OSISKO MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2017

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 audited financial statements for the years ended December 31, 2017 and 2016 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. This MD&A and the related financial statements are available under the Corporation's issuer profile on SEDAR at www.sedar.com and on the Corporation's website at www.osiskomining.com.

Management is responsible for the preparation of the financial statements and this MD&A. 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.

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.

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, Quevillion 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 March 7, 2018.

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 YEAR

Corporate Development and Acquisitions:

- On February 26, 2018, Osisko purchased from Globex Mining Enterprises Inc. (“Globex”) the Certac property at Le Tac township, Quebec for $250,000 and a gross metal royalty (“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.

- On February 8, 2018, Osisko provided an update on the progress of exploration at its 100% owned Windfall Lake, Urban Barry and Quévillon gold 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 Inc., 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 issued and outstanding common shares of 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 number of issued and outstanding BFD Shares.

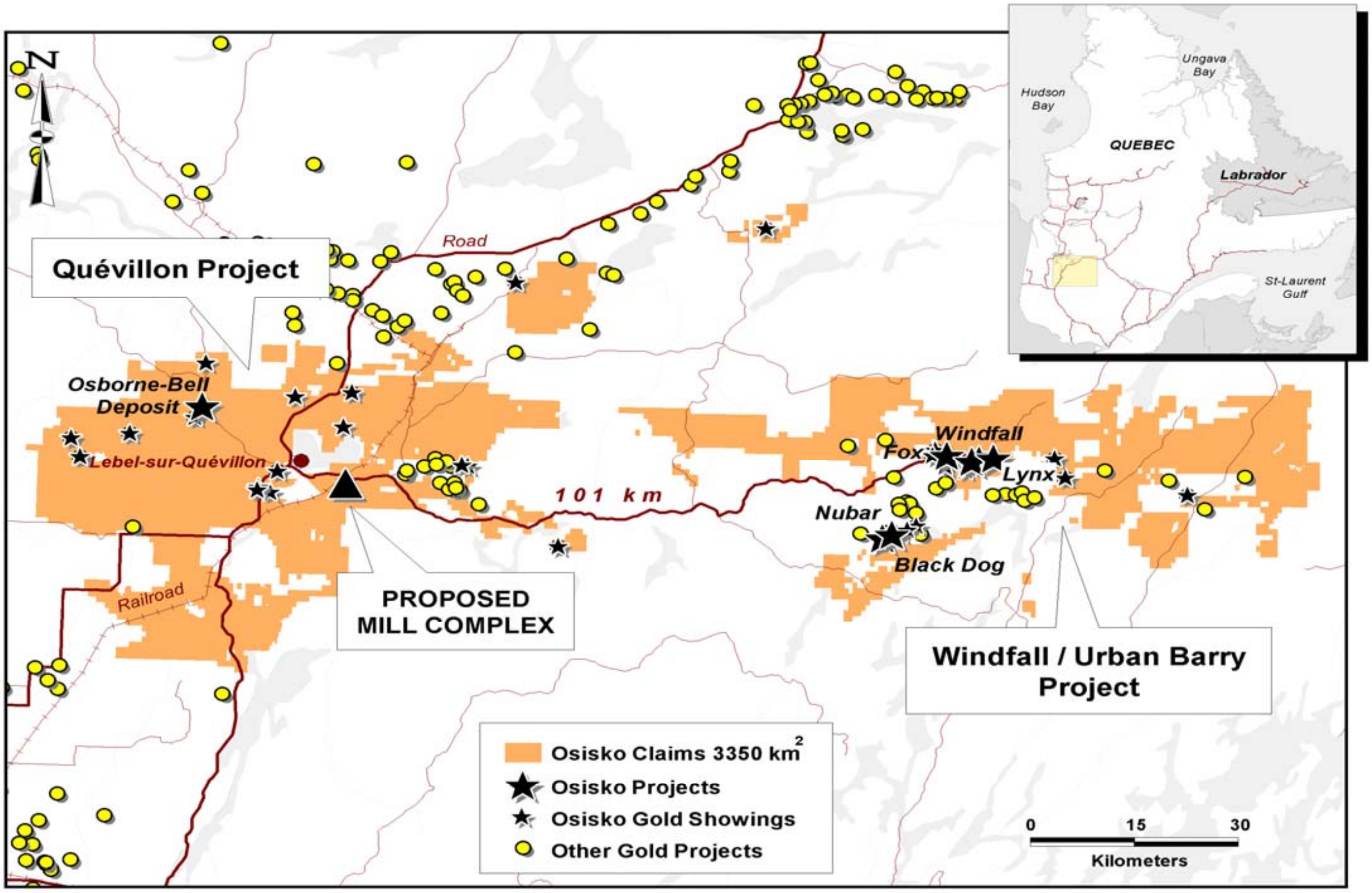
- On December 21, 2017, Osisko completed the sale of the Swayze Property located 40 kilometres from Borden, Ontario with GFG Resources Inc. (“GFG”). Osisko received 1,110,494 common shares of GFG in exchange for the property with a fair value at the time of sale of approximately $599,000.

- On December 21, 2017, Osisko announced that the Toronto Stock Exchange (the “TSX”) has approved the Corporation's notice of intention to make a normal course issuer bid (the “NCIB Program”). Under the terms of the NCIB Program, Osisko may acquire up to 15,204,587 of its common shares from time to time in accordance with the normal course issuer bid procedures of the TSX. Any repurchases under the NCIB Program will be made in Canada through the facilities of the TSX. Osisko has not acquired any shares under the NCIB Program.

- On November 27, 2017, Osisko completed the sale of the Catherine Project and DeSantis Project with Canadian Gold Miner Corp. (“CGM”) and Transition Metals Corp. Osisko received $100,000 and $400,000, for the Catherine Project and DeSantis Project respectively, worth of common shares of CGM. In addition, Osisko subscribed for 2,500,000 common shares of CGM for $1,000,000, which would bring Osisko’s expected equity ownership interest in CGM to approximately 19.9%.

- On June 6, 2017, Osisko filed a “Project Description” report with the federal government (Canadian Environmental Assessment Agency or “CEAA”) and a “Preliminary Project Information” report with the Québec government (Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques or “MDDELCC”) for the Windfall Lake project. The “Project Description” report is available at www.osiskomining.com. On July 31, 2017 CEAA confirmed that the Windfall project is subject to an Environmental Assessment. CEAA and MDDELCC have each provided Osisko with guidelines for executing the project impact assessment.

- On April 12, 2017, Osisko announced that it has identified a site covering approximately four square kilometres for the potential construction of a mill complex that would process mineralized material from the Windfall Lake deposit. The potential site is located near an existing industrial property (the former Domtar Corporation pulp and paper mill) in Lebel-sur-Quévillon, Québec. Osisko intends to evaluate the potential site location through the environmental assessment process and in the preparation of a feasibility study for the Windfall Lake gold project. The potential site is located 11 kilometres from Lebel-sur-Quévillon and 103 kilometres via existing all-weather gravel road networks from the Windfall Lake deposit, and is adjacent to a Hydro Québec electric substation and a water pumping station. The potential site is located on Crown land immediately southeast of the municipal limit of Lebel-sur-Quévillon. Osisko holds the mineral exploration titles under the potential site. An alternative assessment considering environmental, technical, social and economic factors has been completed on the location of the Processing Plant for the Windfall Lake Project. The preferred option for the location of the Processing Plant in the municipality of Lebel-sur-Quevillon (partially on the former Domtar site) and in the territory of Eeyou Istchee James Bay, Québec . The acquisition of an approximately 560 hectare property will be finalized in Q1 2018. The proximity to a stable workforce and an electrical substation with available capacity were important components in the evaluation.



- On March 28, 2017, the Corporation appointed Amy Satov to the board of directors of the Corporation (the "Board"). Ms. Satov, B.A., LL.B., M.B.A. is the Chief Executive Officer and co-founder of Litron Distributors Ltd., a national lighting distributor.

- On March 28, 2017, the Corporation announced that Ned Goodman had resigned from the Board. The Board, recognizing Mr. Goodman's leadership in the Canadian mining industry and his position as a founding Chairman of the Corporation, has retained Mr. Goodman as Chairman Emeritus of the Corporation. In his new role as Chairman Emeritus, Mr. Goodman will continue to be available to consult with directors and management in relation to strategic matters, and will represent the company, provide advisory services, and participate in external public relation activities at the request of the Chairman of the Board.

- On March 15, 2017, Osisko entered into a binding letter of intent with Deloitte Restructuring, acting as trustee in bankruptcy for Maudore Minerals Ltd., to acquire ownership over an additional property package in the Lebel-sur Quévillon area in consideration of a cash payment of $1,000,000 and issuance of 100,000 common shares of the

Corporation. The purchase will add 1,205 claims to the acquisition announced on March 6, 2017 through staking in the same area, giving Osisko a total of 4,147 claims covering a 216,000-hectare land package.

- On March 6, 2017, Osisko acquired, through staking, a significant land position in the Lebel-sur Quévillon area of the Abibiti Greenstone Belt of Québec, located approximately 110 kilometers west of the Windfall Lake project. Map staking of 2,942 claims was recently completed and resulted in the acquisition of a large land package covering 157,000 hectares. On April 27, 2017, Osisko completed this acquisition.

- On January 10, 2017, Osisko entered into a binding agreement with Barrick Gold Corporation ("Barrick"), which sets forth the terms of an exploration earn-in (the "Exploration Earn-In") on the Kan Property ("Kan") located in northern Québec. Under the Exploration Earn-In, Barrick must commit $15,000,000 in work expenditures over a four-year period to earn a 70% interest on Kan, 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, Kan 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 Kan. 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). On March 27, 2017, Osisko had announced that it had finalized the agreement with Barrick in respect of the Exploration Earn-In.

Financings:

During the year ended December 31, 2017 and the subsequent period, Osisko completed four financings for aggregate gross proceeds of $181,789,000, comprised of $87,000,000 in hard dollars and $94,789,000 in flow-through dollars.

- On December 12, 2017, Osisko completed a "bought deal" brokered private placement financing of an aggregate of 479,550 flow-through common shares of the Corporation at an issue price of $4.80 per flow-through common share for aggregate gross proceeds of approximately $2,300,000. Canaccord Genuity Corp. acted as sole underwriter and sole bookrunner in connection with the offering. The proceeds from the offering will be used for the Garrison Property, which is located in Northern Ontario.

- On October 5, 2017, Osisko completed a "bought deal" brokered private placement financing, which was announced on August 29, 2017, of: (i) an aggregate of 8,487,800 flow-through common shares of the Corporation, issued in two tranches, for aggregate gross proceeds of approximately $57,400,000, and (ii) an aggregate of 8,334,450 common shares of the Corporation at an issue price of $4.20 per common share of the Corporation for aggregate gross proceeds of approximately $35,000,000. The flow-through shares were issued in two tranches, whereby the first tranche consisted of 6,638,950 flow-through shares at an issue price of $6.93 per "tranche one" flow-through share and the second tranche consisted of 1,848,850 "tranche two" flow-through shares at an issue price of $6.14 per flow-through share.

- On April 27, 2017, Osisko completed a "bought deal" brokered private placement financing, which was announced on April 18, 2017, of an aggregate of 700,000 flow-through common shares of the Corporation at an issue price of $7.15 per flow-through common share for aggregate gross proceeds of $5,005,000. Canaccord Genuity Corp. and Eight Capital acted as lead underwriters on behalf of a syndicate of underwriters in connection with the offering.

- On February 28, 2017, Osisko completed a "bought deal" private placement financing which was announced on February 6, 2017, of an aggregate of 5,450,000 flow-through common shares of the Corporation at a price of $5.52 per flow-through common shares of the Corporation for aggregate gross proceeds of $30,084,000. The Corporation concurrently completed a "bought deal" private placement financing of an aggregate of 15,327,000 units of the Corporation at a price of $3.40 per unit for aggregate gross proceeds of approximately $52,000,000, with each unit comprised of one common share of the Corporation and one whole common share purchase warrant of the Corporation.

Exploration Highlights:

Overall Performance

During the year ended December 31, 2017, the Corporation spent approximately $121,096,000 on exploration and evaluation assets, mostly on the Windfall Lake and Urban Barry properties and $11,050,000 on general and administration expenses, and salaries and benefits. The Corporation has drilled approximately 414,191 metres on the Windfall Lake and Urban Barry Properties, approximately 2,928 metres on the Marban Block Properties, approximately 4,373 metres on the Quévillon properties and approximately 59,682 metres on the Garrison Properties located in Northern Ontario. During the year ended December 31, 2017, the Corporation identified a site for the potential construction of a mill complex and received confirmation from the MDDELCC of the transfer of the existing certificate of authorization from a previous operator to Osisko, for the purpose of extracting a bulk sample.

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 1.8 million ounces of global resources in the inferred mineral resource category. 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 on the Windfall Lake Property and 60,000 metres on the Garrison Properties for a combined total drilling campaign of 860,000 metres. In addition, 50,000 metres will be drilled on the Quévillon Project in 2018. Management believes these fundamental elements provide the solid base necessary to build a mining company that will provide growing value to its shareholders over time. Please 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.

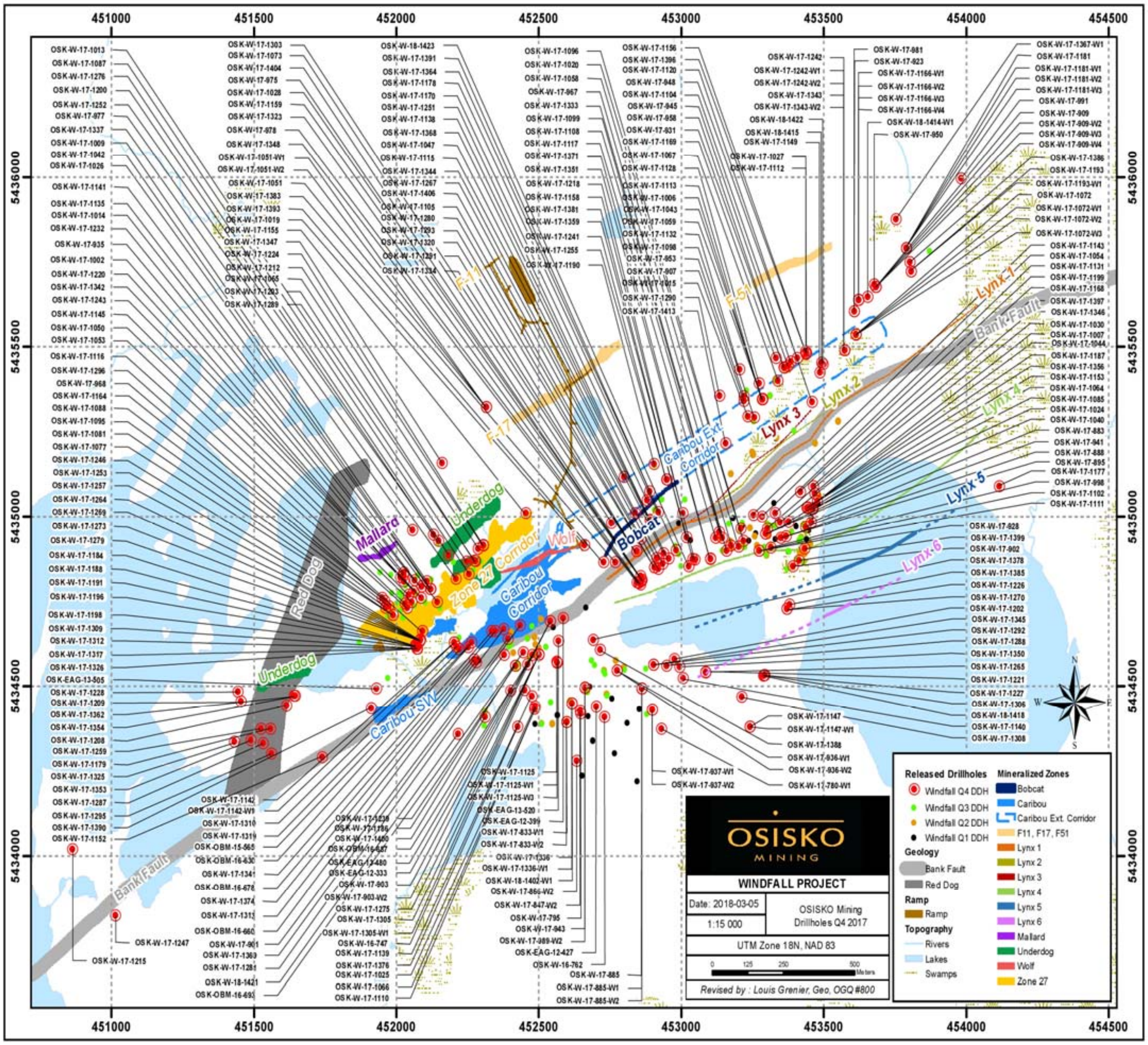
a) Windfall Lake, Urban Barry and Quévillon Properties

- On December 14, 2017, Osisko announced it had commenced drilling with two drill rigs on its 100% owned Osborne-Bell gold deposit located in the Abitibi greenstone belt, Quévillon Township, Eeyou Istchee James Bay Region, Québec. Located 17 kilometres northwest of the town of Lebel-sur-Quévillon and 112 kilometres west of the Windfall Lake gold deposit, Osborne-Bell is part of Osisko's Quévillon Project, which consists of a 2,160 square kilometer land package hosting approximately thirty known gold showings.

- October 27, 2017, Osisko announced that it had completed its first underground blast on schedule at the exploration ramp at the Windfall Lake Property.

- On August 28, 2017, Osisko announced it will be increasing the scale of the ongoing drill program on the Windfall Lake Property. Osisko added 400,000 metres of drilling to the current drill program, for a global total of 800,000 metres.

- 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 year-end ended December 31, 2017 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 category and 3,512,000 tonnes at 7.62 g/t Au (860,000 ounces) in the inferred 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 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 during the second quarter of 2018.

The Corporation is continuing its ongoing drill program at Windfall Lake with 18 drill rigs focused on the main and Lynx deposits and 2 rigs working on regional targets. The 800,000 metre drill program combines definition, expansion and exploration drilling in and around the main Windfall gold deposit and the adjacent Lynx deposit (located immediately northeast of Windfall).

Drill highlights have included the following:

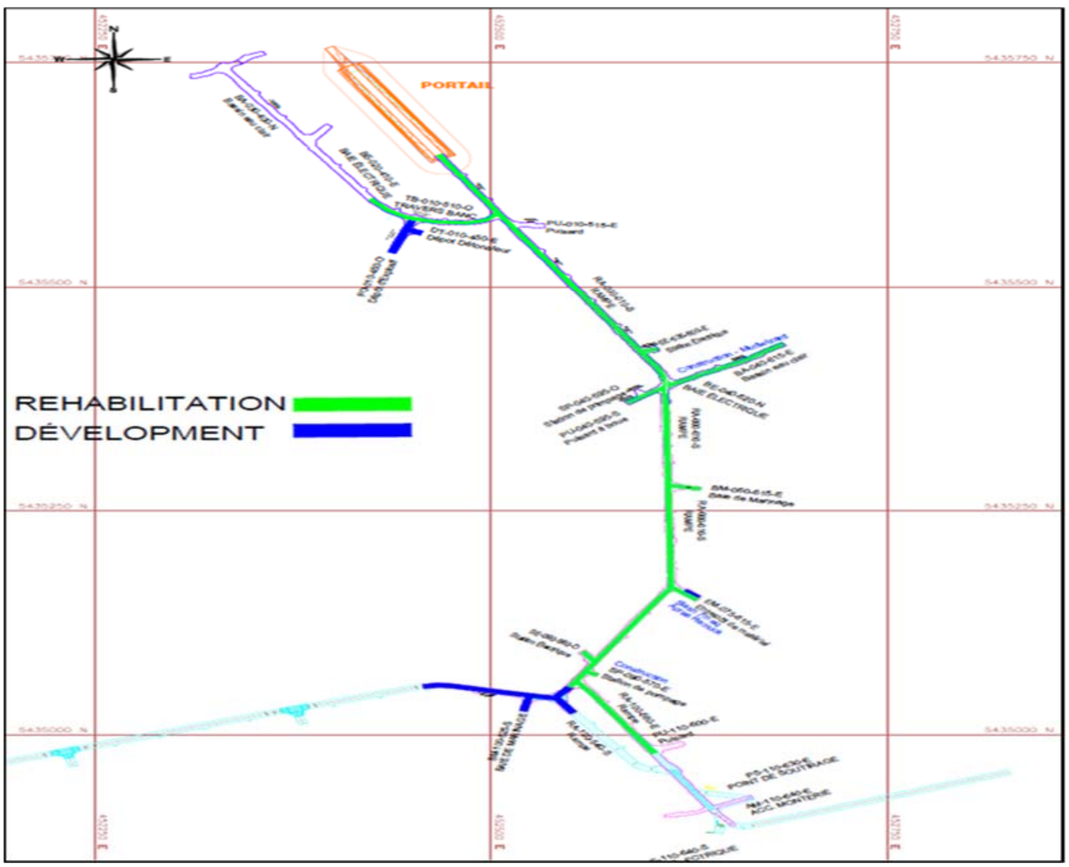
- 265 g/t Au Over 2.4 Metres at Windfall announced March 2, 2018
- 71.9 g/t Au Over 2.9 Metres at Lynx announced February 27, 2018
- 56.1 g/t Au Over 8.9 Metres at Windfall announced January 25, 2018
- 415 g/t Au Over 5.9 Metres at Lynx announced January 23, 2018
- 86.7 g/t Au Over 4.3 Metres at Windfall 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
- 30 g/t Au Over 2.4 Metres at Windfall announced December 5, 2017
- 479 g/t Au Over 2.0 Metres at Windfall announced November 28, 2017
- 301 g/t Au Over 6.2 Metres at Lynx announced November 14, 2017
- 17.8 g/t Au Over 4.7 Metres at Windfall announced November 1, 2017
- 20.5 g/t Au Over 11.6 Metres at Lynx announced October 30, 2017
- 39.4 g/t Au Over 2.4 Metres at Windfall announced October 25, 2017
- 31.4 g/t Au Over 6.0 Metres at Windfall announced October 18, 2017
- 61.8 g/t Au Over 2.5 Metres at Lynx announced October 12, 2017
- 27 g/t Au Over 2.7 Metres at Lynx announced October 3, 2017
- 611 g/t Au Over 2.0 Metres at Windfall announced September 20, 2017
- 36 g/t Au Over 6.9 Metres at Lynx announced September 18, 2017
- 36.7 g/t Au Over 4.0 Metres at Windfall announced August 24, 2017
- 53.5 g/t Au Over 3.0 Metres at Windfall announced August 14, 2017
- 379 g/t Au Over 2.0 Metres at Windfall announced August 9, 2017
- 63.2 g/t Au Over 7.7 Metres at Windfall announced August 1, 2017
- 57.0 g/t Au Over 2.7 Metres at Lynx announced July 25, 2017
- 24.9 g/t Au Over 31 Metres at Windfall announced July 19, 2017
- 131 g/t Au Over 2 Metres at Lynx announced July 12, 2017
- 12.5 g/t Au Over 8.5 Metres at Windfall announced June 7, 2017
- 97.4 g/t Au Over 8.4 Metres at Windfall announced May 30, 2017
- 42.4 g/t Au Over 4.7 Metres at Windfall announced May 24, 2017
- 9.01 g/t Au Over 9.4 Metres at Windfall announced May 19, 2017
- 11.7 g/t Au Over 7.7 Metres at Lynx announced May 10, 2017
- 936 g/t Au Over 2.5 Metres at Windfall announced May 3, 2017
- 35.2 g/t Au Over 2.8 Metres at Windfall announced April 25, 2017
- 19.4 g/t Au Over 7.9 Metres at Windfall announced April 11, 2017
- 34.1 g/t Au Over 4.0 Metres at Windfall announced April 6, 2017
- 63.8 g/t Au Over 4.4 Metres at Windfall announced April 5, 2017
- 8.37 g/t Au Over 2.8 Metres at Fox announced April 4, 2017
- 71.4 g/t Au Over 5.4 Metres at Windfall announced March 28, 2017
- 15.6 g/t Au Over 5.8 Metres at Windfall announced March 22, 2017
- 64.3 g/t Au Over 2.3 Metres at Windfall announced February 15, 2017
- 9.76 g/t Au Over 7.3 Metres at Windfall announced February 14, 2017
- 12.7 g/t Au Over 5.4 Metres at Windfall announced January 23, 2017
- 42.7 g/t Au Over 9.0 Metres at Windfall announced January 11, 2017
- 47 g/t Au Over 2.6 Metres at Windfall announced January 5, 2017

The full set of drill results are available under the Corporation's issuer profile on SEDAR at www.sedar.com and on the Corporation's website at 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 and was flooded with water. During the year ended December 31, 2017, Osisko received approval from the MDDELCC for a mine water treatment system. This existing certificate of authorization allows Osisko to dewater the previously existing ramp in order to conduct advanced exploration by extending the exploration ramp. Advancement of the exploration ramp has commenced and the portal opening has been rehabilitated. Underground infrastructure, including construction of a powder magazine and various underground excavations has been completed. The exploration ramp is expected to advance at a rate of approximately 200 metres per month towards the mineralized zones. For the year ended December 31, 2017, a total of 1,021 metres of rehabilitation was completed. In addition, 136 metres of new development towards Zone 27 and Caribou was performed as well as 93 metres of underground infrastructures. For 2018, 1,650 metres is planned in the main deposit while 1,200 metres is planned for Lynx for a total of 2,850 metres. The rate of advancement is approximately 150 metres per month. The development towards Lynx is subject to the receipt of all authorizations from the MDDELCC.

Underground work including de-watering of the existing ramp, which started in 2017, will also include a bulk sample (for metallurgical testing and grade confirmation), underground mapping and underground exploration drilling throughout 2018.



Above is a map of the underground exploration ramp on the Windfall Lake Property.

As required every five years by the Québec government (Ministère de l'Énergie et des Ressources naturelles or “MERN”), an update to the site restoration plan was submitted by the Corporation in July 2017. The total estimated cost for rehabilitation was increased by $2,042,000. 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 of the Lynx discovery. The initial resource estimate which began in 2017 is expected to be completed during the second quarter of 2018, as the industry continues to experience delays in analytical sample turn-around times. The drill program is currently over 200 holes in advance of the Corporation's receipt of analytical results, delaying the progress on the initial resource estimate. Throughout 2018, the Corporation will 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 release of the initial resource estimate.

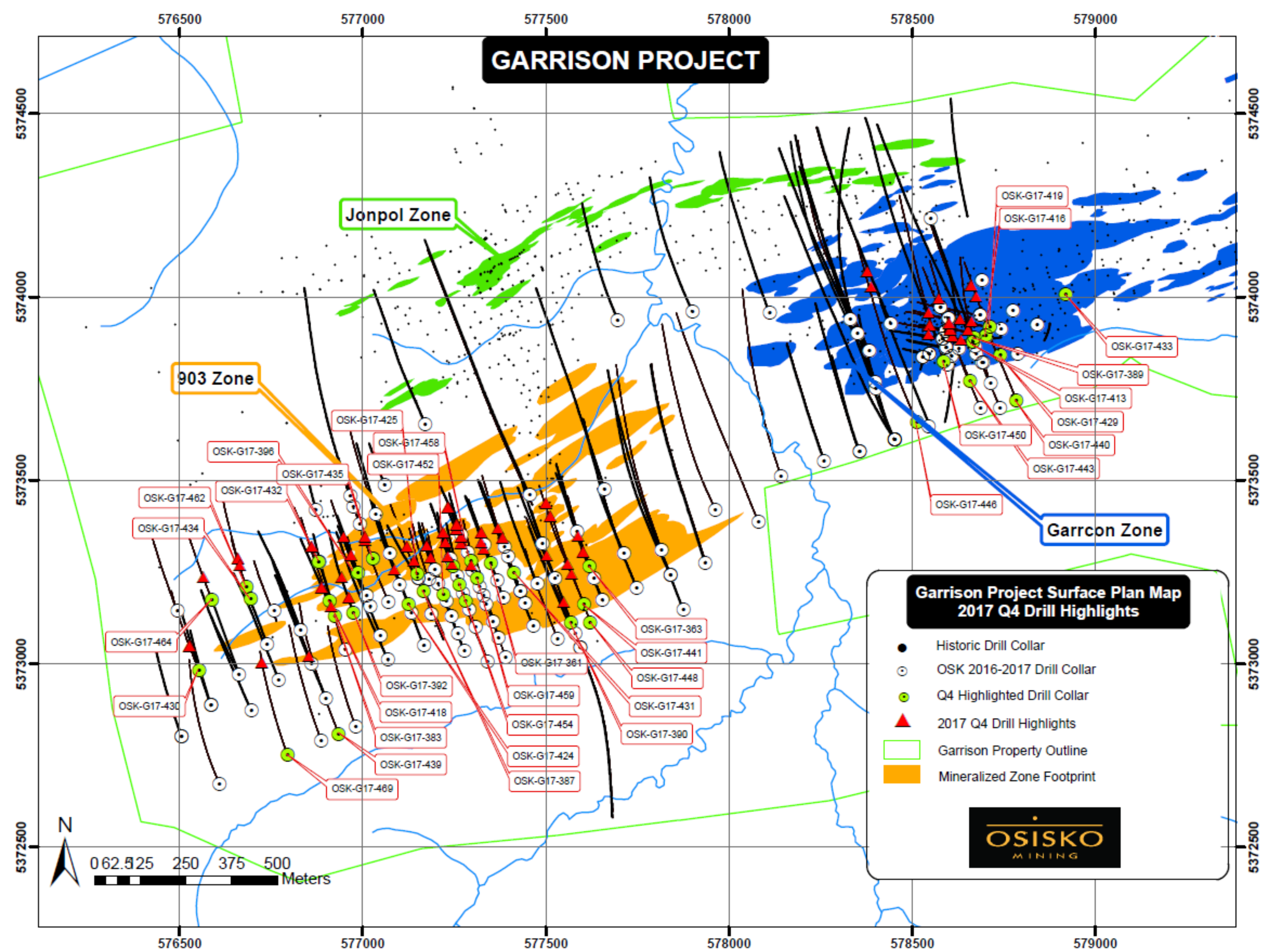
The main Windfall deposit and the Lynx deposit (discovered by Osisko in early 2017) remain open to the NE and at depth, and surface exploration drilling is continuing. Newly discovered extensions of the main Windfall deposit (Caribou Extension, Zone 27 Extension, Underdog Expansion), and part of the Lynx deposit and its sub zones below 350 metres depth and further northeast of section 3750E, will not be included in the May 2018 resource estimate, due to lack of adequate drill density. Infill drilling planned for the balance of 2018 will be focused on these areas, with the aim of including them in a planned Q1/2019 feasibility study

b) Garrison Property

The Corporation announced the following results from the ongoing 60,000 metre drill program at its 100% owned Garrison Property located in the Garrison Township, Ontario which was designed to further test the known Garrcon, Jonpol and 903 zones.

During 2017, the Corporation drilled approximately 59,682 metres, distributed in 151 drill holes, on the Garrison Properties. The 2017 drilling program was mainly focused in the 903 zone, with 40,014 metres in 112 holes, which significantly expanded the known mineralized zone to the southwest, northwest and south. The rest of the program was dedicated to infill drilling on the Garrcon Project with 19,668 metres in 39 drillholes. No drilling was conducted on the Jonpol Project during 2017.

The 2017 drilling program finished in November 2017 followed by re-interpretation and geological modelling of the 903, Garrcon and Jonpol zones during December 2017 and January 2018 which is expected to continue through until March 2018. The 2016-2017 assay database, including results and geological information from the previous operator, has been fully updated and migrated to Datamine Fusion. The resource for each one of the zones is currently being updated after 2017 drilling results. The 2018 drilling campaign is expected to start in April and it will be focused again in the southwest extension of the 903 zone as well as in possible new targets in the north part of the property.



Above is a map of the material drill holes that were completed in the year-end ended December 31, 2017 as well as the current holes to the date of this MD&A on the Garrison Property

Drill highlights have included the following:

- 2.51 g/t Au Over 73.0 Metres at Garrison announced February 15, 2018
- 16.1 g/t Au Over 8.3 Metres at Garrison announced January 31, 2018
- 2.65 g/t Au Over 70.1 Metres at Garrison announced January 15, 2018
- 4.96 g/t Au Over 13.5 Metres at Garrison announced October 31, 2017
- 7.14 g/t Au Over 12.7 Metres at Garrison announced October 5, 2017
- 1.12 g/t Au Over 59.3 Metres at Garrison announced August 22, 2017
- 20.6 g/t Au Over 2.0 Metres at Garrison announced May 25, 2017
- 45.0 g/t Au Over 2.4 Metres at Garrison announced April 12, 2017
- 10.9 g/t Au Over 3.9 Metres at Garrison announced March 15, 2017
- 16.7 g/t Au Over 16.4 Metres at Garrison announced February 1, 2017
- 2.27 g/t Au Over 46.4 Metres at Garrison announced January 16, 2017

The full set of drill results are available under the Corporation's issuer profile on SEDAR at www.sedar.com and on the Corporation's website at www.osiskomining.com.

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 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%
Black Dog Project (Souart)	Québec	Owned 100%
Quévillon	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
Éléonore Regional – James Bay	Québec	Earn-in
Éléonore JV – James Bay	Québec	Earn-in
Other – James Bay	Québec	Earn-in

2. MINERAL RESOURCES

The Corporation's global mineral resources are summarized below:

CATEGORY	TONNES (MT)	AU GRADE (G/T)	AU (M OZ)
MEASURED			
MARBAN	7.7	1.48	0.37
GARRISON	15.1	1.07	0.52
	22.8	**1.21**	**0.89**
INDICATED			
MARBAN	30.5	1.25	1.23
WINDFALL	2.8	8.42	0.76
GARRISON	15.0	1.40	0.68
	48.3	**1.72**	**2.67**
TOTAL M&I			
MARBAN	38.2	1.30	1.60
WINDFALL	2.8	8.44	0.76
GARRISON	30.1	1.24	1.20
	71.1	**1.56**	**3.56**
INFERRED			
MARBAN	4.1	1.47	0.19
WINDFALL	3.5	7.62	0.86
GARRISON	7.9	3.19	0.81
	15.5	**3.73**	**1.86**

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.
4. Information relating to the Windfall Lake 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.
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.

3. MINERAL PROPERTY ACTIVITIES

3.1 Urban Barry

As of December 31, 2017, the Corporation had staked claims in the Urban Barry area of Québec. The Urban-Barry project contains 1,963 claims and covers more than 109,400 hectares (1,094 square km) 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 of which has been spent as of December 31, 2017. During the year ended December 31, 2017, surface exploration works was performed on the project with two drill rigs, for a total of 27,595 metres, exploring the 100 follow up target found during Osisko's regional exploration work that was completed during Q3 2017. A 12,000 metres exploration program is planned for 2018 to continue exploring on 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%(1)	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

Note:

(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.

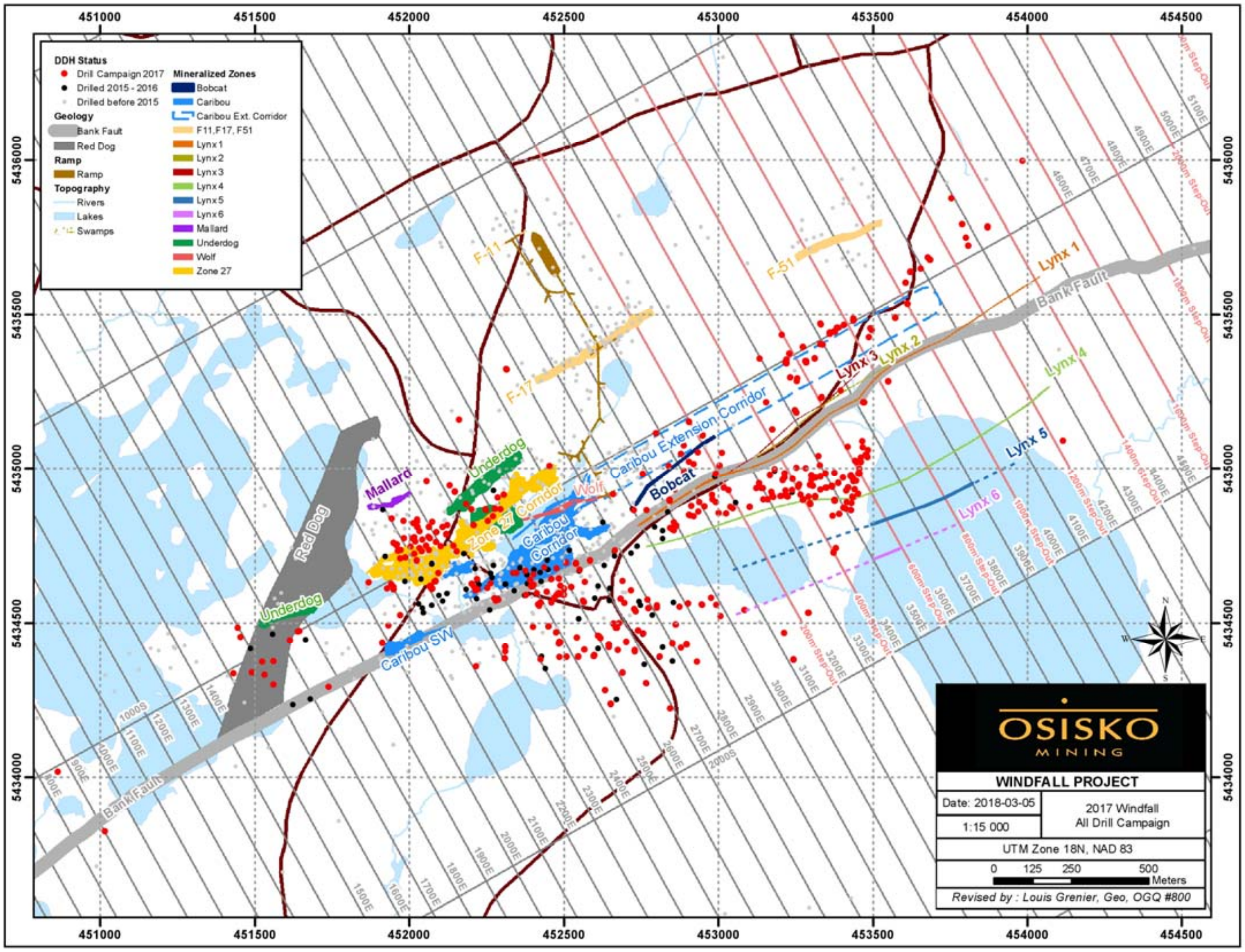
Exploration Activities

The current 800,000 metres of 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 the second half of 2018.

The Windfall Property camp expansion has also been recently completed, with new accommodations, core logging areas and other facilities. 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 at both the eastern and western ends. During the year ended December 31, 2017, the Corporation drilled a total of 386,596 metres including 794 drillholes, 92 wedges and 35 extensions. As of the date of this MD&A, 15,338 metres have been drilled in 2018 and an aggregate of 517,538 metres of the announced 800,000 metres drill program has been completed. Osisko is planning to have 18 drill rigs dedicated to the Windfall deposit during 2018, with two additional rigs will be testing regional targets on Urban Barry holes.

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 widths 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 ALS Laboratories in: (i) Val d'Or, Québec; (ii) Thunder Bay and Sudbury; Ontario; (iii) Vancouver, British Columbia; or (iv) 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 check assay.

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

The Corporation completed drilling work over the Black Dog property during the year ended December 31, 2017. A total of 2,280 metres were performed in 7 drillholes on the property.

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 thirty 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 deposit has been the object of significant historical drilling over the past fifteen 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, The Quévillon project now covers more than 224,730 hectares (2,247 square kilometres) and is constituted by 4,219 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

The Corporation completed compilation work over the Quévillon property during the year ended December 31, 2017. The exploration program included prospecting, till surveys, a drilling campaign and geophysical surveys, which began during the fourth quarter of 2017. The Corporation re-allocated two of the drill rigs from Windfall to the Quévillon property and currently has drilled approximately 4,373 metres out of the 50,000 metres planned drill program. Best results were obtained from drillhole OSK-OB-17-004 that returned values of 27.81 g/t Au over 2.0 metres including 54.7 g/t Au over 1 metre and 7.68 g/t Au over 2 metres respectfully from zone 1652 and 1650 of the Osborne-Bell deposit .

3.3 Catherine Project

i) Ogima Project

On November 24, 2017, the Corporation completed a transaction with CGM, under which the Corporation transferred its ownership interest in the Ogima – Catherine Fault Project in exchange for common shares of CGM with a fair value of $100,000. Due to this triggering event, the Corporation determined that the carrying amount of the exploration assets of the Ogima – Catherine Fault Project exceeded its recoverable amount and as such recorded an impairment of $1,458,000.

3.4 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, of which the

Corporation shall have the right to purchase 1.0% for $250,000. A further single unpatented mining claim is subject to a 1% NSR, of which the Corporation shall have the right to purchase 0.5% for $250,000. An additional 20 patented claims to the south of the known resource are subject to a 2% NSR, of which the Corporation has the right and option to purchase 0.5% 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 of which 0.5% can be purchased 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 of which 1% can be purchased for $1,000,000. The property has an annual $25,000 advance royalty payment.

Exploration Activity

The Corporation has completed its 60,000 metre drill program on the property using one drill rig. To date approximately 85,029 metres have been drilled since acquiring the properties. The drill program is designed to increase confidence in the historical resource estimates on the Garrcon and Jonpol deposits, as well as exploring for possible extensions of the known mineralized zones. The current results demonstrate there is good potential to increase the known mineral inventory at Jonpol through continued definition and exploratory drilling, specifically in the depth extensions of the main deposit. Historic drilling at Jonpol was limited to areas from surface to 600 metres depth with much of the drilling targeting above 350 metres depth. Most of the recent drilling is focussed on the 903 zone which was not included in the previous resource. A new drill campaign is scheduled for Q2/2018 for approximately 9,000 metres. The Corporation is also looking at updating the existing resource in 2018.

3.5 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 3 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 completed a drill program in 2017 from which 2,928 metres were drilled using one rig. The objective was to test new targets on the property. No significant results were obtained.

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 for payments ranging from $200,000 to $1,500,000. The Malartic H claims are 85% owned by the Corporation and the remaining 15% can be purchased for $25,000.

Exploration Activity

Minimal exploration work has occurred on the Malartic Project during the year ended December 31, 2017.

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, the remaining 50% interest being held by another company. Some claims are subject to NSRs of 2.0%. Half of the NSRs may be repurchased for a total of $2,750,000.

Exploration Activity

No exploration activity has occurred on the Siscoe East Project since its acquisition by the Corporation on March 11, 2016.

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 of which half may be re-purchased for $200,000.

Exploration Activity

Minimal activity has occurred on the Héva project since its acquisition by the Corporation on March 11, 2016.

3.6 DeSantis Property

The Corporation acquired the DeSantis Property in the Porcupine Mining Division in Ogden Township, Ontario, from Excellon Resources Inc. in exchange for common shares of the Corporation.

On November 24, 2017, the Corporation completed a transaction with CGM and Transition Metals Corp, under which the Corporation transferred its ownership interest in the DeSantis Property in exchange for common shares of CGM with a fair value of $400,000. Due to this triggering event, the Corporation determined that the carrying amount of the exploration assets of the DeSantis Property exceeded its recoverable amount and as such recorded an impairment of $944,000.

3.7 Swayze Property

On August 2, 2016, the Corporation acquired the Swayze Property located in the Greenstone Belt of Ontario. The claims were purchased by the Corporation for a cash payment of $250,000.

On December 21, 2017, the Corporation completed the sale of the property with GFG Resources Inc., whereby, the Corporation sold its ownership interest in the Swayze Property in exchange for 1,110,494 common shares of GFG Resources, representing an implied sale price of $599,000 based on the 20-day volume weighted average price of such shares on the closing date. Due to this triggering event, the Corporation determined that the carrying amount of the exploration assets of the Swayze Property exceeded its recoverable amount and as such recorded an impairment of $260,000.

3.8 James Bay Properties

On October 5, 2016, Osisko announced that it has 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. Subject to an reamended Agreement signed with Osisko GR on December 15, 2017, Osisko extended the firm commitment to spend $4,062,500 of exploration expenditures on all the Properties by December 31, 2018.

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 consist in 2,276 claims (105,605 hectares) and is located 80 kilometres southwest of the Kuujuuaq in North Québec. Of the total claims, 209 claims are subject to a 2% NSR in favor of Les Ressources Tectonic Inc. of which, 0.5% of the NSR royalty may be purchased for $750,000 at any time by Osisko GR and an additional 0.5% of the NSR 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.

During January 2017, Osisko staked 1,624 additional claims giving a total of 2,276 claims covering approximately 105,605 hectares for the Kan Project.

On March 27, 2017, Osisko announced that it had entered into an earn-in agreement with 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 $2,643,000 towards on the exploration earn-in on the Kan Project in the year ended December 31, 2017. During the year ended December 31, 2017, the Corporation performed a 3,432-kilometre high definition magnetic survey over the project and completed an exploration program which consists of prospecting, detailed mapping, high definition magnetic survey, soil geochemical survey and drilling. A total of 1,224 metres of drilling were completed on the Kan Project during the year ended December 31, 2017. No significant results were obtained in the 2017 drilling program except in the hole OSK-KAN-17-002, where 1.15 g/t Au over 6 metres, including 4.39 g/t Au over 1 metre, were returned.

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

The Corporation realized a small exploration program which mainly consisted in prospecting, mapping and till surveys during the year ended December 31, 2017 on the Éléonore Regional Project.

iii) Éléonore-JV Project

The Éléonore-JV Project consists of 1,827 claims (>97,600 hectares) of which approximately 50% is owned by Exploration Midland and 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 Resources. Ground IP geophysics and subsequent fieldwork are planned for these anomalous boulders in 2018.

Exploration Activity

For the year ended December 31, 2017, the Corporation completed an exploration program consisting of a till survey and prospecting on the property. In the southern part of the project, in a poorly known area, a field of copper-rich, sub-angular diorite boulders, was discovered. Four diorite boulders sampled in 2016 and 2017 returned 8.28% Cu, 6.85% Cu, 4.54% Cu and 3.45% Cu in grab samples. The boulders are found within a 100 metre diameter zone, which suggests a local source. Pyrrhotite-bearing diorite outcrops were observed near the boulders, but the source of the copper mineralization has not been found yet.

iv) Other – James Bay

a. Trieste Project

The Trieste Project consists of 316 claims (>16,307 hectares) and is located 60 kilometres north-north-west of the Renard Diamond Mine of the James Bay territory.

Exploration Activity

During the year ended December 31, 2017, the Corporation completed a ground induced polarization geophysical survey on the project. A small drilling campaign totalling 636 metres was completed during 2017 on the project. No significant results were obtained.

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 which can be bought back for $500,000. 11 claims are subject to a 1% NSR royalty to Newmont without buyback option.

Exploration Activity

During the year ended December 31, 2017, the Corporation completed 2,748 metres of drilling on the project. No significant results were obtained.

c. Eastmain Est Project

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

Exploration Activity

During the year ended December 31, 2017, the Corporation completed 32 kilometres of IP survey on the project.

4. EXPLORATION AND EVALUATION ASSETS EXPENDITURES

4.1 Exploration and Evaluation Assets Expenditures

The Corporation's expenditures on exploration and evaluation assets for the year ended December 31, 2017, were as follows (in thousands of Canadian dollars):

	December 31, 2016	Acquisitions in the year	Additions in the period	Write offs in the year	Disposal in the year	December 31, 2017
Urban Barry	3,849	-	5,698	-		9,547
Windfall Lake	56,199	-	94,573	-		150,772
Ogima - Catharine Fault	1,548	-	10	(1,458)	(100)	-
Garrcon - Garrison	14,098	-	11,846	-		25,944
Gold Pike - Garrison	47	-	101	-		148
Buffonta - Garrison	86	-	14	-		100
DeSantis Property	1,324	-	20	(944)	(400)	-
Black Dog (formerly "Souart") Property	1,527	-	807	-		2,334
Swayze Property	466	-	393	(260)	(599)	-
Marban - Marban Block	23,477	-	583	-		24,060
Malarctic - Marban Block	37,809	-	77	-		37,886
Siscoe East - Marban Block	2,518	-	4	-		2,522
Héva - Marban Block	815	-	9	-		824
Kan - James Bay	284	-	139	-		423
Éléonore – James Bay	274	-	258	-		532
Éléonore JV – James Bay	104	-	110	-		214
Other – James Bay	160	-	1,928	-		2,088
Quévillon Osborne	-	-	4,526			4,526
Total exploration and evaluation assets	$ 144,585	$ -	$ 121,096	$ (2,662)	$ (1,099)	$ 261,920

Significant additions during the year ended December 31, 2017 are described by category in the following table (in thousands of Canadian dollars):

For the year ended December 31, 2017	Urban Barry	Windfall Lake	Ogima - Catharine Fault	Garrcon-Garrison	Gold Pike-Garrison	Buffonta-Garrison	DeSantis	Black Dog (formerly "Souart") Property	Swayze
Property costs	$ 73	$ 131	$ 1	$ 4	$ 50	$ 1	$ 8	$ 2	$ -
Camp costs	-	15,535	-	212	-	-	-	61	-
Office costs	14	94	-	11	-	-	-	-	-
Project management	267	3,051	-	655	-	13	-	6	26
Drilling	4,696	64,076	-	8,809	-	-	-	249	-
Geochemical survey	64	6	-	4	-	-	-	-	-
Permitting	-	821	-	20	-	-	-	1	-
Geophysical survey	200	395	-	-	-	-	-	469	334
Geology	437	752	-	1,861	8	-	12	19	23
Engineering	-	352	-	-	-	-	-	-	-
Feasibility study	-	2,230	-	-	-	-	-	-	-
Ramp rehabilitation	17	10,168	-	-	-	-	-	-	-
Community relations	70	941	9	168	-	-	-	-	10
Environmental	2	3,756	-	95	43	-	-	-	-
Health and safety	34	1,692	-	7	-	-	-	-	-
Quebec exploration mining duties earned	(176)	(9,427)	-	-	-	-	-	-	-
Total additions	5,698	94,573	10	11,846	101	14	20	807	393

For the year ended December 31, 2017	Marban - Marban Block	Malarctic - Marban Block	Siscoe East - Marban Block	Héva - Marban Block	Kan - James Bay	Éléonore – James Bay	Éléonore JV – James Bay	Other – James Bay	Quévillon Osborne	Total
Property costs	$ 1	$ 2	$ 1	$ 2	$ (91)	$ 29	$ -	$ 360	$ 2,035	$ 2,609
Camp costs	6	-	-	-	3	-	-	-	4	15,821
Office costs	83	-	-	-	8	1	3	-	10	224
Project management	20	9	3	7	212	27	30	82	205	4,613
Drilling	465	46	-	-	7	15	1	1,041	702	80,107
Geochemical survey	-	-	-	-	-	-	15	12	138	239
Permitting	-	-	-	-	-	-	-	-	8	850
Geophysical survey	-	-	-	-	-	-	-	361	1,142	2,901
Geology	120	20	-	-	-	182	58	64	277	3,833
Engineering	74	-	-	-	-	-	-	-	-	426
Feasibility Study	-	-	-	-	-	-	-	-	-	2,230
Ramp rehabilitation	-	-	-	-	-	-	-	-	-	10,185
Community relations	-	-	-	-	-	4	3	8	1	1,214
Environmental	104	-	-	-	-	-	-	-	1	4,001
Health and safety	-	-	-	-	-	-	-	-	3	1,736
Quebec exploration mining duties earned	(290)	-	-	-	-	-	-	-	-	(9,893)
Total additions	583	77	4	9	139	258	110	1,928	4,526	121,096

During the year ended December 31, 2017, the majority of spending took place on the Windfall Lake Property which is the subject of an ongoing drill program of 800,000 metres. During the year ended December 31, 2017, the Corporation drilled approximately 551,786 metres on the Windfall Lake Property, Quevillion-Osborne Property, Black Dog and Urban Barry area. During the year ended December 31, 2017, an updated rehabilitation plan was completed for the Windfall Project and, as such, a change in estimate of $2,042,000 has been recognized to the Windfall Property. The change in estimate is included as an addition in the Environmental category noted above. As well, the Corporation advanced the exploration ramp for a total of 1,021 metres of rehabilitation of the previous ramp. In addition, 136 metres of new development towards Zone 27 and Caribou was performed as well as 93 metres of underground infrastructures.

The Corporation also completed a 60,000-metre drill campaign on the Garrcon-Garrison Property and plans to continue the drilling on the known Garrcon, 903 zone and Jonpol deposits with an additional 9,000 metres. The Corporation also completed a small drill campaign on the Marban Property.

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 December 31, 2017, in respect of the Corporation's exploration and evaluation assets (in thousands of Canadian dollars):

	Total	2018	2019	2020	2021	2022
James Bay properties	$ 1,018	$ 1,018	$ -	$ -	$ -	$ -

5. OUTLOOK

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

The Corporation is currently spending approximately $12,500,000 per month on exploration on all the Québec and Ontario properties, $484,000 per month on general and administration expenses and $525,000 a month on salaries and benefits, excluding non-cash items. The Corporation raised approximately $181,500,000 since January 1, 2017. The proceeds from these financings will be used to fund “Canadian exploration expenses” on the Corporation’s Québec and Ontario properties and general working capital. An 800,000-metre drill campaign continues with approximately 20 drill rigs on the Windfall Lake Property and Urban Barry area and two smaller drill campaigns on the Garrison and Quevillion Osborne Properties. The Corporation may begin its 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 all the existing resources as well as to expand all existing resources. The Corporation is working towards a resource update over the first half of 2018 on the Urban Barry and Windfall Lake Properties.

6. INVESTMENTS

The Corporation’s assets include a portfolio of investments in publicly and non-publicly traded 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 recently was added to Barkerville’s board of directors. On February 21, 2017, the Corporation acquired 31,700,000 common shares of Beaufield 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.

6.1 Marketable Securities

The following table summarizes information regarding the Corporation’s marketable securities as at December 31, 2017 and 2016 (in thousands of Canadian dollars):

As at	**December 31, 2017**	December 31, 2016
Balance, beginning of year	**$ 15,020**	$ 8,707
Additions	**32,610**	16,590
Acquisitions	**-**	178
Transfer to investments in associates	**-**	(1,248)
Disposals	**(26,203)**	(14,089)
Realized gain	**2,686**	3,428
Unrealized (loss)/gain	**(2,037)**	1,454
Balance, end of year	**$ 22,076**	$ 15,020

During the year ended December 31, 2017, the common shares and warrants were fair valued and this resulted in an unrealized loss of $2,037,000 (2016 – gain of $1,454,000). The Corporation sold common shares during the year ended December 31, 2017 which resulted in a realized gain of $2,686,000 (2016 - $3,428,000).

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	December 31, 2017		
	Beaufield	**Barkerville**	**Total**
Balance, beginning of year	**$ -**	**$ 37,290**	**$ 37,290**
Cash investment in associates	**4,951**	**13,589**	**18,540**
Share of (loss)/income for the year	**(211)**	**819**	**608**
Balance, end of period	**$ 4,740**	**$ 51,698**	**$ 56,438**

6.3 *Long-term Investments*

During the year ended December 31, 2017, 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 Operations for the years ended December 31, 2017 and 2016 (in thousands of Canadian dollars):

	Three months ended		Year ended	
	December 31, 2017	December 31, 2016	**December 31, 2017**	December 31, 2016
Expenses				
Compensation	**$ 3,825**	$ 2,735	**$ 20,486**	$ 10,497
General and administration expenses	**1,424**	1,128	**5,935**	3,456
General exploration	**15**	76	**67**	248
Exploration and evaluation assets written off	**262**	-	**2,662**	33
Flow-through premium income	**(9,908)**	(3,303)	**(25,991)**	(6,613)
Unrealized loss/(gain) from marketable securities	**4,129**	5,256	**2,037**	(1,454)
Realized gain from marketable securities	**(924)**	(447)	**(2,686)**	(3,428)
Impairment loss from long-term investment	**-**	120	**-**	120
Foreign currency exchange (gain)/loss	**(1)**	(80)	**(638)**	101
Realized loss from sale of equipment	**-**	22	**-**	349
Gain from sale of associate	**-**	(583)	**-**	(583)
Other income	**(38)**	(104)	**(330)**	(390)
Operating (income)/loss	**(1,216)**	4,820	**1,542**	2,336
Finance income	**(532)**	(472)	**(1,507)**	(667)
Finance costs	**24**	26	**166**	138
Net finance income	**(508)**	(446)	**(1,341)**	(529)
Share of (income)/loss of associate	**342**	**1,183**	**(608)**	**1,832**
(Income)/loss before tax	**(1,382)**	5,557	**(407)**	3,639
Deferred income tax expense	**5,864**	**1,587**	**18,443**	**1,587**
(Income)/loss	**4,482**	7,144	**18,036**	5,226
Other comprehensive (income)/loss				
Items that may be reclassified subsequently to profit and loss: foreign currency translation	**$ -**	$ (1)	**$ -**	$ 41
Comprehensive (income)/loss	**-**	(1)	**-**	41
Total comprehensive loss/(income)	**$ 4,482**	$ 7,143	**$ 18,036**	$ 5,267

7.1 Three-month Period Ended December 31, 2017 as compared to Three-month Period Ended December 31, 2016

Loss decreased by $2,661,000, from loss of $7,143,000 for the three-month period ended December 31, 2016 to a loss of $4,482,000 for the three-month period ended December 31, 2017, due to increase in flow-through premium income of $6,605,000, decrease in unrealized loss from marketable securities of $1,127,000 and increase in realized gain from marketable securities of $477,000. This was partially offset by increased deferred income tax expense of $5,864,000.

Compensation expenses increased in the three-month period ended December 31, 2017 by $1,090,000 to $3,825,000, compared with $2,735,000 in the same period in 2016. This is due to an increase in stock-based compensation expenses of $1,115,000, offset by a decrease in compensation of $25,000. 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 increased by $296,000 to $1,424,000 for the three-month period ended December 31, 2017, compared with $1,128,000 in the same period for 2016. This increase is mostly due to an increase in office expenses of $496,000, offset by decreases in travel expenses, administration services and professional fees of $62,000, $84,000 and $137,000, respectively.

Flow-through premium income was $9,908,000 during the three-month period ended December 31, 2017, compared to $3,303,000 during the same period in 2016. This income is derived from the increased number of flow-through offerings that have taken place. On issuance of flow-through shares, a flow-through share premium liability was 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 December 31, 2017, the Corporation maintained a portfolio of securities that were strategically invested in marketable securities of exploration and development companies. As a result, the Corporation recognized a realized gain and an unrealized loss in the period of $924,000 and $4,129,000, respectively. The realized gain is from the sale of several investments and the unrealized loss are a result of the Corporation marking to market its investments at period end. The Corporation had a fair market value of $22,580,000 of marketable securities as at December 31, 2017, compared to $15,020,000 as at December 31, 2016.

Net finance income during the three-month period ended December 31, 2017 increased by $62,000 to $508,000, compared with $446,000 for the same period in 2016. The main reason behind the increase is the increased cash balance of the Corporation due to a combination of: (i) issuances on a private placement basis of securities of the Corporation for proceeds of $173,290,000 (net of transaction costs); and (ii) the exercise of stock options and warrants, which provided $15,745,000 in the year ended December 31, 2017. This increase was partially offset by additions to exploration and evaluation assets and acquisition of Beaufield and Barkerville equity investments. The Corporation had $111,504,000 of cash and cash equivalents as at December 31, 2017.

Share of loss of associates recognized during the three-month period ended December 31, 2017 was $342,000 compared to $1,183,000 for the same period in 2016. 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 December 31, 2017, and as such must recognize its share of these entities' net losses and net incomes.

7.2 Year Ended December 31, 2017 as compared to Year Ended December 31, 2016

Loss increased by $12,769,000, from $5,267,000 for the year ended December 31, 2016 to $18,036,000 for the year ended December 31, 2017, due to an increase in deferred income tax expense of $16,856,000 arising on provincial mining taxes related to flow through spend on exploration and evaluation assets, a decrease in unrealized gain from marketable securities of $3,491,000 and higher expenses related to the acquisitions and a growing business. This was partially offset by higher flow-through premium income.

Compensation expenses increased in the year ended December 31, 2017 by $9,989,000 to $20,486,000, compared with $10,497,000 expensed in 2016. This is due to an increase in both compensation and stock-based compensation expenses of $1,137,000 and $8,852,000, respectively. Compensation expense increased due to additional staff in the corporate offices. Stock-based compensation increased due to stock-options that were issued to management, employees and members of the board of directors as well as increased fair value per stock-options issued.

General and administration expenses increased by $2,479,000 to $5,935,000 for the year ended December 31, 2017, compared with $3,456,000 for 2016. This increase is mostly due to an increase in office expenses of $1,947,000, which is due to a larger staff base, marketing and a growing Corporation. Other increases in general and administration include (i) increase in professional fees of $642,000 due to an increase in expenses related to the private placements, due diligence on potential property acquisitions, and an increase in public filings; and (ii) increase in travel expenses of $156,000 due to increase in marketing activities and road shows, an overall increase in exploration activity, analyst tours to the Windfall Lake property, and due diligence performed on further potential acquisitions.

Flow-through premium income was $25,991,000 during the year ended December 31, 2017, compared to $6,613,000 in 2016. This income is derived from the flow-through offerings that took place over the past year and a half. On issuance of these flow-through shares, a flow-through share premium liability was 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 year ended December 31, 2017, the Corporation maintained a portfolio of securities that were strategically invested in marketable securities of exploration and development companies. As a result, the Corporation recognized a realized gain and unrealized loss in the year related to these investments of $2,686,000 and $2,037,000, respectively. The realized gains are from the sale of several investments and the unrealized loss are a result of the Corporation marking to market its investments at year end. The Corporation had a fair market value of $22,076,000 of marketable securities as at December 31, 2017, compared to $15,020,000 as at December 31, 2016.

Net finance income during the year ended December 31, 2017 increased by $812,000 to $1,341,000, compared to $529,000 in 2016. The main reason behind the increase is the increased cash balance of the Corporation due to a combination of: (i) issuances on a private placement basis of securities of the Corporation for proceeds of $173,290,000 (net of transaction costs); and (ii) the exercise of stock options and warrants which provided $15,745,000 in the year ended December 31, 2017. This increase was partially offset by addition to exploration and evaluation assets and acquisition of Beaufield and Barkerville equity investments. The Corporation had $111,504,000 of cash and cash equivalents as at December 31, 2017.

Share of income of associates recognized during the year ended December 31, 2017 was $608,000 compared to a loss of $1,832,000 in 2016. The income generated from the associates was due to non-mining activities. Management determined that, for accounting purpose only, the Corporation held significant influence over the decision-making process of Beaufield and Barkerville during the year ended December 31, 2017, and as such must recognize its share of these entities' net losses and net incomes.

7.3 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 year ended December 31, 2017 totaled $17,331,000, compared to $11,706,000 used in 2016. The increased outflows were primarily attributable to the net loss of $18,036,000 for the year ended December 31, 2017, with adjustments for flow-through premium income of $25,991,000, gain on marketable securities of $649,000, and share of income of associates of $608,000, partially offset by adjustment for stock-based compensation of $14,141,000, exploration and evaluation assets write off of $2,662,000, and deferred tax expense of $18,443,000.

Financing Activities

Cash provided by financing activities was $189,036,000 for the year ended December 31, 2017, compared with $91,493,000 in 2016. A total of $173,291,000 was raised through private placements (net of transaction costs) and the exercise of stock options and warrants resulted in inflows of $1,793,000 and $13,952,000, respectively.

Investing Activities

Cash used by investing activities for the year ended December 31, 2017 totaled $141,472,000, compared with $54,502,000 in 2016. The change was mainly due to additions to exploration and evaluation expenditures of $112,838,000, acquisition of marketable securities for $31,511,000, acquisition of plant and equipment of $6,288,000, acquisition of Beaufield equity investment for $4,951,000, and acquisition of Barkerville equity investment for $13,589,000, partially offset by proceeds on disposition of marketable securities of $26,203,000.

In management's view, the Corporation has sufficient financial resources to fund current planned exploration programs and ongoing operating expenses. As at December 31, 2017, the Corporation has cash of $111,504,000, compared to $81,271,000 as at December 31, 2016. 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)

For the period ended	**December 31, 2017**	**September 30, 2017**	**June 30, 2017**	**March 31, 2017**
Financial Results:				
Interest income	**$ (532)**	**$ (359)**	**$ (347)**	**$ (269)**
(Income)/loss	**$ 4,482**	**$ 12,575**	**$ 401**	**$ 578**
(Earnings)/loss per share:				
Basic	**$ 0.02**	**$ 0.07**	**$ -**	**$ -**
Diluted	**$ -**	**$ -**	**$ -**	**$ -**
Financial Position:				
Working Capital (non-IFRS measurement)**	**$ 134,224**	**$ 84,782**	**$ 129,108**	**$ 154,078**
Exploration and evaluation assets	**$ 261,920**	**$ 228,560**	**$ 188,016**	**$ 163,807**
Total assets	**$ 481,389**	**$ 398,771**	**$ 378,599**	**$ 369,016**
Share capital	**$ 456,231**	**$ 384,771**	**$ 375,754**	**$ 365,258**
Deficit	**$ (73,771)**	**$ (69,289)**	**$ (56,714)**	**$ (56,313)**
Number of shares issued and outstanding	**207,845,240**	**190,032,897**	**187,667,158**	**184,476,725**

** Basic and diluted (earnings)/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)

For the period ended	**December 31, 2016**	**September 30, 2016**	**June 30, 2016**	**March 31, 2016**
Financial Results:				
Interest income	$ (219)	$ (147)	$ (151)	$ (148)
Loss/(income) from continuing operations	$ 7,144	$ 1,741	$ (2,366)	$ (1,293)
Loss/(earnings) per share*:				
Basic	$ 0.05	$ 0.01	$ (0.02)	$ (0.02)
Diluted	$ -	$ -	$ (0.01)	$ 0.02
Financial Position:				
Working capital (non-IFRS measurement)**	$ 94,138	$ 95,991	$ 68,454	$ 70,904
Exploration and evaluation assets	$ 144,585	$ 133,387	$ 124,400	$ 117,624
Total assets	$ 285,293	$ 274,297	$ 199,296	$ 197,089
Share capital	$ 303,100	$ 288,712	$ 216,539	$ 215,474
Deficit	$ (55,735)	$ (48,593)	$ (46,852)	$ (49,216)
Number of shares issued and outstanding	161,990,656	156,255,006	125,412,230	124,676,849

** Basic and diluted (earnings)/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*

9. LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2017, the Corporation had a cash balance of $111,504,000 (December 31, 2016 - $81,271,000) and working capital of $134,224,000 (December 31, 2016 - $94,138,000). Cash and working capital increased from December 31, 2016, due mostly to the $173,291,000 raised through offerings (net of transaction costs) throughout the year, offset by 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 year ended December 31, 2017, 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 December 31, 2017:

	Total	2018	2019	2020	2021	2022
James Bay properties	$ 1,018	$ 1,018	$ -	$ -	$ -	$ -
Office Leases	$ 1,528	$ 411	$ 397	$ 240	$ 240	$ 240
Camp Trailers and Offices Leases	$ 1,949	$ 1,175	$ 774	$ -	$ -	$ -
Total	**$ 4,495**	**$ 2,604**	**$ 1,171**	**$ 240**	**$ 240**	**$ 240**

On October 5, 2016, the Corporation closed an earn-in agreement with Osisko GR whereby the Corporation may earn a 100% interest in 28 of Osisko GR's exploration properties upon incurring exploration expenditures totaling $32,000,000 over a 7-year period, of which $5,000,000 must be completed within one year. This commitment was extended for an additional year. The 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 state that the $4,062,000 spend must be completed prior to December 31, 2018. As of December 31, 2017, the Corporation has a total of $1,018,000 remaining on these expenditures.

As of December 31, 2017, the Corporation has the remaining flow-through funds below to be spent by December 31, 2018:

Closing Date of Financing	Province	Remaining Flow-through Funds
October 5, 2017	Quebec	$ 31,042
December 12, 2017	Ontario	1,950
Total		$ 32,992

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

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 year ended December 31, 2017, management fees, geological services, rent and administration fees of $1,487,000 (2016 - $2,594,000) 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. Mr. John Burzynski, President and CEO of the Corporation, as well as Mr. Sean Roosen, Chairman of the board of directors of the Corporation also serve as directors and/or senior officers of Osisko GR. Accounts payable to Osisko GR as at December 31, 2017 are $276,000 (2016 - $449,000). During the year ended December 31, 2017, management fees, geological services, rent and administration fees of $879,000 (2016 - $360,000) were charged to Osisko GR by the Corporation. Accounts receivable from Osisko GR as at December 31, 2017 are $195,000 (2016 - $345,000).

During the year ended December 31, 2017, financial advisory service fees of $84,000 were incurred with Dundee Capital Markets ("Dundee"), a company related to a former Director (2016 - $336,000). On October 1, 2015, the Corporation signed an agreement with Dundee whereas Dundee would provide financial advisory services for the Corporation at a cost of $28,000 per month plus a non-refundable retainer fee of $500,000. The agreement expired on September 1, 2017. On February 13, 2017, Dundee's ownership changed and the company was renamed to Eight Capital. Therefore, Eight Capital was no longer considered a related party of the Corporation as of February 13, 2017.

The following table summarizes remuneration attributable to key management personnel for the years ended December 31, 2017 and 2016:

For the year ended	**December 31, 2017**	December 31, 2016
Salaries expense of key management	**$ 2,289**	$ 2,469
Directors' fees	**381**	457
Stock-based compensation	**8,072**	3,998
	$ 10,742	$ 6,924

During the year ended December 31, 2017, management fees, geological services, rent and administration fees of $14,000 (2016 - $nil) were charged to the Corporation's associate, Barkerville, by the Corporation. Accounts receivable from Barkerville as at December 31, 2017 are $nil (2016 - $nil).

During the year ended December 31, 2017, there were no transactions between the Corporation and its other associate, Beaufield.

13 OUTSTANDING SHARE DATA

As at March 7, 2018 the Corporation had the following securities outstanding: (i) 207,920,322 common shares of the Corporation; (ii) 20,346,786 stock options to purchase common shares of the Corporation at a weighted average exercise price of $2.57 per option; and (iii) 25,469,220 common share purchase warrants outstanding at a weighted average exercise price of $4.05 per warrant, on a one-for-one basis. On a fully diluted basis, the Corporation would have 253,736,328 common shares of the Corporation issued and outstanding, after giving affect 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 December 31, 2017:

		Options Outstanding		Options Exercisable	
Range of exercise prices per share ($)	Weighted-Average Remaining periods of Contractual Life	Number of Stock Options Outstanding	Weighted Average Exercise Price ($)	Number of Stock Options Exercisable	Weighted Average Exercise Price ($)
0.48 to 1.12	3.1	4,518,793	$1.05	2,952,120	$1.03
1.13 to 1.71	2.7	4,051,823	$1.19	4,051,823	$1.19
1.72 to 3.21	3.7	1,679,335	$2.82	1,119,319	$2.82
3.22 to 3.49	4.1	3,890,000	$3.41	1,296,662	$3.41
3.50 to 4.79	4.0	2,557,833	$4.71	1,091,154	$4.64
$ 2.37	**3.4**	**16,697,784**	**$2.37**	**10,511,078**	**$1.95**

The following tables summarize the warrants issued and outstanding as at December 31, 2017:

14.1 Two-for-one Warrants

	Number of warrants		Weighted-average exercise price
Outstanding as at January 1, 2016	7,120,692	$	1.85
Expired	(3,120,692)		1.65
Outstanding at December 31, 2016	4,000,000	$	2.00
Exercised	**(4,000,000)**		**2.00**
Outstanding at December 31, 2017	**-**	**$**	**-**

In connection with the acquisition of Eagle Hill, consent was received from each Eagle Hill warrant holder that, subsequent to the acquisition, each Eagle Hill warrant will be exercisable into 0.5 post-consolidation common shares of the Corporation for each Eagle Hill common share the holder would have otherwise been entitled to acquire. On August 25, 2015, a total of 7,120,692 warrants were issued in connection with this acquisition.

14.2 Publicly Traded Warrants

	Number of warrants		Weighted-average exercise price
Outstanding as at January 1, 2016	130,636,320	$	0.15
Exercised	(5,020)		0.15
Outstanding at December 31, 2016	130,631,300	$	0.15
Exercised	**(5,469,880)**		**0.15**
Outstanding at December 31, 2017	**125,161,420**	**$**	**0.15**

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. The EH Consideration Warrants are listed and posted for trading on the TSX 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.

14.3 One-for-one Warrants

	Number of warrants		Weighted-average exercise price
Outstanding as at January 1, 2016	696,048	$	5.27
Issuance of warrants on conversion of subscription receipts	10,521,700		1.44
Former Niogold warrants acquired	1,010,477		1.15
Exercised	(4,746,039)		1.41
Expired	(241,332)		6.30
Outstanding at December 31, 2016	7,240,854	$	1.62
Granted	**15,327,000**		**5.00**
Exercised	**(3,355,955)**		**1.53**
Outstanding at December 31, 2017	**19,211,899**	**$**	**4.33**

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 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.

The areas that require management to make significant judgments in applying the Corporation’s accounting policies in determining carrying values include, but are not limited to:

Income taxes:

The Corporation is subject to income taxes in various jurisdictions. Significant judgment is required in determining the provision for income taxes, due to the complexity of legislation, including the judgments around the use of flow through share financing. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Determination of significant influence over equity investments:

Judgment is needed to assess whether the Corporation's interest in a marketable security meets the definition of significant influence and therefore would be accounted for under the equity method as opposed to fair value through profit and loss. Management makes this determination based on its legal ownership interest, board representation and through an analysis of the Corporation's participation in entities’ policy making process. Management is of the view at December 31, 2017 that for each of the investments held they did not meet the criteria to exert significant influence over the investee and therefore have recorded the investment at fair value through profit and loss. In the years ended December 31, 2016 and 2017, management determined it was able to exert significant influence over Kilo Goldmines Ltd., Barkerville and Beaufield Resources Inc. and started to account for these investments as associates under the equity method. In November 2016, the investment in Kilo Goldmines Ltd. was reduced and the investment was removed from being accounted for as an associate.

Impairment of investments in associates:

The Corporation applies IAS 39 to assess whether there are impairment indicators which may lead to the recognition of an impairment loss with respect to its net investment in an associate. This determination requires significant judgement in evaluating if a decline in fair value is significant or prolonged, which triggers an impairment loss. In making the judgement, the Corporation's management evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, the volatility of the investment and the financial health and business outlook for the investee, including factors such as the current and expected status of the investee's exploration projects and changes in financing cash flows.

ii) Significant Accounting Estimates and Assumptions

The areas that require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Impairment of non-financial assets:

The Corporation assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

Fair value of share-based payments and warrants:

Determining the fair value of share-based payments involves estimates of interest rates, expected life of options and warrants, expected forfeiture rate, share price volatility and the application of the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the input of highly subjective assumptions that can materially affect the fair value estimate. Stock options granted vest in accordance with the stock option plan. The valuation of stock-based compensation is subjective and can impact profit and loss significantly. The Corporation has applied a forfeiture rate in arriving at the fair value of stock-based compensation to be recognized, reflecting historical experience. Historical experience may not be representative of actual forfeiture rates incurred.

Several other variables are used when determining the value of stock options and warrants using the Black-Scholes valuation model:

- **Dividend yield:** The Corporation has not paid dividends in the past because it is in the exploration stage and has not yet earned any significant operating income. Also, the Corporation does not expect to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options and warrants.
- **Volatility:** The Corporation uses historical information on the market price of peer companies to determine the degree of volatility at the date when the stock options are granted. Therefore, depending on when the stock options and warrants were granted and the year of historical information examined, the degree of volatility can be different when calculating the value of different stock options and warrants.
- **Risk-free interest rate:** The Corporation used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options and warrants. The risk-free interest rate will vary depending on the date of the grant of the stock options and warrants and their expected term.

16. CHANGES IN IFRS ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee that are mandatory for accounting years ended after December 31, 2017. Many are not applicable or do not have a significant impact to the Corporation and have been excluded from the summary below.

a) Future Accounting Pronouncements

International Financial Reporting Standard 2, "Share-based Payments" ("IFRS 2")

In June 2016, the IASB issued amendments to IFRS 2, clarifying how to account for certain types of share-based payment transactions, including the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, accounting for share-based payment transactions with a net settlement feature for withholding tax obligations, and accounting for modifications to the terms and conditions of a share-based payment that changes the classification of the share-based payment transaction from cash-settled to equity-settled.

The IFRS 2 amendments are effective for annual periods beginning on or after January 1, 2018. The implementation of IFRS 2 has not had an impact to the Corporation's financial statements.

International Financial Reporting Standard 15, "Revenue from Contracts with Customers" ("IFRS 15")

In May 2015, the IASB issued IFRS 15. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. This standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Corporation has evaluated the new standard and does not anticipate any material impact from the adoption on its results of operations, financial position, and disclosures.

International Financial Reporting Standard 9, "Financial Instruments" ("IFRS 9")

In July 2015, the IASB issued IFRS 9 to replace IAS 39 'Financial Instruments: Recognition and Measurement' ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. A new hedge accounting model is introduced and represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements.
The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. This standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Corporation has evaluated the new standard and does not anticipate any material impact from the adoption on its results of operations, financial position, and disclosures.

International Financial Reporting Standard 16, "Leases" ("IFRS 16")

In January 2016, the IASB issued IFRS 16. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting periods on or after January 1, 2019. Early adoption is permitted if IFRS 15 has also been adopted. The Corporation is in the initial stage of a process of evaluating the impact of adopting these amendments to its condensed interim consolidated financial statements. Thus far, the Corporation is compiling a listing of all current leases and is evaluating any material impacts the standard would have on its current operations.

b) New Accounting Standards Issued and Effective

IAS 7, "Statement of Cash Flows" ("IAS 7")

In January 2016, the IASB issued amendments to IAS 7 pursuant to which entities will be required to provide enhanced information about changes in their financial liabilities, including changes from cash flows and non-cash changes. The IAS 7 amendments are effective for annual periods beginning on or after January 1, 2017. The implementation of IAS 7 has not had an impact to the Corporation's financial statements.

IAS 12, "Income Taxes" ("IAS 12")

In January 2016, the IASB issued amendments to IAS 12, which clarify guidance on the recognition of deferred tax assets related to unrealized losses resulting from debt instruments that are measured at their fair value. The IAS 12 amendments are effective for annual periods beginning on or after January 1, 2017. The Corporation does not currently measure any of its debt instruments at fair value. Therefore, the implementation of IAS 12 has not had an impact to the Corporation's financial statements.

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, Investment Committee 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).

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.

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 December 31, 2017 there has not been any material change to internal control 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 December 31, 2017, 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):

Reconciliation for the period ended	**December 31, 2017**	**September 30, 2017**	**June 30, 2017**	**March 31, 2017**
Current assets	155,308	108,439	138,965	162,250
Less current liabilities	21,084	23,657	9,857	8,172
Working capital	**134,224**	**84,782**	**129,108**	**154,078**

Reconciliation for the period ended	**December 31, 2016**	**September 30, 2016**	**June 30, 2016**	**March 31, 2016**
Current assets	101,290	100,963	72,081	75,955
Less current liabilities	7,152	4,972	3,627	5,051
Working capital	**94,138**	**95,991**	**68,454**	**70,904**

20. 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).

Nature of Mineral Exploration and Mining

The Corporation's future is dependent on its exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Corporation's exploration properties may be required to construct mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary or full feasibility studies on the Corporation's projects, or the current or proposed exploration programmes on any of the properties in which the Corporation has exploration rights, will result in any profitable commercial mining operations. The Corporation cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves.

Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; precious metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Corporation not receiving an adequate return on its invested capital or suffering material adverse effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

Exploration, Development and Operations

The long term profitability of the Corporation's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors, including the Corporation's ability to extend the permitted term of exploration granted by the underlying concession contracts. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

Liquidity and Additional Financing

The Corporation's ability to continue its business operations is dependent on management's ability to secure additional financing. The Corporation's only source of liquidity is its cash and cash equivalent balances. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Corporation's obligations.

The advancement, exploration and development of the Corporation's properties, including continuing exploration and development projects, and, if warranted, construction of mining facilities and the commencement of mining operations, will require substantial additional financing. As a result, the Corporation may be required to seek additional sources of equity financing in the near future. While the Corporation has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes and economic downturns. There can be no assurance that the Corporation will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Corporation's objectives or obtained on terms favourable to the Corporation. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the Corporation's properties, or even a loss of property interest, which would have a material adverse effect on the Corporation's business, financial condition and results of operations.

No Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Corporation has not determined whether any of its properties contains economically recoverable reserves of mineralized material and currently has not earned any revenue from its projects; therefore, the Corporation does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Corporation's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Corporation's properties. The Corporation does not expect to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the Corporation's properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it is not, the Corporation may be forced to substantially curtail or cease operations.

Market Price of the Common Shares

The common shares trade on the TSX under the symbol "OSK" and the EH Consideration Warrants trade on the TSX under the symbol "OSK.WT". The market prices of securities of many companies, particularly exploration and development stage mining companies, experience wide fluctuations that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that an active market for the common shares or the EH Consideration Warrants will be sustained, or that fluctuations in the price of the common shares or the EH Consideration Warrants will not occur. The market price of the common shares or the EH Consideration Warrants at any given point in time may not accurately reflect the Corporation's long-term value. Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Volatility of Commodity Prices

The development of the Corporation's properties is dependent on the future prices of minerals and metals. As well, should any of the Corporation's properties eventually enter commercial production, the Corporation's profitability will be significantly affected by changes in the market prices of minerals and metals.

Precious metals prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Corporation's control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of any of the Corporation's exploration projects, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Corporation's properties to be impracticable or uneconomical. As such, the Corporation may determine that it is not economically feasible to commence commercial production at some or all of its properties, which could have a material adverse impact on the Corporation's financial performance and results of operations. In such a circumstance, the Corporation may also curtail or suspend some or all of its exploration activities.

Acquiring Title

The acquisition of title to mineral properties is a very detailed and time-consuming process. The Corporation may not be the registered holder of some or all of the claims and concessions comprising the Windfall Lake Project, the Marban Block Project or any of the mineral projects of the Corporation. These claims or concessions may currently be registered in the names of other individuals or entities, which may make it difficult for the Corporation to enforce its rights with respect to such claims or concessions. There can be no assurance that proposed or pending transfers will be effected as contemplated. Failure to acquire title to any of the claims or concessions at one or more of the Corporation's projects may have a material adverse impact on the financial condition and results of operation of the Corporation.

Title Matters

Once acquired, title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more claims or concessions at the Corporation's projects will not be challenged or impugned. There may be challenges to any of the Corporation's titles which, if successful, could result in the loss or reduction of the Corporation's interest in such titles. The Corporation's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Corporation may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Uncertainty and Inherent Sample Variability

Although the Corporation believes that the estimated mineral resources and mineral reserves at the Windfall Lake Project and the Marban Block Project have been delineated with appropriately spaced drilling, there exists inherent variability between duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. There also may be unknown geologic details that have not been identified or correctly appreciated at the current level of delineation. This results in uncertainties that cannot be reasonably eliminated from the estimation process. Some of the resulting variances can have a positive effect and others can have a negative effect on mining and processing operations.

Reliability of Mineral Resources Estimates

Mineral resources are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other relevant issues. There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Corporation's control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data, the nature of the mineralized body and of the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience.

Fluctuations in gold or silver prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties, may require revision of mineral resource estimates. Should reductions in mineral resources occur, the Corporation may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Mineral resources should not be interpreted as assurances of mine life or of the profitability of current or future operations. Any material reductions in estimates of mineral resources could have a material adverse effect on the Corporation's results of operations and financial condition.

Mineral resources are not mineral reserves and have a greater degree of uncertainty as to their existence and feasibility. There is no assurance that mineral resources will be upgraded to proven or probable mineral reserves.

Uncertainty Relating to Inferred Mineral Resources

Inferred mineral resources are not mineral reserves and do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven and probable mineral reserves as a result of continued exploration.

Term and Extension of Concession Contracts

Non-compliance with concession contracts may lead to their early termination by the relevant mining authorities or other governmental entities. A company whose concession contracts were subject to termination could be prevented from being issued new concessions or from keeping the concessions that it already held. The Corporation is not aware of any cause for termination or any investigation or procedure aimed at the termination of any of its concession contracts.

Governmental Regulation

The mineral exploration and development activities of the Corporation are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although the Corporation's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing the Corporation's operations, or more stringent implementation thereof, could have an adverse impact on the Corporation's business and financial condition.

The Corporation's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of the Corporation's future operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities that could cause operations to cease or be curtailed. Other enforcement actions may include corrective measures requiring capital expenditures, the installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed upon them for violations of applicable laws or regulations.

Permitting

The operations of the Corporation require licenses and permits from various governmental authorities. The Corporation will use its best efforts to obtain all necessary licenses and permits to carry on the activities which it intends to conduct, and it intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that the Corporation will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development, or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the Corporation's properties.

With respect to environmental permitting, the development, construction, exploitation and operation of mines at the Corporation's projects may require the granting of environmental licenses and other environmental permits or concessions by the competent environmental authorities. Required environmental permits, licenses or concessions may take time and/or be difficult to obtain, and may not be issued on the terms required by the Corporation. Operating without the required environmental permits may result in the imposition of fines or penalties as well as criminal charges against the Corporation for violations of applicable laws or regulations.

Surface Rights

The Corporation does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government or third parties will be granted, nor that they will be on reasonable terms if granted. Failure to acquire surface rights may impact the Corporation's ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of the Corporation's future operations.

Dependence on Key Personnel

The Corporation's future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified personnel. The Corporation relies on a limited number of key employees, consultants and members of senior management, and there is no assurance that the Corporation will be able to retain such personnel. The loss of one or more key employees, consultants or members of senior management, if such persons are not replaced, could have a material adverse effect on the Corporation's business, financial condition and prospects.

To operate successfully and manage its potential future growth, the Corporation must attract and retain highly qualified engineering, managerial and financial personnel. The Corporation faces intense competition for qualified personnel in these areas, and there can be no certainty that the Corporation will be able to attract and retain qualified personnel. If the Corporation is unable to hire and retain additional qualified personnel in the future to develop its properties, its business, financial condition and operating results could be adversely affected.

Uninsurable Risks

Mining operations generally involve a high degree of risk. Exploration, development and production operations on mineral properties involve numerous risks, including but not limited to unexpected or unusual geological operating conditions, seismic activity, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, risks relating to the shipment of precious metal concentrates or ore bars, and political and social instability, any of which could result in damage to, or destruction of, the mine and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although the Corporation believes that appropriate precautions to mitigate these risks are being taken, operations are subject to hazards such as equipment failure or failure of structures, which may result in environmental pollution and consequent liability. It is not always possible to obtain insurance against all such risks and the Corporation may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate the Corporation's future profitability and result in increasing costs and a decline in the value of the Common Shares. The Corporation does not maintain insurance against title, political or environmental risks.

While the Corporation may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting the Corporation's business and financial condition.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has been negatively impacted. These factors may impact the ability of the Corporation to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to the Corporation. If increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the value and price of the Common Shares could be adversely affected.

Information Systems Security Threats

The Corporation’s operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date the Corporation has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Corporation will not incur such losses in the future. The Corporation’s risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attach, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Competition

The mineral exploration and mining business is competitive in all of its phases. In the search for and acquisition of attractive mineral properties, the Corporation competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources. The Corporation's ability to acquire properties in the future will depend on its ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that the Corporation will continue to be able to compete successfully with its competitors in acquiring such properties or prospects, nor that it will be able to develop any market for the raw materials that may be produced from its properties. Any such inability could have a material adverse effect on the Corporation's business and financial condition.

Option and Joint Venture Agreements

The Corporation has and may continue to enter into option agreements and/or joint ventures as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to the Corporation or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a negative impact on the Corporation. Pursuant to the terms of certain of the Corporation's existing option agreements, the Corporation is required to comply with exploration and community relations obligations, among others, any of which may adversely affect the Corporation's business, financial results and condition.

Under the terms of such option agreements the Corporation may be required to comply with applicable laws, which may require the payment of maintenance fees and corresponding royalties in the event of exploitation/production. The costs of complying with option agreements are difficult to predict with any degree of certainty; however, were the Corporation forced to suspend operations on any of its concessions or pay any material fees, royalties or taxes, it could result in a material adverse effect to the Corporation's business, financial results and condition.

The Corporation may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying concessions.

Community Relationships

The Corporation's relationships with the communities in which it operates are critical to ensure the future success of its existing operations and the construction and development of its projects.

Osisko understands that First Nations people have protected constitutional rights and can offer a unique understanding of the environment based on their special connection to the land. The Windfall Lake Project is located on Category III lands as described in the James Bay and Northern Quebec Agreement (JBNQA). The Windfall Project site falls within the Traditional Territory of the Waswanipi Cree First Nation. The Corporation is honouring the existing Advanced Exploration Agreement in place with the Cree First Nation of Waswanipi, the Grand Council of the Crees Eeyou Istchee, and the Cree Regional Authority. Upon receipt of the Windfall Lake Project Description, the Crown identified two other Aboriginal communities that may have an interest in the project: the Algonquin Anishinabeg Nation of Lac Simon and the Obedjiwan community of the Atikamekw Nation. Numerous information sessions have been held throughout 2017 to inform and consult the 3 First Nation communities and the public on the Windfall Lake Project activities and to address their concerns and to collect their comments. As the Windfall Project progresses, agreements may have to be negotiated with the First Nations.

While the Corporation is committed to operating in a socially responsible manner and working towards entering into agreements in satisfaction of such requirements, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Corporation's business, financial position and operations.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation, and to disclose any interest they may have in any project or opportunity of the Corporation. In addition, each of the directors is required by law to declare his or her interest in and refrain from voting on any matter in which he or she may have a conflict of interest, in accordance with applicable laws.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies, as well as the location of population centres and pools of labour, are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could impact the Corporation's ability to explore its properties, thereby adversely affecting its business and financial condition.

The Outstanding Common Shares Could be Subject to Dilution

The exercise of stock options and warrants already issued by the Corporation and the issuance of additional equity securities in the future could result in dilution in the equity interests of holders of common shares.

No Dividends Policy

The Corporation has not declared a dividend since incorporation and does not anticipate doing so in the foreseeable future. Any future determination as to the payment of dividends will be at the discretion of the Board and will depend on the availability of profit, operating results, the financial position of the Corporation, future capital requirements and general business and other factors considered relevant by the directors of the Corporation. No assurances in relation to the payment of dividends can be given.

21. 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 and limitations of insurance coverage. 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.

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; 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-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.

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).