OSISKO DEVELOPMENT CORP.

. . . .

Consolidated Financial Statements

For the years ended
December 31, 2022 and 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Osisko Development Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Osisko Development Corp. and its subsidiaries (together, the Company) as of December 31, 2022 and 2021, and the related consolidated statements of loss, comprehensive loss, changes in equity and cash flows for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP

Montréal, Canada
March 24, 2023

We have served as the Company’s auditor since 2020.

Osisko Development Corp.
Consolidated Statements of Financial Position
As at December 31, 2022 and 2021
(Expressed in thousands of Canadian dollars)

	Notes	December 31, 2022 $	December 31, 2021 $
Assets			
Current assets			
Cash	7	**105,944**	33,407
Amounts receivable	8	**11,046**	7,951
Inventories	9	**17,641**	18,596
Other current assets		**6,621**	1,471
		141,252	61,425
Non-current assets			
Investments in associates	10	**8,833**	12,964
Other investments	10	**33,819**	49,516
Mining interests	6,11	**580,479**	475,621
Property, plant and equipment	6,12	**111,696**	83,712
Exploration and evaluation	6,13	**55,126**	3,635
Other assets	14	**36,994**	16,251
		968,199	703,124
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	15	**31,106**	25,117
Deferred premium on flow-through shares	19	**-**	914
Lease liabilities	17	**1,208**	8,104
Contract liability	18	**941**	3,822
Current Portion of long-term debt	16,33	**4,663**	1,610
Environmental rehabilitation provision	20	**9,738**	2,287
Deferred Consideration and contingent payments	6	**3,386**	-
		51,042	41,854
Non-current liabilities			
Long term debt	16,33	**12,256**	2,154
Lease liabilities	17	**962**	1,762
Contract liability	18	**54,252**	20,998
Environmental rehabilitation provision	20	**66,032**	50,949
Warrant liability	21	**16,395**	-
Deferred Consideration and contingent payments	6	**13,252**	-
Deferred income taxes	6,23	**23,574**	1,205
		237,765	118,922
Equity			
Share capital	21	**1,032,786**	714,373
Warrants	21	**1,573**	-
Contributed surplus		**12,857**	6,436
Accumulated other comprehensive income		**7,166**	6,764
Deficit		**(323,948)**	(143,371)
		730,434	584,202
		968,199	703,124

APPROVED ON BEHALF OF THE BOARD

(signed) Sean Roosen, Director

(signed), Charles Page, Director

Osisko Development Corp.
Consolidated Statements of Loss
For the years ended December 31, 2022 and 2021
(Expressed in thousands of Canadian dollars, except per share amounts)

	Notes	2022 $	2021 $
Revenues		**64,046**	7,661
Operating expenses			
Cost of sales	24	**(56,643)**	(7,661)
Other operating cost	24	**(64,355)**	(12,919)
General and administrative	25	**(36,837)**	(21,655)
Exploration and evaluation, net of tax credits		**(515)**	(1,197)
Impairment of assets	11	**(140,000)**	(121,594)
Operating loss		**(234,304)**	(157,365)
Accretion expense		**(5,761)**	(749)
Share of loss of associates		**(641)**	(1,704)
Gain on change in fair value of warrant liability	21	**25,008**	-
Other income, net	26	**24,944**	13,545
Loss before income taxes		**(190,754)**	(146,273)
Income tax recovery (expense)	23	**(1,706)**	12,971
Net loss		**(192,460)**	(133,302)
Basic and diluted loss per share	27	**(3.02)**	(3.03)
Weighted average number of shares outstanding-basic and diluted		**63,797,504**	44,044,538

Osisko Development Corp.
Consolidated Statements of Comprehensive Loss
For the years ended December 31, 2022 and 2021
(Expressed in thousands of Canadian dollars)

	2022	2021
	$	$
Net loss	**(192,460)**	(133,302)
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to the consolidated statements of loss		
Changes in fair value of financial assets at fair value through comprehensive income	**(1,849)**	(15,849)
Income tax effect	**(38)**	1,656
Share of other comprehensive loss of associates	**(294)**	-
Items that may be reclassified to the consolidated statements of loss		
Currency translation adjustments	**14,058**	(1,537)
Other comprehensive income (loss), net of tax	**11,877**	(15,730)
Comprehensive loss	**(180,583)**	(149,032)

Osisko Development Corp.
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in thousands of Canadian dollars)

	Notes	2022 $	2021 $
Operating activities			
Net loss		**(192,460)**	(133,302)
Adjustments for:			
Share-based compensation		**7,437**	4,070
Depreciation	24,25	**11,570**	2,511
Accretion		**5,761**	749
Gain on disposal of investments	26	**(11,854)**	(54)
Share of loss of associates	10	**641**	1,704
Net gain on acquisition of investments		**-**	(222)
Change in fair value of financial assets and liabilities at fair value through profit and loss	10	**480**	701
Gain on change in fair value of warrant liability		**(25,008)**	-
Unrealized gain on dilution		**-**	(1,847)
Unrealized Foreign exchange loss		**-**	489
Deferred income tax expense (recovery)		**1,706**	(12,971)
Impairment of assets	11	**140,000**	121,594
Premium on flow-through shares	19	**(914)**	(6,971)
Cumulative catch-up adjustment on contract liability	18	**(4,362)**	-
Gain on re-evaluation of Sapuchi provisions		**-**	(5,658)
Proceeds from Contract liability	18	**26,112**	5,653
Other		**646**	1,726
Net cash flows used in operating activities before changes in non-cash working capital items		**(40,245)**	(21,828)
Changes in non-cash working capital items	29	**(10,013)**	(19,586)
Net cash flows used in operating activities		**(50,258)**	(41,414)
Investing activities			
Mining interests		**(47,955)**	(138,631)
Property, plant and equipment	12	**(29,409)**	(47,535)
Exploration and evaluation expenses		**(8,917)**	(2,118)
Proceeds on disposals of investments	10	**22,585**	43,054
Acquisition of investments in associates		**-**	(2,200)
Acquisition of other investments		**(212)**	(9,094)
Acquisition of Tintic, net of cash acquired	6	**(67,431)**	-
Reclamation deposit		**(13,371)**	-
Other		**(1,207)**	(458)
Net cash flows used in investing activities		**(145,917)**	(156,982)
Financing activities			
Private placements	21	**255,492**	39,760
Issuance of common shares		**368**	-
Share issue expense	21	**(7,299)**	(3,044)
Exercise of warrants		**-**	3
Capital payments on lease liabilities	17	**(6,945)**	(5,745)
Long-term debt	16	**17,772**	4,015
Repayment of long-term debt	16	**(4,860)**	(251)
Net cash flows provided from (used in) financing activities		**254,528**	34,738
Increase (decrease) in cash before impact of exchange rate		**58,353**	(163,658)
Effects of exchange rate changes on cash		**14,184**	(362)
Increase (decrease) in cash		**72,537**	(164,020)
Cash – Beginning of year		**33,407**	197,427
Cash – end of year		**105,944**	33,407

Osisko Development Corp.
Consolidated Statements of Changes in Equity
For the year ended December 31, 2022

(Expressed in thousands of Canadian dollars except number of shares)

	Notes	Number of common shares Outstanding(i)	Share capital	Warrants	Contributed surplus	Accumulated other comprehensive income (loss)	(Deficit)	Total
			($)	($)	($)	($)	($)	($)
Balance – January 1, 2022	21	44,400,854	714,373	-	6,436	6,764	(143,371)	584,202
Net loss		-	-	-	-	-	(192,460)	(192,460)
Other comprehensive loss, net		-	-	-	-	11,877	-	11,877
Comprehensive loss		-	-	-	-	11,877	(192,460)	(180,583)
Transfer of realized loss on financial assets at fair value through other comprehensive income, net of taxes		-	-	-	-	(11,475)	11,475	-
Private placements – Brokered	21	7,752,917	101,873	1,628	-	-	-	103,501
Private placements – Non-Brokered	21	11,363,933	112,150	-	-	-	-	112,150
Share-issue costs		-	(6,243)	(55)	-	-	-	(6,298)
Share options - Share-based compensation		-	-	-	3,426	-	-	3,426
Equity-settled compensation plan		-	-	-	2,995	-	408	3,403
Shares issued - employee share purchase plan		35,045	368	-	-	-	-	368
Shares issued on Acquisition of Tintic	6	12,049,449	109,657	-	-	-	-	109,657
Share issued from RSU/DSU Redemption		27,651	608	-	-	-	-	608
Balance – December 31, 2022		**75,629,849**	**1,032,786**	**1,573**	**12,857**	**7,166**	**(323,948)**	**730,434**

(i) The common shares outstanding presented have been adjusted to reflect the effect of the 3:1 share consolidation that took place on May 4, 2022. Common share, warrants and per share amounts have been adjusted for the 3:1 share consolidation unless noted otherwise.

Osisko Development Corp.
Consolidated Statements of Changes in Equity
For the year ended December 31, 2021

(Expressed in thousands of Canadian dollars except number of shares)

	Notes	Number of common shares Outstanding	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	(Deficit)	Total
			$	$	$	$	$
Balance – January 1, 2021		39,649,958	687,072	69	15,018	(2,593)	699,566
Net loss		-	-	-	-	(133,302)	(133,302)
Other comprehensive loss, net		-	-	-	(15,730)	-	(15,730)
Comprehensive loss		-	-	-	(15,730)	(133,302)	(149,032)
Transfer of realized loss on financial assets at fair value through other comprehensive income, net of taxes		-	-	-	7,476	(7,476)	-
Private placements – Non-brokered	21	3,620,732	6,156	-	-	-	6,156
Private placements – Flow-through	21	1,130,081	25,257	-	-	-	25,257
Issue costs on financings		-	(2,580)	-	-	-	(2,580)
De-recognition of tax benefit on issue costs		-	(1,535)	-	-	-	(1,535)
Share options - Share-based compensation		-	-	2,884	-	-	2,884
Exercise of warrants		83	3	-	-	-	3
Restricted share units (including from Parent Company) Share-based compensation		-	-	2,053	-	-	2,053
Deferred share units to be settled in common shares - Share-based compensation		-	-	1,260	-	-	1,260
Income tax impact		-	-	170	-	-	170
Balance – December 31, 2021		**44,400,854**	**714,373**	**6,436**	**6,764**	**(143,371)**	**584,202**

(i) The common shares outstanding presented have been adjusted to reflect the effect of the 3:1 share consolidation that took place on May 4, 2022. Common share, warrants and per share amounts have been adjusted for the 3:1 share consolidation unless noted otherwise.

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

1. Nature of operations

Osisko Development Corp. ("**Osisko Development**" or the "**Company**") is a mineral exploration and development company focused on the acquisition, exploration and development of precious metals resource properties in North America. The common shares of Osisko Development began trading under the symbol ODV on the TSX Venture Exchange ("**TSX-V**") on December 2, 2020 and on the New York Stock Exchange ("**NYSE**") on May 27, 2022. The Company's registered and business address is 1100, avenue des Canadiens-de-Montréal, suite 300, Montreal, Québec. The common shares outstanding presented have been retroactively adjusted to reflect the effect of the 3:1 share consolidation that took place on May 4, 2022. Common share, warrants and per share amounts have been adjusted retroactively for the 3:1 share consolidation unless noted otherwise.

On December 31, 2022, the former parent Company, Osisko Gold Royalties (OGR) held an interest of 44.1% (compared to 75.1% as at December 31, 2021) in Osisko Development Corp. Effective September 30, 2022, following certain changes made to OGR's investment agreement with Osisko Development, it was determined that OGR no longer controlled Osisko Development.

The principal subsidiaries of the Company and their geographic locations at December 31, 2022 were as follows:

Entity	Jurisdiction	% ownership
Barkerville Gold Mines Ltd. ("**Barkerville**")	British Columbia	100%
Sapuchi Minera, S. de R.L. de C.V. ("**Sapuchi**")	Mexico	100%
Tintic Consolidated Metals LLC ("**Tintic**")	USA	100%

Osisko Development is focused on exploring and developing its mining assets, including the Cariboo Gold Project in British Columbia, the San Antonio gold project in Mexico and the Trixie test mine in the USA.

As at December 31, 2022, the Company's working capital was $90.2 million, which included cash of $105.9 million. The Company incurred a loss of $192.4 million for the year ended on December 31, 2022. With the financings completed in March 2023 (note 35), management believes that the Company will have sufficient funds to meet its obligations and planned expenditures for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. In order to execute on its planned activities, the Company will be required to secure additional financing in the future, which may be completed in several ways including, but not limited to, a combination of selling additional investments from its portfolio, project debt finance, offtake or royalty financing and other capital market alternatives. Failure to secure future financings may impact and/or curtail the planned activities for the Company, which may include, but are not limited to, the suspension of certain development activities and the disposal of certain investments to generate liquidity.

2. Basis of presentation

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). The accounting policies, methods of computation and presentation applied in these consolidated financial statements are consistent with those of the previous financial year, unless otherwise noted.

The Board of Directors approved these consolidated financial statements on March 24, 2023.

3. Significant Accounting Policies

The significant accounting policies applied in the preparation of the consolidated financial statements are described below.

a) Basis of measurement

3. Significant Accounting Policies *(continued)*

The consolidated financial statements are prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities at fair value (including derivative instruments), as described in Note 3(e) below.

b) Business combinations

On the acquisition of a business, the acquisition method of accounting is used whereby the identifiable assets, liabilities and contingent liabilities (identifiable net assets) of the business are measured at fair value at the date of acquisition. Provisional fair values estimated at a reporting date are finalized as soon as the relevant information is available, which period shall not exceed twelve months from the acquisition date and are adjusted to reflect the transaction as of the acquisition date. Any excess of the consideration paid is treated as goodwill, and any bargain gain is immediately recognized in the statement of loss and comprehensive loss. If control is lost as a result of a transaction, the participation retained is recognized on the statement of financial position at fair value and the difference between the fair value recognized and the carrying value as at the date of the transaction is recognized in the statement of loss. Acquisition costs are expensed as incurred.

The Company recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

The results of businesses acquired during the year are consolidated into the consolidated financial statements from the date on which control commences (generally at the closing date when the acquirer legally transfers the consideration).

c) Consolidation

The Company's financial statements consolidate the accounts of Osisko Development and its subsidiaries. All intercompany transactions, balances and unrealized gains or losses from intercompany transactions are eliminated on consolidation. Subsidiaries are defined as all entities over which the Company has the ability to exercise control. The Company controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are de-consolidated from the date that control ceases. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each consolidated entity and associate of the Company are measured using the currency of the primary economic environment in which the entity operates (the "**Functional Currency**"). The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the parent Company and some of its subsidiaries.

Assets and liabilities of the subsidiaries that have a Functional Currency other than the Canadian dollar are translated into Canadian dollars at the exchange rate in effect on the consolidated statement of financial position date and revenues and expenses are translated at the average exchange rate over the reporting period. Gains and losses from these translations are recognized as currency translation adjustment in other comprehensive income or loss.

(ii) Transactions and balances

Foreign currency transactions, including revenues and expenses, are translated into the Functional Currency at the rate of exchange prevailing on the date of each transaction or valuation when items are re-measured. Monetary assets and liabilities denominated in currencies other than the operation's functional currencies are translated into the Functional Currency at exchange rates in effect at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of those transactions and from period-end translations are recognized in the consolidated statement of loss.

Non-monetary assets and liabilities are translated at historical rates, unless such assets and liabilities are carried at fair value, in which case, they are translated at the exchange rate in effect at the date of the fair value measurement. Changes in fair value attributable to currency fluctuations of non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in the consolidated statement of loss as part of the fair value gain or loss. Such

3. Significant Accounting Policies *(continued)*

changes in fair value of non-monetary financial assets, such as equities classified at fair value through other comprehensive income, are included in other comprehensive income or loss.

e) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position when there is an unconditional and legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

All financial instruments are required to be measured at fair value on initial recognition. The fair value is based on quoted market prices unless the financial instruments are not traded in an active market. In this case, the fair value is determined by using valuation techniques like the Black-Scholes option pricing model or other valuation techniques.

Measurement after initial recognition depends on the classification of the financial instrument. The Company has classified its financial instruments in the following categories depending on the purpose for which the instruments were acquired and their characteristics.

(i) Financial assets

Debt instruments

Investments in debt instruments are subsequently measured at amortized cost when the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and when the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments are subsequently measured at fair value when they do not qualify for measurement at amortized cost. Financial instruments subsequently measured at fair value, including derivatives that are assets, are carried at fair value with changes in fair value recorded in net income or loss unless they are held within a business model whose objective is to hold assets in order to collect contractual cash flows or sell the assets and when the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, in which case unrealized gains and losses are initially recognized in other comprehensive income or loss for subsequent reclassification to net income or loss through amortization of premiums and discounts, impairment or de-recognition.

Equity instruments

Investments in equity instruments are subsequently measured at fair value with changes recorded in net income or loss. Equity instruments that are not held for trading can be irrevocably designated at fair value through other comprehensive income or loss on initial recognition without subsequent reclassification to net income or loss. Cumulative gains and losses are transferred from accumulated other comprehensive income (loss) to retained earnings (deficit) upon derecognition of the investment.

3. Significant Accounting Policies *(continued)*

Dividend income on equity instruments measured at fair value through other comprehensive income or loss is recognized in the statement of loss on the ex-dividend date.

(ii) Financial Liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

The Company has classified its financial instruments as follows:

Category	Financial instrument
Financial assets at amortized cost	Bank balances Short-term debt securities Reclamation deposits Trade receivables Interest income receivable Amounts receivable from associates and other receivables
Financial assets at fair value through profit or loss	Investments and warrants or other investments
Financial assets at fair value through other comprehensive income or loss	Investments in shares and equity instruments, other than in warrants
Financial liabilities at amortized cost	Accounts payable and accrued liabilities Borrowings under loan facilities
Financial liabilities at fair value through profit or loss	Warrants liability

f) Impairment of financial assets

At each reporting date, the Company assesses, on a forward-looking basis, 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 the credit risk or if a simplified approach has been selected.

The Company has two principal types of financial assets subject to the expected credit loss model:

- Trade receivables; and
- Amounts receivable

The Company applies the simplified approach permitted by IFRS 9 for trade receivables (including amounts receivable from associates and other receivables), which requires lifetime expected credit losses to be recognized from initial recognition of the receivables.

3. Significant Accounting Policies *(continued)*

g) Cash

Cash includes demand deposits held with banks and cash.

h) Refundable tax credits for mining exploration expenses

The Company is entitled to refundable tax credits on qualified mining exploration and evaluation expenses incurred in the provinces of Québec and British-Columbia. The credits are accounted for against the exploration and evaluation expenses incurred.

i) Inventories

Supplies inventory consists of mining supplies and consumables used in the operations and is valued at the lower of average cost and net realizable value. Provisions are recorded to reflect present intentions for the use of slow moving and obsolete parts and supplies inventory.

Inventories of stockpile, in-circuit and refined precious metals are measured and valued at the lower of average production cost and net realizable value. Net realizable value is the estimated selling price of the equivalent metals in the ordinary course of business based on the prevailing metal prices on the reporting date, less estimated costs to complete production and to bring the finished goods to sale. Production costs that are inventoried include the costs directly related to bringing the inventory to its current condition and location, such as materials, labour, other direct costs (including external services and depreciation, depletion and amortization) and production related overheads.

j) Investments in associates

Associates are entities over which the Company has significant influence, but not control. The financial results of the Company's investments in its associates are included in the Company'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 Company's share of profits or losses of associates after the date of acquisition. The Company's share of profits or losses is recognized in the consolidated statement of loss and its share of other comprehensive income or loss of associates is included in other comprehensive loss.

Unrealized gains on transactions between the Company and an associate are eliminated to the extent of the Company'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 consolidated statement of loss.

The Company assesses at each reporting date whether there is any objective evidence that its investments in associates are impaired. If impaired, the carrying value of the Company's share 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 consolidated statement of loss.

k) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated

3. Significant Accounting Policies *(continued)*

with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced.

Depreciation is calculated to amortize the cost of the property and equipment less their residual values over their estimated useful lives using the straight-line method over the following periods by major categories:

Leasehold improvements	Lease term
Furniture and office equipment	2-7 years
Exploration equipment and facilities	2-20 years
Mining plant and equipment (development)	3-20 years
Right-of-use assets	Lesser of useful life and term lease

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of *other gains or losses, net* in the consolidated statement of loss.

l) Mining interests

Development assets are interests in projects that are under development, in permitting or feasibility stage and that in management's view, can be reasonably expected to generate steady-state revenue for the Company in the near future. Subsequent to completion of a positive economic analysis on a mineral property, capitalized exploration and evaluation assets are transferred into mining interests, or as an item of property and equipment, based on the nature of the underlying asset.

Mining interests are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset, including the purchase price and all expenditures undertaken in the development, construction, installation and/or completion of mine production facilities. All expenditures related to the construction of mine declines and orebody access, including mine shafts and ventilation raises, are considered to be capital development and are capitalized. The development and commissioning phase ceases upon the commencement of commercial production.

Subsequent to the commencement of commercial production, further development expenditures incurred with respect to a mining interest are capitalized as part of the mining interest, when it is probable that additional future economic benefits associated with the expenditure will flow to the Company. Otherwise, such expenditures are classified as other operating costs. Mining interest assets are subject to periodic review for impairment when events or changes in circumstances indicate the project's carrying value may not be recoverable.

Upon commencement of commercial production, mining interests are depleted over the life of the mine using the unit-of production method based on the economic life of the related deposit.

Determination of commencement of commercial production is a complex process and requires significant assumptions and estimates. The commencement of commercial production is defined as the date when the mine is capable of operating in the manner intended by management. The Company considers primarily the following factors, among others, when determining the commencement of commercial production:

- All major capital expenditures to achieve a consistent level of production and desired capacity have been incurred;
- A reasonable period of testing of the mine plant and equipment has been completed;
- A predetermined percentage of design capacity of the mine and mill has been reached; and
- Required production levels, grades and recoveries have been achieved.

m) Exploration and evaluation expenditures

Exploration and evaluation assets are comprised of exploration and evaluation expenditures and acquisition costs for exploration and evaluation assets. Expenditures incurred on activities that precede exploration and evaluation, being all expenditures incurred prior to securing the legal rights to explore an area, are expensed immediately. Exploration and

3. Significant Accounting Policies *(continued)*

evaluation assets include rights in mining properties, paid or acquired through a business combination or an acquisition of assets, and costs related to the initial search for mineral deposits with economic potential or to obtain more information about existing mineral deposits. Mining rights are recorded at acquisition cost less accumulated impairment losses. Mining rights and options to acquire undivided interests in mining rights are depreciated only as these properties are put into commercial production.

Exploration and evaluation expenditures for each separate area of interest are capitalized and include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore like topographical, geological, geochemical and geophysical studies. They also reflect costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration and evaluation or acquired through a business combination or asset acquisition.

Exploration and evaluation expenditures include the cost of:

(i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities;
(ii) determining the optimal methods of extraction and metallurgical and treatment processes;
(iii) studies related to surveying, transportation and infrastructure requirements;
(iv) permitting activities; and
(v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Exploration and evaluation expenditures include overhead expenses directly attributable to the related activities. Exploration and evaluation assets are subject to periodic review for impairment when events or changes in circumstances indicate the project's carrying value may not be recoverable.

Cash flows attributable to capitalized exploration and evaluation costs are classified as investing activities in the consolidated statement of cash flows under the heading *exploration and evaluation*.

n) Provision for environmental rehabilitation

Provision for environmental rehabilitation, restructuring costs and legal claims, where applicable, is recognized when:
(i) The Company has a present legal or constructive obligation as a result of past events.
(ii) It is probable that an outflow of resources will be required to settle the obligation.
(iii) The amount can be reliably estimated.

The provision is measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and is discounted to present value where the effect is material. The increase in the provision due to passage of time is recognized as finance costs. Changes in assumptions or estimates are reflected in the period in which they occur. Provision for environmental rehabilitation represents the legal and constructive obligations associated with the eventual closure of the Company's property, plant and equipment. These obligations consist of costs associated with reclamation and monitoring of activities and the removal of tangible assets. The discount rate used is based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation, excluding the risks for which future cash flow estimates have already been adjusted.

3. Significant Accounting Policies *(continued)*

Reclamation deposits

Reclamation deposits are term deposits held on behalf of the government of the province of British Columbia as collateral for possible rehabilitation activities on the Company's mineral properties in connection with permits required for exploration activities. It also includes the same nature deposit for Utah operations. Reclamation deposits are released once the property is restored to satisfactory condition, or as released under the surety bond agreement. As they are restricted from general use, they are included under other assets on the consolidated statements of financial position.

o) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statements of loss, except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity. In this case, the tax is also recognized in other comprehensive income or loss or directly in equity, respectively.

Current income taxes

The current income tax charge is the expected tax payable on the taxable income for the year, using the tax laws enacted or substantively enacted at the statement of financial position date in the jurisdictions where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates (and laws) that apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

p) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from the proceeds in equity in the period where the transaction occurs.

q) Warrants

When warrants are classified as equity, incremental costs directly attributable to the issuance of warrants are recognized as a deduction from the proceeds in equity in the period where the transaction occurs.

3. Significant Accounting Policies *(continued)*

r) Leases

The Company is committed to long-term lease agreements, mainly for office space and mining equipment. Leases are recognized as a right-of-use asset (presented under *property, plant and equipment* on the consolidated statement of financial position) and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted utilizing the implicit interest rate of the specific lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases (12 months or less) and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss.

s) Share-based compensation

Share option plan

The Company offers a share option plan to its directors, officers, employees and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

Any consideration paid on exercise of share options is credited to share capital. The contributed surplus resulting from share-based compensation is transferred to share capital when the options are exercised.

Deferred and restricted share units

The Company offers a deferred share units ("**DSU**") plan to its directors and a restricted share units ("**RSU**") plan to its officers and employees. DSU may be granted to directors and RSU may be granted to employees and officers as part of their respective long-term compensation package, entitling them to receive a payment in the form of common shares, cash (based on the Company's share price at the relevant time) or a combination of common shares and cash, at the sole discretion of the Company. The fair value of the DSU and RSU granted to be settled in common shares is measured on the grant date and is recognized over the vesting period under contributed surplus with a corresponding charge to share-based compensation. A liability for the DSU and RSU to be settled in cash is measured at fair value on the grant date and is subsequently adjusted at each statement of financial position date for changes in fair value. The liability is recognized over the vesting period with a corresponding charge to share-based compensation.

t) Revenue recognition

Revenues generated from sale of metals is recognized when the Company satisfies the performance obligations associated with the sale. Typically, this is accomplished when control over the metals are passed from the Company to the buyer. Primary factors that indicate the point in time when control has passed to the buyer includes but is not limited to (a) the Company has transferred physical possession and legal title of the asset to the purchaser and (b) the Company has present right to payment.

3. Significant Accounting Policies *(continued)*

u) Contract Liability

Deferred revenue arises on upfront payments received by the Company in consideration for future commitments as specified in its streaming agreements (the “Contract Liability”).

The accounting for a streaming arrangement is dependent on the facts and terms of each agreement. The Company identified significant financing components related to its streaming agreements resulting from the difference in the timing of the upfront consideration received and the promised goods delivered. Interest expense on the Contract Liability (Note 18) is recognized in *Mining interests and plant and equipment*. The interest rate is determined based on the implicit rate in the streaming agreement at the date of inception. The initial consideration received from the streaming arrangements is considered variable, subject to changes in the total gold and silver ounces to be delivered in the future. Changes to variable consideration will be reflected in the consolidated statement of loss.

At each financial reporting date, the Company accrues interest on the financing component of the Contract Liability. The interest accrued increases the balance of the Contract Liability with an offset charged to borrowing costs as part of *Mining interests and plant and equipment*. This interest accrual is not a contractual obligation but is intended to allocate the cost of the streaming agreements over the period it is outstanding. This accrual is a non-cash item and as such is not reported on the consolidated statement of cash flows. Upon commencement of production, the Contract Liability will be brought into revenue over the life of mine. Incremental costs directly attributable to obtaining a contract with a customer are capitalized as other non-current assets. Upon commencement of production, the other non-current assets will be expensed over the life of mine. Such costs are subject to impairment when the remaining amount of consideration to be received exceeds the costs that relate directly to providing the goods that have not been recognized as expenses.

v) Earnings per share

The calculation of earnings per share (“**EPS**”) is based on the weighted average number of shares outstanding for each period. The basic EPS is calculated by dividing the profit or loss attributable to the equity owners of the Company by the weighted average number of common shares outstanding during the period.

The computation of diluted EPS assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. The treasury stock method is used to determine the dilutive effect of the warrants, share options, DSU and RSU. When the Company reports a loss, the diluted net loss per common share is equal to the basic net loss per common share due to the anti-dilutive effect of the outstanding warrants, share options, DSU and RSU.

w) Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer (“**CEO**”) who fulfills the role of the chief decision-maker. The CEO is responsible for allocating resources and assessing performance of the Company’s operating segments. The Company manages its business by the exploration, evaluation and development activities of its projects.

4. New accounting standards and amendments

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. The Company is currently evaluating the impact of these standards and does not expected the impact to be material on the Company’s current or future reporting periods.

5. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Mineral reserves and resources

Mineral reserves are estimates of the amount of minable ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its mineral reserve and mineral resources based on information compiled by Qualified Persons as defined by Canadian Securities Administrators National Instrument 43-101, *Standards for Disclosure of Mineral Projects*. Such information includes geological data on the size, depth and shape of the mineral deposit, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves or resources is based upon factors such as estimates of commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade that comprise the mineral reserves or resources. Changes in the mineral reserve or mineral resource estimates may impact the carrying value of mineral properties and deferred development costs, property, plant and equipment, provision for site reclamation and closure, recognition of deferred income tax assets and depreciation and amortization charges.

Impairment of exploration and evaluation assets, mining interests and plant and equipment

The Company’s accounting policy for exploration and evaluation expenditure results in certain items being capitalized. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalized amount will be written off to the consolidated statement of loss.

Development activities commence after project sanctioning by senior management. Judgement is applied by management in determining when a project has reached a stage at which economically recoverable reserves or resources exist such that development may be sanctioned. In exercising this judgement, management is required to make certain estimates and assumptions similar to those described above for capitalized exploration and evaluation expenditure. Such estimates and assumptions may change as new information becomes available. If, after having started the development activity, a judgement is made that a development asset is impaired, the appropriate amount will be written off to the consolidated statement of loss.

The Company’s recoverability of its recorded value of its exploration and evaluation assets, mining interests and plant and equipment is based on market conditions for metals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale.

5. Critical accounting estimates and judgements *(continued)*

At each reporting date, the Company evaluates each mining property and project on results to date to determine the nature of exploration, other assessment and development work that is warranted in the future. If there is little prospect of future work on a property or project being carried out within a prolonged period from completion of previous activities, the deferred expenditures related to that property or project are written off or written down to the estimated amount recoverable unless there is persuasive evidence that an impairment allowance is not required.

The recoverable amounts of exploration and evaluation assets, mining interests and plant and equipment are determined using the higher of value in use or fair value less costs of disposal. Value in use consists of the net present value of future cash flows expected to be derived from the asset in its current condition based on observable data. The calculations use cash flow projections based on financial budgets approved by management. These cash flow projections are based on expected recoverable ore reserves, grade per ounce, recovery rates, selling prices of metals and operating costs. Fair value less costs of disposal consist of the expected sale price (the amount that a market participant would pay for the asset) of the asset net of transaction costs.

The Company may use other approaches in determining the fair value which may include estimates related to (i) dollar value per ounce of mineral reserve/resource; (ii) cash-flow multiples; (iii) market capitalization of comparable assets; and (iv) comparable sales transactions. Any changes in the quality and quantity of recoverable ore reserves, expected selling prices and operating costs could materially affect the estimated fair value of mining interests, which could result in material write-downs or write-offs in the future.

The recent market conditions, industry cost pressures and current inflationary environment are considered as indicators of impairment, among other facts and circumstances and, accordingly, management of Osisko Development performed an impairment assessment on all its projects. The Company tested its Cash Generating Units (**CGU**), for impairment, and determined the recoverable amounts exceeded the carrying amounts. The Company's assessments reflected a number of significant management assumptions and estimates relating to future cash flows projections and discount rate. Changes in these assumptions could impact the Company's conclusion in future reporting.

Provision for environmental rehabilitation

Provision for environmental rehabilitation is based on management best estimates and assumptions, which management believes are a reasonable basis upon which to estimate the future liability, based on the current economic environment. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, rehabilitation standards and techniques will result in changes to the provision from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the costs are actually incurred. The final cost of the rehabilitation provision may be higher or lower than currently provided for.

Accounting for streaming arrangements

The Company entered into stream agreements on November 20, 2020 and September 26, 2022 (Note 18). The classification of the deposit as a contract liability is a key judgment and is based on the expected delivery of the Company's future production. Management exercised judgment in applying the accounting standard IFRS 15 *Revenue from contracts with customers*. To determine the transaction price for the stream agreement, the Company made estimates with respect to the estimated timing and value of future deliveries in order to determine the interest implicit rate for each agreement.

Inventory measurement - stockpiles

Management's experts use judgment to determine the quantity of metal contained in stockpiles by estimating the ore grade and volume. The stockpiles inventory value is management's best estimate given the information obtained by independent experts at the balance sheet date. Significant changes in the grade or volume of the stockpile could materially affect the estimated value of the stockpiles, which could result in material write-offs in the future.

5. Critical accounting estimates and judgements *(continued)*

Critical judgements in applying the Company's accounting policies

Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment as it relies on the company's estimation of future cash flows for the 12 month period from the financial statement date, and the availability of funds to meet those cash flow requirements. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events and budgeted expenditures (approved by the Board) that are believed to be reasonable under the circumstances.

Business combinations

The assessment of whether an acquisition meets the definition of a business, or whether assets are acquired is an area of key judgement. The assumptions and estimates with respect to determining the fair value of assets acquired and liabilities assumed, and exploration and evaluation properties, generally requires a high degree of judgement. Changes in the judgements made could impact the amounts assigned to assets and liabilities.

Investee – significant influence

The assessment of whether the Company has a significant influence over an investee requires the use of judgements when assessing factors that could give rise to a significant influence. Factors which could lead to the conclusion of having a significant influence over an investee include, but are not limited to, ownership percentage; representation on the board of directors; participation in the policy-making process; material transactions between the investor and the investee; interchange of managerial personnel; provision of essential technical information; and potential voting rights.

Changes in the judgements used in determining if the Company has a significant influence over an investee would impact the accounting treatment of the investment in the investee.

Impairment of investments in associates

The Company follows the guidance of IAS 28 *Investments in Associates and Joint Ventures* to assess whether there are impairment indicators which may lead to the recognition of an impairment loss with respect to its net investment in an associate. This determination requires significant judgement in evaluating if a decline in fair value is significant or prolonged, which triggers a formal impairment test. In making this judgement, the Company'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.

Impairment of exploration and evaluation assets

Assessment of impairment of exploration and evaluation assets (including exploration and evaluation assets under a farm-out agreement) requires the use of judgements when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Company's exploration and evaluation assets. Factors which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or will expire in the near future, and is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale; significant negative industry or economic trends; interruptions in exploration and evaluation activities by the Company; and a significant change in current or forecast commodity prices.

Changes in the judgements used in determining the fair value of the exploration and evaluation assets could impact the impairment analysis.

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

5. Critical accounting estimates and judgements *(continued)*

Taxes recoverable

The Company incurs significant expenditures on which sales and indirect taxes (Canada and USA) and value-added taxes (Mexico) is paid. The Company can claim a 100% refund of taxes paid on allowable expenditure.

As a result of the Company's limited operating history, management currently estimates 100% collectability of the taxes receivable balances and anticipates the collection within 12 months in Canada and USA, and 36 months in Mexico of incurring the associated expenditure once the Company begins with the refund process. It is possible however, that the refund requests may be delayed, reduced or denied by the respective taxation authorities. Management assesses collectability and classification of the asset at each reporting period.

Deferred income tax assets

Management continually evaluates the likelihood that it is probable that its deferred tax assets will be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgement.

6. Acquisition of Tintic Consolidated Metals LLC

On May 27, 2022, the Company completed its previously announced acquisition of Tintic Consolidated Metals LLC, which owns the producing Trixie test mine, as well as mineral claims in central Utah's historic Tintic Mining District (the "Tintic Transaction").

Under the terms of the Tintic Transaction, the Company funded the acquisition through:

(i) the issuance of 12,049,449 common shares of Osisko Development;
(ii) aggregate cash payments of approximately US$58.7 million ($74.7million)
(iii) the issuance of an aggregate of 2% NSR royalties, with a 50% buyback right in favour of Osisko Development exercisable within five years;
(iv) US$12.5 million in deferred payments ($15.9 million); and
(v) the granting of certain other contingent payments, rights and obligations.

During the year ended December 31, 2022, transaction costs related to the acquisition were expensed under general and administrative expenses and amounted to approximately $6.4 million for the year. The total consideration paid amounted to approximately US$156.6 million ($199.5 million).

In accordance with IFRS 3, *Business Combinations*, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs, and processes. The acquisition of Tintic meets the definition of a business combination as Tintic generates revenues and has processes. Consequently, the transaction has been recorded as a business combination.

The table below presents the purchase price allocation for the acquisition:

Consideration paid	**$**
Issuance of 12,049,449 common shares of Osisko Development	109,656
Cash	63,881
Convertible instruments (i)	10,827
Fair value of deferred consideration of US$12.5 million	13,414
Fair value of other contingent payments, rights and obligations	1,695
	199,473

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

6. Acquisition of Tintic Consolidated Metals LLC (*continued*)

Net assets acquired	**$**
Cash	871
Other current assets	1,834
Mining assets	169,175
Plant and equipment	13,054
Exploration and evaluation	38,508
Other non-current assets	1,735
Current liabilities	(1,322)
Non-current liabilities	(4,925)
Deferred income tax liability	(19,457)
	199,473

(i) Represents the convertible instruments amounting to US$8.5 million ($10.8 million) issued to the sellers prior to the closing of the Tintic Transaction, which were part of the acquisition price.

For the year ended December 31, 2022, the revenues and net earnings (losses) of the acquiree included in the consolidated statement of loss amounted respectively to $22.7 million and $1.4 million.

7. Cash

As at December 31, 2022 and 2021, the consolidated cash position was as follows:

	2022	2021
	$	$
Cash held in Canadian dollars	**32,444**	**9,962**
Cash held in U.S. dollars	54,242	15,810
Cash held in U.S. dollars (Canadian equivalent)	**73,465**	**20,043**
Cash held in Mexican Pesos	565	54,799
Cash held in Mexican Pesos (Canadian equivalent)	**35**	**3,402**
Total cash	**105,944**	**33,407**

8. Amounts receivable

	2022	2021
	$	$
Trade receivables	**1,777**	499
Exploration tax credits	**8,360**	6,648
Sales taxes	**889**	803
Other	**20**	1
	11,046	7,951

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

9. Inventories

	2022	2021
	$	$
Ore in stockpiles	**5,943**	4,194
Tailings	**2,616**	-
Gold-in-circuit inventory	**4,451**	8,638
Refined precious metals	**37**	1,113
Supplies and other	**4,594**	4,651
Total inventories	**17,641**	18,596

Refined precious metals, gold-in-circuit and ore in stockpiles are measured at the lower of weighted average production cost and net realizable value. Net realizable value is calculated as the difference between the estimated selling price and estimated costs to complete processing into a saleable form plus variable selling expenses. Production costs include the cost of materials, labour, mine site production overheads and depreciation to the applicable stage of processing

10. Investments in associates & other investments

Investments in associates

	2022	2021
	$	$
Balance – Beginning of year	**12,964**	9,636
Acquisitions	**-**	1,748
Exercise of warrants	**-**	1,437
Transfer to Other investments	**(15,344)**	-
Share of loss and comprehensive loss, net	**(641)**	(1,703)
Net gain on ownership dilution	**-**	1,846
Gain on deemed disposal(i)	**11,854**	-
Balance – End of year	**8,833**	12,964

(i) In 2022, the gain on deemed disposal is related to an investment in an associate that was transferred to *other assets* as the Company has considered that it has lost its significant influence over the investee.

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

10. Investments in associates & other investments *(continued)*

Other investments

	2022	2021
	$	**$**
Fair value through profit or loss (warrants & convertible loan)		
Balance – Beginning of year	**6,952**	1,892
Acquisitions	**4,438**	6,915
Exercises	**(117)**	(1,122)
Acquisition of Tintic (Note 6)	**(10,827)**	-
Change in fair value	**(480)**	(733)
Foreign exchange	**52**	-
Balance – End of year	**18**	6,952
Fair value through other comprehensive income (shares)		
Balance – Beginning of year	**42,564**	98,616
Acquisitions	**329**	2,850
Disposals	**(22,585)**	(43,055)
Change in fair value	**(1,849)**	(15,847)
Transfer from associates	**15,342**	-
Balance – End of year	**33,801**	42,564
Total	**33,819**	49,516

Other investments comprise of common shares and warrants, almost exclusively from Canadian publicly traded companies.

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

11. Mining interests

	2022	2021
	$	$
Cost – Beginning of year	**475,621**	385,802
Acquisition of Tintic	**169,175**	-
Additions	**49,297**	136,492
Mining tax credit	**(6,404)**	(1,585)
Asset retirement obligation	**9,248**	19,522
Depreciation capitalized	**1,141**	4,136
Share-based compensation capitalized	**530**	2,127
Transfers	**-**	(11,221)
Impairment	**(140,000)**	(58,417)
Other adjustments	**5,579**	585
Currency translation adjustments	**19,482**	(1,820)
Cost – End of year	**583,669**	475,621
Accumulated depreciation – Beginning of year	**-**	-
Depreciation	**2,964**	-
Currency translation adjustments	**226**	-
Accumulated depreciation – End of year	**3,190**	-
Cost	**583,669**	475,621
Accumulated depreciation	**(3,190)**	-
Net book value	**580,479**	475,621

Osisko Gold Royalties Ltd (former parent) holds a 5% NSR royalty on the Cariboo and Bonanza Ledge properties, owned by Barkerville, and a 15% gold and silver stream on the San Antonio and Tintic properties. The Cariboo and Bonanza Ledge properties 5% NSR royalty is perpetual and is secured by a debenture on all of Barkerville movable and immovable assets, including Barkerville's interest in the property and mineral rights, in an amount of not less than $150 million. The security shall be first ranking, subject to permitted encumbrances.

The recent market conditions, industry cost pressures and current inflationary environment were considered as indicators of impairment, among other facts and circumstances and, accordingly, management of Osisko Development performed an impairment assessment on all its projects. The Company tested its Cash Generating Units (**CGU**), for impairment, and two impairments were recorded during the year. The Company's assessments reflected a number of significant management assumptions and estimates relating to future cash flows projections and discount rate. Changes in these assumptions could impact the Company's conclusion in future reporting.

On September 30, 2022, an impairment charge of $81.0 million on the San Antonio gold project was recorded and the net assets of the San Antonio gold project were written down to its net estimated recoverable amount (including mining interest and property, plant and equipment) of $35.0 million which was determined by the value-in-use using a discounted cash-flows approach and reflected as an impairment of Mining Interests. The main valuation inputs used were the cash flows expected to be generated by the production and sale of gold from the San Antonio gold project over the estimated life of the mine, based on the expected long-term gold price per ounce costs inflation forecast and the pre-tax real discount rate of 19.9% applied to the cash flow projections. A sensitivity analysis was performed by management of Osisko Development for the long-term gold price and the pre-tax real discount rate, using reasonably possible changes to these key assumptions. If the long-term gold price per ounce applied to the cash flow projections had been 10% lower than management's estimates, Osisko Development would have recognized an additional impairment charge of $35.0 million. If the pre-tax real discount rate applied to the cash flow

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

11. Mining Interests *(continued)*

projections had been 100 basis points higher than management's estimates, Osisko Development would have recognized an additional impairment charge of $5.8 million.

On December 31, 2022, an impairment charge of $59 million on the Cariboo gold project was recorded and the net assets of the Cariboo gold project were written down to its net estimated recoverable amount (including mining interest and property, plant and equipment) of $435.7 million which was determined by the value-in-use using a discounted cash-flows approach and reflected as an impairment of Mining Interests. The main valuation inputs used were the cash flows expected to be generated by the production and sale of gold from the Cariboo gold project over the estimated life of the mine, based on the expected long-term gold price per ounce costs inflation forecast and the pre-tax real discount rate of 12.6% applied to the cash flow projections. A sensitivity analysis was performed by management of Osisko Development for the long-term gold price and the pre-tax real discount rate, using reasonably possible changes to these key assumptions. If the long-term gold price per ounce applied to the cash flow projections had been 10% lower than management's estimates, Osisko Development would have recognized an additional impairment charge of $193.0 million. If the pre-tax real discount rate applied to the cash flow projections had been 100 basis points higher than management's estimates, Osisko Development would have recognized an additional impairment charge of $55.7 million.

12. Property, plant and equipment

	Land and Buildings	Machinery and Equipment	Construction-in-progress	2022	2021
	$	$	$	$	$
Cost– Beginning of year	18,859	50,133	24,249	**93,241**	25,713
Acquisition of Tintic	7,594	5,460	-	**13,054**	-
Additions	2,265	22,675	4,469	**29,409**	58,153
Disposals	-	(1,351)	-	**(1,351)**	(166)
Write-off	(210)	(5,211)	(34)	**(5,455)**	(4,293)
Other adjustments	(896)	-	-	**(896)**	2,506
Transfers	-	5,945	(5,945)	**-**	11,221
Currency translation adjustments	368	2,557	982	**3,907**	107
Cost – End of year	27,980	80,208	23,721	**131,909**	93,241
Accumulated depreciation – Beginning of year	2,385	7,144	-	**9,529**	4,515
Depreciation	2,108	10,761	-	**12,869**	6,754
Disposal	-	(192)	-	**(192)**	-
Other adjustments	-	-	-	**-**	2,496
Write-off	-	(2,687)	-	**(2,687)**	(4,236)
Currency translation adjustments	(25)	719	-	**694**	-
Accumulated depreciation – End of year	4,468	15,745	-	**20,213**	9,529
Cost	27,980	80,208	23,721	**131,909**	93,241
Accumulated depreciation	(4,468)	(15,745)	-	**(20,213)**	(9,529)
Net book value	23,512	64,463	23,721	**111,696**	83,712

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

12. Property, plant and equipment *(continued)*

Property, plant and equipment includes right-of-use assets with a net carrying value of $3.8 million as at December 31, 2022 ($12.9 million as at December 31, 2021).

13. Exploration and evaluation

	2022	2021
	$	$
Net book value - Beginning of year	**3,635**	41,870
Acquisition of Tintic	**38,508**	-
Additions	**10,786**	3,783
Depreciation capitalized	**80**	-
Impairment	**-**	(42,018)
Other adjustments	**(460)**	-
Currency translation adjustments	**2,577**	-
Net book value – End of year	**55,126**	3,635
Cost	**155,333**	103,842
Accumulated impairment	**(100,207)**	(100,207)
Net book value – End of year	**55,126**	3,635

14. Other assets

	2022	2021
	$	$
Taxes recoverable[1]	**17,467**	11,371
Reclamation Deposits	**16,761**	1,103
Other	**2,766**	3,777
	36,994	16,251

[1]Relates to value-added tax recoverable generated from the Company's operations in Mexico. These amounts are non-interest bearing and are generally settled within 36 months from the date the refunds are submitted to the authorities. For the year ended December 31, 2022, no provision expense was recorded on VAT receivables (2021: nil).

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

15. Accounts payable and accrued liabilities

	2022	2021
	$	$
Trade payables	**18,057**	11,756
Other payables	**5,005**	5,335
Income taxes payable	**716**	65
Accrued liabilities	**7,328**	7,961
	31,106	25,117

16. Long-term debt

	2022	2021
	$	$
Balance – Beginning of year	**3,764**	-
Additions- mining equipment financing	**17,772**	4,015
Repayment of liabilities	**(4,860)**	(251)
Currency translation adjustments	**243**	-
Balance – End of year	**16,919**	3,764
Current long-term debt	**4,663**	1,610
Non-current long-term debt	**12,256**	2,154
	16,919	3,764

The Company financed a portion of the mining equipment acquisitions with third parties. The loans are guaranteed by the mining equipment and are payable in monthly instalments over the following periods:

	Less than 1 year	1-2 years	3-4 years
	$	$	$
Total payments	**4,662**	**11,734**	**523**

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

17. Lease liabilities

	2022	2021
	$	**$**
Balance – Beginning of year	**9,866**	2,035
Acquisition of Tintic	**325**	-
Additions	**1,328**	13,576
Repayment of liabilities	**(6,945)**	(5,745)
Lease modifications and extinguishment	**(2,418)**	-
Currency translation adjustments	**14**	-
Balance – End of year	**2,170**	9,866
Current liabilities	**1,208**	8,104
Non-current liabilities	**962**	1,762
	2,170	9,866

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

18. Contract liability

On November 20, 2020, the Company's wholly owned subsidiary Sapuchi completed a gold and silver stream agreement with Osisko Bermuda Ltd, a subsidiary of Osisko Gold Royalties for US$15.0 million ($19.1 million). An amount of US$10.5 million was contributed in November 2020 and the remaining US$4.5 million was paid in February 2021.

Under the terms of the stream agreement, Osisko Bermuda Ltd will purchase 15% of the payable gold and silver from the San Antonio gold project at a price equal to 15% of the daily per ounce gold and silver market price. The initial term of the stream agreement is for 40 years and can be renewed for successive 10-year periods. The stream is also secured with (i) a first priority lien in all of the collateral now owned or hereafter acquired; (ii) a pledge by Osisko Development of its shares of Sapuchi Minera Holdings Two B.V. and (iii) a guarantee by Osisko Development. The interest rate used to calculate the accretion on the contract liability's financing component is 24%.

On September 26, 2022, Tintic completed a metals stream agreement with Osisko Bermuda Ltd, for US$20 million ($26.1 million).

Under the terms of the stream agreement, Osisko Bermuda Ltd will receive 2.5% of the refined metal production from Tintic until 27,150 ounces of refined gold have been delivered, and thereafter Osisko Bermuda Ltd will receive 2.0% of the refined metal production from Tintic. Osisko Bermuda Ltd will make ongoing cash payments to Tintic equal to 25% of the applicable spot metal price on the business day immediately preceding the date of delivery for each ounce of refined metal delivered pursuant to the stream agreement. The interest rate used to calculate the accretion on the contract liability's financing component is 5%.

The movement of the contract liability is as follows:

	2022	**2021**
	$	**$**
Balance – Beginning of year	**24,820**	14,007
Deposits	**26,112**	5,652
Amortization of the contract	**(2,792)**	-
Accretion on the contract liability's financing component	**7,377**	5,169
Cumulative catch-up adjustment	**(4,362)**	507
Currency translation adjustment	**4,038**	(515)
Balance – End of year	**55,193**	24,820
Current liabilities	**941**	3,822
Non-current liabilities	**54,252**	20,998
	55,193	24,820

Under IFRS 15, the stream agreements are considered to have a significant financing component. The Company therefore records notional non-cash interest, which is subject to capitalization into *Mining interests*, as borrowing costs.

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

19. Flow-through shares liability

	2022	2021
	$	$
Balance – Beginning of year	**914**	-
Deferred premium on flow-through shares issued, net of share issue costs	**-**	7,885
Recognition of deferred premium on flow-through share	**(914)**	(6,971)
Balance – End of year	**-**	914

As at December 31, 2022, the balance remaining of qualified Canadian exploration expenses to be spent is $nil.

20. Environmental rehabilitation provision

	2022	2021
	$	$
Balance – Beginning of year	**53,236**	34,601
Acquisition of Tintic	**4,599**	-
New liabilities	**22,353**	20,433
Revision of estimates	**(5,637)**	(1,457)
Accretion expense	**3,223**	1,192
Settlement of liabilities / payment of liabilities	**(3,409)**	(1,240)
Currency translation adjustment	**1,405**	(293)
Balance – End of year	**75,770**	53,236
Current liabilities	**9,738**	2,287
Non-current liabilities	**66,032**	50,949
	75,770	53,236

The environmental rehabilitation provision represents the legal and contractual obligations associated with the eventual closure of the Company's mining interests, property, plant and equipment and exploration and evaluation assets. As at December 31, 2022, the estimated inflation-adjusted undiscounted cash flows required to settle the environmental rehabilitation amounts to $87 million. The weighted average actualization rate used is 3.88% and the disbursements are expected to be made between 2023 and 2030 as per the current closure plans.

21. Share capital and warrants

Shares

Authorized: unlimited number of common shares, without par value

Issued and fully paid: 75,629,849 common shares

21. Share Capital and warrants *(continued)*

The common shares outstanding presented have been adjusted to reflect the effect of the 3:1 share consolidation that took place on May 4, 2022. Common share, warrants and per share amounts have been adjusted for the 3:1 share consolidation unless noted otherwise.

2022 Brokered private placement

On March 2, 2022, the Company completed a brokered private placement issuing 9,525,850 brokered units at a price of $4.45 for gross proceeds of $42.4 million (the "**Brokered Units**") and 13,732,900 brokered subscription receipts at a price of $4.45 for gross escrowed proceeds of $61.1 million (the "**Brokered Subscription Receipts**" and together with the Brokered Units, the "**Brokered Private Placement**"), on a pre-share consolidation basis. Each Brokered Unit is comprised of one common share and one warrant, with each warrant entitling the holder to purchase one additional common share at a price of $22.80 ($7.60 pre-share consolidation) per common share for a period of 5 years following the closing date of the Brokered Private Placement. On May 30, 2022, Brokered Subscription Receipt holders received one Brokered Unit for each Brokered Subscription Receipt, upon the Company satisfying all conditions precedent to the Tintic acquisition (the "**Brokered Escrow Release Condition**"). Total common share and warrants issued under the Brokered Private Placement on a post share consolidation basis amount each to 7,752,917. Issuance costs related to the Brokered Units issued amounted to $3.5 million and have been allocated against the common shares and warrants issued. The fair value of the warrants issued was evaluated using the residual method and were valued at $1.6 million, net of issuance costs.

2022 Non-Brokered private placements

The Company completed three tranches of a non-brokered private placement, issuing non-brokered subscription receipts at a price of US$3.50 ("**Non-Brokered Subscription Receipts**") (i) the first tranche closed on March 4, 2022 issuing 24,215,099 Non-Brokered Subscription Receipts for gross proceeds of US$84.8 million (CA$108 million) (ii) the second tranche closing on March 29, 2022 issuing 9,365,689 Non-Brokered Subscription Receipts for gross proceeds of US$32.8 million (CA$41.8 million), and (iii) the third tranche closing on April 21, 2022 issuing 512,980 Non-Brokered Subscription Receipts for gross proceeds of US$1.8 million (CA$2.3 million) (collectively, the "**Non-Brokered Private Placement**"), on a pre-share consolidation basis.

On May 27, 2022, each Non-Brokered Subscription Receipt holder received one Unit, upon the listing of Osisko Development's common shares on the NYSE (the "**Non-Brokered Escrow Release Condition**"). Each Unit is comprised of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of USD$18.00 (USD$6.00 pre-share consolidation) per common share for a period of 5 years from the date of issue ("**Unit**"). Total common share and warrants issued under the Non-Brokered Private Placement on a post share consolidation basis amount each to 11,363,933.

These warrants include an embedded derivative as they are exercisable in U.S. dollars and, therefore, fail the "fixed for fixed" requirements prescribed in IAS 32 *Financial Instruments: presentation*. As a result, they are classified as a liability and measured at fair value. Their value was estimated at $39.8 million on the issue date using the Black-Scholes model and they are presented as a non-current liability on the consolidated statement of financial position. The liability is revalued at its estimated fair value using the Black-Scholes model at the end of each reporting period, and the variation in the fair value is recognized on the consolidated statements of loss under *other gains (losses), net*. All securities issued under the Non-brokered Private Placement are subject to a hold period expiring four months and one day from the closing date.

For the year ended December 31, 2022, the Company recognized an unrealized gain of $25 million on the fair value adjustment of the warrant liability respectively. Issuance costs allocated to common shares amounted to $2.8 million. For the year ended December 31, 2022, the Company recorded in other income in the consolidated statement of loss $1 million of issuance costs allocated to the warrants.

In absence of quoted market prices, the valuation of the warrants exercisable in USD, when granted and re-measured at fair value is determined by the Black-Scholes option pricing model based on the following range of assumptions:

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

21. Share Capital and warrants *(continued)*

	May 27, 2022	December 31, 2022
Dividend per share	-	-
Expected volatility	69%	69%
Risk-free interest rate	4%	2.7%
Expected life	4.4 years	5 years
Share price USD	$4.30	$7.15

2021 Non-brokered private placement

In January and February 2021, Osisko Development closed the first and final tranches respectively of a non-brokered private placement for 3,620,732 units of Osisko Development at a price of $7.50 per unit (or the Canadian dollar equivalent of US$5.75 per unit) for aggregate gross proceeds of approximately $79.8 million, on a pre-share consolidation basis. Each unit consists of one common share of Osisko Development and one-half of one common share purchase warrant of Osisko Development, with each whole warrant entitling the holder thereof to acquire one common share of Osisko Development at a price of $30.00 per share ($10.00 per share pre-consolidation) (or the prevailing U.S. dollar equivalent at the time of exercise) on or prior to December 1, 2023. Share issue expenses related to this private placement amounted to $1.1 million.

2021 Flow-Through and Charity Flow-Through financing

In March 2021, the Company closed a bought deal private placement of: (i) 2,055,742 flow-through shares ("**FT Shares**") of the Company at a price of $9.05 per FT Shares; and (ii) 1,334,500 charity flow-through shares of the Company ("**Charity FT Shares**") at a price of $11.24 per Charity FT Share, for aggregate gross proceeds of $33.6 million, on a pre-share consolidation basis. The carrying value of the FT shares and the Charity FT shares is presented net of the liability related to the premium on FT shares of $7.9 million, which was recorded at the date of the issuance of the FT shares and the Charity FT shares. Share issue expenses related to this private placement amounted to $1.5 million.

Employee Share Purchase Plan

The Company offers an employee share purchase plan to its employees. Under the terms of the plan, the Company contributes an amount equal to 60% of the eligible employee's contribution towards the acquisition of common shares from treasury on a quarterly basis. Under this plan, no employee shall acquire common shares which exceed 10% of the issued and outstanding common shares of the issuer at the time of the purchase of the common shares.

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

21. Share Capital and warrants *(continued)*

Warrants

The following table summarizes the Company's movements for the warrants outstanding:

	December 31, 2022		December 31, 2021	
	Number of Warrants(i)	Weighted average exercise price	Number of Warrants(i)	Weighted average exercise price
		$		$
Balance – Beginning of period	**4,929,791**	**30.00**	3,119,508	30.00
Issued – Brokered private placement	**7,752,917**	**22.80**	-	-
Issued – Non-brokered private placement(ii)	**11,363,932**	**13.53**	1,810,283	30.00
Warrants Expired	**(4,929,791)**	**30.00**	-	-
Balance – End of period	**19,116,849**	**17.29**	4,929,791	30.00

The warrants have a maturity date of March 2, 2027.

(i) The number of warrants presented have been adjusted to reflect the effect of the 3:1 share consolidation that took place on May 4, 2022.
(ii) Exercise price of warrants issued in non-brokered private placement is in USD.

22. Share-based compensation

Share options

The Company offers a share option plan to directors, officers, management, employees and consultants.

The following table summarizes information about the movement of the share options outstanding under the Company's plan:

	December 31, 2022		December 31, 2021	
	Number of options(i)	Weighted average exercise price	Number of options(i)	Weighted average exercise price
		$		$
Balance – Beginning of period	**697,841**	**21.21**	399,697	22.86
Granted	**1,245,400**	**6.43**	335,176	19.40
Forfeited	**(130,791)**	**14.74**	(37,032)	22.66
Balance – End of period	**1,812,450**	**11.52**	697,841	21.21
Options exercisable – End of period	**205,229**	**21.32**	-	-

(i) The number of options presented have been adjusted to reflect the effect of the 3:1 share consolidation that took place on May 4, 2022.

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

22. Share-based compensation *(continued)*

The following table summarizes the share options outstanding as at December 31, 2022:

			Options outstanding
Grant date	Number(i)	Exercise price	Weighted average remaining contractual life (years)
		$	
December 22, 2020	336,131	22.86	2.98
February 5, 2021	10,533	24.30	3.10
June 23, 2021	167,585	21.30	3.48
August 16, 2021	48,276	16.89	3.62
November 12, 2021	53,125	16.20	3.87
June 30, 2022	871,300	6.49	4.50
November 18, 2022	325,500	6.28	4.88
	1,812,450	**11.52**	**4.14**

The number of options presented have been adjusted to reflect the effect of the 3:1 share consolidation that took place on May 4, 2022.

The options, when granted, are accounted for at their fair value determined by the Black-Scholes option pricing model based on the vesting period and on the following weighted average assumptions:

	December 31, 2022	December 31, 2021
Dividend per share	-	-
Expected volatility	**64%**	66%
Risk-free interest rate	**3.3%**	0.9%
Expected life	**47 months**	45 months
Weighted average share price	**$6.43**	$19.40
Weighted average fair value of options granted	**$3.27**	$9.49

The expected volatility is estimated by benchmarking with companies having businesses similar to Osisko Development. The historical volatility of the common share price of these companies was used for benchmarking back from the date of grant and for a period corresponding to the expected life of the options.

The fair value of the share options is recognized as compensation expense over the vesting period. During the year ended December 31, 2022, the total share-based compensation related to share options granted under the Osisko Development's plan amounted to $2.9 million ($1.1 million for the year ended December 31, 2021).

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

22. Share-based compensation *(continued)*

Deferred and restricted share units ("DSU" and "RSU")

The following table summarizes information about the DSU and RSU movements:

	December 31, 2022		December 31, 2021	
	DSU(i)	RSU	DSU(i)	RSU
Balance – Beginning of period	**79,781**	**345,377**	56,873	-
Granted	**137,528**	**794,500**	22,908	199,649
Replacement RSU granted(ii)	**-**	**-**	-	152,816
Settled	**(10,883)**	**(49,118)**	-	-
Forfeited	**-**	**(36,565)**	-	(7,088)
Balance – End of period(iii)	**206,426**	**1,054,194**	79,781	345,377
Balance – Vested	**68,898**	-	-	-

(i) Unless otherwise decided by the board of directors of the Company, the DSU vest the day prior to the next annual general meeting and are payable in common shares, cash or a combination of common shares and cash, at the sole discretion of the Company, to each director when he or she leaves the board or is not re-elected. The value of the payout is determined by multiplying the number of DSU expected to be vested at the payout date by the closing price of the Company's shares on the day prior to the grant date. The fair value is recognized over the vesting period. On the settlement date, one common share will be issued for each DSU, after deducting any income taxes payable on the benefit earned by the director that must be remitted by the Company to the tax authorities.

(ii) Following the launch of Osisko Development, Osisko Gold Royalties and Osisko Development mutually agreed that a pro-rata portion of the outstanding long-term equity incentive compensation awarded by Osisko Gold Royalties to their employees that transferred to Osisko Development would be exchanged for restricted shares units of Osisko Development ("**Replacement RSU**") and the related Osisko Gold Royalties RSUs would be cancelled. Accordingly, on June 1, 2021, 458,450 Replacement RSU were granted to officers and employees who held Osisko Gold Royalties RSUs that were cancelled. The maturity date is the same as the maturity date of the corresponding Osisko Gold Royalties RSUs cancelled. Replacement RSUs are payable in common shares, cash or a combination of common shares and cash, at the sole discretion of the Company. The remaining RSUs granted vest and are payable in common shares, cash or a combination of common shares and cash, at the sole discretion of the Company, three years after the grant date, one half of which depends on the achievement of certain performance measures.

(iii) The number of DSU/RSU presented have been adjusted to reflect the effect of the 3:1 share consolidation that took place on May 4, 2022.

The total share-based compensation expense related to the Osisko Development's DSU and RSU plans for the year ended December 31, 2022 amounted to $4 million ($1 million for the year ended December 31, 2021).

Based on the closing price of the common shares at December 31, 2022 ($5.77), and considering a marginal income tax rate of 53.3%, the estimated amount that Osisko Development is expected to transfer to the tax authorities to settle the employees' tax obligations related to the vested RSU and DSU to be settled in equity amounts to $0.2 million (nil as at December 31, 2021) and to $3.9 million based on all RSU and DSU outstanding ($2.8 million as at December 31, 2021).

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

23. Income taxes

(a) Income tax expense

The income tax recorded in the consolidated statements of loss for the years ended December 31, 2022 and 2021 is presented as follows:

	2022	2021
	$	$
Current income tax		
Expense for the year	-	-
Current income tax expense	-	-
Deferred income tax		
Origination and reversal of temporary differences	(63,178)	(33,018)
Change in unrecognized deductible temporary differences	63,051	20,417
Other	1,833	(370)
Deferred income tax (expense) recovery	(1,706)	(12,971)
Income tax (expense) recovery	(1,706)	(12,971)

The provision for income taxes presented in the consolidated statements of loss differs from the amount that would arise using the statutory income tax rate applicable to income of the entities, as a result of the following:

	2022	2021
	$	$
Loss before income taxes	(190,754)	(146,273)
Income tax provision calculated using the Canadian federal and provincial statutory income tax rate	(50,550)	(38,762)
Increase in income taxes resulting from:		
Non-deductible expenses, net	(291)	653
(Non-deductible) non-taxable portion of capital losses, net	(8,202)	(185)
Share of equity associate loss	78	230
Change in unrecognized deferred tax assets	63,051	20,417
Differences in foreign statutory tax rates	(3,970)	(1,128)
Deferred premium on flow-through shares	810	(1,847)
Effect of flow-through shares renunciation	(1,052)	8,021
Other	1,832	(370)
Total income tax expense (recovery)	1,706	(12,971)

The 2022 and 2021 Canadian federal and provincial statutory income tax rate is 26.5%.

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

23. Income Taxes *(continued)*

(b) Deferred income taxes

The components that give rise to deferred income tax assets and liabilities are as follows:

	2022	2021
	$	$
Deferred tax assets:		
Non-capital losses	929	-
Deferred and restricted share units	29	-
Other	8,209	
Deferred tax assets	9,167	-
Deferred tax liabilities:		
Property, Plant & Equipment	(3,873)	-
Stream Interest	(28,823)	
Investments	-	(1,205)
Other	(45)	
Deferred tax liability	(32,741)	(1,205)
Deferred tax liability, net	(23,574)	(1,205)

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

23. Income Taxes *(continued)*

The 2022 movement for deferred tax assets and deferred tax liabilities may be summarized as follows:

	Dec. 31, 2021	Statement of income (loss)	Other comprehensive income	Translation adjustment	Business combination	Dec. 31, 2022
	$	$	$	$	$	$
Deferred tax assets:						
Non-capital losses	-	937	-	(8)	-	929
Deferred and restricted share units	-	56	-	(2)	(25)	29
Other assets	-	5,053	-	116	3,040	8,209
Deferred tax liabilities:						
Investments	(1,205)	1,205	-	-	-	-
Stream interests	-	(6,429)	-	(1,040)	(21,354)	(28,823)
Property, Plant, & Equipment	-	(2,528)	-	(44)	(1,301)	(3,873)
Other Liabilities	-	-	-	(2)	(43)	(45)
	(1,205)	(1,706)	-	(980)	(19,684)	(23,574)

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

23. Income Taxes *(continue*

The 2021 movement for deferred tax assets and deferred tax liabilities may be summarized as follows:

	Dec. 31, 2020	Statement Of income (loss)	Equity	Other comprehensive income	Dec. 31, 2021
	$	$	$	$	$
Deferred tax assets:					
Non-capital losses	510	(510)	-	-	-
Share and debt issue expenses	1,505	28	(1,533)	-	-
Deferred tax liabilities:					
Exploration and evaluation assets	(8,188)	8,188	-	-	-
Investments	(8,126)	5,265	-	1,656	(1,205)
	(14,299)	12,971	(1,533)	1,656	(1,205)

(c) Unrecognized deferred tax liabilities

The aggregate amount of taxable temporary differences associated with investments in subsidiaries, for which deferred tax liabilities have not been recognized as at December 31, 2022 is $28.2 million ($24 million as at December 31, 2021). No deferred tax liabilities are recognized on the temporary differences associated with investment in subsidiaries because the company controls the timing of reversal, and it is not probable that they will reverse in the foreseeable future.

(d) Unrecognized deferred tax assets

As at December 31, 2022, the Company had temporary difference with a tax benefit of $128 million (2021 - $75.2 million) which are not recognized as deferred tax assets. The Company recognizes the benefit of tax attributes only to the extent of anticipated future taxable income that can be reduced by these tax attributes.

	2022	2021
	$	$
Non-capital losses carried forward	**116,656**	64,650
Mineral stream interests – Mexico	**8,789**	7,446
Unrealized losses on investments in associates	**3,124**	1,367
Other	**156**	1,694
	128,725	75,157

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

24. Cost of sales and other operating costs

	2022	2021
	$	$
Salaries and benefits	**17,624**	3,392
Share-based compensation	**294**	-
Royalties	**1,475**	386
Contract Services	**40,890**	6,761
Raw materials and consumables	**17,394**	4,233
Operational overhead and write-downs	**31,919**	3,399
Depreciation	**11,403**	2,409
	120,999	20,580

25. General and administrative expenses

	2022	2021
	$	$
Salaries and benefits	**10,004**	8,849
Share-based compensation	**6,947**	4,070
Insurance	**2,878**	1,478
Depreciation	**167**	121
Transaction costs (Note 6)	**6,441**	-
Legal and other consulting fees	**3,426**	2,186
Other administrative expenses	**6,974**	4,951
	36,837	21,655

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

26. Other income, net

	2022	2021
	$	$
Interest income, net	**1,776**	773
Foreign exchange gain (loss)	**9,148**	(425)
Premium on flow-through shares	**914**	6,971
Gain on disposal of assets	**-**	153
Gain on disposal of investments (Note 10)	**11,854**	-
Revision of estimated provisions	**-**	4,403
Other	**1,252**	1,670
	24,944	13,545

27. Loss per share

	2022	2021
	$	$
Net loss attributable to shareholders of the Company	**(192,460)**	(133,302)
Basic and diluted weighted average number of common shares outstanding	**63,797,504**	44,044,538
Net loss per share, basic and diluted	**(3.02)**	(3.03)

The weighted average basic and diluted shares outstanding for all the periods presented have been adjusted to reflect the effect of the 3:1 share consolidation that took place on May 4, 2022.

Excluded from the calculation of the diluted loss per share are all common share purchase warrants and stock options, as their effect would be anti-dilutive.

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

28. Key Management

Key management includes directors (executive and non-executive) and the executive management team. The compensation paid or payable to key management for employee services is presented below:

	2022	2021
	$	$
Salaries and short-term employee benefits	**5,440**	4,726
Share-based compensation	**5,757**	4,073
Cost recoveries from associates	**(330)**	(579)
	10,867	8,220

Key management employees are subject to employment agreements which provide for payments on termination of employment without cause or following a change of control providing for payments of between once to twice base salary and bonus and certain vesting acceleration clauses on restricted share units and share options.

29. Supplementary cash flows information

	2022	2021
	$	$
Changes in non-cash working capital items		
Decrease in amounts receivable	**7,401**	559
Decrease (Increase) in inventory	**3,161**	(13,075)
Increase in other current assets	**(8,133)**	(4,800)
Increase (Decrease) in accounts payable and accrued liabilities	**(12,442)**	(2,270)
	(10,013)	(19,586)

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

30. Financial risks

The Company's activities expose it to a variety of financial risks: market risks (including interest rate risk, foreign currency risk and other price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's performance.

Risk management is carried out under policies approved by the Board of Directors. The Board of Directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, the use of derivative financial instruments and non-derivative financial instruments, and investment in excess liquidities.

(a) Market risks

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The Company's interest rate risk on financial assets is primarily related to cash, which bear interest at variable rates. However, as these investments come to maturity within a short period of time, the impact would likely be not significant.

Financial liabilities are not exposed to interest rate risk since they are non interest-bearing liabilities or bear interest at a fixed rate.

(ii) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from currency volatility, primarily with respect to the US dollar. The Company holds balances in cash denominated in U.S. dollars and is therefore exposed to gains or losses on foreign exchange.

As at December 31, 2022 and 2021, the balances in U.S. dollars held by entities with a different functional currency were as follows:

		December 31
	2022	**2021**
	$	**$**
Cash	**54,242**	15,810
Accounts receivable	**921**	1
Accounts payable	**(7,425)**	(2,920)
net exposure, in US dollars	**47,738**	12,891
Equivalent in Canadian dollars	**64,656**	16,342

30. Financial risks *(continued)*

Based on the balances as at December 31, 2022, a 5% fluctuation in the exchange rates on that date (with all other variables being constant) would have resulted in a variation of net earnings of approximately \$3.2 million in 2022 (\$3.2 million net of taxes).

(iii) Commodity price risk

The price of gold has a significant influence on the Company's business, results of operations and financial condition. Movements in the spot price of gold have a direct impact on the Company's consolidated financial statements, as refined precious metals are sold at prevailing market prices. For the year ended December 31, 2022, the Company recognized \$64 million in sales of refined precious metals. The Company will continue to monitor the level of sales and when prudent will adopt measures to mitigate its price exposure.

(iv) Other price risk

The Company is exposed to equity price risk as a result of holding long-term investments in other exploration and development mining companies. The equity prices of long-term investments are impacted by various underlying factors including commodity prices. Based on the Company's long-term investments held as at December 31, 2022, a 10% increase (decrease) in the equity prices of these investments would decrease (increase) the net loss by not a significant amount and the other comprehensive income (loss) by \$2.8 million. Based on the Company's long-term investments held as at December 31, 2021, a 10% increase (decrease) in the equity prices of these investments would decrease (increase) the net loss by \$0.1 million and the other comprehensive income (loss) by \$3.7 million for the year ended December 31, 2021.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, amounts receivable and reclamation deposits. The Company reduces its credit risk by investing its cash in high interest savings accounts with Canadian regulated financial institutions and its reclamation deposits in guaranteed investments certificates issued by Canadian chartered banks.

The maximum credit exposure of the Company corresponds to the respective instrument's carrying amount.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. The Company manages the liquidity risk by continuously monitoring actual and projected cash flows, taking into account the requirements related to its investment commitments, mining properties and exploration and evaluation assets and matching the maturity profile of financial assets and liabilities. The Board of Directors of the Company reviews and approves any material transaction out of the ordinary course of business, including proposals on mergers, acquisitions or other major investment or divestitures. As at December 31, 2022, cash is invested in interest savings accounts held with Canadian recognized financial institutions. As at December 31, 2022, all financial liabilities to be settled in cash or by the transfer of other financial assets are expected to be settled within 90 days, except for lease liabilities and long-term debt (note 16). For subsequent financings closed to support planned activities of the Company refer to note 35.

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

31. Fair value of financial instruments

The following table provides information about financial assets and liabilities measured at fair value in the consolidated statements of financial position and categorized by level according to the significance of the inputs used in making the measurements.

Level 1– Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2– Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3–Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

				December 31, 2022
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
<u>**Recurring measurements**</u>				
Financial assets at fair value through profit or loss				
Convertible loan receivable	**-**	**-**	**-**	**-**
Warrants on equity securities				
Publicly traded mining exploration and development companies				
Precious metals	**-**	**-**	**18**	**18**
Other minerals	**-**	**-**	**-**	**-**
Financial assets at fair value through other comprehensive loss				
Equity securities				
Publicly traded mining exploration and development companies				
Precious metals	**9,537**	**-**	**-**	**9,537**
Other minerals	**24,264**	**-**	**-**	**24,264**
	33,801	**-**	**18**	**33,819**

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

31. Fair value of financial instruments *(continued)*

				December 31, 2021
	Level 1	**Level 2**	**Level 3**	**Total**
	$	$	$	$
Recurring measurements				
Financial assets at fair value through profit or loss				
Convertible loan receivable	-	-	6,339	6,339
Warrants on equity securities				
Publicly traded mining exploration and development companies				
Precious metals	-	-	571	571
Other minerals	-	-	42	42
Financial assets at fair value through other comprehensive loss				
Equity securities				
Publicly traded mining exploration and development companies				
Precious metals	35,714	-	-	35,714
Other minerals	6,850	-	-	6,850
	42,564	**-**	**6,952**	**49,516**

During the period ended December 31, 2022 and 2021 there were no transfers among Level 1, Level 2 and Level 3.

Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices on a recognized securities exchange at the statement of financial position dates. The quoted market price used for financial assets held by the Company is the last transaction price. Instruments included in Level 1 consist primarily of common shares trading on recognized securities exchanges, such as the TSX or the TSX Venture.

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the Company' specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3.

Financial instruments in Level 3

Financial instruments classified in Level 3 include investments in private companies and warrants held by the Company that are not traded on a recognized securities exchange. At each statement of financial position date, the fair value of investments held in private companies is evaluated using a discounted cash-flows approach. The main valuation inputs used in the cash-flows models being significant unobservable inputs, these investments are classified in Level 3. The fair value of the investments in warrants is determined using the Black-Scholes option pricing model which includes significant inputs not based on observable market data. Therefore, investments in warrants are included in Level 3.

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

31. Fair value of financial instruments *(continued)*

The following table presents the changes in the Level 3 investments (warrants and convertible loan) for the nine months ended December 31, 2022 and 2021:

	2022	2021
	$	$
Balance – Beginning of year	**6,952**	1,892
Acquisitions	**4,438**	6,915
Warrants exercised	**(117)**	(1,122)
Acquisition of Tintic (note 6)	**(10,827)**	-
Change in fair value – warrants exercised (i)	**49**	300
Change in fair value – expired (i)	**(287)**	(15)
Change in fair value – held at the end of the year (i)	**(241)**	(1,018)
Foreign exchange	**51**	-
Balance – End of year	**18**	6,952

(i) Recognized in the consolidated statements of loss under *other income, net*.

The fair value of the financial instruments classified as Level 3 depends on the nature of the financial instruments.

The fair value of the warrants on equity securities of publicly traded mining exploration and development companies and the convertible debentures, classified as Level 3, is determined using the Black-Scholes option pricing model or discounted cash flows. The main non-observable input used in the model is the expected volatility. An increase/decrease in the expected volatility used in the models of 10% would lead to an insignificant variation in the fair value of the warrants as at December 31, 2022 and December 31, 2021.

Financial instruments not measured at fair value on the consolidated statements of financial position

Financial instruments that are not measured at fair value on the consolidated statement of financial position are represented by cash, trade receivables, amounts receivable from associates and other receivables, notes receivable, accounts payable and accrued liabilities and long-term debt. The fair values of cash, trade receivables, amounts receivable from associates and other receivables, accounts payable and accrued liabilities and short-term debt approximate their carrying values due to their short-term nature. The carrying value of the long-term debt approximates its fair value given that its interest rates are similar to the rates the Company would obtain under similar conditions at the reporting date.

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

32. Related party transactions

During year ended December 31, 2022, the Company incurred expenses of $2.6 million ($3.5 million in 2021) for administrative, legal and technical expenses charged from associates, primarily reflected in the consolidated statement of loss.

During the year end December 31, 2022, the Company contributed a donation of $0.5 million to Barkerville Heritage Trust, where an officer of Osisko Development holds a position on the board of directors.

As of December 31, 2022, amounts receivable from associates amounted to $0.2 million ($0.1 million in 2021) and amounts payable to associates totalled $0.4 million ($0.3 million in 2021).

On August 12, 2022, Tintic entered into a metals stream agreement with OBL, a subsidiary of Osisko Gold Royalties for total cash consideration of US$20 million ($26.1 million). The Stream was completed and funds were disbursed to the Company on September 26, 2022.

On December 31, 2022, the former parent Company, Osisko Gold Royalties (“**OGR**”) held an interest of 44.1% (compared to 75.1% as at December 31, 2021) in Osisko Development Corp. Effective on September 30, 2022, following certain changes made to OGR’s investment agreement with Osisko Development, it was determined that OGR was no longer in a position of control over Osisko Development.

33. Segmented information

The chief operating decision-maker organizes and manages the business under geographic segments, being the acquisition, exploration and development of mineral properties.

The assets related to the exploration, evaluation and development of mining projects are located in Canada, in Mexico, and in the USA and are detailed as follows as at December 31, 2022 and 2021:

				December 31, 2022
	Canada	Mexico	USA	Total
	$	$	$	$
Other assets (non-current)	16,252	17,485	3,257	36,994
Mining interest	372,061	16,822	191,596	580,479
Property, plant and equipment	63,655	21,688	26,353	111,696
Exploration and evaluation assets	3,653	-	51,473	55,126
Total non-current assets	455,621	55,995	272,679	784,295

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

33. Segmented information *(continued)*

	December 31, 2021			
	Canada	**Mexico**	**USA**	**Total**
	$	**$**	**$**	**$**
Other assets (non-current)	3,767	12,484	-	16,251
Mining interest	394,329	81,292	-	475,621
Property, plant and equipment	61,520	22,192	-	83,712
Exploration and evaluation assets	3,635	-	-	3,635
Total non-current assets	463,251	115,968	-	579,219

	Canada	**Mexico**	**USA**	**Total**
	$	**$**	**$**	**$**
For the year ended December 31, 2022				
Revenues	**21,648**	**19,620**	**22,778**	**64,046**
Cost of sales	**(21,648)**	**(19,620)**	**(15,375)**	**(56,643)**
Other operating costs	**(52,914)**	**(11,423)**	**(18)**	**(64,355)**
General and administrative expenses	**(31,297)**	**(2,829)**	**(2,711)**	**(36,837)**
Exploration and evaluation	**(515)**	**-**	**-**	**(515)**
Impairment of assets	**(59,000)**	**(81,000)**	**-**	**(140,000)**
Segment operating loss	**(143,726)**	**(95,252)**	**4,674**	**(234,304)**
For the year ended December 31, 2021				
Revenues	7,661	-	-	7,661
Cost of sales	(7,661)	-	-	(7,661)
Other operating costs	(12,919)	-	-	(12,919)
General and administrative expenses	(18,552)	(3,103)	-	(21,655)
Exploration and evaluation	(1,073)	(124)	-	(1,197)
Impairment of assets	(100,435)	(21,159)	-	(121,594)
Segment operating loss	(132,979)	(24,386)	-	(157,365)

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

34. Commitments

The Company has the following commitments as of December 31, 2022:

	Total[1]	less than 1 year	1- 2 years	3-4 years
Purchase obligations	4,593	4,593	-	-
Capital commitments	33,715	13,910	19,282	-
Total	**38,308**	**18,503**	**19,282**	**-**

1 - The timing of certain capital payments are estimated based on the forecasted timeline of the projects. The majority of the commitments can be canceled at the discretion of the Company with little or no financial impact.

35. Subsequent events

On March 2, 2023, the Company completed its previously announced bought deal public offering of an aggregate of 7,841,850 units of the Company (the "Units") at a price of $6.60 per Unit, for aggregate gross proceeds of approximately $51.8 million (the "Offering"), including the full exercise of the over-allotment option. Each Unit is comprised of one common share of the Company (each, a "Common Share") and one common share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $8.55 per Common Share for a period of 36 months following the date hereof, subject to adjustments.

On March 14, 2023, the Company announced that it has received the required approvals of the Company's Board of Directors and made an application to the TSX Venture Exchange to reduce the exercise price of the common share purchase warrants issued in 2022 (the **"Warrants")** under the following brokered and non-brokered private placements:

Private Placement	Warrants Issued[(1)(2)]	Proposed Amendments[(1)(2)]
March 2, 2022 (**Brokered Private Placement**)	7,752,916 Warrants issued pursuant to a brokered private placement of units and subscription receipts of the Company, with each Warrant entitling the holder thereof to purchase one common share of the Company (each, a "**Common Share**") at a price of C$22.80 per Common Share until March 2, 2027	**Reduce** the exercise price of the Warrants issued under the brokered private placement **from C$22.80 to C$14.75 per Common Share**
March 4, March 29 and April 21, 2022 (**Non-Brokered Private Placements**)	11,363,933 Warrants issued pursuant to a non-brokered private placement of subscription receipts, with each Warrant entitling the holder thereof to purchase one Common Share at a price of US$18.00 per Common Share until May 27, 2027	**Reduce** the exercise price of the Warrants issued under the non-brokered private placement **from US$18.00 to US$10.70 per Common Share**

The warrant amendment was completed on March 17, 2023.

OSISKO DEVELOPMENT CORP.

Management's Discussion and Analysis

For the three and twelve months ended December 31, 2022

*The following management discussion and analysis ("**MD&A**") of the operations and financial position of Osisko Development Corp. and its subsidiaries, ("**Osisko Development**" or the "**Company**") for the three and twelve months ended December 31, 2022 ("**Q4 2022**" and "**2022**", respectively) should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three and twelve months ended December 31, 2022 and with the audited consolidated financial statements for the fiscal year ended December 31, 2022 and 2021, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). Management is responsible for the preparation of the consolidated financial statements and other financial information relating to the Company included in this report. All monetary amounts included in this MD&A are expressed in Canadian dollars, the Company's reporting and functional currency, unless otherwise noted. Assets and liabilities of the subsidiaries that have a functional currency other than the Canadian dollar are translated into Canadian dollars at the exchange rate in effect on the balance sheet date and revenues and expenses are translated at the average exchange rate over the reporting period. This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "Forward-Looking Statements" section. This MD&A is dated as of March 24, 2023, the date the Board of Directors approved the Company's unaudited condensed interim consolidated financial statements for the three and twelve months ended December 31, 2022 following the recommendation of the Audit and Risk Committee.*

The Company was continued as a federal Company subject to the provisions of the Canada Business Corporations Act ("**CBCA**") in November 2020 and is focused on developing its principal mining assets, including: the Cariboo Gold Project located in British Columbia, Canada (the "**Cariboo Gold Project**"), the Trixie gold test mine, located in Utah, U.S.A. ("**Trixie**"), the San Antonio gold project located in Sonora, Mexico (the "**San Antonio Gold Project**"), the prospective land packages in the James Bay region of Québec, Canada, Guerrero, Mexico and a portfolio of marketable securities. Osisko Development's common shares are listed on the New York Stock Exchange ("**NYSE**") and the TSX Venture Exchange ("**TSX-V**") under the symbol ODV.

Table of Contents

Our Business

Osisko Development is a Canadian-based exploration and development company focused on high-quality past-producing properties located in mining friendly jurisdictions with district scale potential. The Company's objective is to become a North American intermediate producer of precious metals, through curating and advancing a portfolio of development projects and investments with potential for value creation. The principal mining assets wholly owned through subsidiaries of the Company as of December 31, 2022 are as follows:

- Cariboo Gold Project (Permitting – British Columbia, Canada), owned and operated by Barkerville Gold Mines Ltd. ("**Barkerville**")
- Trixie test mine (Test mining and exploration – Utah, United States), within the Company's wider Tintic Project, owned and operated by Tintic Consolidated Metals LLC ("**Tintic**")
- San Antonio Gold Project (Permit Amendment – Sonora, Mexico), owned and operated by Sapuchi Minera S. R.L de C.V. (**"Sapuchi Minera"**)

As an exploration and development stage company, the Company does not generate sufficient cash flow to advance the evaluation and development of its various projects and properties and has historically relied on equity and debt funding to maintain financial liquidity. Continued adequate financial liquidity is dependent on management's ability to secure additional financings in the future; however, there can be no assurance that the Company will be able to obtain adequate financings in the future, or at terms favourable to the Company (refer to *Liquidity and Capital Resources*).

Q4 2022 HIGHLIGHTS

- On December 14, 2022, David Danziger was appointed to the Board of Directors as an independent director.
- On November 30, 2022, the Company disclosed the sampling results from its ongoing underground exploration program at Tintic including significant high-grade assay results from 702 underground chimp samples.
- On November 15, 2022 the Company announced the results from the 2022 exploration and category conversion drill campaign at the Cariboo Gold Project.
- 3,755 ounces of gold sold from the San Antonio Gold Project stockpile processing via heap leach. The project is under evaluation for future operations development.
- 3,951 ounces of gold sold from the Tintic project resulting from test mining activities. Certain test mining activities at Trixie are on hold since December 2022 to complete upgrades to the mining and milling infrastructures.
- Production of gold at Barkerville is in care and maintenance since June 2022. The Cariboo Gold Project is progressing as planned and environmental permits are anticipated to be received in Q1 2024.
- As at December 31, 2022, the Company had approximately $105.9 million in cash.

2022 HIGHLIGHTS

- On September 26, 2022, the Company received US$20 million in cash proceeds related to the closing of the stream on the metals produced from Tintic with Osisko Bermuda Limited ("**OBL**"), a wholly-owned subsidiary of Osisko Gold Royalties Ltd ("**Osisko Gold Royalties**").

- On June 30, 2022, the Company announced an initial Mineral Resource Estimate ("**MRE**") for the San Antonio Project.

- On June 10, 2022, the Company filed a technical report on the Tintic Project.

- On May 27, 2022;

  - the gross proceeds of approximately US$119.4 million including accrued interest ($151.3 million) from the non-brokered private placement were released from escrow upon the Company meeting the requirement to list its common shares on the NYSE;

  - the closing of the acquisition of Tintic which assets include the producing Trixie test mine (refer to *Acquisition of Tintic* section);

  - the gross proceeds of approximately $61.1 million including accrued interest from the brokered private placement were released from escrow upon the Company meeting the condition to close the acquisition of Tintic;

  - the total gross proceeds from the financings including the brokered private placement tranche that closed on March 2, 2022, totalled approximately $255.5 million (refer to *Financings* section).

- On May 24, 2022, the Company announced the results from its Preliminary Economic Assessment ("**PEA**") for the Cariboo Gold Project and filed a NI 43-101 technical report in relation thereto.

- On April 26, 2022, the shareholders and Board of Directors of the Company approved a share consolidation on a 3 for 1 basis, which was completed effective May 4, 2022.

- On April 13, 2022, the Company announced drilling results from its 2021 exploration and category conversion drill campaign on its Cariboo Gold Project.

For further details, please refer to news releases filed on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under the Company's issuer profile.

HIGHLIGHTS – SUBSEQUENT TO 2022 YEAR-END

- On January 11, 2023, the Company filed a technical report, in accordance with NI 43-101, for the 100%-owned Cariboo Gold Project in relation to the Feasibility Study results released on January 3, 2023 (refer to the *Cariboo Gold Project* section).

- On January 31, 2023, the Company filed a technical report, in relation to the initial mineral resources estimate, for the 100% owned underground Trixie deposit (refer to the *Tintic Project* section).

- On March 2, 2023, the Company completed a bought deal public offering of an aggregate of 7,841,850 units of the Company (the "**Units**") at a price of $6.60 per Unit, for aggregate gross proceeds of approximately $51.8 million (the "**Offering**"), including the full exercise of the over-allotment option. Each Unit is comprised of one common share of the Company (each, a "**Common Share**") and one common share purchase warrant (each, a "**Warrant**") of the Company.

- On March 14, 2023, the Company announced that it has received the required approvals of the Company's Board of Directors and made an application to the TSX Venture Exchange to reduce the exercise price of the common share purchase warrants issued in 2022 (the **"Warrants")** under the following brokered and non-brokered private placements:

Private Placement	Warrants Issued[(1)(2)]	Proposed Amendments[(1)(2)]
March 2, 2022 (**Brokered Private Placement**)	7,752,916 Warrants issued pursuant to a brokered private placement of units and subscription receipts of the Company, with each Warrant entitling the holder thereof to purchase one common share of the Company (each, a "**Common Share**") at a price of C$22.80 per Common Share until March 2, 2027	**Reduce** the exercise price of the Warrants issued under the brokered private placement **from C$22.80 to C$14.75 per Common Share**
March 4, March 29 and April 21, 2022 (**Non-Brokered Private Placements**)	11,363,933 Warrants issued pursuant to a non-brokered private placement of subscription receipts, with each Warrant entitling the holder thereof to purchase one Common Share at a price of US$18.00 per Common Share until May 27, 2027	**Reduce** the exercise price of the Warrants issued under the non-brokered private placement **from US$18.00 to US$10.70 per Common Share**

(1) Figures presented after giving effect to the Consolidation (as defined below). On May 3, 2022, subsequent to closing the above-noted private placements, the Company completed a consolidation of its Common Shares on the basis of one (1) post-consolidation Common Share for every three (3) pre-consolidation common shares (the "Consolidation"). Accordingly, the Warrants were adjusted to give effect to the Consolidation. All numerical figures and exercise prices in respect of the Warrants provided in this news release are provided on a post-Consolidation basis.

(2) The exercise prices of the Warrants originally issued in Canadian and United States dollars, respectively, will continue to be denominated in their original currency of denomination, with the adjusted exercise prices being equivalent based on the daily exchange rate for Canadian and U.S. dollars as at March 8, 2023.

The warrant amendment was completed on March 17, 2023.

Management and Board Composition

The Board of Directors of Osisko Development includes, as elected at the Company's annual and special meeting of shareholders on April 26, 2022: Sean Roosen (Chair); Charles E. Page (Lead Director); Michele McCarthy; Duncan Middlemiss; Marina Katusa; David Danziger and Éric Tremblay.

Management of Osisko Development includes Sean Roosen (Chair and Chief Executive Officer); Chris Lodder (President); Luc Lessard (Chief Operating Officer); Alexander Dann (Chief Financial Officer & Vice President Finance); Laurence Farmer (General Counsel, VP Strategic Development and Corporate Secretary); François Vézina (Senior Vice President, Project Development, Technical Services and Environment); Chris Pharness (Vice President, Sustainable Development) and Maggie Layman (Vice President, Exploration).

On October 18, 2022, The Company announced the departure of Jean-François Lemonde, Vice-President, Investors Relations. Laurence Farmer, General Counsel and VP Strategic Development, assumed the Investors Relations function on an interim basis. On November 9, 2022, the Company appointed Philip Rabenok, Director, Investors Relations.

On July 1, 2022, Laurence Farmer joined the Company from Osisko Gold Royalties where he held the position of Senior Counsel. With Mr. Farmer's appointment, Mr. André Le Bel stepped down as Corporate Secretary of the Company and continued his duties with his employer Osisko Gold Royalties.

Uncertainty due to COVID-19

The Company may face risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. To that end, the Company's operations could be adversely impacted by the effects of the coronavirus ("**COVID-19**") or other epidemics and government or market reactions with respect thereto.

The extent to which COVID-19 impacts the Company's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the COVID-19 outbreak. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Company's business including

without limitation, employee health, workforce productivity, increased insurance premiums, continued limitations on travel, the availability of industry experts and personnel, restrictions to its drill program and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the its business, financial condition and results of operations.
There can be no assurance that the Company's personnel or its contractors' personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased safety and medical costs / insurance premiums as a result of these health risks and government or market reactions with respect thereto.

Exploration and Evaluation / Mining Development Activities

Main projects upcoming milestones

Key Milestones for Projects	Expected Timing of Completion	Anticipated Remaining Costs*
Cariboo Gold Project		
Feasibility Study	Completed	nil
Environmental Assessment certificate	Q3 2023	$1.5 million
Permit	Q1 2024	$7.0 million
San Antonio Project		
Permitting	Submissions completed – waiting for government approval	$Nil
Tintic Project		
Ramp Development – 1st & 2nd stages	Timing under review	$14.9 million

*As at December 31, 2022

Cariboo Gold Project – British Columbia, Canada

The Cariboo Gold Project is an advanced stage gold exploration project 100%-owned by the Company located in the historic Wells-Barkerville mining camp, in the District of Wells, central British Columbia, Canada, that extends for approximately 77 kilometres from northwest to southeast. The Company's total land package consists of 415 mineral titles and covers an area of approximately 155,000 hectares.

On November 21, 2019, Osisko Gold Royalties acquired the Cariboo Gold Project through the acquisition of Barkerville. The project was part of the Osisko Gold Royalties contributed assets that created the Company on November 25, 2020.

Technical reports and mineral resource estimate

A total of 6,500 meters ("**m**") were drilled in 2022 on the Cariboo Gold Project as part of the infill and exploration drilling on the Lowhee Zone. Drilling commenced in March 2022 and was completed in July. A total of 27 holes were drilled at closely spaced 12.5 m intervals within the area proposed for the Cariboo Bulk Sample and nearby high priority areas to improve confidence in the model.

Further details on the drill results can be viewed in the Company's news release filed on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) dated November 15, 2022.

The Company completed a Feasibility Study (**"FS"**) for the Cariboo Gold Project (the "**Cariboo FS**") with an effective date of January 12, 2023, which contemplates a staged, lower capital intensity project design with scalable infrastructure to account for the current global inflationary environment. Management believes that this approach to developing the Cariboo Project may mitigate development capital intensity risks while providing an opportunity to maximize margins. The Company anticipates that the potential development of the Cariboo Gold Project may provide a basis for progress towards the establishment of a broader mining district camp, including development of multiple deposits over several trends totalling approximately 80 km of mineralization. A summary of the Cariboo FS results are presented below:

METRIC	UNIT	PHASE 1	PHASE 2	TOTAL LOM
Base Case Assumptions				
Gold Price	US$/oz		1,700	
Exchange Rate	CAD:USD		0.77	
Discount Rate	%		5.0%	
Production				
Mine Life	years	3	9	12
Total Ore Mined	tonnes	1,542,471	15,160,983	16,703,454
Average Throughput	tpd	1,500	4,900	4,056
Average Gold Head Grade, diluted	g/t Au	4.43	3.72	3.78
Total Contained Gold	oz	219,488	1,811,665	2,031,152
Average Gold Recovery Rate	%	93.6%	91.8%	92.0%
Total Recovered Gold, payable	oz	205,419	1,663,436	1,868,856
Average Annual Gold Production	oz/year	72,501	193,798	163,695
Unit Operating Costs				
Underground Mining	$/t mined	77.6	51.1	53.6
Processing	$/t mined	37.1	25.3	26.4
Concentrate Transport	$/t mined	17.3	3.5	4.8
Water and Waste Management	$/t mined	18.4	6.1	7.2
General and Administrative	$/t mined	19.4	9.8	10.7
Total Unit Operating Costs	$/t mined	169.8	95.8	102.6
Operating Costs				
Total Cash Costs[2]	US$/oz	1,149	748	792
AISC[2]	US$/oz	1,634	886	968
Capital Expenditures[3]				
Initial Capital	$M	137.3	–	137.3
Expansion Capital	$M	–	451.1	451.1
Sustaining Capital	$M	134.2	332.4	466.6
Total	$M	271.5	783.5	1,055.0

Notes:
1. Totals may not add up due to rounding.
2. This is a non-IFRS measure. Refer to *Non-IFRS Financial Measures*.
3. Capital Expenditures do not include sunk costs ($2.5M) nor pre-permit expenses ($64.8M).

For further information regarding the Cariboo Gold Project and the Cariboo FS, including the assumptions, qualifications and limitations relating to disclosure about the Cariboo FS on the Cariboo Gold Project, please refer to the technical report titled "*Feasibility Study for the Cariboo Gold Project, District of Well, British Columbia, Canada*", dated January 10, 2023 (amended January 12, 2023) with an effective date of December 30, 2022 (the "**Cariboo FS**") on the Company's website or on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under the Company's issuer profile. The Cariboo FS supersedes the technical report entitled "*NI 43-101 Technical Report – Preliminary Economic Assessment for the Cariboo Gold Project*" and dated June 22, 2022 (with an effective date of May 24, 2022) (the "**Cariboo PEA**") as the current technical report in respect of the Cariboo Gold Project for purposes of NI 43-101.

On May 24, 2022, the Company announced an updated mineral resource estimate for the Cariboo Gold Project as part of its Pre-Economic Assessment (**"PEA"**). See table below. Resource grades have some built-in dilution integrated through the process of modelling of "vein corridors" as opposed to individual veins. Metallurgical testing has shown that the mineralization can be effectively upgraded by flotation and x-ray transmission ore-sorting, owing to the strong association of gold with pyrite. The concentrates can then be processed at the wholly owned QR mill. The mineral resource estimate incorporates eight deposit areas; the Shaft and Mosquito Creek deposits on Island Mountain, Cow and Valley deposits on Cow Mountain, and Lowhee, KL, BC Vein and Bonanza Ledge deposits on Barkerville Mountain at a cut-off grade of 2.0 g/t Au (grams per metric tonne) for all deposits but Bonanza Ledge. The cut-off grade for Bonanza Ledge is 3.5 g/t Au.

The mineral resource estimate is built upon over 650,000 meters of core from the 2015 to 2021 drill campaigns, and historically verified drill data using a total of 3,550 drill holes. A strong understanding of the controls of mineralization enabled Osisko Development's technical team to construct a mineral resource estimate constrained by lithology, alteration, structure and mineralization.

Cariboo Gold Project Mineral Resource Estimate

Category	Deposit	Tonnes '000	Grade (g/t Au)	Ounces '000
Measured	Bonanza Ledge	47	5.1	8
Indicated	Bonanza Ledge	32	4.0	4
	BC Vein	1,030	3.1	103
	KL	389	3.2	40
	Lowhee	1,621	3.6	188
	Mosquito	1,795	4.3	249
	Shaft	11,139	4.3	1,531
	Valley	4,403	3.8	536
	Cow	6,645	3.8	811
Total Measured Resources		**47**	**5.1**	**8**
Total Indicated Mineral Resources		**27,055**	**4.0**	**3,463**
Inferred	BC Vein	461	3.5	53
	KL	1,905	2.8	168
	Lowhee	520	3.5	59
	Mosquito	1,262	3.6	146
	Shaft	5,730	3.9	725
	Valley	2,135	3.4	235
	Cow	2,394	3.1	236
Total Measured and Indicated Mineral Resources		**27,102**	**4.0**	**3,470**
Total Inferred Mineral Resources		**14,407**	**3.5**	**1,621**

MRE notes:

1. The independent and qualified persons for the Mineral Resource Estimates, as defined by NI 43-101, are Carl Pelletier, P.Geo., and Vincent Nadeau Benoit, P.Geo. (InnovExplo Inc.). The effective date of the 2022 Mineral Resource Estimate is May 17, 2022.
2. These mineral resources are not mineral reserves as they do not have demonstrated economic viability.
3. The Mineral Resource Estimate conforms to the 2014 CIM Definition Standards on Mineral Resources and Reserves and follows the 2019 CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines.
4. A total of 471 vein zones were modelled for the Cow Mountain (Cow and Valley), Island Mountain (Shaft and Mosquito), Barkerville Mountain (BC Vein, KL, and Lowhee) deposits and one gold zone for Bonanza Ledge. A minimum true thickness of 2.0 m was applied, using the grade of the adjacent material when assayed or a value of zero when not assayed.
5. The estimate is reported for a potential underground scenario at a cut-off grade of 2.0 g/t Au, except for Bonanza Ledge at a cut-off grade of 3.5 g/t Au. The cut-off grade for the Cow, Valley, Shaft, Mosquito, BC Vein, KL, and Lowhee deposits was calculated using a gold price of USD1,600 per ounce; a USD/CAD exchange rate of 1.30; a global mining cost of $50.41/t; a processing & transport cost of $30.41/t; and a General and Administrative (**"G&A"**) + Environmental cost of $16.18/t. The cut-off grade for the Bonanza Ledge deposit was calculated using a gold price of USD1,600 per ounce; a USD/CAD exchange rate of 1.30; a global mining cost of $79.13/t; a processing & transport cost of $60.00/t; and a G&A + Environmental cost of $51.65/t. The cut-off grades should be re-evaluated in light of future prevailing market conditions such as metal prices, exchange rate and mining costs.
6. Density values for Cow, Shaft, and BC Vein were estimated using the ID2 interpolation method, with a value applied for the non-estimated blocks of 2.80 g/cm3 for Cow, 2.79 g/cm3 for Shaft, and 2.69 g/cm3 for BC Vein. Median densities were applied for Valley (2.81 g/cm3), Mosquito (2.79 g/cm3), KL (2.81 g/cm3) and Lowhee (2.75 g/cm3). A density of 3.20 g/cm3 was applied for Bonanza Ledge.
7. A four-step capping procedure was applied to composited data for Cow (3.0 m), Valley (1.5 m), Shaft (2.0 m), Mosquito (2.5 m), BC Vein (2.0 m), KL (1.75 m), and Lowhee (1.5 m). Restricted search ellipsoids ranged from 7 to 50 g/t Au at four different distances ranging from 25 m to 250 m for each deposit. High grades at Bonanza Ledge were capped at 70 g/t Au on 2.0 m composited data.
8. The mineral resources for the Cow, Valley, Shaft, Mosquito, BC Vein, KL, and Lowhee vein zones were estimated using Datamine StudioTM RM 1.9 software using hard boundaries on composite assays. The Ordinary Kriging method was used to interpolate a sub-blocked model (parent block size = 5 m x 5 m x 5 m). Mineral resources for Bonanza Ledge were estimated using GEOVIA GEMSTM 6.7 software using hard boundaries on composited assays. The OK method was used to interpolate a block model (block size = 2 m x 2 m x 5 m).
9. Results are presented in situ. Ounce (troy) = metric tons x grade / 31.10348. Calculations used metric units (metres, tonnes, g/t). The number of tonnes was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects. Rounding

followed the recommendations as per NI 43-101.

10. Other than as set out in the PEA, the qualified persons responsible for this section of the technical report are not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant factors that could materially affect the Mineral Resource Estimate.

The vein corridors comprising the Cariboo gold resource estimate are modelled to an average depth of 350 meters and exploration drilling has intersected mineralization at depths below 700 meters from surface. The Company will continue with systematic exploration to further define and expand the known zones and develop greenfield targets on the remaining land package. The Company intends to drill from the underground infrastructure once permitting and construction of an exploration drift is complete. The robust 3D litho-structural model that defines the controls of mineralization allows the exploration team to define additional mineral resources much more efficiently, with a high hit rate (80% of the drill holes intersect potentially economic mineralization), lowering the cost per discoverable ounce. This model can be applied to the remaining 65 kilometers of strike.

Information used in the technical report identified above uses the terms measured, indicated, and inferred mineral resources as a relative measure of the level of confidence in the resource estimate. Readers are cautioned that mineral resources are not economic mineral reserves and that the economic viability of mineral resources that are not mineral reserves has not been demonstrated. The estimate of mineral resources may be materially affected by geology, environmental, permitting, legal, title, socio-political, marketing, or other relevant issues. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to an indicated or measured mineral resource category. The mineral resource estimate is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Definition Standards on Mineral Resources and Mineral Reserves" incorporated by reference into NI 43-101. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for a preliminary economic assessment as defined under NI 43-101. Readers are cautioned not to assume that further work on the stated resources will lead to mineral reserves that can be mined economically. Readers are cautioned that the Cariboo PEA (as defined below), being a preliminary economic assessment (within the meaning of NI 43-101), is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have economic consideration applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary economic assessment (within the meaning of NI 43-101) will be realized.

For further information regarding the Cariboo Gold Project, please see the technical report titled "*Preliminary Economic Assessment for the Cariboo Gold Project, District of Wells, British Columbia, Canada*", dated May 24, 2022 with an effective date of May 24, 2022 (the **"Cariboo PEA"**) on the Company's website or under the Company's issuer profile on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov). Please note that the Cariboo FS supersedes the Cariboo PEA as the current technical report in respect of the Cariboo Gold Project for purposes of NI 43-101.

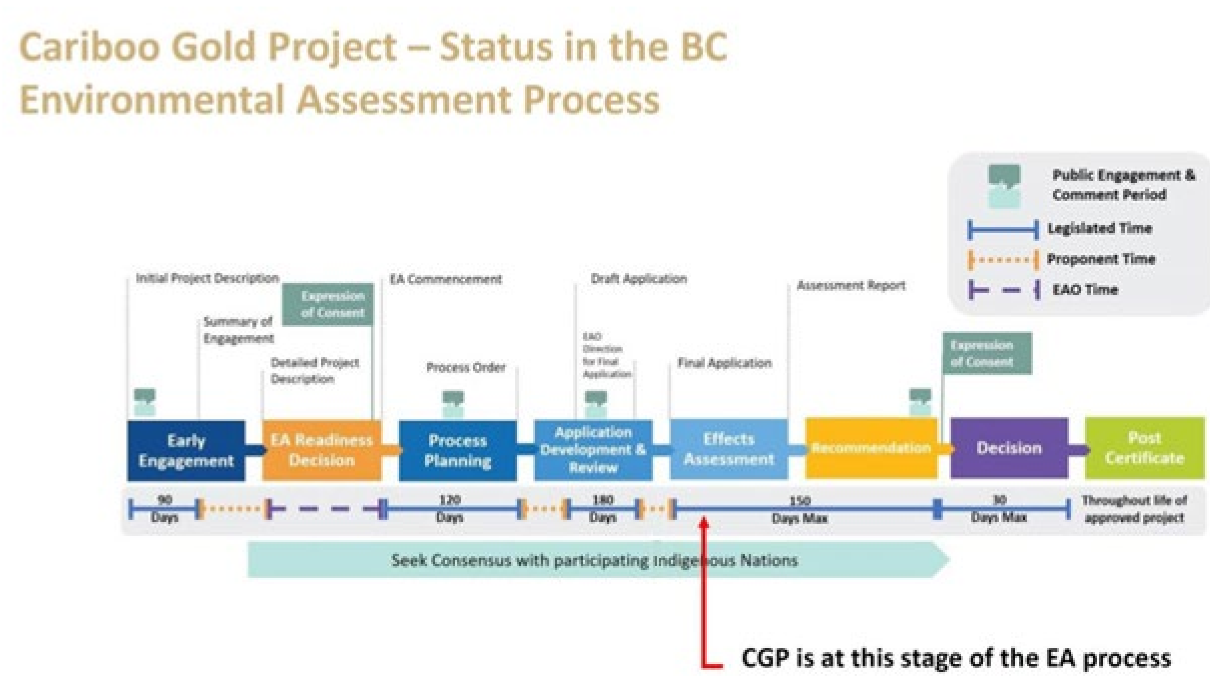
*Permitting and Environmental Assessment ("**EA**") Process*

On October 27, 2021, the Province of British Columbia, Lhtako Dené First Nation and the Company announced the approval of amendments to Mines Act Permits M-238 and M-198 allowing for the expansion of the existing Bonanza Ledge II underground mine. These amendments support the ongoing employment of 127 workers at the mine. The expansion of the Bonanza Ledge II Project allows for continuity of certain mining activities while the Cariboo Gold Project environmental assessment proceeds. In July 2021, the province of British Columbia authorized a permit to extract a bulk sample of 10,000t of mineralized material, the development of a portal and 2,200m of drift to access the mineral deposit.

Osisko Development started an Environmental Assessment Process in the spring of 2019 for the Cariboo Gold Project. The project has completed several milestones furthering to obtain the EA Certificate planned in the third quarter of 2023 with the integration of the Bonanza Ledge permitted area comprising of the Lowhee Zone, BC Vein and KL Zone and increasing the throughput to 4,900tpd from 4,750tpd. The following is a summary of the steps completed and to be completed to obtain the EA Certificate that will grant the Company the right to apply for the permit of the Cariboo Gold Project.

The following is summary of completed and further steps required towards EA certification targeted in Q3 2023:

- Early Engagement – Completed, initial project description and summary of engagement
- EA Readiness Decision – Completed, detailed project description, received notice of consent
- Processing planning – Completed
- Application Development & Review – Application submitted and under review
- Effects of Assessment
- Recommendation
- Decision
- Post Certificate



*CGP refers to the Cariboo Gold Project.
*EAO refers to Environmental Assessment Office

As of December 31, 2022, the Cariboo Gold Project is in advanced stages of permitting and economic studies, as summarized in the following highlights:

- Signing Ceremony on October 23, 2022 with Lhtako Dene First Nation's Elders and Members in Wells and Quesnel was an important event for the life of project agreement between Lhtako Dene First Nation and Osisko Development highlighting the importance of our partnership and mutual support and benefits.
- The Revised Application for the Environmental Assessment (**"EA"**) Process was submitted to the Environmental Assessment Office of British Columbia (**"EAO"**) on October 14, 2022 for the Cariboo Gold Project. The 1,700 comments received by the different reviewers were successfully addressed and ODV is expecting the official acceptance by the Environmental Assessment Office ("EAO") by mid-November 2022 to proceed to the Affect Assessment & Recommendations, which is the last phase of the Environment Assessment process. This aligns with the Company's expected timeline to receive the EA Certificate in the third quarter of 2023 for an operational capacity of 4750 tonnes / day.

- In parallel to the EA process, the Company initiated an official application for the permitting of the Cariboo Gold Project with the submission of the Project Description to the Ministry on September 30, 2022. Received the IRT in November

- All drilling and geologic modeling work has been completed and 2022 assay results will be released upon final QA/QC controls shortly.

  All permits were received for the bulk sample in the Lowhee deposit area, which includes 2,200 metres of underground development and the removal 10,000 tonnes of mineralized material for further sorter testing.

- Outside of the Cariboo Gold Project area there are 25 high quality drill-ready targets demonstrating the years of ongoing exploration in the mineral rights held by ODV around the Cariboo Gold Project.

The Company anticipates receiving permits in Q1 2024.

Bonanza Ledge II Project – British Columbia, Canada

The Bonanza Ledge II project is a small scale and short life project that was put into care and maintenance in early June 2022. The project allows the Company to facilitate (i) opportunities for managing historical reclamation obligations inherited by the Company, (ii) hands on training and commissioning of the Company's mining and processing complex for the Cariboo Gold Project and (iii) the maintenance of the economic and social benefits for the First Nations partners and communities. While working through the environmental assessment review, permitting process and the NI 43-101 technical report for its Cariboo Gold Project, the Company produced approximately 11,424 gold ounces at its Bonanza Ledge II project from its restart until early June 2022.

The Company started mining operations at its Bonanza Ledge II project in the first quarter of 2021 as it was granted in Q1 2021, a notice of departure from the Ministry of Energy, Mines and Low Carbon Innovation of British Columbia. The Company announced on October 27, 2021 receipt of the final amendments for the Bonanza Ledge II mine and QR mill permits. The Cow Mountain underground bulk sample permit was received in July 2021. The underground portal was completed in Q4 2021 and the Company has now put on hold its bulk sample activities to focus on the completion of the Cariboo Gold Project feasibility study anticipated to be completed by the end of 2022.

Please see the caution section "Risk Factors: Operations Not Supported by a Feasibility Study".

2023 objectives

- Completion of the EA and the addition of the Lowhee Zone and other improvement changes into the EA Certificate and Certified Project Description.
- Permitting of Cariboo Gold Project at 4,900 tonnes per day (tpd) with the inclusion of the Lowhee Zone.
- Finalize detailed engineering on reclamation work, water treatment and waste management for the start-up of the Cariboo Gold Project
- Improve Water Treatment Plant ("**WTP**") at Bonanza Ledge to treat nitrate species and QR Mill to remove and manage WTP retentate.
- Continue stakeholder engagement and finalize agreement with Xatśūll First Nation and District of Wells.
- Evaluate to proceed to detailed engineering and permitting for the transmission line for connection with BC Hydro grid in Q4 2024.

<u>Tintic Project – Utah, U.S.A.</u>

The Tintic Project is located in western Utah County, approximately 64 km south of Provo, Utah and 95 km south of Salt Lake City. The property on which the Trixie test mine or Trixie deposit is located encompasses most of the East Tintic District, surrounding and immediately east of the incorporated town of Eureka. The area of the Tintic Project owned or controlled by ODV comprises 1,105 claims totalling 5,746 ha (14,200 acres) of patented mining claims and a further 107 mining claims of approximately 1,214 ha (3,000 acres), which are overwhelmingly leased patented mining claims. ODV owns a small and varying percentage, interest or royalty in a number of other claims outside the main claim package.

Acquisition of Tintic

On May 27, 2022, Osisko Development acquired 100% of Tintic through the purchase of: (i) IG Tintic's direct 75% ownership in Tintic; and (ii) all issued and outstanding stock of Chief Consolidated Mining Company ("**Chief**"). Immediately following the closing of the transaction, Chief completed a merger with a newly formed subsidiary of the Company (the "**Merger**"), such that, following completion of the Merger, Chief is now owned by the Company. At closing, Osisko Development made payments to the vendors in the aggregate amount of approximately $178 million (the "**Closing Payments**"), comprised of: (i) cash payments of approximately US$58.7 million, and (ii) the issuance of 12,049,449 common shares of the Company (the **"Shares"**).

A number of Tintic shareholders representing approximately 32.5% of the total ownership have entered into 12-month lock-up agreements, which provide that: (i) 33% of the Shares will be freely tradeable on the four-month anniversary of the Closing date of the Transaction (the **"Closing Date"**); (ii) an additional 33% of the Shares will be freely tradeable on the eight-month anniversary of the Closing Date; and (iii) the remaining 34% of the Shares will be freely tradeable on the first year anniversary of the Closing Date. As of the date of this report, 34% of the Shares remain in lock-up.

In addition to the Closing Payments, the Company will pay the vendors: (i) deferred payments of US$12.5 million payable in equal instalments annually over five years in cash or shares at Osisko Development's election; (ii) two 1% NSR royalty grants, each with a 50% buyback right in favour of Osisko Development for US$7.5 million which is exercisable within 5 years; (iii) a right to receive the financial equivalent of 10% of the net smelter returns from stockpiled mineralized material extracted from the Trixie project since January 1, 2018 and sitting on surface; (iv) the set-off of a US$5 million loan owed to Osisko Development; and (v) US$10 million contingent upon commencement of production at the Burgin Mine.

With the completion of the Transaction, the Company acquired 100% ownership of the producing Trixie test mine, as well as mineral claims covering more than 17,000 acres in Central Utah's historic Tintic Mining District. Tintic's ongoing exploration work has demonstrated potential for expansion and further discovery both at the Trixie test mine and the broader land package. It is hoped that the acquisition of Tintic will as a result of exploration efforts, serve to accelerate the Company's path towards becoming a mid-tier gold producer and adds further opportunity to explore and develop another project in its portfolio.

Exploration Program

The Tintic Project consists of 23 past producing precious and base metal mines located in the East Tintic Mining District, Utah, 95 km southwest of Salt Lake City. The Tintic Project is comprised of more than 17,000 acres (6,880 ha), including 14,200 acres (5,746 ha) of patented mining claims. Trixie, located within the Tintic Project, is a gold test mine with a current mining rate of approximately 35 tons per day ("**tpd**").

In 2022, the Company completed 28 surface reverse circulation ("**RC**") drill holes near Trixie totalling approximately 8,442 m and 62 underground diamond drill ("**DD**") holes in the 625 level at Trixie totalling approximately 3,232 m using two surface RC rigs and two underground diamond drill rigs. Continuous underground face samples were collected along all development at Trixie, and together with drill results, will be used to estimate the initial mineral resource estimate at Trixie.

For further information on the Tintic Project please see the technical report on the Tintic Project, titled "*Technical Report on the Tintic Project, East Tintic Mining District, Utah County, Utah, USA*", dated June 10, 2022 (effective date of June 7, 2022) (the "**Tintic Technical Report**"), on the Company's website or under the Company's issuer profile at www.sedar.com and at www.sec.gov.

The Tintic Technical Report provides a summary of the geology and mineralization, description of land and ownership, property history, current development and production at Trixie and recommendations on future work programs. There is currently no mineral resource estimate on the Tintic Project that complies with NI 43-101 and, as such, any decisions in respect of the Tintic Project have been informed by data collected and current best practices adopted by management. The current production at Trixie is directed by underground exploration, face sampling, and drilling.

An updated Technical Report for the Tintic project was completed in January 2023. The Technical Report, titled "*NI 43-101 Technical Report, Initial Mineral Resource Estimate for the Trixie Deposit, Tintic Project, Utah, United States of*

America" and dated January 27, 2023 (with an effective date of January 10, 2023) (the "**Trixie MRE**"), was prepared and compiled for the Company by independent representatives of Micon International Limited in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). Listed below is a summary of the initial mineral resource estimate as described in the Trixie MRE:

Classification	Tonnes (000's)	Au Grade (g/t)	Contained Gold (000's oz)	Ag Grade (g/t)	Contained Silver (000's oz)
Measured	11	190.61	67	195.53	69
Indicated	225	20.17	146	43.73	316
Measured and Indicated	**236**	**28.08**	**213**	**50.77**	**385**
Inferred	**385**	**19.64**	**243**	**42.82**	**530**

Notes
1. Troy ounces ("**oz**"), gold ("**Au**"), silver ("**Ag**"), tonnes ("**t**"), grams per tonne ("**g/t**").
2. Effective date of the Trixie MRE is January 10, 2023.
3. Each of Mr. William Lewis P.Geo, of Micon International Limited and Alan S J San Martin, AusIMM(CP), of Micon International Limited (i) has reviewed and validated the Trixie MRE, (ii) is considered to be independent of the Company for purposes of Section 1.5 of NI 43-101, and (iii) is a "qualified person" for purposes of NI 43-101.

2023 Objectives

It is expected that the production from the Trixie test Mine will complement the near and medium-term development plans for the Cariboo and San Antonio projects. In the near term, the Company is proposing technical work at the Trixie test mine with the objective to justify further development.

Data compilation from historic mines in the area is ongoing and anticipated to generate additional drill targets on the greater Tintic Project property.

The commencement of an underground ramp is underway and approximately 48% complete as of December 31, 2022. The Company anticipates that the completion of the underground ramp may potentially support an increase in productivity and mining rates.

The ability to achieve any increase in production and the capital required to increase production are the subject of pending technical work. There can be no assurance that technical work will provide justification for further development, support the ability to increase production or demonstrate the ability to increase production through a low-capital expenditure expansion of the existing facilities. The ability to continue and expand operations is subject to risks which include the possible need for additional or amended permits, licences and approvals, risks related to mining operations, the need for additional capital and/or operating expenditures, commodity prices justifying such work, potential scarcity of employees, environmental risks and approvals and the limited knowledge of the mineralized material available on site. The ability to continue production on the current basis is discussed below. Any expansion is, until and unless supported by the proposed technical work, subject to the same risks as set out below regarding operations that are not supported by technical work.

The Company cautions that the decision to commence production at Trixie in the form of small scale underground mining and batch vat leaching without the benefit of a feasibility study, or reported mineral resources or mineral reserves, demonstrating economic and technical viability, and, as a result there may be increased uncertainty of achieving any particular level of recovery of material or the cost of such recovery. The Company cautions that historically, such projects have a much higher risk of economic and technical failure. Small scale test-mining at Trixie was suspended in December 2022, if and when test mining re-commences, there is no guarantee that production will continue as anticipated or at all or that anticipated production costs will be achieved. The failure to continue production may have a material adverse impact on the Company's ability to generate revenue and cash flow to fund operations. Failure to achieve the anticipated production costs may have a material adverse impact on the Company's cash flow and potential profitability. The Company cautions that historically, such projects have a much higher economic or technical risks. In continuing current operations at Trixie after closing, the Company will not be basing its decision to continue such operations on a feasibility study, or reported mineral resources or mineral reserves demonstrating economic and technical viability. The Company cautions that test mining at Trixie could be suspended at any time.

Please see the caution section "Risk Factors: Operations Not Supported by a Feasibility Study".

San Antonio Gold Project – Sonora State, Mexico

The San Antonio Gold Project is a past-producing oxide copper mine. In 2020, following acquisition of this project, the Company concentrated its efforts in obtaining the required permits and amendments to the permits to perform its activities. The Company has filed preventive reports for the processing of the gold stockpile on site and for a drilling program for the Sapuchi, Golfo de Oro and California zones.

The Company also initiated the following activities:

- Commencement of the Environmental Impact Manifest (or Manifestacion de Impacto Ambiental (*"**MIA**"))* ;
- A baseline study;
- Awarding the Engineering, Procurement, Construction, Management contract for the process of the stockpile

In 2021, Sapuchi Minera focused on various activities that pertain to permitting, local community relations, exploration drilling and preparations towards the processing of the mineralized material stockpile on site.

Since Osisko Development's acquisition of the San Antonio Project in November 2020, the Company has successfully achieved the following operational milestones:

- The construction of a leach pad and carbon in column plant at the end of 2021 to process stockpiled mineralized material.
- 1.1 million tonne stockpile with an average grade of 0.58 g/t Au has been placed on the heap leach pad.
- 11,863 ounces of gold sold from the San Antonio heap leach pad as at December 31, 2022.

Permitting

The Company continued the various permitting activities starting in 2020. These activities consist of obtaining the permits for the MIA and the change of use of land while continuing the work required to complete the environmental baseline study. Applications were submitted for four new mining claims, Sapuchi E-82/40881, Sapuchi 2 E-82/40882, Sapuchi 3 E-82/40883, and Sapuchi 4 E-82/40888.

All documentation required for the change of use land and EA permits were filed and the Company was awaiting the granting of these two permits by the Mexican government. In early December 2022, the director of SEMARNAT announced a moratorium on all environmental permits for open pit operations, which will be denied with no approval process in place until further notice. Subsequently, the Company received communication that the MIA would not be approved. The approval process for environmental permits for mining may resume after the conclusion of the governor and presidential elections which will be held in July 2024, with the new president taking office in September 2024, although there is no certainty at this time. In order to ensure that the San Antonio Gold Project would not be further delayed from the granting of the permits, management withdrew both permit applications with the intent to refile once the moratorium is lifted or a clear approval process is in place.

Exploration Program

A two-phase 45,000-meter drilling campaign was initiated during Q2 2021. The objective of the drill program was to conduct exploration and resource drilling at a spacing of 25 meters and historic drilling validation for the three main target areas; Sapuchi, California and Golfo de Oro. A total of 27,870 meters were drilled in 177 holes in 2021, representing 62% of the budgeted drill plan. The Company anticipates exploration potential to expand both oxide and sulphide resources.

On June 30, 2022, the Company announced an initial open pit mineral resource estimate for the San Antonio Project ("**MRE Sapuchi**"). See tables below. The 2022 MRE Sapuchi covers a portion of the Sapuchi – Cero Verde trend that encompasses five deposits: Sapuchi, Golfo de Oro, California, Calvario and High Life over approximately 2.8 km along strike, a maximum width of 600 metres (m) to a maximum depth of 300 m below surface.

The MRE Sapuchi is based on 84,454 m of current and verified historic drilling in 579 holes, of which 27,870 m of drilling in 177 holes were performed by the Company in 2021. Gold mineralization is hosted within altered hydrothermal breccia and sediments, as stockwork quartz veins and veinlets, adjacent to intrusions and fault structures and often associated with iron carbonate minerals. Metallurgical testing has shown amenability of leaching in the oxide materials and recommendations of milling in the transition and sulphide zones. The Company filed the Technical Report on July 22, 2022.

No drilling occurred on the project in 2022 and none planned for 2023.

Indicated Resources						
Deposit	**Weathering Zone**	**Tonnes (Mt)**	**Au (g/t)**	**Ag (g/t)**	**Au Ounces (000)**	**Ag Ounces (000,000)**
California	Oxide	0.6	0.93	2.8	17	0.05
	Transition	0.2	0.79	3.3	6	0.02
	Sulphide	3.1	1.31	2.4	130	0.23
	Total	3.9	1.22	2.5	153	0.31
Golfo de Oro	Oxide	0.2	1.07	2.8	7	0.02
	Transition	0.1	1.19	2.8	6	0.01
	Sulphide	5.3	1.46	2.5	249	0.42
	Total	5.7	1.44	2.5	262	0.46
Sapuchi	Oxide	1.9	0.85	3.6	53	0.22
	Transition	1.4	1.04	3.6	47	0.16
	Sulphide	2.1	0.94	3.4	62	0.22
	Total	5.4	0.93	3.5	162	0.61
Total	**Oxide**	**2.7**	**0.89**	**3.4**	**77**	**0.30**
	Transition	**1.8**	**1.02**	**3.5**	**59**	**0.20**
	Sulphide	**10.4**	**1.31**	**2.6**	**441**	**0.88**
	Total	**14.9**	**1.20**	**2.9**	**576**	**1.37**

INFERRED						
Deposit	**Weathering Zone**	**Tonnes (Mt)**	**Au (g/t)**	**Ag (g/t)**	**Au Ounces (000)**	**Ag Ounces (000,000)**
California	Oxide	0.4	0.68	2.1	8	0.02
	Transition	0.1	0.85	2.6	4	0.01
	Sulphide	1.1	1.27	3.8	46	0.14
	Total	1.6	1.10	3.3	58	0.17
Golfo de Oro	Oxide	0.5	0.80	3.0	12	0.04
	Transition	0.2	0.93	3.4	5	0.02
	Sulphide	5.7	1.29	2.5	237	0.46
	Total	6.4	1.24	2.5	254	0.52
High Life	Oxide	0.5	0.84	4.2	14	0.07
	Transition	0.2	0.73	4.5	4	0.02
	Sulphide	0.1	0.90	8.3	4	0.04
	Total	0.8	0.83	4.9	22	0.13
Sapuchi	Oxide	3.2	0.74	3.7	75	0.37
	Transition	1.6	0.92	3.6	48	0.19
	Sulphide	2.8	0.92	4.1	84	0.37
	Total	7.6	0.85	3.8	208	0.94
Calvario	Oxide	0.1	0.53	0.0	2	0.00
	Transition	0.0	0.55	0.0	0.0	0.00
	Sulphide	0.0	0.0	0.0	0.0	0.00
	Total	0.1	0.53	0.0	2	0.00
Total	**Oxide**	**4.6**	**0.74**	**3.5**	**111**	**0.51**
	Transition	**2.1**	**0.90**	**3.6**	**61**	**0.24**
	Sulphide	**9.8**	**1.18**	**3.2**	**371**	**1.00**
	Total	**16.6**	**1.02**	**3.3**	**544**	**1.76**

MRE Sapuchi Notes:

- Rodrigo Calles-Montijo, of Servicios Geológicos IMEx, S.C., William J. Lewis and Alan J San Martin, of Micon International Limited have reviewed and validated the mineral resource estimate for Sapuchi, Golfo de Oro, California, High Life and Calvario deposits. All are independent "Qualified Persons" (as defined in NI 43-101) responsible for the 2022 MRE Sapuchi. The effective date of the MRE Sapuchi is June 24th, 2022.

- Specific extraction methods are used only to establish reasonable cut-off grades for various portions of the deposit. No Preliminary Economic Analysis, Pre-Feasibility Study or Feasibility Study has been completed to support economic viability and technical feasibility of exploiting any portion of the mineral resource, by any particular mining method.
- The mineral resources disclosed were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") standards on mineral resources and reserves definitions, and guidelines prepared by the CIM standing committee on reserve definitions and adopted by the CIM council.
- The calculated economic cut-off grade for the resource in: Oxides (70% recovery) is 0.27 g/t Au, transition and sulphides (90% recovery) is 0.44 g/t Au
- Mineral resources are not mineral reserves and do not have demonstrated economic viability.
- Geologic modeling was completed by Osisko Development. The MRE Sapuchi was completed by Geologist Leonardo Souza, MAusIMM (CP) of Talisker Exploration Services, under the supervision of Rodrigo Calles-Montijo, of Servicios Geológicos IMEx, S.C., William J.Lewis and Alan J. San Martin, of Micon International Limited
- The estimate is reported for a potential open pit scenario and with USD assumptions. The cut-off grades were calculated using a gold price of $1,750 per ounce, a CAD:USD exchange rate of 1.3; mining cost of $2.95/t; processing cost of $4/t for oxides and $13.0/t for transition and sulphides; and general and administration costs of $2.50/t. The cut-off grades should be re-evaluated in light of future prevailing market conditions (metal prices, exchange rate, mining cost, etc.).
- A density of 2.55 g/cm^3 was established for all oxide zones, 2.69 g/cm^3 for transition zones and 2.74g/cm^3 for the sulphide zones.
- Resources for Sapuchi, Golfo de Oro, California, High Life and Calvario were estimated using Datamine Studio RM 1.3 software using hard boundaries on composited assays (3.0 m for all zones). Ordinary Kriging interpolation method was used in a with a parent block size = 10m x 10m x 5m.
- Results are presented in-situ. Ounce (troy) = metric tons x grade / 31.10348. Calculations used metric units (metres, tonnes, g/t). The number of metric tons was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations as per NI 43-101.

Neither the Company, Servicios Geológicos IMEx, S.C., nor Micon International Limited. is aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the mineral resource estimate other than disclosed in the MRE Sapuchi technical report.

For further information regarding the San Antonio Project, please see the technical report titled "*NI 43-101 Technical Report for the 2022 Mineral Resource Estimate on the San Antonio Project, Sonora, Mexico*", dated July 12, 2022 with an effective date of June 24, 2022 on the Company's website or under the Company's issuer profile at www.sedar.com and at www.sec.gov.

Stockpile

In the first quarter of 2022, Sapuchi Minera commenced processing its stockpile inventory through sodium cyanide heap leach pads ("**heap leach pad**") and carbon-in-column processing plant. The Company realized its first gold sales in July 2022 and in September 30, 2022, the Company had loaded carbon concentrate ready for refining. The Company sold 11,863 ounces of gold from the San Antonio heap leach pad for the year ended December 31, 2022.

2023 Objectives

Sapuchi Minera is expected to continue to focus its efforts on the remaining stockpile processing while it awaits next steps from the government of Mexico with respect to the permitting process.

Please see the caution section "Risk Factors: Operations Not Supported by a Feasibility Study".

Equity Investments

The Company's assets include a portfolio of shares, mainly of Canadian publicly traded exploration and development mining companies. The Company may, from time to time and without further notice except as required by law or regulations, increase or decrease its investments at its discretion.

Fair value of marketable securities

The following table presents the carrying value and fair value of the remaining investments in marketable securities (excluding warrants and convertible debt) as at December 31, 2022 and December 31, 2021 (in thousands of dollars):

	December 31, 2022		**December 31, 2021**	
Investments	Carrying value(i)	Fair value(ii)	Carrying value(i)	Fair value(ii)
	$	$	$	$
Associates	8,833	4,923	12,964	44,820
Other	33,819	33,819	49,516	49,516
	42,652	38,742	62,480	94,336

(i) The carrying value corresponds to the amount recorded on the consolidated statement of financial position, which is the equity method for investments in associates and the fair value for the other investments, as per IFRS 9, *Financial Instruments*.
(ii) The fair value corresponds to the quoted price of the investments on a recognized stock exchange for the respective period

Main Investments

The following table presents the main investments of the Company in marketable securities as at December 31, 2022:

Company	Number of Shares Held	Ownership
		%
Falco Resources Limited (associate)	46,885,240	17.3

*Falco Resources Limited ("**Falco**")*

Falco's main asset is the Horne 5 gold project, for which the summarized results of an updated feasibility study were released on March 24, 2021.

In June 2021, Falco entered into an agreement in principle with Glencore Canada Company establishing the framework of the terms and conditions (the "**Agreement in Principle**") pursuant to which the parties will enter into the Principal Operating License and Indemnity Agreement (the "**OLIA**") in order to enable Falco to develop and operate its Horne 5 project. The Agreement in Principle outlines the terms to be included in the OLIA which will establish the framework to govern Falco's development and operation of its Horne 5 project.

Falco also entered into an option agreement granting Falco the sole and exclusive right to acquire an undivided one hundred percent ownership interest in the Norbec and Millenbach sites located in the vicinity of the City of Rouyn-Noranda. The properties will serve as the tailings management facilities and are located at a former tailings facility (the old Norbec Mine), which has already been impacted by historical mining activities and is situated approximately 11 kilometres from the Horne 5 project's mining complex site. The use of this previously impacted site is consistent with Falco's environmental, social and governance strategies.

As at December 31, 2022, the Company holds 46,885,240 common shares representing a 17.3% interest in Falco (17.3% as at December 31, 2021). The Company concluded that it exercises significant influence over Falco and accounts for its investment using the equity method.

Sustainability Activities

The Company views sustainability as a key part of its strategy to create value for its shareholders and other stakeholders.

The Company focuses on the following key areas:

- Promoting the mining industry and its benefits to society;
- Promoting the Company's values through our three pillars of Sustainability; Good neighbor, Engaged workforce and Environmental stewardship;
- Developing and maintaining strong relationships with First nations, stakeholders, the Federal, Provincial and Municipal governments where the Company has activities and projects;
- Supporting the economic development of regions where it operates;
- Promoting diversity and inclusivity throughout the organization and the mining industry; and
- Encouraging investee companies and our contractors to adhere to the same areas of focus in sustainability.

The following are a few highlights from each of the projects:

Barkerville

- Positive relationship with Lhtako Dené Nation since 2015. Agreements include engagement protocol (signed in 2016), relationship agreements (2016) and life of project agreement (2020);
- Positive relationship with Xatsull First Nation and with Williams Lake First Nation (**"WLFN"**) since 2016 and 2017 respectively;
- Positive relationship with the District of Wells in British Columbia since 2016 and a Memorandum of Understanding signed in early 2022 to facilitate discussions for a project agreement;
- Open and transparent dialogue with the Ministry of Energy Mines and Low Carbon Innovation and The Ministry of the Environment and Climate Change Strategy to ensure positive relations;
- Installation of a water treatment plant to treat contact water and effluent completed;
- Of the historic 300,000 tonne PAG pile inherited, approximately 260,000 tonnes remaining;
- Reclamation work started on the Mosquito Creek old mine site;
- Signature of Collaboration Agreement for the reclamation of the Jack of Clubs Lake mining legacy site with the Crown Contaminated Site Program of the BG Ministry of Forest.
- Initiation of the second Sustainable Workforce Initiative for underground miner training to provide skills training to support a local workforce;
- Funding provided to local organizations within the Wells and Barkerville communities to support various initiatives;
- The Company in partnership with the Lhtako Dené Nation, initiated and is developing a stewardship society focused on the recovery of southern mountain caribou populations around Wells BC and, the enhancement and recovery activities of Bowron River sockeye and chinook salmon runs; and
- On July 5, 2022, The Company and WLFN entered into a participation agreement
- On December 31, 2022, the Cariboo gold project was written down to its net estimated recoverable amount of $435.7 million which was determined by the value-in-use using a discounted cash-flow approach and reflected as an impairment of Mining Interests. The main valuation inputs used were the cash flows expected to be generated by the production and sale of gold from the Cariboo gold project over the estimated life of the mine, based on the expected long-term gold price per ounce costs inflation forecast and the after-tax real discount rate of 8.1% applied to the cash flow projections.

Sapuchi Minera

- Reached a long-term agreement with Eijdo San Antonio, one of the primary impacted local communities:
- Commencement of the MIA; and
- An environmental baseline study was completed.
- On September 30, 2022, the San Antonio gold project was written down to its net estimated recoverable amount of $35.0 million ($nil net of the stream financing), which was determined by the value-in-use using a discounted cash-flows approach. The main valuation inputs used were the cash flows expected to be generated by the production and sale of gold from the San Antonio gold project over the estimated life of the mine, based on the expected long-term gold price per ounce costs inflation forecast and the pre-tax real discount rate of 19.9% applied to the cash flow projections.

Financings

Current year financings

2022 Brokered private placement

On March 2, 2022, the Company completed a brokered private placement issuing 9,525,850 brokered units at a price of $4.45 for gross proceeds of $42.4 million and 13,732,900 brokered subscription receipts at a price of $4.45 for gross escrowed proceeds of $61.1 million (the "**Brokered Subscription Receipts**" and together with the Brokered Units, the "**Brokered Private Placement**"), on a pre-share consolidation basis. Each brokered unit is comprised of one common share and one warrant, with each warrant entitling the holder to purchase one additional common share at a price of $22.80 ($7.60 pre-share consolidation) per common share for a period of 5 years following the closing date of the brokered private placement ("**Brokered Unit**").

Each Brokered Subscription Receipt entitles the holder to receive one Brokered Unit, upon the satisfaction of the following escrow release conditions ("**Brokered Escrow Release Conditions**");

(a) the completion, satisfaction or waiver of all conditions precedent to the Tintic acquisition in accordance with the Tintic definitive agreements and all regulatory approvals;
(b) the Company and the Underwriters, having delivered a completion notice and direction to the Escrow Agent in accordance with the terms of the Subscription Receipt Agreement confirming that the condition set forth in the condition above has been met; and
c) the conditions are met on or before June 15, 2022.

On May 27, 2022, the Company having met the Brokered Escrow Release Conditions and receiving regulatory and TSX-V approvals, the escrowed proceeds of $61.1 million (including accrued interest) were released to the Company.

The total Issuance costs related to the Brokered Units amounted to $3.5 million and have been allocated against the common shares and warrants issued.

The fair value of the warrants issued was evaluated using the residual method and were valued at $1.6 million, net of issuance costs.

2022 Non-Brokered private placements

The Company completed three tranches of non-brokered private placements, issuing subscription receipts at a price of US$3.50 (i) the first tranche closed on March 4, 2022 issuing 24,215,099 subscription receipts for gross proceeds of US$84.8 million ($108.1 million) (ii) the second tranche closed on March 29, 2022 issuing 9,365,689 subscription receipts for gross proceeds of US$32.8 million ($41 million), and (iii) the third tranche closed on April 21, 2022 issuing 512,980 subscription Receipts for gross proceeds of US$1.8 million ($2.2 million), collectively ("**Non Brokered Subscription Receipts**"). Each Non-Brokered Subscription Receipt entitles the holder to receive one non brokered unit which is comprised of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of US$6.00 per common share for a period of 5 years from the date of issue ("**Non Brokered Unit**").

Each Non Brokered Subscription Receipt entitles the holder to receive one Non Brokered Unit, upon the satisfaction of the escrow release condition to list the Company's common shares on the New York Stock Exchange on or before June 15, 2022 (the "**Non-Brokered Escrow Release Condition**").

The Non-Brokered Subscription Receipts will be automatically converted into Units, and the escrowed proceeds and interest earned thereon will be released to the Company, upon meeting the Non Brokered Escrow Release Condition.

On May 27, 2022, the Company having met the Non Brokered Escrow Release Condition and regulatory including TSX-V approvals, the escrowed gross proceeds of $US119.4 million (including accrued interest) were released to the Company.

Issuance costs incurred amounted to $2.8 million related to the issuance of Non-Brokered Subscription Receipts are recognized as contributed surplus in the statements of financial position.

2022 OBL Stream

The Company entered into a binding term sheet with OBL for a stream on the metals produced from Tintic for total cash consideration of US$20 million. Under the terms of the Stream, the Company will deliver to OBL 2.5% of all metals produced from Tintic at a purchase price of 25% of the relevant spot metal price. Once 27,150 ounces of refined gold have been delivered, the Stream rate will decrease to 2.0% of all metals produced. Closing of the Stream occurred in the third quarter of 2022 and the proceeds from the Stream are being used to advance the development of Tintic.

Prior year financings

In 2020 and 2021, the Company raised gross proceeds of approximately $253.7 million. The following summarizes each of the financing events on a pre-share consolidation basis:

On March 18, 2021, the Company announced the completion of a bought deal brokered private placement for aggregate gross proceeds of approximately $33.6 million which included partial exercise of the underwriters option and consisting of; (i) 2,055,742 flow-through ("**FT**") Share at a price of $9.05 per FT Share and (ii) 1,334,500 Charity FT Share at a price of $11.24 per Charity FT Share. The gross proceeds will be used by the Company to incur eligible Canadian exploration expenses that will qualify as flow-through mining expenditures as such terms are defined in the *Income Tax Act (Canada)* related to the Cariboo Gold Project and other exploration assets of the Company located in British Columbia.

On February 5, 2021, the Company closed the second and final tranche of the non-brokered private placement for 1,515,731 units for gross proceeds of $11.2 million. Each unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company, which each whole warrant entitling the holder to acquire one common share of the Company at a price of $10.00 per share on or prior to December 1, 2023;

On January 8, 2021, the Company closed the first tranche of a non-brokered private placement of 9,346,464 units for gross proceeds of $68.6 million. Each unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company, with each whole warrant entitling the holder to acquire one common share of the Company at a price of $10.00 per share on or prior to December 1, 2023.

On December 30, 2020, the Company closed a bought deal Private Placement of 5,367,050 units of the Company at a price of $7.50 per units for gross proceeds of $40.2 million. Each unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company, with each whole warrant entitling the holder to acquire one common share of the Company at a price of $10.00 per share on or prior to December 1, 2023. Fees were paid by the Company to the underwriters and other issuance costs were paid by the Company in connection with the December 2020 bought deal Private Placement. The proceeds of the December 2020 bought deal Private Placement are to be used to further develop the Cariboo Gold Project, advance the San Antonio Gold Project towards production and for general corporate purposes.

On October 29, 2020, prior to the closing of the RTO, the Company closed an initial bought deal Private Placement of 13,350,000 units of the Company at a price of $7.50 per Common Share for gross proceeds of $100.1 million. Each unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company, with each whole warrant entitling the holder to acquire one common share of the Company at a price of $10.00 per share on or prior to December 1, 2023. Fees were paid by the Company to the underwriters and other issuance costs were paid by the Company in connection with the October 2020 bought deal Private Placement. The proceeds of the October 2020 bought deal Private Placement are to be used to further develop the Cariboo Gold Project, advance the San Antonio Gold Project towards production and for general corporate purposes.

Summary of Use of Proceeds from financings
As at December 31, 2022 (in millions of dollars)

Description	Prior/Current Disclosure	Actual Spent	Remaining
May 27, 2022 – Brokered Units Corporate G&A & working capital	$59.7	$25.3	32.4
May 27, 2022 – Non-Brokered Units Tintic acquisition	$148.2	$74.7	73.5
March 2, 2022 – Brokered Units Cariboo Gold and San Antonio projects, G&A & working capital	$40.3	$40.3	Nil
March 18, 2021 Cariboo Gold project, eligible flow-through expenditures	$33.6	$33.6	Nil
February 5, 2021 Cariboo Gold and San Antonio projects and G&A	$11.2	$11.2	Nil
January 8, 2021 Cariboo Gold and San Antonio projects and G&A	$68.6	$68.6	Nil
December 30, 2020 Cariboo Gold and San Antonio projects and G&A	$40.2	$40.2	Nil
October 29, 2020 Cariboo Gold and San Antonio projects and G&A	$100.1	$100.1	$Nil

Selected Financial Information
(In thousands of dollars, except figures for ounces and amounts per ounce and per share) (1)

	Three months ended		Twelve months ended	
	December 31, 2022	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**[4]
	$	**$**	**$**	**$**
Revenues	**19,225**	2,980	**64,046**	7,661
Cost of sales	**(11,832)**	(2,980)	**(56,643)**	(7,661)
Operating loss	**(69,203)**	(66,515)	**(234,304)**	(157,365)
Net loss	**(64,897)**	(56,453)	**(192,460)**	(133,302)
Basic and diluted net loss per share (2)	**(0.86)**	(1.27)	**(3.02)**	(3.03)
Cash flow used in operating activities	**(11,256)**	(22,349)	**(50,258)**	(41,414)
Cash flow used in investing activities	**(30,912)**	(18,655)	**(145,917)**	(156,982)
Cash flow provided by financing activities	**7,328**	2,431	**254,528**	34,738
Weighted average shares outstanding				
Basic and diluted (2)	**75,628,539**	44,401,077	**63,797,504**	44,044,538

As at,	**December 31, 2022**	**December 31, 2021**	**December 31, 2020**	**December 31, 2019**
	$	**$**	**$**	**$**
Total assets	968,199	703,124	802,144	397,257
Total Liabilities	(237,765)	(118,922)	(102,578)	(42,243)

(1) Unless otherwise noted, financial information is in Canadian dollars and derived from financial statements prepared in accordance with IFRS.
(2) As a result of the net loss in each period, all potentially dilutive common shares are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share. The numbers for the average basic and diluted shares outstanding for all the periods presented in the consolidated statements of loss have been adjusted to reflect the effect of the 3:1 share consolidation that took effect on May 4, 2022.

Results of Operations

Three months ended December 31, 2022 and 2021

- Revenues of $19.2 million compared to $3.0 million in Q4 2021;
- Operating loss of $69.2 million compared to $66.5 million in Q4 2021;
- Net loss of $64.9 million compared to net loss of $56.5 million in Q4 2021.
- Net cash flows used in operating activities of $11.3 million compared to $22.3 million in Q4 2021;
- Investments mainly in mining interests, exploration and evaluation and plant and equipment of $31.7 million compared to cash used in investing activities of $38.4 million in Q4 2021;
- An impairment of $59.0 million was recorded at Barkerville to bring the book value to its realizable value.

In Q4 2022, the Company generated revenues of $19.2 million and incurred an operating loss of $69.2 million compared to $3.0 million and $66.5 million, respectively, in Q4 2021. The increase in revenues is mainly attributable to the acquisition of Tintic and the processing of the Sapuchi stockpile project. The change in operating loss is primarily due to the Barkerville asset impairment of $59 million, the operating activity results at the Bonanza Ledge II project, the Trixie test mine operations and the Sapuchi stockpile project. In Q4 2021, the operating losses were primarily due to an impairment of the assets of $47.8 million, of which $5.8 million related to the revaluation of Sapuchi's stockpile inventory and $42 million related to certain exploration and evaluation properties, including the James Bay properties and the Coulon zinc project in Canada.

In the current quarter, the Company incurred a net loss of $64.9 million compared to a net loss of $56.5 million in Q4 2021. The net loss increase is primarily due to the reasons noted above and due to the recognition of an unrealized gain of $3.1 million on the fair value adjustment of the warrant liability offset by costs related to the Financings and foreign exchange gains.

The net cash flows used in operating activities in the fourth quarter of 2022 amounted to $11.3 million compared to $22.3 million in the fourth quarter of 2021. The decrease is primarily due to the reduction in the operating activities at the Bonanza Ledge II and Sapuchi stockpile projects.

Investments mainly in mining interests, exploration and evaluation and plant and equipment for Q4 2022 amounted to $31.7 million compared to $38.4 million in Q4 2021. The decrease is primarily due to reduction in mining development activities.

Twelve months ended December 31, 2022 and 2021

- Revenues of $64 million compared to $7.7 million in 2021;
- Operating loss of $234.3 million, compared to $157.4 million in 2021;
- Net loss of $192.5 million, compared to $133.3 million in 2021.
- Net cash flows used in operating activities of $50.3 million compared to $41.4 million in 2021.
- Investments in mining interests, exploration and evaluation and plant and equipment of $86.3 million compared to $188.2 million in 2021;
- Gross proceeds from private placements of common shares and warrants of approximately $255.5 million (refer to *Financings* section)
- US$20 million in cash proceeds received from the closing of the stream.
- Impairments of $59.0 million and $81.0 million were recorded during the year for Barkerville and Sapuchi respectively to record the projects at their net realizable values.

In 2022, the Company had revenues of $64 million compared to $7.7 million in 2021. The increase in revenues is mainly attributable to the acquisition of Tintic and the processing of the Sapuchi stockpile. In 2022, the Company incurred an operating loss of $234.3 million compared to $157.4 million in 2021 and a net loss of $192.5 million compared to $133.3 million in 2021. The increase in operating losses is primarily due to an impairment on the Sapuchi and Barkerville mining interests totalling $140 million, the operating activities at Bonanza Ledge II project, the Trixie test mine operations and the Sapuchi stockpile project. In 2021, the operating losses were primarily due to asset impairments totalling $122 million and increased general and administrative expenditures of $27.6 million as the newly formed company continued to scale its operating and administrative functions. The increase in net loss is primarily due to the reasons noted above and due to the recognition of an unrealized gain of $25.0 million on the fair value adjustment of the warrant liability and, $11.9 million gain on disposal of investment partially offset by costs related to the financings.

The net cash flows used in operating activities in 2022 amounted to $50.3 million compared to $41.4 million in 2021. The increase is primarily due to the cash used in the operating activities at the Bonanza Ledge II project, Trixie test mine operations and Sapuchi stockpile project.

Investments in mining interests, exploration and evaluation and plant and equipment in 2022 amounted to $86.3 million compared to $188.2 million in 2021. The decrease in cash used in investing activities is primarily due to the reduction in mining development activities. In 2021, the investing activities were attributable to the ramp up of the development activities in connection with Barkerville and Sapuchi Minera.

On May 27, 2022, the Company completed its previously announced acquisition of Tintic, which includes a cash consideration of approximately US$58.7 million.

In 2022, the Company successfully raised and closed $255.5 million in brokered and non-brokered private placements, *see Financings* section.

On September 26, 2022, the Company received US$20 million in cash proceeds related to the closing of the stream on the metals produced from Tintic with Osisko Bermuda Limited, a wholly-owned subsidiary of Osisko Gold Royalties, *see Financings* section.

<u>Consolidated statements of loss</u>

The following table presents summarized statements of loss for the three and twelve months ended December 31, 2022 and 2021 (in thousands of dollars):

		Three months ended December 31,		Twelve months ended December 31,	
		2022	**2021**	**2022**	**2021**
		$	**$**	**$**	**$**
Revenue	(a)	**19,225**	**2,980**	**64,046**	**7,661**
Operating expenses					
Cost of sales	(a)	(11,832)	(2,980)	(56,643)	(7,661)
Other operating costs	(b)	(7,063)	(12,919)	(64,355)	(12,919)
General and administrative	(c)	(10,385)	(6,122)	(36,837)	(21,655)
Exploration and evaluation		(148)	321	(515)	(1,197)
Impairment of assets	(d)	(59,000)	(47,795)	(140,000)	(121,594)
Operating loss		**(69,203)**	**(66,515)**	**(234,304)**	**(157,365)**
Other income, net of other expense	(e)	4,523	3,785	43,550	11,092
Loss before income taxes		**(64,680)**	**(62,730)**	**(190,754)**	**(146,273)**
Income tax (recovery) expense		(217)	6,277	(1,706)	12,971
Net loss		(64,897)	(56,453)	(192,460)	(133,302)

a) The Company recognized $64.0 million in revenues from the sales of recovered gold and silver from its Bonanza Ledge II project, Trixie test mine operations and Sapuchi stockpile project. The related cost of sales in relation to the gold and silver sold of $56.6 million was also recognized in the consolidated statement of loss for the twelve months ended December 31, 2022 in accordance with IAS 2, Inventories are recorded at the net realizable value of inventory sold.

b) Other operating costs of $64.4 million were recognized in the twelve months ended December 31, 2022. These costs relate to the continuing operating activities at the Bonanza Ledge II project, Trixie test mine operations and Sapuchi stockpile project

c) General and administrative expenses of $36.8 million for the twelve months ended December 31, 2022 include $6.4 million of expenses incurred in relation to the Tintic Acquisition, $10.0 million of salaries, $6.9 million of share based compensation and $14.3 million of administrative expenses.

d) The Sapuchi and Barkerville mining interest was impaired for a total amount of $140 million, which was determined by the value-in-use using a discounted cash-flows approach based on updated economical models. The main valuation inputs used were the cash flows expected to be generated by the production and sale of gold from the Sapuchi and Barkerville sites over its estimated life of the mine.

e) Other income net of other expenses of $43.6 million for the twelve months ended December 31, 2022 includes the recognition of an unrealized gain of $25.0 million on the fair value adjustment of the warrant liability and $11.9 million gain on disposal of investment offset by costs related to the Financings and foreign exchange gains.

Selected Quarterly Information

Selected financial results for the previous quarters reported, which have been derived from the financial statements prepared in accordance with IFRS are shown in the table below:

In thousands of dollars, except per share	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Net loss	(64,897)	(103,731)	(1,500)	(22,332)	(56,452)	(31,745)	(41,404)	(3,701)
Net loss per share	(0.86)	(1.37)	(0.03)	(0.49)	(1.27)	(0.71)	(0.93)	(0.09)
Net loss diluted per share	(0.86)	(1.37)	(0.03)	(0.49)	(1.27)	(0.71)	(0.93)	(0.09)

The numbers for the average basic and diluted shares outstanding for all the periods presented in the consolidated statements of loss and comprehensive loss have been adjusted to reflect the effect of the 3:1 share consolidation that was put into effect on May 4, 2022.

Significant losses incurred in Q2, Q3, Q4 2021 and Q3, Q4 2022, were driven by impairment of assets related to the Company's Bonanza Ledge Phase II project, Sapuchi stockpile project and exploration and evaluation assets.

Liquidity and Capital Resources

As at December 31, 2022, the Company's working capital was $90.2 million, which included cash of $105.9 million. The Company incurred a loss of $192.4 million for the twelve month period ended December 31, 2022. With the closing of the March 2023 financing (refer to *Subsequent Events section*), management believes that the Company will have sufficient funds to meet its obligations and planned expenditures for the ensuing twelve months as they fall due. In assessing whether a going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. In order to execute on its planned activities, the Company will be required to secure additional financing in the future, which may be completed in several ways including, but not limited to, a combination of selling investments from its existing portfolio, project debt finance, offtake or royalty financing and other capital market alternatives. However, there can be no assurance that the Company will be able to obtain adequate financings in the future, or at terms favorable to the Company.

Significant variations in the liquidity and capital resources for the three and twelve months ended December 31, 2022 are explained below under the *Cash Flows* section. The Company is dependent upon raising funds in order to fund future capital expenditures and development programs. See the *Risk and Uncertainties* section of this MD&A for more details.

Cash Flows

The following table summarizes the cash flows (in thousands of dollars):

	Three months ended December 31,		Twelve months ended December 31,	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Cash flows				
Operations	2,223	(14,640)	(40,245)	(21,828)
Working capital items	(13,479)	(7,709)	(10,013)	(19,586)
Operating activities	(11,256)	(22,349)	(50,258)	(41,414)
Investing activities	(30,912)	(18,655)	(145,917)	(156,982)
Financing activities	7,328	2,431	254,528	34,738
Increase (decrease) in cash before effects of exchange rate changes on cash	(34,840)	(38,573)	58,353	(163,658)
Effects of exchange rate on changes on cash	7,666	(171)	14,184	(362)
Increase (decrease) in cash	**(27,174)**	(38,744)	**72,537**	(164,020)
Cash – beginning of period	**133,118**	72,151	**33,407**	197,427
Cash – end of period	**105,944**	33,407	**105,944**	33,407

Operating Activities

Cash flows used in operating activities in 2022 amounted to $50.3 million compared to $41.4 million in 2021. In Q4 2022 cash flows used in operating activities amounted to $11.3 million compared to $22.3 million in 2021. Refer to the Results of Operations section above.

Investing Activities

Cash flows used in investing activities amounted to $30.9 million in Q4 2022 compared to cash flows used in investing activities of $18.7 million in 2021. For 2022, the investing activities total $145.9 million compared to $157 million in 2021. Refer to the Results of Operations section above.

Financing Activities

Cash flows provided by financing activities amounted to $7.3 million in Q4 2022 compared to cash flows provided by financing activities of $2.4 million in 2021. For 2022, cash flows provided by financing activities amounted to $254.5 million compared to $34.7 million in 2021.

The total financing activities in 2022 include $255.5 million in proceeds raised from the brokered and non brokered private placements (refer to *Financings* section).

Since the inception of the Company up to the date of this report, a total of $607.6 million of capital has been raised through brokered, non brokered and stream financings.

Segmented Disclosure

The Company operates under a single operating segment, being the acquisition, exploration and development of mineral properties.

The assets related to the exploration, evaluation and development of mining projects are located in Canada (Barkerville) in Mexico (Sapuchi) and in USA (Tintic), and are detailed as follow as at December 31, 2022 (in thousands of dollars):

Non-Current Assets

				December 31, 2022
	Canada	Mexico	USA	Total
	$		$	$
Other assets (non-current)	16,252	17,485	3,257	36,994
Mining interest (see below)	372,061	16,822	191,596	580,479
Property, plant and equipment	63,655	21,688	26,353	111,696
Exploration and evaluation assets	3,653	-	51,473	55,126
Total non-current assets	**455,621**	**55,995**	**272,679**	**784,295**

Mining Interests

	Canada	Mexico	USA	Total
	$		$	$
Compensation	5,001	3,944	1784	10,729
Exploration Drilling	64,946	18,539	-	83,485
Consulting Expenditures	55,886	128	108	56,122
Acquisition Cost	258,152	57,038	169,175	484,365
Asset retirement obligation	25,320	-	2,610	27,930
Depreciation	3,594	(3,507)	490	577
Tax Credits	(12,597)	-	-	(12,597)
Impairments	(59,000)	(81,000)	-	(140,000)
Other	30,758	21,680	17,430	69,868
Total mining interest	**372,060**	**16,822**	**191,597**	**580,479**

Operating Gain (Loss)

			For the year ended December 31, 2022	
	Canada	Mexico	USA	Total
	$		$	$
Revenues	21,648	19,620	22,778	64,046
Cost of sales	(21,648)	(19,620)	(15,375)	(56,643)
Other operating costs	(52,914)	(11,423)	(18)	(64,355)
General and administrative expenses	(31,297)	(2,829)	(2,711)	(36,837)
Exploration and evaluation	(515)	-	-	(515)
Impairment of assets	(59,000)	(81,000)	-	(140,000)
Total Operating Gain (Loss)	**(143,726)**	**(95,252)**	**4,674**	**(234,304)**

Related party transactions

During the year ended December 31, 2022, the Company incurred expenses of $2.6 million ($3.5 million in 2021) for administrative, legal and technical expenses charged from associates, primarily reflected in the consolidated statement of loss.

During the year end December 31, 2022, the Company contributed a donation of $0.5 million to the Barkerville Heritage Trust, where an officer of Osisko Development holds a position on the board of directors.

As of December 31, 2022, amounts receivable from associates amounted to $.2 million ($0.1 million in 2021) and amounts payable to associates totaled $0.4 million ($0.3 million in 2021).

On August 12, 2022, Tintic entered into a metals stream agreement with OBL, a subsidiary of Osisko Gold Royalties for total cash consideration of US$20 million ($26.1 million). The stream was completed and funds were disbursed to the Company on September 26, 2022.

On December 31, 2022, the former parent Company, Osisko Gold Royalties held an interest of 44.1% (compared to 75.1% as at December 31, 2021) in Osisko Development. Effective September 30, 2022, following certain changes made to Osisko Gold Royalties investment agreement with Osisko Development, it was determined that Osisko Gold Royalties no longer held a position of control over Osisko Development.

Contractual Obligations and Commitments

As of December 31, 2022, the Company had the following minimum contractual obligations and commitments (in thousands of dollars):

	Total[1]	less than 1 year	1- 2 years	3-4 years
Purchase obligations	4,593	4,593	-	-
Capital commitments	33,715	13,910	19,282	-
Total	**38,308**	**18,503**	**19,282**	**-**

(1) The timing of certain capital payments is estimated based on the forecasted timeline of the projects. The majority of the commitments can be canceled at the discretion of the Company with little or no financial impact.

As of December 31, 2022, the Company's total lease obligations amounted to $2.2 million, of which $1.2 million is payable within 1 year.

Off-balance Sheet Items

There are no significant off-balance sheet arrangements, other than contractual obligations and commitments mentioned above.

Risks and Uncertainties

The Company's activities, being the acquisition, exploration, and development of mineral properties in Canada and worldwide, is speculative and involves a high degree of risk. Certain factors, including but not limited to the ones below, could materially affect the Company financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or related to the Company. Refer to the *"Cautionary Note Regarding Forward-Looking Information"* for more information. The reader should carefully consider these risks as well as the information disclosed in the Company's consolidated financial statements.

There are important risks which management believes could impact the Company's activities. For information on risks and uncertainties, please also refer to the Risk Factors section of (i) the restated Annual Information Form filed by the Company on May 24, 2022 and (ii) when filed, the Annual Information Form for the year ended December 31, 2022, each of which can or will be found on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under Osisko Development's issuer profile.

Osisko Development's operations are subject to financing risks and additional financing may result in dilution or partial sale of assets

Osisko Development's operations are subject to financing risks. At the present time, the Company has exploration and development assets which may generate periodic revenues through test mining but has no mines in the commercial production stage. The Company cautions that test mining at its operations could be suspended at any time. The Company's ability to explore for and find potential economic projects, and then to bring them into production, is highly dependent upon its ability to raise equity and debt capital in the financial markets. Any projects that the Company develops will require significant capital expenditures. To obtain such funds, the Company may sell additional securities including, but not limited to, the Company's shares or some form of convertible security, the effect of which could result in a substantial dilution of the equity interests of the Company's Shareholders. Alternatively, the Company may also sell a part of its interest in an asset in order to raise capital. There is no assurance that the Company will be able to raise the funds required to continue its exploration programs and finance the development of any potentially economic deposit that is identified on acceptable terms or at all. The failure to obtain the necessary financing could have a material adverse effect on the Company's growth strategy, results of operations, financial condition and project scheduling.

Risks related to mining operations

Mining operations are and will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources and mineral reserves including unusual or unexpected geological formations and other conditions such as formation pressures, fire, power outages, flooding, explosions, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labour, any of which could result in work stoppages, damage to property, and possible environmental damage that even a combination of careful evaluation, experience and knowledge may not eliminate or adequately mitigate. The Company may be subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the financial position of the Company.

Major expenditures are required to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, land tenure, land use, allowable production, importing and exporting of minerals and environmental protection.

Operations Not Supported by a Feasibility Study

Certain operations described herein, including the test mining at Bonanza Ledge II, processing of the stockpile at the Sapuchi mine, and ongoing test mining being carried out at the Trixie test mine, have been operated without the benefit of a feasibility study including mineral reserves, demonstrating economic and technical viability (and in the case of Trixie without the benefit of a technical report demonstrating the existence of a mineral resource), and, as a result there may be increased uncertainty of achieving any particular level of recovery of material or the cost of such recovery. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that commercial production will commence, continue as anticipated or at all or that anticipated production costs will be achieved. The failure to commence or continue production would have a material adverse impact on the Company's ability to generate revenue and cash flow to fund operations. Failure to achieve the anticipated production costs would have a material adverse impact on the Company's cash flow and potential profitability. In continuing current operations at Bonanza Ledge II, processing at Sapuchi, and, at the Trixie test mine, as contemplated, the Company will not be basing its decision to continue such operations on a feasibility study of mineral reserves demonstrating economic and technical viability (and in the case of Trixie without the benefit of a technical report demonstrating the existence of a mineral resource).

Operating Cash Flow

The Company has negative cash flow from operations. If additional funds are needed, there is no assurance that additional capital or other types of financing will be available or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

No Earnings and History of Losses

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

Industry Conditions

The exploration for and development of mineral deposits involve significant risks and while the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. All of the Company's properties are in the development or exploration stage and the Company is presently not exploiting any of its properties and its future success will depend on its capacity to generate revenues from an exploited property.

The discovery of mineral deposits depends on a number of factors, including the professional qualification of its personnel in charge of exploration. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. In the event that the Company wishes to commercially exploit one of its properties, the exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration and development of mineral deposits. Mining operations generally involve a high degree of risk, including unusual and unexpected geologic formations.

Regulatory Matters

The Company's activities are subject to governmental laws and regulations. These activities can be affected at various levels by governmental regulation governing prospecting and development, price control, taxes, labour standards and occupational health, expropriation, mine safety and other matters. Exploration and commercialization are subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of wastewater and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in significant expenditures. The Company may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of the Company's activities and delays in the exploration and development of the projects and properties.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or development costs or require abandonment or delays in development of new mining properties.

The Company is subject to currency fluctuations that may adversely affect the financial position of the Company.

The Company is subject to currency risks. The Company's functional currency is the Canadian dollar, which is exposed to fluctuations against other currencies. The Company's activities are located in Canada, Mexico and the U.S.A., and as such many of its expenditures and obligations are denominated in U.S. dollars and Mexican pesos. The Company maintains its principal office in Montreal (Canada), maintains cash accounts in Canadian dollars, U.S. dollars and Mexican pesos and has monetary assets and liabilities in Canadian dollars, U.S. dollars and Mexican pesos.

The Company's assets and liquidities are significantly affected by changes in the Canadian/U.S. dollar and Canadian/Mexican peso exchange rates. Most expenses are currently denominated in Canadian dollars, U.S. dollars and Mexican pesos. Exchange rate movements can therefore have a significant impact on the Company's costs. The appreciation of non-Canadian dollar currencies against the Canadian dollar can increase the costs of the Company's activities.

The Company is subject to taxation in multiple jurisdictions and adverse changes to the taxation laws of such jurisdictions could have a material adverse effect on its profitability

The Company has operations and conducts business in multiple jurisdictions and it is subject to the taxation laws of each such jurisdiction. These taxation laws are complicated and subject to change. The Company may also be subject to review, audit and assessment in the ordinary course. Any such changes in taxation law or reviews and assessments could result in higher taxes being payable or require payment of taxes due from previous years, which could adversely affect the Company's liquidities. Taxes may also adversely affect the Company's ability to repatriate earnings and otherwise deploy its assets.

The Company's exploration and developing properties that are located in jurisdictions that are subject to changes in economic and political conditions and regulations in those countries

The economics of the exploration and development of mining projects are affected by many factors, including the costs of exploration and development, variations of grade of mineralized material discovered, fluctuations in metal prices, foreign exchange rates and the prices of goods and services, applicable laws and regulations, including regulations relating to royalties, allowable production and importing and exporting goods and services. Depending on the price of minerals, the Company may determine that it is neither profitable nor advisable to acquire or develop properties.

The Company's mineral properties are located in Canada, Mexico and the U.S.A. Economic and political conditions in these countries could adversely affect the business activities of the Company. These conditions are beyond the Company's control, and there can be no assurances that any mitigating actions by the Company will be effective.

Changing laws and regulations relating to the mining industry or shifts in political conditions may increase the costs related to the Company's activities including the cost of maintaining its properties. Operations may also be affected to varying degrees by changes in government regulations with respect to restrictions on exploration and development activities, price controls, export controls, income taxes, royalties, expropriation of property, environmental legislation (including specifically legislation enacted to address climate change) and mine safety. The effect of these factors cannot be accurately predicted. Economic instability could result from current global economic conditions and could contribute to currency volatility and potential increases to income tax rates, both of which could significantly impact the Company's profitability.

The Company's activities are subject to extensive laws and regulations governing worker health and safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters. Regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

Risk factors specific to certain jurisdictions are described throughout, including specifically "Security in Mexico". The occurrence of the various factors and uncertainties related to economic and political risks of operating in the Company's jurisdictions cannot be accurately predicted and could have a material adverse effect on the Company.

Security in Mexico

In recent years, criminal activity and violence have increased and continue to increase in parts of Mexico. The mining sector has not been immune to the impact of criminal activity and violence, including in the form of kidnapping for ransom and extortion by organized crime, direct armed robberies of mining operations and the theft and robbery of supply convoys, including specifically for diesel. The Company takes measures to protect employees, property and production facilities from these and other security risks. There can be no assurance, however, that security incidents, in the future, will not have a material adverse effect on our operations.

Some of the Company's mineral assets are located outside of Canada and are held indirectly through foreign affiliates.

It may be difficult if not impossible to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of the securities laws of certain provinces against the Company's assets that are located outside of Canada.

Permits, Licences and Approvals

The operations of the Company require licences and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities, which it is currently conducting under applicable laws and regulations. Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licences and permits that may be required to maintain its mining activities, construct mines or milling facilities and commence operations of any of its exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

Any mergers, acquisitions or joint ventures would be accompanied by risks

The Company may evaluate from time to time opportunities to merge, acquire and joint venture assets and businesses or conduct any other type of transaction. Global landscape has changed and there are risks associated to such transactions due to liabilities and evaluations with the aggressive timelines of closing transactions from increased competition. There is also a risk that the review and examination process might be inadequate and cause material negative outcomes. These transactions may be significant in size, may change the scale of the Company's business and may expose it to new geographic, political, operating, financial and geological risks. Any transactions would be accompanied by risks, such as the difficulty of assimilating the operations and personnel; the potential disruption of the Company's ongoing business; the inability of management to maximize the financial and strategic position of the Company; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; dilution of the Company's present shareholders or of its interests in its assets or the decision to grant interests to a joint venture partner; and the potential unknown liabilities. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such transactions or joint ventures. There may be no right for shareholders to evaluate the merits or risks of any future transaction or joint venture undertaken except as required by applicable laws and regulations.

Indigenous title claims, rights to consultation/accommodation, and the Company's relationship with local communities may affect the Company's existing exploration and development projects.

Governments in many jurisdictions must consult with indigenous peoples and First Nations with respect to grants of mineral rights or surface rights and the issuance or amendment of project authorizations. Consultation and other rights of indigenous peoples and first nations may require accommodations, including undertakings regarding employment, royalty payments and other matters. This may affect the Company's ability to acquire, within a reasonable time frame, effective mineral titles or surface rights in these jurisdictions, including in some parts of Canada, Mexico and the USA in which indigenous or local communities' titles are claimed, and may affect the timetable and costs of development of mineral properties in these jurisdictions. The risk of unforeseen indigenous title claims also could affect exploration and development projects. These legal requirements may also affect the Company's ability to transfer existing projects or to develop new projects.

The Company's relationship with the communities in which it conducts activities are critical to ensure the future success of its existing activities and the exploration and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Adverse publicity relating to the mining industry generated by non-governmental organizations and others could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it conducts activities. While the Company is committed to working in a socially responsible manner, there is no guarantee that the Company's efforts in this regard will mitigate this potential risk.

The inability of the Company to maintain positive relationships with local communities may result in additional obstacles to permitting, increased legal challenges, or other disruptive operational issues at any of the Company's projects, and could have a significant adverse impact on the Company's share price and financial condition.

Competition

The Company activities are directed towards the exploration, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company will result in discoveries of commercial quantities of mineral deposits. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts, and the Company may not be able to successfully raise funds required for any such capital investment.

The Company may be impacted by Anti-Bribery laws.

The Canadian Corruption of Foreign Public Officials Act and the U.S. Foreign Corrupt Practices Act and anti-bribery laws in other jurisdictions where we do business, prohibit companies and their intermediaries from making improper payments for the purposes of obtaining or retaining business or other commercial advantage. The Company's policies mandate compliance with these anti-bribery laws, which often carry substantial penalties. The Company operates in jurisdictions that have experienced governmental and private sector corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with certain local customs and practices. There can be no assurances that the Company's internal control policies and procedures will always protect it from reckless or other inappropriate acts committed by the Company's affiliates, employees or agents. Violations of these laws, or allegations of such violations, could have a material adverse effect on the Company's business, financial position and results of operations.

Osisko Development may experience difficulty attracting and retaining qualified management to grow its business, which could have a material adverse effect on the Company's business and financial condition.

The Company is dependent on certain members of Management, particularly its Chief Executive Officer. The loss of their services could adversely affect the Company.

The Company is dependent on the services of key executives and other highly skilled personnel focused on advancing its corporate objectives as well as the identification of new opportunities for growth and funding. The loss of these persons or its inability to attract and retain additional highly skilled employees required for its activities may have a material adverse effect on the Company's business and financial condition. Further, while certain of the Company's officers and directors have experience in the exploration, development and operation of mineral properties, the Company remains highly dependent upon contractors and third parties in the performance of their exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors and officers of other companies involved in natural resource exploration and development; consequently, there is a possibility that such directors and officers will be in a position of conflict of interest. Any decision made by such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors and officers will declare, and refrain from voting on, any matter in which such directors and officers may have a material conflict of interest.

Uninsured Hazards

The Company could be held responsible for certain events including environmental pollution, cave-ins or other hazards against which a corporation such as the Company cannot insure or against which it may elect not to insure, taking into consideration the importance of the premiums or other reasons. The payment of amounts relating to liability of the aforementioned hazards could cause the loss of the Company's assets.

Mineral resource and mineral reserve estimates have inherent uncertainty

Mineral resource and mineral reserve figures are only estimates. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. While the Company believes that the mineral resource and mineral reserve estimates, as applicable, in respect of properties in which the Company holds a direct interest reflect best estimates, the estimating of mineral resources and mineral reserves is a subjective process and the accuracy of mineral resource and mineral reserve estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting available engineering and geological information. There is significant uncertainty in any mineral resource and mineral reserve estimate and the actual deposits encountered and the economic viability of a deposit may differ materially from estimates. Estimated mineral resources and mineral reserves may have to be re-estimated based on changes in prices of gold or other minerals, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence such estimates. In addition, mineral resources are not mineral reserves and there is no assurance that any mineral resource estimate will ultimately be reclassified as proven or probable mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Economics of developing mineral properties

Mineral exploration and development is speculative and involves a high degree of risk. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable and ultimately developed into producing mines. There is no assurance that any exploration properties will be commercially mineable.

Should any mineral resources exist, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine and to obtain the required environmental approvals and permitting required to commence commercial operations. The decision as to whether a property contains a commercially viable mineral deposit and should be brought into production will depend upon the results of exploration programs, preliminary economic assessment and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (a) costs of bringing a property into production, including exploration and development work, preparation of, if applicable, preliminary economic assessment and production feasibility studies and construction of production facilities; (b) availability and costs of financing; (c) ongoing costs of production; (d) metal prices; (e) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (f) political climate and/or governmental regulation and control. Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits, and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow.

Factors beyond the control of Osisko Development

The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined material (assuming that such mineral deposits are known to exist) may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company and they may also negatively impact the project schedule.

Osisko Development may be subject to liability or sustain loss for certain risks and hazards against which it does not or cannot economically insure

Mining is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Such risk and hazards might impact the Company's business. Consequently, many of the foregoing risks and hazards could result in damage to, or destruction of, the Company's mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities, delay in or inability to receive required regulatory approvals, or costs, monetary losses and potential legal liability and adverse governmental action. Osisko Development may be subject to liability or sustain loss for certain risks and hazards against which it does not or cannot insure or against which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to the Company.

Environmental risks and hazards

Osisko Development is subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures estimated by management may differ from the actual expenditures required.

Fluctuation in market value of Osisko Development Common Shares

The market price of Osisko Development Common Shares is affected by many variables not directly related to the corporate performance of the Company, including the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Osisko Development Shares in the future cannot be predicted and may cause decreases in asset values, which may result in impairment losses.

Cybersecurity Threats

The Company's operations depend, in part, on how well it and its suppliers protect networks, technology systems and software against damage from a number of threats, including viruses, security breaches and cyber-attacks. Cybersecurity threats include attempts to gain unauthorized access to data or automated network systems and the manipulation or improper use of information technology systems. A failure of any part of the Company's information technology systems could, depending on the nature of such failure, materially adversely impact the Company's reputation, financial condition and results of operations. The Company is subject to cybersecurity attacks and related threats from time to time. Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any system vulnerabilities. In addition, the Company's insurance coverage for cyber-attacks may not be sufficient to cover all the losses it may experience as a result of a cyber incident. The Company and its third party service provides also collects, uses, discloses, stores, transmits and otherwise processes customer, supplier and employee and others' data as part of its business and operations, which may include personal data or confidential or proprietary information. There can be no assurance that any security measures that the Company or its third-party service providers have implemented will be effective against current or future security threats. If a compromise of such data were to occur, the Company may become liable under its contracts with other parties and under applicable law for damages and incur penalties and other costs to respond to, investigate and remedy such an incident. Depending on the facts and circumstances of such an incident, these damages, penalties, fines and costs could be significant. Any such event could harm the Company's reputation and result in litigation against it.

Disclosure Controls, Procedures and Internal Controls over Financial Reporting (ICFR)

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company, have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P") to provide reasonable assurance that: i) material information relating to the Company is made known to Management by others, particularly during the period in which the annual filings are being prepared; and ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under applicable Canadian securities laws and the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in securities legislation. The CEO and CFO of the Company have evaluated, or caused to be evaluated under their supervision, the design and operating effectiveness of our DC&P as defined in Regulation 52-109 respecting Certification of Disclosure in Issuer's Annual and Interim Filings and the Exchange Act as at December 31, 2022, and have concluded that such DC&P were designed and operating effectively.

The CEO and CFO are also responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The CEO and CFO of the Company have evaluated the design and operating effectiveness of its ICFR as defined in Regulation 52-109 respecting Certification of Disclosure in Issuer's Annual and Interim Filings. Based on this evaluation, the CEO and CFO concluded that, as at December 31, 2022, the ICFR were appropriately designed, effective and able to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The CEO and CFO have evaluated whether there were changes to the ICFR during the year ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, the ICFR. No such changes were identified through their evaluation.

Basis of Presentation of Consolidated Financial Statements

The consolidated financial statements for the year ended December 31, 2022 have been prepared in accordance with the IFRS as issued by the IASB. The significant accounting policies of the Company are detailed in the notes to the audited consolidated financial statements for the years ended December 31, 2022 and 2021, filed on SEDAR at www.sedar.com, EDGAR at www.sec.gov and on Company's website at www.osiskodev.com. The accounting policies, methods of computation and presentation applied in the consolidated financial statements are consistent with those of the previous financial year.
Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

Critical Accounting Estimates and Judgements

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Critical accounting estimates and assumptions as well as critical judgements in applying the Company's accounting policies are detailed in the consolidated financial statements for the year ended December 31, 2022 and 2021.

Financial Instruments

All financial instruments are required to be measured at fair value on initial recognition. The fair value is based on quoted market prices, unless the financial instruments are not traded in an active market. In this case, the fair value is determined by using valuation techniques like discounted cash flows, the Black-Scholes option pricing model or other valuation techniques. Measurement in subsequent periods depends on the classification of the financial instrument. A description of financial instruments and their fair value is included in the consolidated financial statements for the quarter ended December 31, 2022.

Technical Information

The scientific and geological technical information contained in this MD&A has been reviewed and approved by Ms. Maggie Layman a "Qualified Persons" ("**QP**") as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects.*

Share Capital Structure

As of the date of this MD&A, the following number of common shares of the Company and other securities of the Company exercisable for common shares of the Company are outstanding:

Securities	Common shares on exercise
Common shares	83,498,638
Stock options	1,752,151
RSU's	1,032,530
DSU's	260,426
Warrants	31,888,451
Fully diluted share capital	**118,378,196**

Non-IFRS Financial Measures

Osisko Development used in this MD&A, certain non-IFRS (as defined herein) measures including, "all-in sustaining cost" or "AISC" and "cash cost". All-in sustaining cost per gold ounce is defined as production costs less silver sales plus general and administrative, exploration, other expenses and sustaining capital expenditures divided by gold ounces. Cash costs are a non-IFRS measure reported by Osisko Development on an ounces of gold sold basis. Cash costs include mining, processing, refining, general and administration costs and royalties but excludes depreciation, reclamation, income taxes, capital and exploration costs for the life of the mine. The Company believes that such measures provide investors with an alternative view to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under International Financial Reporting Standards ("**IFRS**"). Therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Cautionary Note Regarding Forward-Looking Statements

Except for the statements of historical fact contained herein, the information presented in this MD&A constitutes Forward-Looking Information within the meaning of applicable Canadian Securities Laws concerning the business, operations, plans and financial performance and condition of the Company. Often, but not always, Forward-Looking Information can be identified by words such as "plans", "expects", "may", "should", "could", "will", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", or variations including negative variations thereof of such words and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved.

Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual plans, results, performance or achievements of the Company to differ materially from any future plans, results, performance or achievements expressed or implied by the Forward-Looking Information. Such factors include, among others, the terms for an availability of future financing, actual operating cash flows, operating costs, free cash flows, mineral resources, total cash, transaction costs, and administrative costs of the Company differing materially from those anticipated; project infrastructure requirements and anticipated processing methods, exploration expenditures differing materially from those anticipated; actual results of current exploration activities; variations in mineral resources, mineral production, grades or recovery rates or optimization efforts and sales; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; uninsured risks, including, but not limited to, pollution, cave-ins or hazards for which insurance cannot be obtained; regulatory changes, defects in title; availability or integration of personnel, materials and equipment; inability to recruit or retain management and key personnel; performance of facilities, equipment and processes relative to specifications and expectations; unanticipated environmental impacts on operations; market prices; production, construction and technological risks or capital requirements and operating risks associated with the operations or an expansion of the operations, dilution due to future equity financings, fluctuations in gold, silver and other metal prices and currency exchange rates; uncertainty relating to future production and cash resources; inability to successfully complete new development projects, planned expansions or other projects within the timelines anticipated; adverse changes to market, political and general economic conditions or laws, rules and regulations applicable to the Company; impact of the COVID-19 pandemic; changes in project parameters; the possibility of project cost overruns or unanticipated costs and expenses; accidents, labour disputes, community and stakeholder protests and other risks of the mining industry; failure of plant, equipment or processes to operate as anticipated; risk of an undiscovered defect in title or other adverse claim; factors discussed under the heading "Risk

Factors"; and other risks, including those risks set out in the continuous disclosure documents of the Company, which are available on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under the issuer profiles of the Company.

In addition, Forward-Looking Information herein is based on certain assumptions and involves risks related to the businesses of the Resulting Issuer. Forward-Looking Information contained herein is based on certain assumptions, including, but are not limited to, interest and exchange rates; the price of gold, copper and other metals; competitive conditions in the mining industry; title to mineral properties; financing and funding requirements; general economic, political and market conditions; and changes in laws, rules and regulations applicable to the Company.

Although the Company has attempted to identify important factors that could cause plans, actions, events or results to differ materially from those described in Forward-Looking Information in this MD&A, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate as actual plans, results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on Forward-Looking Information in this MD&A. All of the Forward-Looking Information in this MD&A are qualified by these cautionary statements.

Certain Forward-Looking Information and other information contained herein concerning the mining industry and the expectations of the Company concerning the mining industry and the Company are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. While the Company is not aware of any misstatement regarding any industry data presented herein, the mining industry involves risks and uncertainties that are subject to change based on various factors.

Readers are cautioned not to place undue reliance on Forward-Looking Information. The Company does not undertake any obligation to update any of the Forward-Looking Information in this MD&A, except as required by law.

Cautionary Note to U.S. Investors Regarding the Use of Mineral Reserve and Mineral Resource Estimates

The Company is subject to the reporting requirements of the applicable Canadian Securities Laws, and as a result reports information regarding mineral properties, mineralization and estimates of mineral reserves and mineral resources in accordance with Canadian reporting requirements, which are governed by NI 43-101. As such, the information contained in this MD&A concerning mineral properties, mineralization and estimates of mineral reserves and mineral resources is not comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the U.S. Securities and Exchange Commission.