OSISKO MINING

Condensed Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2019 and 2018

Presented in Canadian dollars

(Unaudited)

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

As at		March 31, 2019		December 31, 2018
Assets				
Current assets				
Cash and cash equivalents	$	71,613	$	88,280
Other receivables		693		582
Advances and prepaid expenses		988		507
Tax recoverable		35,704		34,873
Marketable securities (note 4)		11,244		14,200
Inventories		159		-
Total current assets		**120,401**		**138,442**
Non-current assets				
Reclamation deposit		404		404
Long-term investment		150		150
Investment in associate (note 7)		57,766		56,998
Right-of-use assets (note 3(a))		2,603		-
Plant and equipment (note 8)		8,200		7,972
Exploration and evaluation assets (note 9)		370,282		368,902
Total non-current assets		**439,405**		**434,426**
Total assets	**$**	**559,806**	**$**	**572,868**
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$	14,649	$	10,260
Current lease liabilities (note 3(b))		1,499		-
Total current liabilities		**16,148**		**10,260**
Non-current liabilities				
Flow-through premium liability (note 10(a))		755		2,560
Share-based payment liability (note 11)		2,376		874
Asset retirement obligation (note 12)		3,687		3,628
Non-current lease liabilities (note 3(b))		1,126		-
Deferred tax liability (note 14)		33,277		24,523
Total non-current liabilities		**41,221**		**31,585**
Total liabilities		**57,369**		**41,845**
Equity				
Share capital (note 10(a))		592,689		580,616
Contributed surplus (note 10(d))		54,758		55,606
Warrants (note 10(e))		233		2,568
Accumulated deficit		(145,243)		(107,767)
Total equity attributed to equity holders of the Corporation		**502,437**		**531,023**
Total liabilities and equity	**$**	**559,806**	**$**	**572,868**

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

Commitments (note 15)
Subsequent events (note 16)

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

For the period ended		**March 31, 2019**		**March 31, 2018**
Expenses				
Compensation expenses (note 6)	$	4,179	$	8,779
General and administration expenses (note 6)		1,386		1,141
General exploration expenses		27		9
Exploration and evaluation assets impairment loss (note 9)		27,090		-
Flow-through premium income (note 10(a))		(1,805)		(7,525)
Loss from marketable securities (note 4)		883		2,568
Other income		(42)		(64)
Operating loss		**31,718**		**4,908**
Finance income		(455)		(392)
Finance costs		212		44
Net finance income		**(243)**		**(348)**
Share of (gain)/loss of associates (note 7)		(768)		348
Loss for before tax		**30,707**		**4,908**
Deferred income tax expense (note 14)		6,769		6,319
Loss and comprehensive loss	**$**	**37,476**	**$**	**11,227**
Basic and diluted loss per share (note 10(b) and (c))	**$**	**0.14**	**$**	**0.05**
Weighted average number of shares (note 10(b) and (c))		**260,049,745**		**207,884,481**

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

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

Attributable equity to owners of the Corporation

	Number of Shares		Share Capital		Warrants		Contributed Surplus		Deficit and Accumulated Deficit		Total
Balance January 1, 2018	**207,845,240**	**$**	**456,231**	**$**	**17,204**	**$**	**28,761**	**$**	**(73,771)**	**$**	**428,425**
Loss for the period	-		-		-		-		(11,227)		**(11,227)**
Stock-based compensation (note 10(d))	-		-		-		6,195		-		**6,195**
Issuance of shares upon exercise of stock options (note 10(a))	74,332		396		-		(172)		-		**224**
Issuance of shares upon exercise of warrants (note 10(a))	750		3		(1)		-		-		**2**
Deferred tax asset on share issue cost (note 14)	-		1,981		-		-		-		**1,981**
Balance March 31, 2018	**207,920,322**	**$**	**458,611**	**$**	**17,203**	**$**	**34,784**	**$**	**(84,998)**	**$**	**425,600**

Attributable equity to owners of the Corporation

	Number of Shares		Share Capital		Warrants		Contributed Surplus		Deficit and Accumulated Deficit		Total
Balance January 1, 2019	**257,201,331**	**$**	**580,616**	**$**	**2,568**	**$**	**55,606**	**$**	**(107,767)**	**$**	**531,023**
Loss for the period	-		-		-		-		(37,476)		**(37,476)**
Stock-based compensation (note 10(d))	-		-		-		1,398		-		**1,398**
Issuance of shares upon exercise of stock options (note 10(a))	2,339,434		5,267		-		(2,308)		-		**2,959**
Issuance of shares upon exercise of warrants (note 10(a))	3,172,123		6,987		(2,273)		-		-		**4,714**
Expiry of warrants	-		-		(62)		62		-		**-**
Deferred tax asset on share issue cost (note 14)	-		(181)		-		-		-		**(181)**
Balance March 31, 2019	**262,712,888**	**$**	**592,689**	**$**	**233**	**$**	**54,758**	**$**	**(145,243)**	**$**	**502,437**

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

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

For the period ended		**March 31, 2019**		**March 31, 2018**
Cash flows used in operating activities				
Loss for the period	$	(37,476)	$	(11,227)
Adjustments for:				
Marketable securities loss (note 4)		883		2,568
Share of (income)/loss of associates (note 7)		(768)		348
Exploration and evaluation assets impairment loss (note 9)		27,090		-
Depreciation		93		35
Accretion on asset retirement obligation (note 12)		8		8
Flow-through premium income (note 10(a))		(1,805)		(7,525)
Stock-based compensation (note 10(d))		2,532		5,334
Deferred income tax expense (note 14)		6,769		6,319
Interest income		(455)		(392)
		(3,129)		**(4,532)**
Change in items of working capital:				
Change in other receivables		(111)		(341)
Change in advances and prepaid expenses		(481)		(23)
Change in accounts payable and accrued liabilities		(467)		(3,211)
Change in taxes recoverable		(839)		4,163
Net cash used in operating activities		**(5,027)**		**(3,944)**
Cash flows used in investing activities				
Interest received		455		392
Acquisition of marketable securities (note 4)		(1,274)		-
Proceeds on disposition of marketable securities (note 4)		3,347		1,383
Acquisition of Beaufield equity investment (note 5)		-		(2,369)
Acquistion of plant and equipment (note 8)		(669)		(907)
Addition to exploration and evaluation assets (note 9)		(20,812)		(32,047)
Net cash used in investing activities		**(18,953)**		**(33,548)**
Cash flows provided by financing activities				
Repayment of lease liabilities		(360)		-
Cash received from exercise of warrants (note 10(e))		4,714		2
Cash received from exercise of stock options (note 10(d))		2,959		224
Net cash provided by financing activities		**7,313**		**226**
Decrease in cash and cash equivalents		**(16,667)**		**(37,266)**
Cash and cash equivalents, beginning of period		**88,280**		**111,504**
Cash and cash equivalents, end of period	**$**	**71,613**	**$**	**74,238**

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

1) Reporting entity

Osisko Mining Inc. ("**Osisko**" or the "**Corporation**") is a Canadian Corporation domiciled in Canada and was incorporated on February 26, 2010 under the Ontario Business Corporations Act. The address of the Corporation's registered office is 155 University Ave, Suite 1440, Toronto, Ontario, Canada. The consolidated financial statements of the Corporation at December 31, 2018 include the Corporation and its subsidiaries, Beaufield Resources Inc. ("Beaufield"), Eagle Hill Exploration Corporation, Ryan Gold Corp., Corona Gold Corporation, Northern Gold Mining Inc., Niogold Mining Corporation, O3 Investments Incorporated and O3 Markets Inc. (together the "Group" and individually as "Group entities"). Subsequent to the year ended December 31, 2018, Osisko amalgamated Beaufield, Eagle Hill Exploration Corporation, Ryan Gold Corp., Corona Gold Corporation, and O3 Investments Incorporated. The Corporation is primarily in the business of acquiring, exploring and developing precious mineral deposits in Canada.

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

2) Basis of preparation

a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements including IAS 34, Interim Financial Reporting and are presented in thousands of Canadian dollars.

These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with the Corporation's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2018.

These consolidated financial statements were authorized for issuance by the Corporation's board of directors (the "Board of Directors') on May 7, 2019.

b) Significant accounting policies

The significant accounting policies followed in these unaudited condensed interim consolidated financial statements are consistent with those applied in the Corporation's audited annual consolidated financial statements for the year ended December 31, 2018, except in relation to policies adopted in the three-month period ended March 31, 2019. The accounting policies set out below are in accordance with IFRS and have been applied to these unaudited condensed interim consolidated financial statements.

Leases

The Corporation leases various offices and equipment. Lease agreements are typically made for fixed periods of two to six years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of

Basis of preparation (continued)

b) Significant accounting policies (continued)

Leases (continued)

different terms and conditions. Prior to January 1, 2019, leases of offices and equipment were classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Corporation. Each lease payment is allocated between the lease liabilities and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liabilities 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 leases are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

c) Use of critical estimates and judgements

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

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

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

In preparing these unaudited condensed interim consolidated financial statements, the significant judgements and estimates made by management in applying the Corporation’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended December 31, 2018.

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

3) Changes in IFRS accounting policies and future accounting pronouncements

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for accounting years ended after December 31, 2019. Many are not applicable or do not have a significant impact to the Corporation and have been excluded from the summary below.

a) New Accounting Standards Issued and Effective

IFRIC 23, Uncertainty over Income Tax Treatments ("IFRIC 23")

In June 2017, the IASB issued IFRIC 23. IFRIC 23 clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 and requires an entity to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it uses or plans to use in its income tax filing. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 and permits early adoption. The adoption of IFRIC 23 did not have a material impact on the consolidated financial statements.

IFRS 16, "Leases" ("IFRS 16")

In January 2016, the IASB issued IFRS 16. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting periods on or after January 1, 2019.

The Corporation has applied IFRS 16 on January 1, 2019 and selected the modified retrospective transition approach which does not require restatement of comparative periods, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized on the opening balance sheet on January 1, 2019. On adoption of IFRS 16, the Corporation recognized lease liabilities in relation to leases, which had previously been classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 8%. The following table reconciled the differences between the operating lease commitments as at December 31, 2018 and lease liabilities recognized on January 1, 2019:

Reconciliation		
Operating lease commitments disclosed as at December 31, 2018	**$**	**4,317**
Less:		
Short-term leases recognized on a straight-line basis as expense		**(1,208)**
Discounted using the lessee's incremental borrowing rate at the date of initial application		**(179)**
Lease liabilities recognized as at January 1, 2019	**$**	**2,930**

The associated right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized on the balance sheet as at December 31, 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

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

3) Changes in IFRS accounting policies and future accounting pronouncements (continued)

a) New Accounting Standards Issued and Effective (continued)

IFRS 16, "Leases" ("IFRS 16") (continued)

The recognized right-of-use assets relate to the following types of assets:

As at		March 31, 2019		January 1, 2019
Offices	$	745	$	809
Equipment		1,858		2,121
Total	**$**	**2,603**	**$**	**2,930**

In applying IFRS 16 for the first time, the Corporation has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

4) Marketable securities

The Corporation holds shares and warrants in various public and private companies. During the period ended March 31, 2019, these shares and warrants were fair valued and this resulted in an unrealized loss of $1,011,000 (2018 – $3,133,000). The Corporation sold shares during the period ended March 31, 2019 which resulted in a realized gain of $128,000 (2018 – $565,000).

The shares in the various public companies are classified as FVTPL and are recorded at fair value using the quoted market price as at March 31, 2019 and are therefore classified as level 1 within the fair value hierarchy.

The warrants in the various public companies are classified as FVTPL and are recorded at fair value using a Black-Scholes option pricing model using observable inputs and are therefore classified as level 2 within the fair value hierarchy.

The following table summarizes information regarding the Corporation's marketable securities as at March 31, 2019 and December 31, 2018:

As at		March 31, 2019		December 31, 2018
Balance, beginning of period	**$**	**14,200**	**$**	**22,076**
Additions		1,274		5,364
Acquisitions (note 5)		-		1,587
Disposals		(3,347)		(7,768)
Realized loss		(1,011)		(694)
Unrealized gain/(loss)		128		(6,365)
Balance, end of period	**$**	**11,244**	**$**	**14,200**

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

5) Acquisition of Beaufield

On October 19, 2018, the Corporation completed the acquisition (the "Beaufield Arrangement") of Beaufield by way of a court approved plan of arrangement.

Under the terms of the Beaufield Arrangement, each former shareholder of Beaufield became entitled to receive 0.0482 of a common share of Osisko in exchange for each common share of Beaufield held immediately prior to the effective time of the Beaufield Arrangement. In addition, holders of options and warrants to acquire common shares of Beaufield received replacement options and warrants, respectively, entitling the holders thereof to acquire common shares of Osisko.

The Beaufield Agreement has been accounted for as an acquisition of assets and liabilities as Beaufield does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Beaufield were recorded at the fair value of the consideration transferred of $34,004,000 as detailed in the table below:

Consideration Paid		
Share consideration	$	**24,267**
Cancellation of previously held BFD common shares (note 7)		**8,656**
Transaction costs		**698**
Stock Options		**226**
Warrants		**157**
	$	**34,004**

Net assets acquired		
Cash	$	**3,440**
Current assets		**546**
Marketable securities (note 4)		**1,587**
Exploration and evaluation assets		**28,478**
Current liabilities		**(47)**
Total net assets acquired	$	**34,004**

6) Expenses

The following table summarizes information regarding the Corporation's expenses from continuing operations for the period ended March 31, 2019 and 2018:

For the period ended		**March 31, 2019**		**March 31, 2018**
Compensation expenses				
Stock-based compensation (note 10(d) and note 11)	$	2,532	$	5,334
Salaries and benefits		1,647		3,445
Total compensation expenses	**$**	**4,179**	**$**	**8,779**
General and administration expenses				
Shareholder and regulatory expense	$	212	$	129
Travel expense		150		130
Professional fees		432		286
Office expense		592		596
Total general and administration expenses	**$**	**1,386**	**$**	**1,141**
Marketable securities				
Realized loss/(gain) from marketable securities (note 4)	$	1,011	$	(565)
Unrealized (gain)/loss from marketable securities (note 4)		(128)		3,133
Total marketable securities loss	**$**	**883**	**$**	**2,568**

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

7) Investment in associate

The trading price of Barkerville on March 31, 2019 was $0.375 per share which corresponds to a quoted market value of $30,901,000 for the Corporation's investment in Barkerville.

The equity accounting for Barkerville is based on the results up to December 31, 2018 adjusted for any significant transactions between December 31, 2018 and March 31, 2019.

The Corporation's investments in associates are detailed as follows:

As at	**March 31, 2019**
Balance, beginning of period	**$ 56,998**
Share of gain for the period	768
Balance, end of period	**$ 57,766**

8) Plant and equipment

The following table summarizes information regarding the Corporation's plant and equipment as at March 31, 2019:

	March 31, 2019						
	Cost			Accumulated depreciation			
Class	**Opening balance**	**Additions/ transfers**	**Closing balance**	**Opening balance**	**Depreciation**	**Closing balance**	**Net book value**
Computer Equipment	$ 1,537	$ 155	$ 1,692	$ 574	$ 78	$ 652	$ 1,040
Office Equipment	207	-	207	60	7	67	140
Exploration Equipment	8,680	514	9,194	1,901	348	2,249	6,945
Automobiles	175	-	175	92	8	100	75
Total	**$ 10,599**	**$ 669**	**$ 11,268**	**$ 2,627**	**$ 441**	**$ 3,068**	**$ 8,200**

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

9) Exploration and evaluation assets

	December 31, 2018	Additions in the period	Deferred income tax asset on investment tax credits (note 14)	Impairment (losses)/loss reversals in the period	March 31, 2019
Windfall Lake	$ 222,237	$ 23,389	$ -	$ -	$ 245,626
Quévillon Osborne	13,688	1,281	-	-	14,969
Urban Barry	20,453	1,586	-	-	22,039
Urban Barry Base Metals	30	-	-	-	30
Quévillon Osborne Base Metals	10	19	-	-	29
Kan - James Bay	501	-	-	(301)	200
Éléonore – James Bay	-	-	-	200	200
Éléonore JV – James Bay	546	2	-	(348)	200
Other – James Bay	2,503	102	-	(2,455)	150
FCI - Corvette Lithium	(57)	-	-	-	(57)
Urban Duke	2,142	-	-	-	2,142
Éléonore Opinaca	-	-	-	1,000	1,000
Tortigny	11,818	(43)	-	(10,775)	1,000
Luanay	2,273	-	-	(1,273)	1,000
Marban Block	65,139	9	227	(5,875)	59,500
Garrison Block	27,619	321	1,577	(7,513)	22,004
Hemlo	-	-	-	250	250
Total exploration and evaluation assets	**$ 368,902**	**$ 26,666**	**$ 1,804**	**$ (27,090)**	**$ 370,282**

a) Impairments in the period

On February 19, 2019, the Corporation entered into a binding letter agreement to transfer the Éléonore Opinaca, Tortigny, Luannay, Marban Block, Garrison Block, Hemlo and James Bay projects to Chantrel Venture Corp. ("Chantrel") in exchange for common shares of Chantrel. The agreement stipulates the sales prices of the individual assets and when compared to their respective carrying amounts it was determined that the full carrying value of these assets will not be recovered through sale or further development. Due to this triggering event, an impairment loss totaling $27,090,000 was recognized for these properties to write it down to their recoverable amounts. As part of the write down, the Corporation reversed a portion of impairment previously recognized on the Éléonore, Hemlo, and Éléonore Opinaca projects.

10) Capital and other components of equity

a) Share capital – authorized

	Number of Common Shares	Amount
Balance, January 1, 2018	**207,845,240**	**$ 456,231**
Issuance of shares upon exercise of warrants (note 10(e))	524,235	1,128
Issuance of shares upon exercise of stock options (note 10(d))	1,119,984	2,594
Deferred tax asset on share issue cost (note 14)	-	3,267
Private placement (net of transaction costs $360,000)	3,823,000	6,139
Private placement (net of transaction costs $3,707,000)	27,046,031	62,147
Private placement (net of transaction costs $157,000)	9,259,260	24,843
Issuance of shares on acqusition of Beaufield Resources Inc (note 5)	7,583,581	24,267
Balance December 31, 2018	**257,201,331**	**$ 580,616**
Issuance of shares upon exercise of warrants (note 10(e))	3,172,123	6,987
Issuance of shares upon exercise of stock options (note 10(d))	2,339,434	5,267
Deferred tax asset on share issue cost (note 14)	-	(181)
Balance March 31, 2019	**262,712,888**	**$ 592,689**

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

10) Capital and other components of equity (continued)

a) Share capital – authorized (continued)

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

On September 18, 2018, the Corporation completed a private placement of 27,046,031 common shares of the Corporation at an average price of $2.59 per common share issued as flow-through shares for aggregate gross proceeds of $69,925,000. The private placement was completed in two Tranches. The Tranche One flow-through shares were issued at a premium of $0.29 to the current market price of the Corporation's shares at the day of issue. The premium was recognized as a long-term liability for $4,070,000 with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures are incurred. Flow-through premium income of $1,805,000 was recognized for the period ended March 31, 2019 relating to this transaction (2018 - $nil). The transaction costs amounted to $3,646,000 and have been netted against the gross proceeds on closing.

During the period ended March 31, 2019, a total of 3,172,123 warrants were exercised for gross proceeds of $4,714,000 in exchange for the issuance of 3,172,123 common shares of the Corporation.

During the period ended March 31, 2019, a total of 2,339,434 stock options were exercised for gross proceeds of $2,959,000 in exchange for the issuance of 2,339,434 common shares of the Corporation.

b) Basic loss per share

For the period ended		**March 31, 2019**		**March 31, 2018**
Common shares outstanding, at beginning of the period		257,201,331		207,845,240
Common shares issued during the period		2,848,414		39,241
Basic weighted average number of Common Shares		**260,049,745**		**207,884,481**
Loss	**$**	**37,476**	**$**	**11,227**
Basic loss per share	**$**	**0.14**	**$**	**0.05**

c) Diluted loss per share

The Corporation incurred losses for the period ended March 31, 2019 and 2018, therefore all outstanding stock options and warrants have been excluded from the calculation of diluted loss per share since the effect would be anti-dilutive. These options, warrants, deferred share units, and restricted share units could potentially dilute basic earnings per share in the future.

d) Contributed surplus

On June 29, 2018, the Board of Directors re-issued an incentive stock-option plan to provide additional incentive to its directors, officers, employees and consultants. The maximum number of shares reserved for issuance under the incentive stock option plan and all other security-based compensation arrangement of the Corporation is 10% of the issued and outstanding common shares of the Corporation. The options issued under the plan may vest at the discretion of the Board of Directors and are exercisable for a year of up to 5 years from the date of grant.

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

10) Capital and other components of equity (continued)

d) Contributed surplus (continued)

The following table summarizes the stock option transactions for the period ended March 31, 2019 and the year ended, December 31, 2018:

	Number of stock options		Weighted-average exercise price
Oustanding at January 1, 2018	**16,697,784**	**$**	**2.37**
Granted	4,911,000		3.27
Exercised	(874,332)		1.30
Forfeited	(720,004)		3.20
Oustanding at December 31, 2018	**20,014,448**	**$**	**2.61**
Granted	1,755,000		2.76
Exercised	(2,339,434)		1.27
Forfeited	(211,891)		3.94
Oustanding at March 31, 2019	**19,218,123**	**$**	**2.77**

On January 17, 2019, 1,755,000 stock options were issued to management and employees, at an exercise price of $2.76 for a period of 5 years. The options have been fair valued at $1.83 per option using the Black-Scholes option-pricing model. These options will vest in thirds on the first, second and third anniversaries from the date of grant.

The total recognized expense for stock options for the period ended March 31, 2019 was $1,398,000 (2018 - $6,195,000) from which $273,000 were capitalized to the Canadian projects (2018 - $861,000).

The following table summarizes the weighted average assumptions used for the valuation of the stock options issued during the period ended March 31, 2019 and the year ended December 31, 2018:

For the period/year ended		March 31, 2019		December 31, 2018
Fair value at grant date	$	1.83	$	2.50
Forfeiture rate		8.6%		1.0%
Share price at grant date	$	2.76	$	3.27
Exercise price	$	2.76	$	3.27
Expected volatility		98%		113%
Dividend yield		0.0%		0.0%
Option life (weighted average life)		3.7 years		4.5 years
Risk-free interest rate (based on government bonds)		1.90%		2.00%

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

10) Capital and other components of equity (continued)

d) Contributed surplus (continued)

The following table summarizes information regarding the Corporation's outstanding and exercisable stock options as at March 31, 2019:

	Options outstanding				Options exercisable	
Range of exercise prices per share ($)	Weighted-average remaining years of contractual Life	Number of stock options outstanding	Weighted average exercise price ($)	Weighted-average remaining years of contractual life	Number of stock options exercisable	Weighted average exercise price ($)
0.60 to 1.12	1.8	3,000,327	$1.03	1.8	3,000,327	$1.03
1.13 to 1.71	1.4	2,678,333	$1.20	1.4	2,678,333	$1.20
1.72 to 3.21	3.9	3,889,510	$2.69	2.7	1,494,495	$2.74
3.22 to 3.45	2.8	3,665,000	$3.41	2.8	3,665,000	$3.41
3.46 to 6.23	3.3	5,984,953	$4.01	3.2	4,009,939	$4.08
0.60 to 6.23	**2.9**	**19,218,123**	**$2.77**	**2.5**	**14,848,094**	**$2.64**

e) Warrants

i. One-for-one warrants

The following table summarizes the transactions pertaining to the Corporation's outstanding standard warrants for the period ended March 31, 2019 and year ended December 31, 2018. These warrants are exercisable at one warrant for one common share of the Corporation.

	Number of warrants		Weighted-average exercise price
Outstanding as at January 1, 2018	**19,211,899**	**$**	**4.33**
Issuance of warrants on acquisition of Beaufield Resources (note 5)	154,240		2.39
Exercised	(520,800)		1.44
Expired (note 10(a))	(15,197,540)		5.00
Outstanding at December 31, 2018	**3,647,799**	**$**	**1.89**
Exercised	(3,172,123)		1.49
Expired (note 10(a))	(114,952)		6.56
Outstanding at March 31, 2019	**360,724**	**$**	**3.94**

11) Deferred share unit and restricted share unit plans

In April 2017, Osisko established a deferred share unit plan and a restricted share unit plan. Under these plans, the deferred share units ("DSUs") can be granted to non-executive directors and the restricted share units ("RSUs") can be granted to executive officers and key employees, as part of their long-term compensation package, entitling them to receive payout in cash or shares, or a combination of both. Should the payout be in cash, the cash value of the payout would be determined

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

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

by multiplying the number of DSUs and RSUs vested at the payout date by the five-day volume weighted average price from closing price of the Corporation's shares on the day prior to the payout date. Should the payout be in shares, each RSU and each DSU represents an entitlement to one common share of the Corporation.

The following table summarizes information regarding the Corporation's outstanding and exercisable DSUs and RSUs for the period ended March 31, 2019 and the year ended December 31, 2018:

	Number of DSUs	Number of RSUs
Oustanding at January 1, 2018	**-**	**-**
Granted	250,000	450,000
Oustanding at December 31, 2018	**250,000**	**450,000**
Granted	416,020	1,125,000
Oustanding at March 31, 2019	**666,020**	**1,575,000**

On January 17, 2019, 1,125,000 RSUs were issued to management. Each RSU has been fair valued at $2.71 initially at the Corporation's closing share price on the date of grant. The RSUs vest on the third anniversary date from the date of grant.

On January 17, 2019, 400,000 DSUs were issued to directors. Each DSU has been fair valued at $2.71 initially at the Corporation's closing share price on the date of grant. The DSUs vest immediately on the date of grant.

On March 31, 2019, 16,020 DSUs were issued to directors. Each DSU has been fair valued at $2.92 initially at the Corporation's closing share price on the date of grant. The DSUs vest immediately on the date of grant.

The total recognized expense for RSUs and DSUs for the period ended March 31, 2019 was $324,000 (2018 - $nil) from which $95,000 (2018 - $nil) were capitalized to the Canadian projects.

As at March 31, 2019, the share-based payment liability related to each DSU and RSU was re-measured to fair value at the Corporation's closing share price of $2.92.

12) Asset Retirement Obligation

The Corporation's asset retirement obligation is estimated based on the Corporation's site remediation and restoration plan and the estimated timing of the costs to be paid in future years. The total undiscounted amount of cash flows required to settle the Corporation's asset retirement obligation is approximately $4,415,000.

The following table summarizes the Corporation's asset retirement obligation:

		Amount
Balance January 1, 2018	**$**	**2,892**
Accretion		33
Change in estimate		703
Balance December 31, 2018	**$**	**3,628**
Accretion		8
Change in estimate		51
Balance March 31, 2019	**$**	**3,687**

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

12) Asset Retirement Obligation (continued)

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

For the period ended March 31,		**2019**
Total undiscounted value of payments	$	4,415
Weighted average discount rate		1.61%
Weighted average expected life		11 years
Inflation rate		1.50%

13) Related party transactions

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

During the period ended March 31, 2019, management fees, geological services, rent and administration fees of $283,000 (2018 - $535,000) were incurred with Osisko Gold Royalties Ltd ("Osisko GR"), a related company of the Corporation by virtue of Osisko GR owning or controlling, directly or indirectly, greater than 10% of the issued and outstanding common shares of the Corporation. Also, Mr. John Burzynski, President and Chief Executive Officer of the Corporation, as well as Mr. Sean Roosen, Chairman of the board of directors of the Corporation, serve as directors and/or senior officers of Osisko GR. Accounts payable to Osisko GR as at March 31, 2019 were $122,000 (2018 - $303,000). During the period ended March 31, 2019, management fees, geological services, rent and administration fees of $4,000 (2018 - $56,000) were charged to Osisko GR by the Corporation. Accounts receivable from Osisko GR as at March 31, 2019 were $nil (2018 - $220,000).

The following table summarizes remuneration attributable to key management personnel for the period ended March 31, 2019 and 2018:

For the period ended		**March 31, 2019**		**March 31, 2018**
Salaries expense of key management	$	234	$	249
Directors' fees		22		95
Stock-based compensation		1,954		3,756
Total	**$**	**2,210**	**$**	**4,100**

During the period ended March 31, 2019, management fees, geological services, rent and administration fees of $15,000 (2018 - $50,000) were charged to the Corporation's associate, Barkerville (note 7), by the Corporation. Accounts receivable from Barkerville as at March 31, 2019 was $nil (2018 - $43,000). During the period ended March 31, 2019, geological services, and administration fees of $160,000 (2018 - $nil) were incurred with Barkerville. Accounts payable from Barkerville as at March 31, 2019 was $nil (2018 - $nil).

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

14) Deferred income taxes

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

For the period ended		March 31, 2019		March 31, 2018
Deferred income tax expense	$	4,776	$	3,081
Deferred mining tax expense		1,993		3,238
Total deferred income and mining tax expense	**$**	**6,769**	**$**	**6,319**

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

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

As at		March 31, 2019		December 31, 2018
Deferred tax assets				
Deferred income tax asset on share issue costs	$	5,693	$	5,874
Deferred income tax asset on investment tax credits		623		2,427
Total deferred tax assets	**$**	**6,316**	**$**	**8,301**
Deferred tax liability				
Deferred income tax liability on net taxable temporary differences	$	(13,078)	$	(8,302)
Deferred mining tax liability on net taxable temporary differences		(26,515)		(24,522)
Total deferred tax liability	**$**	**(39,593)**	**$**	**(32,824)**
Net deferred tax liability	**$**	**(33,277)**	**$**	**(24,523)**

15) Commitments

The Corporation has the following commitments as at March 31, 2019:

		Total		2019		2020		2021		2022		2023		2024
Office leases		**393**		147		49		54		49		54		40
Camp trailers and equipment leases		**3,337**		989		1,409		939		-		-		-
Total	**$**	**3,730**	**$**	**1,136**	**$**	**1,458**	**$**	**993**	**$**	**49**	**$**	**54**	**$**	**40**

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

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

15) Commitments (continued)

As of March 31, 2019, the Corporation has the following flow-through funds to be spent by December 31, 2019:

Closing Date of Financing	Province		Remaining Flow-through Funds
September 18, 2018	Québec		37,348
Total		**$**	**37,348**

16) Subsequent events

On April 23, 2019 Osisko acquired 9,037,000 shares in Barkerville for $3,253,000 cash and has maintained its stake of 16% of the issued and outstanding common shares of Barkerville.