OSISKO METALS INCORPORATED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE THREE-MONTH PERIODS ENDED
MARCH 31, 2019 AND 2018

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Osisko Metals Incorporated have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Osisko Metals Incorporated

Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
	$	$
ASSETS		
CURRENT		
Cash	3,172,770	8,453,161
Investments (Note 4)	8,655,207	10,836,918
Accounts receivable	1,742,667	1,991,247
Prepaid expenses	239,573	193,105
	13,810,217	21,474,431
NON-CURRENT		
Exploration and evaluation assets (Note 5)	71,766,264	67,645,072
Investments (Note 4)	394,640	364,873
Other assets	489,874	489,874
Property and equipment	139,464	155,146
	72,790,242	68,654,965
Total assets	**86,600,459**	**90,129,396**
LIABILITIES		
CURRENT		
Trade and other payables	2,327,802	5,003,418
Current portion of purchase price payable (Note 5)	500,000	500,000
Deferred premium on flow-through shares (Note 6)	2,848,082	3,522,000
	5,675,884	9,025,418
NON-CURRENT		
Deferred tax liability	1,670,746	1,237,202
	1,670,746	1,237,202
Total liabilities	**7,346,630**	**10,262,620**
EQUITY		
Share capital	87,066,372	87,046,722
Warrants (Note 8)	6,079,894	6,807,908
Contributed surplus	10,018,614	9,019,916
Deficit	(23,911,051)	(23,007,770)
Total equity	**79,253,829**	**79,866,776**
Total liabilities and equity	**86,600,459**	**90,129,396**

Commitments and contingencies (Note 14)

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

Osisko Metals Incorporated

Consolidated Statement of Loss and Comprehensive Loss
For the three-month periods ended March 31, 2019 and 2018
(Unaudited, Expressed in Canadian Dollars)

	2019	2018
	$	$
Expenses		
Employee benefits expenses	423,184	165,695
Share-based compensation (Note 9)	265,406	147,354
Consulting and professional fees	222,438	201,467
Investor and shareholder relations	190,089	120,581
Office expenses	91,153	49,747
Travel expenses	54,219	93,445
Depreciation	15,682	8,745
Exploration and evaluation expenses	2,355	10,323
Other operating expenses	831	4,936
Operating Loss	**1,265,357**	**802,293**
Financial revenues	95,863	186,236
Change in fair value of investments (Note 4)	29,767	17,284
Loss on foreign exchange	(3,928)	(39,802)
Loss before income taxes	**1,143,655**	**638,575**
Income tax recovery	240,374	288,441
Net loss and comprehensive loss for the period	**903,281**	**350,134**
Net loss per common share (Note 10)		
Basic and diluted	**(0.007)**	**(0.004)**
Weighted average number of common shares outstanding (Note 10)		
Basic and diluted	**136,274,848**	**103,713,748**

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

Osisko Metals Incorporated

Consolidated Statements of Changes in Equity
For the three-month periods ended March 31, 2019 and 2018
(Unaudited, Expressed in Canadian Dollars)

	Number of common shares	Share capital	Warrants	Contributed surplus	Acc. other comprehensive loss	Deficit	Total
		$	$	$	$	$	$
Balance – December 31, 2018	**136,259,197**	**87,046,722**	**6,807,908**	**9,019,916**	**-**	**(23,007,770)**	**79,866,776**
Acquisition of mining properties (Note 5)	34,998	19,249	-	-	-	-	19,249
Warrants exercised	256	401	(17)	-	-	-	384
Warrants expired	-	-	(727,997)	727,997	-	-	-
Share-based compensation (Note 9)	-	-	-	270,701	-	-	270,701
Net loss and comprehensive loss for the period	-	-	-	-	-	(903,281)	(903,281)
Balance – March 31, 2019	**136,294,451**	**87,066,372**	**6,079,894**	**10,018,614**	**-**	**(23,911,051)**	**79,253,829**
Balance – December 31, 2017	**70,384,217**	**43,543,921**	**5,731,861**	**6,197,134**	**(56,499)**	**(18,863,037)**	**36,553,380**
Adjustment on initial application of IFRS 9	-	-	-	-	56,499	(56,499)	-
Adjusted balance - January 1, 2018	**70,384,217**	**43,543,921**	**5,731,861**	**6,197,134**	**-**	**(18,919,536)**	**36,553,380**
Acquisition of mining properties (Notes 5 and 7)	44,860,981	31,686,842	1,736,618	-	-	-	33,423,460
Warrants exercised	105,952	81,171	(17,600)	-	-	-	63,571
Share-based compensation (Note 9)	-	-	-	210,918	-	-	210,918
Net loss and comprehensive loss for the year	-	-	-	-	-	(350,134)	(350,134)
Balance – March 31, 2018	**115,351,150**	**75,311,934**	**7,450,879**	**6,408,052**	**-**	**(19,269,670)**	**69,901,195**

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

Osisko Metals Incorporated
Consolidated Statements of Cash Flows
For the three-month periods ended March 31, 2019 and 2018
(Unaudited, Expressed in Canadian Dollars)

	2019	2018
	$	$
Operating activities		
Loss for the period	(903,281)	(350,134)
Adjustments for:		
Share-based compensation (Note 9)	265,406	147,354
Depreciation	15,682	8,745
Change in fair value of investments	(29,767)	(116,992)
Income tax recovery	(240,374)	(288,441)
	(892,334)	(599,468)
Changes in non-cash working capital items (Note 13)	61,293	261,720
Net cash flows used in operating activities	(831,041)	(337,748)
Investing activities		
Acquisitions of property and equipment	-	(19,420)
Net decrease in investments	2,181,711	-
Investments in exploration and evaluation assets	(6,631,445)	(5,854,556)
Net cash flows used in investing activities	(4,449,734)	(5,873,976)
Financing activities		
Proceeds from the exercise of warrants	384	63,571
Net cash flows provided by financing activities	**384**	**63,571**
Decrease in cash	**(5,280,391)**	**(6,148,153)**
Cash, beginning of period	**8,453,161**	**29,053,274**
Cash, end of period	**3,172,770**	**22,905,121**

Supplemental disclosure (Note 13)

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

(Unaudited, expressed in Canadian Dollars)

1. Nature of activities and liquidity risk

Osisko Metals Incorporated ("Osisko Metals") and its subsidiaries (collectively, the "Company") specialize in the exploration and evaluation of base metals properties located in Canada. The address of the Company's registered office and its principal place of business is 1100, avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, Canada.

The Company was incorporated under the provisions of the *Business Corporations Act* (Alberta) on May 10, 2000. Since May 2017, the Company is registered under the *Business Corporation Act* (British Columbia).

The Company's shares are listed under the symbol "OM" on the TSX Venture Exchange ("TSX-V"), under the symbol "OB5" on the Frankfurt Stock Exchange and under the symbol "OMZNF" on the OTCQX.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation properties. The recoverability of deferred exploration and evaluation expenses is dependent on the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain necessary financing to continue the exploration, evaluation and development of its properties; and obtaining certain government approvals or proceeds from the disposal of properties. Changes in future conditions could require material impairment of the carrying value of the deferred exploration and evaluation expenses. Although the Company has taken steps to verify title to its mining properties on which it is currently conducting exploration and evaluation work, in accordance with industry standards for the current stage of exploration and evaluation of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Management of the Company ("Management") believes that it has sufficient funds to pay its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

2. Basis of presentation

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments to fair value. In addition, these unaudited condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These unaudited condensed consolidated interim 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 International Accounting Standard 34, *Interim Financial Reporting*. The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2018, which have been prepared in accordance with IFRS as issued by the IASB.

These unaudited condensed consolidated interim financial statements were approved by the Company's Board of Directors (the "Board") on May 6, 2019.

These unaudited condensed consolidated interim financial statements include the accounts of Osisko Metals and its wholly-owned subsidiaries listed below:

Name of subsidiary	Activity	Country of Incorporation
Bowmore Exploracion de Mexico S.A. de C.V.	Inactive	Mexico
Pine Point Mining Limited ("Pine Point")	Mineral exploration in Northwest Territories, Canada	Canada
Bowmore O & G	Inactive	Canada

Osisko Metals controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All intercompany balances and transactions are eliminated on consolidation. Osisko Metals and its subsidiaries have a year end of December 31.

(Unaudited, expressed in Canadian Dollars)

3. Judgments, estimates and assumptions

The preparation of financial statements requires the Company's management to make judgments, estimates and assumptions on reported amounts of assets and liabilities, and reported amounts of expenses. The estimates and 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 the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may be substantially different. The critical accounting, judgments, estimates and assumptions are the same as those in our most recent audited annual financial statements.

4. Investments

As at March 31, 2019, the Company holds short-term investments of $8,655,207 ($10,836,918 as at December 31, 2018) composed of banker's acceptances, bonds and guaranteed deposit certificates and promissory notes with a maturity less than twelve months.

The Company holds marketable securities in quoted mining exploration companies. These non-current investments are measured at fair value and changes in fair value are recognized the net loss for the period.

	March 31, 2019	**December 31, 2018**
	$	**$**
Amex Exploration Inc. – 50,000 common shares	47,000	10,500
Global Resources Investment Trust. – 518,246 common shares	22,640	29,373
Canadian Metals Inc. – 6,000,000 common shares, 2,500,000 warrants	325,000	325,000
	394,640	364,873

During the three-month period ended March 31, 2019, the Company recorded an unrealized gain of $29,767 in other comprehensive income (an unrealized gain of $17,284 during the three-month period ended March 31, 2018) in relation to these marketable securities.

(Unaudited, expressed in Canadian Dollars)

5. Exploration and evaluation assets

The Company has incurred the following costs on its exploration and evaluation assets:

Property	Balance as at January 1, 2019	Additions (net of credits)	Disposition	Write-off	Balance as at March 31, 2019
	$	$	$	$	$
Quebec					
Quebec Genex (a)					
Mining rights	39,127	46,008	-	-	85,135
Exploration expenses	1,219,259	220,676	-	-	1,439,935
	1,258,386	266,684	-	-	1,525,070
Urban-Barry (b)					
Exploration expenses	500,000	-	-	-	500,000
	500,000	-	-	-	500,000
Quevillon (c)					
Exploration expenses	279,790	822,384	-	-	1,102,174
	279,790	822,384	-	-	1,102,174
Silica South					
Mining rights	10,541	-	-	-	10,541
Exploration expenses	283,881	-	-	-	283,881
	294,422	-	-	-	294,422
Other Quebec properties (d)					
Mining rights	-	-	-	-	-
Exploration expenses	16,084	-	-	-	16,084
	16,084	-	-	-	16,084
New Brunswick					
Gilmour South (e)					
Mining rights	25,286	43,449	-	-	68,735
Exploration expenses	3,847,925	12,270	-	-	3,860,195
	3,873,211	55,719	-	-	3,928,930
Key Anacon (f)					
Mining rights	1,511,540	(28,410)	-	-	1,483,130
Exploration expenses	3,937,081	381,018	-	-	4,318,099
	5,448,621	352,608	-	-	5,801,229
Canadian Continental (g)					
Mining rights	957,880	(16,150)	-	-	941,730
Exploration expenses	645,470	20,519	-	-	665,989
	1,603,350	4,369	-	-	1,607,719
Mount Fronsac (h)					
Mining rights	211,264	5,050	-	-	216,314
Exploration expenses	1,562,009	-	-	-	1,562,009
	1,773,273	5,050	-	-	1,778,323
Other New Brunswick Properties (i)					
Mining rights	88,009	28,080	-	-	116,089
Exploration expenses	279,477	5,555	-	-	285,032
	367,486	33,635	-	-	401,121
Northwest Territories					
Pine Point (j)					
Royalty Option Agreement (j)	193,580	-	-	-	193,580
Mining rights	33,602,570	-	-	-	33,602,570
Exploration expenses	18,434,299	2,580,743	-	-	21,015,042
	52,230,449	2,580,743	-	-	54,811,192
Summary					
Royalty Option Agreement	193,580	-	-	-	193,580
Mining rights	36,446,217	78,027	-	-	36,524,244
Exploration expenses	31,005,275	4,043,165	-	-	35,048,440
	67,645,072	**4,121,192**	**-**	**-**	**71,766,264**

5. Exploration and evaluation assets *(continued)*

(a) Quebec Genex: The Company's Quebec Genex Project includes, among others, its claims at Ascension, Wallace, Kempt and Montauban.

In addition to its existing claims at Montauban, on December 5, 2018, the Company concluded an option agreement (the "Montauban Agreement") with DNA Canada Inc. ("DNA") to earn an 80% interest in certain mining claims located in the Montauban and Chavigny regions of Quebec (the "DNA Claims"). Pursuant to this Agreement, the Company may earn an 80% interest in the DNA Claims by completing the following:

- Funding an aggregate of $2,500,000 in exploration expenditures overs three years, in accordance with the following schedule:
    - i. $500,000, before December 5, 2019;
    - ii. $750,000, before December 5, 2020; and
    - iii. $1,250,000, before December 5, 2021.
- Participating in a financing with DNA in an amount between $200,000 and $250,000.

The option to earn an 80% interest in the DNA Claims is for base metals discoveries only. In the event that a precious metals discovery is identified, the Company will have the right and option to acquire a 20% interest. Osisko Metals will be the DNA Claims' operator during the earn-in period.

(b) Urban-Barry, Quebec: On March 26, 2018 (the "Effective Date"), the Company concluded an option agreement (the "Agreement") with Osisko Mining Inc. ("OSK"), a related party (see Note 11) to earn a 50% interest in the Urban-Barry Base Metals Project (the "Project"), a select package of claims located within OSK's Urban-Barry claim group. Pursuant to the Agreement, the Company may earn a 50% interest in the Project by funding an aggregate of $5,000,000 in exploration expenditures over four years, in accordance with the following schedule:

i. $500,000, before the 1st year anniversary of the Effective Date;
ii. $1,000,000, before the 2nd year anniversary of the Effective Date;
iii. $1,500,000, before the 3rd year anniversary of the Effective Date; and
iv. $2,000,000, before the 4th year anniversary of the Effective Date.

OSK shall retain a 100% interest over any fortuitous precious metals (gold-silver) discoveries on the claims covered by the Agreement and will be the Project's operator during the earn-in period. The first payment of $500,000 has been completed in accordance with this schedule.

(c) Quevillon, Quebec: On November 12, 2018, the Company entered into an option agreement (the "Quevillon Agreement") with OSK to earn a 50% interest in the Quevillon claim group (the "Quevillon Project"), a select package of claims located immediately west of OSK's Urban-Barry claim group. Pursuant to the Quevillon Agreement, the Company may earn a 50% interest in the Quevillon Project by funding an aggregate of $8,000,000 in exploration expenditures over four years, in accordance with the following schedule:

i. $2,000,000, before November 12, 2019;
ii. $2,000,000, before November 12, 2020;
iii. $2,000,000, before November 12, 2021; and
iv. $2,000,000, before November 12, 2022.

OSK shall retain a 100% interest over any fortuitous precious metals (gold-silver) discoveries on the claims covered by the Quevillon Agreement and will be the Quevillon Project's operator during the earn-in period. As at March 31, 2019, the Company has funded $1.0 million.

(d) Other properties in Quebec: Most of these other properties in Quebec are subject to a net smelter return ("NSR") royalty with Osisko Gold Royalties Ltd (''OGR''), a related party (see Note 11), which is described in note (k).

5. Exploration and evaluation assets *(continued)*

(e) Gilmour South, New-Brunswick: This property is located 20 km south-southeast of the Brunswick No. 12 mine and is subject to the OGR royalty (k). In accordance with an option agreement signed on March 7, 2017, the Company may acquire a 100% interest in Gilmour South (in addition to the Flat Landing Brook and Louvicourt projects) in exchange for:

- Cash payments totaling $216,000 over a period of 5 years following the signing of this agreement. $30,000 was paid in the three-month period ended March 31, 2019 ($51,000 was paid as at December 31, 2018); and
- Issuance of 190,000 common shares of the Company over a period of 5 years following the signing of this agreement. In the three-month period ended March 31, 2019, 34,998 common shares ($19,249) were issued (50,000 common shares were issued as at December 31, 2018, with a value of $23,500).

(f) Key Anacon, New-Brunswick: This project is located 20 km south of Bathurst, New-Brunswick and is partially subject to the OGR royalty (k). In accordance with a purchase and sale agreement signed on December 21, 2017, the Company acquired a 100% interest in this project in exchange for:

- Cash payments totaling $750,000, paid on February 22, 2018; and
- Issuance of common shares of the Company worth $750,000. $250,000 worth of common shares were issued on January 19, 2018 (319,957 common shares were issued) and $500,000 to be issued on the 2nd anniversary of the closing of this transaction. As at March 31, 2019 and December 31, 2018, the balance payable of $500,000 is recorded as a current liability.

(g) Canadian Continental, New-Brunswick: This project is partially subject to the OGR royalty (k). In addition to existing claims owned by the Company, in accordance with a purchase and sale agreement signed on December 27, 2017, the Company acquired additional claims in this project in exchange of:

- Cash payment of $100,000, paid on March 9, 2018;
- Issuance of 1,000,000 common shares of the Company, issued on February 28, 2018 ($800,000); and
- Transaction costs equivalent to 50,000 common shares of the Company were issued on February 28, 2018 ($45,000).

(h) Mount Fronsac, New-Brunswick: This property is subject to the OGR royalty (k). In addition to existing claims owned by the Company, the acquisition in this project is composed of the following two transactions:

i. In accordance with a purchase and sale agreement signed on November 24, 2017, the Company acquired a 100% interest in this project in exchange for 150,000 common shares of the Company, issued on February 28, 2018 ($142,500).
ii. In accordance with an option agreement signed on June 28, 2017, the Company may acquire a 100% interest in 32 additional claim units of this project in exchange for:
    - Cash payments totaling $300,000 over a period of 4 years following the signing of this agreement. As at March 31, 2019 and December 31, 2018, $75,000 was paid; and
    - Issuance of 200,000 common shares of the Company over a period of 4 years following the signing of this agreement. As at March 31, 2019 and December 31, 2018, 66,668 common shares were issued ($54,668).

(i) Other properties in the Bathurst Mining Camp ("BMC"): The other properties in the BMC are subject to the OGR royalty (k). Agreements concluded on these other properties in the BMC include:

i. In accordance with a purchase and sale agreement signed on September 11, 2017, the Company acquired a 100% interest in the property Coulee (Slam) in exchange of a $100,000 cash payment.
ii. In accordance with the purchase and sale agreement signed on December 29, 2017, the Company acquired a 100% interest in the property Camel Back in exchange for 62,500 common shares of the Company, issued on February 28, 2018 ($54,375).
iii. In accordance with the purchase and sale agreement signed on March 7, 2017, the Company acquired a 100% interest in the Brunswick Belt properties (Southeast and West) in exchange for 916,667 common shares ($275,000).

(Unaudited, expressed in Canadian Dollars)

5. Exploration and evaluation assets *(continued)*

(j) On February 23, 2018, the Company acquired all of the issued and outstanding common shares of Pine Point (see Note 7) which holds the Pine Point property located near Hay River in the Northwest Territories (the "Pine Point Property").

Pine Point has an option agreement to purchase a 50% interest in a 3% NSR held on the Pine Point Property. To keep this option in force, annual payments of US$75,000 ($100,000) will be made on each anniversary of this agreement until commercial production is achieved, at which point the Company can exercise this option by paying US$3,000,000 ($4,020,000), less the prepaid amounts. As at March 31, 2019, the first two annual payments towards this NSR totaling $193,580 is capitalized as exploration and evaluation assets in the consolidated statement of financial position.

(k) On October 12, 2017, the Company concluded an agreement with OGR whereby OGR acquired a 1% NSR royalty on nearly all of the Company's portfolio of projects within both the BMC and Quebec, as at the date of this agreement, for a cash consideration of $5,000,000. The NSR royalty will also apply to areas that the Company may acquire in the future that fall within a one-kilometer distance from the property holdings at the time of this transaction. OGR may also acquire existing royalty buy-back agreements on current projects and will hold rights of first refusal on any future royalty or metal stream sale from existing or newly acquired properties by the Company.

6. Deferred premium on flow-through shares

	March 31, 2019	December 31, 2018
	$	$
Balance – beginning of period	3,522,000	2,106,353
Deferred premium on flow-through shares issued (Note 7)	-	5,320,000
Recognition of deferred premium on flow-through shares	(673,918)	(3,904,353)
Balance – end of period	2,848,082	3,522,000

7. Share capital

Pine Point

On February 23, 2018 (the "Closing Date"), the Company completed a plan of arrangement pursuant to which, among other things:

(i) the Company acquired all of the issued and outstanding common shares of Pine Point; and
(ii) A newly-formed corporation, Generation Mining Limited ("Spinco") was created to hold all of the assets and liabilities of Pine Point, with the exception of the Pine Point Property, all of which was completed by way of a statutory plan of arrangement (the "Arrangement"). The Company holds no interest in Spinco.

Under the terms of the Arrangement, each former shareholder of Pine Point was entitled to receive, in exchange for each share of Pine Point held immediately prior to the effective time of the Arrangement: (i) 0.2710 of a common share of the Company ("Common Share"); (ii) 0.0677 of a common share purchase warrant of the Company, with each whole warrant entitling the holder thereof to acquire one Common Share at an exercise price of $1.50 per share for a period of twelve months from the date of the Arrangement; and (iii) one common share of Spinco, which shares were consolidated on a 10:1 basis under the Arrangement. The Company issued 43,278,524 common shares, 10,811,585 warrants and 5,185,443 replacement warrants, having a fair market value of $32,031,586.

The transaction has been accounted for as an asset acquisition as Pine Point does not meet the definition of a business under IFRS 3, Business Combinations.

The assets acquired and liabilities assumed were recognized at their estimated fair value at the Closing Date. Acquisition-related transaction costs in the amount of $1,591,147 are capitalized as exploration and evaluation assets in the consolidated statement of financial position as at March 31, 2019 and December 31, 2018.

(Unaudited, expressed in Canadian Dollars)

7. Share capital

The following table shows the purchase price allocation between the assets acquired and liabilities assumed, based on the fair value of the total consideration at the Closing Date. The fair value was estimated based on market participant information that Management considered reasonable for assessment purposes:

	$
Fair value of consideration paid:	
Common shares and warrants issued	32,031,586
Acquisition-related transaction costs	1,591,147
	33,622,733
Fair value of net assets acquired:	
Current assets	271,668
Royalty Option Agreement	93,785
Mining rights	33,602,570
Current liabilities	(345,290)
	33,622,733

Flow-through shares issued during the year ended December 31, 2018:

On September 12, 2018, the Company completed a private placement of 10,870,000 common flow-through shares at a price of $0.92 per share for aggregate gross proceeds of $10,000,400 (the "2018 Offering"). In connection with the 2018 Offering, the Company paid the underwriters a cash commission equal to 5% of the gross proceeds of the 2018 Offering and share issue costs totaled $591,649. The fair value of the 10,870,000 common shares was estimated to be $6,522,000. An amount of $3,271,300 (net of share issue costs of $207,100) was allocated to the deferred premium on flow-through shares (Note 6).

On November 6, 2018, the Company completed a bought deal private placement of 9,946,369 common flow-through shares at a price of $0.75 per share for aggregate gross proceeds of $7,459,777 (the "November 2018 Offering"). In connection with the November 2018 Offering, the Company paid the underwriters a cash commission equal to 5% of the gross proceeds of this offering on eligible issuances and share issue costs totaled $481,010. The fair value of the 9,946,369 common shares was estimated to be $5,271,576. An amount of $2,048,700 (net of share issue costs of $139,501) was allocated to the deferred premium on flow-through shares (Note 6).

8. Warrants

The following table details the changes in the Company's warrants issued to shareholders:

	Number of warrants	Weighted average exercise price ($)
Balance – January 1, 2018	16,779,465	0.97
Issued	15,997,028	1.37
Exercised	(105,965)	0.60
Expired	(4,896,959)	0.97
Balance – December 31, 2018	27,773,569	1.21
Exercised	(256)	1.50
Expired	(10,811,316)	1.50
Balance – March 31, 2019	16,961,997	1.02

(Unaudited, expressed in Canadian Dollars)

9. Share-based compensation

The Company's stock option plan (the "Plan") was adopted in accordance with the policies of the TSX-V. The shareholders of the Company approved the Plan whereby the Board may grant to employees, officers, directors and consultants of the Company, share purchase options to acquire common shares of the Company. Terms and exercise prices of each stock option are determined by the Board. The maximum duration of a stock option is five years.

The following table summarizes information about the movement of the share options:

	Number of options	Weighted average exercise price ($)
Balance – January 1, 2018	4,850,000	1.36
Granted	1,748,400	0.70
Exercised	(33,333)	0.30
Cancelled	(59,200)	1.54
Balance – December 31, 2018	6,505,867	1.18
Granted	2,665,000	0.55
Cancelled	(129,865)	0.83
Balance – March 31, 2019	9,041,002	1.00
Options exercisable – March 31, 2019	4,519,022	1.34

Share-based compensation for the three-month period ended March 31, 2019 amounted to $270,701 ($210,918 for the three-month period ended March 31, 2018) of which $5,295 ($63,564 for the three-month period ended March 31, 2018) were capitalized to exploration and evaluation assets.

The share 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 for the three-month period ended March 31, 2019:

Share price at date of grant	$0.50
Exercise price at date of grant	$0.55
Risk-free interest rate	1.85%
Expected life of options	4.9 years
Annualized expected volatility	73%
Dividend rate	0%
Weighted average fair value per option	$0.28

The expected volatility was determined by calculating the "historical" volatility of the Company's common share price back from the date of the grant and for a period corresponding to the expected life of the share options. When computing historical volatility, Management may disregard an identifiable period of time in which it considers that the share price was extraordinarily volatile because of a specific event that is not expected to recur during the expected life of the share option.

10. Net loss per share

The calculation of basic and diluted loss per share for the three-month period ended March 31, 2019, was based on the net loss attributable to shareholders of $903,281 (net loss attributable to shareholders of $350,134 for the three-month period ended March 31, 2018) and the weighted average number of common shares outstanding for the three-month period ended March 31, 2019, of 136,274,848 (103,713,748 common shares for the three-month period ended March 31, 2018). As a result of the net loss for the three-month periods ended March 31, 2019 and 2018, all potentially dilutive common shares (Notes 8 and 9) are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share for these periods.

(Unaudited, expressed in Canadian Dollars)

11. Key management and related party transactions

Related party transactions and balances, not otherwise disclosed, are summarized below:

Key management includes directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management for employee services is presented below for the three-month periods ended March 31, 2019 and 2018:

	Three-months ended March 31,	
	2019	**2018**
	$	**$**
Salaries and short-term employee benefits(1)	225,950	177,263
Share-based compensation	253,118	167,579
	479,068	344,842

(1) Including consulting and management fees.

During the three-month periods ended March 31, 2019 and 2018, the Company undertook transactions with certain officers and directors, certain companies controlled by officers and other related companies. OGR is a related party because it has a significant influence on the Company due to the number of shares held and common officers and directors. OSK and Falco Resources Ltd. ("FPC") are related parties because of common officers and directors.

During the three-month period ended March 31, 2019, an amount of $104,000 ($61,845 for the three-month period ended March 31, 2018) was invoiced by OGR for professional services and rental of offices. An amount of $58,000 is included in accounts payable and accrued liabilities as at March 31, 2019 ($130,000 as at December 31, 2018).

During the three-month period ended March 31, 2019, an amount of $833,000 ($ nil for the three-month period ended March 31, 2018) was invoiced by OSK in relation to the Urban-Barry Project, the Quevillon Project and for professional services rendered to Osisko Metals. An amount of $176,000 is included in accounts payable and accrued liabilities as at March 31, 2019 ($335,000 as at December 31, 2018).

During the three-month period ended March 31, 2019, an amount of $35,000 ($ nil for the three-month period ended March 31, 2018) was invoiced by FPC for professional services, of which $19,000 is included in trade and other payables as at March 31, 2019 ($18,000 as at December 31, 2018).

12. Fair value of financial instruments

Financial instruments measured at fair value

The following presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for assets or liabilities that are not based on observable data (unobservable inputs).

The fair value of the investments in shares have been estimated by reference to their quoted prices at the reporting date. Investments measured at fair value in the statement of financial position as at March 31, 2019 and December 31, 2018 are classified in level 1.

(Unaudited, expressed in Canadian Dollars)

13. Supplemental disclosure – Statements of cash flows

	Three-months ended March 31,	
	2019	**2018**
	$	**$**
Changes in non-cash working capital items:		
Receivables	248,580	(423,258)
Prepaid expenses and other assets	(46,468)	(248,190)
Trade and other payables	(140,819)	933,168
Total	61,293	261,720
Exploration and evaluation asset expenditures included in trade and other payables		
Beginning of period	3,358,256	-
End of period	823,459	-

14. Commitment and contingencies

(a) The Company is partially financed through the issuance of flow-through shares, and accordingly, the Company is engaged to complete mining exploration activities. These tax rules also set deadlines for carrying out the exploration work no later than the first of the following dates:

a. Two years following the flow-through placements;
b. One year after the Company has renounced the tax deductions relating to the exploration work.

On September 12, 2018, the Company received $10,000,400 following the issuance of flow-through shares for which the Company renounced tax deductions as at December 31, 2018. As at March 31, 2019, $8,100,000 of this balance remains to be spent.

On November 6, 2018, the Company received $7,459,777 following the issuance of flow-through shares for which the Company renounced tax deductions as at December 31, 2018. As at March 31, 2019, $400,000 of this balance remains to be spent.