OSISKO MINING

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

Presented in Canadian dollars

March 4, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Osisko Mining Inc. (“Osisko” or the “Corporation”) were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). Management is responsible for ensuring that these consolidated financial statements, which include amounts based upon estimates and judgments, are consistent with other information and operating data contained in the annual financial review and reflect Osisko’s business transactions and financial position.

Management is also responsible for the information disclosed in Osisko’s management’s discussion and analysis including responsibility for the existence of appropriate information systems, procedures, and controls to ensure that the information used internally by management and disclosed externally is complete and reliable in all material respects.

In addition, management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. The internal control system includes a code of conduct and ethics, which is communicated to all levels in the organization and requires all employees to maintain high standards in their conduct of the corporation's affairs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and that Osisko’s assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. The Board of Directors meets with management as well as with the independent auditors to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors’ report. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors’ report. The Audit Committee also reviews Osisko’s management’s discussion and analysis to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting Osisko’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(Signed) “John Burzynski”
Executive Chairman and Chief Executive Officer

(Signed) “Blair Zaritsky”
Chief Financial Officer

Independent auditor's report

To the Shareholders of Osisko Mining Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Osisko Mining Inc. and its subsidiary (together, the Corporation) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of comprehensive (income)/loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Fair value assessments of the long-term receivable as a result of the investment in the Windfall Mining Group Joint venture

Refer to note 2 – Basis of preparation, note 3 – Material accounting policies, note 8 – Investment in joint venture and note 20 – Long-term receivables and advances to the consolidated financial statements.

On May 2, 2023, the Corporation entered into a 50/50 joint venture which includes the Windfall Project with an affiliate of Gold Fields Limited (Gold Fields). The joint venture was formed as a partnership called “Windfall Mining Group”. Gold Fields acquired 50% of the partnership interest. The consideration consists of an initial cash payment of $300 million upon signing and an additional payment of $300 million which is payable to Osisko on successful issuance of the applicable permits authorizing the construction, operation and mining of the Windfall Project (the Maturity date). Management, with the support of their environmental specialist, estimated the Maturity date to be between the fourth quarter of 2024 and the first quarter of 2025. This additional payment was initially recorded as a long-term receivable at its fair value of $258 million and was valued at $274 million as at December 31, 2023.

As the receivable is non-recourse and the receivable cash flows vary based upon permitting, the receivable cash flows do not vary solely due to payments of principal and interest. Accordingly, the receivable is accounted for on a recurring basis at

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Our approach to addressing the matter included the following procedures, among others:

- Tested how management estimated the fair value of the long-term receivable at inception and as at December 31, 2023, which included the following:
  - Evaluated the appropriateness of the discounted cash flow method used in the valuations.
  - Evaluated the reasonableness of the Maturity date by assessing the timing of the issuance of the applicable permits considering:
    - written agreements between the parties related to the sale,
    - public statements by the Corporation,
    - applicable regulations,
    - available public commentary, and
    - information prepared by the environmental specialist.
- Reviewed the disclosures, including the sensitivity analysis, made in the consolidated financial statements with regard to the fair value assessments.

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Key audit matter	How our audit addressed the key audit matter
Fair Value Through Profit and Loss. Management used the discounted cash flow method in determining the fair value of the long-term receivable. The valuation of the long-term receivable requires management to apply critical judgment and to develop assumptions related to the discount rate and Maturity date. We considered this a key audit matter due to the significance of the long-term receivable balance and the critical judgment applied by management when estimating the fair value of the long-term receivable, which includes the determination of the Maturity date. This resulted in a high degree of auditor judgment, subjectivity and effort in performing procedures related to the valuation of the long- term receivable on initial recognition and as at December 31, 2023.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Marelize Barber.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 4, 2024

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

As at	December 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 340,188	$ 62,904
Restricted cash	1,100	1,100
Other receivables (note 19)	10,460	29,298
Tax recoverable (note 5)	1,427	41,257
Marketable securities (note 6)	18,031	15,679
Other assets	659	2,785
Total current assets	**371,865**	**153,023**
Non-current assets		
Long-term receivables and advances (note 8 and 20)	277,225	6,000
Investment in associate (note 7)	36,095	39,878
Investment in joint venture (note 8)	528,789	-
Property, plant and equipment (note 9)	889	36,032
Exploration and evaluation assets (note 10)	7,250	730,403
Total non-current assets	**850,248**	**812,313**
Total assets	**$ 1,222,113**	**$ 965,336**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 8,114	$ 27,596
Current lease liabilities	263	385
Total current liabilities	**8,377**	**27,981**
Non-current liabilities		
Flow-through premium liability (note 16(a))	10,254	-
Non-current lease liabilities	726	989
Share-based payment liability (note 12)	13,857	20,271
Convertible debenture (note 13)	124,796	102,124
Asset retirement obligation (note 14)	-	7,941
Deferred tax liability (note 15)	68,647	105,796
Total non-current liabilities	**218,280**	**237,121**
Total liabilities	**226,657**	**265,102**
Equity		
Share capital (note 16(a))	938,032	869,597
Contributed surplus (note 16(d))	68,767	68,171
Warrants (note 16(e))	9,865	-
Equity component of convertible debenture (note 13)	15,852	15,852
Accumulated other comprehensive (loss)/income	(6,429)	629
Accumulated deficit	(30,631)	(254,015)
Total equity attributed to equity owners of the Corporation	**995,456**	**700,234**
Total liabilities and equity	**$ 1,222,113**	**$ 965,336**

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

Commitments (note 23)
Subsequent events (note 24)

On behalf of the Board:

(Signed) "Keith McKay" — Keith McKay, Director

(Signed) "John Burzynski" — John Burzynski, Executive Chairman

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

For the year ended	December 31, 2023	December 31, 2022
Expenses/(income)		
Compensation expense (note 17 and 18)	$ 14,450	$ 15,932
General and administration expenses (note 17 and 18)	7,449	4,940
General exploration expenses	20	20
Flow-through premium income (note 16(a))	(4,798)	(8,037)
Loss from marketable securities (note 6 and 17)	4,730	4,765
Fair value loss/(gain) on convertible debenture (note 13)	13,069	(29,730)
Gain on sale of investment in joint venture (note 8)	(209,982)	-
Loss from disposition of property, plant and equipment (note 9)	10	829
Other expense/(income)	704	(193)
Operating income	**(174,348)**	**(11,474)**
Finance income (note 20)	(30,367)	(3,628)
Finance expense	7,702	8,413
Net finance (income)/expense	**(22,665)**	**4,785**
Share of loss of associate (note 7)	7,283	2,685
Share of income of joint venture (note 8)	(580)	-
Income before tax	**(190,310)**	**(4,004)**
Deferred income tax (recovery)/expense (note 15)	(33,074)	9,844
Net (income)/loss	**$ (223,384)**	**$ 5,840**
Change in fair value of convertible debenture attributable to the change in credit risk (note 13)	9,603	(856)
Income tax effect	(2,545)	227
Other comprehensive loss/(income)	**7,058**	**(629)**
Comprehensive (income)/loss	**$ (216,326)**	**$ 5,211**
Basic (earnings)/loss per share (note 16(b))	**$ (0.60)**	**$ 0.02**
Weighted average number of shares (note 16(b))	**372,991,245**	**348,125,896**
Diluted (earnings)/loss per share (note 16(c))	**$ (0.59)**	**$ 0.02**
Diluted weighted average number of shares (note 16(c))	**380,900,165**	**348,125,896**

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

Consolidated Statements of Changes in Equity
(Tabular amounts express in thousands of Canadian dollars)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Equity Component of Convertible Debenture	Accumulated Other Comprehensive Income/(Loss)	Deficit and Accumulated Deficit	Total
Balance January 1, 2023	**347,382,435**	**$ 869,597**	**$ -**	**$ 68,171**	**$ 15,852**	**$ 629**	**$ (254,015)**	**$ 700,234**
Income for the year	-	-	-	-	-	-	223,384	**223,384**
Other comprehensive loss for the year	-	-	-	-	-	(7,058)	-	**(7,058)**
Stock-based compensation (note 16(d) and 17)	-	-	-	1,070	-	-	-	**1,070**
Issuance of shares upon exercise of stock options (note 16(a) and (d))	280,835	1,183	-	(474)	-	-	-	**709**
Private Placement (note 16(a))	4,568,051	15,607	-	-	-	-	-	**15,607**
Private Placement (note 16(a))	32,260,000	84,644	9,865	-	-	-	-	**94,509**
Private Placement (note 16(a))	2,481,390	6,464	-	-	-	-	-	**6,464**
Shares issued for services received	413,173	1,380	-	-	-	-	-	**1,380**
Shares repurchased under normal course issuer bid (note 16(a))	(14,488,124)	(42,373)	-	-	-	-	-	**(42,373)**
Deferred tax asset (note 15)	-	1,530	-	-	-	-	-	**1,530**
Balance December 31, 2023	**372,897,760**	**$ 938,032**	**$ 9,865**	**$ 68,767**	**$ 15,852**	**$ (6,429)**	**$ (30,631)**	**$ 995,456**

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Equity Component of Convertible Debenture	Accumulated Other Comprehensive Income	Deficit and Accumulated Deficit	Total
Balance January 1, 2022	**346,279,008**	**$ 854,439**	**$ 14,498**	**$ 63,192**	**$ 15,852**	**$ -**	**$ (248,175)**	**$ 699,806**
Loss for the year	-	-	-	-	-	**-**	(5,840)	**(5,840)**
Other comprehensive income for the year	-	-	-	-	-	**629**		**629**
Stock-based compensation (note 16(d))	-	-	-	2,691	-	**-**	-	**2,691**
Issuance of shares upon exercise of stock options (note 16(a) and (d))	4,425,004	27,637	-	(12,210)	-	**-**	-	**15,427**
Expiry of warrants (note 16(e))	-	-	(14,498)	14,498	-	**-**	-	**-**
Private Placement (note 16(a))	2,891,088	11,920	-	-	-	**-**	-	**11,920**
Shares repurchased under normal course issuer bid (note 16(a))	(6,212,665)	(24,412)	-	-	-	**-**	-	**(24,412)**
Deferred tax asset (note 15)	-	13	-	-	-	**-**	-	**13**
Balance December 31, 2022	**347,382,435**	**$ 869,597**	**$ -**	**$ 68,171**	**$ 15,852**	**$ 629**	**$ (254,015)**	**$ 700,234**

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

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

For the year ended	December 31, 2023	December 31, 2022
Cash flows provided by/(used in) operating activities		
Income/(loss) for the year	$ 223,384	$ (5,840)
Adjustments for:		
Loss from marketable securities (note 6 and 17)	4,730	4,765
Gain on sale of investment in joint venture (note 8)	(209,982)	-
Share of income of joint venture (note 8)	(580)	-
Share of loss of associates (note 7)	7,283	2,685
Depreciation (note 9)	288	318
Accretion on asset retirement obligation (note 14)	60	258
Loss from disposition of property, plant and equipment (note 9)	10	829
Flow-through premium income (note 16(a))	(4,798)	(8,037)
Stock-based compensation (note 12, 16(d) and 17)	879	7,727
Vesting of restricted share units (note 12)	(5,652)	(4,355)
Deferred income tax (recovery)/expense (note 15)	(33,074)	9,844
Fair value loss/(gain) on convertible debentures (note 10)	13,069	(29,730)
Interest expense on lease liabilities and convertible debenture (note 11 and 13)	7,442	7,401
Shares issued for services received	1,380	-
Finance income	(30,367)	(3,628)
	(25,928)	**(17,763)**
Change in items of working capital:		
Change in taxes recoverable (note 5)	74,385	26,695
Change in other receivables (note 19)	15,720	(8,959)
Change in other assets	54	(593)
Change in accounts payable and accrued liabilities	18,093	4,286
Net cash provided by operating activities	**82,324**	**3,666**
Cash flows provided by/(used in) investing activities		
Finance income	14,653	3,024
Acquisition of marketable securities (note 6)	(8,021)	(58,769)
Proceeds on disposition of marketable securities (note 6)	1,013	58,852
Acquisition of O3 Mining Inc. equity investment (note 7)	(3,500)	-
Investment in long-term receivables and advances (note 20)	(24,000)	(6,000)
Proceeds on sale of investment in joint venture (note 8)	333,864	-
Investment in joint venture (note 8)	(117,000)	-
Acquisition of property, plant and equipment (note 9)	(16,689)	(19,129)
Proceeds on disposition of property, plant and equipment (note 9)	-	771
Addition to exploration and evaluation assets (note 10)	(67,477)	(141,726)
Net cash provided/(used in) by investing activities	**112,843**	**(162,977)**
Cash flows provided by/(used in) financing activities		
Repayment of lease liabilities (note 11)	(536)	(159)
Interest expense on convertible debenture (note 13)	(7,315)	(7,315)
Changes in restricted cash	-	5,629
Net cash received from private placements (note 16(a))	131,632	19,957
Cash received from exercise of stock options (note 16(d))	709	15,427
Net cash used in repurchasing shares under normal course issuer bid (note 16(a))	(42,373)	(24,412)
Net cash provided by financing activities	**82,117**	**9,127**
Increase/(decrease) in cash and cash equivalents	**277,284**	**(150,184)**
Cash and cash equivalents, beginning of year	**62,904**	**213,088**
Cash and cash equivalents, end of year	**$ 340,188**	**$ 62,904**

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

1) Reporting entity

Osisko Mining Inc. ("Osisko" or the "Corporation") is a Canadian Corporation domiciled in Canada and was incorporated on February 26, 2010 under the *Business Corporations Act* (Ontario). The address of the Corporation's registered office is 155 University Ave, Suite 1440, Toronto, Ontario, Canada. The Corporation is primarily in the business of acquiring, exploring, and developing precious mineral deposits in Canada.

The business of acquiring, exploring, and developing precious mineral deposits involves a high degree of risk. Osisko is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital, exploration, development, and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or Osisko's ability to dispose of its interest on an advantageous basis; as well as global economic and commodity price volatility; all of which are uncertain. There is no assurance that Osisko's funding initiatives will continue to be successful. The underlying value of the mineral properties is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material write-downs of the carrying value of mineral properties and deferred exploration.

2) Basis of preparation

a) *Statement of compliance*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and are presented in thousands of Canadian dollars.

These consolidated financial statements were authorized for issuance by the Corporation's board of directors (the "Board of Directors') on March 4, 2024.

b) *Functional and presentation currency*

These financial statements are presented in Canadian dollars (tables in thousands of Canadian dollars), which is the functional currency for Osisko, and its subsidiary and joint venture.

c) *Use of critical estimates and judgements*

The preparation of these consolidated financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The areas that require management to make significant judgments in applying the Corporation's accounting policies in determining carrying values include:

2) Basis of preparation (continued)

i) Significant judgments in applying accounting policies

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 marketable securities 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 the entity's policy-making process.

Management determined it was able to exert significant influence over O3 Mining Inc. ("O3 Mining") and accounted for this investment as an associate under the equity method.

Determination of joint control on joint venture:

Judgment is needed to assess whether the Corporation's investment in the joint arrangement (note 8) meets the definition of joint control and in turn whether it is a joint venture or joint operation.

Management made this determination based on its legal ownership interest and contractual rights and obligations, board representation, and through an analysis of the Corporation's participation and rights in the entity's policy-making process.

Management determined Osisko and Gold Fields Limited ("Gold Fields") have joint control over the joint arrangement with substantive decisions required to be made through joint agreement over the key financial, operating and strategic activities of the joint arrangement. The joint venture is structured as a separate vehicle and Osisko has a residual interest in the net assets of the joint venture rather than direct rights and obligations to the assets and liabilities of the joint arrangement. Accordingly, Osisko has classified its interest in Windfall Mining Group (the "Partnership") as a joint venture and applied equity accounting to its interest.

Impairment of investments in associate and joint venture:

The Corporation follows the guidance of IAS 28, *Investments in Associates and Joint Ventures* to assess whether there is objective evidence that its net investment in the investee is impaired, which may lead to the recognition of an impairment loss with respect to its net investment in an investee. This determination requires significant judgement in evaluating objective evidence of impairment as a result of a loss event and whether a loss event has an impact on the estimated future cash flows from the net investment. If there is objective evidence that the carrying value of an investee is impaired, it is written down to its recoverable amount. In making this 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 carrying amount, 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:

2) Basis of preparation (continued)

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 of disposal 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 stock options and warrants:

Determining the fair value of stock options and warrants involves 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 following variables and observable data are used when determining the value of stock options and warrants:

- **Risk-free interest rate:** The Corporation uses 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.
- **Expected life:** The Corporation uses historical lifespan information of similar stock-based compensation instruments granted by the Corporation to determine expected life.
- **Forfeiture rate:** The Corporation has applied a forfeiture rate in arriving at the fair value of stock-based compensation in subsequent measurement, reflecting historical experience. Historical experience may not be representative of actual forfeiture rates incurred.
- **Volatility:** The Corporation uses historical information on the market price of peer companies or the Corporation to determine the degree of volatility at the date when the stock options are granted.

Fair value of the convertible debenture:

Determining the fair value of the convertible debenture involves the application of the partial differential equations method. The valuation of the convertible debenture requires the input of highly subjective assumptions that can materially affect the fair value estimate. The valuation of the convertible debenture is subjective and can impact profit and loss significantly.

The following variables and observable data are used when determining the value of convertible debenture:

- **Risk-free interest rate:** The Corporation uses the interest rate available for government securities of an equivalent expected term at each valuation date.
- **Volatility:** The Corporation uses historical information on the market price of common shares of the Corporation to determine the degree of volatility at each valuation date.
- **Credit spread:** The Corporation uses the credit spread reasonable for an exploration stage mining company.

Fair value of the long-term receivables:

The long-term receivable from Gold Fields (note 8 and 20) is measured at fair value through profit or loss on a recurring basis. Determining the fair value of the long-term receivable from Gold Fields involves the application of the discounted cash flow method. The valuation of the long-term receivable requires the input of highly subjective assumptions that can materially affect the fair value estimate. The valuation of the long-term receivable is subjective and can impact profit and loss significantly.

2) Basis of preparation (continued)

The following variables are used when determining the value of the long-term receivable from Gold Fields:

- **Discount rate:** A key estimate is the discount rate of 9.0% after considering risks, market rates and specifics terms and conditions of the long-term receivable.
- **Maturity date:** The long-term receivable is due upon issuance of the applicable permits authorizing the construction, operation and mining of the Windfall Project. The Corporation's management's judgment is that the estimated maturity date to be between the fourth quarter of 2024 and the first quarter of 2025 based on management's best estimate of the timing it will take to obtain permitting approval, however, there is inherent uncertainty as the timing of permitting approvals may vary based on a variety of factors and there is no assurance that permitting approvals will ultimately be obtained.

3) Material accounting policies

The accounting policies set out below are in accordance with IFRS and have been applied consistently to the consolidated financial statements for the years ended December 31, 2023 and 2022.

a) Basis of consolidation

The consolidated financial statements consolidate the accounts of the Corporation and its subsidiary, Osisko Green Sponsor Corp. for the year ended December 31, 2023 and 2022.

Control exists when an investor is exposed or has rights to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date on which the Corporation obtains control and are de-consolidated from the date that control ceases to exist. All intercompany transactions, balances, and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

b) Financial instruments

All highly liquid temporary cash investments with a low risk of loss and an original maturity of three months or less when purchased are cash equivalents. For the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Restricted cash includes bank deposits, where the availability of funds is restricted by letter of credit arrangements, and corporate credit cards.

Financial instruments are recognized on the consolidated statements of financial position on the trade date, the date on which the Corporation becomes a party to the contractual provisions of the financial instrument. The Corporation classifies its financial instruments in the categories below.

Financial Assets at Amortized Cost – Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. The Corporation's other receivables and long-term receivables, excluding the long-term receivables from Gold Fields (note 8 and 20), consist of fixed or determined cash flows related solely to principal and interest amounts. The Corporation's intent is to hold these financial assets until the related cash flows are collected. Other receivables and long-term receivables and advances are recognized initially at fair value, net of any transaction costs incurred, and subsequently measured at amortized cost, using the effective interest method. The Corporation recognizes a loss allowance for expected credit losses on a financial asset that is measured at amortized cost.

Financial Assets at Fair Value through Profit or Loss ("FVTPL") – Financial assets measured at FVTPL are assets, which do not qualify as financial assets at amortized cost or fair value through other comprehensive income. Marketable securities, and long-term receivables from Gold Fields (note 8 and 20) are classified as FVTPL. These financial assets are recognized at their fair value with changes to fair values recognized in profit or loss.

3) Material accounting policies (continued)

Financial Liabilities at Amortized Cost – Financial liabilities are measured at amortized cost using the effective interest method, unless they are required to be measured at FVTPL, or the Corporation has opted to measure them at FVTPL. Lease liabilities are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost, using the effective interest method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding years. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Financial Liabilities at FVTPL –The Corporation has opted to measure the debt component of convertible debenture at FVTPL. The equity component of the convertible debenture is assigned the residual amount after deducting the amount determined for the debt component from the fair value of the convertible debenture. The debt component, which contains the host debt and the non-equity embedded derivatives, is initially recognized at its fair value. The amount of change in the fair value of the debt component that is attributable to changes in the credit risk is presented in other comprehensive income, and the remaining amount of change in the fair value of the debt component is presented in profit or loss.

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received net of direct issue costs.

c) Derecognition of financial assets

The Corporation derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership. Gains and losses on derecognition are generally recognized in profit or loss. The Corporation derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, canceled, or expelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

d) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting year-end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The criteria that the Corporation uses to determine if there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

At each statement of financial position date, on a forward-looking basis, the Corporation assesses the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For other receivables, the Corporation applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Corporation assumes that there is no significant increase in credit risk for instruments that have a low credit risk.

For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”).

3) Material accounting policies (continued)

e) Impairment of non-financial assets

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior years are assessed at each reporting year for any indications that the loss decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the asset's carrying value amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization if no impairment loss had been recognized.

f) Investment in associate

Associates are entities over which the Corporation has significant influence, but not control. The financial results of the Corporation's investments in its associates are included in the Corporation's results according to the equity method. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Corporation's share of profits or losses of associates after the date of acquisition. The Corporation's share of profits or losses is recognized in the statement of loss and its share of other comprehensive loss or loss of associates is included in other comprehensive loss.

Unrealized gains on transactions between the Corporation and an associate are eliminated to the extent of the Corporation's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising from changes in interests in investments in associates are recognized in the statement of loss.

The Corporation assesses at each period end whether there is any objective evidence that its investments in associates are impaired. If impaired, the carrying value of the Corporation's shares of the underlying assets of associates is written down to its estimated recoverable amount, being the higher of fair value less costs of disposal and value in use, and charged to the statement of loss.

g) Investment in joint venture

Joint ventures are joint arrangements in which the Corporation has joint control, whereby the Corporation has rights to the net assets of the arrangement, rather than direct rights to its assets and obligations for its liabilities. The financial results of the Corporation's investment in joint venture are included in the Corporation's results according to the equity method. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Corporation's share of profits or losses of the joint venture after the date of acquisition. The Corporation's share of profits or losses is recognized in the statement of (income)/loss and its share of other comprehensive loss or loss of joint venture is included in other comprehensive loss.

h) Exploration and evaluation assets

Exploration and evaluation costs, including the cost of acquiring licenses, are capitalized as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and the commercial viability of the project.

Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. When a license is relinquished or a project is abandoned, the related costs are recognized in profit and loss immediately. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognized in the statement of loss.

3) Material accounting policies (continued)

Option-out agreements are accounted for as farm-out arrangements. The Corporation, as the farmor, does not record any expenditures made by the optionee on its behalf, does not recognize any gain or loss on the option-out arrangement, but rather re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained. Any cash consideration received is credited against costs previously capitalized in relation to the whole interest with any excess accounted for by the Corporation as a gain on disposal.

Exploration and evaluation assets are assessed for impairment if (i) the period for which the entity has the right to explore in the specific area has expired during the year or will expire in the near future, (ii) substantive expenditure on further exploration for an evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) sufficient data exists to determine that extracting the resources will not be technically feasible or commercially viable, or (iv) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment of non-financial assets).

The technical feasibility and commercial viability of extracting a mineral resource are considered to be determinable when proven reserves are determined to exist (or there is a high confidence of converting measured and indicated resources into reserves), the rights of tenure are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area, or by the sale of the property. Specifically, for the Windfall Project, to demonstrate technical feasibility and commercial viability, further considerations are required, including government mining permit, the environmental impact assessment, the impact and benefit agreement, the powerline construction, the financing for the construction of the mine, and the Board of Directors of the Corporation’s decision on construction.

Upon demonstration of technical feasibility and commercial viability, the exploration and evaluation asset ceases being accounted for under IFRS 6 Exploration for and Evaluation of Mineral Resources. The exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within tangible assets, recorded under IAS 16 Property, Plant and Equipment. Expenditures deemed to be unsuccessful are recognized in profit or loss immediately.

i) Refundable tax credits for mining exploration and evaluation assets

The Corporation is entitled to a refundable tax credit on qualified mining exploration and evaluation expenditures incurred in the Province of Québec. The credit is accounted for against the exploration and evaluation expenditures incurred.

j) Property, plant and equipment

Property, plant and equipment (“PPE”) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset’s carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of loss during the year in which they are incurred.

The major categories of PPE are depreciated on the basis as follows:

Office equipment	20% declining balance
Computer equipment	30% declining balance
Exploration equipment	20% declining balance
Automobiles	30% declining balance
Right of use assets	Straight line over being the short of the useful life or the lease term

The Corporation allocates the amount initially recognized in respect of an item of PPE to its material significant parts and depreciates each separately. Residual values, method of depreciation, and useful lives of the asset are reviewed annually and adjusted if appropriate.

3) Material accounting policies (continued)

Gains and losses on disposals of equipment are determined by comparing the proceeds with the carrying value of the asset and are included as part of other gains and losses in the statement of loss.

k) Current and deferred income tax

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or other comprehensive income.

Mining taxes represent Canadian provincial tax levied on mining operations and are classified as income tax since such taxes are based on a percentage of mining profits. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect to the previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

l) Asset retirement obligation

An asset retirement obligation is recognized for the expected costs of reclamation at mineral properties where the Corporation is legally or contractually responsible for such costs. Asset retirement obligations arise from the Corporation’s obligation to undertake site reclamation and remediation in connection with the exploration of mineral properties. The Corporation recognizes the estimated reclamation costs when an environmental disturbance occurs but only when a reasonable estimate can be made.

The asset retirement obligation recognized is estimated on the risk-adjusted costs required to settle present obligations, discounted using a pre-tax risk-free discount rate consistent with the expected timing of expected cash flows. Changes in the estimated undiscounted cash flows and risk-free discount rate used in calculating the present value of the asset retirement obligation are offset to the reclamation cost asset previously recognized for the specific property. Actual reclamation expenditures incurred reduce the carrying value of the reclamation provision.

3) Material accounting policies (continued)

m) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The Corporation performs evaluations each reporting year to identify potential obligations.

n) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

o) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Corporation separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Corporation's common shares and the issue price of the flow-through share and ii) share capital. Upon expenses being incurred, the Corporation recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

p) Stock-based compensation

The Corporation maintains a share option plan, a deferred share unit ("DSU") plan, and a restricted share unit ("RSU") plan for its officers, directors, employees, and consultants. The maximum number of shares reserved for issuance under all security-based compensation arrangements of the Corporation is 31,000,000.

i) Share option plan

Share options are settled in equity. The fair value of share options granted is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in contributed surplus. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using an appropriate option pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest based on an estimate of the forfeiture rate.

ii) RSU plan

Each RSU represents an entitlement to one common share of the Corporation, upon vesting. RSUs provide the option of being settled in cash. The fair value of RSUs granted is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in share-based payment liability. The liability is re-measured to fair value at each reporting date and, upon redemption, at the Corporation's closing share price, with any changes in the fair value recognized in profit or loss. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of RSUs that are expected to vest based on an estimate of the forfeiture rate. Upon redemption of the RSU, the liability is transferred to share capital.

iii) DSU plan

Each DSU represents an entitlement to one common share of the Corporation and vests immediately on the date of grant. DSUs provide the option of being settled in cash. The fair value of DSUs granted is recognized as an expense on the date of grant with a corresponding increase in share-based payment liability. The liability is re-measured to fair value at each

3) Material accounting policies (continued)

reporting date and, upon redemption, at the Corporation's closing share price, with any changes in the fair value recognized in profit or loss. Upon redemption of the DSU, the liability is transferred to share capital.

q) *(Earnings)/loss per share*

The Corporation presents basic and diluted (earnings)/loss per share data for its common shares. Basic (earnings)/loss per share is calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflects the potential dilution that could occur if holders with rights to convert instruments to common shares exercise these rights.

r) Finance income and finance costs

Finance income comprises interest and dividend income on funds invested and fair value adjustment from the long-term receivables from Gold Fields (note 8 and 20). It is recognized as it accrues in profit or loss. Finance costs comprise interest expense on borrowing, bank fees, and brokerage fees.

s) Related party transactions

A related party is a person or entity that is related to the Corporation; that has control or joint control over the Corporation; that has significant influence over the Corporation; or is a member of the key management personnel of the Corporation.

An entity is related to the Corporation if the entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).

A related party transaction is a transfer of resources, services, or obligations between the Corporation, and a related party, regardless of whether a price is charged. All transactions with related parties are in the normal course of business and are measured at fair value.

4) Changes in IFRS accounting policies and future accounting pronouncements

Certain pronouncements were issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2024. They are not applicable or not expected to have a significant impact on the Corporation.

5) Tax recoverable

As at December 31, 2023, tax recoverable consists of sales tax recoverable and refundable tax credits. Sales tax recoverable consists of harmonized sales taxes, goods and services tax, and Québec sales tax receivable from Canadian taxation authorities. The refundable tax credits relate to eligible exploration and evaluation expenditures (note 10) incurred in the Province of Québec.

6) Marketable securities

The Corporation holds shares and warrants in various public and private companies. During the year ended December 31, 2023, these shares and warrants were fair valued, and this resulted in an unrealized loss of $4,975,000 (2022 – $5,995,000). The Corporation sold shares during the year ended December 31, 2023, which resulted in a realized gain of $245,000 (2022 – $1,230,000).

The shares in the various public companies are classified as FVTPL and are recorded at fair value using the quoted market price as at December 31, 2023, and are therefore classified as level 1 within the fair value hierarchy. The warrants in the various public companies are classified as FVTPL and are recorded at fair value using a Black-Scholes option pricing model not using observable inputs and are therefore classified as level 3 within the fair value hierarchy.

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

6) Marketable securities (continued)

The following table summarizes information regarding the Corporation's marketable securities as at December 31, 2023 and 2022:

As at	December 31, 2023	December 31, 2022
Balance, beginning of year	**$ 15,679**	**$ 20,527**
Additions	8,095	58,769
Disposals	(1,013)	(58,852)
Realized gain	245	1,230
Net change in unrealized loss	(4,975)	(5,995)
Balance, end of year	**$ 18,031**	**$ 15,679**

7) Investment in associate

O3 Mining is a mineral resource company focused on the exploration and development of its gold properties located in Canada. O3 Mining's head office is located in Canada, and it is a public company listed on the TSX Venture Exchange. The trading price of O3 Mining's common shares on December 31, 2023 was $1.57 per share which corresponds to a quoted market value of $28,718,000 for the Corporation's investment in O3 Mining. As at December 31, 2023, management of the Corporation's judgment is that O3 Mining's business outlook, financial health, future cash flows and volatility of the investment led management to conclude that the current market value does not indicate an impairment as it does not reflect the value of the asset. The equity accounting for O3 Mining is based on the results to December 31, 2023.

The following table is a summary of the consolidated financial information of O3 Mining on a 100% basis, taking into account fair value adjustments made by the Corporation for equity accounting purposes. A reconciliation of O3 Mining's summarized unaudited financial information to the Corporation's investment carrying value is as follows:

As at	December 31, 2023	December 31, 2022
Total current assets	**$ 31,749**	**$ 30,614**
Total non-current assets	**174,145**	**185,171**
Total current liabilities	**(5,245)**	**(4,521)**
Total non-current liabilities	**(28,394)**	**(23,116)**
Total net assets	**$ 172,255**	**$ 188,148**

For the year ended December 31,	2023	2022
Revenue	**$ -**	**$ -**
Loss and comprehensive loss	**34,111**	**6,404**

Reconciliation of O3 Mining's unaudited net assets to the Corporation's investment carrying value:

As at	December 31, 2023	December 31, 2022
Net assets of O3 Mining	**$ 172,255**	**$ 188,148**
Osisko Mining ownership interest	**20.95%**	**21.20%**
Osisko's share of O3 Mining's net assets	**36,095**	**39,878**
Carrying value of investment in O3 Mining	**36,095**	**39,878**

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

7) Investment in associate (continued)

The Corporation's investment relating to its associate as of December 31, 2023 and 2022 are detailed as follows:

		O3 Mining Inc.
Balance, January 1, 2022	**$**	**42,563**
Share of loss for the year		(2,685)
Balance, December 31, 2022	**$**	**39,878**
Cash investment in associate		3,500
Share of loss for the year		(7,283)
Balance, December 31, 2023	**$**	**36,095**

8) Investment in joint venture

On May 2, 2023, Osisko entered into a 50/50 joint venture with an affiliate of Gold Fields for the Windfall Project located between Val-d'Or and Chibougamau in Québec, Canada. The joint venture was formed as a partnership called "Windfall Mining Group" and includes the Windfall Project and the surrounding Urban Barry and Quévillon exploration properties. Gold Fields acquired 50% of the partnership interest. The consideration consists of an initial cash payment of $300 million upon signing to Osisko which was received on May 2, 2023 and an additional payment of $300 million which is payable to Osisko on successful issuance of the applicable permits authorizing the construction, operation and mining of the Windfall Project, and it has been recorded as long-term receivable at its fair value of $258,393,000 initially, and remeasured at its fair value of $274,321,000 as at December 31, 2023 (note 20).

In addition, Gold Fields will also sole fund regional exploration expenditures on properties surrounding the main Windfall gold deposit up to $75 million and pay two separate cash payments totaling $33,864,000 to Osisko, representing Gold Field's share of the expenditures incurred by Osisko to advance the Windfall Project from January 1, 2023. Osisko will sole fund regional exploration expenditures up to $24 million to fulfill its flow-through commitment prior to December 31, 2024 (note 23). The long-term receivable of $75 million was initially recorded by the joint venture at its fair value of $55,696,000. The long-term receivable is expected to be paid in increments according to the needs of the annually determined regional exploration program, however, it must be settled in full before May 2, 2030 to the extent not previously settled. If Gold Fields does not pay the long-term receivable within seven years and certain other cure preconditions are exhausted, Osisko will have the right to purchase the regional exploration properties for nominal consideration of $1 from the joint venture subject to certain preconditions including assumption of liabilities (if applicable) that are attributable to the beneficial ownership of the regional exploration properties and indemnifications to Gold Fields over environmental and other potential obligations that could arise related to the regional exploration properties. Osisko has equity accounted for its 50% share in the initial funding for regional exploration, which include an amount of $24 million paid to the joint venture by Osisko for its flow-through commitment and the long-term receivable from Gold Fields for a net equity investment movement of $38,467,000. Gold Fields and Osisko will share all other project interim and construction costs on a 50/50 basis going forward. Osisko paid no cash taxes on the proceeds due to the utilization of the existing tax pools. The joint venture has equal representation from both Osisko and Gold Fields in the governance arrangements.

Details on Osisko's transfer of net assets to the joint venture, the cash proceeds and receivables recognised from Gold Fields acquiring an interest of 50% in the Partnership and the resulting gain are detailed as follows:

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

8) Investment in joint venture *(continued)*

May 2, 2023 **Proceeds of disposition**		**From Gold Fields**		**Total**
Cash	$	300,000	$	**300,000**
Short-term receivables		33,864		**33,864**
Long-term receivables (note 20)		258,393		**258,393**
Net intial proceeds of regional exploration funding arrangement		14,467		**14,467**
Total proceeds	**$**	**606,724**	**$**	**606,724**

Net assets transferred		**To Windfall Mining Group**		**Total**
Other assets	$	2,072	$	**2,072**
Property, plant and equipment (note 9)		48,566		**48,566**
Exploration and evaluation assets (note 10)		738,316		**738,316**
Long-term receivables and advances (note 20)		30,000		**30,000**
Accounts payable and accrued liabilities		(16,086)		**(16,086)**
Current lease liabilities (note 11)		(639)		**(639)**
Non-current lease liabilities (note 11)		(573)		**(573)**
Asset retirement obligation (note 14)		(8,172)		**(8,172)**
Total net assets transferred to joint venture	**$**	**793,484**	**$**	**793,484**
Initial investment in joint venture retained by Osisko	$	(396,742)	**$**	**(396,742)**
Total cost of investment in joint venture sold to Gold Fields	**$**	**396,742**	**$**	**396,742**
Gain on sale of investment in joint venture	**$**	**209,982**	**$**	**209,982**

Osisko and Gold Fields have joint control, and the joint venture is structured as a separate vehicle and Osisko has a residual interest in the net assets of the joint venture. Accordingly, Osisko has classified its interest in the Partnership as a joint venture. The equity accounting for the Partnership after initial recognition is based on equity accounting of Osisko's share of the financial results of the Partnership to December 31, 2023.

The following table is a summary of the financial information of the Partnership on a 100% basis, taking into account fair value adjustments made by the Corporation for equity accounting purposes. A reconciliation of the Partnership's summarized unaudited financial information to the Corporation's investment carrying value is as follows:

As at		**December 31, 2023**
Total current assets	**$**	**47,709**
Total non-current assets		**1,046,813**
Total current liabilities		**(25,041)**
Total non-current liabilities		**(11,903)**
Total net assets	**$**	**1,057,578**

For the period May 2, 2023 to December 31, 2023		**2023**
Revenue	**$**	**-**
Income and comprehensive Income		**(1,159)**

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

8) Investment in joint venture *(continued)*

Reconciliation of the Partnership's unaudited net assets to the Corporation's investment carrying value:

As at	**December 31, 2023**
Net assets of the Partnership	**$ 1,057,578**
Osisko Mining ownership interest	**50.00%**
Osisko's share of the Partnership's net assets	**528,789**
Carrying value of investment in the Partnership	**528,789**

The Corporation's investment relating to the investment in joint venture as of December 31, 2023 and 2022 are detailed as follows:

	Windfall Mining Group
Balance, December 31, 2022	**$ -**
Initial investment in joint venture	396,742
Cash investment in joint venture	93,000
Net regional exploration funding from initial funding	38,467
Share of income for the year	580
Balance, December 31, 2023	**$ 528,789**

9) Property, plant and equipment

The following table summarizes information regarding the Corporation's property, plant and equipment as at December 31, 2023 and 2022:

December 31, 2023											
	Cost					Accumulated depreciation					
Class	**Opening balance**	**Additions/ transfers**	**Transfer to Windfall Mining Group (note 8)**	**Write-off / disposals**	**Closing balance**	**Opening balance**	**Depreciation**	**Transfer to Windfall Mining Group (note 8)**	**Write-off / disposals**	**Closing balance**	**Net book value**
Computer Equipment	**$ 2,579**	$ 77	$ (1,966)	$ -	**$ 690**	**$ 1,657**	$ 99	$ (1,170)	$ -	**$ 586**	**$ 104**
Office Equipment	**247**	-	(57)	-	**190**	**156**	14	(13)	-	**157**	**33**
Office Buildings	**1,843**	-	-	-	**1,843**	**862**	231	-	-	**1,093**	**750**
Exploration Equipment	**50,045**	15,473	(65,149)	(33)	**336**	**16,408**	1,727	(17,778)	(23)	**334**	**2**
Automobiles	**766**	-	(713)	-	**53**	**365**	46	(358)	-	**53**	**-**
Total	**$ 55,480**	**$ 15,550**	**$ (67,885)**	**$ (33)**	**$ 3,112**	**$ 19,448**	**$ 2,117**	**$ (19,319)**	**$ (23)**	**$ 2,223**	**$ 889**

December 31, 2022									
	Cost				Accumulated depreciation				
Class	**Opening balance**	**Additions**	**Write-off / disposals**	**Closing Balance**	**Opening balance**	**Depreciation**	**Write-off / disposals**	**Closing balance**	**Net book value**
Computer Equipment	**$ 2,377**	$ 202	-	**2,579**	**$ 1,429**	$ 228	-	**$ 1,657**	**$ 922**
Office Equipment	**200**	47	-	**247**	**139**	17	-	156	91
Office Buildings	**896**	1,154	(207)	**1,843**	**729**	247	(114)	862	981
Exploration Equipment	**34,733**	17,389	(2,077)	**50,045**	**12,787**	4,086	(465)	16,408	33,637
Automobiles	**475**	291	-	**766**	**244**	121	-	365	401
Total	**$ 38,681**	**$ 19,083**	**$ (2,284)**	**$ 55,480**	**$ 15,328**	**$ 4,699**	**$ (579)**	**$ 19,448**	**$ 36,032**

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

10) Exploration and evaluation assets

The following table summarizes information regarding the Corporation's exploration and evaluation assets as at December 31, 2023 and 2022:

	December 31, 2022	Transfer to Windfall Mining Group (note 8)	Additions	December 31, 2023
Windfall Lake	$ 679,063	$ (684,458)	$ 5,395	$ -
Quévillon Osborne	20,034	(20,208)	174	-
Urban-Barry	29,434	(33,650)	4,216	-
Phoenix	1,646	-	5,453	7,099
Other	226	-	(75)	151
Total exploration and evaluation assets	**$ 730,403**	**$ (738,316)**	**$ 15,163**	**$ 7,250**

	December 31, 2021	Disposals	Additions	December 31, 2022
Windfall Lake	$ 589,628	$ -	$ 89,435	$ 679,063
Quévillon Osborne	19,654	-	380	20,034
Urban-Barry	30,012	-	(578)	29,434
Phoenix	1,646	-	-	1,646
Other	226	-	-	226
Total exploration and evaluation assets	**$ 641,166**	**$ -**	**$ 89,237**	**$ 730,403**

a) Projects transferred to Windfall Mining Group

The projects below were 100% owned by the Corporation as at December 31, 2022. On May 2, 2023, these projects were transferred to the Partnership (note 8).

The Windfall Project is located in the Abitibi Greenstone Belt in Québec, Canada. The Windfall Property is subject to NSR varying from 1.0% to 3.0%.

The Quévillon Osborne Project is located in the Lebel-sur-Quévillon area of Québec, west of the Windfall Project. There is no existing royalty covering the Osborne-Bell Gold Deposit, while a few claims are subject to different NSR varying from 1.0% to 3.5%.

The Urban-Barry Project is adjacent to the Windfall Project. The claims are subject to different NSR royalties which are described under the Windfall Project.

b) Phoenix Properties

On November 28, 2023, Osisko entered into an earn-in and joint venture agreement with Bonterra Resource Inc. ("Bonterra") for a 70% interest on all of the Urban-Barry properties (hosting the Gladiator and Barry deposits), in addition to the adjoining Urban Duke and Lac Barry properties held by Bonterra located in Quebec's Eeyou Istchee James Bay region. The Urban Duke Property is 70% owned by Bonterra and 30% owned by Osisko since July 19, 2021, and the Lac Barry property is 85% owned by Bonterra and 15% owned by Gold Royalties Corp. The Phoenix Properties total 496 claims over 22,508 hectares.

Osisko paid Bonterra $5 million in the fourth quarter of 2023 and has agreed to fund $30 million in work expenditures over a three-year period to earn a 70% undivided interest in the Phoenix Properties, in accordance with annual work expenditures of $10 million in each year. After completion of the exploration earn-in, Osisko and Bonterra have agreed to form a joint venture.

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

11) Leases

The Corporation recognizes lease liabilities and right of use assets in relation to leases. The right of use assets are recorded in property, plant and equipment (note 9).

The following table summarizes the Corporation's right of use assets:

As at	December 31, 2023	December 31, 2022
Offices	$ 750	$ 981
Equipment	-	142
Total	**$ 750**	**$ 1,123**

Total additions to exploration and evaluation assets relating to short-term leases for the year ended December 31, 2023, were $802,000 (2022 – $1,327,000).

The following table summarizes the Corporation's lease liabilities:

As at	December 31, 2023	December 31, 2022
Balance, beginning of year	**$ 1,374**	**$ 221**
Additions	1,237	1,331
Accretion of interest	127	86
Payments	(538)	(159)
Transfer to Windfall Mining Group (note 8)	(1,211)	-
Disposal	-	(105)
Balance, end of year	**$ 989**	**$ 1,374**
Current	$ 263	$ 385
Non-current	726	989
Total lease liabilities	**$ 989**	**$ 1,374**

12) Deferred share unit and restricted share unit plans

DSUs can be granted to non-executive directors and RSUs can be granted to executive officers and key employees, as part of their long-term compensation package, entitling them to receive the payout in cash, shares, or a combination of both. Should the payout be in cash, the cash value of the payout would be determined by multiplying the number of DSUs and the RSUs vested at the payout date by the five-day volume-weighted average price from the closing price of the Corporation's shares on the day prior to the payout date. Should the payout be in shares, each RSU and each DSU represents an entitlement to one common share of the Corporation.

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

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

The following table summarizes information regarding the Corporation's outstanding and exercisable DSUs and RSUs as at December 31, 2023 and 2022:

	Number of DSUs	Number of RSUs
Outstanding at January 1, 2022	**2,507,391**	**3,550,000**
Granted	912,828	3,115,000
Vested	-	(1,125,000)
Forfeited	-	(615,000)
Outstanding at December 31, 2022	**3,420,219**	**4,925,000**
Granted	69,340	1,925,000
Exercised	(759,891)	(1,506,804)
Forfeited	-	(93,196)
Outstanding at December 31, 2023	**2,729,668**	**5,250,000**

During the year ended December 31, 2023, 69,340 DSUs were issued to directors (2022 – 912,828), all of which were issued in lieu of directors' fees (2022 – 62,828). The weighted average fair value of the DSUs granted was $2.94 per DSU initially at the closing price of the common shares of the Corporation on the date of grant (2022 - $3.64). The DSUs vest immediately on the date of grant.

During the the year ended December 31, 2023, 1,925,000 RSUs were issued to management (2022 – 3,115,000). The weighted average fair value of the RSUs granted was $3.11 per RSU initially at the closing price of the common shares of the Corporation on the date of grant (2022 – $3.73). The RSUs vest on the third anniversary date from the date of grant.

On December 31, 2023, the share-based payment liability related to each DSU and RSU of the Corporation was re-measured to fair value at the Corporation's closing share price of $2.67 (2022 - $3.50).

The combined total expense recognized for RSUs and DSUs for the year ended December 31, 2023 was $594,000 (2022 – $6,119,000), from which expense of $720,000, were capitalized to exploration and evaluation assets (2022 - $711,000).

13) Convertible debenture

On December 1, 2021, Osisko entered into an agreement for a private placement of $154 million in a convertible senior unsecured debenture due December 1, 2025 (the "Debenture") with Northern Star Resources Limited ("Northern Star"). The Debenture bears interest at a rate of 4.75% per annum payable semi-annually in arrears, which may be accrued at the option of Northern Star. In addition, Osisko and Northern Star have agreed to negotiate, on an exclusive basis for three months, the terms of an earn-in and joint-venture on up to a 50% interest in Osisko's Windfall Project. The Debenture may be converted by Northern Star at any time after December 1, 2022, subject to acceleration in the event of a change of control, at a conversion price (the "Conversion Price") equal to $4.00 per common share of the Corporation (the "Equity Conversion Option"). Upon entering into the earn-in and joint venture agreement, Northern Star may convert the Debenture into an interest in the property at a conversion premium of 125%. In addition, the Debenture may be redeemed by Osisko at any time after December 1, 2023, for cash or common shares of the Corporation, provided that the volume-weighted average trading price of the common share of the Corporation are not less than 125% of the Conversion Price for the twenty consecutive trading days ending five days prior to the notice of redemption. Redemption shall occur 10 days after the notice is given by Osisko to Northern Star. Within the 10-day period, Northern Star has the right to exercise its conversion right to convert the Debenture to common shares of the Corporation. The Debenture is subject to standard anti-dilution, events of default, and early payment penalty provisions. In the event of an announced change of control transaction, the Debenture may be accelerated and converted into common shares of the Corporation at the Conversion Price or a proportionate interest in the Windfall Project. In addition, in event of an announced change of control transaction, Northern Star may require repayment immediately in cash, at a price equal to 105% of the principal amount outstanding plus accrued and

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

13) Convertible debenture (continued)

unpaid interest. Upon the occurrence of an event of default, all amounts under the Debenture will become immediately due and payable upon demand.

As the Debenture contains embedded derivatives and an equity instrument, the debt and equity components of the Debenture are required to be bifurcated to record the value of the debt and equity separately. The equity component is the Equity Conversion Option, as described above. The debt component consists of the host debt and non-equity derivatives. The fair value of the debt component was determined using a scenario-based approach, which incorporates both the partial differential equation method and the discounted cash flow method, and therefore is classified as level 3 within the fair value hierarchy.

The following table summarizes information regarding the Corporation’s convertible debenture as at December 31, 2023 and 2022:

		Amount
Balance January 1, 2022	**$**	**132,710**
Change in fair value in the period		(30,586)
Balance December 31, 2022	**$**	**102,124**
Change in fair value in the year		22,672
Balance December 31, 2023	**$**	**124,796**

The fair value of the debt component of the convertible debenture increased from $102,124,000 on December 31, 2022 to $124,796,000 on December 31, 2023, resulting in a fair value loss of $13,069,000 for the period (2022 – gain of $29,730,000).

The change in the fair value due to credit risk for the year ended December 31, 2023, which is presented in the other comprehensive loss was $9,603,000 (2022 – income of $856,000). As at December 31, 2023, the accrued interest payable included in accounts payable and accrued liabilities was $621,000 (2022 – $621,000).

The following table summarizes the assumptions used for the valuation of the convertible debenture’s debt host as at December 31, 2023 and 2022:

As at		**December 31, 2023**		**December 31, 2022**
Time to maturity		1.9 years		2.9 years
Share price	$	2.67	$	3.50
Volatility		49.72%		54.00%
Risk-free interest rate (based on government bonds)		3.94%		3.79%
Credit spread		13.43%		17.95%

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

14) Asset retirement obligation

The obligation is estimated based on the Corporation's site remediation and restoration plan and the estimated timing of the costs to be paid in future years. The following table summarizes the Corporation's asset retirement obligation:

		Amount
Balance January 1, 2022	**$**	**9,519**
Accretion		258
Change in estimate		(1,836)
Balance December 31, 2022	**$**	**7,941**
Accretion		60
Change in estimate		171
Transfer to Windfall Mining Group (note 8)		(8,172)
Balance December 31, 2023	**$**	**-**

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

For the year ended December 31,		**2022**
Total undiscounted value of payments	$	7,341
Weighted average discount rate		3.28%
Weighted average expected life		12 years
Inflation rate		4.00%

15) Income taxes

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

For the year ended		**December 31, 2023**		**December 31, 2022**
Deferred income tax expense	**$**	**31,381**	$	4,565
Deferred mining taxes (recovery)/expense		**(64,455)**		5,279
Deferred tax (recovery)/expense	**$**	**(33,074)**	**$**	**9,844**

The reconciliation of the effective tax expense to the tax recovery computed using the Canadian statutory rate of 26.5% is as follows:

For the years ended		**December 31, 2023**		**December 31, 2022**
Income before income taxes	**$**	**190,310**	**$**	**4,004**
Income tax expense computed at Canadian statutory tax rate		52,258		1,061
Transfer of assets to Windfall Mining Group		(34,390)		-
Amortization of flow-through shares premium		(1,271)		(2,130)
Flow-through shares expenditures renounced		2,995		5,302
Permanent items		(3,838)		1,125
Change in unrecognized deferred tax assets		(1,454)		606
Deferred mining taxes		(47,374)		3,880
Deferred tax (recovery)/expense	**$**	**(33,074)**	**$**	**9,844**

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Corporation has the legal right and intent to offset. Deferred tax assets are recognized when the Corporation concludes that sufficient positive evidence exists to demonstrate that it is probable that a deferred tax asset will be realized.

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

15) Income taxes (continued)

The following table provides the components of the deferred income and mining tax assets and liabilities:

As at		December 31, 2023		December 31, 2022
Deferred tax assets				
Exploration and evaluation assets	$	5,200	$	-
Losses		40,183		43,113
Mining tax deductible for income tax purposes		-		17,081
Share issue costs		2,532		10,247
Investment tax credits		622		622
Other net deductible temporary differences		5,426		5,158
Total deferred tax assets	**$**	**53,963**	**$**	**76,221**
Deferred tax liability				
Investment in joint venture	$	(114,871)	$	-
Exploration and evaluation assets		-		(103,815)
Convertible Debenture - Northern Star		(7,739)		(13,747)
Deferred mining tax liability		-		(64,455)
Total deferred tax liability	**$**	**(122,610)**	**$**	**(182,017)**
Net deferred tax liability	**$**	**(68,647)**	**$**	**(105,796)**

During the year ended December 31, 2023, the Corporation recognized a deferred tax recovery in equity in the amount of $1,530,000 (2022 – deferred tax recovery of $13,000). The deferred tax recorded in equity relates to deductible temporary differences in relation to share issuance costs and taxable temporary differences in relation to the equity component of the convertible debenture. As of December 31, 2023, the deferred tax asset recognized with respect to investment tax credits is $622,000 (2022 – $622,000). The deferred tax recovery associated with the deferred tax recorded in relation to investment tax credits is recorded as a reduction of exploration and evaluation assets.

16) Capital and other components of equity

a) Share capital – authorized

The authorized capital of Osisko consists of an unlimited number of common shares having no par value. The holders of common shares are entitled to one vote per share at shareholder meetings of the Corporation. All shares rank equally with regard to the Corporation's residual assets.

On February 2, 2023, the Corporation completed a private placement of 4,568,051 common shares of the Corporation at a price of $6.00 per common share issued as flow-through shares for aggregate gross proceeds of $27,408,000. The flow-through shares were issued at a premium of $2.54 to the closing market price of the Corporation's common shares on the day of issue. The premium was recognized as a long-term liability for $11,603,000 with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures are incurred. The transaction costs amounted to $198,000 and have been netted against the gross proceeds on closing.

On February 28, 2023, the Corporation completed a private placement of 32,260,000 units of the Corporation at a price of $3.10 per unit for gross proceeds of $100,006,000. Each unit is comprised of one common share of the corporation and one-half of one common share purchase warrant. Each common share purchase warrant is exercisable into one common share of the Corporation until August 28, 2024, at an exercise price of $4.00. The transaction costs amounted to $5,488,000 and have been netted against the gross proceeds on closing.

On December 22, 2023, the Corporation completed a private placement of 2,481,390 common shares of the Corporation at a price of $4.03 per common share issued as flow-through shares for aggregate gross proceeds of $10,000,000. The flow-through shares were issued at a premium of $1.39 to the closing market price of the Corporation's common shares on the day of issue. The premium was recognized as a long-term liability for $3,449,000 with a subsequent pro-rata reduction of

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

16) Capital and other components of equity (continued)

the liability recognized as flow-through premium income as the required expenditures are incurred. The transaction costs amounted to $87,000 and have been netted against the gross proceeds on closing.

On April 5, 2022, the Corporation completed a private placement of 2,891,088 common shares of the Corporation at a price of $6.92 per common share issued as flow-through shares for aggregate gross proceeds of $20,006,000. The flow-through shares were issued at a premium of $2.78 to the closing market price of the Corporation's common shares at the day of issue. The premium was recognized as a long-term liability for $8,037,000 with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures are incurred. The transaction costs amounted to $49,000 and have been netted against the gross proceeds on closing.

During the year ended December 31, 2023, flow-through premium income of $4,798,000 (2022 – $8,037,000), was recognized relating to the flow-through shares issued.

During the year ended December 31, 2023, Osisko repurchased and canceled 14,488,124 common shares of the Corporation (2022 - 6,212,665) at an average price of $2.92 (2022 - $3.93) for a total cost of $42,373,000 (2022 - $24,412,000).

b) Basic (earnings)/loss per share

The calculation of basic (earnings)/loss per share for the year ended December 31, 2023 and 2022 was based on the (income)/loss attributable to common shareholders and a basic weighted average number of common shares outstanding, calculated as follows:

For the year ended	**December 31, 2023**	**December 31, 2022**
Common shares outstanding, at beginning of the year	347,382,435	346,279,008
Common shares issued during the year	25,608,810	1,846,888
Basic weighted average number of common shares	**372,991,245**	**348,125,896**
(Income)/loss attributable to owners of the Corporation	**$ (223,384)**	**$ 5,840**
Basic (earnings)/loss per share	**$ (0.60)**	**$ 0.02**

c) Diluted (earnings)/loss per share

The calculation of diluted earnings per share for the year ended December 31, 2023, was based on the income attributable to common shareholders, and a basic weighted average number of common shares outstanding, adjusted for the effect of convertible debenture, stock options, RSUs and DSUs.

For the year ended December 31, 2022, the Corporation incurred a net loss, therefore all outstanding convertible debenture, stock options, warrants, RSUs, and DSUs have been excluded from the calculation of diluted loss per share since the effect would be anti-dilutive.

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

For the year ended	December 31, 2023	December 31, 2022
Basic weighted average number of common shares (note 16(b))	372,991,245	348,125,896
Effect of dilutive stock options	761,104	-
Effect of dilutive DSUs and RSUs	7,147,816	-
Diluted weighted average number of common shares	**380,900,165**	**348,125,896**
(Income)/loss attributable to owners of the Corporation	**$ (223,384)**	**$ 5,840**
Diluted (earnings)/loss per share	**$ (0.59)**	**$ 0.02**

d) Contributed surplus

Stock options can be granted to directors, officers, employees, and consultants of the Corporation as part of their long-term compensation package. The stock options may vest at the discretion of the board of directors and are exercisable for up to 5 years from the date of grant. The following table summarizes the stock option transactions for the years ended December 31, 2023 and 2022:

	Number of stock options	Weighted-average exercise price
Outstanding at January 1, 2022	**19,061,571**	**$ 3.35**
Exercised	(4,425,004)	3.49
Forfeited	(2,173,332)	4.26
Outstanding at December 31, 2022	**12,463,235**	**$ 3.14**
Exercised	(280,835)	2.53
Forfeited	(81,667)	3.26
Expired	(2,492,034)	3.46
Outstanding at December 31, 2023	**9,608,699**	**$ 3.08**

During the year ended December 31, 2023, a total of 280,835 (2022 – 4,425,004) stock options were exercised for gross proceeds of $709,000 (2022 - $15,427,000) in exchange for the issuance of 280,835 (2022 – 4,425,004) common shares of the Corporation.

The total recognized expense for stock options for the year ended December 31, 2023 was $1,070,000 (2022 – $2,691,000), from which $65,000 (2022 – $373,000), was capitalized to exploration and evaluation assets.

The following table summarizes information regarding the Corporation's outstanding and exercisable stock options as at December 31, 2023:

	Options outstanding			Options exercisable		
Range of exercise prices per share ($)	Weighted-average remaining years of contractual Life	Number of stock options outstanding	Weighted-average exercise price ($)	Weighted-average remaining years of contractual life	Number of stock options exercisable	Weighted-average exercise price ($)
2.62 to 3.00	0.7	5,300,365	$2.66	0.7	5,300,365	$2.66
3.01 to 4.00	1.9	4,308,334	$3.59	1.9	4,308,334	$3.59
2.62 to 4.00	**1.2**	**9,608,699**	**$3.08**	**1.2**	**9,608,699**	**$3.08**

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

16) Capital and other components of equity (continued)

e) Warrants

The following table summarizes the transactions pertaining to the Corporation's outstanding standard warrants for the year ended December 31, 2023 and 2022. These warrants were exercisable at one warrant for one common share of the Corporation:

	Number of warrants		Weighted-average exercise price
Outstanding at January 1, 2022	**22,099,400**	**$**	**5.25**
Expired	(22,099,400)		5.25
Outstanding at December 31, 2022	**-**	**$**	**-**
Issued (note 16(a))	16,130,000		4.00
Outstanding at December 31, 2023	**16,130,000**	**$**	**4.00**

17) Expenses

The following table summarizes information regarding the Corporation's expenses for the year ended December 31, 2023 and 2022:

For the year ended		December 31, 2023		December 31, 2022
Compensation expenses				
Stock-based compensation expense (note 12 and 16(d))	$	879	$	7,727
Salaries and benefits (note 18)		13,571		8,205
Total compensation expenses	**$**	**14,450**	**$**	**15,932**
General and administration expenses				
Shareholder and regulatory expense/(recovery)	$	322	$	(39)
Travel expense		415		450
Professional fees		4,821		1,511
Office expense (note 18)		1,891		3,018
Total general and administration expenses	**$**	**7,449**	**$**	**4,940**
Marketable securities				
Realized gain from marketable securities (note 6)		(245)	$	(1,230)
Net change in unrealized loss from marketable securities (note 6)		4,975		5,995
Total marketable securities loss	**$**	**4,730**	**$**	**4,765**

18) Related party transactions

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

During the year ended December 31, 2023, management fees, geological services, rent, and administration fees of $399,000 (2022 – $227,000), were incurred with Osisko Gold Royalties Ltd ("Osisko GR"), a related company that exercises significant influence over the Corporation. Osisko GR ceased to be a related company on December 13, 2023, following the sale of all common shares of the Corporation it owned. Accounts payable to Osisko GR as at December 31, 2022, were $23,000.

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

18) Related party transactions (continued)

During the year ended December 31, 2023, management fees, geological services, rent, and administration fees of $69,000 (2022 – $71,000), were charged to Osisko GR by the Corporation.

During the year ended December 31, 2023, management fees, geological services, rent, and administration fees of $486,000 (2022 – $813,000), were charged to the Corporation's associate, O3 Mining, by the Corporation. Accounts receivable from O3 Mining as at December 31, 2023 were $25,000 (2022 - $65,000).

During the year ended December 31, 2023, management fees, geological services, rent, and administration fees of $19,347,000, were charged to the Corporation's joint venture, Windfall Mining Group, by the Corporation (2022 - $nil). Accounts receivable from the Partnership as at December 31, 2023 were $802,000 (2022 - $nil).

The following table summarizes remuneration attributable to key management personnel for the year ended December 31, 2023 and 2022:

For the year ended	**December 31, 2023**	**December 31, 2022**
Salaries expense of key management	$ 9,344	$ 3,483
Directors' fees	392	442
Stock-based compensation expense	948	4,729
Total	**$ 10,684**	**$ 8,654**

19) Other receivables

As at December 31, 2023, other receivables consist of short-term receivable of $9,000,000 from JY Moreau Electrique Inc. to fund the construction of the transmission facilities, which was subsequently collected (note 24), and other miscellaneous receivables of $1,460,000.

As at December 31, 2022, other receivables consist of short-term receivable of $19,403,000 from the 3rd bulk sampling, short-term promissory note of $6,000,000 from Osisko Metal Inc. and other miscellaneous receivables of $3,895,000.

20) Long-term receivables and advances

As at December 31, 2023, long-term receivables and advances include a long-term receivable from Gold Fields valued at $274,321,000 (2022 - $nil) and other long-term receivable of $2,904,000 (2022 - $6,000,000). The carrying amount of the long-term receivable from Gold Fields represents the fair value of the $300 million long-term receivable (note 2(c)(ii) and 8). If payment is not made by Gold Fields on the due date or after a limited cure period after applicable permits have been obtained permitting the construction, operation and mining of the Windfall Project, there is recourse to the Partnership shares presently held by Gold Fields for nominal consideration of $1. As the receivable is non-recourse and the receivable cash flows vary based upon permitting, the receivable cash flows do not vary solely due to payments of principal and interest. Accordingly, the receivable is accounted for on a recurring basis at FVTPL.

The following variables are used when determining the value of the long-term receivable from Gold Fields:

- **Discount rate:** The Corporation estimated the discount rate of 9.0% after considering risks, market rates and specifics terms and conditions of the long-term receivable.
- **Maturity date:** The long-term receivable is due upon issuance of the applicable permits authorizing the construction, operation and mining of the Windfall Project. The Corporation, with the support of its environmental specialist, estimated the maturity date to be between the fourth quarter of 2024 and the first quarter of 2025 based on management's best estimate of the timing it will take to obtain permitting approval, however, there is inherent uncertainty as the timing of permitting approvals may vary based on a variety of factors and there is no assurance that permitting approvals will ultimately be obtained.

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

20) Long-term receivables and advances (continued)

As of December 31, 2023, an increase/decrease in the discount rate of 5% will decrease/increase the fair value of the long term receivable by $13,621,000. An increase/decrease by 6 months of the long term-receivable will decrease/increase the fair value of the long-term receivable by $12,249,000.

The fair value of the long-term receivable is a level 3 instrument in the fair value hierarchy as unobservable inputs, primarily the likelihood and timing of permitting approval, represent significant unobservable inputs used in the valuation of the long-term receivable. The finance income on the statement of income includes the income from the fair value adjustment in the year ended December 31, 2023 of $15,928,000 due to its approach towards the estimated maturity date.

21) Capital risk factors

The Corporation manages its capital structure and makes adjustments to it, based on the funds available to the Corporation, in order to support the acquisition, exploration, and development of mineral properties. The Corporation defines capital as its cash, cash equivalents, and marketable securities. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future operations and realize on its mineral resource estimates.

The properties in which the Corporation currently has an interest are in the exploration stage; as such the Corporation is dependent on external financing to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Corporation will spend its working capital and raise additional amounts as needed.

The Corporation will continue to assess new properties and seek to acquire an interest in additional properties if it is deemed there is sufficient geological or economic potential and if adequate financial resources are available. Management reviews its capital management approach on an ongoing basis and believes this approach, given the size of the Corporation, is reasonable. Neither the Corporation nor its subsidiaries are subject to externally imposed capital requirements.

As at December 31, 2023, the Corporation has cash, cash equivalents, and marketable securities totaling $358,219,000 (2022 – $78,583,000), which were available for growing the Corporation.

22) Financial instruments

The fair market value represents the amount that would be exchanged in an arm's length transaction between willing parties that is best evidenced by a quoted market price if one exists.

The Corporation values instruments carried at fair value using quoted market prices, where applicable. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Corporation maximizes the use of observable inputs within valuation models. When all significant inputs are observable the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

As at December 31, 2023 and 2022, the Corporation classified publicly traded securities included in marketable securities as Level 1, and warrants included in marketable securities, long-term receivables from Gold Fields (note 8 and 20), and convertible debenture as Level 3. The fair values of cash and cash equivalents and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

	December 31, 2023			December 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Marketable securities	17,473	-	558	14,977	-	702
Long-term receivables from Gold Fields	-	-	274,321	-	-	-
Convertible debenture debt host	-	-	124,796	-	-	102,124

There were no transfers between levels 1 and 3 and there were no changes in valuation techniques during 2023.

22) Financial instruments (continued)

Financial risk factors

The Corporation's financial instruments are exposed to certain financial risks, including currency risk, interest rate risk, commodity price risk, credit risk, and liquidity risk. The Corporation's exposure to these risks and its methods of managing the risks remain consistent. There have been no changes in the risks, objectives, policies, and procedures from the previous year.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet contractual obligations and arises principally from the Corporation's other receivables and long-term receivables. The carrying value of the financial assets represents the maximum credit exposure.

The Corporation's credit risk is primarily attributable to receivables included in other receivables and long-term receivables. The Corporation has significant concentration of credit risk on the long-term receivables from Gold Fields (note 8 and 20). Financial instruments included in other receivables and long-term receivables consist of receivables from other companies. Management believes that the credit risk receivables concentration with respect to financial instruments included in other receivables and long-term receivables is remote.

b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation has a planning and budgeting process in place to help determine the funds required to support the Corporation's normal operating requirements on an ongoing basis and its expansionary plans.

The Corporation ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As at December 31, 2023, the Corporation had a cash balance of $340,188,000 (2022 – $62,904,000) to settle current liabilities of $8,377,000 (2022 – $27,981,000). The majority of the Corporation's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Corporation has financial commitments outstanding as at December 31, 2023 (note 23).

c) Commodity price risk

Commodity price risk arises from the possible adverse effect on current and future earnings due to fluctuations in commodity prices. The ability of the Corporation to develop its properties and the future profitability of the Corporation is directly related to these prices. The Corporation has not entered into any derivative financial instruments to manage exposures to price fluctuations.

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation monitors its exposure to interest rate and has not entered into any derivative financial instruments to manage this risk. The Corporation has a cash balance and no variable interest-bearing debt. The Corporation holds cash and cash equivalents in deposit form in major Chartered Canadian banks.

If market interest rates for the year ended December 31, 2023, had increased or decreased by 0.25%, with all variables held constant, the loss for the year ended December 31, 2023, would have been approximately $850,000 lower/higher (2022 - $157,000), as a result of higher/lower interest income from cash and cash equivalents.

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

23) Commitments

As of December 31, 2023, the Corporation has the following flow-through funds to be spent by December 31, 2024:

Closing Date of Financing	Province	Deadline for spending	Remaining Flow-through Funds
February 02, 2023	Québec	December 31, 2024	$ 16,075
December 22, 2023	Québec	December 31, 2024	$ 10,000
Total			**$ 26,075**

24) Subsequent events

From January 1, 2024 to March 1, 2024, Osisko repurchased and canceled 3,007,000 common shares of the Corporation at a weighted average price of $2.60 for a total cost of $7,809,000.

On January 10, 2024, 1,100,000 RSUs of the Corporation were issued to management. Each RSU has been fair valued at $2.52 initially at the Corporation’s closing share price on the date of grant. The RSUs vest on the third anniversary date from the date of grant.

On January 10, 2024, 375,000 DSUs of the Corporation were issued to directors. Each DSU has been fair valued at $2.52 initially at the Corporation’s closing share price on the date of grant. The DSUs vest immediately on the date of grant.

On January 10, 2024, 4,300,000 stock options were issued to management, directors and consultants, at an exercise price of $2.52 for a period of 5 years. The options have been fair valued at $1.34 per option on average using the Black-Scholes option pricing model. One third of these options vest on the first anniversary from the date of grant, with the remaining thirds each vesting on the second and third anniversaries from the date of grant.