



Condensed Interim Consolidated Financial Statements
For the three and nine-month periods ended September 30, 2021 and 2020
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)

<i>As at</i>	September 30, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	\$ 89,016	\$ 180,027
Restricted cash (note 4 and note 14)	6,729	12,613
Tax recoverable (note 3)	51,559	51,627
Marketable securities (note 4)	35,513	74,938
Other assets	2,490	2,586
Total current assets	185,307	321,791
Non-current assets		
Long-term receivables	-	800
Investment in associate (note 5)	49,681	42,175
Property, plant and equipment (note 6)	20,416	14,779
Exploration and evaluation assets (note 7)	594,447	449,566
Total non-current assets	664,544	507,320
Total assets	\$ 849,851	\$ 829,111
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 31,233	\$ 21,796
Current lease liabilities	207	1,301
Financial liabilities (note 4)	-	21,888
Total current liabilities	31,440	44,985
Non-current liabilities		
Flow-through premium liability (note 11(a))	-	3,017
Share-based payment liability (note 8)	11,647	12,685
Asset retirement obligation (note 9)	5,852	6,385
Non-current lease liabilities	97	221
Deferred tax liability (note 10)	91,906	64,986
Total non-current liabilities	109,502	87,294
Total liabilities	140,942	132,279
Equity		
Share capital (note 11(a))	866,341	850,579
Contributed surplus (note 11(d))	61,541	55,611
Warrants (note 11(e))	15,909	15,909
Accumulated deficit	(234,882)	(225,267)
Total equity attributed to equity owners of the Corporation	708,909	696,832
Total liabilities and equity	\$ 849,851	\$ 829,111

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

Commitments (note 14)
Subsequent events (note 15)

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

<i>For the period ended</i>	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Expenses/(income)				
Compensation expenses (note 12 and 13)	\$ 675	\$ 3,259	\$ 9,287	\$ 16,950
General and administration expenses (note 12 and 13)	904	1,165	2,554	3,785
General exploration expenses	-	-	20	44
Loss from deconsolidation	-	15,195	-	15,195
Gain from disposition of exploration and evaluation assets	-	(59)	-	(1,739)
Flow-through premium income (note 11(a))	(11,115)	(6,972)	(31,281)	(17,554)
Loss/(gain) from marketable securities (note 4 and note 12)	7,627	(16,808)	9,183	(24,139)
Loss from disposition of property, plant and equipment	-	27	2	25
Other income	(7)	(18)	(27)	(28)
Operating income	(1,916)	(4,211)	(10,262)	(7,461)
Finance income	(258)	(781)	(1,243)	(2,030)
Finance costs	110	357	501	1,539
Net finance income	(148)	(424)	(742)	(491)
Share of loss/(gain) of associates (note 5)	346	1,661	(7,321)	1,661
Income before tax	(1,718)	(2,974)	(18,325)	(6,291)
Deferred income tax expense (note 10)	9,116	8,336	27,940	14,910
Loss and comprehensive loss	\$ 7,398	\$ 5,362	\$ 9,615	\$ 8,619
Attributable to:				
Owners of the Corporation	\$ 7,398	\$ 10,978	\$ 9,615	\$ 15,405
Non-controlling interests	-	(5,616)	-	(6,786)
Loss and comprehensive loss	\$ 7,398	\$ 5,362	\$ 9,615	\$ 8,619
Basic and diluted loss per share (note 11(b) and (c))	\$ 0.02	\$ 0.03	\$ 0.03	\$ 0.05
Weighted average number of shares (note 11(b) and (c))	351,747,225	341,055,963	352,485,405	309,534,531

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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	Non-controlling interest	Total
Balance January 1, 2021	344,207,806	\$ 850,579	\$ 15,909	\$ 55,611	\$ (225,267)	\$ 696,832	\$ -	\$ 696,832
Loss for the period	-	-	-	-	(9,615)	(9,615)	-	(9,615)
Stock-based compensation (note 11(d))	-	-	-	6,954	-	6,954	-	6,954
Issuance of shares upon exercise of stock options (note 11(a) and (d))	1,127,201	2,311	-	(1,024)	-	1,287	-	1,287
Private Placement (note 11(a))	13,085,000	37,894	-	-	-	37,894	-	37,894
Shares repurchased under normal course issuer bid (note 11(a))	(8,107,500)	(25,463)	-	-	-	(25,463)	-	(25,463)
Deferred tax asset on share issue cost (note 10)	-	1,020	-	-	-	1,020	-	1,020
Balance September 30, 2021	350,312,507	\$ 866,341	\$ 15,909	\$ 61,541	\$ (234,882)	\$ 708,909	\$ -	\$ 708,909

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit and Accumulated Deficit	Equity attributed to equity owners of the	Non-controlling interest	Total
Balance January 1, 2020	290,025,274	\$ 673,163	\$ -	\$ 55,389	\$ (194,405)	\$ 534,147	\$ 74,673	\$ 608,820
(Loss)/income for the period	-	-	-	-	(15,405)	(15,405)	6,786	(8,619)
Stock-based compensation (note 11(d))	-	-	-	4,410	-	4,410	1,758	6,168
Issuance of shares upon exercise of stock options	3,551,790	12,986	-	(5,748)	-	7,238	-	7,238
Transactions with non-controlling interests	-	-	-	-	-	-	15,853	15,853
Private Placement	48,500,000	154,046	15,909	-	-	169,955	-	169,955
Private Placement completed by O3 Mining Inc.	-	-	-	-	-	-	29,568	29,568
Changes in Osisko's interest in O3 Mining Inc.	-	-	-	-	(11,089)	(11,089)	11,089	-
Deconsolidation of O3 Mining Inc.	-	-	-	-	-	-	(139,727)	(139,727)
Shares repurchased under normal course issuer bid	(428,500)	(881)	-	-	-	(881)	-	(881)
Deferred tax asset on share issue cost	-	1,882	-	-	-	1,882	-	1,882
Balance September 30, 2020	341,648,564	\$ 841,196	\$ 15,909	\$ 54,051	\$ (220,899)	\$ 690,257	\$ -	\$ 690,257

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)

<i>For the period ended</i>	September 30, 2021	September 30, 2020
Cash flows provided by/(used in) operating activities		
Loss for the period	\$ (9,615)	\$ (8,619)
Adjustments for:		
Loss/(gain) from marketable securities (note 4 and 12)	9,183	(24,139)
Loss from deconsolidation	-	15,195
Share of (gain)/loss of associates (note 5)	(7,321)	1,661
Depreciation (note 6)	252	303
Accretion on asset retirement obligation (note 9)	65	19
Loss from disposition of property, plant and equipment (note 6)	2	25
Gain from disposition of exploration and evaluation assets	-	(1,739)
Flow-through premium income (note 11(a))	(31,281)	(17,554)
Stock-based compensation (note 8 and 11(d))	4,250	10,777
Deferred income tax expense (note 10)	27,940	14,910
Interest expense on lease liabilities	53	183
Interest expense on financial liabilities (note 4)	120	672
Finance income	(1,243)	(2,030)
	(7,595)	(10,336)
Change in items of working capital:		
Change in taxes recoverable	(288)	26,361
Change in other assets	96	6,119
Change in accounts payable and accrued liabilities	4,408	(2,532)
Net cash (used in)/provided by operating activities	(3,379)	19,612
Cash flows provided by/(used in) investing activities		
Finance income	1,243	2,030
Acquisition of marketable securities (note 4)	(37,117)	(49,889)
Proceeds on disposition of marketable securities (note 4)	45,471	55,491
Acquisition of O3 Mining Inc. equity investment (note 5)	(185)	-
Proceeds on disposition of common shares of O3 Mining Inc.	-	15,720
Net cash outflow from deconsolidation of O3 Mining Inc.	-	(47,088)
Acquisition of property, plant and equipment (note 6)	(8,628)	(4,487)
Proceeds on disposition of property, plant and equipment (note 6)	1	71
Addition to exploration and evaluation assets (note 7)	(134,714)	(82,792)
Proceeds on disposition of exploration and evaluation assets	-	(33)
Net cash paid on asset acquisitions (note 7(a))	(100)	(23)
Net cash used in investing activities	(134,029)	(111,000)
Cash flows provided by/(used in) financing activities		
Repayment of lease liabilities	(1,271)	(2,372)
Vesting of RSUs (note 8)	(78)	-
Interest expense on financial liabilities (note 4)	(120)	(672)
Cash received from entering into total return equity swap (note 4)	-	21,888
Changes in restricted cash (note 4 and 14)	5,884	(12,613)
Net cash received from private placements (note 11(a))	66,158	169,955
Net cash received from private placement completed by O3 Mining Inc.	-	37,845
Cash received from exercise of stock options (note 11(d))	1,287	7,238
Net cash used in repurchasing shares under normal course issuer bid (note 11(a))	(25,463)	(881)
Net cash provided by financing activities	46,397	220,388
(Decrease)/increase in cash and cash equivalents	(91,011)	129,000
Cash and cash equivalents, beginning of period	180,027	102,302
Cash and cash equivalents, end of period	\$ 89,016	\$ 231,302

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



Notes to Condensed Interim Consolidated Financial Statements
For the three and nine-month periods ended September 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 consolidated financial statements of the Corporation for the three and nine-month periods ended September 30, 2021 include the Corporation and its wholly owned subsidiary, Osisko Green Sponsor Corp. ("Osisko Green Sponsor"). The condensed interim consolidated financial statements of the Corporation for the three and nine-month periods ended September 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 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 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, 2020.

These condensed interim consolidated financial statements were authorized for issuance by the Corporation's board of directors (the "Board of Directors") on November 10, 2021.

b) Significant accounting policies

The significant accounting policies followed in these 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, 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.



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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 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.

In preparing these 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, 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 September 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. See subsequent events (note 15)



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4) Marketable securities

The Corporation holds shares and warrants in various public and private companies. During the three and nine-month periods ended September 30, 2021, these shares and warrants were fair valued, and this resulted in an unrealized loss of \$7,964,000 and \$16,214,000, respectively (2020 – gain of \$12,673,000 and \$19,519,000). The Corporation sold shares during the three and nine-month periods ended September 30, 2021, which resulted in a realized gain of \$337,000 and \$7,031,000, respectively (2020 – gain of \$4,135,000 and \$4,620,000).

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

<i>As at</i>	September 30, 2021
Balance, beginning of period	\$ 74,938
Additions	37,117
Disposals	(67,359)
Realized gain	7,031
Unrealized loss	(16,214)
Balance, end of period	\$ 35,513



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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 September 30, 2021 was \$1.95 per share which corresponds to a quoted market value of \$35,805,000 for the Corporation's investment in O3 Mining. The equity accounting for O3 Mining is based on the results to September 30, 2021.

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

	O3 Mining Inc.
Balance, December 31, 2020	\$ 42,175
Cash investment in associate	185
Share of income for the period	7,321
Balance, September 30, 2021	\$ 49,681

6) Property, plant and equipment

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

Class	September 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	\$ 92	\$ -	\$ 2,358	\$ 1,192	\$ 174	\$ -	\$ 1,366	\$ 992
Office Equipment	200	-	-	200	121	13	-	134	66
Office Buildings	896	-	-	896	476	190	-	666	230
Exploration Equipment	22,411	8,271	-	30,682	9,274	2,540	-	11,814	18,868
Automobiles	221	265	(11)	475	152	71	(8)	215	260
Total	\$ 25,994	\$ 8,628	\$ (11)	\$ 34,611	\$ 11,215	\$ 2,988	\$ (8)	\$ 14,195	\$ 20,416

7) Exploration and evaluation assets

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

	December 31, 2020	Acquisitions	Additions	September 30, 2021
Windfall Lake	\$ 403,277	\$ -	\$ 140,026	\$ 543,303
Quévillon Osborne	19,072	-	267	19,339
Urban-Barry	25,446	-	4,487	29,933
Urban Duke	1,646	-	-	1,646
Other	125	100	1	226
Total exploration and evaluation assets	\$ 449,566	\$ 100	\$ 144,781	\$ 594,447

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.



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8) Deferred share unit and restricted share unit plans

In April 2017, Osisko established a deferred share unit ("DSU") plan and a restricted share unit ("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 September 30, 2021:

	Number of DSUs	Number of RSUs
Outstanding at December 31, 2020	1,918,869	3,275,000
Granted	565,926	725,000
Vested	-	(25,000)
Outstanding at September 30, 2021	2,484,795	3,975,000

During the period ended September 30, 2021, 565,926 DSUs were issued to directors, 90,926 of which were issued in lieu of directors' fees. The weighted average fair value of the DSU granted was \$3.22 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 September 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 September 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 \$2.35.

The combined total recovery recognized for RSUs and DSUs for the three and nine-month periods ended September 30, 2021 was \$2,530,000 and \$960,000, respectively (2020 – expense of \$15,000 and \$6,145,000), from which recovery of \$185,000 and expense of \$157,000, respectively, were capitalized to exploration and evaluation assets (2020 – expense of \$182,000 and \$548,000).

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	65
Change in estimate	(598)
Balance September 30, 2021	\$ 5,852



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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 September 30,</i>	2021
Total undiscounted value of payments	\$ 6,727
Weighted average discount rate	1.51%
Weighted average expected life	9 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>	September 30, 2021	September 30, 2020
Deferred income tax expense	\$ 14,811	\$ 6,666
Deferred mining tax expense	13,129	8,244
Total deferred income and mining tax expense	\$ 27,940	\$ 14,910

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>	September 30, 2021
Deferred tax assets	
Losses	\$ 28,774
Mining tax deductible for income tax purposes	15,663
Share issue costs	10,234
Investment tax credits	622
Other net deductible temporary differences	3,570
Total deferred tax assets	58,863
Deferred tax liability	
Exploration and evaluation assets	(91,663)
Deferred mining tax liability	(59,106)
Total deferred tax liability	(150,769)
Net deferred tax liability	\$ (91,906)



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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))	1,127,201	2,311
Shares repurchased under normal course issuer bid	(8,107,500)	(25,463)
Deferred tax asset on share issue cost (note 10)	-	1,020
Balance, September 30, 2021	350,312,507	\$ 866,341

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 nine-month periods ended September 30, 2021, flow-through premium income of \$11,115,000 and \$31,281,000, respectively (2020 – \$6,972,000 and \$17,554,000), was recognized relating to the flow-through shares issued.

During the period ended September 30, 2021, Osisko repurchased and cancelled 8,107,500 common shares of the Corporation at an average price of \$3.14 for a total cost of \$25,463,000.

b) Basic loss per share

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

<i>For the period ended</i>	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Common shares outstanding, at beginning of the period	352,068,507	340,738,183	344,207,806	290,025,274
Common shares (repurchased)/issued during the period	(321,282)	317,780	8,277,599	19,509,257
Basic weighted average number of common shares	351,747,225	341,055,963	352,485,405	309,534,531
Loss attributable to owners of the Corporation	\$ 7,398	\$ 10,978	\$ 9,615	\$ 15,405
Basic loss per share	\$ 0.02	\$ 0.03	\$ 0.03	\$ 0.05

c) Diluted loss per share

For the nine-month periods ended September 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.



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(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 September 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 September 30, 2021:

	Number of stock options	Weighted-average exercise price
Outstanding at December 31, 2020	21,408,709	\$ 3.22
Exercised	(1,127,201)	1.14
Forfeited	(106,668)	3.81
Outstanding at September 30, 2021	20,174,840	\$ 3.34

During the period ended September 30, 2021, a total of 1,127,201 stock options were exercised for gross proceeds of \$1,287,000 in exchange for the issuance of 1,127,201 common shares of the Corporation.

The total recognized expense for stock options for the three and nine-month periods ended September 30, 2021 was \$2,387,000 and \$6,954,000 (2020 – \$1,995,000 and \$6,168,000) from which \$544,000 and \$1,587,000 (2020 – \$349,000 and \$989,000) was capitalized to the Canadian projects.

The following table summarizes information regarding the Corporation's outstanding and exercisable stock options as at September 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	2.9	6,596,506	\$2.64	2.7	2,869,838	\$2.64
3.01 to 4.00	2.2	11,598,334	\$3.49	0.8	6,475,001	\$3.41
4.01 to 5.00	0.7	1,980,000	\$4.79	0.7	1,980,000	\$4.79
2.01 to 5.00	2.3	20,174,840	\$3.34	1.2	11,324,839	\$3.46

e) Warrants

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



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

12) Expenses

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

<i>For the period ended</i>	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Compensation expenses				
Stock-based compensation (recovery)/expense (note 8 and 11(d))	\$ (502)	\$ 1,479	\$ 4,250	\$ 10,777
Salaries and benefits	1,177	1,780	5,037	6,173
Total compensation expenses	\$ 675	\$ 3,259	\$ 9,287	\$ 16,950
General and administration expenses				
Shareholder and regulatory expense	\$ 82	\$ 46	\$ 266	\$ 302
Travel expense	40	35	65	197
Professional fees	171	344	723	1,320
Office expense	611	740	1,500	1,966
Total general and administration expenses	\$ 904	\$ 1,165	\$ 2,554	\$ 3,785
Marketable securities				
Realized gain from marketable securities (note 4)	\$ (337)	\$ (4,135)	\$ (7,031)	\$ (4,620)
Unrealized loss/(gain) from marketable securities (note 4)	7,964	(12,673)	16,214	(19,519)
Total marketable securities loss/(gain)	\$ 7,627	\$ (16,808)	\$ 9,183	\$ (24,139)

13) Related party transactions

During the three and nine-month periods ended September 30, 2021, management fees, geological services, rent and administration fees of \$23,000 and \$82,000 (2020 – \$84,000 and \$271,000) 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 September 30, 2021 were \$13,000 (2020 – \$6,000).

During the three and nine-month periods ended September 30, 2021, management fees, geological services, rent and administration fees of \$15,000 and \$55,000 (2020 – \$31,000 and \$82,000) were charged to Osisko GR by the Corporation. Accounts receivable from Osisko GR As at September 30, 2021 was \$nil (2020 – \$9,000).

During the three and nine-month periods ended September 30, 2021, management fees, geological services, rent and administration fees of \$161,000 and \$504,000 (2020 – \$51,000 and \$51,000) were charged to the Corporation's associate, O3 Mining, by the Corporation. Accounts receivable from O3 Mining as at September 30, 2021 was \$64,000 (2020 – \$57,000).

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.



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13) Related party transactions (continued)

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

<i>For the period ended</i>	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Salaries expense of key management	\$ 555	\$ 1,089	\$ 1,587	\$ 1,631
Directors' fees	95	114	285	313
Stock-based compensation (recovery)/expense	(521)	648	4,340	7,546
Total	\$ 129	\$ 1,851	\$ 6,212	\$ 9,490

14) Commitments

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

	Total	2021	2022	2023	2024	2025	2026
Office equipment leases	\$ 62	\$ 4	\$ 16	\$ 16	\$ 16	\$ 10	\$ -
Camp trailers and equipment leases	43	43	-	-	-	-	-
Total	\$ 105	\$ 47	\$ 16	\$ 16	\$ 16	\$ 10	\$ -

On August 17, 2021, the Corporation increased the letter of credit previously arranged with National Bank from \$4.5 million to \$6.5 million. The letter of credit is secured by the Corporation's restricted cash.

15) Subsequent events

From October 1, 2021 to November 10, 2021, Osisko repurchased and cancelled 1,235,100 common shares of the Corporation at an average price of \$2.41 for a total cost of \$2,979,000.

On October 22, 2021, Osisko received a refund of \$16,516,000, which were refundable tax credits related to eligible exploration and evaluation expenditures incurred in the Province of Québec (note 3).