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**OSISKO MINING INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018 AND 2017**

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This discussion and analysis (this “MD&A”) is management’s assessment of the results and financial condition of Osisko Mining Inc. (“Osisko” or the “Corporation”) and should be read in conjunction with the Corporation’s unaudited financial statements for the three-month periods ended March 31, 2018 and 2017 and the notes thereto. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (the “IASB”), applicable to the preparation of interim financial statements in accordance with IAS 34, Interim Financial Reporting. This MD&A and the related financial statements are available under the Corporation’s issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation’s website at [www.osiskomining.com](http://www.osiskomining.com) and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2017 and 2016.

Management is responsible for the preparation of the financial statements and this MD&A. The interim financial statements have been prepared in accordance with IFRS as issued by the IASB. All dollar figures in this MD&A are expressed in Canadian dollars, unless stated otherwise.

Information relating to the Marban Block Project is supported by the technical report titled “Updated Mineral Resource Technical Report, Marban Block Property, Québec, Canada” dated August 15, 2013 with an effective date of June 1, 2013 prepared by or under the supervision of Michael M. Gustin, Ph.D., CPG, of Mine Development Associates and Peter Ronning, P.Eng., of New Caledonian Geological Consulting (the “Marban Block Technical Report”). Reference should be made to the full text of the Marban Block Technical Report, which has been filed with Canadian securities regulatory authorities pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and is available for review on SEDAR under the issuer profile of Niogold Mining Corp. (“Niogold”) at [www.sedar.com](http://www.sedar.com).

Mr. Elzéar Belzile, Eng. of Belzile Solutions Inc. (global resource estimate) is an independent “qualified person” (as defined in NI 43-101), responsible for the technical information reported herein, including verification of the data disclosed. Mr. Thomas L. Dyer, P.E. of Mine Development Associates is also an independent “qualified person” (as defined in NI 43-101) and is responsible for Whittle pit optimizations for the Marban Block Project.

Information relating to the Osborne-Bell Gold Deposit is supported by the technical report titled “Technical Report and Mineral Resource Estimate – Osborne-Bell Gold Deposit, Quévillon Property” dated of April 23, 2018 with an effective date of March 2nd, 2018 prepared under the Supervision of Pierre-Luc Richard, M.Sc., P.Geo (OGQ No. 1119, APGO No. 1174 and Stéphane Faure, PhD, P.Geo (OGQ No. 306, APGO No. 2662, NAPEG No. L3536) from InnovExplo Inc. Reference should be made to the full text of the Osborne-Bell Technical Report, which has been filed with Canadian securities regulatory authorities pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Project* (“NI 43-101”) and is available for review on SEDAR under the issuer profile of Osisko Mining inc. (Osisko) at [www.sedar.com](http://www.sedar.com).

Mr. Pierre-Luc Rihard, P.Geo., M.Sc., and Mr. Stéphane Faure, P.Geo., PhD. of Innov-Explo Inc. (global resource estimate) is an independent “qualified person” (as defined in NI 43-101), responsible for the technical information reported herein for the Osborne-Bell Technical Report.

Mr. Mathieu Savard, B.Sc., P.Geo., Vice President of Exploration Québec of Osisko, is a “qualified person” (as defined in NI 43-101) and has reviewed and approved the technical information in this MD&A with respect to all the Corporation’s properties in Québec, including the Windfall Lake Property, Quévillon Osborne Property, James Bay Properties and the Marban Block Project.

Mr. Gernot Wober, P.Geo., Vice President of Exploration Canada of Osisko, is a “qualified person” (as defined in NI 43-101) and has reviewed and approved the technical information in this MD&A with respect to all the Corporation’s properties in Ontario, including the Garrison Project.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the “Risks and Uncertainties” and the “Cautionary Note Regarding Forward-Looking Information” sections at the end of this MD&A.

This MD&A has been prepared as of May 8, 2018.

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## DESCRIPTION OF BUSINESS

The Corporation was incorporated on February 26, 2010, under the *Business Corporations Act* (Ontario). The Corporation's focus is the exploration and development of precious metals resource properties in Canada. Currently, the Corporation is exploring in Ontario and Québec, and looking for new opportunities to enhance shareholder value.

## UPDATES DURING THE THREE-MONTH PERIOD AND SUSEQUENT TO THE THREE-MONTH PERIOD

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### *Corporate Development and Acquisitions:*

- On March 28, 2018, Osisko signed an option agreement with Osisko Metals Incorporated ("Osisko Metals") pursuant to which Osisko Metals can earn a 50% interest in the Urban-Barry Base Metals Project by funding an aggregate of \$5,000,000 in exploration expenditures over four years. Osisko Mining would retain a 100% interest in all precious metals on the claims covered in the agreement.
- On March 15, 2018, Osisko provided a mineral resource estimate for its 100% owned Osborne-Bell Gold Deposit, located 15 kilometres northwest of the town of Lebel-sur-Quévillon, Québec. This estimate is the result of 927 drill holes (279,925 metres of drilling) completed by previous operators of the project since 1994, including 50 drill holes that were completed after their last resource estimate was published in 2012, and four new drill holes that were completed by Osisko in December 2017.
- On February 26, 2018, Osisko purchased, from Globex Mining Enterprises Inc., the Certac property at Le Tac township, Québec for \$250,000 and a gross metal royalty ("GMR") payable to Globex Mining Enterprises Inc. on all metal production from the property. The GMR payable will be 2.5% at a gold price below USD \$1,000 per ounce or 3% at a gold price equal to or greater than \$1,000 per ounce. Osisko retains the first right of refusal should Globex Mining Enterprises Inc. decide to sell its GMR as well as an exclusive right to buy back a 1.5% gross metal royalty for \$1,500,000.
- On February 8, 2018, Osisko provided an update on the progress of exploration at its 100% owned Windfall Lake, Urban Barry and Quévillon Osborne Projects located in the Abitibi greenstone belt, Eeyou Istchee James Bay, Québec.
- On January 10, 2018, Osisko filed an early warning report in respect of its holdings in Beaufield Resources Inc. ("Beaufield"). The Corporation, through its wholly-owned subsidiary O3 Investments Incorporated, acquired beneficial ownership of, or control and direction over, 16,923,500 common shares of Beaufield ("BFD Shares") by way of a share purchase agreement transaction, representing approximately 8.2% of the BFD Shares then issued and outstanding, at a price of \$0.14 per BFD Share, for total consideration of \$2,369,000. After giving effect to this purchase, the Corporation, through its wholly-owned subsidiary O3 Investments Inc., held beneficial ownership of, or control and direction over, 56,181,300 BFD Shares, representing approximately 27.0% of the BFD Shares then issued and outstanding.

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### *Financings:*

During the period ended March 31, 2018 as well as to the date of this MD&A, Osisko did not complete any financings. The Corporation has cash and investments of approximately \$150,700,000 as at March 31, 2018.

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### *Exploration Highlights:*

#### *Overall Performance*

During the period ended March 31, 2018, the Corporation spent approximately \$32,047,000 on exploration and evaluation assets, mostly on the Windfall Lake, Quévillon and Urban Barry properties and \$4,586,000 on general and administration expenses, as well as salaries and benefits. During the period ended March 31, 2018, the Corporation has drilled approximately 58,236 metres on the Windfall Lake Property, 4,196 metres on the Urban Barry Property, and 23,367 metres on the Quévillon Osborne Property.

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Based on current technical reports, the Corporation has four main deposits that contain an aggregate of 3.42 million ounces of global resources in the measured mineral resource and the indicated mineral resource categories and an aggregate of 2.31 million ounces of global resources in the inferred mineral resource category. During the period ended March 31, 2018, the Corporation added 510,000 ounces of gold to the inferred mineral resource category by announcing a resource estimate on the Osborne-Bell Gold Deposit on March 15, 2018 (effective date March 2, 2018). Additionally, the Corporation has active ongoing drill programs, which began in 2016 and have continued and evolved in scope in 2017 and 2018, consisting of approximately 800,000 metres of drilling on the Windfall Lake Property and 60,000 metres of drilling on the Garrison Properties for a combined total drilling campaign of 860,000 metres. In addition, 50,000 metres of drilling is expected to be completed on the Quévillon Osborne Project in 2018. Management believes these fundamental elements provide a solid base necessary to build a mining company that will provide growing value to its shareholders over time. See the table in Section 2. “*Mineral Resources*” section of this MD&A for the grade and quantity of each category of mineral resources included in the foregoing disclosure.

#### **a) Windfall Lake, Urban Barry and Quévillon Osborne Properties**

On March 15, 2018, Osisko announced a mineral resource estimate for its 100% owned Osborne-Bell Gold Deposit, located 15 kilometres northwest of the town of Lebel-sur-Quévillon, Québec. This estimate is the result of 927 drill holes (279,925 metres of drilling) completed by previous operators of the project since 1994, including 50 drill holes that were completed after the last resource estimate was published in 2012, and 4 new drill holes that were completed by Osisko in December 2017.

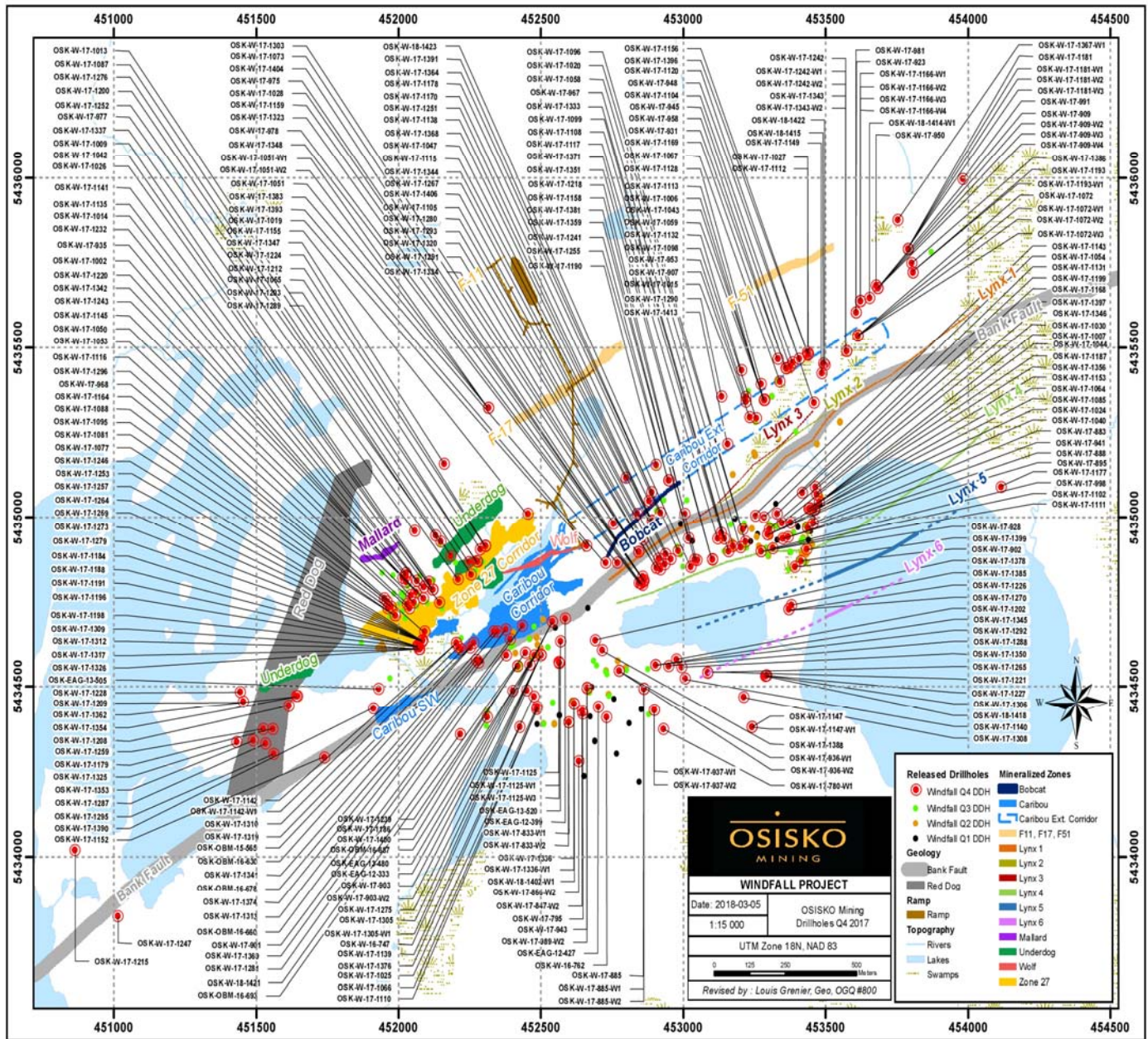
The mineral resource estimate has been prepared by Mr. Pierre-Luc Richard, P.Geo., M.Sc, and Stéphane Faure, P.Geo, PhD. both from Innov-Explo from Val-d’Or, Québec and the technical report, filed in accordance with NI 43-101 and is available on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Corporation’s profile.

#### **Highlights**

- Inferred mineral resource estimate of 2,587,000 tons at 6.13 g/t Au for 510,000 ounces of gold assuming US\$1,300 per ounce gold price and a lower cut-off grade of 3.0 g/t Au.
- Ongoing 50,000 metre 2018 exploration drill program, including definition/expansion drilling at Osborne-Bell Gold Deposit.
- Osborne-Bell Gold Deposit remains open at depth below 500 meters.

The total inferred mineral resource for the Osborne-Bell Gold Deposit has been estimated at 2,587,000 tonnes with an average grade of 6.13 g/t Au for 510,000 ounces of gold, using a 3.0 g/t lower cut-off grade. The model for the resource estimate includes nine individual, sub-vertical and tabular mineralized zones that were defined using a two-metre minimum true thickness. All mineral resources were classified as inferred mineral resources. Additional drilling and historical data validation through core re-assaying are underway to potentially upgrade portions of the resource to measured mineral resource and indicated mineral resource categories.

The Corporation announced the following results from the ongoing drill program at the Windfall Lake, Black Dog and Urban Barry Properties located in the Urban Township, Québec in the following map below:



Above is a map of the material drill holes that were completed in the period ended March 31, 2018, as well as the current holes to the date of this MD&A on the Windfall Lake Property.

The Windfall Lake gold deposit is located between Val-d'Or and Chibougamau in the Abitibi region of Québec, Canada. The mineral resource defined by the previous operator comprises 2,762,000 tonnes at 8.42 g/t Au (748,000 ounces) in the indicated mineral resource category and 3,512,000 tonnes at 7.62 g/t Au (860,000 ounces) in the inferred mineral resource category (sourced from a technical report dated June 10, 2015 entitled "Preliminary Economic Assessment of the Windfall Lake Gold Property, Québec, Canada" with an effective date of April 28, 2015, prepared in accordance with NI 43-101). The Windfall Lake gold deposit is currently one of the highest grade resource-stage gold projects in Canada. The bulk of the mineralization occurs in the main zone, a southwest/northeast trending zone measuring approximately 600 metres wide

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and at least 1,400 metres long. The deposit is well defined from surface to a depth of 500 metres, and remains open along strike and at depth. The deposit has been traced from surface to a depth of 1,200 metres and remains open along strike and at depth. An updated resource is expected to be released in the first half of 2018.

The Corporation began the period continuing its ongoing drill program at Windfall Lake with 18 drill rigs focused on the main and Lynx deposits and two rigs working on regional targets. Following the closure of a portion of the Windfall Lake Project resource estimation database on March 2<sup>nd</sup>, the release of the Osborne-Bell Deposit Resource Estimation Technical Report and the current market conditions, the drill count has been reduced to eight rigs (five at the Windfall Property, one at the Urban Barry Property and two at the Quévillon Osborne Property) with a reduction of staff and contractors on site. These measures are expected to result in a total budget reduction of approximately \$15,000,000 for the remaining 2018.

#### **Drill highlights have included the following:**

- 34.3 g/t Au Over 4.5 Metres at Windfall announced May 1, 2018
- 115 g/t Au Over 8.4 Metres at Lynx announced April 26, 2018
- 41.2 g/t Au Over 3.5 Metres at Windfall announced April 19, 2018
- 68.5 g/t Au Over 2.9 Metres at Lynx announced April 17, 2018
- 40.8 g/t Au Over 4.1 Metres at Windfall announced April 10, 2018
- 403.0 g/t Au Over 2.7 Metres at Lynx announced April 4, 2018
- 265 g/t Au Over 2.4 Metres at Windfall announced March 2, 2018
- 71.9 g/t Au Over 2.9 Metres at Lynx announced February 27, 2018
- 56.1 g/t Au Over 8.9 Metres at Windfall announced January 25, 2018
- 415 g/t Au Over 5.9 Metres at Lynx announced January 23, 2018
- 86.7 g/t Au Over 4.3 Metres at Windfall announced January 18, 2018
- 76.5 g/t Au Over 5.0 Metres at Windfall announced January 16, 2018
- 140 g/t Au Over 5.0 Metres at Lynx announced January 9, 2018

The full set of drill results are available under the Corporation's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.osiskomining.com](http://www.osiskomining.com).

#### **Exploration Ramp Advancement:**

In 2007, construction of an underground exploration ramp was commenced at the Windfall Lake Property by a previous operator, which attained a vertical depth of approximately 110 metres and length of approximately 1.2 kilometres, with an additional 230 metres of exploration drifts. The exploration ramp was terminated by the previous operator prior to completion of the bulk sample collection and was flooded with water. The ramp was dewatered in 2017. The exploration ramp is advancing at a rate of approximately 150 metres per month towards the mineralized zones. For the period ended March 31, 2018, rehabilitation of the existing exploration ramp was completed. In addition, the exploration ramp was advanced 557 metres. In Q2 2018, the exploration ramp is planned to continue to be extended towards Zone 27 and Caribou for the purpose of collection a bulk sample. An exploration ramp extension is planned towards Lynx and Underdog for the purpose of bulk sampling, subject to the receipt of all authorizations from the ministère du Développement durable, de l'Environnement (the "MDDELCC"), the Comité d'évaluation (the "COMÉV"), and the Ministère de l'Énergie et des Ressources naturelles (the "MERN"). Underground work includes bulk sampling (for metallurgical testing and grade confirmation), underground mapping and underground exploration drilling. As required every five years by MERN, an update to the site restoration plan for the Windfall Lake Property was submitted by the Corporation in July 2017. Upon acceptance of the plan, an increase in financial assurance will be required.

#### **Resource Development and Preliminary Economic Assessment:**

Resource work is progressing on Zone 27, Caribou, Underdog and the Lynx discovery. The initial resource estimate, which has been in progress since 2017, is expected to be completed during the second quarter of 2018. Throughout 2018, the Corporation expects to continue to explore the down-plunge and depth extensions of the known zones, as well as commence exploration for new zones of mineralization in the northeast – southwest Windfall / Lynx trend and the Bank Fault area. Osisko plans to have a preliminary economic assessment completed in June 2018 for the Windfall deposit subsequent to the expected release of the initial mineral resource estimate in the first half of 2018.

The main Windfall deposit and the Lynx deposit (discovered by Osisko in early 2017) remain open to the northeast and at depth, and surface exploration drilling is continuing. Newly discovered extensions of the main Windfall deposit (Caribou Extension, Zone 27 Extension, Underdog) will not be included in the resource estimate. Infill drilling planned for the remainder of 2018 will be focused on these areas, with the aim of including them in a planned pre-feasibility study in 2019.

### Exploration Strategy

Osisko is a mineral exploration company focused on the acquisition, exploration, and development of precious metal resource properties in Canada. Osisko's flagship project is the high-grade Windfall Lake gold deposit located between Val-d'Or and Chibougamau in Québec, Canada. Osisko also holds a 100% undivided interest in a large area of claims in the Urban Barry area (330,000 hectares) of Québec, a 100% interest in large claim package in the Quèvillon area that includes the Osborne-Bell Gold Deposit a 100% interest in the Garrison project east of Matheson, Ontario, as well as additional projects in the Timmins area of Ontario, the James Bay Labrador area of Québec and the Marban Block properties, which are located 15 kilometres west of the town of Val-d'Or in the Abitibi region of Québec, Canada.

## 1. SUMMARY OF MINERAL PROPERTIES

The Corporation's various gold mineral properties in Canada are summarized below:

Continuing Exploration Properties	Location	Status
Windfall Lake Project	Québec	Owned 100%
Urban Barry Project	Québec	Owned 100%
Urban Barry Base Metals Project	Québec	Owned 100% <sup>(1)</sup>
Black Dog Project (Souart)	Québec	Owned 100%
Quèvillon - Osborne	Québec	Owned 100%
Garrison – Garrcon Project	Ontario	Owned 100%
Garrison – Buffonta Project	Ontario	Owned 100%
Garrison – Jonpol Project	Ontario	Owned 100%
Garrison – Gold Pike Project	Ontario	Owned 60%
Marban Block Project	Québec	Owned 100%
Malartic Block Project	Québec	Owned 100%
Siscoe East Project	Québec	Owned 50%
Héva Project	Québec	Owned 100%
Kan Project – James Bay	Québec	Earn-in <sup>(2)</sup> (3)
Éléonore Regional – James Bay	Québec	Earn-in <sup>(2)</sup>
Éléonore JV – James Bay	Québec	Earn-in <sup>(2)</sup> (4)
Other – James Bay	Québec	Earn-in <sup>(2)</sup>

- (1) Subject to a 50% earn-in in favour of Osisko Metals. See "Update During the Three-Month Period and Subsequent to the Three-Month Period – Corporate Developments and Acquisitions".
- (2) Osisko holds an earn-in right in respect of these properties, which are currently owned by Osisko Gold Royalties Ltd.
- (3) Subject to a 70% earn-in in favour of Barrick Gold Corporation.
- (4) Midland Exploration Inc. owns 50% of the project.

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## 2. MINERAL RESOURCES

The Corporation's global mineral resources are summarized below:

CATEGORY	TONNES (MT)	AU GRADE (G/T)	AU (M OZ)
<b>MEASURED</b>			
MARBAN <sup>(3)</sup>	7.7	1.48	0.37
GARRISON <sup>(5)</sup>	15.1	1.07	0.52
	<b>22.8</b>	<b>1.21</b>	<b>0.89</b>
<b>INDICATED</b>			
MARBAN <sup>(3)</sup>	30.5	1.25	1.23
WINDFALL <sup>(4)</sup>	2.8	8.42	0.76
GARRISON <sup>(5)</sup>	15.0	1.40	0.68
	<b>48.3</b>	<b>1.72</b>	<b>2.67</b>
<b>TOTAL M&amp;I</b>			
MARBAN <sup>(3)</sup>	38.2	1.30	1.60
WINDFALL <sup>(4)</sup>	2.8	8.42	0.76
GARRISON <sup>(5)</sup>	30.1	1.24	1.20
	<b>71.1</b>	<b>1.56</b>	<b>3.56</b>
<b>INFERRED<sup>(2)</sup></b>			
MARBAN <sup>(3)</sup>	4.1	1.47	0.19
WINDFALL <sup>(4)</sup>	3.5	7.62	0.86
GARRISON <sup>(5)</sup>	7.9	3.18	0.81
QUÉVILLON OSBORNE <sup>(6)</sup>	2.6	6.13	0.51
	<b>18.1</b>	<b>4.07</b>	<b>2.37</b>

1. Global mineral inventories are not pit-constrained.
2. Inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher category. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
3. Information relating to the Marban Block Project is supported by the technical report titled "Updated Mineral Resource Technical Report, Marban Block Property, Québec, Canada" dated August 15, 2013 with an effective date of June 1, 2013 under the issuer profile of Niogold Mining Corp., at [www.sedar.com](http://www.sedar.com)
4. Information relating to the Windfall Property is supported by the technical report titled "Preliminary Economic Assessment of the Windfall Lake Gold Property, Québec, Canada" dated June 10, 2015 with an effective date of April 28, 2015 and filed under the issuer profile Eagle Hill Exploration Corporation. at [www.sedar.com](http://www.sedar.com)
5. Information relating to the Garrison Properties is supported by the technical report titled "Technical Report on the Golden Bear Project – Garrison Property, Larder Lake Mining Division, Garrison Township, Ontario, Canada" dated March 3, 2014 with an effective date of December 30, 2013.
6. Information relating to the Osborne-Bell Gold Deposit is support by a technical report titled "43-101 Technical Report and Mineral Resource Estimate – Osborne-Bell Deposit, Quévillon Property", dated effective March 2, 2018, and filed on SEDAR on April 23, 2018, under the issuer profile of Osisko Mining Inc. at [www.sedar.com](http://www.sedar.com).

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## 3. MINERAL PROPERTY ACTIVITIES

### 3.1 Urban Barry

As of March 31, 2018, the Corporation had staked claims in the Urban Barry area of Québec. The Urban Barry Project contains 1,997 claims, including the Black Dog (formally "Souart") Property and covers more than 110,765 hectares (1,084 square kilometres) in the Urban Barry volcano-sedimentary belt. The exploration expenditures on the property were for drilling, prospecting, till surveys follow-up and for staking claims. In order to maintain the claims, the Corporation was required to spend \$1,505,000 within two years from the date of staking, all of which has been spent as of March 31, 2018.



During the period ended March 31, 2018, surface exploration works was performed on the property with two drill rigs, for a total of 4,196 metres, exploring follow up targets found during Osisko's regional exploration work that was completed during 2017. A 32 kilometre gridline cutting followed by ground IP geophysical survey was also completed on the project during Q1/2018. A 12,000 metres drill program is planned for 2018 to continue exploring regional exploration targets.

### i) Windfall Lake Property

The Corporation acquired the Windfall Lake Property through the Corporation's acquisition of Eagle Hill Exploration Corporation ("Eagle Hill"), which was completed on August 25, 2015. The Windfall Lake Property is 100% owned by the Corporation and covers approximately 12,400 hectares located in the Abitibi greenstone belt, Urban Township, Eeyou Istchee James Bay, Québec Canada. The property consists of 285 contiguous mining claims.

The majority of the Windfall Lake Property is subject to the following residual net smelter returns ("NSR"):

Location	Approximate Area	NSR	Buyback Option
Centre of property, hosting the majority of the mineral resource	3,151 acres (1,275 ha)	2.5% <sup>(1)</sup>	Buyback 1% NSR for \$1,000,000
North of the majority of the mineral resource, hosting small portion of the mineral resource	2,342 acres (948 ha)	1%	Buyback 1% NSR for \$1,000,000 (\$500,000 for each 0.5% NSR)
Northern part of property	19,531 acres (7,904 ha)	2%	Buyback 2% NSR for \$1,000,000 (\$500,000 for each 1% NSR)
Southeast of the mineral resource	706 acres (286 ha)	2%	Buyback 1% NSR for \$500,000
Eastern edge of property	2,507 acres (1,015 ha)	2%	Buyback 1% NSR for \$1,000,000, right of first refusal for remaining 1% NSR

(1) In 2015, Osisko Gold Royalties Ltd ("Osisko GR") was granted a right to acquire a 1% NSR royalty on all properties held by the Corporation as of August 25, 2015. This right was exercised by Osisko GR in October 2016 for \$5,000,000 and includes a 1% NSR royalty on the Windfall Lake Property. This exercise brings the total NSR royalty held by Osisko GR on the Windfall Lake Property to 1.5%, including the 0.5% NSR royalty acquired in 2015.

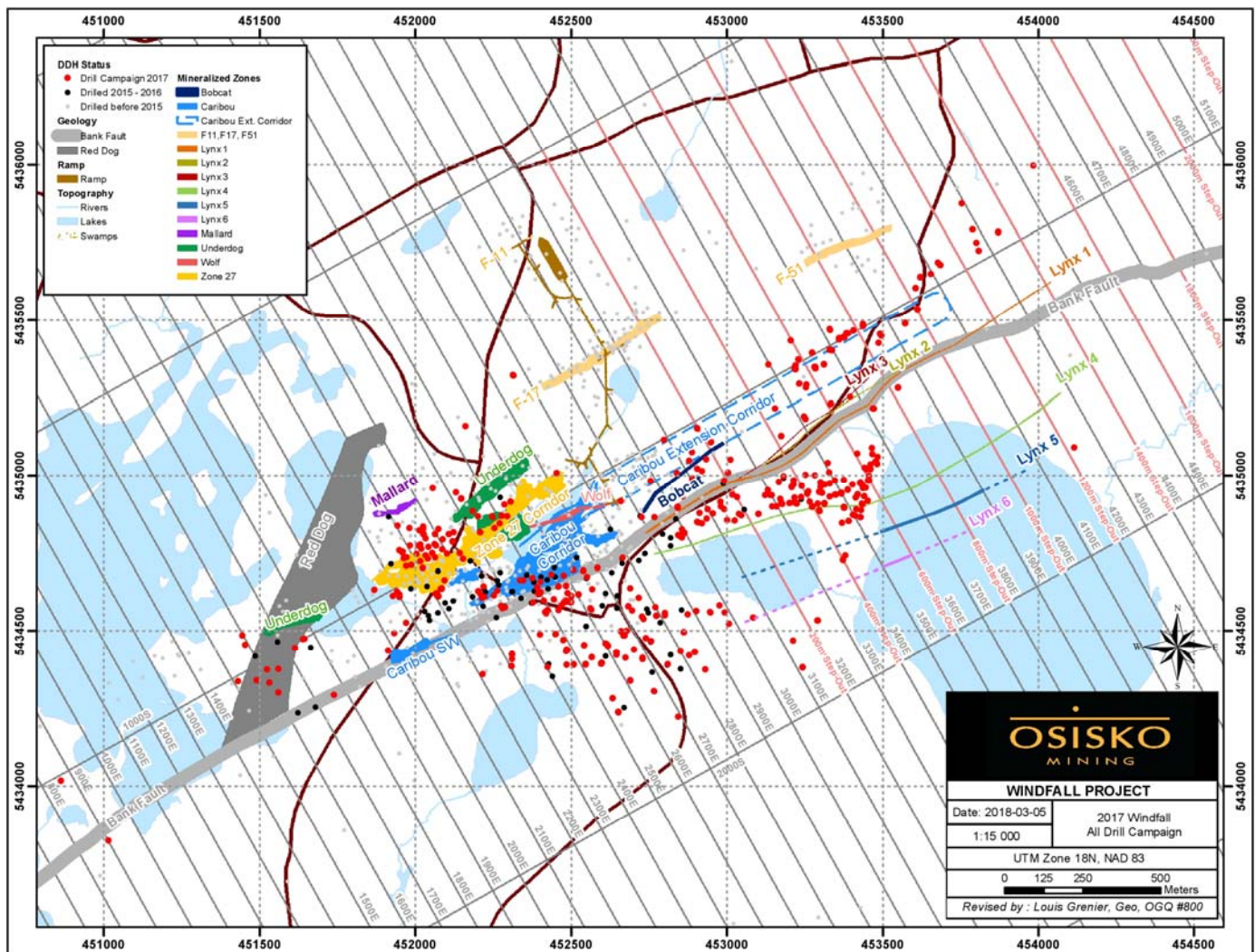
### Exploration Activities

The current 800,000 metre drilling program has been designed to assist the Corporation in further exploring and defining the known mineralization within the main deposit area and the recently discovered North East extension area. The Corporation's objective is to maximize the level of information to be included in an anticipated 2018 resource update. Osisko continues to work towards extending the exploration ramp into the mineralized zones, with an outlook of starting underground exploration in 2018.

The Windfall Property camp has expanded with new accommodations, core logging areas and other facilities. Additionally, the permitted camp capacity was increased to 300 workers. Results to date have provided verification and correlation with historic drilling performed by previous operators on the property. The deposit remains open at depth below the Red Dog intrusion and down plunge to the northeast. During the period ended March 31, 2018, a total of 58,236 metres were drilled consisting of 137 drill holes, 32 wedges and 14 extensions. As of the date of this MD&A, 69,726 metres have been drilled in 2018, and an aggregate of 570,265 metres of the announced 800,000 metre drill program has been completed.

## Drilling

The Corporation continues to obtain drill results from its 800,000 metre drill program at Windfall Lake. The Corporation's drill plan map is presented below:



## Quality Control

True width determinations are estimated at 65-80% of the reported core length intervals for most of the zones. Assays are uncut except where indicated. Intercepts occur within geological confines of major zones but have not been correlated to individual vein domains at this time. Reported intervals include minimum weighted averages of 3.0 g/t Au diluted over core lengths of at least 2.0 metres. All assays reported were obtained by either 1 kilogram screen fire assay or standard 50 gram fire-assaying-AA finish or gravimetric finish by (i) ALS Laboratories in Val d'Or, Québec, Thunder Bay and Sudbury, Ontario, and Vancouver, British Columbia; or (ii) by Bureau Veritas in Timmins, Ontario. The 1 kilogram screen assay method is selected by the geologist when samples contain coarse gold or present a higher percentage of pyrite than surrounding intervals. Selected samples are also analyzed for multi-elements, including silver, using an Aqua Regia-ICP-AES method at ALS Laboratories. Drill program design, Quality Assurance/Quality Control ("QA/QC") and interpretation of results is performed by a "qualified person" employing a QA/QC program consistent with NI 43-101 and industry best practices. Standards and blanks are included with every 20 samples for QA/QC purposes by the Corporation as well as the lab. Approximately 5% of sample pulps are sent to secondary laboratories for assay checks.

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## ii) Black Dog (formally “Souart”) Property

The Corporation acquired 100% of the Black Dog Property on February 3, 2016. The property is located in the Urban Barry greenstone belt, in Souart and Barry Townships, Québec. The Corporation issued 500,000 common shares of the Corporation and a cash payment of \$200,000 in exchange for 100% of the property. The property consists of 33 claims comprising of 1,286 hectares. The Black Dog Property is subject to a 2% NSR which can be repurchased by the Corporation at any time for \$2,000,000.

### *Exploration Activity*

A total of 1,080 metres of drilling was performed on this block which is included in the total amount of metres performed on the Urban-Barry project ( 4,196 meters). Assay results are pending.

## iii) Urban Barry Base Metals Project

The Urban Barry Base Metals Project is a select package of claims located within the Urban Barry Project. On March 28, 2018, Osisko entered into an option agreement with Osisko Metals, which sets forth the terms of an exploration earn-in on the project. Under the terms of the option agreement, Osisko Metals shall incur \$5,000,000 of exploration expenditures over the four-year term of the option agreement in order to earn a 50% interest on the project. This commitment is subject to certain annual work expenditure thresholds, including a guaranteed expenditure threshold of \$500,000 in the first year from the date of signing the agreement.

Following the completion of the exploration earn-in, the project will be transferred to a new joint venture entity to be owned 50% by Osisko and 50% by Osisko Metals. Osisko and Osisko Metals will then enter into a joint venture agreement in respect of the project. Osisko will own a 100% interest over any precious metals discoveries on the project.

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## 3.2 Quévillon Osborne Project

On April 27, 2017, the Corporation acquired ownership over a property package in the Lebel-sur-Quévillon area of Québec in consideration of a cash payment of \$1,000,000 and the issuance of 100,000 common shares of the Corporation. The Quévillon Osborne Project includes approximately 30 known gold showings as well as the historical Osborne-Bell Gold Deposit, which is located 17 kilometres northwest of the town of Lebel-sur-Quévillon and 112 kilometres west of the Windfall Lake gold deposit. The Osborne-Bell Gold Deposit has been the object of significant historical drilling over the past 30 years, and will be the focus of new drilling and resource re-evaluation by Osisko. In addition, the Corporation staked 2,942 claims of a large land package covering 157,000 hectares (157 square kilometres). The Corporation also acquired additional claims from different owners during the period,

On February 26, 2018, Osisko acquired, from Globex, the Certac property at Le Tac Township, Québec for \$250,000 and GMR payable to Globex on all metal production. The GMR payable will be 2.5% at a gold price below \$1,000 per ounce or a 3% gold metal royalty at a gold price equal to or greater than \$1,000 per ounce. Osisko retains the first right of refusal should Globex decide to sell its GMR as well as an exclusive right to buy back a 1.5% GMR for \$1,500,000. The Certac property has been included in the Quévillon Osborne Project.

The Quévillon Osborne Project now covers more than 212,334 hectares (2,123 square kilometres) and is constituted by 3,956 claims. The land position of the Quévillon area covers volcano-sedimentary Archean greenstones that host a number of known gold showings and porphyry igneous intrusions that are of strong exploration interest to the Corporation.

### *Exploration Activity*

During the period ended March 31, 2018, the Corporation re-allocated two drill rigs from Windfall Project to the Quévillon Osborne Property and drilled approximately 11,396 metres out of the 50,000 metres planned drill program since January 1, 2018, which included 9,061 metres of drilling performed on the Osborne-Bell Gold Deposit. On March 15, 2018, the Corporation released a mineral resource estimate on the Osborne-Bell Gold Deposit, which has been estimated at 2,587,000 tonnes with an average grade of 6.13 g/t Au for 510,000 ounces of gold, using a 3.0 g/t lower cut-off grade (Technical Report released on April 23, 2018). During the period ended March 31, 2018, the corporation completed a helicopter-borne versatile time domain electromagnetic survey on the Quévillon Osborne Property, and a 117 kilometre line-

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cutting grid, which was followed by an ongoing 32.2 kilometre induced polarization ground geophysical survey over the Certac area. Currently, two drill rigs are working on the Quévillon Osborne Project, one of which is performing definition drilling on Osborne-Bell Gold Deposit, while the other drill rig is testing regional targets identified. Metallurgical testing program is underway on the Osborne-Bell Gold Deposit.

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### **3.3 Garrison Properties**

#### **i) Garrcon Project**

On December 22, 2015, the Corporation acquired the Garrcon Project through its acquisition of Northern Gold Mining Inc. ("Northern Gold"). The Garrcon Project is 100% owned by the Corporation and covers approximately 788 hectares in the prolific Abitibi Greenstone Belt in Ontario, Canada. The property consists of 66 contiguous mining claims. Of the 66 claims, 35 patented mining claims are subject to a 2% NSR. In addition, 12 of the 35 patented claims acquired are subject to a prior NSR of 1.5% from mineralized material mined above 400 feet vertically, and a 2% NSR from mineralized material mined below that elevation. Additionally, two of the unpatented mining claims are subject to a 1% NSR, which the Corporation shall have the right to for \$250,000. A further single unpatented mining claim is subject to a 1% NSR, 0.5% of which the Corporation shall have the right to for \$250,000. An additional 20 patented claims to the south of the known resource are subject to a 2% NSR, 0.5% of which the Corporation shall have the right to repurchase for \$1,000,000. The vendor retains a back-in right for up to 51% interest in the claims should a resource totaling 4 million ounces be identified on the claims. Such back-in right would trigger a cash reimbursement to the Corporation equal to double the exploration costs incurred since the date of the arrangement. Some of the claims are subject to an additional 1.5% NSR under previous option agreements entered into by the vendor. The remaining eight patented claims are subject to a 1% NSR.

#### **ii) Jonpol Project**

On December 22, 2015, the Corporation acquired the Jonpol Project as a result of its acquisition of Northern Gold. The Jonpol Project is 100% owned and is located on the same property as the Garrcon Project in the prolific Abitibi Greenstone Belt in Ontario, Canada.

#### **iii) Buffonta Project**

On December 22, 2015, the Corporation acquired the Buffonta Project as a result of its acquisition of Northern Gold. The Buffonta Project is 87.5-100% owned and covers approximately 2359 hectares in the prolific Abitibi Greenstone Belt in Ontario, Canada. The property consists of 120 contiguous mining claims. The Buffonta Project is subject to a 3% NSR, 0.5% of which the Corporation shall have the right to repurchase for \$1,000,000.

#### **iv) Gold Pike Project**

On December 22, 2015, the Corporation acquired the Gold Pike Project as a result of its acquisition of Northern Gold, which was completed on December 22, 2015. The Gold Pike Project is 40-60% owned and covers approximately 468 hectares in the prolific Abitibi Greenstone Belt in Ontario, Canada. The property consists of 26 contiguous mining claims. The Gold Pike Project has 10 claims under two separate agreements in which each are subject to a 2% NSR, 1% of which the Corporation shall have the right to repurchase for \$1,000,000. The property has an annual \$25,000 advance royalty payment.

#### **Exploration Activity**

As of March 31, 2018, the Corporation continues with the data migration and reinterpretation of the geological plans for both Garrcon and Jonpol. Osisko is in the process of updating the resource model which is planned for release in the second half of 2018. In addition, the Corporation plans to follow up on certain exploration drill targets during Q2 and Q3 of 2018.

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### **3.4 Marban Block Properties**

#### **i) Marban Project**

The Corporation acquired the Marban Project as a result of its acquisition of Niogold. The Marban Project is 100% owned and is the result of an amalgamation of the former Marban, First Canadian, Norlartic and Gold Hawk claims. The Marban Block Properties are located about 15 kilometres west of the town of Val-d'Or in the Abitibi region of Québec, Canada and consist of 30 mining claims and three mining concessions covering 1,023 hectares.

The Marban claims are subject to a NSR of 1% to 1.5%. The First Canadian claims are subject to a 10% net profits interest. The vendor retained a 0.5% NSR on the Marban claims, a 1% NSR on the First Canadian claims and a 2% NSR on the Norlartic claims. The project also has two mining claims known as the Gold Hawk claims which are subject to a 2% NSR.

#### ***Exploration Activity***

The Corporation had very little exploration activity on the Marban Project during the three-month period ended March 31, 2018.

#### **ii) Malartic Project**

The Corporation acquired the Malartic Project as a result of its acquisition of Niogold. The Malartic Project includes the Camflo West, the Malartic Hygrade, the Malartic Hygrade-NSM and the Malartic H Properties. The properties are located to the northeast of the town of Malartic, in the Abitibi region of Québec, Canada. The Malartic Project consists of 139 mining claims and one mining concession covering 6,263 hectares. The Camflo West claims are subject to various NSR's ranging from 1.5% to 3.0%, certain of which, or portions thereof, can be repurchased by the Corporation for payments ranging from \$200,000 to \$1,500,000. The Malartic H claims are 85% owned by the Corporation and the remaining 15% of the Malartic H claims can be purchased by the Corporation for \$25,000.

#### ***Exploration Activity***

The Corporation had very little exploration activity on the Malartic Project during the three-month period ended March 31, 2018.

#### **iii) Siscoe East Project**

The Corporation acquired the Siscoe East Property through the acquisition of Niogold. The Siscoe East Property is located in the Vassan Township in the Abitibi region of Québec, Canada. The Corporation owns a 50% interest in the claims covering the Siscoe East Property, with the remaining 50% interest being held by another company. Some claims are subject to a 2% NSRs, 50% of which may be repurchased by the Corporation for a total of \$2,750,000.

#### ***Exploration Activity***

The Corporation had very little exploration activity on the Siscoe East Project during the three-month period ended March 31, 2018.

#### **iv) Héva Project**

The Corporation acquired the Héva Property through the acquisition of Niogold. The Héva Property, located 42 kilometres northwest of the city of Val-d'Or, and the Val-d'Or Property, located south of the limit of the town of Val-d'Or, in the Abitibi region of Québec, Canada. Some of the claims of the Héva Property are subject to a 1.5% NSR, 50% of which may be repurchased for \$200,000.

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### *Exploration Activity*

The Corporation had very little exploration activity on the Héva Project during the three-month period ended March 31, 2018.

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### **3.5 James Bay Properties**

On October 5, 2016, Osisko announced that it had entered into an earn-in transaction with Osisko GR. Under the terms of the earn-in agreement (“Osisko GR Earn-In Agreement”), the Corporation may earn a 100% interest in 28 exploration properties held by Osisko GR, which are located in the James Bay area, Québec and the Labrador Trough area (the “Earn-In Properties”) upon incurring exploration expenditures totalling \$32,000,000 over the seven-year term of the Osisko GR Earn-In Agreement; the Corporation will earn a 50% interest upon completing expenditures totalling \$19,200,000. Osisko GR will retain an escalating NSR royalty ranging from 1.5% to a maximum of 3.5% on precious metals and a 2% NSR royalty on other metals and minerals produced from the Earn-In Properties. Additionally, any new properties acquired by the Corporation in the designated area during the seven-year term of the Osisko GR Earn-In Agreement may also be subject to a royalty agreement in favour of Osisko GR with similar terms and subject to certain conditions. On February 16, 2017, Osisko and Osisko GR amended and restated the initial Osisko GR Earn-In Agreement, pursuant to which the Kan Project was carved-out into a separate earn-in agreement (the “Kan Earn-In Agreement”). Under the terms of the Kan Earn-In Agreement, Osisko shall incur \$6,000,000 over the seven-year term of the Kan Earn-In Agreement; the Corporation will earn a 50% interest upon completing expenditures of \$3,600,000 over a four-year term. The entire commitment on the remainder of the Earn-In Properties has been reduced by the same amount and terms as the Kan Earn-In Agreement. On December 15, 2017, Osisko and Osisko GR entered into an amendment to the Osisko GR Earn-In Agreement to extend until December 31, 2018 the Corporation’s firm commitment to spend \$4,062,500 of exploration expenditures on all the properties.

#### **i) Kan Project**

The Kan Project is located within the Labrador Trough, approximately 80 kilometres southwest of Kuujjuuaq, Québec. It covers approximately 40 kilometres of favorable stratigraphy that includes silicate-carbonate iron formations, thick metal-rich black shales units, gabbros and turbidites. The Kan Project consists of 2,276 claims (105,605 hectares) and is located 80 kilometres southwest of the Kuujjuuaq in North Québec. 209 claims of the total claims are subject to a 2% NSR in favour of Les Ressources Tectonic Inc., 0.5% of which may be purchased for \$750,000 at any time by Osisko GR and an additional, 0.5% of which may be purchased for \$750,000 by Altius Resources Inc. In addition, Osisko GR holds a royalty over the total 2,276 claims on the production of precious metals for a minimum of a 1.5% NSR royalty and a maximum of a 3.5% NSR royalty and a 2.0% NSR royalty on all other metals provided. However, if there is an existing royalty applicable on any portion of the claims, the royalty percentages shall, as applicable, be adjusted so that the aggregate maximum royalty percentage on such portion shall not exceed a 3.5% NSR royalty at any time.

In 2017, Osisko entered into an earn-in agreement with Barrick Gold Corporation (“Barrick”), which sets forth the terms of an exploration earn-in on the Kan Project. Under the exploration earn-in with Barrick in relation to the Kan Project, Barrick must commit \$15,000,000 in work expenditures over a four-year period to earn a 70% interest on the Kan Project, subject to certain annual work expenditure thresholds, including a guaranteed expenditure threshold of \$6,000,000 in the first two years.

Following the completion of the exploration earn-in with Barrick, the property will be transferred to a new joint venture entity to be owned 30% by Osisko and 70% by Barrick. Osisko and Barrick will then enter into a joint venture agreement in respect of the property. In addition, Barrick may earn a further 5% interest in the joint venture entity (for a total interest of 75%) by electing to fund an additional \$5,000,000 of project level expenditures (such as a preliminary economic assessment or pre-feasibility study).

### *Exploration Activity*

Barrick has spent approximately \$172,000 on the exploration earn-in on the Kan Project in the period ended March 31, 2018. Only minimal exploration activity has been performed on the Kan Project on account of the climate during the winter season. Field work and drilling is expected to commence in Q2 2018.

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**ii) Éléonore Regional Project**

The Éléonore Regional Project consists of 475 claims (24,816 hectares) located 15 kilometres west of the Éléonore Gold Mine in the Opinaca Reservoir area of the James Bay territory.

***Exploration Activity***

No exploration activity has been performed during Q1 2018 on the project.

**iii) Éléonore-JV Project**

The Éléonore-JV Project consists of 1,827 claims (>97,600 hectares), which is approximately 50%, owned by Midland Exploration Inc., is located 25 kilometres southeast and 20 kilometres northwest of the Éléonore Gold Mine in the Opinaca Reservoir area of the James Bay territory. The project is subject to a 0.5% NSR royalty in favour of Osisko GR and to a 0.5% NSR royalty in favor of Midland Exploration Inc. Ground induced polarization geophysics and subsequent fieldwork are planned for these anomalous boulders in 2018.

***Exploration Activity***

During the first quarter, a 35 kilometre of gridline cutting and induced polarization ground geophysical survey was completed on the project. The survey highlighted four diorite boulders sampled in 2016 and 2017 which returned 8.28% Cu, 6.85% Cu, 4.54% Cu and 3.45% Cu in grab samples.

**iv) Other – James Bay**

***a. Trieste Project***

The Trieste Project consists of 304 claims (>15,688 hectares) and is located 60 kilometres north-north-west of the Renard Diamond Mine of the James Bay territory.

***b. Escale Project***

The Escale Project consists of 129 claims (6,497 hectares) and is located 75 kilometres southeast of the LG-4 Power Dam in the James Bay region. The project is subject to a 0.5% NSR royalty to Sirios Resources Inc., which may be repurchased by the Corporation for \$500,000. 11 claims are subject to a 1% NSR royalty in favour of Newmont Mining Corp. without a buyback option.

***c. Eastmain East Project***

The Eastmain East Project consists of 66 claims (2,363 hectares) and is located 100 kilometres east of the Renard deposit in the James Bay region.

#### 4. EXPLORATION AND EVALUATION ASSETS EXPENDITURES

##### 4.1 Exploration and Evaluation Assets Expenditures

The Corporation's expenditures on exploration and evaluation assets for the three-month period ended March 31, 2018, were as follows (in thousands of Canadian dollars):

	December 31, 2017	Additions in the period	Deferred income tax asset	March 31, 2018
Urban Barry	\$ 9,547	\$ 984	\$ -	\$ 10,531
Urban Barry Base Metals (note 8 (a))	-	18	-	18
Windfall Lake	150,772	28,500	(332)	178,940
Garrcon - Garrison	25,944	979	(540)	26,383
Gold Pike - Garrison	148	-	-	148
Buffonta - Garrison	100	3	-	103
Black Dog (formerly "Souart") Property	2,334	-	-	2,334
Marban - Marban Block	24,060	64	(227)	23,897
Malarctic - Marban Block	37,886	1	-	37,887
Siscoe East - Marban Block	2,522	-	-	2,522
Héva - Marban Block	824	-	-	824
Kan - James Bay	423	48	-	471
Éléonore – James Bay	532	98	-	630
Éléonore JV – James Bay	214	98	-	312
Other – James Bay	2,088	156	-	2,244
Quévillon Osborne	4,526	2,963	-	7,489
<b>Total exploration and evaluation assets</b>	<b>\$ 261,920</b>	<b>\$ 33,912</b>	<b>\$ (1,099)</b>	<b>\$ 294,733</b>

Significant additions during the three-month period ended March 31, 2018 are described by category in the following table (in thousands of Canadian dollars):

For the period ended March 31, 2018	Urban		Windfall Lake	Garrcon- Garrison	Buffonta- Garrison	Marban - Marban Block	Malarctic - Marban Block
	Urban Barry	Barry Base Metals					
Property costs	\$ 11	\$ -	\$ 9	\$ 3	\$ 1	\$ -	\$ 1
Camp costs	1	-	4,750	57	-	1	-
Office costs	1	-	16	1	-	11	-
Project management	36	12	1,097	282	2	3	-
Drilling	717	2	14,191	372	-	53	-
Geochemical survey	30	-	-	-	-	-	-
Permitting	-	-	205	-	-	-	-
Geophysical survey	203	4	30	-	-	-	-
Geology	(16)	-	260	242	-	(19)	-
Engineering	-	-	115	-	-	8	-
Feasibility study	-	-	1,004	-	-	-	-
Ramp rehabilitation	-	-	5,017	-	-	-	-
Community relations	-	-	887	13	-	-	-
Environmental	-	-	434	8	-	7	-
Health and safety	1	-	485	1	-	-	-
Deferred income tax asset	-	-	(332)	(540)	-	(227)	-
<b>Total additions</b>	<b>\$ 984</b>	<b>\$ 18</b>	<b>\$ 28,168</b>	<b>\$ 439</b>	<b>\$ 3</b>	<b>\$ (163)</b>	<b>\$ 1</b>



For the period ended March 31, 2018	Éléonore					Total
	Kan - James Bay	Éléonore – James Bay	JV – James Bay	Other – James Bay	Quévillon Osborne	
Property costs	\$ 17	\$ 90	\$ 1	\$ 65	\$ 266	\$ 464
Camp costs	-	-	-	-	11	4,820
Office costs	-	-	-	-	3	32
Project management	15	1	-	18	79	1,545
Drilling	10	-	-	45	1,988	17,378
Geochemical survey	-	-	-	-	10	40
Permitting	-	-	-	-	-	205
Geophysical survey	-	-	89	-	487	813
Geology	-	7	8	28	113	623
Engineering	-	-	-	-	-	123
Feasibility Study	-	-	-	-	-	1,004
Ramp rehabilitation	-	-	-	-	-	5,017
Community relations	6	-	-	-	-	906
Environmental	-	-	-	-	-	449
Health and safety	-	-	-	-	6	493
Deferred income tax asset	-	-	-	-	-	(1,099)
<b>Total additions</b>	<b>\$ 48</b>	<b>\$ 98</b>	<b>\$ 98</b>	<b>\$ 156</b>	<b>\$ 2,963</b>	<b>\$ 32,813</b>

During the three-month period ended March 31, 2018, the majority of spending took place on the Windfall Lake Property which is the subject of an ongoing drill program of 800,000 metres. As the date of the MD&A, the Corporation had drilled approximately 570,265 metres on the Windfall Lake Property, 11,396 metres on the Quévillon Osborne Property, and 4,196 metres on the Urban Barry area including Black Dog. As well, the Corporation advanced the exploration ramp for a total of 1,021 metres of rehabilitation of the previous ramp at the Windfall Lake Property. In addition, 355 metres of new development towards Zone 27 and Caribou was performed. Management expects the exploration ramp to be advanced at the rate of approximately 150 metres per month. The development towards Lynx is subject to authorization from the MDDELCC. Underground mapping continues on the ramp and has now moved on to the Lynx access drift, concentrating on new development for the Caribou bypass.

#### 4.2 Option Payments and Acquisition Costs for Exploration and Evaluation Assets Claims

The following is a summary of the committed option payments and acquisition costs to be made as of March 31, 2018, in respect of the Corporation's exploration and evaluation assets (in thousands of Canadian dollars):

	Total	2018	2019	2020	2021	2022
James Bay properties	\$ 612	\$ 612	\$ -	\$ -	\$ -	\$ -

## 5. OUTLOOK

The operational outlook below and described herein reflects the Corporation's current operations.

The Corporation will be spending approximately \$8,000,000 per month on exploration activities on all of Osisko's properties, \$320,000 per month on general and administration expenses and \$500,000 a month on salaries and benefits, excluding non-cash items, for the remainder of 2018. The Corporation raised approximately \$181,500,000 since January 1, 2017. The proceeds from these financings have been or will be used, directly or indirectly, to fund "Canadian exploration expenditures" on the Corporation's Québec and Ontario properties and general working capital. An 800,000-metre drill campaign continues with approximately five drill rigs on the Windfall Lake Property and Urban Barry area and two smaller drill campaigns on the Garrison and Quévillon Osborne Properties. The Corporation may begin its pre-feasibility study

work on the Windfall Lake Property in 2018 and has begun advancement of the existing exploration ramp in order to commence underground drilling in the later part of 2018. The goal of the program is to increase the confidence in the existing resources as well as to expand all existing resources. The Corporation has been working towards preparing a resource update for release during the second half of 2018 on the Urban Barry and Windfall Lake Properties. Due to current market conditions the Corporation reduced its exploration spending and general and administrative costs in order to conserve cash and continue to advance the main deposits toward pre-feasibility. Exploration drilling has been reduced to eight drill rigs from the previous 23. The Corporation has also reduced general and administrative costs by reducing head count at head office and reducing expenses relating to travel and marketing initiatives.

## 6. INVESTMENTS

The Corporation's assets include a portfolio of investments in public and private companies. The Corporation invests in various companies within the mining industry for investment purposes and strategic decisions. In addition to investment objectives, in some cases, the Corporation may decide to take a more active role in the investee, including providing management personnel, technical and/or administrative support, as well as nominating individuals to the investee's board of directors. These investments, which include positions in Barkerville Gold Mines Ltd. ("Barkerville") and Beaufield, are reflected as "Investments in Associates" in the financial statements of the Corporation. On August 8, 2016, the Corporation acquired 50,000,000 common shares of Barkerville and immediately classified this investment as an Investment in Associates. In addition to the above mentioned active roles, the Corporation's Chairman, Sean Roosen, acts as Chairman of the board of directors of Barkerville and Mr. John Burzynski acts as a member of board of directors of Barkerville. On February 21, 2017, the Corporation acquired 31,700,000 BFD Shares and immediately classified this investment as an "Investment in Associates". In addition to the above mentioned active roles, the Corporation's Executive Vice President of Exploration and Resource Development and Director, Robert Wares, is a member of Beaufield's board of directors. On January 10, 2018, the Corporation acquired an additional 16,923,500 BFD Shares by way of a share purchase agreement transaction representing approximately 8.2% of the BFD Shares then issued and outstanding at a price of \$0.14 per BFD Share for total consideration of \$2,369,290. After giving effect to this purchase, the Corporation, holds beneficial ownership of, or control and direction over, 56,181,300 BFD Shares, representing approximately 27.0% of the BFD Shares then issued and outstanding.

### 6.1 Marketable Securities

The following table summarizes information regarding the Corporation's marketable securities as at March 31, 2018 and December 31, 2017 (in thousands of Canadian dollars):

<i>As at</i>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
<b>Balance, beginning of period</b>	<b>\$ 22,076</b>	<b>\$ 15,020</b>
Additions	-	32,610
Disposals	(1,383)	(26,203)
Realized gain	565	2,686
Unrealized loss	(3,133)	(2,037)
<b>Balance, end of period</b>	<b>\$ 18,125</b>	<b>\$ 22,076</b>

During the three-month period ended March 31, 2018, the common shares and warrants were fair valued and this resulted in an unrealized loss of \$3,133,000 (2017 – gain of \$3,039,000). The Corporation sold common shares during the three-month period ended March 31, 2018 which resulted in a realized gain of \$565,000 (2017 – \$918,000).

## 6.2 Investments in Associates

The Corporation's investments relating to its interests in Beaufield and Barkerville are detailed as follows (in thousands of Canadian dollars):

As at	March 31, 2018		
	Beaufield	Barkerville	Total
<b>Balance, beginning of period</b>	\$ 4,740	\$ 51,698	\$ 56,438
Cash investment in associates	2,369	-	2,369
Share of loss for the period	(24)	(324)	(348)
<b>Balance, end of period</b>	<b>\$ 7,085</b>	<b>\$ 51,374</b>	<b>\$ 58,459</b>

## 6.3 Long-term Investments

During the three-month period ended March 31, 2018, the Corporation held a \$180,000 long-term investment in a non-publicly traded entity.

## 7. RESULTS OF CONTINUING OPERATIONS

The following table summarizes the Corporation's Statement of Loss and Comprehensive Loss for the three-month periods ended March 31, 2018 and 2017 (in thousands of Canadian dollars):

<i>For the period ended</i>	March 31, 2018	March 31, 2017
<b>Expenses</b>		
Compensation	\$ 8,779	\$ 6,748
General and administration expenses	1,141	1,389
General exploration	9	40
Flow-through premium income	(7,525)	(3,573)
Unrealized loss/(gain) from marketable securities	3,133	(3,039)
Realized gain from marketable securities	(565)	(918)
Foreign currency exchange gain	-	(32)
Other income	(64)	(72)
<b>Operating loss</b>	<b>4,908</b>	<b>543</b>
Finance income	(392)	(269)
Finance costs	44	49
<b>Net finance income</b>	<b>(348)</b>	<b>(220)</b>
Share of loss of associate	348	255
<b>Loss before tax</b>	<b>4,908</b>	<b>578</b>
Deferred income tax expense	6,319	-
<b>Loss and comprehensive loss</b>	<b>11,227</b>	<b>578</b>

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## 7.1 Three-month Period Ended March 31, 2018 as compared to Three-month Period Ended March 31, 2017

Loss increased by \$10,649,000, from a loss of \$578,000 for the three-month period ended March 31, 2017 to a loss of \$11,227,000 for the three-month period ended March 31, 2018, due to an increase in deferred income tax expense of \$6,319,000 (non-cash expense), an increase in unrealized loss from marketable securities of \$6,172,000 (non-cash expense), a decrease in realized gain from marketable securities of \$353,000, and an increase in compensation of \$2,031,000, which comprised of salaries and benefits and stock-based compensation (non-cash expense). This was partially offset by an increase in flow-through premium income of \$3,952,000 (non-cash expense) and a decrease in general and administrative expenses of \$248,000.

Compensation expenses increased in the three-month period ended March 31, 2018 by \$2,031,000 to \$8,779,000, compared with \$6,748,000 for the same period in 2017. This was due to an increase in salaries and benefits of \$1,918,000, as well as an increase in stock-based compensation of \$113,000 due to severance payments paid to senior management. Stock-based compensation increased due to options that were issued to management and employees as well as increased fair value per options issued.

General and administration expenses decreased by \$248,000 to \$1,141,000 for the three-month period ended March 31, 2018, compared with \$1,389,000 for the same period in 2017. This decrease was mostly due to a decrease in professional expenses of \$125,000, travel expenses of \$23,000, administration services of \$84,000, and shareholder and regulatory fees of \$93,000 due to cost cutting measures in current market conditions. This was partially offset by an increase in office expenses of \$77,000 due to a growing company and the need for additional office space.

Flow-through premium income was \$7,525,000 during the three-month period ended March 31, 2018, compared to \$3,573,000 during the same period in 2017. This income was derived from the increased number of flow-through offerings that took place during 2017, combined with the amount of "Canadian exploration expenditures" that were spent during such period. On the issuance of flow-through shares, a flow-through share premium liability is recognized. Upon the Corporation incurring flow-through eligible expenditures, the Corporation recognizes flow-through premium income and decreases the flow-through premium liability.

During the three-month period ended March 31, 2018, the Corporation maintained a portfolio of securities that were strategically invested in the marketable securities of exploration and development companies. As a result, the Corporation recognized a realized gain and an unrealized loss in the period of \$565,000 and \$3,133,000, respectively. The realized gain was from the sale of several investments and the unrealized loss was a result of the Corporation marking to market its investments at period end. The Corporation had a fair market value of \$18,125,000 in marketable securities as at March 31, 2018, compared to \$22,076,000 as at December 31, 2017.

Net finance income during the three-month period ended March 31, 2018 increased by \$128,000 to \$348,000, compared with \$220,000 for the same period in 2017. The main reason behind the increase was the increased cash balance of the Corporation compared to the prior period. The Corporation had \$74,238,000 of cash and cash equivalents as at March 31, 2018.

Share of loss of associates recognized during the three-month period ended March 31, 2018 was \$348,000 compared to \$255,000 for the same period in 2017. Management determined that, for accounting purpose, the Corporation held significant influence over the decision-making process of Beaufield and Barkerville during the three-month period ended March 31, 2018, and as such recognized its share of these entities' net losses and net incomes.

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## 7.2 Cash Flow

The Corporation is dependent upon raising funds in order to fund future exploration programs. See "*Liquidity and Capital Resources*" and "*Risks and Uncertainties*".

### *Operating Activities*

Cash used in operating activities for the period ended March 31, 2018 totaled \$3,944,000, compared to \$6,019,000 in the same period in 2017. The decreased outflows were primarily attributable to the net loss of \$11,227,000 for the period ended March 31, 2018, with adjustments for stock-based compensation of \$5,334,000, loss on marketable securities of

\$2,568,000, deferred income tax expense of \$6,319,000, share of loss of associates of \$348,000, and changes in items of working capital of \$588,000, partially offset by adjustment for flow-through premium income of \$7,525,000, and stock-based compensation of \$5,334,000.

#### Financing Activities

Cash provided by financing activities was \$226,000 for the period ended March 31, 2018, compared with \$80,812,000 in the same period in 2017. In the period ended March 31, 2017, a total of \$78,317,000 was raised through private placements, net of transaction costs, and the exercise of stock options and warrants resulted in inflows of \$95,000 and \$2,400,000, respectively. For the period ended March 31, 2018, the exercise of stock-options resulted in inflows of \$224,000.

#### Investing Activities

Cash used by investing activities for the period ended March 31, 2018 totaled \$33,548,000, compared with \$18,243,000 in same period in 2017. The change was mainly due to exploration and evaluation expenditures of \$32,047,000, acquisition of plant and equipment of \$907,000, acquisition of Beaufield equity investment for \$2,369,000, and partially offset by proceeds on the disposition of marketable securities of \$1,383,000.

In management's view, the Corporation has sufficient financial resources to fund current planned exploration programs and ongoing operating expenses. As at March 31, 2018, the Corporation has cash of \$74,238,000, compared to \$111,504,000 as at December 31, 2017. The Corporation will continue to be dependent on raising equity or other capital as required unless and until it reaches the production stage and generates cash flow from operations. See "Cautionary Note Regarding Forward-Looking Information" and "Risks and Uncertainties".

## 8. SUMMARY OF QUARTERLY RESULTS

(in thousands of Canadian dollars)

<i>For the period ended</i>	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>September 30, 2017</b>	<b>June 30, 2017</b>
<b>Financial Results:</b>				
Interest income	\$ (392)	\$ (532)	\$ (359)	\$ (347)
Loss	\$ 11,227	\$ 4,482	\$ 12,575	\$ 401
<b>Loss per share:</b>				
Basic	\$ 0.05	\$ 0.02	\$ 0.07	\$ -
Diluted	\$ -	\$ -	\$ -	\$ -
<b>Financial Position:</b>				
Working Capital (non-IFRS measurement)**	\$ 91,802	\$ 134,224	\$ 84,782	\$ 129,108
Exploration and evaluation assets	\$ 294,733	\$ 261,920	\$ 228,560	\$ 188,016
Total assets	\$ 471,735	\$ 481,389	\$ 398,771	\$ 378,599
Share capital	\$ 458,611	\$ 456,231	\$ 384,771	\$ 375,754
Deficit	\$ (84,998)	\$ (73,771)	\$ (69,289)	\$ (56,714)
Number of shares issued and outstanding	207,920,322	207,845,240	190,032,897	187,667,158

\* Basic and diluted loss per share is calculated based on the weighted-average number of common shares of the Corporation outstanding.

\*\* Working Capital is a non-IFRS measurement with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see section 19.

(in thousands of Canadian dollars)

<i>For the period ended</i>	<b>March 31, 2017</b>	<b>December 31, 2016</b>	<b>September 30, 2016</b>	<b>June 30, 2016</b>
<b>Financial Results:</b>				
Interest income	\$ (269)	\$ (219)	\$ (147)	\$ (151)
Loss/(income)	\$ 578	\$ 7,144	\$ 1,741	\$ (2,366)
<b>Loss/(earnings) per share*:</b>				
Basic	\$ -	\$ 0.05	\$ 0.01	\$ (0.02)
Diluted	\$ -	\$ -	\$ -	\$ (0.01)
<b>Financial Position:</b>				
Working capital (non-IFRS measurement)**	\$ 154,078	\$ 94,138	\$ 95,991	\$ 68,454
Exploration and evaluation assets	\$ 163,807	\$ 144,585	\$ 133,387	\$ 124,400
Total assets	\$ 369,016	\$ 285,293	\$ 274,297	\$ 199,296
Share capital	\$ 365,258	\$ 303,100	\$ 288,712	\$ 216,539
Deficit	\$ (56,313)	\$ (55,735)	\$ (48,593)	\$ (46,852)
Number of shares issued and outstanding	184,476,725	161,990,656	156,255,006	125,412,230

\* Basic and diluted loss/(earnings) per share is calculated based on the weighted-average number of common shares of the Corporation outstanding.

\*\* Working Capital is a non-IFRS measurement with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see section 19.

## 9. LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2018, the Corporation had a cash balance of \$74,238,000 (December 31, 2017 - \$111,504,000) and working capital of \$91,802,000 (December 31, 2017 - \$134,224,000). Cash and working capital decreased from December 31, 2017, due to spending on the Windfall Lake Property and the expenditures incurred in connection with other exploration activities in Canada. The majority of the Corporation's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms.

The Corporation has no history of revenues from its operating activities. The Corporation is not in commercial production on any of its mineral properties and accordingly does not generate cash from operations. During the period ended March 31, 2018, the Corporation had negative cash flow from operating activities, and the Corporation anticipates it will have negative cash flow from operating activities in future periods.

The Corporation has, in the past, financed its activities by raising capital through equity issuances. Until it can generate a positive cash flow position, in order to finance its exploration programs, the Corporation will remain reliant on the equity markets for raising capital, in addition to adjusting spending, disposing of assets and obtaining other non-equity sources of financing.

The Corporation believes it has sufficient cash resources to meet its exploration and administrative overhead expenses and maintain its planned exploration activities for the next 12 months. However, there is no guarantee that the Corporation will be able to maintain sufficient working capital in the future due to market, economic and commodity price fluctuations. See "Risks and Uncertainties".

## 10. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Corporation has the following commitments as at March 31, 2018:

	Total	2018	2019	2020	2021	2022
James Bay properties	\$ 612	\$ 612	\$ -	\$ -	\$ -	\$ -
Office leases	1,265	308	397	240	240	80
Camp trailers and offices leases	3,052	1,500	1,441	111	-	-
<b>Total</b>	<b>\$ 4,929</b>	<b>\$ 2,420</b>	<b>\$ 1,838</b>	<b>\$ 351</b>	<b>\$ 240</b>	<b>\$ 80</b>

On October 5, 2016, the Corporation entered into the Osisko GR Earn-In Agreement whereby the Corporation may earn a 100% interest in 28 exploration properties held by Osisko GR upon incurring exploration expenditures totaling \$32,000,000 over the seven-year terms of the Osisko GR Earn-In agreement, of which \$5,000,000 must be completed within one year. The Osisko GR Earn-In agreement was amended on February 16, 2017 to carve out the Kan Project, and instead of \$5,000,000, \$4,062,000 must be completed prior to December 31, 2017. The earn-in agreement was amended again on December 15, 2017 to extend the deadline of spending \$4,062,000 to December 31, 2018. As of March 31, 2018, the Corporation has a total of \$612,000 remaining on these expenditures.

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

As of March 31, 2018, the Corporation has the following flow-through funds to be spent by December 31, 2018:

Closing Date of Financing	Province	Remaining Flow-through Funds
October 5, 2017	Québec	\$ 10,329
December 12, 2017	Ontario	1,277
<b>Total</b>		<b>\$ 11,606</b>

## 11. OFF-BALANCE SHEET ARRANGEMENTS

The Corporation does not have any off-balance sheet arrangements.

## 12. TRANSACTIONS WITH RELATED PARTIES

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 period ended March 31, 2018, management fees, geological services, rent and administration fees of \$527,000 (2017 - \$348,000) were incurred with Osisko GR, a related company of the Corporation by virtue of Osisko GR owning or controlling, directly or indirectly, greater than 10% of the issued and outstanding common shares of the Corporation. Also, Mr. John Burzynski, 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 March 31, 2018 were \$303,000 (2017 - \$303,000). Additionally, geological services, rent and administration fees of \$56,000 (2017 - \$285,000) were incurred by Osisko GR. Accounts receivable from Osisko GR as at March 31, 2018 were \$220,000 (2017 - \$547,000).

The following table summarizes remuneration attributable to key management personnel for the periods ended March 31, 2018 and 2017:

<i>For the period ended</i>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Salaries expense of key management	\$ 263	\$ 263
Directors' fees	95	90
Stock-based compensation	3,784	4,137
<b>Total</b>	<b>\$ 4,142</b>	<b>\$ 4,490</b>

During the period ended March 31, 2018, management fees, geological services, rent and administration fees of \$61,000 (2017 - \$nil) were charged to the Corporation's associate, Barkerville (note 6), by the Corporation. Accounts receivable from Barkerville as at March 31, 2018 were \$43,000 (2016 - \$nil).

During the periods ended March 31, 2018 and 2017, there were no transactions between the Corporation and its other associate, Beaufield (note 6).

### 13 OUTSTANDING SHARE DATA

As at May 8, 2018 the Corporation had the following securities outstanding: (i) 207,920,322 common shares of the Corporation; (ii) 19,873,449 stock options to purchase common shares of the Corporation at a weighted average exercise price of \$2.56 per option; and (iii) 25,469,220 common share purchase warrants outstanding at a weighted average exercise price of \$4.01 per warrant, on a one-for-one basis. On a fully diluted basis, the Corporation would have 253,262,991 common shares of the Corporation issued and outstanding, after giving effect to the exercise of the options and warrants of the Corporation that are outstanding.

The following table summarizes the options outstanding and exercisable as at March 31, 2018:

Range of exercise prices per share (\$)	Options Outstanding			Options Exercisable		
	Weighted-Average Remaining periods of Contractual Life	Number of Stock Options Outstanding	Weighted Average Exercise Price (\$)	Weighted-Average Remaining periods of Contractual Life	Number of Stock Options Exercisable	Weighted Average Exercise Price (\$)
0.48 to 1.12	2.9	4,518,793	\$1.05	2.9	4,518,793	\$1.05
1.13 to 1.71	2.4	4,051,823	\$1.19	2.4	4,051,823	\$1.19
1.72 to 3.21	3.7	5,216,668	\$3.26	3.7	3,634,982	\$3.24
3.22 to 3.51	4.8	3,556,666	\$3.46	4.8	1,246,660	\$3.46
3.50 to 4.79	3.8	2,537,833	\$4.70	3.2	1,151,155	\$4.64
<b>0.48 to 4.79</b>	<b>3.5</b>	<b>19,881,783</b>	<b>\$2.56</b>	<b>3.2</b>	<b>14,603,413</b>	<b>\$2.12</b>

The following tables summarize the warrants issued and outstanding as at March 31, 2018:

#### 14.1 Publicly Traded Warrants

	Number of warrants	Weighted-average exercise price
<b>Outstanding as at January 1, 2017</b>	<b>130,631,300</b>	<b>\$ 0.15</b>
Exercised	(5,469,880)	0.15
<b>Outstanding at December 31, 2017</b>	<b>125,161,420</b>	<b>\$ 0.15</b>
Exercised	(15,000)	0.15
<b>Outstanding at March 31, 2018</b>	<b>125,146,420</b>	<b>\$ 0.15</b>



On August 25, 2015, 130,636,320 common share purchase warrants of the Corporation (the “EH Consideration Warrants”) were issued to Eagle Hill shareholders in connection with the acquisition by the Corporation of Eagle Hill. The EH Consideration Warrants are governed by the terms of a warrant indenture dated August 24, 2015 between Osisko and Equity Financial Trust Company, as warrant agent, which warrant indenture is available under Osisko’s issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com). The EH Consideration Warrants are listed and posted for trading on the Toronto Stock Exchange under the symbol “OSK.WT”. As a result of a share consolidation by Osisko, which was affected on August 25, 2015 after the effective time of the acquisition of Eagle Hill, each EH Consideration Warrants is exercisable until August 25, 2018 and, upon exercise of 20 EH Consideration Warrants at \$0.15 per warrant for a total payment of \$3.00, a holder of such warrant is entitled to receive one common share of the Corporation.

## 14.2 One-for-one Warrants

	Number of warrants	Weighted-average exercise price
<b>Outstanding as at January 1, 2017</b>	<b>7,240,854</b>	<b>\$ 1.62</b>
Granted in 2017	15,327,000	5.00
Exercised in 2017	(3,355,955)	1.53
<b>Outstanding at December 31, 2017 and March 31, 2018</b>	<b>19,211,899</b>	<b>\$ 4.33</b>

On February 3, 2016, the Corporation completed a private placement offering of subscription receipts pursuant to which it issued and sold 10,521,700 subscription receipts of the Corporation. In conjunction with the completion of an arrangement with Niogold on March 11, 2016, each subscription receipt was converted into one common share of the Corporation and one common share purchase warrant. Each common share purchase warrant is exercisable into one common share of the Corporation until February 3, 2019, at an exercise price of \$1.44.

On February 28, 2017, the Corporation completed a private placement offering pursuant to which it issued and sold 15,327,000 units of the Corporation. Each unit is comprised of one common share and one common share purchase warrant of the Corporation. Each common share purchase warrant is exercisable into one common share of the Corporation until August 28, 2018, at an exercise price of \$5.00.

## 15. CRITICAL ACCOUNTING ESTIMATES

The preparation of the interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses for the reporting period. The Corporation also makes estimates and assumptions concerning the future. The determination of estimates and associated assumptions are based on various assumptions including historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Please refer to the Corporation’s interim financial statements for the three-month periods ended March 31, 2018 and 2017 and the notes thereto for information on the Corporation’s significant judgements in applying accounting policies as well as significant accounting estimates and assumptions.

## 16. 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, 2017. Please refer to the Corporation’s interim financial statements for the three-month periods ended March 31, 2018 and 2017 and the notes thereto for information on future accounting pronouncements as well as new accounting standards issued and effective.

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## 17. CORPORATE GOVERNANCE

Management and the Board recognize the value of good corporate governance and the need to adopt best practices. The Corporation is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance.

The Board has adopted a board mandate outlining its responsibilities and defining its duties. The Board has four committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Health, Safety, Environmental, and Corporate Social Responsibility Committee. The Audit Committee has a committee charter, which outlines the committee's mandate, procedures for calling a meeting, and provides access to outside resources.

The Board has also adopted a code of ethics, which governs the ethical behavior of all employees, management and directors. Separate trading blackout and disclosure policies are also in place. For more details on the Corporation's corporate governance practices, please refer to the Corporation's website at [www.osiskomining.com](http://www.osiskomining.com).

The Corporation's directors have expertise in exploration, metallurgy, mining, accounting, legal, banking, financing and the securities industry. The Board and its committees meet at least four times a year and committees meet as required.

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## 18. INTERNAL CONTROL OVER FINANCIAL REPORTING

### Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Corporation's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

### Internal controls over financial reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is also responsible for the design of the Corporation's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Corporation's internal controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Corporation; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

As at March 31, 2018 there has not been any material change to internal controls over financial reporting for the period. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Corporation's internal controls over financial reporting. As of March 31, 2018, the Chief Executive Officer and Chief Financial Officer have each concluded that the Corporation's internal controls over financial reporting, as defined in National Instrument 52-109 - *Certification of Disclosure in Issuer's Annual and Interim Filings*, are effective to achieve the purpose for which they have been designed. Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## 19. Non-IFRS MEASURES

The Corporation has included a non-IFRS measure for “working capital” in this MD&A to supplement its financial statements, which are presented in accordance with IFRS. The Corporation believes that this measure provides investors with an improved ability to evaluate the performance of the Corporation. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore, such measures may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The Corporation determines working capital as follows (in thousands of Canadian dollars):

<i>Reconciliation for the period ended</i>	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>September 30, 2017</b>	<b>June 30, 2017</b>
Current assets	110,292	155,308	108,439	138,965
Less current liabilities	18,490	21,084	23,657	9,857
<b>Working capital</b>	<b>91,802</b>	<b>134,224</b>	<b>84,782</b>	<b>129,108</b>

<i>Reconciliation for the period ended</i>	<b>March 31, 2017</b>	<b>December 31, 2016</b>	<b>September 30, 2016</b>	<b>June 30, 2016</b>
Current assets	162,250	101,290	100,963	72,081
Less current liabilities	8,172	7,152	4,972	3,627
<b>Working capital</b>	<b>154,078</b>	<b>94,138</b>	<b>95,991</b>	<b>68,454</b>

## 20. CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain forward-looking statements and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, “forward-looking information”), including, but not limited to, statements relating to the future financial or operating performance of the Corporation, the Corporation’s mineral projects, the future price of metals, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production (if any), capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, use of proceeds from financings, requirements for additional capital, government regulation of mining operations and mineral exploration activities, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage, Windfall Project resource statement, timing for preliminary economic assessment and pre-feasibility study of Windfall Project, as well as exploration activities with drill rigs being reduced. Often, but not always, forward-looking information can be identified by the use of words and phrases such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking information reflects the Corporation’s beliefs and assumptions based on information available at the time such statements were made. Actual results or events may differ from those predicted in forward-looking information. All of the Corporation’s forward-looking information is qualified by (i) the assumptions that are stated or inherent in such forward-looking information, including the assumptions listed below, and (ii) the risks described in the section entitled “*Risks and Uncertainties*” in this MD&A, the financial statements of the Corporation, and the sections entitled “*Risk Factors*” and “*Cautionary Statement Regarding Forward-Looking Information*” in the annual information form of the Corporation for the fiscal year ended December 31, 2017, dated March 7, 2018, which are available on SEDAR under the Corporation’s issuer profile at [www.sedar.com](http://www.sedar.com).

Although the Corporation believes that the assumptions underlying the forward-looking information contained in this MD&A are reasonable, this list is not exhaustive of the factors that may affect any forward-looking information. The key assumptions that have been made in connection with forward-looking information include the following: the significance of drill results and ongoing exploration activities; timing to obtain assay results from labs; ability of exploration activities (including drill results) to accurately predict mineralization; the predictability of geological modelling; the accuracy of the Corporation’s records of its property interests; the global economic climate; metal prices; environmental risks; community and non-

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governmental actions; that permits required for the Corporation's operations will be obtained on a timely basis in order to permit the Corporation to proceed on schedule with its planned drilling programs; that skilled personnel and contractors will be available as the Corporation's operations continue to grow; that the price of gold will exceed levels that will render the project of the Corporation economical; and that the Corporation will be able to continue raising the necessary capital to finance its operations and realize on its mineral resource estimates.

Forward-looking information involves known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; errors in geological modelling; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations of grade or recovery rates; failure of plant and equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Corporation disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

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## **21. RISKS AND UNCERTAINTIES**

The Corporation's business, being the acquisition, exploration, and development of mineral properties in Canada, is speculative and involves a high degree of risk. Certain factors, including but not limited to the ones described below, could materially affect the Corporation's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Corporation. See "*Cautionary Note Regarding Forward-Looking Information*". The reader should carefully consider these risks as well as the information disclosed in the Corporation's financial statements, the Corporation's annual information form dated March 7, 2018, and other publicly filed disclosure regarding the Corporation, available under the Corporation's issuer profile on SEDAR at ([www.sedar.com](http://www.sedar.com)).

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## **22. ADDITIONAL INFORMATION**

Additional information regarding the Corporation can be found in the annual information form of the Corporation dated March 7, 2018 for the financial year ended December 31, 2017, which is available under the Corporation's issuer profile on SEDAR at ([www.sedar.com](http://www.sedar.com)).