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**Condensed Interim Consolidated Financial Statements**  
**For the three and nine-month periods ended September 30, 2022 and 2021**  
**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, 2022	December 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 99,025	\$ 213,088
Restricted cash (note 15)	6,729	6,729
Tax recoverable (note 3)	38,603	33,257
Marketable securities (note 4)	27,093	20,527
Other assets	3,562	2,524
<b>Total current assets</b>	<b>175,012</b>	<b>276,125</b>
<b>Non-current assets</b>		
Long-term receivables	2,740	-
Investment in associate (note 5)	40,440	42,563
Property, plant and equipment (note 6)	33,100	23,353
Exploration and evaluation assets (note 7)	719,962	641,166
<b>Total non-current assets</b>	<b>796,242</b>	<b>707,082</b>
<b>Total assets</b>	<b>\$ 971,254</b>	<b>\$ 983,207</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 28,087	\$ 26,707
Current lease liabilities	157	134
<b>Total current liabilities</b>	<b>28,244</b>	<b>26,841</b>
<b>Non-current liabilities</b>		
Non-current lease liabilities	1,051	87
Share-based payment liability (note 8)	15,545	18,506
Convertible debenture (note 9)	95,723	132,710
Asset retirement obligation (note 10)	8,635	9,519
Deferred tax liability (note 11)	109,246	95,738
<b>Total non-current liabilities</b>	<b>230,200</b>	<b>256,560</b>
<b>Total liabilities</b>	<b>258,444</b>	<b>283,401</b>
<b>Equity</b>		
Share capital (note 12(a))	868,884	854,439
Contributed surplus (note 12(d))	68,347	63,192
Warrants (note 12(e))	-	14,498
Equity component of convertible debenture	15,852	15,852
Accumulated other comprehensive income	3,356	-
Accumulated deficit	(243,629)	(248,175)
<b>Total equity attributed to equity owners of the Corporation</b>	<b>712,810</b>	<b>699,806</b>
<b>Total liabilities and equity</b>	<b>\$ 971,254</b>	<b>\$ 983,207</b>

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

**Commitments (note 15)**

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

<i>For the period ended</i>	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>Expenses/(income)</b>				
Compensation expenses (note 13 and 14)	\$ 3,403	\$ 675	\$ 8,748	\$ 9,287
General and administration expenses (note 13 and 14)	1,241	904	4,238	2,554
General exploration expenses	-	-	20	20
Flow-through premium income (note 12(a))	(3,588)	(11,115)	(8,037)	(31,281)
Loss from marketable securities (note 4 and note 13)	265	7,627	5,051	9,183
Fair value loss/(gain) on convertible debenture (note 9)	1,880	-	(32,421)	-
(Gain)/loss from disposition of property, plant and equipment (note 6)	(12)	-	(22)	2
Other income	(209)	(7)	(224)	(27)
<b>Operating loss/(income)</b>	<b>2,980</b>	<b>(1,916)</b>	<b>(22,647)</b>	<b>(10,262)</b>
Finance income	(1,120)	(258)	(2,425)	(1,243)
Finance costs	2,006	110	6,092	501
<b>Net finance expense/(income)</b>	<b>886</b>	<b>(148)</b>	<b>3,667</b>	<b>(742)</b>
Share of loss/(gain) of associates (note 5)	350	346	2,123	(7,321)
<b>Loss/(income) before tax</b>	<b>4,216</b>	<b>(1,718)</b>	<b>(16,857)</b>	<b>(18,325)</b>
Deferred income tax expense (note 11)	1,818	9,116	12,311	27,940
<b>Net loss/(income)</b>	<b>\$ 6,034</b>	<b>\$ 7,398</b>	<b>\$ (4,546)</b>	<b>\$ 9,615</b>
Change in fair value of convertible debenture attributable to the change in credit risk (note 9)	476	-	(4,566)	-
Income tax effect	(126)	-	1,210	-
<b>Other comprehensive loss/(income)</b>	<b>350</b>	<b>-</b>	<b>(3,356)</b>	<b>-</b>
<b>Comprehensive loss/(income)</b>	<b>\$ 6,384</b>	<b>\$ 7,398</b>	<b>\$ (7,902)</b>	<b>\$ 9,615</b>
<b>Basic and diluted loss/(earnings) per share (note 12(b) and (c))</b>	<b>\$ 0.02</b>	<b>\$ 0.02</b>	<b>\$ (0.01)</b>	<b>\$ 0.03</b>
<b>Weighted average number of shares (note 12(b))</b>	<b>347,474,478</b>	<b>351,747,225</b>	<b>348,310,000</b>	<b>352,485,405</b>
<b>Diluted weighted average number of shares (note 12(c))</b>	<b>347,474,478</b>	<b>351,747,225</b>	<b>356,572,041</b>	<b>352,485,405</b>

*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	Equity Component of Convertible Debenture	Accumulated Other Comprehensive Income	Deficit and Accumulated Deficit	Total
<b>Balance January 1, 2022</b>	<b>346,279,008</b>	<b>\$ 854,439</b>	<b>\$ 14,498</b>	<b>\$ 63,192</b>	<b>\$ 15,852</b>	<b>\$ -</b>	<b>\$ (248,175)</b>	<b>\$ 699,806</b>
Income for the period	-	-	-	-	-	-	4,546	4,546
Other comprehensive income for the period	-	-	-	-	-	3,356	-	3,356
Stock-based compensation (note 12(d) and 13)	-	-	-	2,015	-	-	-	2,015
Issuance of shares upon exercise of stock options (note 12(a) and (d))	4,107,004	25,721	-	(11,358)	-	-	-	14,363
Expiry of warrants (note 12(e))	-	-	(14,498)	14,498	-	-	-	-
Private Placement (note 12(a))	2,891,088	11,920	-	-	-	-	-	11,920
Shares repurchased under normal course issuer bid (note 12(a))	(5,852,665)	(23,209)	-	-	-	-	-	(23,209)
Deferred tax asset (note 11)	-	13	-	-	-	-	-	13
<b>Balance September 30, 2022</b>	<b>347,424,435</b>	<b>\$ 868,884</b>	<b>\$ -</b>	<b>\$ 68,347</b>	<b>\$ 15,852</b>	<b>\$ 3,356</b>	<b>\$ (243,629)</b>	<b>\$ 712,810</b>

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Equity Component of Convertible Debenture	Accumulated Other Comprehensive Income	Deficit and Accumulated Deficit	Total
<b>Balance January 1, 2021</b>	<b>344,207,806</b>	<b>\$ 850,579</b>	<b>\$ 15,909</b>	<b>\$ 55,611</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (225,267)</b>	<b>\$ 696,832</b>
Loss for the period	-	-	-	-	-	-	(9,615)	(9,615)
Stock-based compensation (note 12(d) and 13)	-	-	-	6,954	-	-	-	6,954
Issuance of shares upon exercise of stock options	1,127,201	2,311	-	(1,024)	-	-	-	1,287
Private Placement	13,085,000	37,894	-	-	-	-	-	37,894
Shares repurchased under normal course issuer bid	(8,107,500)	(25,463)	-	-	-	-	-	(25,463)
Deferred tax asset on share issue cost	-	1,020	-	-	-	-	-	1,020
<b>Balance September 30, 2021</b>	<b>350,312,507</b>	<b>\$ 866,341</b>	<b>\$ 15,909</b>	<b>\$ 61,541</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (234,882)</b>	<b>\$ 708,909</b>

*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>	<b>September 30, 2022</b>	<b>September 30, 2021</b>
<b>Cash flows provided by/(used in) operating activities</b>		
Income/(loss) for the period	\$ 4,546	\$ (9,615)
Adjustments for:		
Loss from marketable securities (note 4 and 13)	5,051	9,183
Share of loss/(gain) of associates (note 5)	2,123	(7,321)
Depreciation (note 6)	243	252
Accretion on asset retirement obligation (note 10)	186	65
(Gain)/loss from disposition of property, plant and equipment (note 6)	(22)	2
Flow-through premium income (note 12(a))	(8,037)	(31,281)
Stock-based compensation (note 8, 12(d) and 13)	2,989	4,250
Deferred income tax expense (note 11)	12,311	27,940
Fair value gain on convertible debentures (note 9)	(32,421)	-
Unrealized foreign exchange gain on long-term receivable	(191)	-
Interest expense on lease liabilities and convertible debenture (note 9)	5,527	53
Interest expense on financial liabilities	-	120
Finance income	(2,425)	(1,243)
	<b>(10,120)</b>	<b>(7,595)</b>
Change in items of working capital:		
Change in taxes recoverable	26,593	(288)
Change in other assets	(1,038)	96
Change in accounts payable and accrued liabilities	365	4,408
<b>Net cash provided by/(used in) operating activities</b>	<b>15,800</b>	<b>(3,379)</b>
<b>Cash flows provided by/(used in) investing activities</b>		
Finance income	2,425	1,243
Acquisition of marketable securities (note 4)	(48,587)	(37,117)
Proceeds on disposition of marketable securities (note 4)	36,970	45,471
Acquisition of O3 Mining Inc. equity investment (note 5)	-	(185)
Investment in long-term receivable	(2,549)	-
Acquisition of property, plant and equipment (note 6)	(12,027)	(8,628)
Proceeds on disposition of property, plant and equipment (note 6)	13	1
Addition to exploration and evaluation assets (note 7)	(109,120)	(134,714)
Net cash paid on asset acquisitions	-	(100)
<b>Net cash used in investing activities</b>	<b>(132,875)</b>	<b>(134,029)</b>
<b>Cash flows provided by/(used in) financing activities</b>		
Repayment of lease liabilities	(118)	(1,271)
Vesting of restricted share units (note 8)	(4,354)	(78)
Interest expense on convertible debenture	(3,627)	-
Interest expense on financial liabilities	-	(120)
Changes in restricted cash (note 15)	-	5,884
Net cash received from private placements (note 12(a))	19,957	66,158
Cash received from exercise of stock options (note 12(d))	14,363	1,287
Net cash used in repurchasing shares under normal course issuer bid (note 12(a))	(23,209)	(25,463)
<b>Net cash provided by financing activities</b>	<b>3,012</b>	<b>46,397</b>
<b>Decrease in cash and cash equivalents</b>	<b>(114,063)</b>	<b>(91,011)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>213,088</b>	<b>180,027</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 99,025</b>	<b>\$ 89,016</b>

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**Notes to Condensed Interim Consolidated Financial Statements**  
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**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, 2022 and 2021 include the Corporation and its wholly-owned subsidiary, Osisko Green Sponsor Corp. (“Osisko Green Sponsor”).

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 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, 2021.

These condensed interim consolidated financial statements were authorized for issuance by the Corporation’s board of directors (the “Board of Directors”) on November 9, 2022.

**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, 2021.

**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, 2022. They are not applicable or do not have a significant impact on the Corporation.



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**Notes to Condensed Interim Consolidated Financial Statements**  
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**2) Basis of preparation (continued)**

***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 the 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, 2021.

***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, 2022, tax recoverable consists of sales tax recoverable and refundable tax credits. Sales tax recoverable consists 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.

**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, 2022, these shares and warrants were fair valued, and this resulted in an unrealized loss of \$404,000 and \$6,048,000, respectively (2021 – \$7,964,000 and \$16,214,000). The Corporation sold shares during the three and nine-month periods ended September 30, 2022, which resulted in a realized gain of \$139,000 and \$997,000, respectively (2021 – \$337,000 and \$7,031,000).

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, 2022, 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.





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**4) Marketable securities (continued)**

The following table summarizes information regarding the Corporation's marketable securities as at September 30, 2022:

<i>As at</i>	<b>September 30, 2022</b>
<b>Balance, beginning of period</b>	<b>\$ 20,527</b>
Additions	48,587
Disposals	(36,970)
Realized gain	997
Unrealized loss	(6,048)
<b>Balance, end of period</b>	<b>\$ 27,093</b>

**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, 2022 was \$1.42 per share which corresponds to a quoted market value of \$22,523,000 for the Corporation's investment in O3 Mining. The equity accounting for O3 Mining is based on the results to September 30, 2022.

The Corporation's investment relating to its associate as at September 30, 2022 are detailed as follows:

	<b>O3 Mining Inc.</b>
<b>Balance, December 31, 2021</b>	<b>\$ 42,563</b>
Share of loss for the period	(2,123)
<b>Balance, September 30, 2022</b>	<b>\$ 40,440</b>

**6) Property, plant and equipment**

The following table summarizes information regarding the Corporation's property, plant and equipment as at September 30, 2022:

Class	September 30, 2022								
	Cost				Accumulated depreciation				
	Opening balance	Additions/ transfers	Write-off / disposals	Closing balance	Opening balance	Depreciation	Write-off / disposals	Closing balance	Net book value
Computer Equipment	\$ 2,377	\$ 180	\$ -	\$ 2,557	\$ 1,429	\$ 169	\$ -	\$ 1,598	\$ 959
Office Equipment	200	12	-	212	139	12	-	151	61
Office Buildings	896	1,154	(207)	1,843	729	189	(114)	804	1,039
Exploration Equipment	34,733	11,701	(3)	46,431	12,787	2,891	-	15,678	30,753
Automobiles	475	134	-	609	244	77	-	321	288
<b>Total</b>	<b>\$ 38,681</b>	<b>\$ 13,181</b>	<b>\$ (210)</b>	<b>\$ 51,652</b>	<b>\$ 15,328</b>	<b>\$ 3,338</b>	<b>\$ (114)</b>	<b>\$ 18,552</b>	<b>\$ 33,100</b>



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**For the three and nine-month periods ended September 30, 2022 and 2021**  
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**7) Exploration and evaluation assets**

The following table summarizes information regarding the Corporation's exploration and evaluation assets as at September 30, 2022:

	December 31, 2021	Additions	September 30, 2022
Windfall Lake	\$ 589,628	\$ 79,227	\$ 668,855
Quévillon Osborne	19,654	170	19,824
Urban-Barry	30,012	(601)	29,411
Urban Duke	1,646	-	1,646
Other	226	-	226
<b>Total exploration and evaluation assets</b>	<b>\$ 641,166</b>	<b>\$ 78,796</b>	<b>\$ 719,962</b>

**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 the payout in cash, 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 the 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, 2022:

	Number of DSUs	Number of RSUs
<b>Outstanding at December 31, 2021</b>	<b>2,507,391</b>	<b>3,550,000</b>
Granted	522,848	2,040,000
Vested	-	(1,125,000)
Forfeited	-	(595,000)
<b>Outstanding at September 30, 2022</b>	<b>3,030,239</b>	<b>3,870,000</b>

During the period ended September 30, 2022, 522,848 DSUs were issued to directors, 47,848 of which were issued in lieu of directors' fees. The weighted average fair value of the DSUs granted was \$3.89 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, 2022, 2,040,000 RSUs were issued to management and consultants. The weighted average fair value of the RSUs granted was \$3.95 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, 2022, the share-based payment liability related to each DSU and RSU of the Corporation was re-measured to fair value at the Corporation's closing share price of \$3.09.

The combined total expense recognized for RSUs and DSUs for the three and nine-month period ended September 30, 2022 was \$1,182,000 and \$1,393,000, respectively (2021 – recovery of \$2,530,000 and \$960,000), from which expenses of \$280,000 and \$167,000, respectively, were capitalized to exploration and evaluation assets (2021 – recovery of \$185,000 and expense of \$157,000).



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**9) Convertible debenture**

The following table summarizes information regarding the Corporation's convertible debenture as at September 30, 2022:

	<b>Amount</b>
<b>Balance December 31, 2021</b>	<b>\$ 132,710</b>
Change in fair value in the period	(36,987)
<b>Balance September 30, 2022</b>	<b>\$ 95,723</b>

The fair value of the debt component of the convertible debenture decreased from \$132,710,000 on December 31, 2021 to \$95,723,000 on September 30, 2022, resulting in a fair value gain of \$32,421,000 for the period (2021 – \$nil). The decrease in fair value was due to the termination of joint venture negotiations with respect to Osisko's Windfall Project with Northern Star Resource Limited as well as an increase in the credit spread. The exclusivity period for negotiation of the joint venture and associated rights of converting the convertible debenture into a joint venture interest expired on March 1, 2022.

The change in the fair value due to credit risk for the period, which is presented in the other comprehensive loss, was \$4,566,000 (2021 – \$nil). As at September 30, 2022, the accrued interest payable included in accounts payable and accrued liabilities was \$2,465,000.

The following table summarizes the assumptions used for the valuation of the convertible debenture as at September 30, 2022:

<i>As at</i>	<b>September 30, 2022</b>
Time to maturity	3.2 years
Share price	\$ 3.09
Volatility	58.33%
Risk-free interest rate (based on government bonds)	3.69%
Credit spread	19.41%

**10) Asset retirement obligation**

The 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:

	<b>Amount</b>
<b>Balance December 31, 2021</b>	<b>\$ 9,519</b>
Accretion	186
Change in estimate	(1,070)
<b>Balance September 30, 2022</b>	<b>\$ 8,635</b>

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

<i>For the period ended September 30,</i>	<b>2022</b>
Total undiscounted value of payments	\$ 7,341
Weighted average discount rate	3.09%
Weighted average expected life	19 years
Inflation rate	4.00%



**Notes to Condensed Interim Consolidated Financial Statements**  
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**11) Income taxes**

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

<i>For the years ended</i>	<b>September 30, 2022</b>	<b>September 30, 2021</b>
Deferred income tax expense	\$ 9,103	\$ 14,811
Deferred mining taxes	3,208	13,129
<b>Deferred tax expense</b>	<b>\$ 12,311</b>	<b>\$ 27,940</b>

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>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
<b>Deferred tax assets</b>		
Losses	\$ 37,278	\$ 32,913
Mining tax deductible for income tax purposes	16,532	15,682
Share issue costs	10,247	10,234
Investment tax credits	622	622
Other net deductible temporary differences	4,100	4,928
<b>Total deferred tax assets</b>	<b>\$ 68,779</b>	<b>\$ 64,379</b>
<b>Deferred tax liability</b>		
Exploration and evaluation assets	\$ (100,198)	\$ (95,299)
Convertible Debenture - Northern Star	(15,443)	(5,642)
Deferred mining tax liability	(62,384)	(59,176)
<b>Total deferred tax liability</b>	<b>\$ (178,025)</b>	<b>\$ (160,117)</b>
<b>Net deferred tax liability</b>	<b>\$ (109,246)</b>	<b>\$ (95,738)</b>

**12) Capital and other components of equity**

**a) Share capital – authorized**

	<b>Number of Common Shares</b>	<b>Amount</b>
<b>Balance, December 31, 2021</b>	<b>346,279,008</b>	<b>\$ 854,439</b>
Issuance of shares upon exercise of stock options (note 12(d))	4,107,004	25,721
Shares repurchased under normal course issuer bid	(5,852,665)	(23,209)
Private placement (net of transaction costs (\$49,000))	2,891,088	11,920
Deferred tax asset on share issue cost (note 11)	-	13
<b>Balance, September 30, 2022</b>	<b>347,424,435</b>	<b>\$ 868,884</b>

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.



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**12) Capital and other components of equity (continued)**

**a) Share capital – authorized (continued)**

On April 5, 2022, the Corporation completed a private placement of 2,891,088 common shares of the Corporation at a price of \$6.92 per common share issued as flow-through shares for aggregate gross proceeds of \$20,006,000. The flow-through shares were issued at a premium of \$2.78 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 \$8,037,000 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 \$49,000 and have been netted against the gross proceeds on closing.

During the three and nine-month period ended September 30, 2022, flow-through premium income of \$3,588,000 and \$8,037,000, respectively, (2021 – \$11,115,000 and \$31,281,000) was recognized relating to the flow-through shares issued.

During the nine-month period ended September 30, 2022, Osisko repurchased and canceled 5,852,665 common shares of the Corporation at an average price of \$3.97 for a total cost of \$23,209,000.

**b) Basic loss/(earnings) per share**

The calculation of basic loss/(earnings) per share for the three and nine-month periods ended September 30, 2022 and 2021 was based on the loss/(income) 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, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Common shares outstanding, at beginning of the period	347,813,280	352,068,507	346,279,008	344,207,806
Common shares (repurchased)/issued during the period	(338,802)	(321,282)	2,030,992	8,277,599
<b>Basic weighted average number of common shares</b>	<b>347,474,478</b>	<b>351,747,225</b>	<b>348,310,000</b>	<b>352,485,405</b>
<b>Loss/(income)</b>	<b>\$ 6,034</b>	<b>\$ 7,398</b>	<b>\$ (4,546)</b>	<b>\$ 9,615</b>
<b>Basic loss/(earnings) per share</b>	<b>\$ 0.02</b>	<b>\$ 0.02</b>	<b>\$ (0.01)</b>	<b>\$ 0.03</b>

**c) Diluted loss/(earnings) per share**

For the three and nine-month periods ended September 30, 2021 and the three-month period ended September 30, 2022, the Corporation incurred net losses, therefore all outstanding convertible debenture, stock options, and DSUs have been excluded from the calculation of diluted loss per share since the effect would be anti-dilutive.

<i>For the period ended</i>	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Basic weighted average number of common shares (note 12(b))	347,474,478	351,747,225	348,310,000	352,485,405
Effect of dilutive stock options	-	-	1,667,645	-
Effect of dilutive DSUs and RSUs	-	-	6,594,396	-
<b>Diluted weighted average number of common shares</b>	<b>347,474,478</b>	<b>351,747,225</b>	<b>356,572,041</b>	<b>352,485,405</b>
<b>Loss/(income)</b>	<b>\$ 6,034</b>	<b>\$ 7,398</b>	<b>\$ (4,546)</b>	<b>\$ 9,615</b>
<b>Diluted loss/(earnings) per share</b>	<b>\$ 0.02</b>	<b>\$ 0.02</b>	<b>\$ (0.01)</b>	<b>\$ 0.03</b>



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**12) Capital and other components of equity (continued)**

**d) Contributed surplus**

The following table summarizes the stock option transactions for the period ended September 30, 2022:

	Number of stock options	Weighted-average exercise price
<b>Outstanding at December 31, 2021</b>	<b>19,061,571</b>	<b>\$ 3.35</b>
Exercised	(4,107,004)	3.50
Forfeited	(2,173,332)	4.26
<b>Outstanding at September 30, 2022</b>	<b>12,781,235</b>	<b>\$ 3.15</b>

During the nine-month period ended September 30, 2022, a total of 4,107,004 stock options were exercised for gross proceeds of \$14,363,000 in exchange for the issuance of 4,107,004 common shares of the Corporation.

The total recognized expense for stock options for the three and nine-month period ended September 30, 2022 was \$940,000 and \$2,015,000, respectively, (2021 – \$2,387,000 and \$6,954,000) from which \$179,000 and \$252,000 (2021 – expense of \$544,000 and \$1,587,000) was capitalized to the Canadian projects.

The following table summarizes information regarding the Corporation's outstanding and exercisable stock options as at September 30, 2022:

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 (\$)
2.23 to 3.00	1.9	5,682,901	\$2.65	1.8	4,391,237	\$2.66
3.01 to 4.00	2.0	7,098,334	\$3.54	1.4	4,248,330	\$3.52
<b>2.23 to 4.00</b>	<b>2.0</b>	<b>12,781,235</b>	<b>\$3.15</b>	<b>1.6</b>	<b>8,639,567</b>	<b>\$3.08</b>

**e) Warrants**

The following table summarizes the transactions pertaining to the Corporation's outstanding standard warrants for the nine-month period ended September 30, 2022. These warrants were exercisable at one warrant for one common share of the Corporation.

	Number of warrants	Weighted-average exercise price
<b>Outstanding at December 31, 2021</b>	<b>22,099,400</b>	<b>\$ 5.25</b>
Expired	(22,099,400)	5.25
<b>Outstanding at September 30, 2022</b>	<b>-</b>	<b>\$ -</b>



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**13) Expenses**

The following table summarizes information regarding the Corporation's expenses for the three and nine-month periods ended September 30, 2022 and 2021:

<i>For the period ended</i>	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>Compensation expenses</b>				
Stock-based compensation expense/(recovery) (note 8 and 12(d))	\$ 1,663	\$ (502)	\$ 2,989	\$ 4,250
Salaries and benefits (note 14)	1,740	1,177	5,759	5,037
<b>Total compensation expenses</b>	<b>\$ 3,403</b>	<b>\$ 675</b>	<b>\$ 8,748</b>	<b>\$ 9,287</b>
<b>General and administration expenses</b>				
Shareholder and regulatory expense	\$ 162	\$ 82	\$ 332	\$ 266
Travel expense	108	40	308	65
Professional fees	265	171	1,292	723
Office expense (note 14)	706	611	2,306	1,500
<b>Total general and administration expenses</b>	<b>\$ 1,241</b>	<b>\$ 904</b>	<b>\$ 4,238</b>	<b>\$ 2,554</b>
<b>Marketable securities</b>				
Realized gain from marketable securities (note 4)	\$ (139)	\$ (337)	\$ (997)	\$ (7,031)
Unrealized loss from marketable securities (note 4)	404	7,964	6,048	16,214
<b>Total marketable securities loss</b>	<b>\$ 265</b>	<b>\$ 7,627</b>	<b>\$ 5,051</b>	<b>\$ 9,183</b>

**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, 2022, management fees, geological services, rent, and administration fees of \$71,000 and \$148,000, respectively, (2021 – \$34,000 and \$93,000) 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.

During the three and nine-month period ended September 30, 2022, management fees, geological services, rent, and administration fees of \$20,000 and \$53,000 respectively, (2021 – \$15,000 and \$55,000) were charged to Osisko GR by the Corporation.

During the three and nine-month period ended September 30, 2022, management fees, geological services, rent, and administration fees of \$166,000 and \$659,000 respectively, (2021 – \$161,000 and \$504,000) were charged to the Corporation's associate, O3 Mining, by the Corporation. Accounts receivable from O3 Mining as at September 30, 2022 was \$60,000 (2021 - \$64,000).

On July 22, 2022, the Corporation acquired 6,492,200 common shares of Osisko Metals Incorporated from O3 Mining at \$0.315 per share for a total cost of \$2,045,000. The closing price of common shares of Osisko Metal Incorporated on July 22, 2022 was \$0.33 per share.



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**14) Related party transactions (continued)**

The following table summarizes remuneration attributable to key management personnel for the three and nine-month periods ended September 30, 2022 and 2021:

<i>For the period ended</i>	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Salaries expense of key management	\$ 472	\$ 555	\$ 1,575	\$ 1,587
Directors' fees	98	95	344	285
Stock-based compensation expense/(recovery)	1,509	(521)	502	4,340
<b>Total</b>	<b>\$ 2,079</b>	<b>\$ 129</b>	<b>\$ 2,421</b>	<b>\$ 6,212</b>

**15) Commitments**

The Corporation has the following commitments as at September 30, 2022:

	Total	2022	2023	2024	2025
Office equipment leases	\$ 47	\$ 4	\$ 16	\$ 16	\$ 11
Camp trailers and equipment leases	2,293	614	1,180	499	-
<b>Total</b>	<b>\$ 2,340</b>	<b>\$ 618</b>	<b>\$ 1,196</b>	<b>\$ 515</b>	<b>\$ 11</b>

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.