances and prepaid expenses	10	26	-	**36**
Plant and equipment	-	4	-	**4**
Exploration and evaluation assets	9,684	32,467	1,698	**43,849**
Accounts payable and accrued liabilities	-	(1,871)	(46)	**(1,917)**
Due to related party	-	(2,515)	-	**(2,515)**
Flow-through premium liability	-	(123)	-	**(123)**
Total net assets acquired	**$ 10,728**	**$ 29,668**	**$ 2,107**	**$ 42,503**

On July 5, 2019, the Corporation and Chantrell completed the spin-out transaction pursuant to which, among other things, certain assets of the Corporation were transferred to Chantrell in exchange for common shares of Chantrell, with the issuance of such shares, resulting in a reverse take-over of Chantrell by the Corporation (the "Reverse Take-Over"). The Reverse Take-Over was implemented by way of a statutory plan of arrangement under Section 182 of the Business Corporations Act (Ontario). The assets of the Corporation transferred to Chantrell pursuant to the Reverse Take-Over include: (i) the Marban deposit (located in Québec's Abitibi gold mining district between Val-d'Or and Malartic); (ii) the Garrison deposit (located in the Larder Lake Mining Division in north east Ontario); (iii) certain other exploration properties and earn-in rights; and (iv) a portfolio of selected marketable securities (collectively, the "Transferred Assets"). The Transferred Assets were transferred to Chantrell in exchange for an aggregate of 24,977,898 common shares of Chantrell (after giving effect to the Consolidation as defined below). Each common share of Chantrell being issued in exchange for the Transferred Assets transferred have a deemed value of $3.88 per share, as determined by the board of directors of Chantrell. In connection with the Reverse Take-Over, Chantrell also, among other things: (i) changed its name to "O3 Mining Inc."; (ii) replaced all directors and officers of the resulting issuer; (iii) obtained approval of the TSX Venture Exchange for the listing of the listing of the common shares of O3 Mining; (iv) consolidated the common shares of O3 Mining on a 40:1 basis (the "Consolidation"); (v) continued from British Columbia to Ontario; and (vi) completed the conversion of the outstanding subscription receipts of O3 Mining for the underlying securities.

4) Asset acquisitions (continued)

a) Acquisition of Chalice Gold Mines (Québec) Inc.

On July 25, 2019, Osisko through its majority owned subsidiary, O3 Mining, completed its previously announced acquisition of Chalice Gold Mines (Québec) Inc. ("Chalice"), a wholly-owned subsidiary of Chalice Gold Mines (Ontario) Inc. ("CGM"), pursuant to which O3 Mining acquired all the common shares of Chalice. Under the terms of the share purchase agreement, CGM received 3,092,784 common shares of O3 Mining and a 1% net smelter returns royalty on all of the acquired claims that were not subject to a pre-existing royalty. In addition, cash consideration will be paid to Chalice by O3 Mining for existing tax credits upon receipt from Canadian tax authorities totalling $1 million.

The acquisition of Chalice has been accounted for as an acquisition of assets and liabilities as Chalice does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Chalice were recorded at the fair value of the consideration transferred of $10,728,000 as detailed in the table above.

b) Acquisition of Alexandria Minerals Corporation

On August 1, 2019, Osisko through its majority owned subsidiary, O3 Mining, completed its previously announced acquisition of Alexandria Minerals Corporation ("Alexandria"), pursuant to which O3 Mining acquired all of the common shares of Alexandria by way of a statutory plan of arrangement under the Canada Business Corporations Act. Under the terms of the arrangement, each former shareholder of Alexandria received 0.018041 common shares of O3 Mining in exchange for each common share of Alexandria held. In addition, holders of options and warrants to acquire common shares of Alexandria received replacement options and warrants, respectively, entitling the holders thereof to acquire common shares of O3 Mining.

The acquisition of Alexandria has been accounted for as an acquisition of assets and liabilities as Alexandria does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Alexandria were recorded at the fair value of the consideration transferred of $29,668,000 as detailed in the table above.

c) Acquisition of Harricana River Mining Corporation Inc.

On August 23, 2019, Osisko through its majority owned subsidiary, O3 Mining, completed its acquisition of Harricana River Mining Corporation Inc. ("Harricana"), pursuant to an amalgamation agreement dated July 19, 2019 between Harricana, O3 Mining and 9401-3513 Québec Inc. ("O3 Subco"), a wholly owned subsidiary of O3 Mining (the "Harricana Amalgamation Agreement"). Pursuant to the Harricana Amalgamation Agreement, Harricana and O3 Subco amalgamated under the provisions of the *Business Corporations Act* (Québec), with the resulting company being a wholly-owned subsidiary of O3 Mining. Under the terms of the Harricana Amalgamation Agreement, shareholders of Harricana are entitled to receive, a pro-rata basis, an aggregate of 773,196 common shares of O3 Mining in exchange for all of the issued and outstanding shares of Harricana.

The acquisition of Harricana has been accounted for as an acquisition of assets and liabilities as Harricana does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Harricana were recorded at the fair value of the consideration transferred of $2,107,000 as detailed in the table above.

5) Marketable securities

The Corporation holds shares and warrants in various public and private companies. During the three and nine-month period ended September 30, 2019, these shares and warrants were fair valued and this resulted in an unrealized loss of $743,000 and gain of $892,000 respectively (2018 – gain of $349,000 and loss of $5,233,000, respectively). The Corporation sold shares during the three and nine-month period ended September 30, 2019 which resulted in a realized loss of $965,000 and $2,924,000 respectively (2018 – loss of $62,000 and gain of $595,000, respectively).

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

5) Marketable securities (continued)

The shares in the various public companies are classified as FVTPL and are recorded at fair value using the quoted market price as at September 30, 2019 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.

The following table summarizes information regarding the Corporation's marketable securities as at September 30, 2019 and December 31, 2018:

As at		**September 30, 2019**		**December 31, 2018**
Balance, beginning of period	**$**	**14,200**	**$**	**22,076**
Additions		6,893		5,364
Acquisitions (note 4)		12		1,587
Disposals		(6,107)		(7,768)
Realized loss		(2,924)		(694)
Unrealized gain/(loss)		892		(6,365)
Balance, end of period	**$**	**12,966**	**$**	**14,200**

6) Expenses

The following table summarizes information regarding the Corporation's expenses for the period ended September 30, 2019 and 2018:

	Three months ended				Nine months ended			
For the period ended		**September 30, 2019**		**September 30, 2018**		**September 30, 2019**		**September 30, 2018**
Compensation expenses								
Stock-based compensation (note 10(d) and note 12)	$	2,377	$	1,692	$	6,544	$	9,066
Salaries and benefits		1,590		1,279		4,747		7,036
Total compensation expenses	**$**	**3,967**	**$**	**2,971**	**$**	**11,291**	**$**	**16,102**
General and administration expenses								
Shareholder and regulatory expense	$	172	$	158	$	576	$	506
Travel expense		138		81		361		292
Professional fees		243		394		818		939
Office expense		754		1,283		2,053		2,555
Total general and administration expenses	**$**	**1,307**	**$**	**1,916**	**$**	**3,808**	**$**	**4,292**
Marketable securities								
Realized loss/(gain) from marketable securities (note 5)	$	965	$	62	$	2,924	$	(595)
Unrealized loss/(gain) from marketable securities (note 5)		743		(349)		(892)		5,233
Total marketable securities loss/(gain)	**$**	**1,708**	**$**	**(287)**	**$**	**2,032**	**$**	**4,638**

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

7) Investment in associate

During the nine-month period ended September 30, 2019, Osisko has acquired a further 9,037,287 shares in Barkerville Gold Mines Ltd ("Barkerville") for $3,253,000.

On September 23, 2019 Osisko Gold Royalties Ltd. ("Osisko GR") announced that it had entered into a definitive agreement with Barkerville, pursuant to which Osisko GR has agreed to acquire all of the issued and outstanding common shares of Barkerville that it does not currently own. The trading price of Barkerville on September 30, 2019 was $0.43 per share which corresponds to a quoted market value of $39,319,000 for the Corporation's investment in Barkerville. As a result, an impairment on the investment in associate of $21,737,000 was recognized in the period.

The equity accounting for Barkerville is based on the results up to June 30, 2019 adjusted for any significant transactions between June 30, 2019 and September 30, 2019.

The Corporation's investments in associates are detailed as follows:

As at		**September 30, 2019**
Balance, beginning of period	**$**	**56,998**
Cash investment in associates		3,253
Share of gain for the period		805
Impairment on investment in associate		(21,737)
Balance, end of period	**$**	**39,319**

8) Plant and equipment

The following table summarizes information regarding the Corporation's plant and equipment as at September 30, 2019:

	September 30, 2019						
	Cost			**Accumulated depreciation**			
Class	**Opening balance**	**Additions/ transfers**	**Closing balance**	**Opening balance**	**Depreciation**	**Closing balance**	**Net book value**
Computer Equipment	**$ 1,537**	$ 302	**$ 1,839**	**$ 574**	$ 253	**$ 827**	**$ 1,012**
Office Equipment	**207**	-	**207**	**60**	31	**91**	**116**
Exploration Equipment	**8,680**	1,578	**10,258**	**1,901**	1,120	**3,021**	**7,237**
Automobiles	**175**	36	**211**	**92**	26	**118**	**93**
Total	**$ 10,599**	**$ 1,916**	**$ 12,515**	**$ 2,627**	**$ 1,430**	**$ 4,057**	**$ 8,458**

9) Exploration and evaluation assets

	December 31, 2018	**Acquisitions in the period (Note 4)**	**Disposal in the period**	**Additions in the period**	**Deferred income tax asset on investment tax credits (note 15)**	**Impairment loss in the period**	**September 30, 2019**
Windfall Lake	$ 222,237	$ -	$ -	$ 76,647	$ -	$ -	$ 298,884
Quévillon Osborne	13,688	-	-	5,683	-	-	19,371
Urban Barry	20,453	-	-	3,007	-	-	23,460
Urban Barry Base Metals	30	-	-	1	-	-	31
Quévillon Osborne Base Metals	10	-	-	5	-	-	15
Urban Duke	2,142	-	-	(248)	-	-	1,894
O3 Mining	110,342	43,849	(300)	(623)	1,804	(24,635)	130,437
Total exploration and evaluation assets	**$ 368,902**	**$ 43,849**	**$ (300)**	**$ 84,472**	**$ 1,804**	**$ (24,635)**	**$ 474,092**

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

9) Exploration and evaluation assets (continued)

a) Impairments in the period

On July 5, 2019, the Corporation transferred the Éléonore Opinaca, Tortigny, Luannay, Marban Block, Garrison Block, Hemlo and James Bay projects to O3 Mining in exchange for common shares of O3 Mining (Note 4). The transaction stipulated the sales prices of the individual assets and when compared to their respective carrying amounts it was determined that the full carrying value of these assets will not be recovered through sale or further development. Due to this triggering event, an impairment loss totaling $24,635,000 was recognized for these properties to write it down to their recoverable amounts. As part of the write down, the Corporation reversed a portion of impairment previously recognized on the Éléonore, Hemlo, and Éléonore Opinaca projects.

b) Disposal in the period

During the nine-month period ended September 30, 2019, the Corporation sold part of the Tortigny Property to Q One Mining Inc. for $300,000 in cash. The remaining claims of the Tortigny Property were transferred to O3 Mining.

10) Capital and other components of equity

a) Share capital – authorized

	Number of Common Shares		Amount
Balance, January 1, 2018	**207,845,240**	**$**	**456,231**
Issuance of shares upon exercise of warrants (note 10(e))	524,235		1,128
Issuance of shares upon exercise of stock options (note 10(d))	1,119,984		2,594
Deferred tax asset on share issue cost (note 14)	-		3,267
Private placement (net of transaction costs ($360,000))	3,823,000		6,139
Private placement (net of transaction costs ($3,707,000))	27,046,031		62,147
Private placement (net of transaction costs ($157,000))	9,259,260		24,843
Issuance of shares on acqusition of Beaufield Resources Inc	7,583,581		24,267
Balance December 31, 2018	**257,201,331**	**$**	**580,616**
Issuance of shares upon exercise of warrants (note 10(e))	3,172,123		6,987
Issuance of shares upon exercise of stock options (note 10(d))	4,895,813		11,032
Private placement (net of transaction costs ($2,479,000))	9,264,250		29,139
Deferred tax asset on share issue cost (note 15)	-		485
Changes in Osisko's interest in O3 Mining	-		(9,681)
Balance September 30, 2019	**274,533,517**	**$**	**618,578**

The authorized capital of Osisko consists of an unlimited number of common shares having no par value. The holders of common shares of the Corporation 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 September 18, 2018, the Corporation completed a private placement of 27,046,031 common shares of the Corporation at an average price of $2.59 per common share issued as flow-through shares for aggregate gross proceeds of $69,925,000. The private placement was completed in two Tranches. The Tranche One flow-through shares were issued at a premium of $0.29 to the current market price of the Corporation's shares at the day of issue. The premium was recognized as a long-term liability for $4,070,000 with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures are incurred. Flow-through premium income of $nil and $2,560,000 respectively was recognized for the three and nine-month period ended September 30, 2019 relating to this transaction (2018 - $301,000

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

10) Capital and other components of equity (continued)

a) Share capital – authorized (continued)

and $301,000, respectively). The transaction costs amounted to $3,707,000 and have been netted against the gross proceeds on closing.

On August 8, 2019, the Corporation completed a private placement of 6,089,250 common shares of the Corporation at an average price of $5.67 per common share issued as flow-through shares for aggregate gross proceeds of $34,526,000. The flow-through shares were issued at a premium of $2.12 to the current market price of the Corporation's shares at the day of issue. The premium was recognized as a long-term liability for $12,909,000 with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures are incurred. Flow-through premium income of $3,028,000 and $3,028,000 respectively was recognized for the three and nine-month period ended September 30, 2019 relating to this transaction (2018 - $nil). The transaction costs amounted to $1,910,000 and have been netted against the gross proceeds on closing.

On August 8, 2019, the Corporation completed a private placement of 3,175,000 common shares of the Corporation at a price of $3.15 per share for gross proceeds of $10,001,000. The transaction costs amounted to $540,000 and were netted against the gross proceeds on closing.

During the period ended September 30, 2019, a total of 3,172,123 warrants were exercised for gross proceeds of $4,714,000 in exchange for the issuance of 3,172,123 common shares of the Corporation.

During the period ended September 30, 2019, a total of 4,895,813 stock options were exercised for gross proceeds of $6,182,000 in exchange for the issuance of 4,895,813 common shares of the Corporation.

b) Basic loss per share

	Three months ended		Nine months ended	
For the period ended	**September 30, 2019**	**September 30, 2018**	**September 30, 2019**	**September 30, 2018**
Common shares outstanding, at beginning of the period	263,931,089	208,887,322	257,201,331	207,845,240
Common shares issued during the period	6,139,042	4,367,810	7,229,198	1,952,067
Basic weighted average number of Common Shares	**270,070,131**	**213,255,132**	**264,430,529**	**209,797,307**
Loss	**$ 25,188**	**$ 4,822**	**$ 69,605**	**$ 22,383**
Basic loss per share	**$ 0.09**	**$ 0.02**	**$ 0.26**	**$ 0.11**

c) Diluted loss per share

The Corporation incurred losses for the period ended September 30, 2019 and 2018, therefore all outstanding stock options and warrants have been excluded from the calculation of diluted loss per share since the effect would be anti-dilutive. These options, warrants, deferred share units, and restricted share units could potentially dilute basic earnings per share in the future.

d) Contributed surplus

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 and all other security-based compensation arrangement of the Corporation is 10% of the issued and

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

10) Capital and other components of equity (continued)

d) Contributed surplus (continued)

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 a year of up to 5 years from the date of grant.

The following table summarizes the stock option transactions for the period ended September 30, 2019 and the year ended, December 31, 2018:

	Number of stock options		Weighted-average exercise price
Outstanding at January 1, 2018	**16,697,784**	**$**	**2.37**
Granted	4,911,000		3.27
Exercised	(874,332)		1.30
Forfeited	(720,004)		3.20
Outstanding at December 31, 2018	**20,014,448**	**$**	**2.61**
Granted	1,755,000		2.76
Exercised	(4,895,813)		1.26
Forfeited	(221,665)		3.58
Expired	(383,060)		4.58
Outstanding at September 30, 2019	**16,268,910**	**$**	**2.97**

On January 17, 2019, 1,755,000 stock options were issued to management and employees, at an exercise price of $2.76 for a period of 5 years. The options have been fair valued at $1.83 per option using the Black-Scholes option-pricing model. These options will vest in thirds on the first, second and third anniversaries from the date of grant.

The total recognized expense for stock options for the three and nine-month period ended September 30, 2019 was $2,341,000 and $4,927,000 respectively (2018 - $2,479,000 and $11,024,000, respectively) from which $212,000 and $691,000 respectively were capitalized to the Canadian projects (2018 - $787,000 and $1,958,000, respectively).

The following table summarizes the weighted average assumptions used for the valuation of the stock options issued during the period ended September 30, 2019 and the year ended December 31, 2018:

For the period/year ended		September 30, 2019		December 31, 2018
Fair value at grant date	$	1.83	$	2.50
Forfeiture rate		8.6%		1.0%
Share price at grant date	$	2.76	$	3.27
Exercise price	$	2.76	$	3.27
Expected volatility		98%		113%
Dividend yield		0.0%		0.0%
Option life (weighted average life)		3.7 years		4.5 years
Risk-free interest rate (based on government bonds)		1.90%		2.00%

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

10) Capital and other components of equity (continued)

d) Contributed surplus (continued)

The following table summarizes information regarding the Corporation's outstanding and exercisable stock options as at September 30, 2019:

	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 ($)
0.60 to 1.12	1.3	2,275,160	$1.01	1.3	2,275,160	$1.01
1.13 to 1.71	0.9	1,074,400	$1.20	0.9	1,074,400	$1.20
1.72 to 3.29	3.5	3,648,897	$2.71	2.4	1,465,544	$2.75
3.30 to 3.45	2.3	3,665,000	$3.41	2.3	3,665,000	$3.41
3.46 to 3.64	3.3	3,443,333	$3.46	3.3	2,104,995	$3.46
3.65 to 6.23	2.7	2,162,120	$4.81	2.7	2,145,453	$4.82
0.60 to 6.23	**2.6**	**16,268,910**	**$2.97**	**2.4**	**12,730,552**	**$2.97**

e) Warrants

The following table summarizes the transactions pertaining to the Corporation's outstanding standard warrants for the period ended September 30, 2019 and year ended December 31, 2018. These warrants were exercisable at one warrant for one common share of the Corporation.

	Number of warrants	Weighted-average exercise price
Outstanding as at January 1, 2018	**19,211,899**	**$ 4.33**
Issuance of warrants on acquisition of Beaufield Resources	154,240	2.39
Exercised (note 10(a))	(520,800)	1.44
Expired	(15,197,540)	5.00
Outstanding at December 31, 2018	**3,647,799**	**$ 1.89**
Exercised (note 10(a))	(3,172,123)	1.49
Expired	(475,676)	4.57
Outstanding at September 30, 2019	**-**	**$ -**

During the period ended September 30, 2019, a total of 475,676 warrants expired and $295,000 was reclassified to contributed surplus.

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

11) Principle subsidiary

The unaudited condensed interim consolidated financial statements include the accounts of the Corporation and all of its subsidiaries at September 30, 2019. The principal operating subsidiary is O3 Mining, in which the Corporation has a 54% ownership.

The following tables summarize the financial information of O3 Mining, which has non-controlling interests that are material to the Corporation. The amounts disclosed are before inter-company eliminations:

Summarized statements of financial position

As at		September 30, 2019
Current assets	$	35,415
Current liabilities		(4,874)
Current net assets		**30,541**
Non-current assets		132,747
Non-current liabilities		(4,749)
Non-current net assets		**127,998**
Total net assets		**158,539**
Non-controlling interest	**$**	**72,778**

Summarized statements of loss and comprehensive loss

For the period ended		September 30, 2019
Loss and comprehensive loss	$	2,711
Allocated to Non-controlling interests	**$**	**1,244**

Summarized statements of cash flows

For the period ended		September 30, 2019
Net cash used in operating activities	$	(2,334)
Net cash used in investing activities		(1,699)
Net cash provided by financing activities		26,717
Increase in cash and cash equivalents	**$**	**22,684**

a) Transactions with non-controlling interests

During the period, O3 Mining, completed private placements of common shares and acquisition of assets (note 4).

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

11) Principle subsidiary (continued)

a) Transactions with non-controlling interests (continued)

The following table summarizes the effect on the non-controlling interests of the Corporation:

As at	**September 30, 2019**
Balance, beginning of period	**$ -**
Reverse Take-Over (note 4)	1,898
Private placements by O3 Mining	23,253
Acquisition of Chalice (note 4)	9,278
Acquisition of Alexandria (note 4)	27,909
Acquisition of Harricana (note 4)	2,003
Changes in Osisko's interest in O3 Mining	9,681
Loss for the period attributable to non-controlling interests	(1,244)
Balance, end of period	**$ 72,778**

12) Deferred share unit and restricted share unit plans

In April 2017, Osisko established a deferred share unit plan and a restricted share unit plan. Under these plans, the deferred share units ("DSUs") can be granted to non-executive directors and the restricted share units ("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 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 for the period ended September 30, 2019 and the year ended December 31, 2018:

	Number of DSUs	**Number of RSUs**
Oustanding at January 1, 2018	**-**	**-**
Granted	250,000	450,000
Oustanding at December 31, 2018	**250,000**	**450,000**
Granted	445,809	1,125,000
Oustanding at September 30, 2019	**695,809**	**1,575,000**

On January 17, 2019, 1,125,000 RSUs of the Corporation were issued to management. Each RSU has been fair valued at $2.71 initially at the Corporation's closing share price on the date of grant. The RSUs vest on the third anniversary date from the date of grant.

On January 17, 2019, 400,000 DSUs of the Corporation were issued to directors. Each DSU has been fair valued at $2.71 initially at the Corporation's closing share price on the date of grant. The DSUs vest immediately on the date of grant.

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

12) Deferred share unit and restricted share unit plans (continued)

On March 31, 2019, 16,020 DSUs of the Corporation were issued to directors. Each DSU has been fair valued at $2.92 initially at the Corporation's closing share price on the date of grant. The DSUs vest immediately on the date of grant.

On June 30, 2019, 15,157 DSUs of the Corporation were issued to directors. Each DSU has been fair valued at $3.30 initially at the Corporation's closing share price on the date of grant. The DSUs vest immediately on the date of grant.

On September 30, 2019, 14,632 DSUs of the Corporation were issued to directors. Each DSU has been fair valued at $3.46 initially at the Corporation's closing share price on the date of grant. The DSUs vest immediately on the date of grant.

As at September 30, 2019, 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 $3.13.

On August 13, 2019, O3 Mining established an RSU plan. Under this plan, 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 RSUs vested at the payout date by the five-day volume weighted average price from closing price of O3 Mining's shares on the day prior to the payout date. Should the payout be in shares, each RSU represents an entitlement to one common share of O3 Mining.

The following table summarizes information regarding O3 Mining's outstanding and exercisable and RSUs for the period ended September 30, 2019:

	Number of RSUs
Oustanding at December 31, 2018	**-**
Granted	390,000
Oustanding at September 30, 2019	**390,000**

On August 13, 2019, 390,000 RSUs of O3 Mining were issued to management. Each RSU has been fair valued at $3.07 initially at O3 Mining's closing share price on the date of grant. The RSUs vest on the third anniversary date from the date of grant.

As at September 30, 2019, the share-based payment liability related to each RSU of O3 Mining was re-measured to fair value at O3 Mining's closing share price of $2.70.

The total recognized expense for RSUs and DSUs of the Corporation and O3 Mining for the three and nine-month period ended September 30, 2019 was $344,000 and $2,636,000 respectively (2018 - $nil) from which $96,000 and $329,000 respectively were capitalized to the Canadian projects (2018 - $nil).

13) 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 total undiscounted amount of cash flows required to settle the Corporation's asset retirement obligation is approximately $4,625,000.

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

13) Asset Retirement Obligation (continued)

The following table summarizes the Corporation's asset retirement obligation:

		Amount
Balance January 1, 2018	**$**	**2,892**
Accretion		33
Change in estimate		703
Balance December 31, 2018	**$**	**3,628**
Accretion		35
Change in estimate		336
Balance September 30, 2019	**$**	**3,999**

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

For the period ended September 30,		**2019**
Total undiscounted value of payments	$	4,625
Weighted average discount rate		1.37%
Weighted average expected life		11 years
Inflation rate		2.00%

14) Related party transactions

Balances and transactions between the Corporation and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Corporation and other related parties are disclosed below.

During the three and nine-month period ended September 30, 2019, management fees, geological services, rent and administration fees of $73,000 and $533,000 respectively (2018 - $376,000 and $1,424,000, respectively) 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, President and Chief Executive Officer of the Corporation, as well as Mr. Sean Roosen, Chairman of the board of directors of the Corporation, serve as directors and/or senior officers of Osisko GR. Accounts payable to Osisko GR as at September 30,

2019 were $66,000 (2018 - $216,000). During the three and nine-month period ended September 30, 2019, management fees, geological services, rent and administration fees of $1,000 and $19,000 respectively (2018 – $8,000 and $108,000, respectively) were charged to Osisko GR by the Corporation. Accounts receivable from Osisko GR as at September 30, 2019 were $1,000 (2018 - $81,000).

During the three and nine-month period ended September 30, 2019, geological services, and administration fees of $nil and $160,000 respectively (2018 - $31,000 and $128,000, respectively) were incurred with the Corporation's associate, Barkerville (note 7). Accounts payable from Barkerville as at September 30, 2019 was $nil (2018 - $nil). During the three and nine-month period ended September 30, 2019, management fees, geological services, rent and administration fees of $58,000 and $121,000 respectively (2018 - $15,000 and $105,000, respectively) were charged to Barkerville by the Corporation. Accounts receivable from Barkerville as at September 30, 2019 was $45,000 (2018 - $18,000).

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

14) Related party transactions (continued)

The following table summarizes remuneration attributable to key management personnel for the three and nine-month period ended September 30, 2019 and 2018:

	Three months ended		Nine months ended	
For the period ended	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Salaries expense of key management	$ 253	$ 244	$ 727	$ 747
Directors' fees	73	73	218	276
Stock-based compensation	641	1,056	3,656	6,024
Total	**$ 967**	**$ 1,373**	**$ 4,601**	**$ 7,047**

15) Deferred income taxes

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

For the period ended	September 30, 2019	September 30, 2018
Deferred income tax expense	$ 11,373	$ 5,179
Deferred mining tax expense	9,174	5,407
Total deferred income and mining tax expense	**$ 20,547**	**$ 10,586**

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	September 30, 2019	December 31, 2018
Deferred tax assets		
Deferred income tax asset on share issue costs	$ 6,359	$ 5,874
Deferred income tax asset on investment tax credits	622	2,427
Total deferred tax assets	**$ 6,981**	**$ 8,301**
Deferred tax liability		
Deferred income tax liability on net taxable temporary differences	$ (19,675)	$ (8,302)
Deferred mining tax liability on net taxable temporary differences	(33,696)	(24,522)
Total deferred tax liability	**$ (53,371)**	**$ (32,824)**
Net deferred tax liability	**$ (46,390)**	**$ (24,523)**

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

16) Commitments

The Corporation has the following commitments as at September 30, 2019:

	Total	2019	2020	2021	2022	2023	2024
Office leases	**506**	68	162	133	49	54	40
Camp trailers and equipment leases	**21**	21	-	-	-	-	-
Total	**$ 527**	**$ 89**	**$ 162**	**$ 133**	**$ 49**	**$ 54**	**$ 40**

The Corporation is also committed to an annual $25,000 advanced royalty payment on the Gold Pike Project.

As of September 30, 2019, the Corporation has the following flow-through funds to be spent by December 31, 2020:

Closing Date of Financing	Province	Remaining Flow-through Funds
August 8, 2019	Québec	26,004
September 26, 2019	Québec	10,080
Total		**$ 36,084**

17) Subsequent events

On October 31, 2019, the Corporation completed a shares for debt transaction to settle $820,000 of accounts payable and accrued liabilities through the issuance of an aggregate of 211,634 common shares of its subsidiary, O3 Mining.