OSISKO METALS

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

Presented in Canadian dollars

March 25, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

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

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

(Signed) “John Burzynski”	(Signed) “Blair Zaritsky”
Executive Chairman	Chief Financial Officer

Independent auditor's report

To the Shareholders of Osisko Metals Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Osisko Metals Inc. and its subsidiaries (together, the Corporation) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Corporation's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of comprehensive loss/(income) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were

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addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of exploration and evaluation assets, including assessment of these indicators when applying the equity method to the participation in Pine Point Mining Ltd. (Pine Point) *Refer to note 2 – Basis of preparation, note 3 – Material accounting policies, note 6 – Exploration and evaluation assets and note 8 – Investment in joint venture to the consolidated financial statements.* The carrying value of exploration and evaluation assets amounted to $61,932 as at December 31, 2024. On February 21, 2023, the Corporation entered into an investment agreement with a subsidiary of Appian Natural Resources Fund III LP (Appian) under which the Corporation and Appian agreed to form a joint venture for the advancement of the Pine Point exploration and evaluation assets (the Transaction) by selling an interest in Pine Point to Appian. The Transaction closed on April 6, 2023. Accordingly, the Corporation deconsolidated Pine Point on April 6, 2023, and started accounting for its investment in Pine Point using the equity method. The carrying value of the investment in joint venture, which fully relates to Pine Point, amounted to $75,642 as at December 31, 2024. In order to apply the equity method, management has to align Pine Point's accounting policies with those of the Corporation, which requires among other things management to assess whether indicators of impairment related to the Pine Point exploration and evaluation assets are present. Exploration and evaluation assets (including the exploration and evaluation assets related to the investment in joint venture) are reviewed for an	Our approach to addressing the matter included the following procedures, among others: • Assessed the judgment by management in determining the impairment indicators related to exploration and evaluation assets of the Corporation (including the exploration and evaluation assets related to the investment in joint venture), which included the following: – Obtained, for all claims, by reference to government registries or other relevant agreements, evidence to support (i) the right to explore the area and (ii) claims' expiration dates. – Read the board of directors' minutes and obtained the budget to evidence of continued and planned substantive exploration and evaluation expenditures and considered which claims were not expected to be renewed. – Assessed (i) whether the 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 whether management has decided to discontinue such activities in the specific area and (ii) whether 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, based on evidence obtained in other areas of the audit.

Key audit matter	How our audit addressed the key audit matter
indication of impairment at each consolidated statement of financial position date or when a triggering event is identified. Assessment of impairment of exploration and evaluation assets requires the use of judgment by management when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test. Factors that could trigger an impairment test include, but are not limited to, (i) expiry of the right to explore in the specific area during the period or that it will expire in the near future, and is not expected to be renewed; (ii) substantive exploration and evaluation expenditures in a specific area are neither budgeted nor planned; (iii) 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 management has decided to discontinue such activities in the specific area; and (iv) 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. No impairment indicators were identified by management as at December 31, 2024. We considered this a key audit matter due to the significance of the exploration and evaluation assets (including the exploration and evaluation assets included in the investment in joint venture) and the judgments made by management in its assessment of impairment indicators related to exploration and evaluation assets (including the exploration and evaluation assets included in the investment in joint venture), which resulted in a high degree of subjectivity in performing procedures related to these judgments applied by management.	

Key audit matter	How our audit addressed the key audit matter
Valuation of derivative liability *Refer to note 2 – Basis of preparation, note 3 – Material accounting policies and note 9 – Convertible debenture to the consolidated financial statements.* During the year ended December 31, 2023, the Corporation issued a convertible debenture that allows the holder to convert the outstanding principal amount into units. Each unit comprises one comm on share of the Corporation and one-half warrant. The convertible debenture represents a hybrid financial instrument with the conversion option being an embedded derivative that was classified as fair value through profit and loss. As at December 31, 2024, the derivative liability was valued at $15,125 and management recorded a fair value adjustment on derivative liability for the year of $9,987 in the consolidated statements of comprehensive loss/(income). Management exercised judgment in selecting a valuation model and developing unobservable inputs to determine the fair values of the derivative liability. Determining the fair values of the derivative liability required management to use significant unobservable inputs, related to the expected volatility and the credit spread. We considered this a key audit matter due to (i) the judgment and estimates made by management when selecting the valuation model and developing the significant unobservable inputs used in the valuations of the derivative liability; (ii) a high degree of subjectivity and effort in performing procedures related to the selection of the valuation model and the significant unobservable inputs by management; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.	Our approach to addressing the matter included the following procedures, among others: • With the assistance of professionals with specialized skill and knowledge in the field of financial instrument valuation, developed independent point estimates of the fair value of the derivative liability at year-end. • Compared the independent point estimates to management's estimate to evaluate the reasonableness of management's estimate. • Tested the disclosures, including the sensitivity analysis, made in the consolidated financial statements with regards to the valuation of the embedded derivative.

Other information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

/s/PricewaterhouseCoopers LLP[1]

Montréal, Quebec
March 25, 2025

[1] CPA auditor, public accountancy permit No. A119714

Table of Contents

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

As at		December 31, 2024		December 31, 2023
Assets				
Current assets				
Cash and cash equivalents	$	101,656	$	1,671
Other receivables		477		927
Tax recoverable		551		138
Marketable securities (note 5)		1,929		12
Other assets		101		88
Total current assets		**104,714**		**2,836**
Non-current assets				
Deposits (note 15)		2,358		2,358
Investment in joint venture (note 8)		75,642		82,665
Property, plant and equipment		111		-
Exploration and evaluation assets (note 6)		61,932		55,672
Total non-current assets		**140,043**		**140,695**
Total assets	**$**	**244,757**	**$**	**143,531**
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$	2,828	$	1,965
Current Asset Retirement Obligation (note 10)		384		320
Convertible debenture (note 9)		50,456		31,450
Flow-through premium liability (note 12(a))		16,072		832
Total current liabilities		**69,740**		**34,567**
Non-current liabilities				
Asset retirement obligation (note 10)		4,110		4,402
Total non-current liabilities		**4,110**		**4,402**
Total liabilities		**73,850**		**38,969**
Equity				
Share capital (note 12(a))		210,330		131,750
Contributed surplus (note 12(d))		19,558		19,092
Warrants (note 12(e))		11,095		2,369
Accumulated deficit		(70,076)		(48,649)
Total equity attributed to equity owners of the Corporation		**170,907**		**104,562**
Total liabilities and equity	**$**	**244,757**	**$**	**143,531**

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

Commitments (note 18)
Subsequent events (note 20)

On behalf of the Board:

(Signed) “Don Siemens”
Don Siemens, Director

(Signed) “John Burzynski”
John Burzynski, Executive Chairman

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

For the year ended	December 31, 2024	December 31, 2023 (Note 19)
Expenses/(income)		
Compensation expense (note 13 and 14)	$ 1,482	$ 1,456
General and administration expenses (note 13)	2,097	3,975
Flow-through premium income (note 12(a))	(832)	(667)
Gain on marketable securities (note 5 and 13)	(909)	(6)
Gain on sale of controlling interest in Pine Point Mining Limited (note 7)	-	(15,145)
Gain on sale of investment in joint venture (note 8)	(66)	-
Loss on foreign exchange	2,537	64
Operating loss/(income)	**4,309**	**(10,323)**
Fair value loss/(gain) on convertible debenture (note 9)	9,987	(3,891)
Other finance income	(440)	(226)
Other finance expense	6,007	2,974
Net finance expense/(income)	**15,554**	**(1,143)**
Share of loss of joint venture (note 8)	425	305
Loss/(income) before tax	**20,288**	**(11,161)**
Deferred income tax expense/(recovery) (note 11)	1,137	(111)
Net loss/(income)	**$ 21,425**	**$ (11,272)**
Basic loss/(earnings) per share (note 12(b) and (c))	**$ 0.08**	**$ (0.05)**
Weighted average number of shares (note 12(b))	**277,113,580**	**245,805,936**
Diluted loss/(earnings) per share (note 12(c))	**$ 0.08**	**$ (0.04)**
Diluted weighted average number of shares (note 12(c))	**277,113,580**	**284,181,107**

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

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

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit and Accumulated Deficit	Total
Balance January 1, 2024	**256,574,935**	**$ 131,751**	**$ 2,369**	**$ 19,092**	**$ (48,651)**	**$ 104,561**
Loss for the year	-	-	-	-	(21,425)	**(21,425)**
Stock-based compensation (note 12(d) and 14)	-	-	-	361	-	**361**
Issuance of shares upon exercise of warrants(note 12(a) and (e))	597,550	188	(38)	-	-	**150**
Private Placement (note 12(a))	347,377,695	75,904	8,869	-	-	**84,773**
Shares issued for acquisition of claims (note 12(a))	5,000,000	1,350	-	-	-	**1,350**
Expiry of warrants (note 12(e))	-	-	(105)	105	-	**-**
Deferred tax on share issuance costs (note 11)	-	1,137	-	-	-	**1,137**
Balance December 31, 2024	**609,550,180**	**$ 210,330**	**$ 11,095**	**$ 19,558**	**$ (70,076)**	**$ 170,907**

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit and Accumulated Deficit	Total
Balance January 1, 2023	**225,671,771**	**$ 124,338**	**$ 2,330**	**$ 18,693**	**$ (59,923)**	**$ 85,438**
Income for the year		-	-	-	11,272	**11,272**
Stock-based compensation (note 12(d) and 14)		-	-	399	-	**399**
Private Placement (note 12(a))	20,153,164	4,974	-	-	-	**4,974**
Private Placement (note 12(a))	8,750,000	1,682	39	-	-	**1,721**
Shares issued for services received	2,000,000	622	-	-	-	**622**
Deferred tax on share issuance costs (note 11)		135	-	-	-	**135**
Balance December 31, 2023	**256,574,935**	**$ 131,751**	**$ 2,369**	**$ 19,092**	**$ (48,651)**	**$ 104,561**

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

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

For the year ended	December 31, 2024	December 31, 2023
Cash flows provided by/(used in) operating activities		
(Loss)/income for the period	$ (21,425)	$ 11,272
Adjustments for:		
Gain from marketable securities (note 5 and 13)	(909)	(6)
Gain on sale of controlling interest in Pine Point Mining Limited (note 7)	-	(15,145)
Gain on sale of investment in joint venture (note 8)	(66)	-
Share of loss of joint venture (note 8)	425	305
Depreciation expense	26	36
Asset retirement obligation expense (note 10)	(234)	(138)
Accretion on asset retirement obligation (note 10)	148	72
Flow-through premium income (note 12(a))	(832)	-
Stock-based compensation (note 12(d) and 14)	339	366
Deferred income tax expense/(recovery) (note 11)	1,137	(778)
Fair value loss/(gain) on convertible debenture (note 9)	9,987	(3,891)
Unrealized foreign exchange loss on convertible debenture (note 9)	3,061	25
Interest expense on convertible debenture (note 9)	5,958	2,358
Interest expense on on secured loan	-	213
Shares issued for services received	-	625
Finance income	(440)	(226)
	(2,825)	**(4,912)**
Change in items of working capital:		
Change in taxes recoverable	33	68
Change in other receivables	222	876
Change in other assets	(13)	584
Change in accounts payable and accrued liabilities	168	(266)
Net cash used in operating activities	**(2,415)**	**(3,650)**
Cash flows provided by/(used in) investing activities		
Finance income	668	220
Acquisition of marketable securities (note 5)	(1,009)	-
Deposits related to the asset retirement obligation (note 15)	-	(2,358)
Proceeds on sale of controlling interest in Pine Point Mining Limited	-	8,300
Proceeds on sale of investment in joint venture (note 8)	6,664	(1,812)
Acquisition of property, plant and equipment	(137)	-
Addition to exploration and evaluation assets (note 6)	(5,765)	(10,539)
Net cash provided by/(used in) investing activities	**421**	**(6,189)**
Cash flows provided by/(used in) financing activities		
Repayment of secured loan, including interest	-	(6,271)
Cash received from issuance of convertible loan	-	6,700
Net cash received from private placements (note 12(a))	101,829	8,002
Cash received from exercise of warrant (note 12(d))	150	-
Net cash provided by financing activities	**101,979**	**8,431**
Increase/(Decrease) in cash and cash equivalents	**99,985**	**(1,408)**
Cash and cash equivalents, beginning of period	**1,671**	**3,079**
Cash and cash equivalents, end of period	**$ 101,656**	**$ 1,671**

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

1) Reporting entity

Osisko Metals Incorporated and its subsidiaries (collectively, "Osisko" or the "Corporation") is a Canadian Corporation domiciled in Canada and was incorporated on May 10, 2000 under the *Business Corporations Act* (Alberta). The address of the Corporation's head office is 1100, avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, Canada. The Corporation is primarily in the business of acquiring, exploring, and developing base metals deposits in Canada.

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

2) Basis of preparation

a) Statement of compliance

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

These consolidated financial statements were authorized for issuance by the Corporation's board of directors (the "Board of Directors') on March 25, 2025.

b) Functional and presentation currency

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

c) Use of critical estimates and judgements

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

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

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

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

2) Basis of preparation (continued)

i) Critical judgments in applying accounting policies

Income taxes:

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

Determination of significant influence over equity investments:

Judgment is needed to assess whether the Corporation's interest in marketable securities meets the definition of significant influence and therefore would be accounted for under the equity method as opposed to fair value through profit and loss. Management makes this determination based on its legal ownership interest, board representation, and through an analysis of the Corporation's participation in the entity's policy-making process.

Determination of joint control on joint venture:

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

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

Management determined Osisko and Appian Natural Resources Fund III LP ("Appian") have joint control over the joint arrangement (note 8) with substantive decisions required to be made through joint agreement over the key financial, operating and strategic activities of the joint arrangement. The joint venture is structured as a separate vehicle and Osisko has a residual interest in the net assets of the joint venture rather than direct rights and obligations to the assets and liabilities of the joint arrangement. Accordingly, Osisko has classified its interest in Pine Pont Mining Limited ("PPML") as a joint venture and applied equity accounting to its interest.

Impairment of investments in associate and joint venture:

The Corporation follows the guidance of IAS 28, *Investments in Associates and Joint Ventures* to assess whether there is objective evidence that its net investment in the investee is impaired, which may lead to the recognition of an impairment loss with respect to its net investment in an investee. This determination requires significant judgement in evaluating objective evidence of impairment as a result of a loss event and whether a loss event has an impact on the estimated future cash flows from the net investment. If there is objective evidence that the carrying value of an investee is impaired, it is written down to its recoverable amount. In making this judgement, the Corporation's management evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its carrying amount, the volatility of the investment and the financial health and business outlook for the investee, including factors such as the current and expected status of the investee's exploration projects and changes in financing cash flows.

2) Basis of preparation (continued)

ii) Critical accounting estimates and assumptions

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

Impairment of non-financial assets:

Asset groups are reviewed for an indication of impairment at each consolidated statement of financial position date or when a triggering event is identified. In order to apply the equity method, Management has to align Pine Point's accounting policies with those of the Company, which requires among other things management to assess whether indicators of impairment related to the Pine Point exploration and evaluation asset are present.

For exploration and evaluation assets (including the exploration and evaluation assets related to the Investment in joint venture), 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; and a significant drop in current or forecast commodity prices.

Assessment of impairment of non-financial assets requires the use of judgments when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Company's non-financial assets and in determining the recoverable amounts of certain properties for which management identified indicators of impairment.

No impairment indicators were identified by management as at December 31, 2024.

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

Fair value of the derivative liability:

Determining the fair value of the derivative liability involves the application of the partial differential equations method. The Company uses its judgment to select a valuation model and to develop unobservable inputs to determine the fair values of the derivative liability at the end of each reporting period. Determining the fair values of the derivative liability required management to use significant unobservable inputs, related to the expected volatility and the credit spread. The valuation of the convertible debenture is subjective and can impact profit and loss significantly.

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

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

3) Material accounting policies

The accounting policies set out below are in accordance with IFRS Accounting Standards and have been applied consistently to the consolidated financial statements for the years ended December 31, 2024 and 2023.

a) Basis of measurement

The financial statements consolidate the accounts of the Corporation and its subsidiary, Bowmore Exploracion De Mexico for the years ended December 31, 2024 and 2023 and PPML for the period ended April 6, 2023.

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

b) Financial instruments

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

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

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

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

Financial Liabilities at Amortized Cost – Financial liabilities are measured at amortized cost using the effective interest method, unless they are required to be measured at FVTPL, or the Corporation has opted to measure them at FVTPL. The host contract of convertible debenture is recognized initially as the difference between total consideration received for the convertible loan less the fair value of the embedded derivative, and subsequently at amortized cost, using the effective interest method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding years. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

3) Material accounting policies (continued)

b) Financial instruments (continued)

Financial Liabilities at FVTPL – The Corporation has opted to measure the conversion feature of convertible debenture at FVTPL. The conversion feature is classified as a derivative financial liability as the loan is denominated in a currency other than the Corporation's functional currency (and therefore its exercise price is not fixed in the Corporation's functional currency) and is convertible into a variable number of both Common Shares and Warrants. The embedded derivative does not qualify as an equity instrument due to not meeting the "fixed for fixed" criteria of IAS 32 Financial instruments: Presentation. Therefore, the Company separates the embedded derivative from the host contract and accounts for each element separately. The embedded derivative is initially recognized at its fair value. The amount of change in the fair value of the derivative is presented in profit or loss.

c) Derecognition of financial assets

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

d) Impairment of financial assets

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

The criteria that the Corporation uses to determine if there is objective evidence of an impairment loss include:
- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

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

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

e) Impairment of non-financial assets

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

3) Material accounting policies (continued)

f) Investment in joint venture

Joint ventures are joint arrangements in which the Corporation has joint control, whereby the Corporation has rights to the net assets of the arrangement, rather than direct rights to its assets and obligations for its liabilities. The financial results of the Corporation's investment in joint venture are included in the Corporation's results according to the equity method. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Corporation's share of profits or losses of the joint venture after the date of acquisition. The Corporation's share of profits or losses is recognized in the statement of (income)/loss and its share of other comprehensive loss or loss of joint venture is included in other comprehensive loss. In order to apply the equity method, management has to align Pine Point's accounting policies with those of the Company, which requires among other things management to assess whether indicators of impairment related to the Pine Point exploration and evaluation assets are present.

g) Exploration and evaluation assets

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

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

Any option payments received by the Company from third parties, proceeds received by the Company from the sales of royalties on its properties from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the period received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

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

The technical feasibility and commercial viability of extracting a mineral resource are considered to be determinable when proven reserves are determined to exist (or there is a high confidence of converting measured and indicated resources into reserves), the rights of tenure are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area, or by the sale of the property.

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

3) Material accounting policies (continued)

h) Refundable tax credits for mining exploration and evaluation assets

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

i) Current and deferred income tax

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

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

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

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

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

j) Asset retirement obligation

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

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

3) Material accounting policies (continued)

k) Share capital and warrants

Common shares and warrants are classified as equity. Incremental costs directly attributable to the issuance of shares or warrants are recognized as a deduction from the proceeds in equity in the period where the transaction occurs. Proceeds from the issuance of units are allocated between shares and warrants issued using the relative fair value method. Proceeds are charged in proportion to the fair value of shares based on the stock prices and the fair value of the warrants determined using the Black-Scholes option pricing model.

l) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Corporation separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Corporation's common shares and the issue price of the flow-through share and ii) share capital, net of incremental costs. Upon expenses being incurred, the Corporation recognizes flow-through premium income in the statement of comprehensive loss/(income) for the amount of tax reduction renounced to the shareholders and reverses the flow-through premium liability.

m) Stock-based compensation

The Corporation maintains a share option plan for its officers, directors, employees, and consultants. The number of common shares that may be reserved for issuance pursuant to the exercise of stock options, is limited as follows: (a) the maximum aggregate number of common shares issuable pursuant to the exercise of stock options granted shall be a maximum of ten percent (10%) of the outstanding common shares as at the date of any stock option grant

n) Share option plan

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

o) (Earnings)/loss per share

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

p) Finance income and finance costs

Finance income comprises interest income on funds invested. Finance costs comprise interest expense, accretion, bank fees, and brokerage fees.

3) Material accounting policies (continued)

q) Related party transactions

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

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

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

r) Foreign currency translation

Foreign currency transactions 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 consolidated 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 profit (loss) and comprehensive income (loss). Non-monetary assets and liabilities are translated at historical rates, unless such assets and liabilities are carried at market value, in which case, they are translated at the exchange rate in effect at the date of the consolidated statement of financial position.

4) Changes in IFRS accounting policies and future accounting pronouncements

New accounting standards adopted

The Company adopted the amendments to IAS 1 Presentation of Financial Statements on classification of liabilities, effective for years beginning after January 1, 2024, which clarify when liabilities are classified as either current or non-current. For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional.

Additionally, the amendments eliminate the exception related to conversion features. Previously, if conversion features were at the holder's discretion, it did not affect the classification of the liability component of a convertible instrument. In light of this amendment, the Company reclassified the convertible debenture from a non-current to current liability, including the 2023 comparative figures.

New accounting standards issued but not yet effective

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted.

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

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

The new Accounting Standard introduces significant changes to the structure of a company's income statement and new principles for aggregation and disaggregation of information. The main impacts of the new Accounting Standard include:

- Introducing a newly defined "operating profit" subtotal and a requirement for all income and expenses to be allocated between three distinct categories based on the company's main business activities: Operating, investing and financing;
- Disclosure about management performance measures;
- Adding new principles for aggregation and disaggregation of information;
- Requiring the cash flow statement to start with operating profit; and
- Remove the accounting policy choice for presentation of dividend and interest.

The Company is currently evaluating the impact of these amendments on its consolidated financial statements.

Amendments to IFRS 7 Financial instruments: disclosures and IFRS 9 Financial instruments

In May 2024, the IASB published Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). The amendments to IFRS 9 clarify de-recognition and classification of specific financial assets and liabilities respectively while the amendments to IFRS 7 clarify the disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows on the occurrence or non-occurrence of a contingent event. The amendments to IFRS 9 and IFRS 7 are effective for annual reporting beginning on or after January 1, 2026.

The Company is currently evaluating the impact of these amendments on its consolidated financial statements.

5) Marketable securities

The Corporation holds shares and warrants in various public companies. During the year ended December 31, 2024, these shares and warrants were fair valued, and this resulted in an unrealized gain of $908,000 (2023 – $6,000).

The shares in the various public companies are classified as FVTPL and are recorded at fair value using the quoted market price as at December 31, 2024, and are therefore classified as level 1 within the fair value hierarchy. The warrants in the various public companies are classified as FVTPL and are recorded at fair value using a Black-Scholes option pricing model not using observable inputs and are therefore classified as level 3 within the fair value hierarchy.

The following table summarizes information regarding the Corporation’s marketable securities as at December 31, 2024 and 2023:

As at	**December 31, 2024**	**December 31, 2023**
Balance, beginning of period	**$ 12**	**$ 6**
Additions	1,009	-
Net change in unrealized gain	908	6
Balance, end of period	**$ 1,929**	**$ 12**

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

6) Exploration and evaluation assets

The following table summarizes information regarding the Corporation's exploration and evaluation assets as at December 31, 2024 and 2023:

		December 31, 2023		Additions		December 31, 2024
Gaspé Copper	$	52,860	$	6,197	$	59,057
New Brunswick Properties		2,812		63		2,875
Total exploration and evaluation assets	**$**	**55,672**	**$**	**6,260**	**$**	**61,932**

		December 31, 2022		Additions		Deconsolidation of PPML (Note 7)		December 31, 2023
Gaspé Copper	$	10,594	$	42,266	$	-	$	52,860
New Brunswick Properties		2,781		31		-		2,812
Northwest Territories Properties		84,612		11,187		(95,799)		-
Total exploration and evaluation assets	**$**	**97,987**	**$**	**53,484**	**$**	**(95,799)**	**$**	**55,672**

During the year ended December 31, 2024, exploration and evaluation asset expenditures included in accounts payable and accrued liabilities were $213,000 (2023 – $502,000).

a) Gaspé Copper

On March 25, 2022, the Company signed a binding term sheet with Glencore (together, with the Company, the "Parties"), with respect to a purchase agreement (the "Purchase Agreement"), which, if entered into, would provide Osisko with an option (the "Gaspé Option") to acquire a 100% interest in the Gaspé Copper Project located near Murdochville, Québec.

The Gaspé Option granted to Osisko the exclusive right to acquire a 100% interest in the Gaspé Copper Project, subject to the following terms:

- Incurring drilling costs of $5 million to test oxidation levels within the mineralization that surrounds Mount Copper and providing a letter indicating its intent to exercise the Gaspé Option by June 30, 2022; and
- Completing all necessary due diligence inquiries and negotiating any outstanding matters by the Parties.

Effective June 30, 2022, the Parties agreed to extend the time for exercise of the Gaspé Option. On July 11, 2022, Osisko announced it entered into definitive documentation with Glencore for the Gaspé Option granted to the Company to acquire the Gaspé Copper Project (the Gaspé Transaction"). In addition, the Company provided notice of its exercise of the Gaspé Option to Glencore.

On July 14, 2023, Osisko closed the Gaspé Transaction. In connection with this transaction:

- Glencore was issued a US$25 million senior secured convertible debenture (see note 9) of the Company which is convertible into units of Osisko at a price of $0.40 per unit (each, a "Unit"), comprised of one Common Share and one-half Warrant. Each Warrant is exercisable by Glencore at an exercise price of $0.46 per Common Share until July 14, 2026.
- Glencore retained a 1% net smelter return ("NSR") royalty on the historical Mount Copper open pit and a 3% NSR royalty on all other minerals extracted from the Gaspé Copper Project.
- Osisko will make a cash payment of US$20 million to Glencore upon the commencement of commercial production at the Gaspé Copper Project, which will be included in the cost of the Mine once it becomes payable.

6) Exploration and evaluation assets (continued)

a) Gaspé Copper (continued)

- The Company is required to incur a total of $55 million in exploration, development and environmental expenditures, including permitting expenditures, over a period of four years, which commenced on March 25, 2022, with a minimum of $20 million to be incurred by March 25, 2024, which was met during the year. A penalty will be payable to Glencore as a percentage of the expenditure deficit as compared to this commitment.
- Osisko entered into an offtake agreement with Glencore to purchase 100% of the concentrates produced at the Gaspé Copper Project.
- The Parties entered into an investor rights agreement (the "Investor Rights Agreement"), pursuant to which Glencore has been granted certain investor rights, provided that it maintains certain ownership thresholds in the Company. Among other things, the Investor Rights Agreement provides Glencore with the right to designate one director for appointment to the Board, participation rights in future equity issuances, piggyback registration rights and the right to maintain its pro-rata position in Osisko.
- Assumption of environmental rehabilitation obligations in favor of the Minister of Natural Resources and Forests ("MNRF") for $5.3 million and a deposit in guarantee to the Town of Murdochville for $766,737.

On October 8, 2024, the Corporation acquired mining claims near the Gaspé Copper Project in exchange for the issuance of 5,000,000 common shares of Osisko (note 12(a)) and the grant of a 2% net smelter return royalty, half of which is redeemable for an amount of $2 million.

b) New Brunswick Properties

New Brunswick Properties owned by the Corporation, including Gilmour South, Key Anacon, Canadian Continental, Mount Fronsac, and others, are subject to or partially subject to a NSR royalty (the "OGR Royalty") with Osisko Gold Royalties Ltd ("OGR''). On October 12, 2017, the Company entered into an agreement with OGR whereby OGR acquired a 1% NSR royalty, including on future acquisitions within a one-kilometer radius of existing holdings, on nearly all of Osisko's projects within both New Brunswick and Quebec for a cash consideration of $5 million. OGR has rights of first refusal on future royalty or metal stream sales from existing or newly acquired properties by Osisko.

c) Northwest Territories Properties

On February 21, 2023, the Company entered into an investment agreement (the "Investment Agreement") with a subsidiary of Appian Natural Resources Fund III LP ("Appian"), a fund advised by Appian Capital Advisory LLP, a London-based private equity group specializing in the acquisition and development of mining assets, pursuant to which Osisko and Appian have agreed to form a joint venture for the advancement of the Pine Point Project (the "Transaction").

Some highlights of the Transaction include:

- Commitment by Appian to invest up to $100.0 million over an estimated four-year period, to acquire an undivided 60% interest in PPML, a former wholly-owned subsidiary of Osisko and owner of the Pine Point Project.
- The $100.0 million investment includes an estimated $75.3 million of funding ($19.8 million of which will be provided to PPML upon establishment of the joint venture, the "Initial Subscription") to advance the Pine Point Project to a Final Investment Decision ("FID"), or construction approval, and approximately $24.7 million in cash payments, comprised of:
  - An $8.3 million initial payment on closing of the Transaction to acquire an initial 9% interest in PPML; and
  - A milestone payment upon positive FID to bring Appian's ownership in PPML to 60%, expected to be approximately $16.4 million. The final milestone payment will increase (or decrease should the actual amount spent to FID differ from the estimated budget) by $75.3 million.
- In addition, Appian agreed to make a $5.0 million investment in the common shares of Osisko Metals on closing, priced at $0.2481 per share (being the 20-day volume weighted average price calculated as of the date of the Investment Agreement).

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

6) Exploration and evaluation assets (continued)

c) Northwest Territories Properties (continued)

Concurrent with the execution of the Investment Agreement, Osisko and Appian entered into an agreement for the issuance of a convertible instrument to provide PPML with short-term interim funding of up to $11.5 million to fund the 2023 drilling program on the Pine Point Project, in accordance with the agreed initial program and budget. When the Transaction closed on April 6, 2023, the $6.7 million advanced by Appian and outstanding under the convertible instrument was converted into an ownership interest in PPML and the Initial Subscription was reduced by $6.7 million outstanding under the Convertible Loan.

Following the Transaction, Osisko deconsolidated Pine Point on April 6, 2023, and started accounting for its investment in PPML using the equity method (note 7 and 8).

7) Deconsolidation of Pine Point Mining Limited

On December 31, 2024, Osisko Metals held an interest of 52% (compared to 67% as at December 31, 2023 and 100% as at December 31, 2022) in PPML.

Effective on April 6, 2023, following the transaction with Appian (note 6(c)), Osisko ceased to consolidate PPML as management determined that Osisko was no longer in a position of control over PPML given the unilateral decision rights held by Appian over PPML's significant operating, inventing and financing decisions. Immediately after, management determined it was able to exert joint control on PPML and subsequently accounted for its investment as a joint venture under the equity method. Accordingly, Osisko deconsolidated Pine Point, and started accounting for its investment in PPML using the equity method. On April 6, 2023, the Company derecognized the assets and liabilities of PPML from its consolidated balance sheet, recorded its interest in PPML at fair value as an investment in a joint venture for $83 million (note 8) and recognized a net non-cash gain on deconsolidation of $13.2 million ($15.1 million net of $1.9 million in transaction costs). PPML's results of operations and cash flows were consolidated into the Company's financial statements up to April 6, 2023.

The following tables summarize the financial information related to PPML on April 6, 2023, which was immediately prior to deconsolidation. The amounts disclosed are before inter-company adjustments:

Summarized balance sheet		**April 6, 2023**
Total current assets	**$**	**2,372**
Total non-current assets		**96,618**
Total current liabilities		**(7,629)**
Total non-current liabilities		**(8,506)**
Total net assets	**$**	**82,855**

Gain on deconsolidation		**April 6, 2023**
Fair value of PPML	**$**	**98,000**
Total net assets		**(82,855)**
Gain	**$**	**15,145**
Transaction costs		**(1,959)**
Net gain	**$**	**13,186**

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

8) Investment in joint venture

On April 6, 2023, the Company derecognized the assets and liabilities of PPML from its consolidated balance sheet (note 7) and recorded its interest in PPML at fair value as an investment in a joint venture for $83 million. The equity accounting is based on the results to December 31, 2024.

The following table summarizes information regarding the Corporation's investment in PPML as at December 31, 2024 and 2023:

		PPML
Balance, January 1, 2023	**$**	**-**
Initial investment in joint venture		82,970
Share of loss for the period		(305)
Balance, December 31, 2023	**$**	**82,665**
Sale of interest to Appian		(6,664)
Gain on sale of ownership in joint venture		66
Share of loss for the period		(425)
Balance, December 31, 2024	**$**	**75,642**

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

As at		December 31, 2024		December 31, 2023
Total current assets	$	8,682	$	6,091
Total non-current assets		141,436		130,674
Total current liabilities		(5,334)		(5,439)
Total non-current liabilities		-		(8,649)
Total net assets	$	144,784	$	122,677

	For the year ended December 31, 2024	For the period April 6 to December 31, 2023
Net loss and comprehensive loss	724	313

9) Convertible debenture

On July 14, 2023, Osisko acquired the Gaspé Copper Project from Glencore (note 7(a)) and in connection with this transaction issued a $32.9 million (US$25 million) senior secured convertible debenture (the "Convertible Debenture"). The Convertible Debenture is denominated in US Dollars with a term of 36 months and carries a semestrial coupon interest payment of 4% plus the greater between the 6-month Term SOFR and 2.5%.

The Convertible Debenture includes the following material conversion and settlement options available to the holder:

General conversion option:

The holder of the Convertible Debenture, at any time before maturity, can convert the outstanding principal amount into Units for $0.40 per Unit based on the spot exchange rate at the time of a conversion. Each Unit comprises one Common Share and one-half Warrant. The Warrant can be used to subscribe one Common Share at an exercise price of $0.46 per Common Share until July 14, 2026.

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

9) Convertible Debenture (continued)

Interest repayment option:

Annually, the Company has an option to pay the interest in (i) cash; or (ii) subject to TSX-V approval, by capitalizing interest and adding it to the principal, which would then be converted into Units at the Company's share price determined at the anniversary on which such interest become payable.

Redemption option:

The Convertible Debenture also includes redemption mechanisms at the option of the holder in the event of a change of control or an event of default.

The Convertible Debenture is secured against all of the present and after acquired property of the Company in an aggregate principal amount of $50 million. The Convertible Debenture represents a hybrid financial instrument with an embedded derivative requiring separation. The debt host portion (the "Host") of the instrument is classified at amortized cost, whereas the conversion option (the "Embedded Derivative") is classified as fair value through profit and loss ("FVTPL").

The following table summarizes information regarding the Corporation's Convertible Debenture as at December 31, 2024 and 2023:

	Host (Amortized cost)	Embedded Derivative (FVTPL)	Amount
Balance January 1, 2023	**$ -**	**$ -**	**$ -**
Issuance	24,344	8,614	32,958
Interest accretion	2,358	-	2,358
Change in fair value	-	(3,919)	(3,919)
Foreign exchange	25	28	53
Balance December 31, 2023	**$ 26,727**	**$ 4,723**	**$ 31,450**
Interest accretion	5,958	-	5,958
Change in fair value	-	9,987	9,987
Foreign exchange	2,646	415	3,061
Balance December 31, 2024	**$ 35,331**	**$ 15,125**	**$ 50,456**

The following table summarizes the assumptions used for the valuation of the Convertible Debenture's embedded derivative as at December 31, 2024 and 2023:

As at	**December 31, 2024**	**December 31, 2023**
Time to maturity	1.54 years	2.54 years
Share price	$ 0.36	$ 0.19
Foreign exchange rate	$ 1.44	$ 1.32
Volatility	69.68%	63.60%
Risk-free interest rate (based on government bonds)	4.21%	3.77%
Credit spread	15.06%	15.32%

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

9) Convertible debenture (continued)

The fair value of the Embedded Derivative, which is a Level 3 measurement, was determined using a valuation model which required the use of significant unobservable inputs.

	December 31, 2024		Relative change		Sensitivity*	December 31, 2023		Relative change		Sensitivity*
Observable inputs:										
Share price	$ 0.36	+/-	10%	+	3,357	$ 0.19	+/-	10%	+	$ 1,077
				-	3,036				-	$ 949
Foreign exchange rate	1.439	+/-	5%	+	764	1.323	+/-	5%	+	239
				-	758				-	238
Unobservable inputs:										
Expected volatility	69.47%	+/-	10%	+	2,345	63.60%	+/-	10%	+	1,038
				-	1,958				-	1,058
Credit spread	15.06%	+/-	1%	+	117	15.3%	+/-	1%	+	57
				-	120				-	58

*Holding all other variables constant

10) Asset retirement obligation

The obligation is estimated based on the Corporation’s site remediation and restoration plan and the estimated timing of the costs to be paid in future years.

The following table summarizes the Corporation’s asset retirement obligation as at December 31, 2024 and 2023:

		Amount
Balance January 1, 2023	**$**	**-**
Gaspé Copper Project acquisition		4,728
Settlement of liabilities		(138)
Accretion expense		72
Change in estimate		60
Balance December 31, 2023	**$**	**4,722**
Settlement of liabilities		(234)
Accretion expense		148
Change in estimate		(142)
Balance December 31, 2024	**$**	**4,494**

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

For the year ended December 31,		**2024**		**2023**
Total undiscounted value of payments	$	4,844	$	5,300
Weighted average discount rate		3.23%		3.10'%
Expected life		18.50 years		19.50 years
Inflation rate		2.00%		2.00%

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

11) Income taxes

Income tax expense/(recovery) is broken down as follows:

For the year ended		**December 31, 2024**		**December 31, 2023**
Variation in deferred tax liabilities balance	**$**	**1,137**	$	(111)
Deferred tax expense/(recovery)	**$**	**1,137**	**$**	**(111)**

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

For the years ended		**December 31, 2024**		**December 31, 2023**
(Loss)/income before income taxes	**$**	**(20,288)**	**$**	**11,161**
Income tax (recovery)/expense computed at Canadian statutory tax rate		(5,376)		2,958
Tax effect of renounced flow-through share expenditures		589		338
Change in the allocation between provinces		(124)		-
Gain on sale of PPML interest		-		539
Gain on deconsolidation of PPML		-		(4,121)
Non-realized loss/(gain) on Convertible Note		1,729		(481)
Adjustments in respect of prior years		738		(48)
Recognition of previously unrecognized tax benefits		3,502		603
Other		79		101
Deferred tax expense/(recovery)	**$**	**1,137**	**$**	**(111)**

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

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

11) Income taxes (continued)

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

	December 31, 2023	Recognized in net loss	Recognized in equity	December 31, 2024
Deferred tax assets				
Unused loss carry-overs	$ 6,396	$ 803	$ -	$ 7,199
Unused capital losses	65	1	-	66
Unrealized capital losses	128	(121)	-	7
Issuance cost of shares	408	(488)	1,747	1,667
Donation carry-over	20	-	-	20
Property and euipment	53	(30)	-	23
Convertible Note	82	3,337	-	3,419
	$ 7,152	$ 3,502	$ 1,747	$ 12,401
Unrecognized tax benefits	(6,848)	(2,365)	(1,747)	(10,960)
Total deferred tax assets	304	1,137	-	1,441
Deferred tax liabilities				
Exploration and evaluation assets	(303)	(1,077)	-	(1,380)
Asset retirement Obligation	(1)	(60)	-	(61)
Total deferred tax liabilities	(304)	(1,137)	-	(1,441)
Net deferred tax liabillity	**$ -**	**$ -**	**$ -**	**$ -**

12) Capital and other components of equity

a) Share capital – authorized

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

On April 6, 2023, the Corporation issued 20,153,164 common shares of the Corporation at a deemed issue price of $0.2481 per common share for an aggregate of $5 million in connection with the Transaction (note 6(c)). The transaction costs amounted to $26,000.

On June 8, 2023, the Corporation issued 2,000,000 common shares of the Corporation at a deemed issue price of $0.3125 per common share for an aggregate of $625,000 for payment of advisory fees.

On July 12, 2023, the Corporation completed a private placement of 8,750,000 common shares of the Corporation at a price of $0.40 per common share that qualify as "flow-through shares" within the meaning of the Income Tax Act (Canada) and the Taxation Act (Québec) for aggregate gross proceeds of $3,500,000. The flow-through shares were issued at a premium of $0.16 to the closing market price of the Corporation's common shares on the day of issue. The premium was recognized as a long-term liability for $1.3 million with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures are incurred. The transaction costs amounted to $507,000 and have been netted against the gross proceeds on closing.

12) Capital and other components of equity (continued)

a) Share capital – authorized (continued)

On October 8, 2024, the Corporation acquired mining claims near the Gaspé Copper Project in exchange for the issuance of 5,000,000 common shares of Osisko (note 6(a)).

On December 11, 2024, the Corporation completed a private placement of 64,215,117 units of the Corporation at a price of $0.50 per unit issued as flow-through units for aggregate gross proceeds of $32,108,000. Each flow through unit is comprised of one common share of Osisko and one half of one common share purchase warrant, each of which qualifies as “flow-through shares” within the meaning of the Income Tax Act (Canada) and the Taxation Act (Québec). Each common share purchase warrant is exercisable into one common share of Osisko until December 11, 2026, at an exercise price of $0.35. The fair value of the common share purchase warrant was $1.7 million and this fair value was netted against the gross proceeds on closing. The flow-through units were issued at a premium of $0.21 to the closing market price of the Corporation’s common shares on the day of issue. The premium was recognized as a long-term liability for $15.4 million with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures are incurred. The transaction costs amounted to $1.9 million and have been netted against the gross proceeds on closing.

On December 11, 2024, the Corporation completed a private placement of 6,111,112 units of the Corporation at a price of $0.54 per unit issued as flow-through units for aggregate gross proceeds of $3.3 million. Each flow through unit is comprised of one common share of Osisko and one half of one common share purchase warrant, each of which qualifies as “flow-through shares” within the meaning of the Income Tax Act (Canada) and the Taxation Act (Québec). Each common share purchase warrant is exercisable into one common share of Osisko until December 11, 2026, at an exercise price of $0.35. The fair value of the common share purchase warrant was $166,000 and this fair value was netted against the gross proceeds on closing. The flow-through units were issued at a premium of $0.25 to the closing market price of the Corporation’s common shares on the day of issue. The premium was recognized as a long-term liability for $1.7 million with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures are incurred. The transaction costs amounted to $202,000 and have been netted against the gross proceeds on closing.

On December 11, 2024, the Corporation completed a private placement of 277,051,466 units of the Corporation at a price of $0.26 per unit for gross proceeds of $72 million. Each unit is comprised of one common share of Osisko and one half of one common share purchase warrant. Each common share purchase warrant is exercisable into one common share of Osisko until December 11, 2026, at an exercise price of $0.35. The fair value of the common share purchase warrant upon conversion was $9.6 million and this fair value was netted against the gross proceeds on closing. The transaction costs amounted to $4.4 million and were netted against the gross proceeds on closing.

During the year ended December 31, 2024, share issue costs included in accounts payable and accrued liabilities were $983,000 (2023 – $nil).

During the year ended December 31, 2024, a total of 597,500 warrants were exercised for gross proceeds of $149,000 in exchange for the issuance of 597,500 common shares of the Corporation.

During the year ended December 31, 2024, flow-through premium income of $832,000 (2023 – $667,000) was recognized relating to the flow-through shares issued by the Corporation.

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

12) Capital and other components of equity (continued)

b) Basic loss/(earnings) per share

The calculation of basic (earnings)/loss per share for the year ended December 31, 2024 and 2023 was based on the loss/(income) attributable to common shareholders and a basic weighted average number of common shares outstanding, calculated as follows:

For the year ended	**December 31, 2024**	**December 31, 2023**
Common shares outstanding, at beginning of the period	256,574,935	225,671,771
Weighted average number of common shares issued during the period	20,538,645	20,134,165
Basic weighted average number of common shares	**277,113,580**	**245,805,936**
Loss/(income) attributable to owners of the Corporation	**$ 21,425**	**$ (11,272)**
Basic loss/(earnings) per share	**$ 0.08**	**$ (0.05)**

c) Diluted loss/(earnings) per share

For the year ended December 31, 2024, the Corporation incurred a net loss, therefore all outstanding convertible debenture, stock options and warrants have been excluded from the calculation of diluted loss per share since the effect would be anti-dilutive.

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

For the year ended	**December 31, 2024**	**December 31, 2023**
Basic weighted average number of common shares (note 12(b))	277,113,580	245,805,936
Effect of dilutive stock options	-	38,375,171
Diluted weighted average number of common shares	**277,113,580**	**284,181,107**
Loss/(income) attributable to owners of the Corporation	**$ 21,425**	**$ (11,272)**
Diluted loss/(earnings) per share	**$ 0.08**	**$ (0.04)**

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

12) Capital and other components of equity (continued)

d) Contributed surplus

Stock options can be granted to directors, officers, employees, and consultants of the Corporation as part of their long-term compensation package. The stock options may vest at the discretion of the board of directors and are exercisable for up to 5 years from the date of grant. The following table summarizes the stock option transactions for the years ended December 31, 2024 and 2023:

	Number of stock options	Weighted-average exercise price
Outstanding at January 1, 2023	**12,156,134**	**$ 0.47**
Granted	2,105,000	0.24
Forfeited	(70,234)	0.40
Expired	(1,400,900)	0.70
Outstanding at December 31, 2023	**12,790,000**	**$ 0.41**
Granted	17,035,000	0.25
Expired	(5,135,000)	0.52
Outstanding at December 31, 2024	**24,690,000**	**$ 0.28**

On March 26, 2024, 1,935,000 stock options were issued to directors, management and employees, at an exercise price of $0.16 for a period of 5 years. The options have been fair valued at $0.08 per option using the Black-Scholes option pricing model. The options vest one third each on the first, second and third anniversaries from the grant date.

On December 12, 2024, 15,100,000 stock options were issued to directors, management and employees, at an exercise price of $0.26 for a period of 5 years. The options have been fair valued at $0.13 per option using the Black-Scholes option pricing model. The options vest one third each on the first, second and third anniversaries from the grant date.

The total recognized expense for stock options for the year ended December 31, 2024 was $361,000 (2023 – $398,000), from which $22,000 (2023 – $32,000), was capitalized to exploration and evaluation assets.

The following table summarizes the weighted average assumptions used for the valuation of the stock options issued during the year ended December 31, 2024 and 2023:

For the year ended	December 31, 2024	December 31, 2023
Fair value at grant date	$ 0.13	$ 0.12
Forfeiture rate	0.0%	0.0%
Share price at grant date	$ 0.25	$ 0.24
Exercise price	$ 0.25	$ 0.24
Expected volatility	56%	54%
Dividend yield	0.0%	0.0%
Option life (weighted average life)	5 years	4.8 years
Risk-free interest rate (based on government bonds)	2.98%	3.70%

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

12) 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 December 31, 2024:

	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 ($)**
0.16 to 0.29	4.7	19,125,000	$0.25	3.5	696,661	$0.24
0.30 to 0.44	2.0	5,565,000	$0.37	1.8	4,451,658	$0.38
2.52 to 3.98	**4.1**	**24,690,000**	**$0.28**	**2.1**	**5,148,319**	**$0.37**

e) Warrants

The following table summarizes the transactions pertaining to the Corporation's outstanding standard warrants for the year ended December 31, 2024 and 2023. These warrants were exercisable at one warrant for one common share of the Corporation:

	Number of warrants		**Weighted-average exercise price**
Outstanding at January 1, 2023	**10,999,791**	**$**	**0.57**
Issued (note 12(a))	612,500		0.25
Outstanding at December 31, 2023	**11,612,291**	**$**	**0.55**
Issued (note 12(a))	173,688,848		0.35
Exercised	(597,550)		0.25
Expired	(1,416,458)		0.54
Outstanding at December 31, 2024	**183,287,131**	**$**	**0.36**

The following table summarizes the assumptions used for the valuation of the warrants issued during the year ended December 31, 2024 and 2023:

For the year ended		**December 31, 2024**		**December 31, 2023**
Fair value at grant date	$	0.05	$	0.06
Forfeiture rate		0.0%		0.0%
Share price at grant date	$	0.26	$	0.23
Exercise price	$	0.35	$	0.25
Expected volatility		63%		62%
Dividend yield		0.0%		0.0%
Warrant life (weighted average life)		2 years		1.5 years
Risk-free interest rate (based on government bonds)		2.94%		4.65%

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

13) Expenses

The following table summarizes information regarding the Corporation's expenses for the year ended December 31, 2024 and 2023:

For the year ended		December 31, 2024		December 31, 2023
Compensation expenses				
Stock-based compensation expense (note 12(d))	$	339	$	366
Salaries and benefits (note 14)		1,143		1,090
Total compensation expenses	**$**	**1,482**	**$**	**1,456**
General and administration expenses				
Shareholder and regulatory expense	$	672	$	705
Travel expense		190		135
Professional fees		835		2,994
Office expense		400		141
Total general and administration expenses	**$**	**2,097**	**$**	**3,975**
Marketable securities				
Net change in unrealized gain from marketable securities (note 5)		(909)		(6)
Total marketable securities gain	**$**	**(909)**	**$**	**(6)**

14) Related party transactions

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

During the year ended December 31, 2024, management fees, geological services, and administration fees of $815,000 were charged to the Corporation's joint venture, PPML, by the Corporation (2023 - $nil). Accounts receivable from PPML as at December 31, 2024 were $155,000.

During the year ended December 31, 2024, management fees, geological services, and administration fees of $32,000, (2023 – $nil), were charged to Brunswick Exploration Inc ("Brunswick"), a related company of the Corporation by virtue of common officers and directors. Accounts receivable from Brunswick as at December 31, 2024 were $32,000.

During the year ended December 31, 2024, management fees, geological services, and administration fees of $206,000 (2023 – $nil), were incurred with Brunswick by the Corporation. Accounts payable to Brunswick as at December 31, 2024 were $nil.

During the year ended December 31, 2024, management fees, geological services, and administration fees of $144,000 (2023 – $nil), were incurred with Falco Resources Ltd ("Falco"), a related company of the Corporation by virtue of common officers and directors. Accounts payable to Falco as at December 31, 2024 were $41,000.

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

14) Related party transactions (continued)

The following table summarizes remuneration attributable to key management personnel for the year ended December 31, 2024 and 2023:

For the year ended		December 31, 2024		December 31, 2023
Salaries expense of key management	$	664	$	151
Directors' fees		123		109
Stock-based compensation expense		235		291
Total	**$**	**1,022**	**$**	**551**

15) Deposits

Deposits related to the environmental rehabilitation provision include deposits and a surety bond which are used as collateral for possible rehabilitation activities at the Gaspé Copper Project. Reclamation deposits are expected to be released once this property is restored to satisfactory conditions, or as released under the surety bond agreement. As they are restricted from general use, they are included under Deposits on the consolidated statements of financial position.

16) Capital risk factors

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

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

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

As at December 31, 2024, the Corporation has cash, cash equivalents, and marketable securities totaling $103,585,000 (2023 – $1,683,000), which were available for growing the Corporation.

17) Financial instruments

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

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

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

17) Financial instruments (continued)

As at December 31, 2024 and 2023, the Corporation classified publicly traded securities included in marketable securities and deposits as Level 1, and warrants included in marketable securities, and convertible debenture as Level 3. The fair values of cash and cash equivalents and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

	December 31, 2024			December 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Marketable securities	1,206	-	723	12	-	-
Deposits	2,358	-	-	2,358	-	-
Convertible debenture	-	-	50,456	-	-	31,450

There were no transfers between levels 1 and 3 and there were no changes in valuation techniques during 2024.

Financial risk factors

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

e) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet contractual obligations and arises principally from the Corporation's receivables, cash and monetary investments. The receivables consist mainly of the refund of the goods and services tax receivable from the governments of Canada and Quebec. The carrying value of the financial assets represents the maximum credit exposure. Management mitigates credit risk by maintaining its cash and monetary investments with Canadian chartered banks.

f) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation has a planning and budgeting process in place to help determine the funds required to support the Corporation's normal operating requirements on an ongoing basis and its expansionary plans (note 1).

The Corporation ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As at December 31, 2024, the Corporation had a cash balance of $101,656,000 (2023 – $1,671,000) to settle current liabilities of $53,578,000 (2023 – $33,735,000). The majority of the Corporation's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Corporation has financial commitments outstanding as at December 31, 2024 (note 18).

g) Currency risk

Foreign currency risk is the risk that the Corporation's financial performance could be affected by fluctuations in the exchange rates between currencies. The convertible debenture is denominated in U.S dollars. As such, the Corporation is exposed to gains or losses on foreign exchange revaluation.

Currently, the Corporation has no hedging contracts in place and therefore is exposed to the foreign exchange rate fluctuations. The strengthening of the U.S. dollar would negatively impact the Corporation's net loss/(income) and cash flows while the strengthening of the Canadian dollar would increase its net loss/(income) and cash flows.

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

17) Financial instruments (continued)

g) Currency risk (continued)

As at December 31, 2024 and 2023, the convertible debenture host in U.S. dollars held by the Company were $24,554 000 and $20,207,000, respectively.

h) Commodity price risk

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

i) Interest rate risk

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

If market interest rates for the year ended December 31, 2024, had increased or decreased by 0.25%, with all variables held constant, the loss for the year ended December 31, 2024, would have been approximately $254,000 lower/higher (2023 - $5,000), as a result of higher/lower interest income from cash and cash equivalents.

18) Commitments

As of December 31, 2024, the Corporation has the following flow-through funds to be spent by December 31, 2025:

Closing Date of Financing	Province	Deadline for spending	Remaining Flow-through Funds	
December 11, 2024	Québec	December 31, 2025	$	35,407
Total			**$**	**35,407**

19) Comparative figures

During the preparation of the current year's consolidated financial statements, the Corporation revised the presentation of certain expenses and income in the consolidated statement of comprehensive loss/(income), with corresponding revisions made to the related notes. Additionally, the Corporation modified its the presentation policy regarding the recognition of the flow through premium. Previously recorded within the income tax line, this premium is now presented as a separate line item under income.

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

19) Comparative figures (continued)

Certain amounts in the consolidated statements of financial position, cash flows and related notes were also aggregated or disaggregated to enhance clarity and comparability. The following table provides a reconciliation of the 2023 expenses and income to reflect their updated grouping as presented in the consolidated statement of comprehensive loss/(income).

	Current presentation	Previous presentation
Compensation expenses	$ 1,456	$ -
General and administration expenses	3,975	-
Share-based compensation	-	366
Employee benefits expenses	-	830
Investor and shareholder relations	-	704
Office expenses	-	195
Depreciation	-	36
Travel expenses	-	138
Consulting and professional fees	-	1,369
Gain on sale of controlling interest in Pine Point Mining Limited	(15,145)	-
Gain on sale of controlling interest in Pine Point Mining Limited	-	(13,186)
Fair value loss/(gain) on convertible debenture	(3,891)	-
Gain on marketable securities	(6)	-
Other finance income	(226)	-
Other finance expense	2,974	-
Loss on foreign exchange	64	-
Net financial income	-	(1,251)
Share of loss of joint venture	305	305
Flow-through premium income	(667)	-
Deferred income tax expense/(recovery)	(111)	-
Income tax recovery/(expense)	-	(778)
Net income	**$ (11,272)**	**$ (11,272)**

20) Subsequent events

On January 20, 2025, 12,500,000 restricted share units ("RSU") of the Corporation were issued to certain executive directors and officers. Each RSU has been fair valued at $0.31 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 20, 2025, 1,750,000 deferred share units ("DSU") of the Corporation were issued to certain independent directors. Each DSU has been fair valued at $0.31 initially at the Corporation's closing share price on the date of grant. The DSUs vest immediately on the date of grant.