BAROLO VENTURES CORP.

FILING STATEMENT

DATED AS OF NOVEMBER 20, 2020

IN RESPECT OF THE REVERSE TAKEOVER TRANSACTION INVOLVING OSISKO GOLD ROYALTIES LTD

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Reverse Takeover described in this Filing Statement.

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GENERAL INFORMATION

Introduction

This Filing Statement is being prepared in accordance with Exchange Policy 5.2 and Exchange Form 3D2 in connection with, among other things, the Reverse Takeover of Barolo by Osisko. No person has been authorized to give any information or make any representation in connection with the Transaction or any other matters disclosed herein other than those contained in this Filing Statement and, if given or made, any such information or representation must not be relied upon as having been authorized.

Readers are cautioned not to construe the contents of this Filing Statement as legal, tax or financial advice and are advised to consult their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Filing Statement.

Any information concerning the Contributed Osisko Assets contained in this Filing Statement has been provided by Osisko. With respect to this information, the Barolo Board has relied exclusively upon Osisko, without independent verification by Barolo. Although Barolo has no knowledge that would indicate that any of such information is untrue or incomplete, Barolo does not assume any responsibility for the accuracy or completeness of such information or the failure by Osisko to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Barolo.

Unless otherwise indicated, any information concerning the Resulting Issuer in this Filing Statement is a reference to Barolo following the completion of the Transaction (assuming the Transaction is completed).

All capitalized terms used in this Filing Statement (including the Appendices, unless otherwise stated) but not otherwise defined herein have the meanings set forth under *"Glossary"*. Information contained in this Filing Statement is given as of November 20, 2020 unless otherwise specifically stated.

This Filing Statement does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Currency

Unless otherwise indicated, references to "$", "CDN $", "Canadian dollars" or "dollars" are to Canadian dollars, and references to "US$", "USD $", "U.S. $" or "U.S. dollars" are to United States dollars. As of November 20, 2020, the daily rate of exchange between the United States dollar and Canadian dollar, as quoted by the Bank of Canada, was US$1.00=CDN$1.3071 (or CDN$1.00=US$0.7651).

Abbreviations and Conversions

Abbreviation	Definition
Ag	Silver
As	Arsenic
Au	Gold
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
°	Degree(s)
g	Gram(s)
g/t	Gram(s) per tonne
> , <	Greater than, less than
ha	Hectare(s)
ISO	International Organization for Standardization
km	Kilometre(s)
m	Metre(s)
masl	Metre(s) above sea level

Abbreviation	Definition
mm	Millimetre(s)
Moz	Million ounces
', "	Minutes, seconds
Mt	Million tonnes
NSR	Net smelter return
oz	Ounce(s)
%	Percent(age)
QA/QC	Quality Assurance / Quality Control
st	Short Tons

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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

Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual plans, results, performance or achievements of Barolo, the Contributed Osisko Assets or the Resulting Issuer to differ materially from any future plans, results, performance or achievements expressed or implied by the Forward-Looking Information. Such factors include, among others, the timing, closing or non-completion of the Continuance, the Transaction or the Financing, including due to the parties failing to receive, in a timely manner and on satisfactory terms, the necessary securityholder, stock exchange and regulatory approvals or the inability of the parties to satisfy or waive in a timely manner the other conditions to the Closing or the conditions precedent, as applicable, of the Continuance, the Transaction or the Financing, as the case may be; actual operating cash flows, operating costs, free cash flows, mineral resources, total cash, transaction costs, and administrative costs of Barolo, the Contributed Osisko Assets or the Resulting Issuer differing materially from those anticipated; project infrastructure requirements and anticipated processing methods, exploration expenditures of the Contributed Osisko Assets or the Resulting Issuer differing materially from those anticipated; risks related to partnership or other joint operations; actual results of current exploration activities; variations in mineral resources, mineral production, grades or recovery rates or optimization efforts and sales; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; uninsured risks, including, but not limited to, pollution, cave-ins or hazards for which insurance cannot be obtained; regulatory changes, defects in title; availability or integration of personnel, materials and equipment; inability to recruit or retain management and key personnel; performance of facilities, equipment and processes relative to specifications and expectations; unanticipated environmental impacts on operations; market prices; production, construction and technological risks related to Barolo, the Contributed Osisko Assets or the Resulting Issuer or capital requirements and operating risks associated with the operations or an expansion of the operations of Barolo, the Contributed Osisko Assets or the Resulting Issuer, dilution due to future equity financings, fluctuations in gold, silver and other metal prices and currency exchange rates; uncertainty relating to future production and cash resources; inability to successfully complete new development projects, planned expansions or other projects within the timelines anticipated; adverse changes to market, political and general economic conditions or Laws, rules and regulations applicable to Barolo, the Contributed Osisko Assets or the Resulting Issuer; impact of the COVID-19 pandemic on the Transaction, Barolo, the Contributed Osisko Assets or the Resulting Issuer; changes in project parameters; the possibility of project cost overruns or unanticipated costs and expenses; accidents, labour disputes, community and stakeholder protests and other risks of the mining industry; failure of plant, equipment or processes to operate as anticipated; risk of an undiscovered defect in title or other adverse claim; factors discussed under the heading *"Risk Factors"*; and other risks, including those risks set out in the continuous disclosure documents of each of Barolo and Osisko, which are available on SEDAR (www.sedar.com) under the respective issuer profiles of Barolo and Osisko.

In addition, Forward-Looking Information herein is based on certain assumptions and involves risks related to the consummation or non-consummation of the Transaction and the Financing, and the respective businesses and operations of Barolo, the Contributed Osisko Assets and the Resulting Issuer. Forward-Looking Information contained herein is based on certain assumptions, including that Barolo Shareholders will vote in favour of the Consolidation, Continuance, Name Change and Board Reconstitution, that all other conditions to the Transaction will be satisfied or waived and that the Transaction will be completed. Other assumptions include, but are not limited to, interest and exchange rates; the price of gold, copper and other metals; competitive conditions in the mining industry; synergies, if any, created by the formation of the Resulting Issuer; title to mineral properties; financing and funding requirements; general economic, political and market conditions; and changes in Laws, rules and regulations applicable to the Barolo, the Contributed Osisko Assets or the Resulting Issuer.

Although Barolo and Osisko have attempted to identify important factors that could cause plans, actions, events or results to differ materially from those described in Forward-Looking Information in this Filing Statement, and the documents incorporated by reference herein, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate as actual plans, results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on Forward-Looking Information in this Filing Statement, nor in the documents incorporated by reference herein. All of the Forward-Looking Information in this Filing Statement, including all documents incorporated by reference herein, are qualified by these cautionary statements.

Certain Forward-Looking Information and other information contained herein concerning the mining industry and the expectations of Barolo and Osisko concerning the mining industry, Barolo, Osisko and the Resulting Issuer are based on estimates prepared by Barolo and Osisko using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which each of Barolo and Osisko believe to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. While neither of Barolo or Osisko are aware of any misstatement regarding any industry data presented herein, the mining industry involves risks and uncertainties that are subject to change based on various factors.

Barolo Shareholders are cautioned not to place undue reliance on Forward-Looking Information. Neither of Barolo or Osisko undertake any obligation to update any of the Forward-Looking Information in this Filing Statement or incorporated by reference herein, except as required by law.

SUMMARY

The following is a summary of information relating to Barolo, the Contributed Osisko Assets and the Resulting Issuer (assuming completion of the Transaction and the Financing), and should be read together with the more detailed information, financial data and statements contained elsewhere in this Filing Statement, including the Appendices attached hereto.

General

This Filing Statement is prepared in accordance with the TSXV Form 3D2 – *Information Required in a Filing Statement for a Reverse Take-Over or a Change of Business* in connection with the completion of the Transaction, whereby Osisko will complete a Reverse Takeover of Barolo by way of a triangular amalgamation pursuant to the terms of the Amalgamation Agreement, following which a wholly-owned subsidiary of the Resulting Issuer will hold the Contributed Osisko Assets, as more particularly described in this Filing Statement. The Transaction will qualify as a "Reverse Takeover" and a "Change of Control" of Barolo (each as defined in the policies of the Exchange). Prior to the completion of the Transaction, among other things, (i) Osisko will transfer the Contributed Osisko Assets to Osisko Subco pursuant to the Osisko Contribution Agreement in consideration for the issuance of the Consideration Shares to Osisko, (ii) the Barolo Shares will be consolidated on the basis of one (1) post-Consolidation Barolo Share for each sixty (60) pre-Consolidation Barolo Shares, (iii) Barolo will change its name to "Osisko Development Corp.", and (iv) provided the Escrow Release Conditions are satisfied, each Subscription Receipt will automatically convert

into one Osisko Subco Share and one-half of an Osisko Subco Warrant prior to the Effective Time. On the closing of the Transaction, in accordance with the Amalgamation Agreement, each Osisko Subco Share outstanding immediately prior to the Effective Time (including the Osisko Subco Shares issued upon conversion of the Subscription Receipts) will be exchanged for a post-Consolidation Resulting Issuer Share, and each Osisko Subco Warrant will be exchanged for a Resulting Issuer Warrant.

Information contained in this Filing Statement is given as at November 20, 2020 unless otherwise specifically stated.

The Transaction

The Transaction will be effected in accordance with the terms of the Amalgamation Agreement (a copy of which has been filed on SEDAR (www.sedar.com) under Barolo's issuer profile), subject to the satisfaction or waiver of all of the conditions precedent outlined in the Amalgamation Agreement, including, among other things, obtaining the requisite Barolo Shareholder approval for the Continuance Resolution, Name Change, Compensation Plan Amendments and Board Reconstitution, and a written resolution of holders of not less than 85% of the Barolo Shares approving the Consolidation.

Assuming the Transaction is completed in accordance with the Amalgamation Agreement, the Transaction will, among other things, result in:

(a) the Barolo Shares being consolidated prior to the Effective Time on the basis of one (1) post-Consolidation Barolo Share for each sixty (60) pre-Consolidation Barolo Shares;

(b) the Resulting Issuer's name being changed to "Osisko Development Corp.", or such other name as may be proposed by the Resulting Issuer and accepted by the Exchange;

(c) the Contributed Osisko Assets being acquired by Osisko Subco, which will become a wholly-owned subsidiary of the Resulting Issuer following the Amalgamation;

(d) Osisko retaining the Osisko Retained Royalty Interests and being granted the Osisko Participation Rights;

(e) a change in Barolo's stock exchange ticker symbol from "BVC.H" to "ODV" (or such other appropriate ticker symbol as Osisko may determine from time to time);

(f) Osisko owning 100,000,100 Resulting Issuer Shares immediately following the Closing;

(g) the holders of Subscription Receipts becoming holders of Resulting Issuer Shares and Resulting Issuer Warrants; and

(h) the Resulting Issuer Board being reconstituted to include (i) Mr. John Burzynski, (ii) Mr. Sean Roosen, (iii) Ms. Joanne Ferstman, (iv) Mr. Charles Page, (v) Ms. Michèle McCarthy, (vi) Mr. Duncan Middlemiss, and (vii) Mr. Éric Tremblay, all as more particularly described in this Filing Statement.

Management of the Resulting Issuer is expected to include Mr. Sean Roosen (Chair and Chief Executive Officer), Mr. Chris Lodder (President), Mr. Luc Lessard (Chief Operating Officer), Mr. Benoit Brunet (Vice President, Finance, Chief Financial Officer and Corporate Secretary), Mr. Chris Pharness (Vice President, Sustainable Development), Mr. François Vézina (Vice President, Technical Services), Ms. Maggie Layman (Vice President, Exploration) and a further technical team that will be transferred from Osisko to the Resulting Issuer.

The Transaction will qualify as a "Reverse Takeover" and a "Change of Control" of Barolo (each as defined in the policies of the Exchange). Upon Closing, Barolo will be the Resulting Issuer and carry on the business and operations relating to the Contributed Osisko Assets.

Immediately following completion of the Transaction, the Resulting Issuer is expected to have 113,583,504 Resulting Issuer Shares issued and outstanding, of which (i) current Barolo Shareholders are expected to hold 233,404 Resulting Issuer Shares (or approximately 0.2%), (ii) Osisko is expected to hold 100,000,100 Resulting Issuer Shares (or approximately 88%), and (iii) current holders of Subscription Receipts are expected to hold 13,350,000 Resulting Issuer Shares (or approximately 11.8%) of the total issued and outstanding Resulting Issuer Shares. In addition, the Resulting Issuer is expected to have 6,675,000 Resulting Issuer Warrants held by current holders of Subscription Receipts.

The foregoing figures are based on (i) the number of Barolo Shares outstanding as of the date hereof (being 14,004,287 Barolo Shares, or 233,404 Resulting Issuer Shares after giving effect to the Consolidation (subject to rounding)), (ii) the number of Osisko Subco Shares issued to Osisko upon the incorporation of Osisko Subco (being 100 Osisko Subco Shares, which will be exchanged for 100 Resulting Issuer Shares upon the Amalgamation), (iii) the number of Consideration Shares to be issued to Osisko pursuant to the Osisko Contribution Agreement (being 100,000,000 Osisko Subco Shares, which will be exchanged for 100,000,000 Resulting Issuer Shares upon the Amalgamation), (iv) the number of Osisko Subco Shares to be issued to holders of Subscription Receipts upon satisfaction of the Escrow Release Conditions (being 13,350,000 Osisko Subco Shares, which will be exchanged for 13,350,000 Resulting Issuer Shares upon the Amalgamation), and (v) no securities exercisable, exchangeable or convertible for Barolo Shares being exercised, exchanged or converted prior to the completion of the Transaction.

Under the Amalgamation Agreement, the Resulting Issuer is required to reconstitute the Resulting Issuer Board and effect a change in management of the Resulting Issuer concurrently with the Closing. Upon completion of the Transaction, the Resulting Issuer Board will consist of seven (7) members and is expected to comprise (i) Mr. Sean Roosen, as Chair of the Resulting Issuer Board, (ii) Mr. John Burzynski, (iii) Ms. Joanne Ferstman, (iv) Mr. Charles Page, as Lead Director, (v) Ms. Michèle McCarthy, (vi) Mr. Duncan Middlemiss, and (vii) Mr. Éric Tremblay, all as more particularly described in this Filing Statement.

See Appendix "E" – *"Information Concerning the Resulting Issuer"*.

Contributed Osisko Assets

The following mining properties (or securities of the entities that directly or indirectly own such mining properties) and marketable securities will be transferred by Osisko to Osisko Subco prior to the Closing, pursuant to the Osisko Contribution Agreement:

- Cariboo Project (British Columbia, Canada – Permitting)

  Initial project description has been submitted for the Cariboo Project, the early engagement phase has been completed as of November 2, 2020 and currently the Cariboo Project is into the process planning phase. The environmental assessment certificate is expected in H2 2022 with all permits required for construction and operation expected to be issued within 90 days following the issuance of the certificate.

- Bonanza Ledge II (British Columbia, Canada – Permitting and Construction)

  The project description has been submitted for Bonanza Ledge II and permits are expected to be issued in Q1 2021.

- San Antonio Gold Project (Sonora, Mexico – Permit Amendment)

  The work required to comply with actual environmental regulations and permits has been initiated. The work and studies required to amend the existing permit from a copper leaching (SX-EW) operation to a gold heap leach operation has begun but no documents have been filed. This change in the mining permit would allow for the treatment of a stockpile of gold mineralized oxide material. It is anticipated that this amendment could be received in H1 2021. Parallel to ongoing infill and expansion exploration drilling, economic and engineering studies of the present in situ inferred resources of the Sapuchi heap leach gold project, an environmental baseline study is planned to start in Q1 2021 and be completed and filed in Q1

2022. These timelines are highly speculative and may slip as there could be significant delays in Mexico due to COVID-19. Other permits are also required, such as explosive permits are planned to be applied for in H2 2021. Following the filing of all these permits applications and studies, it is expected that permits to construct and operate the Sapuchi heap leach gold project will be received in mid 2022.

- Coulon Project (Québec, Canada – Exploration)
- James Bay Properties (Québec, Canada – Exploration)
- Guerrero Properties (Guerrero, Mexico – Exploration)
- A portfolio of publicly-listed equity positions with a current value of approximately $119.2 million, as at October 23, 2020.

See Appendix "D" – *"Information Concerning the Contributed Osisko Assets"*.

Conditions to Completion of the Transaction

The Amalgamation Agreement contains representations and warranties of and from each of Barolo, Barolo Subco and Osisko Subco, as well as covenants and various conditions precedent with respect to each of Barolo, Barolo Subco and Osisko Subco, which are customary for transactions in the nature of the Transaction. The respective obligations of the Parties to complete the transactions contemplated by the Amalgamation Agreement are subject to a number of conditions that must be satisfied or, in some instances, waived, in order for the Transaction to become effective, including, among other things: obtaining the requisite shareholder approvals and Exchange Approval; the transfer of the Osisko Contributed Assets by Osisko to Osisko Subco; the Consolidation; and the absence of any Material Adverse Change in respect of either Barolo or the Contributed Osisko Assets. Readers are urged to carefully read the full text of the Amalgamation Agreement, a copy of which has been filed on SEDAR (www.sedar.com) under Barolo's issuer profile.

The Parties

Barolo Ventures Corp.

Barolo was incorporated on June 13, 2006 and is a public company whose shares trade on the TSX Venture Exchange under the symbol "BVC.H". Barolo was previously engaged in the acquisition, exploration and development of mineral properties in Canada and the United States, but currently does not have an active business, and is investigating new business opportunities. The registered and records office of Barolo is located at 2200 - 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8 and the principal place of business is at 1600 - 609 Granville Street, Vancouver, British Columbia, Canada, V7Y 1C3.

See Appendix "C" – *"Information Concerning Barolo"*.

Barolo Subco

Barolo Subco was incorporated on October 13, 2020 under the BCBCA. It is a wholly-owned subsidiary of Barolo that was incorporated for the purpose of carrying out the Transaction. In connection with the completion of the Transaction, Barolo Subco will amalgamate with Osisko Subco to form Amalco. It is anticipated that Amalco will be wound up into the Resulting Issuer following the completion of the Transaction.

Osisko Gold Royalties Ltd

Osisko is incorporated under the QBCA. It is focused on acquiring and managing precious metal and other high-quality royalties, streams and similar interests in Canada and worldwide. Osisko owns a portfolio of royalties, streams, offtakes, options on royalty/stream financings and exclusive rights to participate in future royalty/stream financings on various projects, mainly in Canada. Osisko owns a North American focused portfolio of over 135 royalty, stream

and offtake interests, including its cornerstone asset, a 5% NSR on the Canadian Malartic mine in Canada. Furthermore, Osisko holds certain investments in equities of exploration and development companies.

See Appendix "D" – *"Information Concerning the Contributed Osisko Assets"*.

Osisko Subco

Osisko Subco was incorporated on October 5, 2020 under the BCBCA. Osisko Subco is a wholly-owned subsidiary of Osisko that was incorporated for the purpose of carrying out the Transaction. Upon incorporation, Osisko subscribed for and was issued 100 Osisko Subco Shares. In connection with the Transaction, Osisko Subco will acquire the Contributed Osisko Assets from Osisko, prior to Osisko Subco amalgamating with Barolo Subco to form Amalco. It is anticipated that Amalco will be wound up into the Resulting Issuer following the completion of the Transaction, with the result that the Resulting Issuer will own the Contributed Osisko Assets following the winding-up of Amalco.

Subscription Receipt Financing

On October 5, 2020, Osisko and Barolo entered into an engagement letter with the Co-Lead Underwriters, on behalf of the Underwriters, pursuant to which the Underwriters agreed to sell, on a "bought deal" private placement basis, 13,350,000 Subscription Receipts of Osisko Subco at a subscription price of $7.50 per Subscription Receipt.

On October 29, 2020, Osisko Subco completed the Financing and issued 13,350,000 Subscription Receipts pursuant to the Subscription Receipt Agreement, for gross proceeds of $100,125,000. In accordance with the Subscription Receipt Agreement, the Escrowed Proceeds are being held in escrow by the Subscription Receipt Agent pending the satisfaction of the Escrow Release Conditions.

Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, one Osisko Subco Share and one-half of one Osisko Subco Warrant. Each whole Osisko Subco Warrant will entitle the holder thereof to purchase one Osisko Subco Share for $10.00 for an 18-month period following the Effective Date. Pursuant to the Amalgamation Agreement, at the Effective Time, each Osisko Subco Share (including Osisko Subco Shares issued upon conversion of the Subscription Receipts) will be exchanged for one post-Consolidation Resulting Issuer Share, while each Osisko Subco Warrant will be exchanged for a Resulting Issuer Warrant. Each whole Resulting Issuer Warrant will entitle the holder thereof to purchase one post-Consolidation Resulting Issuer Share for $10.00 for an 18-month period following the Effective Date.

In the event that the Escrow Release Conditions are not satisfied prior to January 30, 2021, the Escrowed Proceeds will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled.

As compensation for their services in connection with the Financing, the Underwriters are entitled to receive a cash commission equal to 5% of the gross proceeds of the Financing, provided that a reduced cash commission equal to 2.0% shall be payable to the Underwriters in respect of subscribers on the President's List.

Purpose of the Transaction

Barolo's current business activities are limited. In view of the current stage of Barolo's operations, Barolo's management regularly considers and discusses potential acquisition opportunities with a view to completing an acquisition of an active resource business for the purposes of maximizing shareholder value.

Osisko's current business activities are focused on acquiring and managing precious metal and other high-quality royalties, streams and similar interests in North America. The completion of the Transaction will streamline Osisko and allow it to focus on building its core royalty and stream business. Osisko will retain the Osisko Retained Royalty Interests and will be a significant shareholder of the Resulting Issuer following the completion of the Transaction. In addition, Osisko will be granted the Osisko Participation Rights.

The Resulting Issuer will be well-capitalized after giving effect to the Transaction and, with the acquisition of the Contributed Osisko Assets, will be well-positioned as a leading North American mine development company with a focus towards becoming a premier mid-tier gold miner. With a portfolio of top-quality assets, the Resulting Issuer will have the ability to execute a phased strategy to growing production on large prospective gold camps in Canada and Mexico.

The Barolo Board considers the Reverse Takeover by Osisko to be a positive development for Barolo based on the terms of the Amalgamation Agreement and the expected resulting benefits of the Transaction, which include but are not limited to, the:

(a) quality of the Contributed Osisko Assets;

(b) low geo-political risk of the Contributed Osisko Assets;

(c) proven track-record of the board, management and technical expertise of the Resulting Issuer;

(d) strong balance sheet and capitalization of the Resulting Issuer (assuming satisfaction of the Escrow Release Conditions and release of the Escrowed Proceeds to the Resulting Issuer); and

(e) enhanced market profile of "Osisko Development Corp." and expected access to capital of the Resulting Issuer

Interests of Insiders

No Insider, Promoter or Control Person of Barolo, and no Associate or Affiliate of the same, has any interest in or will receive any consideration as a result of the Transaction other than that which arises from their current holding of Barolo Shares.

Arm's Length Transaction

The Transaction is an Arm's Length Transaction, the terms of which were determined pursuant to arm's length negotiations between the management of each of Barolo and Osisko.

Estimated Funds Available

Barolo and Osisko estimate that upon giving effect to the Transaction and the Financing, the Resulting Issuer would have available funds of approximately $90 million as set out in the following table:

Sources of Funds	**Estimated Amount (CDN$)**
Estimated Working Capital as at October 31, 2020	(6,200,000)
Gross Cash from Financing	100,125,000
Less: Estimated Expenses – Financing and Transaction[(1)]	(3,903,360)
Total Estimated Available Funds[(2)]	**90,021,640**

Notes:

(1) Includes expected commission and legal fees.
(2) This does not include the value of the Contributed Osisko Marketable Securities, which is valued at approximately $119.2 million as at October 23, 2020.

The Resulting Issuer will have positive working capital (net of transaction costs) of approximately $90 million, plus the Contributed Osisko Marketable Securities valued at approximately $119.2 million. During the 12 months following Closing, it is expected that approximately $76.6 million will be used to fund development costs in respect of the Contributed Osisko Assets. The remaining funds are expected to be used for general and administrative

expenses. There may be circumstances where, for sound business reasons, the Resulting Issuer reallocates the funds for different purposes.

Other than as otherwise disclosed in this Filing Statement, there are no payments intended to be made from the estimated available funds to non-arm's length parties.

See Appendix "E" – *"Information Concerning the Resulting Issuer"*.

Principal Purposes of Funds

The following table sets forth the principal purposes for which the estimated funds available to the Resulting Issuer upon completion of the Transaction and the Financing will be used and the current estimated amounts to be used for each such principal purpose:

Use of Funds	**Estimated Amount (CDN $)**
Cariboo Project[(1)]	
Exploration Activities	
PEA and Exploration Work[(2)]	
PEA Update	500,000
Infill and Exploration Drilling (90,000 m)	19,800,000
Surface Mapping and Sampling	150,000
Contingency (20%)	4,090,000
Resource Expansion	3,500,000
Feasibility costs[(3)(4)]	6,500,000
Bulk Sample – Development	20,000,000
Other Mining activities[(5)]	16,500,000
San Antonio	
Exploration Program	5,000,000
Development[(6)]	9,500,000
Holding Costs	1,500,000
Working Capital	
General and Administrative[(7)]	2,981,640
TOTAL USE OF PROCEEDS	**90,021,640**

Note:

(1) The primary business objective of the Resulting Issuer is the exploration and development of the Cariboo Project, and approximately 79% of the estimated available funds will be spent on the Cariboo Project.

(2) This includes Phase 1 of the recommended work program for the Cariboo Project, based on the Cariboo Technical Report, a summary of which can be found in Appendix "D" – *"Information Concerning the Contributed Osisko Assets"*.

(3) This includes Phase 2 of the recommended work program for the Cariboo Project, based on the Cariboo Technical Report, a summary of which can be found in Appendix "D" – *"Information Concerning the Contributed Osisko Assets"*. The difference in amount projected by the 2020 MRE ($8.5 million) for a feasibility study and the above proposed use of funds is due to expenses already incurred by Barkerville in 2020.

(4) This includes the cost relating to permitting activities contemplated by the Resulting Issuer includes bulk sample permit, BL2 production permit and Cariboo Project permit. See *"Business Objectives and Milestones"*.

(5) The Resulting Issuer intends to carry out various mining activities on the Cariboo Project, including carrying out a mining camp.

(6) The Resulting Issuer intends to explore and maintain the San Antonio Project, including obtaining permits for certain reclamation activities in order to process the ore stockpile as well as building up inventory on the Project.

(7) For the 12 months following Closing, General and Administrative expenses is estimated at approximately $6.7 million. Any shortfall is expected to be financed through raising of additional funds, the sale of certain Contributed Osisko Marketable Securities and/or a reduction in the scope of exploration activities.

During the 12 months following Closing, it is expected that approximately $76.6 million will be used to fund development costs in respect of the Contributed Osisko Assets. The remaining funds are expected to be used for general and administrative expenses. There may be circumstances where, for sound business reasons, the Resulting Issuer reallocates the funds for different purposes.

See Appendix "E" – *"Information Concerning the Resulting Issuer"*.

Select *Pro Forma* Financial Information

Assuming Completion of the Transaction

The following table sets out certain *pro forma* financial information for the Resulting Issuer assuming completion of the Transaction. The following information should be read in conjunction with the Resulting Issuer Pro Forma Financial Statements set forth in this Filing Statement. Please see Appendix "J" – *"Unaudited Pro Forma Financial Statements of the Resulting Issuer"*.

	Select Financial Information			
	Barolo (as at August 31, 2020)	**Contributed Osisko Assets (as at September 30, 2020)**	***Pro Forma* Adjustments[(1)]**	**Resulting Issuer *Pro Forma* Consolidation**
	('$000)	('$000)	('$000)	('$000)
Current Assets	$ 24	$ 20,311	$ 96,375	$ 116,710
Total Assets	$ 24	$ 571,779	$ 82,625	$ 654,428
Current Liabilities	$ 23	$ 26,475	$ –	$ 26,498
Total Liabilities	$ 23	$ 73,217	$ 19,563	$ 92,803
Shareholders' Equity	$ 1	$ 498,562	$ 63,062	$ 561,625
Net Loss	$ 22	$ 245	$ –	$ 267

Note:

(1) These pro forma adjustments include, amongst other things, the adjustments for the Financing as well as adjustments for the additional royalties and stream on the Contributed Osisko Assets that will be retained by Osisko as part of the Transaction.

Market for Securities and Trading Price

The Barolo Shares are listed on the Exchange under the symbol "BVC.H". The Barolo Shares were halted from trading on October 5, 2020 in connection with the announcement of the Transaction. The closing price of the outstanding Barolo Shares on the Exchange on October 5, 2020, being the last trading day immediately prior to the announcement of the Transaction, was $0.27 per Barolo Share.

Exchange Approval

Barolo intends to complete the Transaction in accordance with Exchange policies. The Exchange has conditionally accepted the Transaction subject to Barolo fulfilling all of the requirements of the Exchange. The proposed Transaction is subject to acceptance by the Exchange, and Barolo will not proceed with the Transaction if regulatory acceptance or approval is not obtained. There can be no assurance that all of the requisite approvals will be granted on a timely basis or on conditions satisfactory to Barolo or that approvals will be granted at all.

Shareholder Approval

On November 20, 2020, Barolo Shareholders adopted resolutions approving, among other things, the Continuance, the Consolidation, the Name Change, the Board Reconstitution and the Resulting Issuer Equity Incentive Plans. The shareholder approval of the Consolidation will be obtained by written consent.

See *"The Transaction"*.

Conflicts of Interest

The directors of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests that they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the Resulting Issuer Board, any director with a conflict will disclose his or her interest and abstain from voting on such matter in accordance with the BCBCA or, following the Continuance, the CBCA.

Other than as disclosed herein, there are no known existing or potential conflicts of interest between the Resulting Issuer and its proposed Promoters, directors and officers or other proposed members of management of the Resulting Issuer as a result of their outside business interests, except that certain of the directors, officers and Promoters serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies.

See Appendix "E" – *"Information Concerning the Resulting Issuer"*.

Interests of Experts

To Barolo's and Osisko's knowledge, no person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds any beneficial interest, direct or indirect, in any securities or property of Barolo, the Contributed Osisko Assets or the Resulting Issuer or an Associate or Affiliate of the foregoing.

Sponsorship

Sponsorship in the context of a Reverse Takeover is required by the Exchange unless exempt in accordance with Exchange Policy 2.2. Barolo will seek a waiver from the Exchange's sponsorship requirements if no exemption is available in accordance with Exchange Policy 2.2. There is no guarantee that Barolo will obtain a waiver if sought from the Exchange's sponsorship requirements.

Relationships and Arrangements

In connection with the Financing, Barolo, Osisko and the Underwriters entered into the Underwriting Agreement, whereby the Underwriters agreed to sell, on a bought-deal private placement basis, 13,350,000 Subscription Receipts at a subscription price of $7.50 per Subscription Receipt for gross proceeds of $100,125,000. The Co-Lead Underwriters, on behalf of the Underwriters, are also parties to the Subscription Receipt Agreement, with Osisko Subco, Barolo and TSX Trust Company, as Subscription Receipt Agent, which governs the terms and conditions of the Subscription Receipts, including the Escrow Release Conditions.

See *"Subscription Receipt Financing"* and *"Subscription Receipt Agreement"*.

Risk Factors

The securities of Barolo and the Resulting Issuer should be considered a highly speculative investment and investors should carefully consider the following information about these risks, together with other information contained herein. If any of the following risks actually occur, the Resulting Issuer's business, results of operations and financial condition could suffer significantly.

Risks and uncertainties, including those currently unknown to or considered immaterial by Barolo and Osisko may also adversely affect the business of Barolo and the Resulting Issuer going forward.

See *"Risk Factors"*.

Indebtedness of Directors and Executive Officers

No current or former directors, executive officers or employees of Barolo, or any subsidiary thereof, have any indebtedness owing to Barolo or any subsidiary thereof other than "routine indebtedness".

Additional Information

Additional information is available on SEDAR (www.sedar.com) under Barolo's issuer profile, including financial information provided in the Barolo Annual Financial Statements, Barolo Interim Financial Statements and related management discussion and analysis. Copies of Barolo's financial statements and management discussion and analysis can be requested from the Corporation at 609 Granville Street, Suite 1600, Vancouver, British Columbia, Canada, V7Y 1C3.

THE TRANSACTION

Background to the Transaction

The Transaction is an Arm's Length Transaction, the terms of which were determined pursuant to arm's length negotiations between the management of each of Barolo and Osisko. Such negotiations took place on an ongoing basis between September and early October, 2020, resulting in the execution of the RTO Letter Agreement on October 5, 2020.

The RTO Letter Agreement outlined the proposed terms and conditions of a Reverse Takeover of Barolo by Osisko through a triangular amalgamation involving a wholly-owned subsidiary of Osisko and a wholly-owned subsidiary of Barolo, as a result of which the wholly-owned subsidiary of Barolo would acquire the Contributed Osisko Assets, all as more specifically to be provided in a definitive agreement to be entered into between Barolo and Osisko. In addition, the Barolo Shares were proposed to be subject to a consolidation on a 60:1 basis.

The terms of the RTO Letter Agreement were jointly disseminated by Osisko and Barolo on the evening of October 5, 2020 after markets closed, and the Barolo Shares were halted immediately upon announcement. The last price at which Barolo Shares were quoted at was $0.27 per Barolo Share as at October 5, 2020.

Following the execution of the RTO Letter Agreement, Osisko and Barolo were engaged in further due diligence, structuring and negotiations of the terms and conditions of the Transaction. After careful consideration, the Barolo Board determined, with advice from legal advisors, that the Transaction is in the best interests of Barolo, and authorized and approved the entering into and execution of the Amalgamation Agreement and the transactions contemplated thereby. On October 23, 2020, Barolo and Osisko executed the Amalgamation Agreement, which contains the definitive terms of the proposed Transaction.

All summaries of, and references to, the Amalgamation Agreement in this Filing Statement are qualified in their entirety by reference to the complete text of the Amalgamation Agreement a copy of which is available on SEDAR (www.sedar.com) under Barolo's issuer profile.

The Transaction

The Amalgamation Agreement provides for the Amalgamation of Osisko Subco and Barolo Subco to form Amalco, pursuant to a triangular amalgamation under the BCBCA. Upon the Amalgamation, the Osisko Subco Shares outstanding immediately prior to the Effective Time (including Osisko Subco Shares issued upon the conversion of Subscription Receipts) will be exchanged for Resulting Issuer Shares on the basis of one post-Consolidation Resulting Issuer Share for each Osisko Subco Share, and the Osisko Subco Warrants outstanding immediately prior to the Effective Time (consisting of the Osisko Subco Warrants issued upon the conversion of Subscription Receipts) will be exchanged for Resulting Issuer Warrants. In addition, the Amalgamation Agreement contemplates that prior to the Effective Time of the Amalgamation the following events will occur: (i) Osisko will transfer the Contributed Osisko Assets to Osisko Subco pursuant to the Osisko Contribution Agreement in consideration for the issuance of the Consideration Shares to Osisko, (ii) the Barolo Shares will be consolidated on the basis of one (1) post-Consolidation

Barolo Share for each sixty (60) pre-Consolidation Barolo Shares, (iii) Barolo will change its name to "Osisko Development Corp.", and (iv) provided the Escrow Release Conditions are satisfied, each Subscription Receipt will automatically convert into one Osisko Subco Share and one-half of an Osisko Subco Warrant prior to the Effective Time. The Amalgamation Agreement also contemplates the reconstitution of the Resulting Issuer Board and management of the Resulting Issuer concurrently with the Closing, and the Continuance of the Resulting Issuer from the BCBCA to the CBCA following the completion of the Transaction.

Completion of the Transaction is subject to, among other things, the Continuance Resolution, Name Change, Compensation Plan Amendments and Board Reconstitution being approved by the Barolo Shareholders at the Meeting, and a written resolution of holders of not less than 85% of the issued and outstanding Barolo Shares approving the Consolidation.

Assuming the conditions to the completion of the Transaction set out in the Amalgamation Agreement are satisfied or waived (if applicable), including the receipt of certain regulatory approvals, then the Transaction will, among other things, result in:

(a) the Barolo Shares being consolidated prior to the Effective Time on the basis of one (1) post-Consolidation Barolo Share for each sixty (60) pre-Consolidation Barolo Shares;

(b) the Resulting Issuer's name being changed to "Osisko Development Corp.", or such other name as may be proposed by the Resulting Issuer and accepted by the Exchange;

(c) the Contributed Osisko Assets being acquired by Osisko Subco, which will become a wholly-owned subsidiary of the Resulting Issuer following the Amalgamation;

(d) Osisko owning 100,000,100 Resulting Issuer Shares immediately following the Closing;

(e) the holders of Subscription Receipts becoming holders of Resulting Issuer Shares and Resulting Issuer Warrants; and

(f) the Resulting Issuer Board being reconstituted to include (i) Mr. John Burzynski, (ii) Mr. Sean Roosen, (iii) Ms. Joanne Ferstman, (iv) Mr. Charles Page, (v) Ms. Michèle McCarthy, (vi) Mr. Duncan Middlemiss, and (vii) Mr. Éric Tremblay,

all as more particularly described in this Filing Statement.

The expected composition of the Resulting Issuer Board is further described in Appendix "E" – *"Information Concerning the Resulting Issuer"*.

Concurrently with the Closing, the management of the Resulting Issuer will be reconstituted to include (i) Mr. Sean Roosen (Chair and Chief Executive Officer), (ii) Mr. Chris Lodder (President), (iii) Mr. Luc Lessard (Chief Operating Officer), (iv) Mr. Chris Lodder (President), (v) Mr. Benoit Brunet (Vice President, Finance, Chief Financial Officer and Corporate Secretary), (vi) Mr. Chris Pharness (Vice President, Sustainable Development), (vii) Mr. François Vézina (Vice President, Technical Services), (viii) Ms. Maggie Layman (Vice President, Exploration) and a further technical team that will be transferred from Osisko to the Resulting Issuer.

The Transaction will qualify as a "Reverse Takeover" and a "Change of Control" of Barolo (each as defined in the policies of the Exchange). Upon Closing, Barolo will be the Resulting Issuer and carry on the business and operations relating to the Contributed Osisko Assets. A detailed description of the Contributed Osisko Assets is attached as Appendix "D" – *"Information Concerning the Contributed Osisko Assets"*.

Immediately following completion of the Transaction, the Resulting Issuer is expected to have 113,583,504 Resulting Issuer Shares issued and outstanding, of which (i) current Barolo Shareholders are expected to hold 233,404 Resulting Issuer Shares (or approximately 0.2%), (ii) Osisko is expected to hold 100,000,100 Resulting Issuer Shares (or approximately 88%), and (iii) current holders of Subscription Receipts are expected to hold 13,350,000 Resulting

Issuer Shares (or approximately 11.8%) of the total issued and outstanding Resulting Issuer Shares. The holders of Subscription Receipts are also expected to hold 6,675,000 Resulting Issuer Warrants.

The foregoing figures are based on (i) the number of Barolo Shares outstanding as of the date hereof (being 14,004,287 Barolo Shares, or 233,404 Resulting Issuer Shares after giving effect to the Consolidation (subject to rounding)), (ii) the number of Osisko Subco Shares issued to Osisko upon the incorporation of Osisko Subco (being 100 Osisko Subco Shares, which will be exchanged for 100 Resulting Issuer Shares upon the Amalgamation), (iii) the number of Consideration Shares to be issued to Osisko pursuant to the Osisko Contribution Agreement (being 100,000,000 Osisko Subco Shares, which will be exchanged for 100,000,000 Resulting Issuer Shares upon the Amalgamation), (iv) the number of Osisko Subco Shares to be issued to holders of Subscription Receipts upon satisfaction of the Escrow Release Conditions (being 13,350,000 Osisko Subco Shares, which will be exchanged for 13,350,000 Resulting Issuer Shares upon the Amalgamation), and (v) no securities exercisable, exchangeable or convertible for Barolo Shares being exercised, exchanged or converted prior to the completion of the Transaction.

Subscription Receipt Financing

On October 5, 2020, Osisko and Barolo entered into an engagement letter with the Co-Lead Underwriters, on behalf of the Underwriters, pursuant to which the Underwriters agreed to sell, on a "bought deal" private placement basis, 13,350,000 Subscription Receipts of Osisko Subco at a subscription price of $7.50 per Subscription Receipt.

On October 29, 2020, Osisko Subco completed the Financing and issued 13,350,000 Subscription Receipts pursuant to the Subscription Receipt Agreement, for gross proceeds of $100,125,000. In accordance with the Subscription Receipt Agreement, the Escrowed Proceeds are being held in escrow by the Subscription Receipt Agent pending the satisfaction of the Escrow Release Conditions.

Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, one Osisko Subco Share and one-half of one Osisko Subco Warrant. Each whole Osisko Subco Warrant will entitle the holder thereof to purchase one Osisko Subco Share for $10.00 for an 18-month period following the Effective Date. Pursuant to the Amalgamation Agreement, at the Effective Time, each Osisko Subco Share (including Osisko Subco Shares issued upon conversion of the Subscription Receipts) will be exchanged for one post-Consolidation Resulting Issuer Share, while each Osisko Subco Warrant will be exchanged for a Resulting Issuer Warrant. Each whole Resulting Issuer Warrant will entitle the holder thereof to purchase one post-Consolidation Resulting Issuer Share for $10.00 for an 18-month period following the Effective Date.

The conversion of the Subscription Receipts and the release of the Escrowed Proceeds to the Resulting Issuer is conditional upon, among other things, the satisfaction of the following Escrow Release Conditions:

(a) the completion or satisfaction of all conditions precedent to the Amalgamation as set out in the Amalgamation Agreement (other than the conversion of the Subscription Receipts to Osisko Subco Shares and Osisko Subco Warrants) having occurred on or prior to the Escrow Release Deadline;

(b) the shares of the Resulting Issuer having been conditionally approved for listing on the Exchange;

(c) a title opinion in respect of the Cariboo Project having been delivered to the Co-Lead Underwriters;

(d) an opinion of counsel of the Corporation having been delivered to the Co-Lead Underwriters that, upon the conversion of the Subscription Receipts and completion of Transaction, the Resulting Issuer Shares issued to holders of Subscription Receipts in exchange for Osisko Subco Shares issued to such holders on conversion of the Subscription Receipts will be freely tradeable on the Exchange not subject to any statutory hold period under applicable Canadian Securities Laws; and

(e) the Corporation and the Co-Lead Underwriters (on its own behalf and on behalf of the Underwriters) having delivered an Escrow Release Notice (in accordance with the terms of the Subscription

Receipt Agreement) to the Subscription Receipt Agent confirming that the conditions set forth above have been satisfied or waived.

In the event the Escrow Release Conditions are not satisfied prior to January 30, 2021, the Escrowed Proceeds will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled.

Under the Amalgamation Agreement, it is a condition precedent to the consummation of the Amalgamation that the Escrow Release Conditions have been satisfied and that the Subscription Receipts have been converted into Osisko Subco Shares and Osisko Subco Warrants in accordance with the Subscription Receipt Agreement. Assuming the conversion of the Subscription Receipts in accordance with the foregoing, the Amalgamation Agreement provides that upon the Amalgamation each Osisko Subco Share (including Osisko Subco Shares issued to holders of Subscription Receipts upon conversion of the Subscription Receipts) will be exchanged for one post-Consolidation Resulting Issuer Share, and each Osisko Subco Warrant will be exchanged for a Resulting Issuer Warrant.

Assuming the Escrow Release Conditions are satisfied and the Escrowed Proceeds (after payment of the Underwriters' Fee and applicable expenses) are released to the Resulting Issuer, the Resulting Issuer intends to use the net proceeds from the Financing to fund the continued exploration of its mineral exploration projects and for general corporate purposes.

See *"Subscription Receipt Financing"* and Appendix "J" – *"Unaudited Pro Forma Financial Statements of the Resulting Issuer"*.

Reasons for the Transaction

Barolo's current business activities are limited. In view of the current stage of Barolo's operations, Barolo's management regularly considers and discusses potential acquisition opportunities with a view to completing an acquisition of an active resource business for the purposes of maximizing shareholder value.

Osisko is focused on acquiring and managing precious metal and other high-quality royalties, streams and similar interests in Canada and worldwide. Osisko owns a portfolio of royalties, streams, offtakes, options on royalty/stream financings and exclusive rights to participate in future royalty/stream financings on various projects, mainly in Canada. Osisko owns a North American focused portfolio of over 135 royalty, stream and offtake interests, including its cornerstone asset, a 5% NSR royalty on the Canadian Malartic mine, located in Canada. Furthermore, Osisko holds certain investments in equities of exploration and development companies. In completing the Transaction, Osisko will streamline itself to focus on its royalty and streaming business while maintaining exposure, through the Resulting Issuer, to the advancement of the Cariboo Project and other Contributed Osisko Assets.

The Resulting Issuer will be well-capitalized after giving effect to the Financing and, with the acquisition of the Contributed Osisko Assets, will be well-positioned as a leading North American mine development company with a focus towards becoming a premier mid-tier gold miner. With a portfolio of top-quality assets, the Resulting Issuer will have the ability to execute a phased strategy to growing production through solid engineering and aggressive exploration work at large prospective gold camps in Canada and Mexico.

The Barolo Board considers the Reverse Takeover of Barolo by Osisko to be a positive development for Barolo based on the terms of the Amalgamation Agreement and the expected resulting benefits of the Transaction, which include but are not limited to, the:

(a) quality of the Contributed Osisko Assets;

(b) low geo-political risk of the Contributed Osisko Assets;

(c) proven track-record of the board, management and technical expertise of the Resulting Issuer;

(d) strong balance sheet and capitalization of the Resulting Issuer (assuming satisfaction of the Escrow Release Conditions and release of the Escrowed Proceeds to the Resulting Issuer); and

(e) enhanced market profile of "Osisko Development Corp." and expected access to capital of the Resulting Issuer.

In coming to its conclusions and recommendations, the Barolo Board considered a number of factors including the following:

(a) the Transaction provides Barolo Shareholders with the opportunity to participate in an active resource exploration business;

(b) the support of the financing community;

(c) the current commodity price cycle;

(d) the terms and conditions of the Amalgamation Agreement;

(e) the estimates and recommendations set out in the Cariboo Technical Report;

(f) the proven track-record and significant experience of the proposed new directors, management and technical team of the Resulting Issuer; and

(g) the exposure to a portfolio of exploration properties in Canada and Mexico;

(h) such other information concerning the financial condition, results of operations, business plans and prospects of Barolo, Osisko and the Resulting Issuer and the resulting potential for enhanced business efficiency, management effectiveness and financial results of the Resulting Issuer.

Securities Law Matters

Barolo is currently a reporting issuer in the Provinces of British Columbia and Alberta. The Barolo Shares are currently listed on the Exchange under the symbol "BVC.H". Following completion of the Transaction, the Resulting Issuer intends to be renamed "Osisko Development Corp." and trade under a new symbol "ODV".

The Exchange has conditionally accepted the Transaction subject to Barolo fulfilling all of the requirements of the Exchange. It is a condition of Closing that the Exchange shall have conditionally approved the listing thereon, subject to official notice of issuance, of the Resulting Issuer Shares issuable pursuant to the Transaction as of the Effective Date, with final notice of issuance to be provided by the Exchange as soon as possible thereafter.

The issuance of Resulting Issuer Shares pursuant to the Transaction will constitute a "Reverse Takeover" of Barolo as defined under Exchange Policy 5.2.

Regulatory Approvals and Filings

Exchange Approval

Barolo intends to complete the Transaction in accordance with Exchange policies. Barolo has made an application to the Exchange in order to obtain all approvals required in respect of the Transaction. The proposed Transaction is subject to acceptance by the Exchange, and Barolo will not proceed with the Transaction if regulatory acceptance or approval is not obtained. There can be no assurance that all of the requisite approvals will be granted on a timely basis or on conditions satisfactory to Barolo or that approvals will be granted at all.

Sponsorship

Sponsorship in the context of a Reverse Takeover is required by the Exchange unless exempt in accordance with Exchange Policy 2.2. Barolo will seek a waiver from the Exchange's sponsorship requirements if no exemption is

available in accordance with Exchange Policy 2.2. There is no guarantee that Barolo will obtain a waiver if sought from the Exchange's sponsorship requirements.

Barolo Shareholder Approval

Completion of the Transaction is subject to, among other things, the Continuance, Consolidation, Name Change and Board Reconstitution being approved by the Barolo Shareholders. The shareholder approval for the Consolidation will be obtained by written consent.

Share Consolidation

In connection with the Transaction, the outstanding Barolo Shares will be consolidated prior to the Effective Time on the basis of one (1) post-Consolidation Barolo Share for each sixty (60) pre-Consolidation Barolo Shares.

Principal Effects of the Share Consolidation

The Consolidation will not have a dilutive effect on Barolo Shareholders since each Barolo Shareholder will, subject to rounding, hold the same percentage of Barolo Shares outstanding immediately following the Consolidation as such Barolo Shareholder held immediately prior to the Consolidation. The Consolidation will not affect the relative voting and other rights that accompany the Barolo Shares.

The principal effects of the Consolidation include the following:

(a) the fair market value of each Barolo Share will increase;

(b) based on the number of issued and outstanding Barolo Shares as at the date hereof (being 14,004,287 Barolo Shares), the number of issued and outstanding Barolo Shares would be reduced to 233,404 based on a Consolidation ratio of one (1) post-Consolidation Barolo Share for each sixty (60) pre-Consolidation Barolo Shares; and

(c) as Barolo currently has an unlimited number of Barolo Shares authorized for issuance, the Consolidation will not have any effect on the number of Barolo Shares available for issuance.

Effect on Fractional Shareholders

No fractional shares will be issued, and no cash consideration will be paid, if, as a result of the Consolidation, a registered Barolo Shareholder would otherwise become entitled to a fractional Barolo Share. After the Consolidation, then current Barolo Shareholders will have no further interest in the Corporation with respect to their fractional Barolo Shares. This is not, however, the purpose for which the Corporation is effecting the Consolidation.

Effect on Share Certificates

Registered Barolo Shareholders will be required to exchange certificate(s) representing pre-Consolidation Barolo Shares in order to receive certificate(s) representing post-Consolidation Shares. A Letter of Transmittal was included the meeting materials sent to Registered Barolo Shareholders in connection with the Meeting. The Letter of Transmittal contains instructions on how to surrender certificate(s) representing pre-Consolidation Barolo Shares in order to receive certificate(s) representing post-Consolidation Shares.

Procedure for Implementing the Consolidation and Name Change

The Consolidation will be implemented upon the approval by the Exchange and the Name Change will be implemented by filing Form 11 (Notice of Alteration) with the Registrar, which will become effective on the date a new Notice of Articles are issued by the Registrar under the BCBCA.

The Continuance

It is a condition precedent to the implementation of the Transaction that Barolo Shareholders approve the continuation of the Resulting Issuer from the Province of British Columbia under the BCBCA to the CBCA. Provided such approval is obtained, it is expected that the Continuance will occur until shortly after the Closing.

In order to effect the Continuance, the following steps must be taken:

(a) the British Columbia Registry must consent to the proposed Continuance under the CBCA, upon being satisfied that the Continuance will not adversely affect the Resulting Issuer Shareholders;

(b) the Barolo Shareholders must approve the Continuance by special resolution, authorizing Resulting Issuer to, among other things, file a continuance application with the CBCA Director; and

(c) the Resulting Issuer must apply to the CBCA Director for a Certificate of Continuance.

On the date shown on the Certificate of Continuance, the Resulting Issuer will become a federal corporation existing under the Laws of Canada as if it had been incorporated under the CBCA. The Continuance will not result in any change of the business of the Resulting Issuer or its assets, liabilities or net worth, nor in the persons who constitute the Barolo Board and management. The Continuance is not a reorganization, arrangement or merger.

Income Tax Considerations

The tax consequences of the Transaction for each Barolo Shareholder will depend upon each Barolo Shareholder's particular circumstances. Accordingly, all Barolo Shareholders should consult their own independent tax advisors for advice with respect to the income tax consequences of the Transaction applicable to them having regard to their own particular circumstances.

AMALGAMATION AGREEMENT

The Transaction will be carried out pursuant to the Amalgamation Agreement. The following is a summary of the principal terms of the Amalgamation Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the Amalgamation Agreement, which has been filed on SEDAR (www.sedar.com) under Barolo's issuer profile and which is appended hereto as Appendix "A" – *"Amalgamation Agreement".*

On October 23, 2020, Barolo, Barolo Subco and Osisko Subco entered into the Amalgamation Agreement to implement the Transaction. Pursuant to the terms of the Amalgamation Agreement, Barolo, Barolo Subco and Osisko Subco agreed that, subject to the terms and conditions set forth therein:

(a) Barolo Subco will amalgamate with Osisko Subco under section 269 of the BCBCA to form Amalco; and

(b) upon the Amalgamation, the issued and outstanding Barolo Subco Shares and Osisko Subco Shares immediately prior to the Effective Time shall, at the Effective Time, be exchanged or cancelled as follows:

(i) each Barolo Subco Share issued and outstanding at the Effective Time shall be exchanged for one fully paid and non-assessable Amalco Share, and thereafter, all Barolo Subco Shares shall be cancelled without any repayment of capital in respect thereof;

(ii) each Osisko Subco Share issued and outstanding at the Effective Time (including, for the avoidance of doubt, the Osisko Subco Shares issued upon conversion of the Subscription Receipts) shall be exchanged for one fully paid and non-assessable Resulting Issuer Share, free and clear of any and all encumbrances, liens, charges, demands of any kind and nature,

and thereafter all of the Osisko Subco Shares shall be cancelled without any repayment of capital in respect thereof; and

(iii) each Osisko Subco Warrant issued and outstanding at the Effective Time (including, for the avoidance of doubt, the Osisko Subco Warrants issued upon conversion of the Subscription Receipts) shall, in accordance with its terms, be exchanged for one Resulting Issuer Warrant entitling the holder to acquire one Resulting Issuer Share at an exercise price of $10.00 per Resulting Issuer Share for a period of 18 months from the Effective Date.

Pursuant to the Amalgamation Agreement, the Parties also agreed that (i) in connection with the Transaction, and subject to receiving Barolo Shareholder approval, Barolo will be renamed "Osisko Development Corp.", and (ii) concurrently with the completion of the Transaction, the directors of the Resulting Issuer, following all necessary resignations and appointments, will be comprised of the following individuals: (i) Mr. Sean Roosen, as Chair of the Resulting Issuer Board; (ii) Mr. Charles Page, as Lead Director; (iii) Mr. John Burzynski; (iv) Ms. Joanne Ferstman, (v) Ms. Michèle McCarthy, (vi) Mr. Duncan Middlemiss, and (vii) Mr. Éric Tremblay. The Amalgamation Agreement also contemplates that, following the completion of the Transaction, (i) Amalco will be wound up into the Resulting Issuer, so that the Resulting Issuer will become the direct owner of the Contributed Osisko Assets, and (ii) the Resulting Issuer will be continued from the BCBCA to the CBCA.

The terms of the Amalgamation Agreement are the result of arms' length negotiations conducted between representatives of the Osisko Board and Barolo Board and their respective advisors.

Representations and Warranties

The Amalgamation Agreement contains representations and warranties made by Barolo and Barolo Subco to Osisko Subco and representations and warranties made by Osisko Subco to Barolo and Barolo Subco. Those representations and warranties were made solely for the purposes of the Amalgamation Agreement and are subject to important qualifications and limitations agreed to by the Parties in connection with negotiating its terms. Moreover, some of the representations and warranties are subject to a contractual standard of materiality (including a Material Adverse Effect) that is different from that generally applicable to the public disclosure to Barolo Shareholders or Osisko Shareholders, as the case may be, or those standards used for the purpose of allocating risk between parties to an agreement.

The representations and warranties provided by Barolo and Barolo Subco in favour of Osisko Subco relate to among other things: (a) organization; (b) authority to enter into the Amalgamation Agreement and perform obligations thereunder; (c) the execution and delivery of the Amalgamation Agreement and performance by it not resulting in breach of, default under or conflict with: (A) its constating documents; (B) shareholders' or directors' resolutions; (C) any statute, rule or regulation; (D) mortgage, indenture, agreement or other commitments; (E) giving rise to any termination or acceleration of indebtedness; or (F) resulting in the creation or imposition of any encumbrance of Barolo Shares or the assets of Barolo and Barolo Subco; (d) qualification to operate its business in ordinary course; (e) compliance with applicable laws; (f) assets and liabilities; (g) maintenance of corporate records and internal controls relating to corporate records and financial reporting; (h) absence of certain changes or events since May 31, 2020; (i) share capital; (j) securities matters, including Barolo's status as a reporting issuer and compliance with Securities Laws and Exchange rules and regulations; (k) litigation; (l) labour / employment matters; (m) Taxes; and (n) U.S. Securities Laws matters.

The representations and warranties provided by Osisko Subco in favour of Barolo and Barolo Subco relate to among other things: (a) organization; (b) authority to enter into the Amalgamation Agreement and perform obligations thereunder; (c) the execution and delivery of the Amalgamation Agreement and performance by it not resulting in breach of, default under or conflict with: (A) its constating documents; (B) shareholders' or directors' resolutions; (C) any statute, rule or regulation; (D) mortgage, indenture, agreement or other commitments; (E) giving rise to any termination or acceleration of indebtedness; or (F) resulting in the creation or imposition of any encumbrance of Osisko Subco Shares or the assets of Osisko Subco; (d) corporate capacity and qualification to operate its business in ordinary course; (e) compliance with applicable laws; (f) assets and liabilities; (g) share capital; (h) securities matters; (i) the Financing; (j) litigation; (k) maintenance of corporate records and internal controls relating to corporate records and financial reporting; and (l) Taxes.

Conditions Precedent to the Amalgamation

The implementation of the Amalgamation is subject to the completion of each of the following preliminary steps, thereby being conditions precedent, any of which may be waived by mutual consent of the Parties:

Mutual Conditions Precedent

(a) each of Barolo Subco and Osisko Subco have received the requisite approval of their respective shareholders for the adoption of the Amalgamation Agreement and the completion of the Amalgamation as required by the BCBCA;

(b) the Financing have been completed for gross proceeds of not less than $50,000,000 (or such lesser amount as the Parties may agree to in writing, provided that the gross proceeds of the Financing are sufficient to ensure that, following the Amalgamation, the Resulting Issuer has sufficient working capital, on a consolidated basis, to meet the minimum listing requirements prescribed by the Exchange);

(c) the Escrow Release Conditions shall have been satisfied and the Subscription Receipts shall have been converted to Osisko Subco Shares and Osisko Subco Warrants in accordance with the documents in relation to the Financing (including the engagement letter in respect thereof dated October 5, 2020);

(d) the conditional approval of the Exchange for the listing thereon of the Resulting Issuer Shares to be issued to Osisko Subco Shareholders pursuant to the Amalgamation Agreement has been received;

(e) the issuance of the Resulting Issuer Shares to Osisko Subco Shareholders pursuant to the Amalgamation Agreement is exempt from the prospectus and registration requirements of Applicable Securities Laws either by virtue of exemptive relief from securities regulatory authorities of each of the provinces of Canada or by virtue of exemptions under Applicable Securities Laws and shall not be subject to resale restrictions under Applicable Securities Laws (other than as applicable to Control Persons or pursuant to Section 2.5 of National Instrument 45-102 – *Resale of Securities*);

(f) all other approvals, consents and orders that are necessary or advisable for the consummation of the Amalgamation or other transactions contemplated herein, have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the Parties hereto, acting reasonably;

(g) there is no prohibition at Law, order or decree restraining or enjoining the consummation of the Amalgamation or other transactions contemplated in the Amalgamation Agreement; and

(h) the Amalgamation Agreement shall not have been terminated pursuant to its terms.

Osisko Subco's Conditions Precedent

The obligation of Osisko Subco to complete the Amalgamation is subject to the fulfillment of each of the following additional conditions on or before the Effective Date, any of which may be waived by Osisko Subco:

(a) the representations and warranties of Barolo and Barolo Subco as set out in the Amalgamation Agreement are true and correct in all material respects as at the Effective Time;

(b) all covenants and obligations of Barolo and Barolo Subco required to be performed, satisfied and observed prior to or at the Effective Time are performed, satisfied and observed in all material respects;

(c) Barolo Subco has delivered to Osisko Subco all closing deliverables set out in the Amalgamation Agreement;

(d) Barolo has received a resolution of the board of directors of Barolo, and a written resolution of holders not less than 85% of the issued and outstanding Barolo Shares, in each case approving the Consolidation, and the Consolidation has become effective so that immediately prior to the Effective Time the number of issued and outstanding Barolo Shares shall not exceed 233,405 Barolo Shares;

(e) Barolo has adopted, and the Barolo Shareholders have approved, new equity compensation plans (including a stock option plan, restricted share unit plan, deferred share unit plan and employee share purchase plan) as requested by, and in form and substance satisfactory to, Osisko Subco, acting reasonably (the "**Compensation Plan Amendments**"), which shall become effective at the Effective Time;

(f) the Barolo Shareholders have approved the Continuance Resolution and the Name Change;

(g) each of Barolo and Barolo Subco have completed such acts and delivered to Osisko Subco such documents and other information as Osisko Subco, and any other regulatory authority or body having jurisdiction, have reasonably requested or required, including, without limitation, any acts or documents required to effect the Amalgamation, the Consolidation, the Name Change, the Ticker Symbol Change, the Continuance, the New By-laws and the Compensation Plan Amendments;

(h) neither Barolo nor any of its securities are the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;

(i) there are no Material Adverse Changes with respect to Barolo or Barolo Subco between the date of signing the Amalgamation Agreement and the Effective Time;

(j) the Barolo Voting Support Agreements have not been terminated or otherwise breached in any material manner by any of the parties thereto such that, as a result of such breach or termination, the requisite shareholders approvals required in connection with the Amalgamation (including, without limitation, the requisite approval of the Barolo Shareholders for the adoption of this Agreement, the completion of the Amalgamation, the Continuance and the Consolidation) are not obtained;

(k) none of the Barolo Shareholders has exercised Dissent Rights;

(l) each of the employees and directors of Barolo have delivered a termination and release agreement on terms satisfactory to Osisko Subco, acting reasonably, which, among other things, irrevocably and unconditionally releases, acquits and forever discharging Barolo and its agents, partners, officers, directors, insurers, servants, employees, successors and assigns of and from all actions, claims and demands of any and every kind whatsoever arising out of (A) such employee's employment agreement or arrangement with Barolo or such director's tenure on the Barolo Board, as the case may be, and (B) the termination of such employee's employment agreement or arrangement with Barolo, including any and all claims for damages, salary, wages, benefits, termination pay, termination notice, severance pay, vacation pay, commissions, bonuses, expenses, allowances, incentive payments and change of control payments;

(m) the Exchange have not objected to the election of the individuals referred to in Section 4.2(j) of the Amalgamation Agreement to the board of directors of the Resulting Issuer, and such Persons have been elected and appointed to the Resulting Issuer Board at or prior to the Effective Time;

(n) the Exchange shall not have objected to the appointment of the individuals referred to in Section 4.2(l) of the Amalgamation Agreement to the management of the Resulting Issuer, and such Persons shall have been elected to the management of the Resulting Issuer at or prior to the Effective Time; and

(o) the outstanding Barolo Options shall have been surrendered by the holders thereof for cancellation prior to the Effective Time, and each holder of Barolo Options has delivered option cancellation agreements in form and substance satisfactory to Osisko Subco, acting reasonably (the "**Option Cancellation Agreements**").

Barolo and Barolo Subco's Conditions Precedent

The obligation of Barolo and Barolo Subco to complete the Amalgamation is subject to the fulfillment of each of the following additional conditions on or before the Effective Date, any of which may be waived by mutual consent of Barolo and Barolo Subco:

(a) the representations and warranties of Osisko Subco as set out in the Amalgamation Agreement are true and correct in all material respects as at the Effective Time;

(b) all covenants and obligations of Osisko Subco required to be performed, satisfied and observed prior to or at the Effective Time have been performed, satisfied and observed in all material respects;

(c) Osisko Subco has delivered to Barolo Subco all of the closing deliverables set out in the Amalgamation Agreement;

(d) Osisko has contributed the Osisko Contributed Assets to Osisko Subco in accordance with the Osisko Contribution Agreement;

(e) there are no material action, cause of action, claim, demand, suit, investigation or other proceedings in progress, pending or threatened against or affecting Osisko Subco or Osisko Subco's respective officers and directors, at law or in equity, or before any governmental department, commission, or agency, which involve the reasonable likelihood of any judgment or liability against Osisko Subco;

(f) Osisko Subco has delivered to Barolo a list of all Osisko Subco Shareholders, together with the number of Osisko Subco Shares held by each of them immediately prior to the Effective Time (assuming the conversion of all of the Subscription Receipts into Osisko Subco Shares prior to the Effective Time), certified to be complete and accurate in all respects by a director or senior officer of Osisko Subco;

(g) Osisko and Osisko Subco have completed such acts and delivered to Barolo Subco such documents and other information as Barolo Subco, and any other regulatory authority or body having jurisdiction, have reasonably requested or required;

(h) none of the Osisko Subco Shareholders has exercised Dissent Rights; and

(i) there are no Material Adverse Changes with respect to Osisko Subco between the date of signing the Amalgamation Agreement and the Effective Time.

Mutual Covenants

In the Amalgamation Agreement, each of Osisko Subco, Barolo and Barolo Subco has agreed to certain customary affirmative and negative covenants relating to the operation of their respective businesses.

Conduct of Business

From the date of the Amalgamation Agreement until the earlier of the Effective Time or the termination of the Amalgamation Agreement, and except as expressly contemplated by the Amalgamation Agreement, each Party shall conduct its business, affairs and operations in the ordinary and usual course consistent with past practices and shall not:

(a) enter into (or terminate) any material contract or material transaction, except where any such material contract relates to the establishment of Osisko Subco's business necessary to meet the listing criteria of the Exchange (including, for the avoidance of doubt, entering into the Osisko Contribution Agreement);

(b) expend any material amount of funds or incur any material liabilities or obligations, except to the extent such expenses relate to the transactions contemplated by this Agreement, or are necessary for the establishment of Osisko Subco's business;

(c) issue any securities other than in accordance with the Osisko Contribution Agreement or pursuant to the Financing; or

(d) otherwise take any other action with the intent or foreseeable effect of leading to any of the foregoing,

without first obtaining the written consent of the other Parties hereto, which consent shall not be unreasonably withheld or delayed.

Non-Solicitation

From the date of the Amalgamation Agreement until the earlier of the Effective Time or the termination of the Amalgamation Agreement, each Party hereto and their respective directors, officers, employees and agents shall not, and shall not permit any other person to, directly or indirectly discuss, solicit, encourage, accept or approve any offer to acquire it or its business or assets, whether as a primary or back-up offer, or take any other action with the intent or foreseeable effect of leading to any negotiation, agreement, commitment or understanding for the acquisition of it or its business or assets or leading to the frustration of or any interference with the Amalgamation Agreement.

In addition to the foregoing, from the date of the Amalgamation Agreement until the earlier of the Effective Time or the termination of the Amalgamation Agreement:

(a) neither Barolo nor any of its associates or affiliates, or their respective representatives or advisors, will, solicit, encourage, discuss, negotiate or entertain any proposals from or provide financial, operating or any other non-public information to, any party other than Osisko. Barolo and its associates and affiliates, and their respective representatives and advisors, will immediately:

(i) cease and terminate existing discussions, conversations, negotiations and other communications with any persons currently conducted with respect to any of the foregoing; and

(ii) notify Osisko regarding any contact between Barolo or any of its associates or affiliates, or their respective representatives or advisors, and any person regarding any such offer, proposal or inquiry;

(b) neither Osisko, nor any of its associates or affiliates, or their respective representatives or advisors, will, at any time from the date of the Amalgamation Agreement, solicit, encourage, discuss, negotiate or entertain any proposals from or provide financial, operating or any other non-public information relating to the Contributed Osisko Assets, to any party other than Barolo, except (i) as required in connection with the Financing, or (ii) in furtherance of any matter which does not impeded with the completion of the Amalgamation or any other matter contemplated in the Amalgamation Agreement. Osisko and its associates and affiliates, and their respective representatives and advisors, will immediately:

(i) cease and terminate existing discussions, conversations, negotiations and other communications with any persons currently conducted with respect to any of the foregoing; and

(ii) notify Barolo regarding any contact between Osisko or any of its associates or affiliates, or their respective representatives or advisors, and any person regarding any such offer, proposal or inquiry.

Notwithstanding the foregoing, each Party shall forthwith disclose to the other Party any material updates or facts that materially affect, or would reasonably be expected to materially affect, the ability of such Party to consummate the Amalgamation or any other matter contemplated under the Amalgamation Agreement. Nothing herein contained shall be interpreted as limiting the directors of any Party from performing their fiduciary duties as directors under applicable law.

Termination of the Amalgamation Agreement

The Amalgamation Agreement may be terminated, by written notice, at any time prior to the Effective Time in certain circumstances, including, as follows:

(a) by the mutual consent of the Parties;

(b) by either Barolo or Osisko Subco, if the Effective Time has not occurred on or before 5:00pm on January 30, 2021, or such other date as mutually agreed to between Osisko Subco and Barolo; or

(c) by either Barolo or Osisko Subco (the "**Non-Defaulting Party**"), if the other Party is in default (the "**Defaulting Party**") of any covenant on its part to be performed under the Amalgamation Agreement, and the Non-Defaulting Party has given written notice of such default to the Defaulting Party and the Defaulting Party has failed to cure such default within fourteen days of such notice.

Expenses

Each Party shall be responsible for its own costs, whether or not the transactions contemplated by the Amalgamation Agreement are completed, provided, however, that the Parties acknowledge and agree that Osisko Subco shall be responsible for the payment of all filing fees due to the Exchange and all fees and expenses of Barolo's counsel relating to the Financing and all matters relating to any required shareholder or regulatory approvals of the matters referred to in the Amalgamation Agreement (up to a maximum of $200,000, exclusive of Taxes and disbursements).

For greater certainty, Osisko Subco and its counsel shall be primarily responsible, at Osisko Subco's cost, for preparation of all documentation and necessary regulatory filings in connection with the transactions contemplated by the Amalgamation Agreement, including, without limitation, the Amalgamation Agreement, the Filing Statement required by the rules of the Exchange, and any required shareholders meetings, subject to review and input on such documents and filings by counsel to Barolo.

Amendments

The Amalgamation Agreement may only be amended by instrument in writing signed by the Parties thereto, without further notice to or consent or approval by their respective shareholders unless strictly required by applicable law.

Any waiver or consent hereunder must be in writing and signed by the Party giving the waiver or consent. No waiver or consent hereunder shall be construed or deemed to be a waiver or consent with respect to any other provision hereof or to be a continuous waiver or consent unless so expressly provided for.

SUBSCRIPTION RECEIPT FINANCING

On October 5, 2020, Osisko and Barolo entered into an engagement letter with the Co-Lead Underwriters on behalf of a syndicate of underwriters (together with the Co-Lead Underwriters, the "**Underwriters**"), pursuant to which the Underwriters agreed to sell, on a "bought deal" private placement basis, 13,350,000 Subscription Receipts of Osisko Subco at a subscription price of $7.50 per Subscription Receipt (the "**Issue Price**"), with an option to acquire up to

6,670,000 additional Subscription Receipts at the Issue Price (the "**Underwriters' Option**"). Each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, upon the satisfaction of the Escrow Release Conditions, one Osisko Subco Share and one-half of one Osisko Subco Warrant. Each whole Osisko Subco Warrant will entitle the holder thereof to purchase one Osisko Subco Share for $10.00 for an 18-month period following the Effective Date.

On October 29, 2020, Osisko Subco completed the Financing and issued 13,350,000 Subscription Receipts pursuant to the Subscription Receipt Agreement, for gross proceeds of $100,125,000 (the "**Escrowed Proceeds**"). The Underwriters did not exercise the Underwriters' Option. In accordance with the Subscription Receipt Agreement, the Escrowed Proceeds are being held in escrow by the Subscription Receipt Agent pending the satisfaction of the Escrow Release Conditions. See *"Subscription Receipt Agreement"* section below for more details.

The conversion of the Subscription Receipts into Osisko Subco Shares and Osisko Subco Warrants, and the release of the Escrowed Proceeds to the Resulting Issuer, is conditional upon the satisfaction of the Escrow Release Conditions prior to the earlier of the Escrow Release Deadline and the Termination Time. See *"Subscription Receipt Agreement"* below for more details.

As compensation for their services in connection with the Financing, the Underwriters are, upon satisfaction of the Escrow Release Conditions, entitled to receive a cash commission equal to 5% of the gross proceeds of the Financing, provided that a reduced cash commission equal to 2.0% shall be payable to the Underwriters in respect of subscribers on the President's List.

Under the Amalgamation Agreement, it is a condition precedent to the consummation of the Amalgamation that the Escrow Release Conditions have been satisfied and that the Subscription Receipts have been converted into Osisko Subco Shares and Osisko Subco Warrants in accordance with the Subscription Receipt Agreement. Assuming the conversion of the Subscription Receipts in accordance with the foregoing, the Amalgamation Agreement provides that upon the Amalgamation each Osisko Subco Share (including Osisko Subco Shares issued to holders of Subscription Receipts upon conversion of the Subscription Receipts) will be exchanged for one post-Consolidation Resulting Issuer Share, and each Osisko Subco Warrant will be exchanged for a Resulting Issuer Warrant.

Assuming the Escrow Release Conditions are satisfied and the Escrowed Proceeds (after payment of the Underwriters' Fee and applicable expenses) are released to the Resulting Issuer, the Resulting Issuer intends to use the net proceeds from the Financing to fund the continued exploration of its mineral exploration projects and for general corporate purposes.

This Filing Statement does not constitute an offer to sell or the solicitation of an offer to purchase the Subscription Receipts or the securities issuable upon the conversion thereof or any other securities in any jurisdictions, including the United States.

Subscription Receipt Agreement

Descriptions in this Filing Statement of the terms of the Subscription Receipt Agreement are summaries of the terms of that document and are qualified in their entirety by such terms. Barolo Shareholders should refer to the full text of the Subscription Receipt Agreement for complete details of that document. The full text of the Subscription Receipt Agreement is available on SEDAR (www.sedar.com) under Barolo's issuer profile.

The creation, issuance and conversion of the Subscription Receipts is governed by the Subscription Receipt Agreement. The Subscription Receipt Agreement provides for the creation and issuance of 13,350,000 Subscription Receipts for the Issue Price of $7.50 for each Subscription Agreement. Each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, upon the satisfaction of the Escrow Release Conditions, one Osisko Subco Share and one-half of one Osisko Subco Warrant.

The Escrowed Proceeds, representing the gross proceeds of $100,125,000 from the sale of 13,350,000 Subscription Receipts at the Issue Price, were delivered to and are being held by the Subscription Receipt Agent, for and on behalf of the persons who have an interest in the Subscription Receipts, in one or more interest-bearing trust accounts to be

maintained by the Subscription Receipt Agent in the name of the Subscription Receipt Agent at one or more Approved Banks (the Escrowed Proceeds and all interest and other income earned thereon, if any, the "**Escrowed Funds**"), pending: (i) the satisfaction or waiver of the Escrow Release Conditions and release of the Escrowed Funds (after payment of the Underwriters' Fee and applicable expenses) to the Resulting Issuer; or (ii) the termination of the Subscription Receipt Agreement in accordance with its terms.

The conversion of the Subscription Receipts into Osisko Subco Shares and Osisko Subco Warrants, and the release of the Escrowed Funds to the Resulting Issuer, is conditional upon the satisfaction of the following Escrow Release Conditions prior to the earlier of the Escrow Release Deadline and the Termination Time:

(a) the completion or satisfaction of all conditions precedent to the Amalgamation as set out in the Amalgamation Agreement (other than the conversion of the Subscription Receipts to Osisko Subco Shares and Osisko Subco Warrants) having occurred on or prior to the Escrow Release Deadline;

(b) the Resulting Issuer Shares having been conditionally approved for listing on the Exchange;

(c) a title opinion in respect of the Cariboo Project having been delivered to the Co-Lead Underwriters;

(d) an opinion of counsel having been delivered to the Co-Lead Underwriters that, upon the conversion of the Subscription Receipts and completion of Transaction, the Resulting Issuer Shares issued to holders of Subscription Receipts in exchange for Osisko Subco Shares issued to such holders on conversion of the Subscription Receipts will be freely tradeable on the Exchange and not subject to any statutory hold period under applicable Canadian Securities Laws; and

(e) Osisko Subco and the Co-Lead Underwriters (on their own behalf and on behalf of the Underwriters) having delivered an Escrow Release Notice (in accordance with the terms of the Subscription Receipt Agreement) to the Subscription Receipt Agent confirming that the conditions set forth above have been satisfied or waived.

Upon delivery of a notice described in (e) above to the Subscription Receipt Agent, if at all, and an undertaking from Osisko Subco that it will issue or cause to be issued the Osisko Subco Shares and Osisko Subco Warrants issuable upon the conversion of the Subscription Receipts, (i) all Subscription Receipts will be automatically converted by the Subscription Receipt Agent at the Escrow Release Time for and on behalf of the holder thereof and the holder thereof shall, without any action on the part of the holder thereof, be deemed to have subscribed for the corresponding number of Osisko Subco Shares and Osisko Subco Warrants issuable upon the conversion of such Subscription Receipts, and (ii) the Escrowed Funds (after payment of the Underwriters' Fee and applicable expenses) will be released to the account of the Resulting Issuer.

If the Escrow Release Conditions are not satisfied prior to 5:00 p.m. (Toronto time) on January 30, 2021, or if the Subscription Receipt Agreement is terminated in accordance with its terms prior to the satisfaction of the Escrow Release Conditions, then (i) the Subscription Receipt Agent will return to the holders of the Subscription Receipts, out of the Escrowed Funds, an amount equal to the aggregate subscription price for the Subscription Receipts held by such holder, together with a *pro rata* portion of the interest earned on the Escrowed Proceeds, and (ii) the Subscription Receipts shall be cancelled with no further force or effect.

In accordance with the Subscription Receipt Agreement, the Subscription Receipts are not transferable and the holders of the Subscription Receipts are not able to resell any Subscription Receipts. The Subscription Receipt Agreement also contains certain customary anti-dilution adjustment provisions to the number of Osisko Subco Shares in the event that Osisko Subco undertakes a capital reorganization, share consolidation or other special distribution.

Pursuant to the Subscription Receipt Agreement, Osisko has agreed to indemnify the Subscription Receipt Agent and to pay the reasonable expenses and disbursements of the Subscription Receipt Agent in connection with its retention as Subscription Receipt Agent.

Warrant Indenture

Descriptions in this Filing Statement of the terms of the Warrant Indenture are summaries of the terms of that document and are qualified in their entirety by such terms. Barolo Shareholders should refer to the full text of the Warrant Indenture for complete details of that document. The full text of the Warrant Indenture is available on SEDAR (www.sedar.com) under Barolo's issuer profile.

The creation and issuance of the Osisko Subco Warrants, and the terms and conditions of the Osisko Subco Warrants and Resulting Issuer Warrants, are governed by the Warrant Indenture.

The Warrant Indenture provides for the creation and issuance of 6,675,000 Osisko Subco Warrants upon the delivery by Osisko Subco to the Warrant Agent of a written order from Osisko Subco (i) confirming that the Escrow Release Conditions have been satisfied, that the Subscription Receipts have been converted into Osisko Subco Shares and Osisko Subco Warrants in accordance with the Subscription Receipt Agreement, and that Osisko Subco intends to proceed to file an amalgamation application under the BCBCA giving effect to the Amalgamation, and (ii) directing the Warrant Agent to forthwith issue the Osisko Subco Warrants to the former holders of Subscription Receipts. Each Osisko Subco Warrant entitles the holder to purchase one Osisko Subco Share for $10.00 for a period of 18 months following the Effective Date.

Pursuant to the Warrant Indenture, upon delivery by the Resulting Issuer to the Warrant Agent of a written order from the Resulting Issuer (i) confirming that the Amalgamation has become effective, and (ii) directing the Warrant Agent that each whole Osisko Subco Warrant shall be converted and exchanged into one whole Resulting Issuer Warrant, the Warrant Agent shall countersign and deliver the Resulting Issuer Warrants to the holders of the Osisko Subco Warrants, and upon the issuance of the Resulting Issuer Warrants in accordance with the foregoing:

(a) the Resulting Issuer Warrants will be subject to the terms and conditions of the Warrant Indenture as if they had been originally issued under the Warrant Indenture;

(b) the Osisko Subco Warrants in exchange for which the Resulting Issuer Warrants are issued shall be cancelled, and Osisko Subco shall be released from its obligations with respect to the Osisko Subco Warrants under the Warrant Indenture; and

(c) the Resulting Issuer shall assume and agree to perform all obligations of Osisko Subco under the Warrant Indenture, and the Warrant Agent accepts such assumption.

Each Resulting Issuer Warrant will entitle the holder to purchase one Resulting Issuer Share for $10.00 for a period of 18 months following the Effective Date. The number of Resulting Issuer Shares that may be purchased pursuant to the Resulting Issuer Warrants, and the exercise price payable for each Resulting Issuer Share, may be subject to adjustment upon the occurrence of certain events, as more particularly set out in Article 4 of the Warrant Indenture.

INFORMATION CONCERNING BAROLO

See attached Appendix "C" – *"Information Concerning Barolo"*, Appendix "F" – *"Financial Statements of Barolo"* and Appendix "G" – *"Management's Discussion and Analysis of Barolo"*.

INFORMATION CONCERNING THE CONTRIBUTED OSISKO ASSETS

See attached Appendix "D" – *"Information Concerning the Contributed Osisko Assets"*, Appendix "H" – *"Financial Statements of the Contributed Osisko Assets"* and Appendix "I" – *"Management's Discussion and Analysis of the Contributed Osisko Assets"*.

INFORMATION CONCERNING THE RESULTING ISSUER

See attached Appendix "E" – *"Information Concerning the Resulting Issuer"* and Appendix "J" – *"Unaudited Pro Forma Financial Statements of the Resulting Issuer"*.

RISK FACTORS

Overview

If the Transaction proceeds, the Resulting Issuer will be subject to a number of risks. An investment in the Resulting Issuer should be considered highly speculative due to the nature of its activities and the present stage of its development. There are numerous factors which may affect the success of Resulting Issuer's business, many of which are beyond Resulting Issuer's control, including local, national and international economic and political conditions. The Resulting Issuer's business will involve a high degree of risk which a combination of experience, knowledge and careful evaluation may not overcome.

The risks and uncertainties discussed herein are not the only ones facing the Resulting Issuer. In evaluating the Transaction and the Resulting Issuer, the risks and uncertainties described below, in addition to the other information contained in this Filing Statement, should be carefully considered. If any such risks actually occur, the business, financial condition and/or liquidity and results of operations of the Resulting Issuer could be materially adversely affected. In this event, the value of the Resulting Issuer Shares could decline after the completion of the Transaction and the Resulting Issuer Shareholders could lose all or part of their investment.

Risk Factors Relating to the Transaction

There can be no certainty that all conditions precedent to the Transaction will be satisfied or waived. Failure to complete the Transaction could negatively impact the market price of the Barolo Shares.

The Transaction is subject to certain conditions that may be outside the control of Barolo, including, without limitation, the approval by Barolo Shareholders of the Continuance, Consolidation, Name Change and Board Reconstitution and the Exchange Approval of the "Reverse Takeover". There can be no certainty, nor can Barolo provide any assurance, that these conditions will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. If the Transaction is not completed, the market price of Barolo Shares may decline. If the Transaction is not completed and the Barolo Board decides to seek another merger or business combination, there can be no assurance that Barolo will be able to undertake a business combination on equivalent or more attractive terms than those under the Amalgamation Agreement.

The Amalgamation Agreement may be terminated by Osisko Subco in certain circumstances.

Each of the parties to the Amalgamation Agreement has the right to terminate the Amalgamation Agreement and not complete the Transaction in certain circumstances. Accordingly, there is no certainty, nor can Barolo provide any assurance, that the Amalgamation Agreement will not be terminated by Osisko Subco before the completion of the Transaction.

In addition, completion of the Transaction is subject to a number of conditions precedent, certain of which are outside the control of the Parties. There is no certainty, nor can any Party provide any assurance, that these conditions will be satisfied or waived.

There can be no assurance that the Exchange will accept for listing the Resulting Issuer Shares to be issued to holders of Osisko Subco Shares.

Completion of the Transaction is subject to the acceptance for listing by the Exchange of the Resulting Issuer Shares to be issued to holders of Osisko Subco Shares upon the Amalgamation. There can be no assurance that Barolo will be able to satisfy the requirements of the Exchange with respect to the listing of the Resulting Issuer Shares. If such

conditional listing approval of the Exchange is not obtained, Osisko Subco is not required to complete the Amalgamation and there can be no guarantee that the Transaction will be completed.

Barolo will incur significant costs.

Certain costs related to the Transaction, such as legal, accounting and certain financial advisor fees, must be paid by Barolo even if the Transaction is not completed. Barolo and Osisko Subco are each liable for their own costs incurred in connection with the Transaction. However, Osisko Subco is responsible for the payment of all filing fees due to the Exchange and all fees and expenses of Barolo's counsel relating to the Financing and all matters relating to any required shareholder or regulatory approvals (up to a maximum of $200,000, exclusive of Taxes and disbursements).

See *"Amalgamation Agreement – Expenses"*.

Risk Factors Relating to the Resulting Issuer

Barolo has relied on information made available by Osisko.

The Contributed Osisko Assets are not stand-alone publicly-listed entities. As a result, all historical information relating to the Contributed Osisko Assets presented in the Filing Statement has been provided in reliance on the information made available by Osisko. Although Barolo has no reason to doubt the accuracy or completeness of the information provided by Osisko, any inaccuracy or omission in such information contained in this Filing Statement could result in unanticipated liabilities or expenses, increase the costs to expected to be borne by the Resulting Issuer or adversely affect the operational plans of the Resulting Issuer and its result of operations and financial condition.

The Resulting Issuer Pro Forma Financial Statements are presented for illustrative purposes only and may not be an indication of the Contributed Osisko Assets' financial condition or results of operations following the Transaction.

The Resulting Issuer Pro Forma Financial Statements contained in this Filing Statement are presented for illustrative purposes only as of their respective dates and may not be an indication of the financial condition or results of operations of the Contributed Osisko Assets following the Transaction for several reasons. For example, the Resulting Issuer Pro Forma Financial Statements have been derived from the respective historical financial statements of Osisko, and certain adjustments and assumptions made as of the dates indicated therein have been made to give effect to the Transaction and the other respective relevant transactions. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy. See *"Cautionary Statement Regarding Forward-Looking Information"*.

The mineral resource estimates on the properties on which the Resulting Issuer will hold may not be realizable.

The figures provided in connection with the mineral resources in respect of the properties underlying the Osisko Contributed Assets are estimates, and have not been verified to be accurate, and no assurance can be given that full recovery of the anticipated tonnages and grades, and production estimates will be achieved or that any indicated level of recovery will be realized by the owners and operators of such properties.

Following completion of the Transaction, Osisko will have the ability to significantly influence certain corporate actions of the Resulting Issuer.

Immediately following completion of the Transaction, the Resulting Issuer is expected to have 113,583,504 Resulting Issuer Shares issued and outstanding, of which (i) current Barolo Shareholders are expected to hold 233,404 Resulting Issuer Shares (or approximately 0.2%), (ii) Osisko is expected to hold 100,000,100 Resulting Issuer Shares (or approximately 88%), and (iii) current holders of Subscription Receipts are expected to hold 13,350,000 Resulting Issuer Shares (or approximately 11.8%) of the total issued and outstanding Resulting Issuer Shares.

The foregoing figures are based on (i) the number of Barolo Shares outstanding as of the date hereof (being 14,004,287 Barolo Shares, or 233,404 Resulting Issuer Shares after giving effect to the Consolidation (subject to rounding)), (ii)

the number of Osisko Subco Shares issued to Osisko upon the incorporation of Osisko Subco (being 100 Osisko Subco Shares, which will be exchanged for 100 Resulting Issuer Shares upon the Amalgamation), (iii) the number of Consideration Shares to be issued to Osisko pursuant to the Osisko Contribution Agreement (being 100,000,000 Osisko Subco Shares, which will be exchanged for 100,000,000 Resulting Issuer Shares upon the Amalgamation), (iv) the number of Osisko Subco Shares to be issued to holders of Subscription Receipts upon satisfaction of the Escrow Release Conditions (being 13,350,000 Osisko Subco Shares, which will be exchanged for 13,350,000 Resulting Issuer Shares upon the Amalgamation), and (v) no securities exercisable, exchangeable or convertible for Barolo Shares being exercised, exchanged or converted prior to the completion of the Transaction.

As a significant shareholder, Osisko will be entitled to exercise significant influence over all matters requiring approval of the shareholders of the Resulting Issuer, including the election of directors, determination of significant corporate actions, amendments to the Resulting Issuer's articles of incorporation and the approval of any business combinations, mergers or takeover attempts, in a manner that could conflict with the interests of other shareholders of the Resulting Issuer.

Changes in tax legislation or accounting rules could affect the profitability of the Resulting Issuer.

Changes to, or differing interpretation of, taxation Laws or regulations in Canada, or any of the countries in which the Resulting Issuer's assets or relevant contracting parties are located, could result in some or all of the Resulting Issuer's profits being subject to additional taxation. No assurance can be given that new taxation rules or accounting policies will not be enacted or that existing rules will not be applied in a manner which could result in the Resulting Issuer's profits being subject to additional taxation or which could otherwise have a material adverse effect on the Resulting Issuer's profitability, results of operations, financial condition and the trading price of the Resulting Issuer's securities. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make acquiring additional resource properties by the Resulting Issuer less attractive to counterparties. Such changes could adversely affect the Resulting Issuer's ability to acquire new assets or make future investments.

The Resulting Issuer may be unable to successfully integrate the businesses of the Contributed Osisko Assets and realize the anticipated benefits of the Transaction.

Barolo is proposing to complete the Transaction to create a growth-oriented developer with prospective gold camps in Canada and Mexico. See *"The Transaction – Reasons for the Transaction"*. Achieving the benefits of the Transaction depends in part on the ability of the Resulting Issuer to effectively capitalize on its scale, to realize the anticipated capital, operating and financial synergies, to profitably sequence the growth prospects of its asset base and to maximize the potential of its improved growth opportunities and capital funding opportunities as a result of combining the businesses and operations the Contributed Osisko Assets. A variety of factors, including those risk factors set forth in the Filing Statement and in the documents incorporated by reference herein, may adversely affect the ability of the Resulting Issuer to achieve the anticipated benefits of the Transaction.

The Resulting Issuer may face risks to its business and operations as a result of the outbreak of diseases including the Coronavirus pandemic.

The Resulting Issuer may face risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions.

To that end, the Resulting Issuer's business could be adversely impacted by the effects of the coronavirus or other epidemics. In December 2019, a novel strain of the coronavirus ("**COVID-19**") emerged in China and the virus has now spread to several other countries, including Canada and the U.S., and infections have been reported globally. In March 2020, the World Health Organization recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments, including ones in the markets in which the Resulting Issuer will operate, to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-ranging quarantines and stay-at-home orders. The COVID-19 pandemic has resulted in a widespread global health crisis that adversely affects global economies and financial markets.

The extent to which COVID-19 impacts the Resulting Issuer's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the COVID-19 outbreak. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Resulting Issuer's business including without limitation, employee health, workforce productivity, increased insurance premiums, continued limitations on travel, the availability of industry experts and personnel, restrictions to its drill program and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Resulting Issuer's control, which may have a material and adverse effect on the its business, financial condition and results of operations.

There can be no assurance that the Resulting Issuer's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks.

Risk Factors Relating to Barolo

Whether or not the Transaction is completed, Barolo will continue to face many of the risks that it currently faces with respect to its business and affairs.

Reliance on Financing to Maintain and Continue Operations

Barolo's ability to continue will largely be reliant on its continued attractiveness to equity investors and its ability to obtain additional financing to maintain and grow operations. Should Barolo require additional capital to continue its operations, failure to raise such capital could result in Barolo going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Barolo.

From time to time, Barolo may issue new shares, seek debt financing, dispose of assets, or enter into transactions to acquire assets or shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increse Barolo's debt levels above industry standards.

Dependent on Business and Technical Expertise of Management Team

Barolo is dependent on the business and technical expertise of its management team. If it is unable to rely on this business and technical expertise, or if any of the expertise is inadequately performed, the business, financial condition and results of the operations of Barolo could be materially adversely affected until such time as the expertise could be replaced.

Volatility of Barolo Share Price

The price of Barolo Shares may be affected by global macroeconomic developments and market perceptions of the attractiveness of particular industries and location of assets, which may increase the volatility of Barolo Share prices. The price of Barolo Shares will also be affected by Barolo's financial conditions or results of operations as reflected in its liquidity position and earnings reports.

Other factors unrelated to Barolo's operations and performance that may have an affect on the price of Barolo Shares include: the lessening in trading volume and general market interest in Barolo's securities may affect an investor's ability to trade significant numbers of shares; the size of Barolo's public float may limit the ability of some institutions to invest in Barolo's securities; and a substantial decline in the price of Barolo Shares that persists for a significant period of time could cause Barolo's securities to be delisted further reducing market liquidity.

As a result of any of these factors, the market price of Barolo Shares at any given point in time may not accurately reflect Barolo's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Barolo may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Financial Risk

Barolo is also exposed to risks relating to its financial instruments. As at May 31, 2020, Barolo's management believes that it has insuficient liquidity to meet its operational requirements for the next fiscal year, and Barolo remains dependent upon the financial support of its shareholders. Additionally, Barolo likely has insufficient funds to finance any identified business acquisition and as such will require additional financing to accomplish Barolo's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of Barolo's ability to raise additional financing through these means. If Barolo is unable to continue to finance itself through these means, it is possible that Barolo will be unable to continue as a going concern.

Barolo is also exposed to equity price risk; the movements in individual equity prices or general movements in the level of the stock market may potentially have an adverse impact on Barolo's earnings. Barolo closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken.

Risk Factors Relating to the Contributed Osisko Assets

Precious and Base Metal Prices

The development of the Resulting Issuer's properties is dependent on the future prices of minerals and metals. As well, should any of the Resulting Issuer's properties eventually enter commercial production, the Resulting Issuer's profitability will be significantly affected by changes in the market prices of minerals and metals.

The price of precious and base metal prices can fluctuate widely and is affected by numerous factors including demand, inflation, strength of the U.S. dollar and other currencies, interest rates, gold sales by the central banks, forward sales by producers, global or regional political or financial events, and production and cost levels in major producing regions. In addition, prices are sometimes subject to rapid short-term changes because of speculative activities. Even if the Resulting Issuer discovers commercial amounts of metals on its properties, it may not be able to place the property into commercial production if precious and base metal prices are not at sufficient levels.

Uncertainty of Ownership Rights and Boundaries of Resource Properties

There is no assurance that the rights of ownership and other rights in concessions to be held by the Resulting Issuer are not subject to loss or dispute, particularly because such rights may be subject to prior unregistered agreements or transfers or other land claims and may be affected by defects and adverse Laws and regulations which have not been identified by the Resulting Issuer. There is no guarantee that title to the properties will not be challenged or impugned. The Resulting Issuer's property interest may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

Mineral Exploration and Development

The Resulting Issuer's projects will be in exploration and development stages. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge.

Development of the Resulting Issuer's properties will occur only after obtaining satisfactory exploration results. Few properties which are explored are ultimately developed into economically viable operating mines. There is no assurance that the Resulting Issuer's mineral exploration and development activities will result in the discovery of a body of commercial ore on its exploration properties. Several years may pass between the discovery and development of commercial mineable mineralized deposits.

Most exploration projects do not result in the discovery of commercially-mineralized deposits. The commercial viability of exploiting any precious or base-metal deposit is dependent on a number of factors including infrastructure and governmental regulation, in particular those relating to environment, taxes and royalties. No assurance can be given that minerals will be discovered of sufficient quality, size and grade on any of the Resulting Issuer's properties to justify a commercial operation.

While the Cariboo Project, which will be the Resulting Issuer's only material property immediately following Closing, is in development stage and the results of the 2020 MRE are positive, the Resulting Issuer cannot give any assurance that the development of the Cariboo Project will result in an economically viable producing mine.

Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), impact of health epidemics and other outbreaks of communicable diseases and other unanticipated interruptions.

Economics of Developing Mineral Properties

Substantial expenses are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operation or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Resulting Issuer's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Resulting Issuer may determine that it is impractical to commence or continue commercial production.

Governmental Regulation

Operations, development and exploration on the Resulting Issuer's properties will be affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labor; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Resulting Issuer's operations. Changes in such regulation could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

The Resulting Issuer will be at the exploration and development stages on all of its properties. Exploration on the Resulting Issuer's properties requires responsible best-exploration practices to comply with the Resulting Issuer's policies, government regulations, and maintenance of claims and tenure. The Resulting Issuer will be required to be registered to do business and have a valid prospecting license in any Canadian province in which it is carrying out work. Mineral exploration primarily falls under provincial jurisdiction. However, the Resulting Issuer will also be required to follow the regulations pertaining to the mineral exploration industry that fall under federal jurisdiction, such as the *Fish and Wildlife Act*.

If any of the Resulting Issuer's projects advance to the development stage, those operations will also be subject to various Laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new Laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Resulting Issuer may possess.

Also, no assurance can be made that Canada Revenue Agency and provincial agencies will agree with the Resulting Issuer's characterization of expenses as Canadian exploration expenses or Canadian development expense or the eligibility of such expenses as Canadian exploration expense under the Tax Act or any provincial equivalent.

Environmental Regulations

The Resulting Issuer may conduct exploration, development and operating activities in various parts of Canada. Such activities are subject to Laws, rules and regulations governing the protection of the environment, including, in some

cases, posting of reclamation bonds. In Canada, extensive environmental legislation has been enacted by federal, provincial and territorial governments. All phases of the Resulting Issuer's operations will be subject to environmental regulation in the jurisdictions in which it will operate.

Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulations, if any, will not adversely affect the Resulting Issuer's operations. The cost of compliance with changes in governmental regulations has the potential to preclude entirely the economic development of a property. The Resulting Issuer will adopt environmental practices designed to ensure that it will comply with or exceed all environmental regulations currently applicable to it. All of the Resulting Issuer's activities will be in compliance in all material respects with applicable environmental legislation.

GENERAL MATTERS

Experts

Opinions

Davidson & Company LLP audited the Barolo Annual Financial Statements. Davidson & Company LLP confirms its independence as determined by the Institute of Chartered Professional Accountants of British Columbia.

PricewaterhouseCoopers LLP audited the Osisko Annual Carve Out Financial Statements, Barkerville Annual Financial Statements and Barkerville Interim Financial Statements. PricewaterhouseCoopers LLP confirmed its independence of Osisko and Barkerville as determined by the Code of Ethics of Chartered Professional Accountants (Québec).

InnovExplo Inc. was retained by Osisko, through its wholly-owned subsidiary, Barkerville, to prepare the Cariboo Technical Report for the Cariboo Project. InnovExplo is a mining and exploration consulting firm based in Val-d'Or, Québec. The authors of the Cariboo Technical Report, Christine Beausoleil (P.Geo.), Geology Director of InnovExplo, and Carl Pelletier (P.Geo.), Co-President Founder of InnovExplo are independent and qualified persons under NI 43-101.

Interest of Experts

To Barolo's and Osisko's knowledge, no person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement, holds more than one percent (1%) beneficial interest, direct or indirect, in any securities or property of Barolo, Osisko or the Resulting Issuer or an Associate or Affiliate of the foregoing and no such person is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any Associate or Affiliate of the Resulting Issuer.

Other Material Facts

There are no other material facts about Barolo, the Contributed Osisko Assets, the Resulting Issuer or the Transaction that have not been disclosed in this Filing Statement.

Board Approval

The contents and sending of this Filing Statement have been approved by the Barolo Board. Where information contained in this Filing Statement rests particularly within the knowledge of a person or company other than Barolo or Osisko, Barolo and Osisko, respectively, have relied upon information furnished by such person or company.

CERTIFICATE OF BAROLO VENTURES CORP.

Dated: November 20, 2020

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Barolo Ventures Corp. assuming completion of the proposed Transaction, including, among other things, the Reverse Takeover of Barolo Ventures Corp. by Osisko Gold Royalties Ltd.

(signed) "*Scott Ackerman*"

SCOTT ACKERMAN
President, Chief Executive Officer, Chief Financial Officer
and Corporate Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "*Rick Cox*"

RICK COX
Director

(signed) "*Brent Ackerman*"

BRENT ACKERMAN
Director

(signed) "*Scott Ackerman*"

SCOTT ACKERMAN
Director

CERTIFICATE OF OSISKO GOLD ROYALTIES

Dated: November 20, 2020

The foregoing document as it relates to the Contributed Osisko Assets constitutes full, true and plain disclosure of all material facts relating to the Contributed Osisko Assets.

(signed) "*Sean Roosen*"

SEAN ROOSEN
Chair of the Board of Directors and
Chief Executive Officer

(signed) "*Frédéric Ruel*"

FRÉDÉRIC RUEL
Chief Financial Officer and Vice President, Finance

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "*Sean Roosen*"

SEAN ROOSEN
Director

(signed) "*Joanne Ferstman*"

JOANNE FERSTMAN
Director

(signed) "*John F. Burzynski*"

JOHN F. BURZYNSKI
Director

(signed) "*Charles E. Page*"

CHARLES E. PAGE
Director

GLOSSARY

The following terms used in this Filing Statement have the following meanings. This is not an exhaustive list of defined terms used in this Filing Statement.

"**Affiliate**" means a company that is affiliated with another company as described below.

A company is an "**Affiliate**" of another company if:

(a) one of them is the subsidiary of the other; or

(b) each of them is controlled by the same Person.

A company is "**controlled**" by a Person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

(a) a company controlled by that Person; or

(b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"**Amalco**" means the corporation formed upon the Amalgamation of Barolo Subco and Osisko Subco.

"**Amalco Shares**" means the common shares in the capital of Amalco.

"**Amalgamation**" means the amalgamation of Barolo Subco and Osisko Subco pursuant to the terms of the Amalgamation Agreement.

"**Amalgamation Agreement**" means the amalgamation agreement dated October 23, 2020 among Barolo, Barolo Subco and Osisko Subco, together with the schedules attached thereto, as may be amended from time to time, a copy of which is available on SEDAR (www.sedar.com) under Barolo's issuer profile.

"**Applicable Securities Laws**" means the Securities Act and the regulations thereunder and all other applicable Canadian securities laws.

"**Approved Bank**" means a Schedule I Canadian chartered bank.

"**Arm's Length Transaction**" means a transaction that is not a Related Party Transaction.

"**Arrangement**" means the arrangement pursuant to which Osisko acquired all of the issued and outstanding common shares of Barkerville that it did not already own by way of a plan of arrangement which was completed on September 23, 2019.

"**Articles of Continuance**" means the articles of continuance of the Resulting Issuer under the CBCA in respect of the Continuance.

"**Associate**" when used to indicate a relationship with a Person, means:

(a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than ten percent (10%) of the voting rights attached to outstanding securities of the issuer;

(b) any partner of the Person;

(c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity;

(d) in the case of a Person, who is an individual:

(i) that Person's spouse or child, or

(ii) any relative of the Person or his spouse who has the same residence as that Person;

but

(e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a member firm, member corporation or holding company of a member corporation, then such determination shall be determinative of their relationships in the application of Rule D. 1.00 of the Exchange rule book and policies with respect to that member firm, member corporation or holding company.

"**Audit Committee**" is the committee of the Barolo Board whose role is to provide oversight of Barolo's financial management.

"**Aurum Group**" means the original five Crown-granted mineral claims, acquired in 1925 by C.J. Seymour Baker.

"**Authorization**" means any authorization, order, permit, approval, grant, licence, registration, consent, right, notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decision, decree, by-law, rule or regulation, whether or not having the force of law.

"**Barkerville"** means Barkerville Gold Mines Ltd., a wholly owned subsidiary of Osisko.

"**Barkerville Annual Financial Statements**" means the audited annual consolidated financial statements of Barkervile for the years ended December 31, 2018 and December 31, 2017 together with the notes thereto, presented in Canadian dollars.

"**Barkerville Databases**" means the diamond drill hole databases for the 2020 MRE.

"**Barkerville Interim Financial Statements**" means the audited interim condensed consolidated financial statements of Barkerville for the nine months ended September 30, 2019 together with the notes thereto, presented in Canadian dollars.

"**Barolo**" or the "**Corporation**" means Barolo Ventures Corp., a corporation existing under the BCBCA.

"**Barolo Annual Financial Statements**" means the audited financial statements of Barolo for the years ended May 31, 2020 and 2019 together with the notes thereto, presented in Canadian dollars.

"**Barolo Board**" means the Board of Directors of Barolo prior to Closing.

"**Barolo Interim Financial Statements**" means the unaudited interim financial statements of Barolo for the three month period ended August 31, 2020 together with the notes thereto, presented in Canadian dollars.

"**Barolo Option Plan**" means the rolling ten percent (10%) stock option plan of Barolo, as constituted as of the date of this Filing Statement.

"**Barolo Options**" means options to purchase Barolo Shares granted under the Barolo Option Plan.

"**Barolo Shareholders**" means the registered and/or beneficial holders of Barolo Shares, as the context requires.

"**Barolo Shares**" means the common shares in the capital of Barolo.

"**Barolo Subco**" means 1269598 B.C. Ltd, a corporating existing under the BCBCA, and a wholly owned subsidiary of Barolo.

"**Barolo Subco Shares**" means the common shares in the capital of Barolo Subco.

"**Barolo Termination Fee**" has the meaning ascribed thereto in the Amalgamation Agreement.

"**Barolo Voting Support Agreements**" means the voting and support agreements made between Osisko and certain Barolo Shareholders, pursuant to which such shareholders agree to support the Amalgamation and the transactions contemplated by the Amalgamation Agreement.

"**Base Annual Salary**" has the meaning ascribed to such term in the Employee Share Purchase Plan a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"BBA" means BBA Inc.

"**BCBCA**" means the *Business Corporations Act* (British Columbia) and all regulations thereunder, as amended from time to time.

"**BCSC**" means the British Columbia Securities Commission.

"**Beneficial Ownership**" shall have the meaning ascribed to such term in the CBCA.

"**Benefits Extension Period**" has the meaning ascribed thereto in the Resulting Issuer RSU Plan a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"**Blackout Period**" means a period of time during which the participant cannot sell shares, due to applicable law or policies of the Corporation in respect of insider trading.

"**Board Reconstitution**" means the increase in the size of the board of directors of the Resulting Issuer to seven (7) members and the appointment to the Resulting Issuer Board, effective as of the Effective Time, of those individuals listed in Section 4.2(j) of the Amalgamation Agreement.

"**Bonanza Ledge II Property**" means the mineral property and high grade deposit located within the Cariboo Project (in the Cariboo Gold District of British Columbia).

"**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in Toronto, Ontario or Vancouver, British Columbia.

"**Canadian Securities Laws**" means applicable Canadian provincial and territorial Securities Laws.

"**Cariboo Project"** or the "**Project"** means the mineral property located in the historical Wells-Barkerville mining camp (also known as the Cariboo Gold District) of British Columbia and extending for approximately 60 km from northwest to southeast.

"**Cariboo Technical Report**" means the technical report titled "*NI 43-101 Technical Report and Mineral Resource Estimate for the Cariboo Gold Project, British Columbia, Canada*" dated October 5, 2020, with an effective date of October 5, 2020, prepared by Christine Beausoleil, P. Geo., and Carl Pelletier, P. Geo., of InnovExplo Inc.

"**CBCA**" means the *Canada Business Corporations Act* and all regulations thereunder, as amended from time to time.

"**CBCA Director**" means the Director appointed pursuant to Section 260 of the CBCA.

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Registrar pursuant to the BCBCA to evidence the Amalgamation.

"**Certificate of Continuance**" means the certificate of Continuance to be issued by the Director with respect to the Continuance of Barolo from the BCBCA to the CBCA.

"**Change of Control**" includes situations where after giving effect to the contemplated Transaction and as a result of such Transaction:

(a) any one Person holds a sufficient number of the voting shares of the Resulting Issuer to affect materially the control of the Resulting Issuer, or

(b) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold in total a sufficient number of the voting shares of the Resulting Issuer to affect materially the control of the Resulting Issuer

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially the control of the Resulting Issuer. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Resulting Issuer is deemed to materially affect the control of the Resulting Issuer.

"**CIM Definition Standards**" means CIM Definition Standards for mineral resources and mineral reserves.

"**Closing**" means the closing of the Transaction.

"**Co-Lead Underwriters**" mean Canaccord Genuity Corp. and National Bank Financial Inc.

"**Committee of the Resulting Issuer**" means the Resulting Issuer Board or if so delegated in whole or in part by the Resulting Issuer Board, any other duly authorized committee of the Resulting Issuer Board appointed by the Resulting Issuer Board to administer the Resulting Issuer RSU Plan, Resulting Issuer DSU Plan, Resulting Issuer Stock Option Plan or Employee Share Purchase Plan.

"**Common Shares**" has the meaning ascribed to such term in the Barolo Option Plan.

"**Compensation Plan Amendments**" has the meaning ascribed thereto in "*Amalgamation Agreement – Conditions Precedent to the Amalgamation*".

"**Consideration Shares**" means 100,000,000 Osisko Subco Shares to issued by Osisko Subco to Osisko in consideration for the assignment of the Contributed Osisko Assets to Osisko Subco pursuant to the Osisko Contribution Agreement.

"**Consolidation**" means the consolidation of Barolo Shares on a 60:1 basis prior to the Effective Time, in accordance with the Amalgamation Agreement.

"**Consultant**" has the meaning ascribed thereto in the Resulting Issuer Option Plan a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"**Continuance**" means the continuance of the Resulting Issuer from the BCBCA to the CBCA.

"**Continuance Resolution**" means a special resolution of the Barolo Shareholders approving the Continuance, the Articles of Continuance and the New By-laws;

"**Contributed Osisko Assets**" means, collectively, the Contributed Osisko Properties and the Contributed Osisko Marketable Securities.

"**Contributed Osisko Marketable Securities**" means a portfolio of publicly-listed equity positions held by Osisko, having a market value of approximately $119.2 million as of the close of markets on October 23, 2020, which will be transferred by Osisko to Barkerville prior to the Effective Time of the Amalgamation.

"**Contributed Osisko Properties**" means the interest of Osisko in (i) the Cariboo Project, (ii) the San Antonio Gold Project, (iii) the Bonanza Ledge II Property, (iv) the Coulon Project, (v) the Guerrero Properties, and (vi) the James Bay Properties.

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"**Coulon Project**" means the Coulon zinc project, a mineral exploration property located in northern Québec.

"**Cow-Island-Barkerville Mountain Corridor"** means the corridor comprised of Cow Mountain, Island Mountain, and Barkerville Mountain, the Cariboo Project's three key mineral deposits.

"**CRM**" means certified reference materials.

"**Datamine"** means Datamine Studio RM 1.5.62.0.

"**Defaulting Party**" shall have the meaning ascribed to such term in "*Amalgamation Agreement – Conditions Precedent to the Amalgamation*".

"**Designated Affiliate**" has the meaning ascribed thereto in the Employee Share Purchase Plan of the Resulting Issuer, a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"**Disinterested Shareholders**" means Barolo Shareholders excluding: (i) the Person that holds or will hold Resulting Issuer Options, Resulting Issuer RSUs or Resulting Issuer DSUs, as applicable; and (ii) any Associate of the Persons referred to in (i).

"**Dissent Rights**" means the right to dissent provided by Section 238 of the BCBCA.

"**DSU**" or "**DSUs**" means deferred share unit.

"**DSU Plan Participants**" means non-employee members of the Resulting Issuer Board who are designated by the Resulting Issuer Board (or such other committee of the directors appointed to administer the Resulting Issuer DSU Plan) as able to participate in the Resulting Issuer DSU Plan.

"**Effective Date**" means the date of the Amalgamation, as set out on the Certificate of Amalgamation.

"**Effective Time**" means the time on the Effective Date that the Amalgamation becomes effective.

"**Eligible Director**" has the meaning ascribed to the term in the Resulting Issuer DSU Plan, a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"**Eligible Employee**" has the meaning ascribed to such term in the Employee Share Purchase Plan.

"**Eligible Employee Contribution**" has the meaning ascribed to such term in the Employee Share Purchase Plan.

"**Employee Share Purchase Plan**" means the Employee Share Purchase Plan of the Resulting Issuer, a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"**Escrowed Funds"** has the meaning ascribed to such term in "*Subscription Receipt Financing*".

"**Escrowed Proceeds**" has the meaning ascribed to such term in "*Subscription Receipt Financing*".

"**Escrow Release Conditions**" means, collectively, the following conditions:

(a) the completion or satisfaction of all conditions precedent to the Amalgamation as set out in the Amalgamation Agreement (other than the conversion of the Subscription Receipts to Osisko Subco Shares and Osisko Subco Warrants) having occurred at or prior to the Escrow Release Deadline;

(b) the shares of the Resulting Issuer having been conditionally approved for listing on the Exchange;

(c) a title opinion in respect of the Cariboo Project having been delivered to the Co-Lead Underwriters;

(d) an opinion of counsel of Osisko Subco having been delivered to the Co-Lead Underwriters that, upon the conversion of the Subscription Receipts and completion of Transaction, the Resulting Issuer Shares issued to holders of Subscription Receipts in exchange for Osisko Subco Shares issued to such holders on conversion of the Subscription Receipts will be freely tradeable on the Exchange and not subject to any statutory hold period under applicable Canadian Securities Laws; and

(e) the Corporation and each of the Co-Lead Underwriters (on its own behalf and on behalf of the Underwriters) having delivered an Escrow Release Notice (in accordance with the terms of the Subscription Receipt Agreement) to the Subscription Receipt Agent confirming that the conditions set forth above have been satisfied or waived.

"**Escrow Release Deadline**" means 5:00 p.m. (Toronto time) on January 30, 2021, or on such later date as the Corporation and the Co-Lead Underwriters may mutually agree upon in writing.

"**Escrow Release Notice**" means a written notice, in substantially the form set out in Schedule "B" to the Subscription Receipt Agreement, executed by the Corporation and acknowledged by the Co-Lead Underwriters, confirming that the Escrow Release Conditions have been satisfied or, to the extent applicable, waived.

"**Escrow Release Time**" has the meaning ascribed to such term in the Subscription Receipt Agreement.

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange.

"**Exchange Approval**" means the necessary approvals of the Exchange for the Transaction.

"**Exchange Bulletin**" means the bulletin issued by the Exchange following Closing and the submission of all final documents which evidences the final Exchange acceptance of the Transaction.

"**Exchange Form 3D2**" means Exchange Form 3D2 – *Information Required in an Filing Statement for a Reverse Takeover or Change of Business*.

"**Exchange Policy 2.2**" means Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

"**Exchange Policy 4.4**" means Exchange Policy 4.4 – *Incentive Stock Options*.

"**Exchange Policy 5.2**" means Exchange Policy 5.2 – *Changes of Business and Reverse Takeovers*.

"**Exchange Policy 5.4**" means Exchange Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions*.

"**Filing Statement**" means this filing statement in Form 3D2 – Information Contained in a Filing Statement for a Reverse Takeover or a Change of Business of the TSXV.

"**Financing**" means the brokered private placement by Osisko Subco of 13,350,000 Subscription Receipts at a price of $7.50 per Subscription Receipt for aggregate gross proceeds of $100,125,000.

"**Forward-Looking Information"** has the meaning ascribed to such term in Canadian Securities Laws.

"**Governmental Entity**" means: (i) any supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing; (ii) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court; and (iii) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies.

"**Guerrero Properties**" means the mineral exploration properties consisting of approximately 900,000 hectares located in the prolific Guerrero Gold Belt in Guerrero, Mexico.

"**InnovExplo**" means InnovExplo Inc.

"**Insider**" if used in relation to an issuer, means:

(a) a director or senior officer of the issuer;

(b) a director or senior officer of a company that is an insider or subsidiary of the issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than ten percent (10%) of the voting rights attached to all outstanding voting shares of the issuer; or

(d) the issuer itself if it holds any of its own securities.

"**Investor Relations Employee**" has the meaning ascribed thereto in the Resulting Issuer Option Plan a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"**Issue Price**" has the meaning ascribed to such term in "*The Transaction – Subscription Receipt Financing*".

"IWGM" means International Wayside Gold Mines Ltd.

"**James Bay Properties**" means the 26 mineral exploration properties owned by Osisko located in the James Bay area of Québec (excluding the Coulon Project).

"**Laws**" means any laws, including, without limitation, supranational, national, provincial, state, municipal and local civil, commercial, banking, tax, personal and real property, security, mining, environmental, water, energy, investment, property ownership, land use and zoning, sanitary, occupational health and safety laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by- laws, rules, regulations, ordinances, protocols, codes, guidelines, policies, notices, directions or other requirements of any Governmental Entity.

"**Letter of Transmittal**" means the letter of transmittal relating to the exchange of pre-Consolidation Barolo Shares for post-Consolidation Barolo Shares.

"**Long-Term Disability**" has the meaning ascribed thereto in the Resulting Issuer RSU Plan a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"**Market Value**" of a Resulting Issuer Share means the closing market price of the Resulting Issuer Shares on the Exchange on the applicable date.

"**Material Adverse Change**" has the meaning ascribed thereto in the Amalgamation Agreement.

"**Material Adverse Effect**" has the meaning ascribed thereto in the Amalgamation Agreement.

"**MD&A**" means management's discussion and analysis.

"**Meeting**" means the special meeting of the shareholders of Barolo to consider the Consolidation, Continuance, Name Change and Board Reconstitution.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**Mosquito Creek Gold**" means Mosquito Creek Gold Mining Company Ltd.

"**MRE**" means Mineral Resource Estimate.

"**Name Change**" means the proposed change of Barolo's name from "Barolo Ventures Corp." to "Osisko Development Corp.".

"**NEO**" means a named executive officer, which includes:

(a) the chief executive officer (the "**CEO**");

(b) the chief financial officer (the "**CFO**");

(c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the relevant period in question whose total compensation was, individually, more than CDN $150,000; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that period.

"**New By-laws**" has the meaning ascribed to such term in the Amalgamation Agreement.

"**Newmont**" means Newmont Mining Corporation.

"**NEX**" means a separate board of the Exchange for companies previously listed on the Exchange or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets.

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

"**NI 45-102**" means National Instrument 45-102 – *Resale of Securities*.

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*.

"**Non-Defaulting Party**" shall have the meaning ascribed to such term in "*Amalgamation Agreement – Termination of the Amalgamation Agreement*".

"**Option Cancellation Agreements**" has the meaning ascribed to such term in "*Amalgamation Agreement – Conditions Precedent to the Amalgamation*".

"**Option Period**" has the meaning ascribed to such term in the Resulting Issuer Option Plan.

"**Option Plan Participant**" means the executives key employees entitled to participate in the Resulting Issuer Option Plan.

"**Options"** means the options granted under the Barolo Stock Option Plan.

"**Osisko**" means Osisko Gold Royalties Ltd, a corporation existing under the QBCA.

"**Osisko Annual Carve Out Financial Statements**" means the audited annual combined carve out financial statements of the Mining Activities of Osisko for years ended December 31, 2019 and 2018 together with the notes thereto, presented in Canadian dollars.

"**Osisko Board**" means the board of directors of Osisko.

"**Osisko Contribution Agreement**" means the agreement between Osisko and Osisko Subco pursuant to which the Contributed Osisko Assets will be transferred by Osisko to Osisko Subco in exchange for the Consideration Shares.

"**Osisko Interim Carve Out Financial Statements**" means the unaudited interim combined carve out financial statements of the Mining Activities of Osisko for the three and nine months ended September 30, 2020 and 2019 together with the notes thereto, presented in Canadian dollars.

"**Osisko Participation Rights**" means the following rights that the Resulting Issuer will grant Osisko in connection with the completion of the Transaction: (i) a right of first refusal on all future royalties and streams to be offered by the Resulting Issuer; (ii) a right to participate in buybacks of existing royalties held by the Resulting Issuer, and (iii) an equity participation right to maintain its *pro rata* equity ownership in the Resulting Issuer on future prospectus or private placement offerings of the Resulting Issuer.

"**Osisko Retained Royalty Interests**" means the interests in the Contributed Osisko Properties that Osisko or its Affiliates will retain upon the completion of the Transaction, including (i) a 5% NSR royalty on the Cariboo Project and Bonanza Ledge II Property; (ii) a 15% gold and silver stream in the San Antonio Gold Project; and (iii) a 3% NSR royalty on the Coulon Project, the James Bay Properties and the Guerrero Properties.

"**Osisko Shareholders**" means, at any time, the holders of shares in the capital of Osisko.

"**Osisko Subco**" means Osisko Development Holdings Inc., a corporation incorporated under the BCBCA, and a wholly owned subsidiary of Osisko.

"**Osisko Subco Shareholders**" means the holders of Osisko Subco Shares.

"**Osisko Subco Shares**" means the common shares in the capital of Osisko Subco.

"**Osisko Subco Warrant**" means a share purchase warrant to acquire an Osisko Subco Share at a price of $10.00 per Osisko Subco Share for a period of 18 months following the Effective Date, on the terms and conditions set out in the Warrant Indenture.

"**Parties**" means Barolo, Barolo Subco and Osisko Subco, and "**Party**" means any one of them, as applicable.

"**PEA**" means preliminary economic assessment.

"**Person**" means an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrative legal representative, Governmental Entity or any other entity, whether or not having legal status.

"**President's List**" means the President's List of Osisko in connection with the Financing.

"**Price**" has the meaning ascribed thereto in the Resulting Issuer Option Plan.

"**Promoter**" has the meaning ascribed thereto in the Securities Act.

"**Proxy**" means the form of proxy accompanying this Filing Statement.

"**QA/QC**" means quality assurance-quality control protocol.

"**QBCA**" means the *Business Corporations Act* (Québec).

"**QPs**" means qualified Persons under NI 43-101.

"**Registered Barolo Shareholders**" means shareholders of Barolo whose names appear on the records of Barolo as the registered holders of Barolo Shares.

"**Registrar**" means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA.

"**Related Party Transaction**" has the meaning ascribed to that term in MI 61-101, and includes a Related Party Transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves non-arm's length parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction.

"**Resulting Issuer**" means Barolo, as it will exist immediately following Closing, to be named "Osisko Development Corp.".

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer, as it will exist immediately following Closing.

"**Resulting Issuer's Contribution**" has the meaning ascribed to such term in the Employee Share Purchase Plan.

"**Resulting Issuer DSU Plan**" means the DSU plan of the Resulting Issuer, a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"**Resulting Issuer DSUs**" means deferred share units of the Resulting Issuer.

"**Resulting Issuer Employee Share Purchase Plan**" means the employee share purchase plan of the Resulting Issuer, a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"**Resulting Issuer Equity Incentive Plans**" means, collectively, the Resulting Issuer Option Plan, the Resulting Issuer RSU Plan, the Resulting Issuer DSU Plan and the Resulting Issuer Employee Share Purchase Plan, copies of which are attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"**Resulting Issuer Insiders**" as the context requires, has the meaning ascribed to the term "Insiders" in the Resulting Issuer RSU Plan, the Resulting Issuer DSU Plan, the Resulting Issuer Option Plan or the Resulting Issuer Employee Share Purchase Plan.

"**Resulting Issuer Option Plan"** means the option plan of the Resulting Issuer, a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"**Resulting Issuer Optionee**" has the meaning ascribed thereto in Appendix "E" – *"Information Concerning the Resulting Issuer"* under the heading "*Equity Incentive Plan – Approval of Resulting Issuer Option Plan*".

"**Resulting Issuer Options**" means options to purchase Resulting Issuer Shares granted pursuant to the Resulting Issuer Option Plan.

"**Resulting Issuer Pro Forma Financial Statements**" means the (i) unaudited pro forma statement of financial position as at August 31, 2020 reflecting the transfer of the Contributed Osisko Assets, together with the notes thereto, and (ii) unaudited statements of loss for the three months ended August 31, 2020 and for the year ended May 31, 2020 reflecting the transfer of the Contributed Osisko Assets, together with the notes thereto.

"**Resulting Issuer RSU Plan**" means the RSU plan of the Resulting Issuer, a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

"**Resulting Issuer RSUs**" means restricted share units of the Resulting Issuer.

"**Resulting Issuer Shareholders**" means holders of Resulting Issuer Shares.

"**Resulting Issuer Shares**" means the Barolo Shares following the Closing.

"**Resulting Issuer Warrant**" means a share purchase warrant to purchase a Resulting Issuer Share at a price of $10.00 per Resulting Issuer Share for a period of 18 months following the Effective Date, on the terms and conditions set out in the Warrant Indenture.

"**Reverse Takeover**" has the meaning given to such term in Exchange Policy 5.2.

"RSU" means a restricted share unit.

"**RSU Change of Control**" has the meaning ascribed to the term "Change of Control" in the Resulting Issuer RSU Plan.

"**RSU Consultants**" has the meaning ascribed to the term "Consultants" in the Resulting Issuer RSU Plan.

"**RSU Plan Participants**" means the executives, key employees and RSU Consultants entitled to participate in the Resulting Issuer RSU Plan.

"**RTO Letter Agreement**" means the binding letter agreement dated October 5, 2020 between Osisko and Barolo outlining the terms of the Transaction.

"**San Antonio Gold Project**" means the mineral property located in Sonora, Mexico.

"Securities Act" means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time.

"**Securities Laws**" means Canadian Securities Laws and U.S. Securities Laws and all other applicable Securities Laws and applicable stock exchange rules and listing standards of the stock exchanges.

"**Security Based Compensation Arrangements**" as the context requires, has the meaning ascribed thereto in the Resulting Issuer RSU Plan, the Resulting Issuer DSU Plan, the Resulting Issuer Option Plan or the Resulting Issuer Employee Share Purchase Plan, as applicable.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval website.

"**Service provider"** has the meaning ascribed thereto in the Resulting Issuer Option Plan.

"**Settlement Date**" as the context requires, has the meaning ascribed thereto in the Resulting Issuer RSU Plan or the Resulting Issuer DSU Plan, as applicable.

"**Snowshoe Group**" means the stratigraphic sequence composed of three major succession (from oldest to youngest): Downey, Harveys Ridge and Goose Peak (as defined by Feri and Schiarizza, 2006).

"**Subscription Receipt Agent**" means TSX Trust Company, and includes its successors and assigns appointed pursuant to the Subscription Receipt Agreement.

"**Subscription Receipt Agreement**" means the subscription receipt agreement dated October 29, 2020 among Barolo, Osisko Subco, the Subscription Receipt Agent and the Co-Lead Underwriters relating to the Subscription Receipts.

"**Subscription Receipts**" means the subscription receipts of Osisko Subco issued on October 29, 2020 pursuant to the Subscription Receipt Agreement, each representing a right to receive, upon satisfaction of the Escrow Release Conditions prior to the earlier of the Escrow Release Deadline and Termination Date, one Osisko Subco Share and one-half of one Osisko Subco Warrant.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder as may be amended from time to time.

"**Taxes**" means all federal, state, local, provincial, branch or other taxes, including, without limitation, income, gross receipts, windfall profits, value added, ad valorem, property, capital, net worth, production, sales, use, licence, excise, franchise, employment, sales taxes, use taxes, value added taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, pension plan premiums, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, mining taxes, alternative or add-on minimum taxes, goods and services tax, harmonized sales tax, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Entity, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties.

"**Termination Time**" has the meaning ascribed to such term in the Subscription Receipt Agreement.

"**Ticker Symbol Change**" has the meaning ascribed to such term in "*Summary – The Transaction*".

"**Transaction**" means the transactions described in the Amalgamation Agreement, pursuant to which, among other things, the Reverse Takeover will be implemented by way of an amalgamation between Osisko Subco and Barolo Subco.

"**TSX**" means Toronto Stock Exchange.

"**Underwriters**" has the meaning ascribed to such term in "*The Transaction – Susbcription Receipt Financing*".

"**Underwriters' Fee**" means a cash commission equal to 5.0% of the gross proceeds of the Financing; provided that a reduced cash commission equal to 2.0% shall be payable to the Underwriters in respect of subscribers on the President's List.

"**Underwriters' Option**" has the meaning ascribed to such term in "*Subscription Receipt Financing*".

"**Underwriting Agreement**" means the underwriting agreement dated October 29, 2020 among Osisko, Osisko Subco, Barolo and the Underwriters concerning the Financing.

"**U.S. Securities Laws**" means all applicable securities legislation in the U.S., including without limitation, the *U.S. Securities Act of 1933* and the *United States Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder, including judicial and administrative interpretations thereof, and the securities laws of the states of the U.S.

"**Warrant Agent**" means TSX Trust Company, as warrant agent under the Warrant Indenture.

"**Warrant Indenture**" means the warant indenture dated October 29, 2020 between Osisko Subco, the Warrant Agent and Barolo providing for the issuance of 6,675,000 Osisko Subco Warrants upon the conversion of the Subscription Receipts.

"**1999 Estimate**" means the block model calculation resulting from the infill drilling completed in 1997-1999 by S. Dyke (P. Geo) of Geological Systems Ltd.

"**2015 Estimate**" means the MRE for Cow Mountain by Dzick, 2015.

"**2017 MRE**" means the 2017 mineral resource estimate prepared by InnovExplo for the Barkerville Mountain deposit.

"**2018 MRE**" means the maiden resource estimate for the Cow Mountain and Island Mountain deposits prepared by InnovExplo.

"**2019 Program"** means Barkerville's 2019 diamond drilling program which ran from January to December 2019.

"**2020 MRE**" means the 2020 Mineral Resource Estimate for the Cariboo Project, encompassing the deposits of Cow Mountain, Island Mountain, and Barkerville Mountain.

"**2020 Program**" means Barkerville's 2020 drilling program focused primarily on the Cow–Island– Barkerville Corridor.

APPENDIX "A"
AMALGAMATION AGREEMENT

See attached.

AMALGAMATION AGREEMENT

THIS AGREEMENT is made effective as of October 23, 2020.

AMONG:

BAROLO VENTURES CORP., a corporation existing under the laws of the Province of British Columbia

("**Barolo**")

- and -

1269598 B.C. LTD., a corporation existing under the laws of the Province of British Columbia

("**Barolo Subco**")

- and -

OSISKO DEVELOPMENT HOLDINGS INC., a corporation existing under the laws of the Province of British Columbia

("**Osisko Subco**")

WHEREAS:

A. Barolo is a reporting issuer in the Provinces of British Columbia and Alberta whose shares are listed on the Exchange;

B. Barolo Subco is a wholly-owned subsidiary of Barolo;

C. Osisko Subco is a wholly-owned subsidiary of Osisko;

D. In connection with the transactions contemplated by this Agreement, Osisko has agreed to transfer to Osisko Subco the Contributed Assets, consisting of the direct or indirect ownership interests in certain mining properties, as well as securities of certain publicly-traded securities;

E. Barolo Subco and Osisko Subco wish to combine their respective businesses by way of a triangular amalgamation, pursuant to which: (i) Barolo Subco will amalgamate with Osisko Subco under Section 269 of the BCBCA (the "**Amalgamation**") to form one corporation ("**Amalco**"), (ii) the security holders of Osisko Subco will receive securities of the Resulting Issuer in exchange for their securities of Osisko Subco, and (iii) the transactions will result in a "reverse take-over" of Barolo in accordance with the policies of the Exchange, all in the manner contemplated by and pursuant to the terms and conditions of this Agreement.

THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1
INTERPRETATION AND CONSTRUCTION

1.1 Defined Terms

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following words and terms shall have the indicated meanings and grammatical variations of such words and terms shall have corresponding meanings:

(a) "**1933 Act**" means the *Securities Act of 1933*, as amended, of the United States of America, and the rules and regulations promulgated from time to time thereunder;

(b) "**1940 Act**" means the *Investment Company Act of 1940*, as amended, of the United States of America, and the rules and regulations promulgated from time to time thereunder;

(c) "**Agreement**" means this Amalgamation Agreement, as the same may be amended from time to time;

(d) "**Amalco**" has the meaning set out in the recitals hereof;

(e) "**Amalco Shares**" means common shares in the capital of Amalco;

(f) "**Amalgamating Companies**" means Barolo Subco and Osisko Subco;

(g) "**Amalgamation**" has the meaning set out in the recitals hereof;

(h) "**Amalgamation Application**" means the application of the Amalgamating Companies, in the form attached as Appendix "A" hereto, to be submitted to the Registrar in accordance with Section 275 of the BCBCA;

(i) "**Applicable Securities Laws**" means the Securities Act and the regulations thereunder and all other applicable Canadian securities laws;

(j) "**Articles of Continuance**" means the articles of continuance of Barolo in respect of the Continuance, as requested by, and in form and substance satisfactory to, Osisko Subco, acting reasonably;

(k) "**Barolo**" means Barolo Ventures Corp., a corporation incorporated under the laws of the Province of British Columbia;

(l) "**Barolo Financial Statements**" has the meaning set out in Section 7.1(k);

(m) "**Barolo Options**" means all options to purchase Barolo Shares outstanding immediately prior to the Effective Time and detailed in Appendix "C" hereto;

(n) "**Barolo Shareholders**" means the holders of the Barolo Shares;

(o) "**Barolo Shares**" means common shares in the capital of Barolo;

(p) "**Barolo Subco**" means 1269598 B.C. Ltd., a corporation existing under the BCBCA and a wholly-owned subsidiary of Barolo;

(q) "**Barolo Subco Shares**" means common shares in the capital of Barolo Subco;

(r) "**Barolo Voting Support Agreements**" means the voting and support agreements dated the date hereof and made between Osisko and certain shareholders of Barolo, pursuant to which such shareholders agree to support the Amalgamation and the transactions contemplated by this Agreement;

(s) "**BCBCA**" means the *Business Corporations Act* (British Columbia);

(t) "**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in each of the Provinces of British Columbia, Ontario or Québec;

(u) "**Certificate of Amalgamation**" means a certificate issued by the Registrar pursuant to the BCBCA to evidence the Amalgamation;

(v) "**Closing**" has the meaning set out in Section 2.1;

(w) "**Compensation Plan Amendments**" has the meaning set out in Section 3.2(e);

(x) "**Confidential Information**" has the meaning set out in Section 6.3;

(y) "**Consolidation**" means the consolidation of the issued and outstanding Barolo Shares on the basis of one (1) post-consolidation Barolo Share for each sixty (60) pre-consolidation Barolo Shares;

(z) "**Continuance**" means the continuance of the Resulting Issuer under the *Canada Business Corporations Act* following the completion of the Amalgamation;

(aa) "**Continuance Resolution**" means a special resolution of the Barolo Shareholders, in form and substance satisfactory to Osisko Subco, acting reasonably, approving the Continuance, the Articles of Continuance and the New By-laws;

(bb) "**Contributed Assets**" will have the meaning ascribed thereto in the Osisko Contribution Agreement, and includes the assets set out in Appendix "D" hereto;

(cc) "**Dissent Rights**" means the right to dissent provided by Section 238 of the BCBCA;

(dd) "**Directed Selling Efforts**" has the meaning ascribed thereto in Regulation S;

(ee) "**Effective Date**" means the date of the Amalgamation, as set out on the Certificate of Amalgamation;

(ff) "**Effective Time**" means the time on the Effective Date that the Amalgamation becomes effective;

(gg) "**Escrow Release Conditions**" has the meaning ascribed thereto in the Osisko Subco Financing Documents;

(hh) "**Exchange**" means the TSX Venture Exchange;

(ii) "**Material Adverse Change**" means a change, event or occurrence, and "**Material Adverse Effect**" means, an effect which, in either case, either individually or in the

aggregate, is, or would reasonably be expected to be, material and adverse to the business, operations or capital of Barolo, Barolo Subco or Osisko Subco or that would reasonably be expected to have a significant adverse effect on the market price or value of a security of that company, including adverse changes of material fact, or any other event or development that could reasonably have a significant adverse impact on that company's affairs, operations or financial results;

(jj) "**Name Change**" means the change by Barolo of its name to "Osisko Development Corp." (or such other name as may be requested by Osisko, acting reasonably) concurrently with the Amalgamation;

(kk) "**New By-laws**" means the new by-laws of the Resulting Issuer, as requested by, and in form and substance satisfactory to, Osisko Subco, acting reasonably, which shall become effective upon the Continuance;

(ll) "**Option Cancellation Agreements**" has the meaning set out in Section 3.2(o);

(mm) "**Osisko Contribution Agreement**" means the agreement to be entered into between Osisko and Osisko Subco providing for the assignment by Osisko of the Contributed Assets to Osisko Subco;

(nn) "**Osisko**" means Osisko Gold Royalties Ltd., a corporation existing under the laws of the Province of Quebec;

(oo) "**Osisko Subco**" means Osisko Development Holdings Inc., a corporation existing under the BCBCA and, as of the date hereof, a wholly-owned subsidiary of Osisko;

(pp) "**Osisko Subco Financing**" means the private placement of Osisko Subco Subscription Receipts, at a price of $7.50 per Osisko Subco Subscription Receipt, as contemplated by the Osisko Subco Financing Documents;

(qq) "**Osisko Subco Financing Documents**" has the meaning set out in Section 7.2(p);

(rr) "**Osisko Subco Shareholders**" means the holders of the Osisko Subco Shares;

(ss) "**Osisko Subco Shares**" means the common shares in the capital of Osisko Subco;

(tt) "**Osisko Subco Subscription Receipt**" means a subscription receipt of Osisko Subco issued in connection with the Osisko Subco Financing, each of which will automatically convert into an Osisko Subco Share and one-half of an Osisko Subco Warrant immediately prior to the Amalgamation upon satisfaction of the Escrow Release Conditions;

(uu) "**Osisko Subco Warrant**" means a warrant to acquire an Osisko Subco Share at a price of $10.00 per Osisko Subco Share for a period of 18 months following the Effective Date;

(vv) "**Parties**" means Barolo, Barolo Subco and Osisko Subco collectively, and "**Party**" means any one of them;

(ww) "**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations for the Province of British Columbia duly appointed under the BCBCA;

(xx) "**Regulation D**" means Regulation D adopted by the SEC under the 1933 Act;

(yy) "**Regulation S**" means Regulation S adopted by the SEC under the 1933 Act;

(zz) "**Resulting Issuer**" means Barolo following the completion of the Amalgamation and the Name Change;

(aaa) "**Resulting Issuer Shares**" means the post-Consolidation Barolo Shares following the completion of the Amalgamation and the Name Change;

(bbb) "**Resulting Issuer Warrant**" has the meaning set out in Section 2.3(c);

(ccc) "**SEC**" means the United States Securities and Exchange Commission;

(ddd) "**Securities Act**" means the *Securities Act* (British Columbia) and the rules, regulations and published policies made thereunder;

(eee) "**Substantial U.S. Market Interest**" means substantial U.S. market interest as that term is defined in Regulation S;

(fff) "**Ticker Symbol Change**" means the change by Barolo of its ticker symbol from "BVC.H" to "ODV" (or such other ticker symbol as may be requested by Osisko, acting reasonably); and

(ggg) "**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

1.2 Construction

In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

(a) the terms "this Agreement", "herein", "hereof" and "hereunder" and similar expressions refer to this Agreement and any supplementary or ancillary agreement, instrument or document hereto, all as may be amended from time to time, and not to any particular article, section or other portion of this Agreement;

(b) unless otherwise specified, the word "Section" followed by a number refers to the specified Section of this Agreement;

(c) any reference to a currency shall refer to Canadian currency unless otherwise specifically referenced;

(d) words importing the singular shall include the plural, and vice versa; words importing gender shall include the opposite gender; words importing natural persons shall include corporations, partnerships, trusts and other legal entities, and vice versa; and words importing a particular form of legal entity shall include all other forms of legal entities interchangeably; and

(e) the division of this Agreement into Articles, sections, subsections, paragraphs and other subdivisions, and the use of headings, are for ease of reference only and shall not affect the interpretation or construction hereof.

1.3 Date for Any Action

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.4 Appendices

The following appendices are hereby incorporated in and form part of this Agreement:

(a) Appendix "A" – Amalgamation Application

(b) Appendix "B" – Articles of Amalco

(c) Appendix "C" – Issued and Outstanding Securities (and obligations to issue securities) of Barolo, Barolo Subco, and Osisko Subco

(d) Appendix "D" – Contributed Assets

ARTICLE 2
THE AMALGAMATION

2.1 Agreement to Amalgamate

The Amalgamating Companies agree to effect the Amalgamation under Section 269 of the BCBCA on the terms and conditions set out herein, and to continue as one corporation as of the Effective Time.

The Parties shall determine the Effective Date and Effective Time by mutual agreement, it being agreed that the Amalgamation Application shall not be filed with the Registrar, and the Amalgamation shall not become effective, until after the delivery and release of documents pursuant to Article 4 (the "**Closing**"). Forthwith upon the Closing, the Amalgamating Parties shall cause the Amalgamation Application to be filed with the Registrar, so that the Amalgamation shall become effective at the time the Amalgamation Application is filed with the Registrar, in accordance with Section 279(a) of the BCBCA.

For the avoidance of doubt, the Closing and filing of the Amalgamation Application shall not occur until after each of the following events have occurred: (i) the Consolidation; (ii) the transfer of the Contributed Assets by Osisko to Osisko Subco; and (iii) the satisfaction of the Escrow Release Conditions and the conversion of the Osisko Subco Subscription Receipts into Osisko Subco Shares and Osisko Subco Warrants.

Each of the Parties agrees to act in good faith and use all commercially reasonable efforts to take and do, or cause to be taken and done, all acts and other things necessary, proper or advisable to obtain all necessary approvals to complete the Amalgamation and the other transactions contemplated hereby in accordance with the terms and conditions hereof and applicable laws, and to cooperate with each other in connection therewith.

2.2 Effect of Amalgamation

The Parties hereby agree to effect the Amalgamation under Section 269 of the BCBCA pursuant to which the Amalgamating Companies will amalgamate and continue as one corporation following the Effective Time. For greater certainty, upon the Amalgamation becoming effective, the following shall occur and shall be deemed to occur without any further act or formality:

(a) the Amalgamating Companies shall be amalgamated and shall continue as one corporation on the terms and conditions prescribed in this Agreement

(b) Amalco shall have, as its Articles, the Articles attached hereto as Appendix "B", provided that those Articles have been signed by one or more of the individuals identified in this Agreement as the directors of Amalco;

(c) Amalco shall become capable immediately of exercising the functions of an incorporated company;

(d) the shareholders of Amalco shall have the powers and liability provided in the BCBCA;

(e) each shareholder of each of the Amalgamating Companies shall be bound by this Agreement;

(f) the property, rights and interests of each of the Amalgamating Companies shall continue to be the property, rights and interests of Amalco;

(g) Amalco shall continue to be liable for the obligations of each of the Amalgamating Companies;

(h) an existing cause of action, claim or liability to prosecution is unaffected;

(i) a legal proceeding being prosecuted or pending by or against either of the Amalgamating Companies may be prosecuted, or its prosecution may be continued, as the case may be, by or against Amalco; and

(j) a conviction against, or a ruling, order or judgment in favour for or against either of the Amalgamating Companies may be enforced by or against Amalco;

2.3 Exchange of Shares Pursuant to Amalgamation

Pursuant to the Amalgamation, the issued and outstanding Barolo Subco Shares and Osisko Subco Shares immediately prior to the Effective Time shall, at the Effective Time, be exchanged or cancelled as follows:

(a) each Barolo Subco Share issued and outstanding at the Effective Time shall be exchanged for one fully paid and non-assessable Amalco Share, and thereafter all the Barolo Subco Shares shall be cancelled without any repayment of capital in respect thereof;

(b) each Osisko Subco Share issued and outstanding at the Effective Time (including, for the avoidance of doubt, the Osisko Subco Shares issued upon conversion of the Osisko Subco Subscription Receipts) shall be exchanged for one fully paid and non-assessable Resulting Issuer Share, free and clear of any and all encumbrances, liens, charges, demands of any kind and nature, and thereafter all of the Osisko Subco Shares shall be cancelled without any repayment of capital in respect thereof; and

(c) each Osisko Subco Warrant issued and outstanding at the Effective Time (including, for the avoidance of doubt, the Osisko Subco Warrants issued upon conversion of the Osisko Subco Subscription Receipts) shall, in accordance with its terms, be exchanged for one warrant of the Resulting Issuer entitling the holder to acquire one Resulting Issuer Share at

an exercise price of $10.00 per Resulting Issuer Share for a period of 18 months from the Effective Date (each, a "**Resulting Issuer Warrant**").

2.4 Capital Additions

In accordance with Section 73 of the BCBCA, upon the exchange of shares contemplated by Sections 2.3(a) and 2.3(b):

(a) there shall be added to the capital account maintained by Amalco for the Amalco Shares, in respect of the Amalco Shares issued to the Resulting Issuer in accordance with Section 2.3(a), an amount equal to the aggregate capital of the Barolo Subco Shares outstanding immediately prior to the Effective Time; and

(b) there shall be added to the capital account maintained by the Resulting Issuer for the Resulting Issuer Shares, in respect of the Resulting Issuer Shares issued to the former holders of Osisko Subco Shares in accordance with Section 2.3(b), an amount equal to the aggregate capital of the Osisko Subco Shares outstanding immediately prior to the Effective Time (including, for the avoidance of doubt, the Osisko Subco Shares issued upon conversion of the Osisko Subco Subscription Receipts).

2.5 Waiver of Dissent Rights by Barolo

Barolo, being the sole shareholder of Barolo Subco and having full notice and knowledge of the Dissent Rights and the details of the Amalgamation, hereby waives its Dissent Rights in respect of the Amalgamation in accordance with Section 239 of the BCBCA.

2.6 Certificates

After the Effective Time,

(a) the registrar and transfer agent of Barolo shall forward or cause to be forwarded by first class mail (postage prepaid) to the former Osisko Subco Shareholders, at the address specified in the central securities register maintained by Osisko Subco, DRS statements or share certificates issued by such transfer agent evidencing the number of Resulting Issuer Shares issued to such Osisko Subco Shareholder pursuant to the Amalgamation, and all share certificates representing Osisko Subco Shares outstanding immediately prior to the Effective Time shall represent only the right of the registered holder thereof to receive Resulting Issuer Shares in accordance with this Agreement; and

(b) the warrant agent of the Resulting Issuer shall forward or cause to be forwarded by first class mail (postage prepaid) to the former holders of Osisko Subco Warrants, at the address specified in the central securities register maintained by Osisko Subco, warrant certificates issued by such warrant agent evidencing the number of Resulting Issuer Warrants issued to such former holders of Osisko Subco Warrants pursuant to the Amalgamation, and all warrant certificates representing Osisko Subco Warrants outstanding immediately prior to the Effective Time shall represent only the right of the registered holder thereof to receive Resulting Issuer Warrants in accordance with this Agreement.

2.7 Initial Amalco Corporate Matters

At the Effective Time, and thereafter subject to such change as may be properly effected under the BCBCA and the Articles of Amalco, as the case may be:

(a) **Name.** The name of Amalco shall be "Osisko Development Holdings Corp.", or such other name as Barolo and Osisko Subco shall agree.

(b) **Registered Office.** The registered and records office of Amalco shall be Suite 2500 Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8.

(c) **First Director.** The first director of Amalco shall be Sean Evan Otto Roosen at the address of 1100 Avenue des Canadiens-de-Montréal, Suite 300, Montreal QC H3B 2S2 Canada, unless otherwise agreed by Barolo and Osisko Subco.

(d) **Authorized Capital.** The authorized capital of Amalco shall consist of an unlimited number of common shares without par value, with the rights and restrictions set out in the Articles of Amalco, if any.

(e) **Restrictions on Business.** There shall be no restrictions on the business that Amalco may carry on.

(f) **Restrictions on Share Transfer.** Unless and for so long as Amalco is not a public company, no Amalco Shares may be transferred without the written consent of the directors of Amalco, which consent may be withheld at their sole discretion and without reason therefor.

(g) **Fiscal Year.** The fiscal year end of Amalco shall be December 31.

(h) **Auditor.** The auditor of Amalco shall be the auditor of the Resulting Issuer, unless the appointment of an auditor is waived.

(i) **Amalgamation Application.** The form of the Amalgamation Application to be filed with the Registrar in connection with the Amalgamation, including the form of Amalco's Notice of Articles, shall be in the form attached hereto as Appendix "A".

(j) **Articles of Amalco.** A copy of the Articles of Amalco, signed by the individual referred to in subsection (c) above, is attached hereto as Appendix "B".

2.8 Treatment of Restricted Securities under the 1933 Act

The Parties agree that the Resulting Issuer Shares to be issued to Osisko Subco Shareholders in the United States in connection with the Amalgamation will be "restricted securities" within the meaning of Rule 144 of the 1933 Act.

ARTICLE 3
CONDITIONS PRECEDENT TO THE AMALGAMATION

3.1 Mutual Conditions Precedent

Each party's obligation to satisfy their respective covenants herein and consummate the Amalgamation and other transactions contemplated herein is subject to the satisfaction, on or before the Effective Date (or such

other date as otherwise may be specifically indicated), of the following conditions, any of which may be waived by mutual consent of the parties subject to the satisfaction or in absence of such further conditions with respect to the giving of such waiver, and without prejudice to their rights to rely on one or more other conditions precedent:

(a) each of Barolo Subco and Osisko Subco shall have received the requisite approval of their respective shareholders for the adoption of this Agreement and the completion of the Amalgamation as required by the BCBCA;

(b) the Osisko Subco Financing shall have been completed for gross proceeds of not less than $50,000,000 (or such lesser amount as the parties may agree to in writing, provided that the gross proceeds of the Osisko Subco Financing shall be sufficient to ensure that, following the Amalgamation, the Resulting Issuer has sufficient working capital, on a consolidated basis, to meet the minimum listing requirements prescribed by the Exchange);

(c) the Escrow Release Conditions shall have been satisfied and the Osisko Subco Subscription Receipts shall have been converted into Osisko Subco Shares and Osisko Subco Warrants in accordance with the Osisko Subco Financing Documents;

(d) the conditional approval of the Exchange for the listing thereon of the Resulting Issuer Shares to be issued to Osisko Subco Shareholders pursuant to Section 2.3(b), shall have been received;

(e) the issuance of the Resulting Issuer Shares to Osisko Subco Shareholders pursuant to Section 2.3(b) shall be exempt from the prospectus and registration requirements of Applicable Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of exemptions under Applicable Securities Laws and shall not be subject to resale restrictions under Applicable Securities Laws (other than as applicable to control persons or pursuant to Section 2.5 of National Instrument 45-102 – *Resale of Securities*);

(f) all other approvals, consents and orders that are necessary or advisable for the consummation of the Amalgamation or other transactions contemplated herein, shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably;

(g) there shall not be in force any prohibition at law, order or decree restraining or enjoining the consummation of the Amalgamation or other transactions contemplated herein; and

(h) this Agreement shall not have been terminated pursuant to Article 5.

3.2 Osisko Subco Conditions Precedent

The obligation of Osisko Subco to satisfy its covenants herein and consummate the Amalgamation and other transactions contemplated herein is subject to the satisfaction, prior to the Effective Time of the following conditions, all of which are for the benefit of Osisko Subco and any of which may be waived by Osisko Subco (subject to the satisfaction of, or in absence of, such further conditions with respect to the giving of such waiver) without prejudice to its rights to rely on one or more other conditions precedent:

(a) the representations and warranties of Barolo and Barolo Subco in Section 7.1 shall be true and correct in all material respects as at the Effective Time;

(b) all covenants and obligations of Barolo and Barolo Subco required to be performed, satisfied and observed prior to or at the Effective Time shall have been performed, satisfied and observed in all material respects;

(c) Barolo Subco shall have delivered to Osisko Subco all of the documents set out in Section 4.2;

(d) Barolo shall have received (i) a resolution of the board of directors of Barolo, and (ii) a written resolution of holders of not less than 85% of the issued and outstanding Barolo Shares, in each case approving the Consolidation, and the Consolidation shall have become effective so that immediately prior to the Effective Time the number of issued and outstanding Barolo Shares shall not exceed 233,405 Barolo Shares;

(e) Barolo shall have adopted, and the Barolo Shareholders shall have approved, new equity compensation plans (including a stock option plan, restricted share unit plan, deferred share unit plan and employee share purchase plan) as requested by, and in form and substance satisfactory to, Osisko Subco, acting reasonably (the "**Compensation Plan Amendments**"), which Compensation Plan Amendments shall become effective at the Effective Time;

(f) the Barolo Shareholders shall have approved the Continuance Resolution, the Name Change and the Compensation Plan Amendments;

(g) each of Barolo and Barolo Subco shall have completed such acts and delivered to Osisko Subco such documents and other information as Osisko Subco, and any other regulatory authority or body having jurisdiction, shall have reasonably requested or required, including, without limitation, any acts or documents required to effect the Amalgamation, the Consolidation, the Name Change, the Ticker Symbol Change, the Continuance, the Articles of Amendment, the New By-laws and the Compensation Plan Amendments;

(h) neither Barolo nor any of its securities shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;

(i) there shall have been no Material Adverse Changes with respect to Barolo or Barolo Subco between the date of signing this Agreement and the Effective Time;

(j) the Barolo Voting Support Agreements shall not have been terminated or otherwise breached in any material manner by any of the parties thereto such that, as a result of such breach or termination, the requisite shareholders approvals required in connection with the Amalgamation (including, without limitation, the requisite approval of the Barolo Shareholders for the adoption of this Agreement, the completion of the Amalgamation, the Continuance and the Consolidation) are not obtained;

(k) none of the Barolo Shareholders shall have exercised Dissent Rights;

(l) each of the employees and directors of Barolo having delivered a termination and release agreement on terms satisfactory to Osisko Subco, acting reasonably, which, among other things, irrevocably and unconditionally releases, acquits and forever discharging Barolo and its agents, partners, officers, directors, insurers, servants, employees, successors and assigns of and from all actions, claims and demands of any and every kind whatsoever arising out of (A) such employee's employment agreement or arrangement with Barolo or

such director's tenure on the Board, as the case may be, and (B) the termination of such employee's employment agreement or arrangement with Barolo, including any and all claims for damages, salary, wages, benefits, termination pay, termination notice, severance pay, vacation pay, commissions, bonuses, expenses, allowances, incentive payments and change of control payments;

(m) the Exchange shall not have objected to the election of the individuals referred to in Section 4.2(j) to the board of directors of the Resulting Issuer, and such persons shall have been elected and appointed to the board of directors of Barolo at or prior to the Effective Time;

(n) the Exchange shall not have objected to the appointment of the individuals referred to in Section 4.2(l) to the management of the Resulting Issuer, and such persons shall have been elected to the management of Barolo at or prior to the Effective Time; and

(o) the outstanding Barolo Options shall have been surrendered by the holders thereof for cancellation prior to the Effective Time, and each holder of Barolo Options shall have delivered option cancellation agreements in form and substance satisfactory to Osisko Subco, acting reasonably (the "**Option Cancellation Agreements**").

3.3 Barolo and Barolo Subco's Conditions Precedent

The obligation of Barolo and Barolo Subco to satisfy their respective covenants herein and consummate the Amalgamation and other transactions contemplated herein is subject to the satisfaction, on or before the Effective Time, of the following conditions, all of which are for the benefit of Barolo and Barolo Subco and any of which may be waived by Barolo and Barolo Subco (subject to the satisfaction of, or in absence of, such further conditions with respect to the giving of such waiver) without prejudice to their rights to rely on one or more other conditions precedent:

(a) the representations and warranties of Osisko Subco in Section 7.2 shall be true and correct in all material respects as at the Effective Time;

(b) all covenants and obligations of Osisko Subco required to be performed, satisfied and observed prior to or at the Effective Time shall have been performed, satisfied and observed in all material respects;

(c) Osisko Subco shall have delivered to Barolo Subco all of the documents set out in Section 4.3;

(d) Osisko shall have contributed the Contributed Assets to Osisko Subco in accordance with the Osisko Contribution Agreement;

(e) there shall be no material action, cause of action, claim, demand, suit, investigation or other proceedings in progress, pending or threatened against or affecting Osisko Subco or Osisko Subco's respective officers and directors, at law or in equity, or before any governmental department, commission, or agency, which involve the reasonable likelihood of any judgment or liability against Osisko Subco;

(f) Osisko Subco shall have delivered to Barolo a list of all Osisko Subco Shareholders (including the holders of Osisko Subco Subscription Receipts who are entitled to receive Osisko Subco Shares upon satisfaction of the Escrow Release Conditions), together with

the number of Osisko Subco Shares held by each of them immediately prior to the Effective Time (assuming the conversion of all of the Osisko Subco Subscription Receipts into Osisko Subco Shares prior to the Effective Time), certified to be complete and accurate in all respects by a director or senior officer of Osisko Subco;

(g) Osisko and Osisko Subco shall have completed such acts and delivered to Barolo Subco such documents and other information as Barolo Subco, and any other regulatory authority or body having jurisdiction, shall have reasonably requested or required;

(h) none of the Osisko Subco Shareholders shall have exercised Dissent Rights; and

(i) there shall have been no Material Adverse Changes with respect to Osisko Subco between the date of signing this Agreement and the Effective Time.

ARTICLE 4
CLOSING

4.1 Time and Place of Closing

The Closing shall take place on the Effective Date at 9:30 a.m. (Vancouver time), or as soon as reasonably practicable thereafter, on such date and at such place as Barolo and Osisko Subco may mutually agree.

For the avoidance of doubt, the filing of the Amalgamation Application shall not occur until after the Closing has occurred. Forthwith upon the Closing, the Amalgamating Parties shall cause the Amalgamation Application to be filed with the Registrar, so that the Amalgamation shall become effective at the time the Amalgamation Application is filed with the Registrar, in accordance with Section 279(a) of the BCBCA.

4.2 Barolo Subco Deliveries at Closing

At the Closing, Barolo Subco shall deliver to Osisko Subco:

(a) a certificate signed by a director or senior officer of Barolo Subco confirming (i) that all of the mutual conditions precedent to the Amalgamation in Section 3.1 and all of the conditions precedent to the Amalgamation for the benefit of Barolo and Barolo Subco in Section 3.3 have been satisfied or waived by Barolo and Barolo Subco, and (ii) that all of the representations and warranties of Barolo and Barolo Subco in Section 7.1 are true and correct as if they had been made at the Effective Time;

(b) a certified copy of the Barolo directors' resolutions evidencing the approval of Barolo of the Amalgamation, the entering into of this Agreement and all matters related to the Amalgamation;

(c) a certified copy of the Barolo Subco directors' resolutions evidencing the approval of Barolo Subco of the Amalgamation, the entering into of this Agreement and all matters related to the Amalgamation;

(d) a certified copy of the resolutions of the sole shareholder of Barolo Subco evidencing such shareholder's adoption of this Agreement and approval of the Amalgamation;

(e) a certified copy of the Articles of Barolo;

(f) a certified copy of the Barolo director's resolutions evidencing the approval of the Consolidation prior to the Effective Time;

(g) a certified copy of a written resolution, in form and substance satisfactory to Osisko Subco and the Exchange, of holders of not less than 85% of the issued and outstanding Barolo Shares evidencing the approval of the Consolidation prior to the Effective Time;

(h) a certified copy of the central securities register of Barolo evidencing that the number of issued and outstanding Barolo Shares as of the Effective Date (before giving effect to the Amalgamation) does not exceed 233,405 Barolo Shares;

(i) a certified copy of the Barolo Shareholders' resolution and scrutineer's report evidencing the Barolo Shareholders' approval of the Continuance Resolution, the Name Change and the Compensation Plan Amendments;

(j) a certified copy of the Barolo Shareholders' resolution and scrutineer's report evidencing the Barolo Shareholders' approval of the appointment of following individuals to the board of directors of the Resulting Issuer effective as of the Effective Time:

(i) Sean Roosen;

(ii) Charles Page;

(iii) John Burzynski;

(iv) Joanne Ferstman;

(v) Michele McCarthy;

(vi) Duncan Middlemiss;

(vii) Eric Tremblay; and

(viii) any such additional individual or individuals, if any, as Barolo and Osisko Subco may agree to, subject to applicable requirements of the BCBCA and the Articles of Barolo;

(k) copies of resignations from Scott Ackerman, Brent Ackerman and Rick Cox as members of the board of directors and management of Barolo effective as of the Effective Time;

(l) evidence satisfactory to Osisko Subco that effective upon the Closing, the management of the Resulting Issuer shall be reconstituted to comprise the following persons:

(i) Sean Roosen – Chairman of the Board and Chief Executive Officer;

(ii) Benoit Brunet – Chief Financial Officer and Corporate Secretary;

(iii) Luc Lessard – Chief Operating Officer;

(iv) Chris Lodder – President; and

(v) such other persons agreeable to both Barolo and Osisko Subco;

(m) evidence satisfactory to Osisko Subco that Barolo has received conditional approval of the Exchange for the Amalgamation and the listing of the Resulting Issuer Shares to be issued to Osisko Subco Shareholders pursuant to Section 2.3(b) on the Exchange;

(n) evidence satisfactory to Osisko Subco that Barolo has received conditional approval of the Exchange for the Name Change and the Ticker Symbol Change;

(o) the share certificates or DRS statements representing the Resulting Issuer Shares to be issued to Osisko Subco Shareholders pursuant to Section 2.3(b);

(p) the warrant certificates representing the Resulting Issuer Warrants to be issued to holders of Osisko Subco Warrants pursuant to Section 2.3(c);

(q) duly executed Option Cancellation Agreements from each former holder of Barolo Options;

(r) the Amalgamation Application duly executed by Barolo Subco; and

(s) such other documents and instruments in connection with the Closing as may be reasonably requested by Osisko Subco.

4.3 Osisko Subco Deliveries at Closing

At the Closing, Osisko Subco shall deliver to Barolo Subco:

(a) a certificate signed by a director or senior officer of Osisko Subco confirming (i) that all of the mutual conditions precedent to the Amalgamation in Section 3.1 and all of the conditions precedent to the Amalgamation for the benefit of Osisko Subco in Section 3.2 have been satisfied or waived by Osisko Subco, and (ii) that all of the representations and warranties of Barolo and Barolo Subco in Section 7.1 are true and correct as if they had been made at the Effective Time;

(b) a certified copy of the Osisko Subco directors' resolutions or other documentation evidencing the approval of Osisko Subco of the Amalgamation, the entering into of this Agreement and all matters related to the Amalgamation;

(c) a certified copy of the shareholders' resolutions of Osisko Subco evidencing the adoption of this Agreement and approval of the Amalgamation;

(d) a list of all Osisko Subco Shareholders holders of Osisko Subco Warrants (including the holders of Osisko Subco Subscription Receipts whose Osisko Subco Subscription Receipts will be converted into Osisko Subco Shares and Osisko Subco Warrants upon satisfaction of the Escrow Release Conditions), including the amount of the Osisko Subco Shares and Osisko Subco Warrants, as applicable, held by each of them immediately prior to the Effective Time, certified to be complete and accurate in all respects by a director or senior officer of Osisko Subco;

(e) the minute books and corporate records of Osisko Subco (which shall thereafter form part of the pre-Amalgamation minutes and corporate records of Amalco);

(f) the Amalgamation Application duly executed by Osisko Subco; and

(g) such other documents and instruments in connection with the Closing as may be reasonably requested by Barolo or Barolo Subco.

ARTICLE 5
TERMINATION

5.1 Right to Terminate

This Agreement may be terminated, at any time prior to the Effective Time, by the mutual consent of the parties or, in the following circumstances, by written notice given by the terminating party to the other parties hereto:

(a) by either of Barolo or Osisko Subco, if the Effective Time has not occurred on or before 5:00 p.m. on January 31, 2021, or such other date as mutually agreed to between Osisko Subco and Barolo; or

(b) by either of Barolo or Osisko Subco (the "**Non-Defaulting Party**"), if the other party (which, in the case of Barolo, shall include Barolo Subco) is in default (the "**Defaulting Party**") of any covenant on its part to be performed hereunder, and the Non-Defaulting Party has given written notice (the "**Default Notice**") of such default to the Defaulting Party and the Defaulting Party has failed to cure such default within fourteen (14) days of the Default Notice,

and in such event, each party hereto shall be released from all obligations under this Agreement without liability, provided that such release without liability shall not apply if such termination is a result of the party's failure to perform, satisfy or observe in good faith its obligations to be performed, satisfied or observed hereunder.

5.2 Effect of Termination

Notwithstanding Section 5.1, each party's right of termination under this Article 5 is in addition to and not in derogation of or limitation to any other rights, claims, causes of action or other remedy that such party may have under this Agreement or otherwise at law with respect to any misrepresentation or breach of covenant or indemnity contained herein.

ARTICLE 6
CONDUCT PRIOR TO CLOSING

6.1 Conduct of Business

From the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement, and except as expressly contemplated by this Agreement, each party hereto shall conduct its business, affairs and operations in the ordinary and usual course consistent with past practices and shall not:

(a) enter into (or terminate) any material contract or material transaction, except where any such material contract relates to the establishment of Osisko Subco's business necessary to meet the listing criteria of the Exchange (including, for the avoidance of doubt, entering into the Osisko Contribution Agreement);

(b) expend any material amount of funds or incur any material liabilities or obligations, except to the extent such expenses relate to the transactions contemplated by this Agreement, or are necessary for the establishment of Osisko Subco's business;

(c) issue any securities other than in accordance with the Osisko Contribution Agreement or pursuant to the Osisko Subco Financing; or

(d) otherwise take any other action with the intent or foreseeable effect of leading to any of the foregoing,

without first obtaining the written of the other parties hereto, which consent shall not be unreasonably withheld or delayed.

For greater clarity, transactions outside the ordinary course include, but are not limited to: dividends or other distributions to shareholders (other than ordinary course compensation for services); the issuance of equity or voting securities or securities convertible into equity or voting securities, other than in connection with the exercise of options or warrants outstanding on the date of this Agreement, or entering into any agreement with respect to the issuance of such securities; entering into any employment or other agreement that contains a "change of control", severance, or similar provision that provides for a payment, or acceleration or modification of any rights or obligations, upon, or following, a termination or a change of control of Barolo; payment to suppliers or collection of accounts receivable in a manner inconsistent with past practices; factoring of accounts receivable; and related-party transactions inconsistent with past practice.

6.2 Non-Solicitation

(a) Neither Barolo nor any of its associates or affiliates, or their respective representatives or advisors, will, at any time from the date hereof solicit, encourage, discuss, negotiate or entertain any proposals from or provide financial, operating or any other non-public information to, any party other than Osisko. Barolo and its associates and affiliates, and their respective representatives and advisors, will immediately:

(i) cease and terminate existing discussions, conversations, negotiations and other communications with any persons currently conducted with respect to any of the foregoing; and

(ii) notify Osisko regarding any contact between Barolo or any of its associates or affiliates, or their respective representatives or advisors, and any person regarding any such offer, proposal or inquiry.

(b) Neither Osisko, nor any of its associates or affiliates, or their respective representatives or advisors, will, at any time from the date hereof solicit, encourage, discuss, negotiate or entertain any proposals from or provide financial, operating or any other non-public information relating to the Contributed Assets, to any party other than Barolo, except (i) as required in connection with the Osisko Subco Financing, or (ii) in furtherance of any matter which does not impede with the completion of the Amalgamation or any other matter contemplated under this Agreement. Osisko and its associates and affiliates, and their respective representatives and advisors, will immediately:

(i) cease and terminate existing discussions, conversations, negotiations and other communications with any persons currently conducted with respect to any of the foregoing; and

(ii) notify Barolo regarding any contact between Osisko or any of its associates or affiliates, or their respective representatives or advisors, and any person regarding any such offer, proposal or inquiry.

Notwithstanding the foregoing, each party shall forthwith disclose to the other party any material updates or facts that materially affect, or would reasonably be expected to materially affect, the ability of such party to consummate the Amalgamation or any other matter contemplated under this Agreement. Furthermore, nothing herein contained shall be interpreted as limiting the directors of any party from performing their fiduciary duties as directors under applicable law.

6.3 Access to Information; Use and Confidentiality

From the date of this Agreement until the earlier of the Closing or the termination of this Agreement, each party hereto shall give to the other parties full access during normal business hours to all directors, officers, employees, consultants, properties, assets, contracts, books, accounts, records and other information, data and documents pertaining to the party and its business, affairs, operations, properties, assets, liabilities and financial condition ("**Confidential Information**"), always provided that such access shall not materially interfere with the normal business operations of the person. Upon the termination of this Agreement for any reasons, any party in receipt of Confidential Information shall promptly return same to the originating party together with any copies thereof and any other information, data and documents in any form produced, made or derived therefrom.

Confidential Information to which a party receives access to or is given in accordance herewith shall be used solely for the purpose of completing the Amalgamation and shall be treated on a strictly confidential basis, except any such information, data and documents which has been previously or has become generally disclosed to the public other than through a breach of this confidentiality provision, or that is required to be disclosed by a court of competent jurisdiction. The parties agree to restrict access to Confidential Information on a need to know basis and to take all appropriate steps to safeguard against the accidental disclosure or improper use of Confidential Information.

6.4 Public Disclosure

All public announcements regarding this Agreement or the Amalgamation shall be subject to review and reasonable consultation of all parties hereto as to form, content and timing, before public disclosure, always provided that a party shall be entitled to make such public announcement if required by applicable law or regulatory requirements to immediately do so and it has taken reasonable efforts to comply herewith.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of Barolo and Barolo Subco

Each of Barolo and Barolo Subco, jointly and severally represents and warrants to Osisko Subco that:

Organization

(a) it is incorporated or otherwise formed under the laws of British Columbia, is a valid and existing company, and, with respect to the filing of annual reports, is in good standing and, apart from the Amalgamation and transactions contemplated by this Agreement, no proceedings have been taken or authorized by Barolo or Barolo Subco in respect of the bankruptcy, reorganization, insolvency, liquidation, dissolution or winding up of Barolo or Barolo Subco;

Authorization and Approvals

(b) it has all requisite corporate power and capacity and has taken all necessary corporate action to authorize it to execute and deliver this Agreement and perform its obligations hereunder, and this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding obligation enforceable against it in accordance with the terms of this Agreement, except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court;

(c) its execution and delivery of this Agreement and its performance of its obligations hereunder does not and shall not result in the breach of, constitute a default under or conflict with: (i) any provision of its constating documents; (ii) any resolutions of its shareholders or directors; (iii) any statute, rule or regulation applicable to it or its property; (iv) any order, decree or judgment of a court or regulatory authority or body having jurisdiction over it or its property; (v) any mortgage, indenture, agreement or other commitment to which it is a party or it or its property is bound; or (vi) any agreement which would permit any party to that agreement to terminate such agreement or accelerate the maturity of any indebtedness of Barolo or Barolo Subco, or that would result in the creation or imposition of any encumbrance of the Barolo Shares or the assets of Barolo or Barolo Subco;

(d) all consents, approvals, permits, authorizations or filings as may be required for the execution and delivery of this Agreement, and the completion of the Amalgamation contemplated herein, have been obtained or shall have been obtained prior to the Closing;

Conduct of Business

(e) it has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its property and assets, and it is duly and appropriately registered, licensed and otherwise qualified to carry on its business and to own, lease and operate its property and assets and is in good standing in all material respects in each jurisdiction where it carries on business or owns, leases or operates its property or assets;

(f) it has complied with and is in compliance, in all material respects, with all applicable laws, and has all material licences, permits, orders or approvals of, and has made all required registrations with, any governmental or regulatory body that are material to the conduct of its business;

(g) it currently has no active business operations;

(h) other than this Agreement, it is not party to any contract that is material to its properties, assets or operations;

Assets / Liabilities

(i) it does not own any property or assets, other than cash or cash equivalents;

(j) it does not lease any property or premises and is not required to make any payments in connection with its use or occupation of any property or premises;

(k) it has no liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise), except for: (i) liabilities and obligations that are specifically disclosed in the audited annual financial statements of Barolo (including any related notes thereto) for the fiscal years ended May 31, 2020 and May 31, 2019 (the "**Barolo Financial Statements**"); or (ii) liabilities and obligations incurred in the ordinary course of business consistent with past practice since May 31, 2020 that are not and would not, individually or in the aggregate with all other liabilities and obligations of Barolo and Barolo Subco (other than those disclosed in the Barolo Financial Statements), reasonably be expected to have a Material Adverse Effect in respect of Barolo or Barolo Subco, or, as a consequence of the consummation of this Agreement, have a Material Adverse Effect in respect of Barolo or Barolo Subco;

(l) Barolo has no subsidiaries other than Barolo Subco;

(m) it has no reasonable grounds for believing that any creditor of Barolo Subco will be prejudiced by the Amalgamation;

Financial Statements

(n) the Barolo Financial Statements have been prepared in accordance with the International Financial Reporting Standards, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of Barolo as of the date thereof, and there have been no adverse material changes in the financial position of Barolo since the date thereof and the business of Barolo has been carried on in the usual and ordinary course consistent with past practice since the date thereof;

(o) the financial books and records and accounts of Barolo, in all material respects, (i) have been maintained in accordance with good business practices on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Barolo, and (iii) accurately and fairly reflect the basis for the Barolo Financial Statements;

Absence of Material Adverse Effect / Change

(p) since May 31, 2020, except as disclosed in the Barolo Financial Statements for the fiscal year ended May 31, 2020, there has not been:

(i) any change in the financial condition, operations, results of operations, or business of Barolo, nor has there been any occurrence or circumstances which, to its knowledge, with the passage of time might reasonably be expected to have a

Material Adverse Effect on the business or operations of Barolo or Barolo Subco; or

(ii) any loss, labour trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by which, to its knowledge, has had, or may reasonably be expected to have, a Material Adverse Effect on the business or operations of Barolo or Barolo Subco;

Share Capital

(q) the authorized and issued share capital of each of Barolo and Barolo Subco is as set out in Appendix "C" hereto;

(r) other than as set out in Appendix "C":

(i) there are no options, warrants, rights, privileges or agreements requiring Barolo or Barolo Subco to sell, or otherwise issue (by exercise, conversion, exchange or otherwise), whether directly or indirectly, any of its unissued shares, other than any issuance of shares contemplated by Section 2.3; and

(ii) other than in connection with the Consolidation, there are no rights, privileges or agreements requiring Barolo or Barolo Subco to repurchase, redeem, retract or otherwise acquire, whether directly or indirectly, any of its issued shares or other securities;

Securities Matters

(s) the Barolo Shares are listed on the NEX board of the Exchange;

(t) Barolo is a reporting issuer in good standing in the Provinces of British Columbia and Alberta, is not in material default of any requirement of any applicable securities laws or the requirements of the Exchange, and neither Barolo nor any of its securities are the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;

(u) Barolo has filed all material documents or information required to be filed by it under Applicable Securities Laws since January 1, 2019 on the System for Electronic Document Analysis and Retrieval (SEDAR) website and as of their respective dates, all such information and materials filed by Barolo with the securities commissions (or equivalent other provincial securities regulator) in each of the Provinces of British Columbia and Alberta, and which are available through the SEDAR website as of the date hereof (including all exhibits and schedules thereto and documents incorporated by reference therein) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and complied in all material respects with all applicable legal and stock exchange requirements;

(v) no securities commission or other authority of any government or self-regulatory organization, including without limitation the Exchange, has issued any order preventing the Amalgamation or the sale or trading of any securities of Barolo, and, to the knowledge of Barolo, no proceedings for such purpose are pending or threatened;

(w) the Barolo Shares to be issued pursuant to the Amalgamation shall be issued as fully paid and non-assessable shares in the capital of Barolo, free and clear of any and all encumbrances, liens, charges, "restricted period" (pursuant to Section 2.5 of National Instrument 45-102 – *Resale of Securities*), demands of whatsoever nature under Canadian law, except those imposed pursuant escrow restrictions of the Exchange;

(x) Computershare Investor Services Inc. has been duly appointed as the registrar and transfer agent of Barolo;

(y) Barolo Subco is not a reporting issuer or equivalent in any jurisdiction and has not contravened any applicable securities laws of any jurisdiction, including without limitation in relation to the issuing of its shares or any other securities;

Litigation

(z) there is no claim, action, proceeding or, to the knowledge of Barolo and Barolo Subco, investigation that has been commenced or is pending or, to the knowledge of Barolo and Barolo Subco, threatened against Barolo or Barolo Subco or affecting any of its property or assets before any governmental entity or regulatory body which, if determined adversely to Barolo or Barolo Subco, as the case may be, would, individually or in the aggregate:

(i) reasonably be expected to result in liability to Barolo or Barolo Subco in excess of $10,000 or have a Material Adverse Effect in respect of Barolo or Barolo Subco, nor is Barolo or Barolo Subco aware of any existing ground on which any such claim, action, proceeding or investigation might be commenced with any reasonable likelihood of success; or

(ii) reasonably be expected to prevent or materially delay the consummation of the Amalgamation and the transactions contemplated thereby;

(aa) neither it, nor any of its assets and properties, is subject to any outstanding judgment, order, writ, injunction or decree which would reasonably be expected to have a Material Adverse Effect in respect of it to prevent or materially delay the consummation of the Amalgamation and the transactions contemplated thereby;

Labour / Employment

(bb) it is not a party to or a participant in any agreement, arrangement, plan, obligation or understanding providing for severance or termination or other payments in connection with the termination of the employment or engagement of, or resignation of, any director, officer or employee of, or independent contractor to, Barolo or Barolo Subco following a change of control of Barolo or Barolo Subco (other than statutory severance obligations), and there are no written or oral agreements, arrangements, plans, obligations or understandings providing for severance or termination or other payments in connection with the termination of the employment or engagement of, or resignation of, any director, officer or employee of, or independent contractor to, Barolo or Barolo Subco following a change of control of Barolo or Barolo Subco;

(cc) it has not declared or paid, or committed to declare or pay, any amount to any person in respect of a performance or incentive or other bonus (i) in respect of any period

commencing on or after January 1, 2019, or (ii) in connection with the completion of the Amalgamation and the transactions contemplated by this Agreement;

(dd) it is not subject to any claim for wrongful dismissal, constructive dismissal or any other claim, actual or threatened, or any litigation, actual or threatened, relating to its employees or independent contractors (including, without limitation, any termination of such persons) other than those claims or such litigation as would individually or in the aggregate not have a Material Adverse Effect in respect of it;

(ee) it is not a party to any collective bargaining agreement or subject to any application for certification or threatened or apparent union-organizing campaign, and there are no current, pending or threatened strikes, lockouts or other labour disputes or disruptions at its business operations;

(ff) it does not have a pension plan;

Books and Records

(gg) its minute books and corporate records are maintained substantially in accordance with all applicable laws and are complete and accurate in all material respects;

Tax Matters

(hh) it has filed all tax returns, reports and other tax filings, and has paid, deducted, withheld or collected and remitted on a timely basis all amounts to be paid, deducted, withheld or collected and remitted with respect to any taxes, interest and penalties as required under all applicable tax laws;

(ii) there are no assessments, reassessments, actions, suits or proceedings, in progress, pending, or threatened, against it, and no waivers have been granted by it in connection with any taxes, interest or penalties;

(jj) the provisions for taxes reflected in the Barolo Financial Statements are sufficient for the payment of all accrued and unpaid taxes, interest and penalties for all periods and all transactions up to the end of the most recent financial period addressed in the Barolo Financial Statements;

U.S. Securities Law Matters

(kk) Barolo is a "foreign issuer" within the meaning of Regulation S and reasonably believes that there is no Substantial U.S. Market Interest in the Barolo Shares;

(ll) Barolo is not required to be registered as an "investment company" as defined in the 1940 Act;

(mm) Except with respect to offers and sales to U.S. Accredited Investors in the United States in reliance upon the exemption from the registration requirements of the 1933 Act provided by Rule 506 of Regulation D and/or Rule 144A thereunder, neither Barolo nor any of its affiliates, nor any person acting on its or their behalf, has made or will make:

(i) any offer to sell, or any solicitation of an offer to buy, any Barolo Shares to any person in the United States; or

(ii) any sale of Barolo Shares unless, at the time the buy order was or will have been originated, (i) the purchaser is outside the United States or (ii) Barolo, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States;

(nn) Neither Barolo nor any person acting on its behalf has made or will make any Directed Selling Efforts in the United States with respect to the Barolo Shares, or has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D), including advertisements, articles, notices or other communications published in any newspaper, magazine, or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising in connection with the offer or exchange of the Barolo Shares in the United States; and

(oo) None of the "bad actor" provisions of Rule 506(d) or 506(e) of Regulation D are applicable to Barolo or to any person involved in any way on its behalf.

The representations and warranties contained in this Section 7.1 shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished at the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms. Any investigation by Osisko Subco and its advisors shall not mitigate, diminish or affect the representations and warranties of Barolo and Barolo Subco contained in this Agreement.

7.2 Representations and Warranties of Osisko Subco

Osisko Subco represents and warrants to each of Barolo and Barolo Subco that:

Organization

(a) it is incorporated under the laws of British Columbia, is a valid and existing company, and, with respect to the filing of annual reports, is in good standing and, apart from the Amalgamation and transactions contemplated by this Agreement, no proceedings have been taken or authorized by it or Osisko in respect of the bankruptcy, reorganization, insolvency, liquidation, dissolution or winding up of Osisko Subco;

Authorization and Approvals

(b) it has all requisite corporate power and capacity and has taken all necessary corporate action to authorize it to execute and deliver this Agreement and perform its obligations hereunder, and this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding obligation enforceable against it in accordance with the terms of this Agreement, except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court;

(c) its execution and delivery of this Agreement and its performance of its obligations hereunder does not and shall not result in the breach of, constitute a default under or conflict

with: (i) any provision of its constating documents; (ii) any resolutions of its shareholders or directors; (iii) any statute, rule or regulation applicable to it or its property; (iv) any order, decree or judgment of a court or regulatory authority or body having jurisdiction over it or its property; (v) any mortgage, indenture, agreement or other commitment to which it is a party or it or its property is bound; or (vi) any agreement which would permit any party to that agreement to terminate such agreement or accelerate the maturity of any indebtedness of Barolo Subco, or that would result in the creation or imposition of any encumbrance of the Osisko Shares or the assets of Osisko Subco;

(d) all consents, approvals, permits, authorizations or filings as may be required for the execution and delivery of this Agreement, and the completion of the Amalgamation contemplated herein, have been obtained or shall have been obtained prior to the Closing;

Conduct of Business

(e) it has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its property and assets, and it is duly and appropriately registered, licensed and otherwise qualified to carry on its business and to own, lease and operate its property and assets and is in good standing in all material respects in each jurisdiction where it carries on business or owns, leases or operates its property or assets;

(f) it has complied with and is in compliance, in all material respects, with all applicable laws, including applicable U.S. laws, and has all material licences, permits, orders or approvals of, and has made all required registrations with, any governmental or regulatory body that are material to the conduct of its business;

(g) it is in good standing with respect to all of its obligations owing pursuant to any material contracts, and each of such material contracts is a legal, valid and binding obligation of Osisko Subco;

(h) to the knowledge of Osisko Subco, other than as has been disclosed in writing directly to Barolo and Barolo Subco, all activities of Osisko Subco are in material compliance with and are in good standing under all applicable laws, rules, regulations and regulatory orders and prohibitions and there have been no violations thereof nor any basis for a claim or determination thereof, and there are no current, pending or threatened order, prohibition or other directive relating to any such matters nor to Osisko Subco's knowledge any basis for such order, prohibition or other directive;

(i) on the Effective Date, immediately prior to the Effective Time, Osisko Subco's business operations shall consist of the ownership and operation of the Osisko Contributed Assets;

Assets / Liabilities

(j) on the Effective Date, immediately prior to the Effective Time, Osisko Subco's assets shall consist of the Osisko Contributed Assets, and Osisko Subco shall have good and marketable title to the Osisko Contributed Assets;

(k) except to the extent incurred in connection with the acquisition of the Osisko Contributed Assets or the Osisko Subco Financing, or in the ordinary course of Osisko Subco's business, Osisko Subco does not have any outstanding indebtedness or any liabilities or obligations

(whether accrued, absolute, contingent or otherwise, including under any guarantee of any debt);

(l) it has no reasonable grounds for believing that any creditor of Osisko Subco will be prejudiced by the Amalgamation;

Share Capital

(m) the authorized and issued share capital of Osisko Subco is as set out in Appendix "C" hereto;

(n) other than pursuant to the Osisko Contribution Agreement or the Osisko Subco Financing:

(i) there are no options, warrants, rights, privileges or agreements requiring Osisko Subco to sell, or otherwise issue (by exercise, conversion, exchange or otherwise), whether directly or indirectly, any of its unissued shares; and

(ii) there are no rights, privileges or agreements requiring Osisko Subco to repurchase, redeem, retract or otherwise acquire, whether directly or indirectly, any of its issued shares or other securities;

Securities Matters

(o) it is not a reporting issuer or equivalent in any jurisdiction and has not contravened any applicable securities laws of any jurisdiction, including without limitation in relation to the issuing of its seed shares, founders shares or any other shares or other securities;

Osisko Subco Financing

(p) the documents in relation to the Osisko Subco Financing (including, without limitation, the engagement letter in respect thereof dated October 5, 2020) (collectively, the "**Osisko Subco Financing Documents**"), constitute legal, valid and binding obligations of Osisko Subco, enforceable by and against it in accordance with their terms;

Litigation Matters

(q) there are no claims, actions, suits or proceedings (judicial, administrative or otherwise) commenced, pending or threatened against it, nor to its knowledge is any of the foregoing contemplated nor to its knowledge is there any basis therefor;

Books and Records

(r) the minute books and corporate records of Osisko Subco are maintained substantially in accordance with all applicable laws and are complete and accurate in all material respects;

(s) the financial books and records and accounts of Osisko Subco in all material respects (i) have been maintained in accordance with good business practices, and (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Osisko Subco;

Tax Matters

(t) Osisko Subco has filed all tax returns, reports and other tax filings, and has paid, deducted, withheld or collected and remitted on a timely basis all amounts to be paid, deducted, withheld or collected and remitted with respect to any taxes, interest and penalties as required under all applicable tax laws; and

(u) there are no assessments, reassessments, actions, suits or proceedings, in progress, pending, or threatened, against Osisko Subco, and no waivers have been granted by Osisko Subco in connection with any taxes, interest or penalties.

The representations and warranties contained in this Section 7.2 shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished at the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms. Any investigation by Barolo and Barolo Subco and any of their advisors shall not mitigate, diminish or affect the representations and warranties of Osisko Subco contained in this Agreement.

ARTICLE 8
GENERAL

8.1 Expenses

The parties hereto acknowledge and agree that each party shall be responsible for its own costs, whether or not the transactions contemplated herein are completed, including but not limited to any fees, disbursements and charges incurred with respect to its due diligence investigations and the preparation of this Agreement and any other documents, certificates and opinions required for the Closing or otherwise required in connection herewith, provided, however, that the parties acknowledge and agree that Osisko Subco shall be responsible for the payment of all filing fees due to the Exchange and all fees and expenses of Barolo's counsel relating to the Osisko Subco Financing and all matters relating to any required shareholder or regulatory approvals of the matters referred to in this Agreement (up to a maximum of $200,000, exclusive of taxes and disbursements). For greater certainty, the parties acknowledge and agree that Osisko Subco and its counsel shall be primarily responsible, at Osisko Subco's cost, for preparation of all documentation and necessary regulatory filings in connection with the transactions contemplated by this Agreement, including, without limitation, this Agreement, the filing statement required by the rules of the Exchange, and any required shareholders meetings, subject to review and input on such documents and filings by counsel to Barolo.

8.2 Notices

Each notice, demand or other communication required or permitted to be given hereunder shall be effective if by email, in writing and delivered personally, transmitted by fax (with electronic confirmed receipt) or sent by prepaid mail as follows:

(a) If to Barolo or Barolo Subco,

Barolo Ventures Corp.
1600 – 609 Granville Street
Vancouver, British Columbia, V7Y 1C3
Email: sackerman@emprisecapital.com

Attention: Scott Ackerman, Chief Executive Officer

with a copy which shall not constitute notice to:

Cassels Brock & Blackwell LLP
Suite 2200, HSBC Building, 885 West Georgia St.
Vancouver, British Columbia, V6C 3E8
Email: jdurno@cassels.com

Attention: Jeff Durno

(b) If to Osisko Subco:

Sean Roosen
1100 Avenue des Canadiens-de-Montréal
Montréal, Québec H3B 2S2
Email: sroosen@osiskogr.com

Attention: Sean Roosen

with a copy which shall not constitute notice to:

Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130
Toronto, Ontario M5X 1A4
Email: grieves@bennettjones.com

Attention: Sander Grieve

and any notice, demand or other communication given as aforesaid shall be deemed to be received on the date of email, personal delivery or facsimile transmission if delivered or transmitted during normal business hours (and on the first Business Day thereafter if delivered or transmitted after normal business hours), and the third Business Day after mailing if sent by prepaid mail, excluding all days when normal mail service is interrupted. Any party may from time to time change its address of service by notice to the other parties in accordance herewith.

8.3 Entire Agreement and Further Assurances

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, whether oral or written, existing between the parties with respect to the subject matter hereof, including the letter of intent entered into between Barolo and Osisko dated effective October 5, 2020.

The parties shall from time to time promptly execute or cause to be executed all such deeds, conveyances and other documents and instruments and do or cause to be done all such acts and other things which may be necessary or advisable to fully carry out and give effect to the intent of and matters contained in this Agreement.

8.4 Amendments and Waivers

This Agreement may only be amended by instrument in writing signed by the parties hereto, without further notice to or consent or approval by their respective shareholders unless strictly required by applicable law.

Any waiver or consent hereunder must be in writing and signed by the party giving the waiver or consent. No waiver or consent hereunder shall be construed or deemed to be a waiver or consent with respect to any other provision hereof or to be a continuous waiver or consent unless so expressly provided for.

8.5 Severability

If any provision or part thereof of this Agreement is declared by a court or other judicial or administrative body of competent jurisdiction to be illegal, invalid or unenforceable, that provision or part thereof shall be severed from this Agreement and the remaining provisions of part thereof of this Agreement shall continue in full force and effect and unaffected thereby.

8.6 Assignment and Enurement

This Agreement is personal in nature and may not be assigned in whole or in part without the express written consent of the other parties hereto. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

8.7 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties hereto acknowledge and agree that the courts of British Columbia shall have exclusive jurisdiction with respect to any dispute or other matter arising hereunder.

8.8 Time of the Essence

Time shall be of the essence hereof.

8.9 Execution and Delivery

This Agreement may be signed and delivered in two or more counterparts and by electronic transmission, and when taken together such counterparts and facsimiles shall be deemed to constitute one and the same and an originally executed instrument having effect from the date first above written notwithstanding the date of execution and delivery.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

BAROLO VENTURES CORP.

Per: *(signed) Scott Ackerman*
Name: Scott Ackerman
Title: CEO/Director

1269598 B.C. LTD.

Per: *(signed) Scott Ackerman*
Name: Scott Ackerman
Title: Director

OSISKO DEVELOPMENT HOLDINGS INC.

Per: *(signed) Sandeep Singh*
Name: Sandeep Singh
Title: Director and President

Per: *(signed) André Le Bel*
Name: André Le Bel
Title: Director and Secretary

APPENDIX "A"

AMALGAMATION APPLICATION

to the Amalgamation Agreement made effective as of October 23, 2020 among Barolo Ventures Corp., 1269598 B.C. Ltd. and Osisko Development Holdings Inc.

See attached.

BC Limited Company

AMALGAMATION APPLICATION

BUSINESS CORPORATIONS ACT, section 275

Telephone: 1 877 526-1526
www.bcreg.ca
Mailing Address: PO Box 9431 Stn Prov Govt Victoria BC V8W 9V3
Courier Address: 200 – 940 Blanshard Street Victoria BC V8W 3E6

DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the *Business Corporations Act* requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the *FOIPPA* and the *Business Corporations Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A INITIAL INFORMATION – *When the amalgamation is complete, your company will be a BC limited company.*

What kind of company(ies) will be involved in this amalgamation?
(Check all applicable boxes.)

☑ BC company

☐ BC unlimited liability company

B NAME OF COMPANY – *Choose **one** of the following:*

☑ The name OSISKO DEVELOPMENT HOLDINGS CORP. is the name reserved for the amalgamated company. The name reservation number is: NR 3654957 ,

OR

☐ The company is to be amalgamated with a name created by adding "B.C. Ltd." after the incorporation number,

OR

☐ The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies.

The name of the amalgamating company being adopted is:

_____

The incorporation number of that company is: _____

Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.

C AMALGAMATION STATEMENT – *Please indicate the statement applicable to this amalgamation.*

☐ **With Court Approval:**
This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR

☑ **Without Court Approval:**
This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

D AMALGAMATION EFFECTIVE DATE – *Choose **one** of the following:*

☑ The amalgamation is to take effect at the time that this application is filed with the registrar.

☐ The amalgamation is to take effect at 12:01a.m. Pacific Time on YYYY / MM / DD being a date that is not more than ten days after the date of the filing of this application.

☐ The amalgamation is to take effect at _____ ☐ a.m. or ☐ p.m. Pacific Time on YYYY / MM / DD being a date and time that is not more than ten days after the date of the filing of this application.

E AMALGAMATING CORPORATIONS

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number. If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1. 1269598 B.C. LTD.	BC1269598	
2. OSISKO DEVELOPMENT HOLDINGS INC.	BC1268683	
3.		
4.		
5.		

F FORMALITIES TO AMALGAMATION

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

☐ This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

G CERTIFIED CORRECT – I have read this form and found it to be correct.

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item E.

	NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
1.		X	
2.		X	
3.		X	
4.		X	
5.		X	

NOTICE OF ARTICLES

A NAME OF COMPANY

Set out the name of the company as set out in Item B of the Amalgamation Application.

OSISKO DEVELOPMENT HOLDINGS CORP.

B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME	FIRST NAME	MIDDLE NAME
Roosen	Sean	Evan Otto

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
1100 Avenue des Canadiens-de-Montréal, Suite 300, Montreal	QC	Canada	H3B 2S2
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
same as above			

LAST NAME	FIRST NAME	MIDDLE NAME

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE

LAST NAME	FIRST NAME	MIDDLE NAME

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE

LAST NAME	FIRST NAME	MIDDLE NAME

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE	PROVINCE	POSTAL CODE
Suite 2500 Park Place, 666 Burrard Street, Vancouver	BC	V6C 2X8

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE	PROVINCE	POSTAL CODE
Suite 2500 Park Place, 666 Burrard Street, Vancouver	BC	V6C 2X8

E RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE	PROVINCE	POSTAL CODE
Suite 2500 Park Place, 666 Burrard Street, Vancouver	BC	V6C 2X8

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE	PROVINCE	POSTAL CODE
Suite 2500 Park Place, 666 Burrard Street, Vancouver	BC	V6C 2X8

F AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number.		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✔)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✔)	WITH A PAR VALUE OF ($)	Type of currency	YES (✔)	NO (✔)
Common	✔		✔				✔

APPENDIX "B"

ARTICLES OF AMALCO

to the Amalgamation Agreement made effective as of October 23, 2020 among Barolo Ventures Corp., 1269598 B.C. Ltd. and Osisko Development Holdings Inc.

See attached.

OSISKO DEVELOPMENT HOLDINGS CORP.
(the "Company")

Incorporation Number: _____

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1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

(1) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;

(2) "Business Corporations Act" means the *Business Corporations Act* (British Columbia) as amended from time to time and includes all regulations as amended from time to time made pursuant to that Act;

(3) "legal personal representative" means the personal or other legal representative of the shareholder;

(4) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;

(5) "seal" means the seal of the Company, if any.

1.2 *Business Corporations Act and Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*. The directors may, by resolution, provide that; (a) the shares of any or all of the classes and series of the Company's shares must be uncertificated shares; or (b) any specified shares must be uncertificated shares. Within reasonable time after the issue or transfer of a share that is an uncertificated share, the Company must send to the shareholder a written notice in accordance with the *Business Corporations Act.*

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares, each shareholder is entitled, on request and at the shareholder's option, to receive, without charge, (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

(1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

(1) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and

(2) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(1) consideration is provided to the Company for the issue of the share by one or more of the following:

  (a) past services performed for the Company;

  (b) property;

  (c) money; and

(2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

(1) a duly signed instrument of transfer in respect of the share has been received by the Company;

(2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and

(3) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

(1) in the name of the person named as transferee in that instrument of transfer; or

(2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(1) the Company is insolvent; or

(2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(1) is not entitled to vote the share at a meeting of its shareholders;

(2) must not pay a dividend in respect of the share; and

(3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

(1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;

(3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by resolution of the directors:

(1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(4) if the Company is authorized to issue shares of a class of shares with par value:

(a) decrease the par value of those shares; or

(b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(6) alter the identifying name of any of its shares; or

(7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may by special resolution:

(1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 Change of Name

The Company may by consent resolution of the directors or by special resolution authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

A notice of meeting for a meeting held entirely by virtual means in accordance with Article 11.17, must include instructions for shareholder participation in the meeting to the extent and in the manner required by the *Business Corporations Act*.

10.5 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(1) state the general nature of the special business; and

(2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.9 Location of Annual General Meeting

The Company may by resolution of the directors choose a location outside of British Columbia for the purpose of the meeting. If a meeting is held entirely by virtual means in accordance with Article 11.17, the meeting shall be deemed for all purposes of the *Business Corporations Act* and these Articles to be held at the registered office of the Company, subject to the provisions of the *Business Corporations Act*.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

(1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(2) at an annual general meeting, all business is special business except for the following:

(a) business relating to the conduct of or voting at the meeting;

(b) consideration of any financial statements of the Company presented to the meeting;

(c) consideration of any reports of the directors or auditor;

(d) the setting or changing of the number of directors;

(e) the election or appointment of directors;

(f) the appointment of an auditor;

(g) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(h) any other business which, under these Articles or the Business Corporations Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two shareholders entitled to vote at the meeting whether in person or by proxy who hold, in the aggregate, at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(1) the quorum is one person who is, or who represents by proxy, that shareholder, and

(2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Other Persons May Attend

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(1) the chair of the board, if any; or

(2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Meeting by Telephone or Other Communications Medium

A meeting of the shareholders may be held in person, virtually by telephone or other electronic communications medium, or in a hybrid fashion incorporating both in-person and virtual means. A shareholder or proxy holder may participate in a meeting of the shareholders in person or by telephone if all shareholders or proxy holders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other to the extent and in the manner required by the *Business Corporations Act*. A shareholder or proxy holder may participate in a meeting of the shareholders by a communications medium other than telephone, including by electronic means, if all shareholders or proxy holders participating in the meeting, whether in person or by telephone or other communications medium, including by electronic means, are able to communicate with each other to the extent and in the manner required by the *Business Corporations Act*. Any vote at a shareholder meeting may be conducted by telephone or other communications medium, including electronic means. A shareholder or proxy holder who participates in a meeting in a manner contemplated by this Article 11.17 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(1) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(2) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(1) for that purpose, the instrument appointing a representative must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(b) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;

(2) if a representative is appointed under this Article 12.5:

(a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies

If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, Articles 12.7 to 12.14 apply only insofar as they are not inconsistent with any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and insofar as they are not inconsistent with the regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commission or similar authorities appointed under that legislation.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders who need not be shareholders to act in the place of an absent proxy holder.

12.9 Deposit of Proxy

A proxy for a meeting of shareholders must:

(1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.10 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(2) by the chair of the meeting, before the vote is taken.

12.11 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]

(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder): _____

Signed *[month, day, year]*

_____
[Signature of shareholder]

_____
[Name of shareholder - printed]

12.12 Revocation of Proxy

Subject to Article 12.13, every proxy may be revoked by an instrument in writing that is:

(1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(2) provided, at the meeting, to the chair of the meeting.

12.13 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.12 must be signed as follows:

(1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.14 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

(1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;

(2) if the Company is a public company, the greater of three and the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4;

(3) if the Company is not a public company, the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

(1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.5 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.6 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.7 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make

contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

(2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

(1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

(2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(3) the date on which his or her successor is elected or appointed; and

(4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors but, if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purposes of appointing directors up to that number, summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors, or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

(1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

(1) the term of office of the director expires;

(2) the director dies;

(3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

(1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;

(4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

(1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

(2) the alternate director dies;

(3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(4) the alternate director ceases to be qualified to act as a director; or

(5) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16.3 Remuneration of the auditor

The directors may set the remuneration of the auditor without the prior approval of the shareholders.

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any

remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine. If a meeting of the directors is held by entirely virtual means by telephone or other communications method, including by electronic means, the meeting shall be deemed to be held at the registered office of the Company in lieu of another physical location for the purposes of the *Business Corporations Act* and these Articles.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote. Any vote at a meeting of directors may be conducted by telephone or others communications medium, including electronic means.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(1) the chair of the board, if any;

(2) in the absence of the chair of the board, the president, if any, if the president is a director; or

(3) any other director chosen by the directors if:

(a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A meeting of the directors may be held in person, virtually by telephone or other electronic communications medium, or in a hybrid fashion incorporating both in-person and virtual means. A director may participate in a meeting of the directors or of any committee of the directors in

person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone, including by electronic means, if all directors participating in the meeting, whether in person or by telephone or other communications medium, including by electronic means, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner**.**

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

(1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the

directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

(1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents to it in writing.

A consent in writing under this Article may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(1) the power to fill vacancies in the board of directors;

(2) the power to remove a director;

(3) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

(1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) the power to appoint or remove officers appointed by the directors; and

(3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

(1) conform to any rules that may from time to time be imposed on it by the directors; and

(2) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

(1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(2) terminate the appointment of, or change the membership of, the committee; and

(3) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

(1) the committee may meet and adjourn as it thinks proper;

(2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their members to chair the meeting;

(3) a majority of the members of the committee constitutes a quorum of the committee; and

(4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

(1) determine the functions and duties of the officer;

(2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any

person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

(1) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(2) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:

(a) is or may be joined as a party; or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(3) "expenses" has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with Business Corporations Act

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

21.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

(1) is or was a director, alternate director, officer, employee or agent of the Company;

(2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(1) set the value for distribution of specific assets;

(2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint

shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

(1) mail addressed to the person at the applicable address for that person as follows:

(a) for a record mailed to a shareholder, the shareholder's registered address;

(b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the mailing address of the intended recipient;

(2) delivery at the applicable address for that person as follows, addressed to the person:

(a) for a record delivered to a shareholder, the shareholder's registered address;

(b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the delivery address of the intended recipient;

(3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

(5) physical delivery to the intended recipient.

24.2 Deemed Receipt of Mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(1) mailing the record, addressed to them:

(a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. SEAL AND EXECUTION OF DOCUMENTS

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(1) any two directors;

(2) any officer, together with any director;

(3) if the Company only has one director, that director; or

(4) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

25.4 Execution of Documents Generally

The directors may from time to time by resolution appoint any one or more persons, officers or directors for the purpose of executing any instrument, document or agreement in the name of and on behalf of the Company for which the seal need not be affixed, and if no such person, officer or

director is appointed, then any one officer or director of the Company may execute such instrument, document or agreement.

26. PROHIBITIONS

26.1 Definitions

In this Article 26:

(1) "designated security" means:

(a) a voting security of the Company;

(b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or

(c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);

(2) "security" has the meaning assigned in the *Securities Act* (British Columbia);

(3) "voting security" means a security of the Company that:

(a) is not a debt security, and

(b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

[Signature page follows]

FULL NAME AND SIGNATURE OF THE DIRECTOR SIGNING ON BEHALF OF THE COMPANY:

_____

SEAN EVAN OTTO ROOSEN

DATED _____

APPENDIX "C"

ISSUED AND OUTSTANDING SECURITIES (AND OBLIGATIONS TO ISSUE SECURITIES)

to the Amalgamation Agreement made effective as of October 23, 2020 among Barolo Ventures Corp., 1269598 B.C. Ltd. and Osisko Development Holdings Inc.

1. **Barolo Ventures Corp.**

Type of Security	Number
Barolo Shares outstanding at date hereof	14,004,287
Other agreements/rights to issue Barolo Shares	1,400,000(1)

2. **1269598 B.C. Ltd.**

Type of Security	Number
Barolo Subco Shares outstanding at date hereof	1

3. **Osisko Development Holdings Inc.**

Type of Security	Number
Osisko Subco Shares outstanding at date hereof	100
Other agreements/rights to issue Osisko Subco Shares	Nil(2)

Note:

(1) 1,400,000 stock options at a weighted average exercise price of $0.25 per Barolo Share. These options will be cancelled in connection with the Amalgamation pursuant to the Option Cancellation Agreements.

(2) Not including (i) Osisko Subco Shares to be issued to Osisko pursuant to the Osisko Contribution Agreement, and (ii) Osisko Subco Shares to be issued upon (A) the conversion of Osisko Subco Subscription Receipts to be issued in connection with the Osisko Subco Financing, or (B)) the exercise of Osisko Subco Warrants to be issued upon the conversion of Osisko Subco Subscription Receipts to be issued in connection with the Osisko Subco Financing.

APPENDIX "D"

CONTRIBUTED ASSETS

The Contributed Assets will comprise certain mining properties (or securities of the entities that directly or indirectly own such mining properties) and marketable securities, including:

- Cariboo Gold Project (Permitting – British Columbia, Canada)
- Bonanza Ledge II (Construction – British Columbia, Canada)
- Coulon (Exploration – Québec, Canada)
- Guerrero Properties (Exploration – Guerrero, Mexico)
- San Antonio Gold Project (Permitting – Sonora, Mexico)
- James Bay Properties (Exploration – Québec, Canada)
- a portfolio of [*Redacted due to business confidentiality.*] publicly-listed equity securities as detailed below

Osisko will retain the following interests in the mining properties included in the Contributed Assets:

- 5% NSR royalty on the Cariboo Gold Project and Bonanza Ledge II
- 3% NSR royalty on the Guerrero, James Bay and Coulon Properties
- 15% gold and silver stream the San Antonio Gold Project

In addition, Osisko will be granted: (i) a right of first refusal on all future royalties and streams to be offered by the Resulting Issuer; (ii) a right to participate in buybacks of existing royalties held by the Resulting Issuer; and (iii) an equity participation right to maintain its pro rata equity ownership in the Resulting Issuer on future prospectus or private placement offerings of the Resulting Issuer.

Equity Securities:

[Redacted due to business confidentiality.]

Warrants:

[Redacted due to business confidentiality.]

APPENDIX "B"
EQUITY INCENTIVE PLANS

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OSISKO DEVELOPMENT CORP.
STOCK OPTION PLAN

1. PURPOSE

The purpose of this Stock Option Plan (this "**Plan**") of Osisko Development Corp. (the "**Corporation**") is to advance the interests of the Corporation and each subsidiary of the Corporation (each, a "**Subsidiary**" and, collectively, the "**Subsidiaries**") by encouraging the directors, officers, consultants (as defined in Policy 4.4 of the TSXV Corporate Finance Manual, as amended from time to time) ("**consultants**") and employees of the Corporation and/or its Subsidiaries to acquire shares in the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and/or its Subsidiaries and furnishing them with additional incentive in their efforts on behalf of the Corporation and/or its Subsidiaries.

2. ADMINISTRATION

This Plan shall be administered by the Board of Directors of the Corporation or by a committee thereof (the "**Committee**") which comes under the authority of the Board of Directors of the Corporation. The Committee has full power and authority to interpret this Plan, to establish any rules and regulations and to adopt any condition that it deems necessary or desirable for the administration of this Plan within the limits prescribed by applicable legislation.

No member of the Committee shall be liable for any action or determination made in good faith pursuant to this Plan. To the full extent permitted by law, the Corporation shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding by reason of the fact that such person is or was a member of the Committee and, as such, is or was required or entitled to take action pursuant to the terms of this Plan.

Subject to the provisions of this Plan and rules of the TSX Venture Exchange (the "**TSXV**") the Board of Directors, or the Committee, as applicable, shall have authority to construe and interpret this Plan and all option agreements entered into in connection with the grant of options ("**Options**") under this Plan, to define the terms used in this Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind the terms of this Plan and to make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board of Directors or the Committee, as applicable, shall be binding and conclusive on all participants in this Plan and on their legal personal representatives and beneficiaries.

The Corporation shall maintain a register in which shall be recorded: (a) the name and address of each optionee; (b) the number of shares subject to Options granted to each optionee; and (c) the aggregate number of shares subject to Options.

3. SHARES SUBJECT TO PLAN

Subject to adjustment as provided in Section 14 hereof, the shares to be offered under this Plan shall consist of the Corporation's authorized but unissued common shares. The aggregate number of common shares to be delivered upon the exercise of all Options granted under this Plan and pursuant to all other Security Based Compensation Arrangements (as defined herein) shall not exceed ten percent (10%) of the issued and outstanding common shares of the Corporation at the time of granting of Options (on a non-diluted basis). The Corporation shall not, upon the exercise of any Option, be required to issue or deliver any shares prior to (a) the admission of such shares to listing on any stock exchange on which the Corporation's shares may then be listed, and (b) the completion of such registration or other qualification of such shares under

any law, rules or regulation as the Corporation shall determine to be necessary or advisable. If any shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any exercise price paid to the Corporation shall be returned to the optionee. Any increase in the issued and outstanding shares will result in an increase in the available number of shares issuable under this Plan, and any exercises of Options will make new grants available under this Plan effectively resulting in a re-loading of the number of Options available to grant under this Plan. If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased shares subject thereto shall again be available for the purpose of this Plan.

The maximum number of shares which may be issued to any one optionee under this Plan together with any other Security Based Compensation Arrangement (as defined herein) in any 12 month period shall not exceed 5% of the number of shares outstanding (on a non-diluted basis) from time to time, unless disinterested shareholder approval is obtained pursuant to the policies of the TSXV or any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation.

The maximum number of shares which may be issuable to all Insiders (as defined herein) at any time under this Plan together with any other Security Based Compensation Arrangement shall not exceed 10% of the shares outstanding (on a non-diluted basis) from time to time. The number of shares issued to Insiders within any one year period pursuant to all of the Corporation's Security Based Compensation Arrangements shall not exceed 10% of the number of outstanding shares on a non-diluted basis.

The maximum number of shares which may be issuable to any one consultant within any one year period under this Plan together with any other Security Based Compensation Arrangement shall not exceed 2% of the shares outstanding on a non-diluted basis.

The maximum number of shares which may be issuable to all Investor Relations Employee (as defined herein) within any one year period, under this Plan together with any other Security Based Compensation Arrangement shall not exceed 2% of the shares outstanding on a non-diluted basis.

No Options can be granted under this Plan if the Corporation is on notice from the TSXV to transfer its listed shares to the NEX (as defined herein) or while the Corporation's shares trade on the NEX.

For the purpose of this Plan, "**Insider**" shall have the meaning ascribed to such term in the TSXV Corporate Finance Manual. For the purposes of this Plan, "**NEX**" means separate board of the TSXV for companies previously listed on the TSXV or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets. For the purposes of this Plan "**NEX Policies**" means the rules and policies of the NEX as amended from time to time. For the purposes of this Plan, "**Security Based Compensation Arrangements**" means a stock option, stock option plan, restricted share unit plan, deferred share unit plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of shares to one or more service providers for the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise and any other equity-based compensation plan in effect from time to time. For the purposes of this Plan "**TSXV Corporate Finance Manual**" means the rules and policies of the TSXV as amended from time to time.

4. ELIGIBILITY AND PARTICIPATION

Executive directors, officers, consultants, employees and any individual engaged to provide services that promote the purchase or sale of the issued securities of the Corporation ("**Investor Relations Employee**") shall be eligible to participate in this Plan (such persons hereinafter collectively referred to as

"**Participants**"). For the avoidance of doubt, non-employee directors are not eligible to participate in this Plan.

Subject to the foregoing, the Board of Directors or the Committee, as applicable, may from time to time determine the Participants to whom Options may be granted, the terms and provisions of the respective option agreements, the time or times at which such Options shall be granted, the number of shares to be subject to each Option and the expiry date of each Option. The Corporation and the Participant are responsible for ensuring and confirming that the Participant is a *bona fide* employee or consultant, as the case may be. An individual who has been granted an Option may, if he is otherwise eligible, and if permitted under the policies of the stock exchange or stock exchanges on which the shares of the Corporation are to be listed, be granted an additional Option or Options if the Directors shall so determine.

5. EXERCISE PRICE

The price per share at which any common share which is the subject of an Option may be purchased (the "**Price**") will be established by the Board of Directors or the Committee, as applicable, subject to the rules of the regulatory authorities having jurisdiction over the securities of the Corporation, on the basis of the market price at the time the Option is granted, where "**market price**" shall mean the closing price of the shares of the Corporation on the TSXV, on the trading date immediately preceding the date of the Option grant in question, subject to applicable laws and regulations; provided, however, that where there is no such closing price or trade on the trading date immediately preceding the date of the Option grant in question, then "**market price**" shall mean the closing price or trade on the immediately preceding trading date of such date in question on which shares of the Corporation actually traded and for which there is a closing price on the TSXV.

The Price shall not be less than the market price and, for so long as the shares of the Corporation are listed on the TSXV, may not be less than $0.05 per share in accordance with the policies of the TSXV.

6. DURATION OF OPTION

Each Option and all rights thereunder shall expire on the date set out in the option agreement entered into in connection with the grant of Options under this Plan and shall be subject to earlier termination as provided in Section 8, 9, 10 and 11. See Section 7(a) for a description of the Option Period (as defined herein).

7. OPTION PERIOD, CONSIDERATION AND PAYMENT

(a) The period within which such Option shall be exercised (the "**Option Period**") shall be a period of time fixed by the Board of Directors and set out in an agreement pursuant to which the Options are granted, not to exceed ten (10) years from the date the Option is granted; provided that the Option Period shall be reduced with respect to any Option as provided in Sections 8, 9, 10, 11 and 14; and further provided that the Option Period may be extended beyond ten (10) years where the expiry date falls within a Blackout Period (defined herein).

(b) Except as set forth in Section 11 and subject to the provisions of Section 8, an Option shall vest and may be exercised (in each case to the nearest full share) during the Option Period in such manner as the Board of Directors may fix by resolution. Options which have vested may be exercised in whole or in part at any time and from time to time during the Option Period. To the extent required by any stock exchange or stock exchanges on which the shares of the Corporation are listed, no Option may be

exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.

(c) Except as set forth in Sections 8, 9, 10 and 11, no Option may be exercised unless the Participant is at the time of such exercise a director, officers, employee or consultant of the Corporation and/or its Subsidiaries or an Investor Relations Employee of the Corporation and/or its Subsidiaries; except in the case of a consultant, where the Option has been granted for a specific service, the Option may be exercised only upon completion of that service.

(d) The exercise of any Option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such shares with respect to which the Option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any shares subject to an Option under this Plan, unless and until the certificates for such shares are issued to him or them under the terms of this Plan. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws. Further, if the Corporation is a Tier 2 or NEX Issuer, or the exercise price is set below the then current market price of the shares on the TSXV, the certificate will also bear a legend stipulating that the Option shares are subject to a four-month TSXV hold period commencing on the date of the grant of the Option.

(e) Notwithstanding the foregoing, in the event that the term of an Option expires during such period of time during which insiders are prohibited from trading in shares as provided by the Corporation's insider trading policy, as it may be implemented and amended from time to time (the "**Blackout Period**") or within 10 business days thereafter, the Option shall expire on the date that is 10 business days following the Blackout Period. Although the Blackout Period would only cover insiders of the Corporation, the extension would apply to all participants who have Options which expire during the Blackout Period.

(f) During an Option Period or a period prescribed by Section 7(e), as the case may be, a Participant may, by sending a notice to the Corporation containing the information set out in Section 7(d), elect to exercise the Participant's Options in accordance with the mechanism of this Section 7(f). Options may be exercised for shares issued from treasury once the vesting criteria have been satisfied and upon payment of the exercise price.

8. CHANGE OF CONTROL

8.1 For the purposes of this Section 8, "**Change of Control**" shall mean:

8.1.1 if a person, by means of a takeover bid made in accordance with the applicable provisions of the *Securities Act* (Québec) (the "**Securities Act**"), directly or indirectly, acquires an interest in one of the Corporation's classes of shares conferring 50% or more of the votes entitling him to elect the Directors of the Corporation;

8.1.2 if a person, by means of stock market transactions, directly or indirectly, acquires an interest in one of the Corporation's classes of shares conferring 50% or more of the votes

entitling him to elect the Directors of the Corporation; however, the acquisition of securities by the Corporation itself through one of its Subsidiaries or affiliates, or by means of an employee benefits plan of the Corporation or one of its Subsidiaries or affiliates (or by the trustee of any such plan), shall not constitute a takeover;

8.1.3 the consummation of any transaction including, without limitation, any consolidation, amalgamation, merger, arrangement or issue of voting securities the result of which is that any person or group of persons acting jointly or in concert for purposes of such transaction (other than the Corporation and its Subsidiaries) becomes the beneficial owner, directly or indirectly, of more than 50% of the voting securities of the Corporation or of any such consolidated, amalgamated, merged or other continuing-entity, measured by voting power rather than number of securities (but shall not include the creation of a holding company or similar transaction that does not involve a change in the beneficial ownership of the Corporation);

8.1.4 the sale, lease or exchange of 50% or more of the property of the Corporation to another person or entity, other than in the ordinary course of business of the Corporation or any of its subsidiaries; for greater certainty, the sale, lease or exchange of 50% or more of the property of the Corporation to an entity in which the Corporation holds, directly or indirectly, 50% or less of the voting securities will be considered, for the purposes hereof, a "Change of Control";

8.1.5 if the individuals who are, from time to time, proposed as nominees of management of the Corporation in a management information circular of the Corporation to be elected as directors of the Corporation at a meeting of the shareholders involving a contest for, or an item of business relating to, the election of directors of the Corporation, do not constitute a majority of the directors of the Corporation immediately following such meeting of the shareholders; or

8.1.6 any other transaction that is deemed to be a "Change of Control" for the purposes of this Plan by the Board of directors, or Committee, as applicable, in its sole discretion.

8.2 Notwithstanding any provisions to the contrary contained in this Plan, all Options outstanding at the time of a Change of Control shall vest and become immediately exercisable.

9. CEASING TO BE AN EXECUTIVE DIRECTOR, OFFICER, OR EMPLOYEE

Subject to any provisions to the contrary contained in any employment agreement or any option agreement entered into in connection with the grant of Options under this Plan, if a Participant shall cease to be an executive director, officer, consultant, employee or Investor Relations Employee of the Corporation or a Subsidiary for any reason (other than disability, retirement with the consent of the Corporation or death) the Options granted to such Participant may be exercised in whole or in part by the Participant, during a period commencing on the date of such cessation and ending 90 days thereafter (or if the Participant is an Investor Relations Employee, 30 days thereafter) or on the expiry date, whichever comes first.

Nothing contained in this Plan, nor in any Option granted pursuant to this Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant or employee of the Corporation or of any Subsidiary or affiliate.

10. DISABILIY OR RETIREMENT OF PARTICIPANT

If a Participant shall cease to be a director, officer, consultant or employee of the Corporation or a Subsidiary by reason of disability or retirement with the consent of the Corporation, the Options granted to such Participant may be exercised in whole or in part by the Participant, during a period commencing on the date of such termination and ending one year thereafter or on the expiry date, whichever comes first.

11. DEATH OF PARTICIPANT

In the event of the death of the Participant, the Options previously granted to such Participant shall automatically vest and may be exercised in whole or in part by the legal person representative of the Participant during a period commencing on the date of the death and ending one year thereafter or on the expiry date, whichever comes first.

12. RIGHTS OF OPTIONEE

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any shares issuable upon exercise of such Option (including any right to receive dividends or other distributions therefrom or thereon) until certificates representing such shares shall have been issued.

13. PROCEEDS FROM SALE OF SHARES

The proceeds from sale of shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board of Directors may determine and direct.

14. ADJUSTMENTS

In the event that the outstanding shares of the Corporation are changed into or exchanged for a different number or kind of shares or other securities of the Corporation, or in the event that there is a reorganization, amalgamation, consolidation, subdivision, reclassification, dividend payable in capital stock or other change in the corporate structure or capital stock of the Corporation, then each Participant holding an Option shall thereafter upon the exercise of the Option granted to him, be entitled to receive, in lieu of the number of shares to which the Participant was theretofore entitled upon such exercise, the kind and amount of shares or other securities or property which the Participant would have been entitled to receive as a result of any such event if, on the effective date thereof, the Participant had been the holder of the shares to which he was theretofore entitled upon such exercise.

In the event the Corporation proposes to amalgamate, merge or consolidate with any other Corporation (other than with a wholly-owned Subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the shares of the Corporation or any part thereof shall be made to all holders of shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each Participant, to require the exercise of the Option granted within the thirty (30) day period next following the date of such notice and to determine that upon such thirty (30) day period, all rights of the Participant to exercise same (to the extent not theretofore exercised) shall *ipso facto* terminate and cease to have any further force or effect whatsoever.

15. TRANSFERABILITY

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall not be transferable or assignable otherwise than by will or by the laws of descent and distribution. During the lifetime of a Participant any benefits, rights and Options may only be exercised by the Participant.

16. AMENDMENT AND TERMINATION OF PLAN

(a) The approval of the Board and the requisite approval from the TSXV and the Shareholders shall be required for any of the following amendments to be made to this Plan:

(i) an increase to the number of shares issuable under this Plan or a change from a fixed maximum percentage plan to a fixed maximum number of shares;

(ii) a reduction in the exercise price of an Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry for the purpose of reissuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option), other than for standard anti-dilution purposes;

(iii) an increase in the maximum number of shares that may be issued to insiders within any one year period or that are issuable to insiders at any time as set out in the TSXV Corporate Finance Manual;

(iv) an extension of the term of any Option beyond the original expiry date (except, for greater certainty, pursuant to Section 7(e));

(v) any change to the definition of "Participant" which would have the potential of broadening or increasing insider participation;

(vi) the addition of any form of financial assistance;

(vii) any amendment to a financial assistance provision which is more favourable to optionees;

(viii) any amendment to Section 15;

(ix) any amendment that may modify or delete any of this Section 16(a); and

(x) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to Participants, especially insiders, at the expense of the Corporation and its existing Shareholders.

(b) The Corporation shall obtain disinterested shareholder approval prior to any of the following actions becoming effective:

(i) This Plan, together with all of the Corporation's other Security Based Compensation Arrangements, could result at any time in (x) the number of

shares reserved for issuance under Options granted to Insiders exceeding 10% of the outstanding shares, (y) the grant to Insiders within a twelve-month period of a number of Options exceeding 10% of the outstanding shares; and (z) the issuance to any one Participant within a 12-month period, of a number of shares exceeding 5% of outstanding shares; or

(ii) Any reduction in the exercise price of an Option previously granted to Insiders.

(c) The Board may, without Shareholder approval but subject to receipt of requisite approval from the TSXV, in its sole discretion make all other amendments to this Plan that are not of the type contemplated in Section 16(a) above including, without limitation:

(i) amendments of housekeeping nature, such as to rectify typographical errors and/or to include clarifying provisions for greater certainty;

(ii) a change to the vesting provisions of an Option or this Plan;

(iii) amendments necessary as a result of changes in securities laws and other laws applicable to the Corporation;

(iv) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or market.

(d) Subject to this Section 16 and the rules of the TSXV, the exercise price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the shares commenced trading on the TSXV, and the date of the last amendment of the exercise price.

(e) An Option must be outstanding for at least one year before the Corporation may extend its term, subject to the limits contained in Section 6.

(f) Any proposed amendment to the terms of an Option is subject to the rules of the TSXV.

17. NECESSARY APPROVALS

The obligation of the Corporation to issue and deliver shares in accordance with this Plan is subject to any approvals which may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any Option exercise price paid to the Corporation will be returned to the Participant.

18. STOCK EXCHANGE RULES

The rules of any stock exchange upon which the Corporation's shares are listed shall be applicable relative to Options granted to Participants.

19. EXPIRY OF OPTION

On the expiry date of any Option granted under this Plan, and subject to any extension of such expiry date permitted in accordance with this Plan, such Option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the optioned shares in respect of which the Option has not been exercised.

20. OPTIONS NOT EXERCISED

In the event an Option granted under this Plan expires unexercised or is terminated by reason of dismissal of the optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Option shares that were issuable thereunder will be returned to this Plan and will be eligible for reissuance.

21. EFFECTIVE DATE OF PLAN

This Plan has been adopted by the Board of Directors of the Corporation subject to the approval of the stock exchange or stock exchanges on which the shares of the Corporation are to be listed and the approval by the shareholders of the Corporation and, if so approved, this Plan shall become effective upon such approvals being obtained.

22. INTERPRETATION

This Plan will be governed by and construed in accordance with the laws of Canada and of the Province of Québec.

This Plan was adopted by the Board of Directors on October [●], 2020.

This Plan was adopted by the Shareholders on November 20, 2020.

OSISKO DEVELOPMENT CORP.
RESTRICTED SHARE UNIT PLAN

1. PURPOSE OF THIS PLAN

The purpose of the Restricted Share Unit Plan (this "**Plan**") of Osisko Development Corp. (the "**Corporation**") is to assist the Corporation and its Subsidiaries in attracting and retaining individuals with experience and ability, to allow certain employees of the Corporation and its Subsidiaries to participate in the long-term success of the Corporation and to promote a greater alignment of interests between the employees designated under this Plan and the shareholders of the Corporation.

2. DEFINITIONS

For the purposes of this Plan, the terms contained in this Section shall have the following meanings.

(a) "**Benefits Extension Period**" shall mean any additional period of time allocated to a terminated Participant, as the case may be, during which certain benefits of employment are contractually maintained (which, for the avoidance of doubt, may not exceed twelve (12) months from the date on which such Participant ceases to be eligible under this Plan in accordance with Section 8(b)).

(b) "**Blackout Period**" means any blackout period imposed by the Corporation applicable to a Participant, during which specified individuals, including Insiders of the Corporation, may not trade in the securities of the Corporation (including, for greater certainty, any period during which specific individuals are restricted from trading because they possess material non-public information).

(c) "**Board**" or "**Board of Directors**" shall mean the Board of Directors of the Corporation.

(d) "**Change of Control**" shall mean:

(i) if a person, by means of a takeover bid made in accordance with the applicable provisions of the *Securities Act* (Québec) (the "**Securities Act**"), directly or indirectly, acquires an interest in one of the Corporation's classes of shares conferring 50% or more of the votes entitling him to elect the Directors of the Corporation;

(ii) if a person, by means of stock market transactions, directly or indirectly, acquires an interest in one of the Corporation's classes of shares conferring 50% or more of the votes entitling him to elect the Directors of the Corporation; however, the acquisition of securities by the Corporation itself through one of its Subsidiaries or affiliates, or by means of an employee benefits plan of the Corporation or one of its Subsidiaries or affiliates (or by the trustee of any such plan), shall not constitute a takeover;

(iii) the consummation of any transaction including, without limitation, any consolidation, amalgamation, merger, arrangement or issue of voting securities the result of which is that any person or group of persons acting jointly or in concert for purposes of such transaction (other than the Corporation and its Subsidiaries) becomes the beneficial owner, directly or indirectly, of more than 50% of the voting securities of the Corporation or of any such consolidated, amalgamated, merged or other continuing-entity, measured by voting power rather than number

of securities (but shall not include the creation of a holding company or similar transaction that does not involve a change in the beneficial ownership of the Corporation);

(iv) the sale, lease or exchange of 50% or more of the property of the Corporation to another person or entity, other than in the ordinary course of business of the Corporation or any of its subsidiaries; for greater certainty, the sale, lease or exchange of 50% or more of the property of the Corporation to an entity in which the Corporation hold, directly or indirectly, 50% or less of the voting securities will be considered, for the purposes hereof, a "Change of Control";

(v) if the individuals who are, from time to time, proposed as nominees of management of the Corporation in a management information circular of the Corporation to be elected as directors of the Corporation at a meeting of the shareholders involving a contest for, or an item of business relating to, the election of directors of the Corporation, do not constitute a majority of the directors of the Corporation immediately following such meeting of the shareholders; or

(vi) any other transaction that is deemed to be a "Change of Control" for the purposes of this Plan by the Board of Directors in its sole discretion.

(e) "**Committee**" shall mean the Human Resources Committee of the Board of Directors of the Corporation or such other committee of the Board comprised of members of the Board as the Board shall from time to time appoint to administer this Plan.

(f) "**Common Share**" shall mean a common share of the Corporation.

(g) "**Consultant**" means a "consultant" as defined in Policy 4.4 of the TSXV Corporate Finance Manual, as amended from time to time.

(h) "**Corporation**" has the meaning ascribed thereto in Section 1 hereof.

(i) "**Insider**" means an "insider" as defined in the TSXV Corporate Finance Manual, as amended from time to time.

(j) "**Long Term Disability**" means a total permanent disability for a continuous period of more than 17 weeks.

(k) "**Market Value**" of a Common Share shall mean the closing market price of the Common Shares on the TSXV on the applicable date.

(l) "**Participant**" shall mean executive members of the Board of directors, officers, Consultants and employees of the Corporation and/or any Subsidiary. For greater certainty, non-executive members of the Board of Directors and Consultants providing investor relations or market-making activities shall not participate in this Plan.

(m) "**Plan**" has the meaning ascribed thereto in Section 1 hereof.

(n) "**Restricted Share Unit**" or "**RSU**" shall mean a right awarded to a Participant to receive a payment in the form of Common Shares, cash or a combination of Common Shares and cash, as provided in Section 8 hereof and subject to the terms and conditions of this Plan.

(o) "**Security Based Compensation Arrangements**" means this Plan, the Corporation's stock option plan, the Corporation's deferred share unit plan, the Corporation's employee share purchase plan and any other equity-based compensation plan in effect from time to time.

(p) "**Settlement Date**" shall mean the day on which the Corporation pays to a Participant the Market Value of the RSUs that have become vested and payable in cash or in Common Shares at the sole discretion of the Committee.

(q) "**Subsidiary**" shall mean any subsidiary of the Corporation from time to time.

(r) "**TSXV**" means the TSX Venture Exchange, or such other stock exchange or dealing network where the majority of the trading volume or value of the Common Shares occurs.

Securities Definitions: In this Plan, the term "affiliate" shall have the meaning given to such term in the Securities Act.

3. ADMINISTRATION OF THIS PLAN

(a) This Plan shall be administered by the Committee, which comes under the authority of the Board. The Committee has full power and authority to interpret this Plan, to establish any rules and regulations and to adopt any condition that it deems necessary or desirable for the administration of this Plan within the limits prescribed by applicable legislation.

(b) No member of the Committee shall be liable for any action or determination made in good faith pursuant to this Plan. To the full extent permitted by law, the Corporation shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding by reason of the fact that such person is or was a member of the Committee and, as such, is or was required or entitled to take action pursuant to the terms of this Plan.

4. ELIGIBILITY

The Committee designates, upon recommendation from the President or Chief Executive Officer, from time to time and at their sole discretion, the executives and key employees of the Corporation or of a Subsidiary who are entitled to participate in this Plan.

5. GRANT OF RESTRICTED SHARE UNITS

(a) Periodically, the Committee will determine, at its sole discretion, the size of grants in respect of any Participant, together with the applicable vesting conditions, including performance vesting conditions. Settlement will be made in Common Shares, in cash or in a combination of Common Shares and cash, at the sole discretion of the Committee to be determined on the Settlement Date. The Corporation shall notify each Participant in writing of the number of RSUs to be granted, the vesting conditions thereof and the fact that the settlement will be made in Common Shares, cash or a combination of both at the sole discretion of the Committee to be determined at the Settlement Date.

(b) The aggregate number of Common Shares reserved for issuance from treasury under this Plan shall not exceed 4,000,000 Common Shares, provided, however, the number of Common Shares reserved for issuance from treasury under this Plan and pursuant to all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and

outstanding. Any Common Shares subject to a RSU which has been cancelled or terminated in accordance with the terms of this Plan without settlement will again be available under this Plan.

(c) The grant of RSUs under this Plan is subject to a number of restrictions including the following: (i) the aggregate number of Common Shares which may be reserved for issuance to Insiders under this Plan and all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries shall not, in the aggregate, exceed ten percent (10%) of the issued and outstanding Common Shares, calculated on a non-diluted basis; (ii) within any twelve (12) month period, the Corporation shall not issue Insiders under this Plan and all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries, in the aggregate, a number of Common Shares exceeding ten percent (10%) of the issued and outstanding Common Shares, calculated on a non-diluted basis; (iii) within any twelve (12) month period, the Corporation shall not issue to any one person (and companies wholly-owned by that person) under this Plan and all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries, in the aggregate, a number of Common Shares exceeding five percent (5%) of the issued and outstanding Common Shares, calculated on a non-diluted basis; and (v) within any twelve (12) month period the Corporation shall not issue to a Consultant under this Plan and all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries, in the aggregate, a number of Common Shares exceeding two percent (2%) of the issued and outstanding Common Shares, calculated on a non-diluted basis.

6. CREDITS FOR DIVIDENDS

Whenever dividends are paid on Common Shares, additional RSUs will be automatically granted to each Participant who holds RSUs on the record date for such dividend. The number of such RSUs (rounded to the nearest whole RSU) to be credited as of a dividend payment date shall be determined by dividing the aggregate dividends that would have been paid to such Participant if the Participant's RSUs had been Common Shares by the Market Value on the date on which the dividends were paid on the Common Shares. RSUs granted to a Participant under this Section 6 shall be subject to the same vesting as the RSUs to which they relate. Notwithstanding the foregoing, nothing in this Plan shall permit the Corporation to grant RSUs in excess of the maximum number of Common Shares reserved for issuance from treasury under this Plan, as set out in Section 5(b).

7. TERMINATION OF EMPLOYMENT

Unless otherwise determined by the Board, the following provisions shall apply in the event that a Participant ceases to be employed by the Corporation or by a Subsidiary:

(a) *Termination for cause or voluntary resignation* – If a Participant ceases to be an employee as a result of termination for cause, or as a result of a voluntary termination, effective as of the date notice is given to the Participant of such termination, or as of the date on which the Corporation or the Subsidiary receives communication of a voluntary resignation, all outstanding RSUs shall be terminated.

(b) *Death, termination not for cause, retirement or Long-Term Disability* – If a Participant ceases to be an employee of the Corporation or a Subsidiary as a result of death, termination not for cause, retirement or Long-Term Disability, the vesting of RSUs shall be subject to the following:

(i) For each outstanding RSUs granted — Fixed Component:

(A) in the event the Participant is not entitled to a Benefits Extension Period, the vesting of the fixed component portion of each RSU grant will be prorated based on the number of days actually worked from the date of grant of such RSUs until the date of termination for death, termination not for cause, retirement or Long-Term Disability, over the number of days of the original vesting schedule set forth in relation to such RSU grant; or

(B) in the event the Participant is entitled to a Benefits Extension Period, the vesting of the fixed component portion of each RSU grant will be prorated based on the sum of the number of days included in the Benefits Extension Period and those actually worked from the date of grant of such RSUs up until the date of termination for death, termination not for cause, retirement or Long-Term Disability, over the number of days of the original vesting schedule set forth in relation to such RSU grant; and

(ii) For each outstanding RSUs granted — Performance Vesting: the vesting of all performance based RSU grant will be prorated based on the number of days actually worked from the date of grant of such RSUs up until the date of termination for death, termination not for cause, retirement or Long Term Disability, over the original vesting schedule set forth in relation to such grant; the number of vested RSUs resulting from such prorated calculation will be multiplied by the performance percentage determined by the Board of Directors of the Corporation.

For greater clarity, a voluntary resignation will be considered as retirement if the Participant has reached normal retirement age under the Corporation's benefit plans or policies, unless the Committee decides otherwise at its sole discretion.

8. VESTING AND SETTLEMENT OF RESTRICTED SHARE UNITS

(a) Unless otherwise indicated by the Committee upon grant (as to the vesting term) and subject to Section 7(b) (as to the number of RSUs to vest), each RSU shall vest on the third (3rd) anniversary of the grant date. Furthermore, in the case of RSUs subject to performance vesting conditions, such RSUs shall be multiplied by the performance percentage determined by the Board of Directors of the Corporation upon vesting, provided however that should such performance percentage exceed 100%, then the Corporation shall be entitled to settle such amount that exceeds 100% in cash at its sole discretion. Notwithstanding the foregoing, the Committee may, in its entire discretion, accelerate the terms of vesting of any RSUs in circumstances deemed appropriate by the Committee.

(b) Should a Participant cease to be eligible under this Plan pursuant to Section 7(b), notwithstanding any Benefits Extension Periods granted, any RSUs held by such Participant shall expire within twelve (12) months from the date on which such Participant ceases to be eligible and any vested RSUs granted to such Participant must be settled, pursuant to the procedures outlined in this Section and subject to Section 8(e), within a maximum of ten (10) years following the date of grant.

(c) Upon a Change of Control, all outstanding RSUs shall vest, irrespective of any performance vesting conditions.

(d) Following the vesting date, the holder of RSUs shall elect to receive from the Corporation, as applicable (i) Common Shares issued from treasury equal in number to the vested RSUs in the Participant's account, (ii) a lump sum payment in cash equal to the number of vested RSUs recorded in the Participant's account multiplied by the Market Value of a Common Share on the Settlement Date, payable in the form of a cheque, or other payment method as determined by the Committee, in each case, less any applicable withholding taxes and other deductions required by law to be withheld by the Corporation in connection with the satisfaction of the holder's RSUs, or (iii) any combination of the foregoing. Notwithstanding the election of the Participant (or his or her succession) in this Section 8(d), the Committee, in its sole discretion, shall be entitled to settle the Participant's account in any form provided for in this Section 8(d).

(e) If, on the date that RSUs vest to a Participant, there is a Blackout Period imposed by the Corporation during which specified individuals, including "insiders" of the Corporation, may not trade in the securities of the Corporation (including, for greater certainty, any period during which specified individuals are restricted from trading because they possess material non-public information), then the Settlement Date for such RSUs shall be the tenth (10th) day following the date on which the RSUs vest to such Participant (or the immediately ensuing business day if such date is not a business day).

(f) Once settled, the holder shall have no further entitlement in connection with such vested RSUs under this Plan.

(g) Common Shares issued by the Corporation under this Plan shall be considered fully paid in consideration of past services that is no less in value than the fair equivalent of the money the Corporation would have received if the Common Shares had been issued for money.

9. SHARES SUBJECT TO THIS PLAN

Subject to adjustment pursuant to provisions of Section 10 hereof, the aggregate number of Common Shares reserved for issuance from treasury under this Plan shall not exceed 4,000,000 Common Shares, provided, however, the number of Common Shares reserved for issuance from treasury under this Plan and pursuant to all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding.

Any increase in the issued and outstanding Common Shares will result in an increase in the number of Common Shares that may be issued pursuant this Plan or any other Security Based Compensation Arrangement of the Corporation.

10. ADJUSTMENTS TO THE NUMBER OF RESTRICTED SHARE UNITS

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders or any other change affecting the Common Shares, such adjustments as are required to reflect such change shall be made with respect to the number of RSUs in the accounts maintained for each Participant, provided that no fractional RSUs shall be issued to Participants and the number of RSUs to be issued in such event shall be rounded down to the next whole number of RSUs.

11. PARTICIPANT ACCOUNTS

The Corporation shall maintain an account for each Participant recording at all times the number of RSUs credited to the Participant. Upon payment in satisfaction of RSUs pursuant to Section 8 hereof, such RSUs shall be cancelled. A written notification of the balance in the account maintained for each Participant shall be mailed by the Corporation or by an administrator on behalf of the Corporation to each Participant at least annually. A Participant shall not be entitled to any certificate or other document evidencing the amount of RSUs in his or her account.

12. RIGHTS OF PARTICIPANTS

(a) No Participant shall have any claim or right to any Common Shares pursuant to this Plan. Under no circumstances shall RSUs be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership or control of Common Shares, nor shall any Participant be considered the owner of any Common Shares pursuant to this Plan.

(b) The rights and interests of a Participant in respect of this Plan are not transferable or assignable other than by will or the laws of succession to the legal representative of the Participant.

(c) Neither participation in this Plan nor any action taken under this Plan shall give or be deemed to give any Participant a right to continued employment with the Corporation and shall not interfere with any right of the Corporation to dismiss any Participant. The payment of any sum of money in cash in lieu of notice of the termination of employment shall not be considered as extending the period of employment for the purposes of this Plan.

13. REORGANIZATION OF THE CORPORATION

The existence of any RSUs shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

In the case of an adjustment to the issued shares of the Corporation following a dividend in shares, an amalgamation, a combination, merger or consolidation, a share-for-share exchange or any other similar change in the capital structure of the Corporation, an adjustment shall be made by the Corporation to the number of RSUs or to the kind of shares that are subject to the issued RSUs, as the case may be. The Committee shall make such adjustment, which shall be final and binding for purposes of this Plan.

14. AMENDMENTS, SUSPENSION OR TERMINATION OF THIS PLAN

(a) The approval of the Board of Director and the requisite approval from the TSXV and disinterested shareholders of the Corporation (by a simple majority vote) shall be required for any of the following amendments to be made to this Plan:

(i) any increase to the percentage of shares reserved for issuance under this Plan or a change from a fixed maximum percentage of shares to a fixed maximum number of shares;

(ii) any change to the definition of "Participant" which would have the potential of broadening or increasing insider participation; and

(iii) remove or exceed the insider participation limit prescribed by the TSXV Corporate Finance Manual

(iv) any amendment that may modify or delete any of this Section 14(a).

(b) The Board may, subject to receipt of requisite approval from the TSXV, in its sole discretion make all other amendments to this Plan that are not of the type contemplated in Section 14(a) above including, without limitation, amend, suspend or terminate this Plan in whole or in part or amend the terms of RSUs credited in accordance with this Plan. If any such amendment, suspension or termination will materially or adversely affect the rights of a Participant with respect to RSUs credited to such Participant, the written consent of such Participant to such amendment, suspension or termination shall be obtained. Notwithstanding the foregoing, the obtaining of the written consent of any Participant to an amendment, suspension or termination which materially or adversely affects the rights of such Participant with respect to any credited RSUs shall not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Corporation are listed. If the Committee terminates this Plan, RSUs previously credited to Participants shall remain outstanding and in effect and be settled in due course in accordance with the terms of this Plan (which shall continue to have effect, but only for such purposes) on the Settlement Date.

15. REPRESENTATION AND WARRANTY

(a) The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Plan.

(b) Subject to Section 8(b), the Corporation represents that any holder of RSUs shall be a bona fide employee, Consultant (subject to Section 2(l)), an executive board member or officer of the Corporation.

16. INTERPRETATION

This Plan shall be governed by and construed in accordance with the laws of the Province of Québec.

This Plan was adopted by the Board of Directors on October [●], 2020.

This Plan was adopted by the Shareholders on November 20, 2020.

OSISKO DEVELOPMENT CORP.
DEFERRED SHARE UNIT PLAN

1. PURPOSE OF THIS PLAN

This Plan has been established to enhance the ability of the Corporation and its Subsidiaries to attract and retain talented individuals to serve as members of the Board of the Corporation and/or the board of directors its Subsidiaries, and to promote alignment of interests between such persons and the shareholders of the Corporation.

2. DEFINITIONS

For the purposes of this Plan, the following words and expressions have the following meaning:

(a) "**Annual DSU Grant**" shall mean the annual share based compensation forming part of the Eligible Director's approved compensation.

(b) "**Blackout Period**" means any blackout period imposed by the Corporation applicable to a Participant, during which specified individuals, including Insiders of the Corporation, may not trade in the securities of the Corporation (including, for greater certainty, any period during which specific individuals are restricted from trading because they possess material non-public information).

(c) "**Board**" or "**Board of Directors**" shall mean the Board of Directors of the Corporation.

(d) "**Business Day**" shall mean any day on which banks are open for business in the Cities of Montréal, Québec or Toronto, Ontario.

(e) "**Change of Control**" shall mean:

(i) if a person, by means of a takeover bid made in accordance with the applicable provisions of the *Securities Act* (Québec), directly or indirectly, acquires an interest in one of the Corporation's classes of shares conferring 50% or more of the votes entitling such person to elect the Directors of the Corporation;

(ii) if a person, by means of stock market transactions, directly or indirectly, acquires an interest in one of the Corporation's classes of shares conferring 50% or more of the votes entitling such person to elect the Directors of the Corporation; however, the acquisition of securities by the Corporation itself through one of its Subsidiaries or affiliates, or by means of an employee benefits plan of the Corporation or one of its Subsidiaries or affiliates (or by the trustee of any such plan), shall not constitute a takeover;

(iii) the consummation of any transaction including, without limitation, any consolidation, amalgamation, merger, arrangement or issue of voting securities the result of which is that any person or group of persons acting jointly or in concert for purposes of such transaction (other than the Corporation and its Subsidiaries) becomes the beneficial owner, directly or indirectly, of more than 50% of the voting securities of the Corporation or of any such consolidated, amalgamated, merged or other continuing-entity, measured by voting power rather than number of securities (but shall not include the creation of a holding company or similar

transaction that does not involve a change in the beneficial ownership of the Corporation);

(iv) the sale, lease or exchange of 50% or more of the property of the Corporation to another person or entity, other than in the ordinary course of business of the Corporation or any of its Subsidiaries; for greater certainty, the sale, lease or exchange of 50% or more of the property of the Corporation to an entity in which the Corporation hold, directly or indirectly, 50% or less of the voting securities will be considered, for the purposes hereof, a "Change of Control";

(v) if the individuals who are, from time to time, proposed as nominees of management of the Corporation in a management information circular of the Corporation to be elected as directors of the Corporation at a meeting of the shareholders involving a contest for, or an item of business relating to, the election of directors of the Corporation, do not constitute a majority of the directors of the Corporation immediately following such meeting of the shareholders; or

(vi) any other transaction that is deemed to be a "Change of Control" for the purposes of this Plan by the Board of Directors in its sole discretion.

(f) "**Committee**" shall mean the Human Resources Committee of the Board of Directors or such other committee of the Board comprised of members of the Board as the Board shall from time to time appoint to administer this Plan.

(g) "**Common Share**" shall mean a common share of the Corporation.

(h) "**Corporation**" shall mean Osisko Development Corp. or a successor.

(i) "**Date of Grant**" shall mean the date upon which Deferred Share Units are granted to a Participant pursuant to a Letter of Grant.

(j) "**Deferred Share Unit**" or "**DSU**" shall mean a deferred share unit of the Corporation credited to a Participant's account in accordance with the terms and conditions of this Plan.

(k) "**Director's Remuneration**" means all annual cash compensation payable to an Eligible Director by the Corporation or a Subsidiary on a quarterly basis in respect of services provided or to be provided to the Corporation or its Subsidiaries by the Eligible Director including:

(i) the annual retainer fee for serving as a director;

(ii) the annual retainer fee for serving as a member of a Board committee; and

(iii) the annual retainer fee for chairing the Board or a Board committee;

but for greater certainty, excluding amounts owing to an Eligible Director as (i) a reimbursement for expenses incurred in connection with attending meetings, and (ii) an attendance fee for attending or assisting with a meeting (if any).

(l) "**Eligible Director**" shall mean a non-executive director of the Board or of the board of directors of a Subsidiary.

(m) "**Expiry Date**" shall mean December 31st of the year following the year of Termination.

(n) "**Initial DSU Grant**" shall mean the first Annual DSU Grant to an Eligible Director.

(o) "**Insider**" means an "insider" as defined in the TSXV Corporate Finance Manual, as amended from time to time.

(p) "**Letter of Grant**" shall mean the letter of grant of Deferred Share Units sent to a Participant, establishing the conditions and terms of vesting of the Deferred Share Units, in the form of Schedule "A-1" or Schedule "A-2" to this Plan.

(q) "**Market Value**" of a Common Share shall mean the closing market price of the Common Shares on the TSXV on the applicable date.

(r) "**Participant**" shall mean an Eligible Director who participates in this Plan.

(s) "**Person**" shall mean, unless the context otherwise requires or unless and to the extent otherwise limited or required by applicable law or rules of a stock exchange, any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity.

(t) "**Plan**" shall mean this Deferred Share Unit Plan as set forth herein and as it may be amended from time to time.

(u) "**Security Based Compensation Arrangements**" means the DSU Plan, the Corporation's stock option plan, the Corporation's restricted share unit plan, the Corporation's employee share purchase plan and any other equity-based compensation plan in effect from time to time.

(v) "**Settlement Date**" shall mean the date, chosen by the Participant, on which the Corporation pays to a Participant the Market Value of the DSU that have become vested and payable in cash or in Common Shares at the sole discretion of the Committee. Such date will fall in the period starting on the Business Day following Termination and ending the last Business Day of the month of December of the year following Termination.

(w) "**Subsidiary**" shall mean any subsidiary of the Corporation from time to time.

(x) "**Termination**" shall mean, for each Participant, the termination of service of such Participant.

(y) "**Trading Day**" means any date on which the TSXV is open for the trading of Common Shares and on which one or more Common Shares actually traded.

(z) "**TSXV**" means the TSX Venture Exchange, or such other stock exchange or dealing network where the majority of the trading volume or value of the Common Shares occurs.

3. ADMINISTRATION

(a) This Plan is administered by the Committee which comes under the authority of the Board. The Committee has full power and authority to interpret this Plan, to establish any rules

and regulations and to adopt any condition that it deems necessary or desirable for the administration of this Plan within the limits prescribed by applicable legislation.

(b) The Committee may designate, from time to time and at its sole discretion, the Eligible Directors who are entitled to become Participants under this Plan.

(c) The aggregate number of Common Shares reserved for issuance from treasury under this Plan shall not exceed 3,000,000 Common Shares, provided, however, the number of Common Shares reserved for issuance from the treasury under this Plan and pursuant to all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding. Any Common Shares subject to a DSU which has been cancelled or terminated in accordance with the terms of this Plan without settlement will again be available under this Plan.

(d) The grant of DSUs under this Plan is subject to a number of restrictions including the following: (i) the aggregate number of Common Shares issuable to Insiders, at any time, under this Plan and all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries shall not, in the aggregate, exceed ten percent (10%) of the issued and outstanding Common Shares, calculated on a non-diluted basis; (ii) within any twelve (12) month period, the Corporation shall not issue Insiders under this Plan and all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries, in the aggregate, a number of Common Shares exceeding ten percent (10%) of the issued and outstanding Common Shares, calculated on a non-diluted basis; and (iii) within any twelve (12) month period, the Corporation shall not issue to any one Person (and companies wholly-owned by that Person) under this Plan and all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries, in the aggregate, a number of Common Shares exceeding five percent (5%) of the issued and outstanding Common Shares, calculated on a non-diluted basis.

(e) No member of the Committee shall be liable for any action or determination made in good faith pursuant to this Plan. To the full extent permitted by law, the Corporation shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding by reason of the fact that such person is or was a member of the Committee and, as such, is or was required or entitled to take action pursuant to the terms of this Plan.

(f) Notwithstanding the foregoing, all actions of the Committee shall be such that this Plan continuously meets the conditions of paragraph 6801(d) of the Income Tax Regulations (Canada) or any successor provision thereto.

4. GRANT OF DEFERRED SHARE UNITS

(a) The number of DSUs to be granted to an Eligible Director for an Initial DSU Grant or an Annual DSU Grant will be determined by dividing the value of the Initial DSU Grant or an Annual DSU Grant by the Market Value on the Date of Grant.

(b) The Letter of Grant for an Initial DSU Grant or an Annual DSU Grant shall notify the Participant in writing of the number of Deferred Share Units being granted, the vesting conditions thereof, and the fact that the settlement will be made in Common Shares, cash

or a combination of both at the sole discretion of the Committee to be determined at the Settlement Date.

(c) Subject to the limits set out in Section 3(c), an Eligible Director may elect to receive 25%, 50%, 75% or 100% of the Director's Remuneration in the form of DSUs or the whole in cash by completing and delivering to the Vice President, Finance and Chief Financial Officer of the Corporation by no later than the last day of the month in which the most recent annual meeting of shareholders was held the election form set out in Schedule "B" to this Plan.

In the absence of an election by the Eligible Director in any given year, the latest election made by such Director shall continue to apply until the Eligible Director submits another written election in accordance with this Section 4.

An Eligible Director shall only complete and deliver one irrevocable election form in respect of the Director's Remuneration payable in the following 12 month period.

If no election is made, and no prior election remains effective, the Eligible Director will be deemed to have elected to be paid the Director's Remuneration in cash only.

(d) The number of DSUs to be granted on the last day of each quarter to an Eligible Director as Director's Remuneration will be determined by dividing one fourth (1/4th) of the value of such Director's Remuneration so elected to be received in DSUs by the Market Value.

(e) Further to receiving an Eligible Director's election form, the Corporation shall issue a Letter of Grant relating to the Director's Remuneration notifying the Participant in writing that the number of DSUs to be issued to such Participant on the last day of each quarter will be determined by dividing one fourth (1/4th) the value of such Director's Remuneration elected to be received in DSUs by the Market Value. The DSUs so granted shall be fully vested upon grant, and the fact that the settlement will be made in Common Shares, cash or a combination of both at the sole discretion of the Committee shall be determined at the Settlement Date.

5. CREDITS FOR DIVIDENDS

Whenever dividends are paid on Common Shares, additional Deferred Share Units will be automatically granted to each Participant who holds Deferred Share Units on the record date for such distribution of dividend. The number of such Deferred Share Units (rounded to the nearest whole Deferred Share Unit) to be credited as of a dividend payment date shall be determined by dividing the aggregate dividend that would have been paid to such Participant if the Participant's Deferred Share Units had been Common Shares by the Market Value on the date on which the distributions were paid on the Common Shares. Deferred Share Units granted to a Participant under this Section 5 shall be subject to the same vesting as the Deferred Share Units to which they relate.

6. VESTING OF THE DEFERRED SHARE UNITS

Unless otherwise indicated by the Committee in the Grant Letter, (i) the Deferred Share Units granted to an Eligible Director, as part of such Eligible Director's Remuneration, shall vest immediately upon such grant and (ii) the Deferred Share Units granted to an Eligible Director as an Annual DSU Grant shall vest one day prior to the Corporation's next annual meeting of shareholders, provided that if a Change of Control takes place, all unvested Deferred Share Units become vested at the time of the Change of Control.

Notwithstanding the foregoing, the Committee may, in its entire discretion, accelerate the terms of vesting of any DSUs in circumstances deemed appropriate by the Committee.

7. TERMINATION OF A PARTICIPANT AND SETTLEMENT OF DSU

Unless otherwise determined by the Committee, the following events shall constitute an event of Termination upon which all DSUs awarded to such Participant and vested at the time of such event of Termination shall be paid to such Participant, in accordance with the terms of this Plan and the Letter of Grant:

(a) resignation of a Participant as member of the Board;

(b) decision of a Participant not to stand for re-election as member of the Board;

(c) non proposal of a Participant for re-election as member of the Board; or

(d) death of a Participant.

Further to a Termination in accordance with this Section 7, a Participant becomes entitled to select a Settlement Date. On the Settlement Date, provided that such date must not be later than the last Business Day in December of the first calendar year commencing after such Termination, the Corporation shall either (i) deliver to the Participant, or his legal representative, Common Shares issued from treasury equal in number to one (1) Common Share for each DSU credited to the Participant's account on the Settlement Date, (ii) pay the Participant, or his legal representative, a lump sum cash payment equal to the Market Value of one (1) Common Share for each DSU credit to the Participant's account on the Settlement Date payable in the form of a cheque, or other payment method as determined by the Committee, of any cash portion then payable to the Participant, in each case, less any applicable withholding taxes and other deductions required by law to be withheld by the Corporation in connection with the satisfaction of the Participant's DSUs, or (iii) any combination of the foregoing. Notwithstanding the election of the Participant (or his or her succession) in this Section 7, the Committee, in its sole discretion, shall be entitled to settle the Participant's account in any form provided for in this Section 7.

Once settled, the Participant shall have no further entitlement in connection with such DSUs under this Plan. A Participant shall not be entitled to the issuance of any Common Shares or payment of any amount on account of DSUs credited to such Participant's account prior to such Participant's Termination. All vested DSUs granted to a Participant will be settled at the latest on the Expiry Date, subject to any Blackout Period adjustments allowed under this Section 7; provided, however, that while the Common Shares are listed on the TSXV, vested DSUs may not settle in Common Shares (and, for the avoidance of doubt, may only settle in cash) for the settlement of any DSUs occurring more than ten (10) years following the date of grant.

Common Shares issued by the Corporation under this Plan shall be considered fully paid in consideration of past services that is no less in value than the fair equivalent of the money the Corporation would have received if the Common Shares had been issued for money.

For greater certainty, upon death of a Participant, no transfer of DSUs by the Participant by will or by laws of succession shall be effective to bind the Corporation unless the Corporation has been furnished with written notice thereof, together with a copy of any will or such other evidence as the Corporation may deem necessary or desirable to establish the validity of the transfer.

Notwithstanding the foregoing, if the Settlement Date in respect of any DSUs occurs during a Blackout Period, or within ten (10) business days after the expiry of a Blackout Period, then the Settlement Date shall

be the date that is the tenth (10^{th}) business day after the expiry of the Blackout Period, provided that such Settlement Date may not be later than the last Business Day of the month of December of the year following Termination. If the revised Settlement Date is not a date that is prior to the last Business Day of the month of December of the year following Termination, then the Settlement Date in respect of such DSUs shall, notwithstanding any other provision of this Plan, be the last Business Day of the month of December of the year following Termination.

8. SHARES SUBJECT TO THIS PLAN

Subject to adjustment pursuant to provisions of Section 8 hereof, the aggregate number of Common Shares reserved for issuance from treasury under this Plan shall not exceed 3,000,000 Common Shares, provided, however, the number of Common Shares reserved for issuance from the treasury under this Plan and pursuant to all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding.

Any increase in the issued and outstanding Common Shares will result in an increase in the number of Common Shares that may be issued pursuant this Plan or any other Security Based Compensation Arrangement of the Corporation.

9. ADJUSTMENTS TO THE NUMBER OF DEFERRED SHARE UNITS

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders or any other change affecting the Common Shares, such adjustments as are required to reflect such change shall be made with respect to the number of DSUs in the accounts maintained for each Participant, provided that no fractional DSUs shall be issued to Participants and the number of DSUs to be issued in such event shall be rounded to the nearest whole DSU.

10. CEASE TRADE

In the event that the Participant's Settlement Date is after the date on which the Common Shares ceased to be traded on the TSXV, provided such cessation in trading is not reasonably expected to be temporary (the "**Cease Trade Date**"), the value of the DSUs redeemed by or in respect of the Participant pursuant to Section 7 shall be determined in accordance with the following:

(a) where the Participant's Termination Date is before or not more than 365 days after the last Trading Day of the Common Shares before the Cease Trade Date, the value of each DSU credited to the Director at his or her Settlement Date shall be equal to the Market Value on the last Trading Day before the Cease Trade Date; and

(b) where the Participant's Termination Date is after the date that is 365 days after the last Trading Day before the Cease Trade Date, the value of each DSU credited to the Director's DSU Account at his or her Settlement Date shall be based on the fair market value of a Common Share of the Corporation or of a corporation related thereto at his or her Settlement Date as is determined on a reasonable and equitable basis by the Board after receiving the advice of one or more independent firms of investment bankers of national repute.

The value of a Director's DSUs determined in accordance with Paragraph (a) or (b) of this Section 10, as applicable, shall be paid to the Director (or, if the Director has died, to his or her estate) in the form of

newly issued Common Shares by the Corporation, net of any applicable withholdings as soon as practicable after the Participant's Settlement Date, provided that in any event such payment date shall be no later than December 31 of the first calendar year commencing after the Participant's Termination Date.

11. PARTICIPANT ACCOUNTS

The Corporation shall maintain an account for each Participant recording at all times the number of Deferred Share Units credited to the Participant. Upon payment in satisfaction of Deferred Share Units pursuant to Section 7 hereof, such Deferred Share Units shall be cancelled. A written notification of the balance in the account maintained for each Participant shall be mailed by the Corporation or by an administrator on behalf of the Corporation to each Participant at least annually. A Participant shall not be entitled to any certificate or other document evidencing the amount of Deferred Share Units in such Participant's account.

12. RIGHTS OF PARTICIPANTS

(a) Under no circumstances shall Deferred Share Units be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership or control of Common Shares, nor shall any Participant be considered the owner of any Common Shares pursuant to this Plan.

(b) The rights and interests of a Participant in respect of this Plan are not transferable or assignable other than by will or the laws of succession to the legal representative of the Participant.

(c) Neither participation in this Plan nor any action taken under this Plan shall give or be deemed to give any Participant a right to continued participation to the Board.

13. REORGANIZATION OF THE SHARE CAPITAL

The existence of any Deferred Share Units shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

In the case of an adjustment to the issued shares of the Corporation following a dividend in shares, an amalgamation, a combination, merger or consolidation, a share-for-share exchange or any other similar change in the capital structure of the Corporation, an adjustment shall be made by the Corporation to the number of Deferred Share Units or to the kind of shares that are subject to the issued Deferred Share Units, as the case may be. The Committee shall make such adjustment, which shall be final and binding for purposes of this Plan.

14. AMENDMENT AND TERMINATION OF THIS PLAN

(a) The approval of the Board of Directors and the requisite approval from the TSXV and disinterested shareholders of the Corporation (by a simple majority) shall be required for any of the following amendments to be made to this Plan:

(i) any increase to the percentage of shares reserved for issuance under this Plan or a change from a fixed maximum percentage of shares to a fixed maximum number of shares;

(ii) any change to the definition of "Participant" which would have the potential of broadening or increasing insider participation;

(iii) remove or exceed the insider participation limit prescribed by the TSXV Corporate Finance Manual; and

(iv) any amendment that may modify or delete any of this Section 14(a).

(b) The Board may, subject to receipt of requisite approval from the TSXV, in its sole discretion make all other amendments to this Plan that are not of the type contemplated in Section 14(a) above including, without limitation:

(i) amend, suspend or terminate this Plan in whole or in part or amend the terms of DSUs credited in accordance with this Plan. If any such amendment, suspension or termination will materially or adversely affect the rights of a Participant with respect to DSUs credited to such Participant, the written consent of such Participant to such amendment, suspension or termination shall be obtained. Notwithstanding the foregoing, the obtaining of the written consent of any Participant to an amendment, suspension or termination which materially or adversely affects the rights of such Participant with respect to any credited DSUs shall not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Corporation are listed. If the Committee terminates this Plan, DSUs previously credited to Participants shall remain outstanding and in effect and be settled in due course in accordance with the terms of this Plan (which shall continue to have effect, but only for such purposes) on the Settlement Date.

15. VOLUNTARY PARTICIPATION

(a) Participation of a Participant in this Plan is completely voluntary and optional and should not be construed as granting to a Participant rights or privileges other than those that are expressly described under the rules of this Plan and the Letter of Grant.

(b) This Plan offers no guarantee against the losses that may result from the market fluctuations of the price of the Common Shares.

(c) The Corporation shall not be liable for the consequences of the participation of a Participant in this Plan in respect of income or taxes on the income of a Participant and the Participants must consult their own tax advisors in this respect.

16. WITHHOLDING TAXES

The Corporation or its Subsidiaries may withhold from any payment to or for the benefit of a Participant any amount required to in order to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or the making of any other source deductions, including on

the amount, if any, included in income of a Participant and may adopt and apply such rules and regulations that, in its opinion, will ensure that the Corporation or its Subsidiaries will be able to so comply.

17. REPRESENTATION AND WARRANTY

(a) The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Plan.

(b) Subject to Section 7, the Corporation represents that any holder of DSUs shall be a bona fide Eligible Director.

18. INTERPRETATION

This Plan shall be governed by and construed in accordance with the laws of the Province of Québec.

This Plan was adopted by the Board of Directors on October [●], 2020.

This Plan was adopted by the Shareholders on November 20, 2020.

SCHEDULE "A-1"

LETTER OF GRANT [*Initial and Annual Grant*]

[DATE]

[NAME]
[Address]

RE: Grant of Deferred Share Units by Osisko Development Corp. ("Osisko Development")

Dear [NAME]:

In accordance with Osisko Development's Deferred Share Unit Plan (the "**Plan**"), it is with great pleasure that I hereby confirm that the Board of Directors of Osisko Development has granted to you [NUMBER] Deferred Share Units ("**DSUs**") as part of your [one-time initial grant] OR [annual grant] in accordance with the terms and conditions set forth below:

Your DSU Grant is subject to the following terms:

Grant Date:	[DATE]
Number of rights acquired and Vesting:	[Number] DSUs issued as part of your [initial grant] OR [annual grant], which are vesting [one day prior to Osisko Development's next annual meeting of shareholders].
Unit value at grant:	Can $[PRICE] per DSU.
Expiry Date:	December 31st of the year following the year of the Termination of your service (as per the term of the Plan).
Settlement Date:	The date, chosen by you to receive payment by Osisko Development of your vested DSU; such date will be comprised in the period starting the Business Day following Termination and ending the last Business Day of the month of December of the year following Termination.
Settlement of DSUs	DSUs will be settled, at the discretion of Osisko Development on the Settlement Date, in Common Shares, in cash or in a combination of Common Shares and cash.

In accordance with the rules of the Plan (a copy of which is attached herewith):

(a) Whenever dividends are paid on Common Shares, additional DSUs will be automatically granted to you. The number of such DSUs (rounded to the nearest whole DSU) to be credited as of a dividend payment date shall be determined by dividing the aggregate dividends that would have been paid if your DSUs had been Common Shares by the Market Value on the date on which the dividends were paid on the Common Shares. DSUs automatically granted as a result of dividends paid shall be subject to the same vesting as the DSUs to which they relate; and

(b) Following the termination of your service, and unless otherwise provided for in the foregoing grant letter, the Deferred Share Units credited to your account shall be settled, on the Settlement Date, at the discretion of Osisko Development, in Common Shares, in cash or in a combination of Common Shares and cash. The amount of cash and Common Shares payable shall be calculated pursuant to Section 7 of the Plan.

The terms and expressions used in this Letter of Grant and which are defined under the Plan have the meaning assigned to them under the Plan, unless the context requires otherwise.

For further information, do not hesitate to contact me.

Trusting this is satisfactory, please accept, dear [NAME], the expression of my distinguished sentiments.

Yours very truly,

OSISKO DEVELOPMENT CORP.

[AUTHORIZED SIGNATORY]

SCHEDULE "A-2"

LETTER OF GRANT [*Director's Remuneration*]

[DATE]

[NAME]
[Address]

RE: Payment of Director's Remuneration in Deferred Share Units ("**DSU**") of Osisko Development Corp. ("**Osisko Development**")

Dear [NAME]:

In accordance with Osisko Development's DSU Plan (the "**Plan**"), it is with great pleasure that I hereby confirm that the Board of Directors of Osisko Development received and approved your election form pursuant to which you elected to receive _____% of your Director's Remuneration in DSUs in accordance with the terms and conditions set forth below:

Grant Date:	At the end of each quarter of the financial year.
Number of rights acquired and Vesting:	The number of DSUs to be granted as Director's Remuneration will be determined by dividing one fourth ($1/4^{th}$) the value of _____% of your Director's Remuneration by the Market Value; such DSUs are fully vested upon each quarterly grant.
Unit value at grant:	Market Value on each Grant Date.
Expiry Date:	December 31^{st} of the year following the year of the Termination of your service (as per the term of the Plan).
Settlement Date:	The date, chosen by you to receive payment by Osisko Development of your vested DSU; such date will be comprised in the period starting the Business Day following Termination and ending the last Business Day of the month of December of the year following Termination.
Settlement of DSUs	DSUs will be settled, at the discretion of Osisko Development on the Settlement Date, in Common Shares, in cash or in a combination of Common Shares and cash.

In accordance with the rules of the Plan (a copy of which is attached herewith):

(a) Whenever dividends are paid on Common Shares, additional DSUs will be automatically granted to you. The number of such DSUs (rounded to the nearest whole DSU) to be credited as of a dividend payment date shall be determined by dividing the aggregate dividends that would have been paid if your DSUs had been Common Shares by the Market Value on the date on which the dividends were paid on the Common Shares. DSUs automatically granted as a result of dividends paid shall be subject to the same vesting as the DSUs to which they relate; and

(b) Following the termination of your service, and unless otherwise provided for in the foregoing grant letter, the Deferred Share Units credited to your account shall be settled, on the Settlement Date, at the discretion of Osisko Development, in Common Shares, in cash or in a combination of Common Shares and cash. The amount of cash and Common Shares payable shall be calculated pursuant to Section 7 of the Plan.

The terms and expressions used in this Letter of Grant and which are defined under the Plan have the meaning assigned to them under the Plan, unless the context requires otherwise.

For further information, do not hesitate to contact me.

Trusting this is satisfactory, please accept, dear [NAME], the expression of my distinguished sentiments.

Yours very truly,

OSISKO DEVELOPMENT CORP.

[AUTHORIZED SIGNATORY]

SCHEDULE "B"

ELECTION FORM

This election form must be returned to the Vice President, Finance and Chief Financial Officer of Osisko Development Corp. (by mail, in person or at the following email address: [corporatesecretary@osiskodev.com] by 5:00 p.m. (Eastern Time) before the last day of the month in which the most recent annual meeting of shareholders took place.

I am an Eligible Director and I hereby elect irrevocably to have my Director's Remuneration for the next 12-month period payable as follows:

A. __% in Deferred Shares Units(1); and

B. __% in cash(2).

_____
Eligible Director's Signature

_____
Eligible Director's Name (please print)

_____
Date

(1) 0%, 25%, 50%, 75% or 100% of the Director's Remuneration may be paid in DSUs.
(2) The total amount of A and B must equal 100%.

OSISKO DEVELOPMENT CORP.
EMPLOYEE SHARE PURCHASE PLAN

1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions:** For purposes of this Employee Share Purchase Plan (this "**Plan**"), unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

1.1.1 "**Aggregate Contribution**" means the aggregate of an Eligible Employee's Contribution and the related Corporation's Contribution;

1.1.2 "**Base Annual Salary**" means the basic annual remuneration of an Eligible Employee from the Corporation and its Designated Affiliates or Subsidiaries exclusive of any overtime pay, bonuses or allowances of any kind whatsoever;

1.1.3 "**Board of Directors**" means the board of Directors of the Corporation;

1.1.4 "**Change of Control**" means the occurrence of anyone or more of the following events:

(a) if a person, by means of a takeover bid made in accordance with the applicable provisions of the *Securities Act* (Québec) (the "**Securities Act**"), directly or indirectly, acquires an interest in one of the Corporation's classes of shares conferring 50% or more of the votes entitling him to elect the Directors of the Corporation;

(b) if a person, by means of stock market transactions, directly or indirectly, acquires an interest in one of the Corporation's classes of shares conferring 50% or more of the votes entitling him to elect the Directors of the Corporation; however, the acquisition of securities by the Corporation itself through one of its Subsidiaries or affiliates, or by means of an employee benefits plan of the Corporation or one of its Subsidiaries or affiliates (or by the trustee of any such plan), shall not constitute a takeover;

(c) the consummation of any transaction including, without limitation, any consolidation, amalgamation, merger, arrangement or issue of voting securities the result of which is that any person or group of persons acting jointly or in concert for purposes of such transaction (other than the Corporation and its Subsidiaries) becomes the beneficial owner, directly or indirectly, of more than 50% of the voting securities of the Corporation or of any such consolidated, amalgamated, merged or other continuing-entity, measured by voting power rather than number of securities (but shall not include the creation of a holding company or similar transaction that does not involve a change in the beneficial ownership of the Corporation);

(d) the sale, lease or exchange of 50% or more of the property of the Corporation to another person or entity, other than in the ordinary course of business of the Corporation or any of its subsidiaries; for greater certainty, the sale, lease or exchange of 50% or more of the property of the Corporation to an entity in which the Corporation hold, directly or indirectly, 50% or less of the voting securities will be considered, for the purposes hereof, a "Change of Control";

(e) if the individuals who are, from time to time, proposed as nominees of management of the Corporation in a management information circular of the Corporation to be elected as directors of the Corporation at a meeting of the shareholders involving a contest for, or an item of business relating to, the election of directors of the Corporation, do not constitute a majority of the directors of the Corporation immediately following such meeting of the shareholders; or

(f) any other transaction that is deemed to be a "Change of Control" for the purposes of this Plan by the Board of directions in its sole discretion;

1.1.5 "**Committee**" means the Directors or if the Directors so determine in accordance with Section 2.3 of this Plan, the committee of the Directors authorized to oversee this Plan which includes any human resources committee of the Board;

1.1.6 "**Common Shares**" means the common shares of the Corporation, as adjusted in accordance with the provisions of Section 5.6 of this Plan;

1.1.7 "**Corporation**" means Osisko Development Corp.;

1.1.8 "**Corporation's Contribution**" means the amount the Corporation credits an Eligible Employee under Section 3.4;

1.1.9 "**Current Market Value**" means the weighted average closing prices of the Corporation's Common Shares as listed on the TSXV for the five (5) consecutive trading days prior to the end of each applicable financial quarters of the Corporation, and if the Common Shares are not then listed on the TSXV, then the Current Market Value shall be determined based on the trading price on such stock exchange or over-the-counter market in Canada or the United States on which the Common Shares may be listed and posted for trading as may be selected for that purpose by the Committee in the event the Common Shares are not listed and posted for trading on any stock exchange or over-the counter market, the Current Market Value shall be the value of such Common Shares as determined by the Committee as its discretion;

1.1.10 "**Designated Affiliates or Subsidiaries**" means the affiliates and subsidiaries of the Corporation designated by the Committee for purposes of this Plan from time to time;

1.1.11 "**Directors**" means members of the Board of Directors of the Corporation from time to time;

1.1.12 "**Eligible Employees**" means permanent employees, and including both full-time and part-time salaried employees, of the Corporation or its Designated Affiliates or Subsidiaries; for purposes hereof, a "permanent" employee is an employee who has an Employment Contract with the Corporation and/or its Designated Affiliates or Subsidiaries for a term of at least a year;

1.1.13 "**Eligible Employee's Contribution**" means the amount an Eligible Employee elects to contribute to this Plan under Section 3.3.1;

1.1.14 "**Employment Contract**" means any contract between the Corporation or any Designated Affiliate or Subsidiary of the Corporation and any Eligible Employee relating to, or entered into in connection with, the employment of the Eligible Employee;

1.1.15 "**Holding Period**" means such period as may be required by law or the TSXV or any regulatory authority having jurisdiction over the securities of the Corporation or at the discretion of the Committee from time to time; for purposes hereof, the Committee determined that in respect of any Common Shares issued under this Plan during any given calendar year, the holding period shall commence on the date of issue and end on December 31st of the calendar year during which they have been issued;

1.1.16 "**Insider**" means an "insider" as defined in the TSXV Corporate Finance Manual, as amended from time to time;

1.1.17 "**Person**" shall mean, unless the context otherwise requires or unless and to the extent otherwise limited or required by applicable law or rules of a stock exchange, any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity;

1.1.18 "**Plan**" has the meaning ascribed thereto in Section 1.1 hereof;

1.1.19 "**Retirement**" in respect of an Eligible Employee means the Eligible Employee ceasing to be eligible to participate in this Plan after attaining a stipulated age in accordance with the Corporation's normal retirement policy (as such policy may be established or revised from time to time at the discretion of Corporation and subject to applicable laws) or earlier with the Corporation's consent;

1.1.20 "**Retirement Date**" means the date that an Eligible Employee ceases to be eligible to participate in this Plan;

1.1.21 "**Security Based Compensation Arrangements**" means this Plan, the Corporation's stock option plan, the Corporation's restricted share unit plan, the Corporation's deferred share unit plan and any other equity-based compensation plan in effect from time to time;

1.1.22 "**Subsidiary**" shall mean any subsidiary of the Corporation from time to time;

1.1.23 "**Termination**" means, the termination of the employment of the Eligible Employee with or without cause by the Corporation or a Designated Affiliate or cessation of employment of the Eligible Employee with the Corporation or a Designated Affiliate as a result of resignation or otherwise other than the Retirement of the Eligible Employee; and

1.1.24 "**TSXV**" means the TSX Venture Exchange, or such other stock exchange or dealing network where the majority of the trading volume or value of the Common Shares occurs.

Securities Definitions: In this Plan, the term "affiliate" shall have the meaning given to such term in the Securities Act.

1.2 **Headings:** The headings of all Articles, Sections and Paragraphs in this Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Plan.

1.3 **Context and Construction:** Whenever the singular or masculine are used in this Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

1.4 **References to this Plan:** The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this Plan as a whole and not to any particular Article, Section, Paragraph or other part hereof.

1.5 **Canadian Funds:** Unless otherwise specifically provided, all references to dollar amounts in this Plan are references to lawful money of Canada.

2. PURPOSE AND ADMINISTRATION OF THIS PLAN

2.1 **Purpose of this Plan:** This Plan provides for the acquisition of Common Shares by Eligible Employees for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of employees and officers of the Corporation and the Designated Affiliates or Subsidiaries of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by employees of the Corporation and Designated Affiliates or Subsidiaries of the Corporation, it being generally recognized that employee share purchase plans aid in attracting, retaining and encouraging employees due to the opportunity offered to them to acquire a proprietary interest in the Corporation as well as aligning employees' interests with those of the shareholders of the Corporation.

2.2 **Delegation to Committee:** All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors, including any human resources committee of the Board of Directors of the Corporation.

2.3 **Administration of this Plan:**

2.3.1 This Plan shall be administered by the Committee, which comes under the authority of the Board. The Committee has full power and authority to interpret this Plan, to establish any rules and regulations and to adopt any condition that it deems necessary or desirable for the administration of this Plan within the limits prescribed by applicable legislation.

2.3.2 No member of the Committee shall be liable for any action or determination made in good faith pursuant to this Plan. To the full extent permitted by law, the Corporation shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding by reason of the fact that such person is or was a member of the Committee and, as such, is or was required or entitled to take action pursuant to the terms of this Plan.

2.3.3 The Corporation and the Eligible Employee are responsible for ensuring and confirming that the Eligible Employee is eligible to participate in this Plan as a *bona fide* employee of the Corporation and/or Designated Affiliates or Subsidiaries.

2.4 **Record Keeping:** The Corporation shall maintain a register in which shall be recorded:

2.4.1 the name and address of each Eligible Employee who participates in this Plan;

2.4.2 any Eligible Employee's Contributions and the Corporation's Contributions; and

2.4.3 the number of Common Shares held in safekeeping for the account of an Eligible Employee.

2.5 **Maximum Number of Shares:**

2.5.1 The aggregate number of Common Shares reserved for issuance from treasury under this Plan shall not exceed 3,000,000 Common Shares, provided, however, the number of Common Shares reserved for issuance from the treasury under this Plan and pursuant to all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding.

2.5.2 This Plan is subject to a number of restrictions including the following: (i) the aggregate number of Common Shares issuable to Insiders, at any time, under this Plan and all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries shall not, in the aggregate, exceed ten percent (10%) of the issued and outstanding Common Shares, calculated on a non-diluted basis; (ii) within any twelve (12) month period, the Corporation shall not issue Insiders under this Plan and all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries, in the aggregate, a number of Common Shares exceeding ten percent (10%) of the issued and outstanding Common Shares, calculated on a non-diluted basis; and (iii) within any twelve (12) month period, the Corporation shall not issue to any one Person (and companies wholly-owned by that Person) under this Plan and all other Security Based Compensation Arrangements of the Corporation and its Subsidiaries, in the aggregate, a number of Common Shares exceeding five percent (5%) of the issued and outstanding Common Shares, calculated on a non-diluted basis.

3. SHARE PURCHASE PLAN

3.1 **The Share Purchase Plan:** A Share Purchase Plan is hereby established for all Eligible Employees.

3.2 **Eligibility**: Eligible Employees who have provided services to the Corporation or any Designated Affiliate or Subsidiary for at least 60 days shall, from time to time, be entitled to participate in this Plan. The Committee, shall have the right, in its absolute discretion, to waive such 60 day period or to determine that this Plan does not apply to any Eligible Employee; for greater certainty, an Eligible Employee who withdrew from this Plan pursuant to Section 3.9 hereof shall cease to be an Eligible Employee and shall not be allowed to participate in this Plan, for the remaining term of the calendar year during which such withdrawal occurred.

3.3 **Election to Participate in this Plan and Eligible Employee's Contribution:**

3.3.1 Any Eligible Employee may elect to contribute money to this Plan, on an ongoing basis, if the Eligible Employee delivers to the Corporation, (i) a written notice of his or her intention to participate in this Plan at least 10 business days before the beginning of any calendar quarter, and (ii) a written direction in form and substance satisfactory to the Corporation authorizing the Corporation to deduct from the remuneration of the Eligible Employee the Eligible Employee's Contribution in equal instalments starting on the first day of such quarter. As part of the above written notice, the Eligible Employee will have to provide the Corporation with registration instructions for the issuance of the Common Shares to be issued to the Eligible Employee under this Plan. A written notice from the Eligible Employee shall be deemed to be a confirmation by the Eligible Employee that such Eligible Employee accepts the terms of this Plan as such terms may exist or be amended from time to time.

3.3.2 The Eligible Employee Contribution shall be a minimum of $100 a month but in no event shall the Eligible Employee's Contribution exceed 10% (unless otherwise specified by the Committee), before deductions, of the Eligible Employee's Base Annual Salary subject to a maximum contribution of $1,250 per month. The Eligible Employee Contributions shall be subject to the limits set out in Section 2.5 hereto.

3.3.3 No adjustment shall be made to the Eligible Employee's Contribution unless made at least 10 business days before the beginning of the first or third calendar quarter, and then only if a new written notice and direction shall have been delivered to the Corporation for such calendar quarter, except in situations of exceptional circumstances as the Chief Financial Officer may see appropriate from time to time, in his or her sole discretion. Should the Eligible Employee wish to change his or her level of contribution, such Eligible Employee must deliver to the Corporation the notice and direction as referred to above. The Eligible Employee's Contribution shall be held by the Corporation in trust for the purposes of this Plan.

3.4 **Corporation's Contribution:** Immediately prior to the date any Common Shares are issued to an Eligible Employee in accordance with Section 3.6, the Corporation will credit the Eligible Employee with and thereafter hold in trust for the Eligible Employee, the Corporation's Contribution in an amount equal to 60% of the Eligible Employee's Contribution then held in trust by the Corporation.

3.5 **Aggregate Contribution:** The Corporation shall not be required to segregate the Aggregate Contribution from its own corporate funds or to pay interest thereon.

3.6 **Issue of Shares:**

3.6.1 At its sole discretion, the Corporation shall either i) as soon as practicable following March 31, June 30, September 30 and December 31 in each calendar year, issue for the account of each Eligible Employee fully paid and non-assessable Common Shares equal in value to the Aggregate Contribution held in trust as of such date by the Corporation converted into Common Shares at the Current Market Value of the Common Shares on the end of the applicable calendar quarter or ii) within ten (10) days from the end of the applicable calendar quarter, on behalf of the Eligible Employee, purchase or arrange for the purchase on the market of such number of Common Shares utilizing the Aggregate Contribution held in trust as of such date by the Corporation or iii) a combination of i) and ii).

3.6.2 If the issuance of Common Shares would otherwise result in the issue for the account of an Eligible Employee of a fraction of a Common Share, the Corporation will issue only such whole Common Shares as are issuable.

3.6.3 The Corporation shall hold any unused balance of the Aggregate Contribution in trust for an Eligible Employee until used in accordance with this Plan.

3.7 **Safekeeping and Delivery of Shares:**

3.7.1 All Common Shares held by the Corporation pursuant to this Section 3.7.1 shall be registered in the name of the Eligible Employee or a trustee designated by the Corporation and shall be held by the Corporation or its designated trustee, in trust, for the benefit of the Eligible Employee until title thereto vests in the Eligible Employee pursuant to this Section 3.7. All Common Shares issued for the account of an Eligible Employee in accordance with Section 3.6 will be held in safekeeping by the Corporation and the Common Shares issued pursuant to the Eligible Employee's Contribution will be released to such Eligible Employee, subject as provided in this Plan, upon the expiry of the Holding Period and, consequently, the Common Shares issued pursuant to the Corporation's Contribution will vest and also be released to such Eligible Employee. For greater certainty, unless otherwise provided for under this Plan, Common Shares issued in respect of the Corporation's Contributions made during any given calendar year shall only vest on December 31st of the calendar year during which they have been issued. If the Corporation receives, on behalf of an Eligible Employee in respect of any Common Shares so held:

(a) cash dividends;

(b) options or rights to purchase additional securities of the Corporation or any other corporation;

(c) any notice of meeting, proxy statement and proxy for any meeting of holders of Common Shares of the Corporation; or

(d) other or additional Common Shares or other securities (by way of dividend or otherwise);

then the Corporation shall forward to such an Eligible Employee, at his or her last address according to the register maintained under Section 2.4, any of the items listed in Paragraphs 3.7.1(a) to 3.7.1(d) that are to be received on Common Shares issued pursuant to the Employee's Contribution. For greater certainty, if any of the items listed in Paragraphs 3.7.1(a) to 3.7.1(d) are to be received on Common Shares issued pursuant to the Corporation's Contribution such items shall be delivered on the designated trustee acting in the Eligible Employee's interest until such Common shares become vested.

3.7.2 Any Common Shares held for the account of an Eligible Employee in safekeeping by the Corporation will vest and be distributed to an Eligible Employee or the estate of the Eligible Employee, prior to the expiry of the applicable Holding Period only upon:

(a) the date of the commencement of the Eligible Employee's Retirement in accordance with the Corporation's normal policy regarding Retirement;

(b) the date of the commencement of the total disability of the Eligible Employee's determined in accordance with the Corporation's normal disability policy; or

(c) the date of death of the Eligible Employee.

3.8 **Termination:** In the event of the Termination of an Eligible Employee:

3.8.1 the Eligible Employee shall automatically cease to be entitled to participate in this Plan;

3.8.2 any portion of the Eligible Employee's Contribution then held in trust for the Eligible Employee shall be paid to the Eligible Employee or the estate of the Eligible Employee;

3.8.3 in case of voluntary termination by the Eligible Employee or in case of termination for cause of the Eligible Employee by the Corporation, any portion of the Corporation's Contribution then held in trust for an Eligible Employee shall be paid to the Corporation; in case of termination without cause of the Eligible Employee by the Corporation, any portion of the Corporation's Contribution then held in trust for an Eligible Employee shall be paid to the Eligible Employee or the estate of the Eligible Employee;

3.8.4 in case of voluntary termination by the Eligible Employee or in case of termination for cause of the Eligible Employee by the Corporation, all unvested Common Shares purchased with the Eligible Employee's Contribution then held in safekeeping for the Eligible Employee pursuant to Section 3.7.1 shall vest and be released to the Eligible Employee prior to the expiry of the Holding Period but all unvested Common Shares purchased with the Corporation's Contribution shall be forfeited by the Eligible Employee and returned to the Corporation; in case of termination without cause of the Eligible Employee by the Corporation, any unvested Common Shares then held in safekeeping for an Eligible Employee pursuant to Section 3.7.1 shall vest and be released to the Eligible Employee prior to the expiry of the Holding Period; and

3.8.5 this Section 3.8 is subject to any employment agreement or any other agreement to which the Corporation or its Designated Affiliates or Subsidiaries is a party with respect to the rights of such Eligible Employee upon Termination or Change in Control.

3.9 **Election to Withdraw from this Plan:** Any Eligible Employee may at any time elect to withdraw from this Plan. In order to withdraw the Eligible Employee must give at least two weeks' notice to

the Corporation in writing in form and substance satisfactory to the Corporation directing the Corporation to cease deducting from the Eligible Employee's remuneration the Eligible Employee's Contribution. Deductions will cease to be made commencing with the first pay date following expiry of the two weeks notice. The Eligible Employee's Contribution will continue to be held in trust. On the next following date for making the Corporation's Contribution the Corporation will credit the Eligible Employee with the pro rata amount of the Corporation's Contribution, calculated in accordance with Section 3.4. The issuance and delivery of Common Shares will not be accelerated by such withdrawal but will occur on the date on which such Common Shares would otherwise have been issued in accordance with Section 3.6 and delivered to the Eligible Employee in accordance with Section 3.7 had the Eligible Employee not elected to withdraw from this Plan.

3.10 **Necessary Approvals:** The obligation of the Corporation to issue and deliver any Common Shares in accordance with this Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Eligible Employee for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Eligible Employee's Contribution held in trust for an Eligible Employee shall be returned to the Eligible Employee without interest.

3.11 **Closing of Accounts:** Any account held in trust by the Corporation for the benefit of an Eligible Employee who was terminated pursuant to Section 3.8 and any account held in trust by the Corporation for the benefit of an Eligible Employee who ceased to be an Eligible Employee as a result of an event listed in Section 3.7.2 will remain active for a period of ninety (90) days following such termination or such event, as applicable. Any account held in trust by the Corporation for the benefit of an Eligible Employee who withdrew from this Plan pursuant to Section 3.9 will remain active for a period of ninety (90) days following the end of the calendar year during which such withdrawal occurred if such Eligible Employee has not notified the Corporation of its intention to resume its participation in this Plan at least 10 business days before the end of such calendar year. Upon closing of an account, the Eligible Employee will be sent a certificate representing the Common Shares held in trust by the Corporation, if any and any Eligible Employee's Contribution held in trust for the Eligible Employee shall be returned to the Eligible Employee, without interest.

4. WITHHOLDING TAXES

4.1 **Withholding Taxes:** The Corporation or any Designated Affiliate or Subsidiary of the Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or any Designated Affiliate or Subsidiary of the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Common Share purchased pursuant to this Plan, until such time as the Eligible Employee has paid the Corporation or any Designated Affiliates or Subsidiaries of the Corporation for any amount which the Corporation or any Designated Affiliates or Subsidiaries of the Corporation is required to withhold with respect to such taxes.

5. GENERAL

5.1 **Change of Control**. Notwithstanding any provisions to the contrary contained in this Plan, all unvested Common Shares held in safekeeping by the Corporation that are outstanding at the time of a Change of Control shall vest immediately upon such Change of Control (or such earlier date as may be necessary or appropriate to facilitate the Change of Control transaction).

5.2 **Effective Time of Plan:** This Plan has been adopted by the Board of Directors of the Corporation subject to the approval of the stock exchange or stock exchanges on which the shares of the Corporation are to be listed and the approval by the shareholders of the Corporation and, if so approved, this Plan shall become effective upon such approvals being obtained.

5.3 **Suspension, Termination or Amendments of Plan:** The Committee shall have the right:

5.3.1 without the approval of the shareholders of the Corporation, to suspend or terminate (and to re-instate) this Plan, and

5.3.2 without the approval of the shareholders of the Corporation by ordinary resolution, to make any amendment to this Plan not contemplated under Section 5.3.3 of this Plan, including, but not limited to

(a) any amendment of a "housekeeping" nature, including, without limitation, amending the wording of any provision of this Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan, correcting grammatical or typographical errors and amending the definitions contained within this Plan;

(b) any amendment to comply with the rules, policies, instruments and notices of any regulatory authority to which the Corporation is subject, including the TSXV, or to otherwise comply with any applicable law or regulation;

(c) any amendment to the vesting provisions of this Plan;

(d) any amendment to the provisions concerning the effect of the termination of an Eligible Employee employment or services on such Eligible Employee's status under this Plan;

(e) any amendment respecting the administration or implementation of this Plan;

5.3.3 with the approval of the shareholders of the Corporation by ordinary resolution, to make any of the following amendments to this Plan:

(a) any increase to the number of Common Shares issuable from treasury under this Plan or a change from a fixed maximum percentage of Common Shares to a fixed maximum number;

(b) an amendment to the level of the Corporation's Contribution described in Section 3.4;

(c) an amendment to the contribution mechanism relating to the Corporation's Contribution described in Section 3.4;

(d) any amendment to the categories of persons who are Eligible Employees;

(e) any amendment that may modify or delete any of this Section 5.3.3; or

(f) remove or exceed the insider participation limit prescribed by the TSXV Corporate Finance Manual.

Notwithstanding the foregoing, any amendment to this Plan shall be subject to the receipt of all required regulatory approvals including, without limitation, the approval of the TSXV.

5.4 **Non-Assignable:** Except as otherwise may be expressly provided for under this Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of an Eligible Employee under this Plan is assignable or transferable.

5.5 **No Contract of Employment:** Nothing contained in this Plan shall confer or be deemed to confer upon any Eligible Employee the right to continue in the employment of, or to provide services to, the Corporation or any Designated Affiliate or Subsidiary nor interfere or be deemed to interfere in any way with any right of the Corporation or any Designated Affiliate or Subsidiary to discharge any Eligible Employee at any time for any reason whatsoever, with or without cause. Participation in this Plan by an Eligible Employee shall be voluntary.

5.6 **Adjustment in Number of Shares Subject to this Plan:** In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in the number of Common Shares available under this Plan. If such an adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Plan.

5.7 **Representation or Warranty:** The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Plan.

5.8 **Compliance with Applicable Law:** If any provision of this Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

5.9 **Interpretation:** This Plan shall be governed by and construed in accordance with the laws of the Province of Québec.

This Plan was adopted by the Board of Directors on October [●], 2020.

This Plan was adopted by the Shareholders on November 20, 2020.

APPENDIX "C"
INFORMATION CONCERNING BAROLO

Corporate Structure

Name, Address and Incorporation

Barolo was incorporated on June 13, 2006 under the BCBCA and is a public company whose shares are listed on the TSXV under the symbol "BVC.H". Barolo changed its name from "Ringbolt Ventures Ltd." to "North American Potash Developments Inc." on November 3, 2011 and further changed its name from "North American Potash Developments Inc." to "Barolo Ventures Corp." on September 20, 2018. The registered and records office of the Corporation is located at 2200 - 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8 and the principle place of business is at 1600 - 609 Granville Street, Vancouver, British Columbia, Canada, V7Y 1C3.

As at the date of this Filing Statement, Barolo has one subsidiary, Barolo Subco. Barolo Subco was incorporated on October 13, 2020, in connection with the Transaction. For more information concerning the Contributed Osisko Assets, see Appendix "D" – *"Information Concerning the Contributed Osisko Assets"*.

In connection with the completion of the Transaction, Barolo Shareholders will be asked to approve the continuation of Barolo from the Province of British Columbia under the BCBCA to the CBCA. See *"The Transaction – The Continuance "*.

General Development of the Business

History

The Corporation was previously engaged in the acquisition, exploration and development of mineral properties in Canada and the United States, but currently does not have an active business, and is investigating new business opportunities. The mission of the Corporation is to enhance shareholder value through the acquisition and development of mining properties in North America. The Corporation has currently proposed the Transaction in order to fulfill this objective. See *"The Transaction"* in this Filing Statement.

On November 3, 2011, the Corporation changed its name from "Ringbolt Ventures Ltd." to "North American Potash Developments Inc.".

On August 22, 2018, the Corporation closed a non-brokered private placement financing of 12,000,000 subscription receipts (the "**2018 Subscription Receipts**") of the Corporation at a price of $0.05 per 2018 Subscription Receipt for gross proceeds of $600,000 (the "**2018 Offering**"). On October 2, 2018, each 2018 Subscription Receipt automatically converted into one unit of the Corporation (each, a "**2018 Unit**") for no additional consideration. Each 2018 Unit consisted of one post-consolidated Barolo Share and one common share purchase warrant, with each share purchase warrant entitling the holder to acquire one additional post-consolidated Barolo Share at a price of $0.07 per Barolo Share until October 2, 2019. All warrants expired unexercised.

On September 20, 2018, the Corporation changed its name from "North American Potash Developments Inc." to "Barolo Ventures Corp." and consolidated the Barolo Shares on a 1.75 pre-consolidation for 1 post-consolidation basis.

Transaction Related Financing

In connection with the Transaction, Osisko Subco completed a brokered private placement of 13,350,000 Subscription Receipts at a price of $7.50 per Subscription Receipt for aggregate gross proceeds of $100,125,000 on October 29, 2020. Each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, on or about the date that the Transaction is completed, one Resulting Issuer Share and one-half-of-one Resulting Issuer Warrant after giving effect to the Consolidation. Each Resulting Issuer Warrant will entitle the holder thereof to purchase one Resulting Issuer Share for $10.00 for an 18-month period

following the Effective Date. The Financing is part of the conditions precedent to the Amalgamation Agreement and the Transaction. For details on the terms of the Subscription Receipts, Escrow Release Conditions and commissions paid, see *"Subscription Receipt Financing"* in this Filing Statement.

Financial Information and Management's Discussion and Analysis

The following table sets out certain financial information for Barolo in the most recently completed financial year ended May 31, 2020 and most recently completed interim period ended August 31, 2020. The following information should be read in conjunction with the Barolo Annual Financial Statements and MD&A for the year ended May 31, 2020 and Barolo Interim Financial Statements and MD&A for the period ended August 31, 2020 set forth in this Filing Statement. Please see Appendix "F" – *"Financial Statements of Barolo"* and Appendix "G" – *"Management's Discussion and Analysis of Barolo"*, respectively, to this Filing Statement.

Select Financial Information

	As at May 31, 2020	As at August 31, 2020
Total Expenses	$110,440	$21,620
Amounts deferred in connection with the Transaction	Nil	Nil

Description of the Securities

Barolo has an authorized capital consisting of an unlimited number of Barolo Shares. The following table sets forth Barolo's capital structure as of the date of this Filing Statement.

Barolo Securities	Authorized	Outstanding
Barolo Shares	Unlimited	14,004,287
Barolo Options	1,400,429[(1)(2)]	1,400,000

Notes:

(1) The Barolo Option Plan provides that the total number of Barolo Options reserved for issuance by the Barolo Board will not exceed ten percent (10%) of the issued and outstanding Barolo Shares.

(2) The holders of the Barolo Options entered into an Omnibus Option Cancellation Agreement with Osisko and Barolo on September 24, 2020, whereby Barolo Options will be cancelled without consideration upon the Effective Date, should such Effective Date occur prior to March 30, 2021 and the RTO Letter Agreement is not terminated.

In completing the Transaction, Barolo will be required to issue Barolo Shares. Holders of Barolo Shares are entitled to receive notice of any meeting of shareholders of Barolo and to attend and to cast one vote per Barolo Share at all such meetings. Holders of Barolo Shares are entitled to receive dividends, if any, as and when declared by the Barolo Board in its discretion. Upon the liquidation, dissolution or winding up of Barolo, holders of Barolo Shares are entitled to receive on a pro rata basis the net assets of Barolo, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to the holders of Barolo Shares with respect to dividends or liquidation. The Barolo Shares do not carry any pre-emptive, subscription, redemption or conversion rights.

Equity Incentive Plans

Barolo Stock Option Plan

The Barolo Option Plan was approved by the Barolo Shareholders on October 8, 2019. There have been no changes to the Barolo Option Plan since it was previously approved by the Barolo Shareholders. The Barolo Option Plan is subject to the approval of the Exchange.

The following information is intended as a brief description of the current Barolo Option Plan and is qualified in its entirety by the full text of the Barolo Option Plan, which is available for review on SEDAR (www.sedar.com) under Barolo's issuer profile.

1. The maximum number of Barolo Shares that may be issued upon the exercise of Options granted under the Barolo Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares of the Corporation at the time of grant, the exercise price of which, as determined by the Board in its sole discretion, shall not be less than the closing price of the Common Shares traded through the facilities of the Exchange prior to the announcement of the option grant, or, if the Common Shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.

2. The Board shall not grant Options to any one person in any twelve (12) month period which will, when exercised, exceed five percent (5%) of the issued and outstanding Common Shares or to any one consultant or to those persons employed by the Corporation who perform investor relations services which will, when exercised, exceed two percent (2%) of the issued and outstanding Barolo Shares.

3. Upon expiry of an Option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Barolo Option Plan. All Options granted under the Barolo Option Plan may not have an expiry date exceeding ten (10) years from the date on which the board of directors grant and announce the granting of the Option.

4. All Options will terminate on the earliest to occur of (a) the expiry of their term; (b) the date of termination of an optionee's employment, office or position as director, if terminated for just cause; (c) ninety (90) days (or such other period of time as permitted by any rule or regulation of such exchange on which the Common Shares may be listed) following the date of termination of an optionee's position as a director or NEO, if terminated for any reason other than the optionee's disability or death; (d) thirty (30) days following the date of termination of an optionee's position as a consultant engaged in investor relations activities, if terminated for any reason other than the optionee's disability, death, or just cause; and (e) the date of any sale, transfer or assignment of the Option.

5. Pursuant to the Barolo Option Plan, the minimum exercise price of the Common Shares shall be deemed at $0.05 per Common Share, subject to Exchange Approval.

In accordance with the policies of the Exchange, a plan with a rolling ten (10%) maximum must be confirmed by the Barolo Shareholders at each annual general meeting.

Resulting Issuer Equity Incentive Plans

The Resulting Issuer Option Plan, Resulting Issuer RSU Plan, the Resulting Issuer DSU Plan, and the Resulting Issuer Employee Share Purchase Plan, copy of each of which are attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement, were adopted by the Resulting Issuer at the Meeting. A description of the key terms of each of these Resulting Issuer Equity Incentive Plans which is qualified in its entirety by reference to the full text of the Resulting Issuer Option Plan, is set forth on Appendix "E" – *"Information Concerning the Resulting Issuer"* under the heading "*Equity Incentive Plan*".

If the Resulting Issuer Equity Incentive Plans are approved by Shareholders and the Transaction is completed, then these plans will be authorized to be implemented by the Resulting Issuer. Completion of the Transaction is not conditional upon approval of the Resulting Issuer Equity Incentive Plans.

Market Price and Trading Volume Information

Barolo Shares are listed on the Exchange under the symbol "BVC.H". The following table summarizes the range of high and low sales prices (which are not necessarily the closing prices) and the aggregate trading volumes of Barolo Shares traded on the Exchange for each of the periods indicated:

Date	High (CDN$)	Low (CDN$)	Volume
October 1 – October 5, 2020	0.27	0.27	5
July 1 – September 30, 2020	0.325	0.220	82,540
April 1 – June 30, 2020	0.180	0.180	8,914
January 1 – March 1, 2020	0.220	0.180	39,004
October 1 – December 1, 2019	0.250	0.180	285,111
July 1 – September 30, 2019	0.260	0.250	169,197
April 1 – June 30, 2019	0.300	0.250	49,826
January 1 – March 31, 2019	0.250	0.250	97,959

The closing price of Barolo Shares on October 5, 2020, the day of the public announcement of the Transaction was $0.27 per Barolo Share on the Exchange. The Barolo Shares have been halted since the announcement of the Transaction, and it is expected that they will remain halted until, at the earliest, the completion of the proposed Transaction.

Prior Sales

There have been no issuances of Barolo securities during the 12-month period prior to the date of this Filing Statement.

Executive Compensation

The following disclosure of executive compensation is made in accordance with the requirements of Exchange Form 3D2. For the purposes of Exchange Form 3D2, disclosure is required to be made for Barolo's CEO, CFO and three most highly compensated executive officers. As of the date of this Filing Statement, Barolo has three directors, being Mr. Scott Ackerman, Mr. Rick Cox and Mr. Brent Ackerman.

Compensation Discussion and Analysis

Summary Table of Compensation

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to each NEO and director by Barolo and its subsidiaries for services in all capacities to Barolo during the two most recently completed financial years:

Name and Position	Year[1]	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Option-based awards ($)	Value of all Other Compensation ($)	Total Compensation ($)
Scott Ackerman[2], *President, CEO, CFO, Director and Corporate Secretary*	2020	nil	nil	nil	nil	nil	nil
	2019	nil	nil	nil	116,527	nil	116,527
Brent Ackerman[3], *Director*	2020	nil	nil	nil	nil	nil	nil
	2019	nil	nil	nil	10,891	nil	10,891
Rick Cox[4], *Director*	2020	n/a	n/a	n/a	n/a	n/a	n/a
	2019	n/a	n/a	n/a	n/a	n/a	n/a
Doug McFaul[5], *Former Director*	2020	nil	nil	nil	nil	nil	nil
	2019	nil	nil	nil	116,527	nil	116,527

Notes:

(1) Barolo's financial year ended May 31.
(2) Scott Ackerman was appointed as a director, President, CEO and Corporate Secretary of the Corporation on August 3, 2018. Mr. Ackerman was appointed CFO of the Corporation upon the resignation of Mr. McFaul on June 17, 2020. Mr. Ackerman is compensated for his services to the Corporation through periodic grants of stock option. On December 3, 2018, Mr. Ackerman was awarded 535,000 Barolo Options with an exercise price of $0.25 expiring on December 3, 2023.
(3) Brent Ackerman was appointed as a director of the Corporation on August 3, 2018. On December 3, 2018, Mr. Ackerman was awarded 50,000 Barolo Options with an exercise price of $0.25 expiring on December 3, 2023.
(4) Rick Cox was appointed as a director of the Corporation on June 17, 2020.
(5) Doug McFaul was appointed as director on August 3, 2018 and resigned as a director of the Corporation on June 17, 2020. On December 3, 2018, Mr. McFaul was awarded 535,000 Barolo Options with an exercise price of $0.25 expiring on December 3, 2023.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and Director by the Corporation for the financial year ended May 31, 2020:

Name and Position	Type of compensation security ($)	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price ($)	Closing price of underlying security at the date of grant ($)	Closing price of underlying security at the year end ($)
Scott Ackerman, *President, CEO, CFO, Director and Corporate Secretary*	n/a	n/a	n/a	n/a	n/a	n/a
Brent Ackerman, *Director*	n/a	n/a	n/a	n/a	n/a	n/a
Rick Cox, *Director*	n/a	n/a	n/a	n/a	n/a	n/a
Doug McFaul, *Former Director*	n/a	n/a	n/a	n/a	n/a	n/a

The Corporation adopted the Barolo Option Plan pursuant to which the Barolo Board may grant Barolo Options to purchase Barolo Shares to NEOs, directors and employees of the Corporation or affiliated corporations and to consultants retained by the Corporation. For a summary of the Barolo Stock Option Plan, see *"Equity Incentive Plans – Barolo Stock Option Plan"* in this Appendix "C".

As of the date of this Filing Statement, 1,400,000 Barolo Options are outstanding under the Barolo Option Plan, 585,000 of which are held by current NEOs or directors of the Corporation. Presently, the outstanding Barolo Options expire on December 3, 2023. However, no such Barolo Options are expected to be outstanding as of Closing as each holder of Barolo Options has entered into an Omnibus Option Cancellation Agreement dated September 24, 2020 with Osisko and Barolo.

Exercise of Compensation Securities

During the 2020 financial year, there were no exercises of compensation securities by any NEO or director.

Employment, Consulting and Management Agreements

There are no formal employment, consulting or management agreements. The NEO's and the directors operate under informal arrangements.

Oversight and Description of Director and NEO Compensation

Barolo has no pension arrangements with any of its directors, NEO's or other employees.

Compensation of Directors

Compensation of directors of the Corporation is reviewed annually and determined by the Barolo Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the view of the Barolo Board, there is, and has been, no need for the Corporation to design or implement a formal compensation program for directors. While the Barolo Board considers grants of Barolo Options to directors under the Barolo Option Plan from time to time, the Barolo Board does not employ a prescribed methodology when determining the grant or allocation of Barolo Options. Other than the Barolo Option Plan, as discussed above, the Corporation does not offer any long term incentive plans, share compensation plans or any other such benefit programs for directors.

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Barolo Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the view of the Barolo Board, there is, and has been, no need for the Corporation to design or implement a formal compensation program for NEOs.

Elements of NEO Compensation

As discussed above, the Corporation has implemented the Barolo Option Plan to motivate NEOs by providing them with the opportunity, through Barolo Options, to acquire an interest in the Corporation and benefit from the Corporation's growth. The Barolo Board does not employ a prescribed methodology when determining the grant or allocation of Barolo Options to NEOs. Other than the Barolo Option Plan, the Corporation does not offer any long term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

Due to the relatively small size of the Corporation, limited cash resources, and the early stage and scope of the Corporation's operations, the NEOs do not currently receive annual salaries. The Barolo Board will review the Corporation's financial performance on an annual basis to determine whether salaries can be paid to the NEOs at a later date.

Pension disclosure

Barolo has no pension arrangements with any of its directors, NEO's or other employees.

Indebtedness of Directors and Senior Officers

No director or senior officer of Barolo has been indebted to Barolo, at any time during the most recently completed financial year in connection with the purchase of Barolo Shares or for any other reason.

Interest of Management and Others in Material Arrangements

Other than as described elsewhere in this Filing Statement in respect of the Transaction, none of the directors or executive officers of Barolo or its subsidiary at any time within the three year period prior to the date of this Filing Statement, nor any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than ten percent (10%) of the issued and outstanding Barolo Shares,

nor the associates or Affiliates of those persons, has any material interest, direct or indirect, by way of Beneficial Ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect Barolo.

Expenses

Barolo estimates that the total amount of cash required to pay all fees, expenses and other related amounts incurred by it in connection with the Transaction will be approximately CDN $200,000.

Management Contracts

Management functions of Barolo are generally performed by directors and executive officers of Barolo and not, to any substantial degree, by any other person to whom Barolo has contracted.

Non-Arm's Length Transactions

During the 24 months preceding the date of this Filing Statement, Barolo has not acquired or received any assets or services from any of its directors, officers or principal securityholders, with the exception of compensation costs for key management personnel, relating entirely to share-based payments.

Arm's Length Transaction

The Transaction is an Arm's Length Transaction and does not constitute a Related Party Transaction.

Legal Proceedings

There are no legal proceedings to which Barolo is a party or of which any of its property is the subject matter, nor are any such proceedings known to Barolo to be contemplated.

Auditors, Transfer Agent and Registrar

The auditors of Barolo are Davidson & Company LLP. In connection with the completion of the Transaction, PricewaterhouseCoopers LLP will be appointed as the auditors of the Resulting Issuer following the completion of Transaction.

The registrar and transfer agent for Barolo Shares is Computershare Trust Company of Canada. located at 8th Floor, 100 University, Toronto, Ontario, Canada, M5J 2Y1.

Material Contracts

The following are the material contracts entered into by Barolo, other than contracts entered into in the ordinary course of Barolo's business. The contracts may be inspected without charge at the office of Barolo in during normal business hours until the date of Closing of the Transaction and for a period of thirty (30) days thereafter:

(a) Amalgamation Agreement (see *"Amalgamation Agreement"*);

(b) Subscription Receipt Agreement (see *"Subscription Receipt Financing – Subscription Receipt Agreement"*); and

(c) Underwriting Agreement (see *"Glossary"*).

APPENDIX "D"
INFORMATION CONCERNING THE CONTRIBUTED OSISKO ASSETS

Information Concerning the Contributed Osisko Assets as of November 20, 2020.

The following information concerning the Contributed Osisko Assets should be read in conjunction with the information concerning Osisko and the Contributed Osisko Assets appearing elsewhere in the Filing Statement. Capitalized terms used but not otherwise defined in this Appendix "D" – *"Information Concerning the Contributed Osisko Assets"* shall have the meaning ascribed to them in the Filing Statement. See *"Glossary"*.

Description of the Contributed Osisko Assets

In connection with the completion of the Transaction, Osisko will complete the Reverse Takeover of Barolo by way of a three-cornered amalgamation pursuant to the terms of the Amalgamation Agreement, following which a wholly owned subsidiary of the Resulting Issuer will hold the Contributed Osisko Assets.

The Contributed Osisko Assets are comprised of the Contributed Osisko Properties and the Contributed Osisko Marketable Securities. The Contributed Osisko Properties are made up of certain exploration properties held by Osisko, including certain mineral rights known as the Cariboo Project, the San Antonio Gold Project, the Bonanza Ledge II Property, the Coulon Project, the Guerrero Properties and the James Bay Properties. Of the foregoing, only the Cariboo Project is expected to be material to the Resulting Issuer. The Contributed Osisko Marketable Securities are comprised of a portfolio of 25 public-listed companies including positions in QMX Gold Corp., Minera Alamos Inc., Harfang Exploration Inc., Algold Resources Ltd., Barksdale Resources Corp., Falco Resources Ltd., NioBay Metals Inc. and Cornish Metals Inc., valued at approximately $119.2 million as of October 23, 2020.

The Cariboo Project is advancing through permitting as a 4,750 tonnes per day underground operation with a feasibility study on track for completion in the second half of 2021. Full permits are expected in 2022, followed by a short construction period given the significant infrastructure already at site (including a functioning mill that was operated in 2018). The Cariboo Project is a scarce asset with measured and indicated resource of 2.14 Mt at 4.6 Au g/t for a total of 3.2 million ounces of gold and inferred resource of 2.16 Mt at 3.9 Au g/t for a total of 2.7 million ounces of gold (as set out in further detail below). The considerable exploration potential at depth and along strike distinguishes the camp relative to other development assets as does the historically low, all-in discovery costs of US$19 per ounce.

Osisko Subco

Osisko Subco was incorporated on October 5, 2020 under the BCBCA under the name "Osisko Development Holdings Inc.". Its head and registered office is at Suite 2500 Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8. It is a wholly-owned subsidiary of Osisko, incorporated for the purpose of carrying out the Transaction.

Osisko Retained Royalty Interest

Prior to the Transaction and assignment of the Contributed Osisko Assets to Osisko Subco, Osisko will acquire certain royalties over the Contributed Osisko Properties, in accordance with certain royalty and streaming agreements. The rights to be acquired by Osisko prior to the assignment of the Contributed Osisko Assets are summarized as follows:

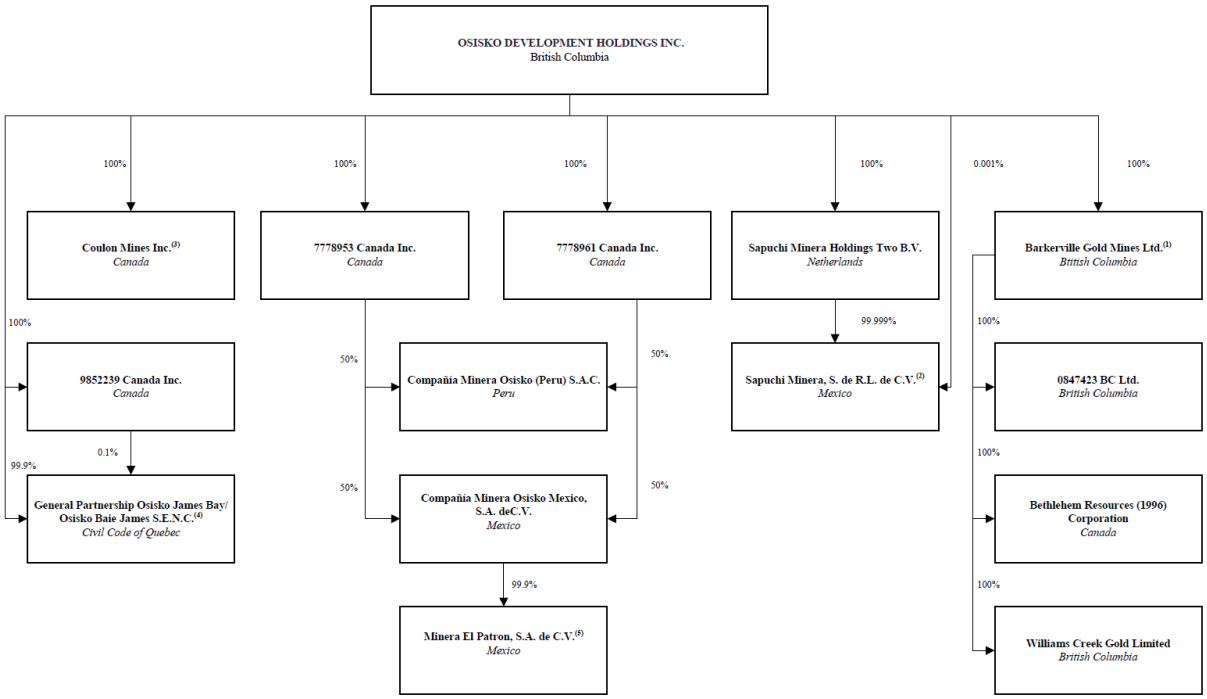
Property	Royalty Interest Acquired Prior to Assignment
Cariboo Project	1% NSR[(1)]
San Antonio Gold Project	15% NSR on the gold and silver stream
Coulon Property	3% NSR
James Bay Properties	3% NSR
Guerrero Properties	3% NSR

Notes:

(1) In addition to Osisko's present 4% NSR on the Cariboo Project, Osisko will retain an aggregate of 5% NSR on the Cariboo Project following the completion of the Transaction.

Contributed Osisko Assets and Corporate Structure

Pursuant to the Transaction, Osisko will assign to Osisko Subco the Contributed Osisko Assets and subsequent to such contribution, Osisko Subco will have the following corporate structure:



Notes:

(1) Barkerville holds the Cariboo Project.
(2) Sapuchi Minera, S. de R.L. de C.V. holds the San Antonio Project.
(3) Coulon Mines Inc. holds the Coulon Property.
(4) General Partnership Osisko James Bay holds the James Bay Properties.
(5) Minera El Patron S.A de C.V. holds the Guerrero Property.

Pursuant to the Transaction, Barolo Subco will amalgamate with Osisko Subco to form Amalco. Shortly following the completion of the Transaction, it is expected that (i) Amalco will be wound up into the Resulting Issuer and dissolved, and (ii) the Resulting Issuer will complete the Continuance, following which the Resulting Issuer will have the corporate structure as set out in Appendix "E" – *"Information Regarding the Resulting Issuer"*. For each entity proposed to be transferred to Osisko Subco, all assets and liabilities (including accounts payable, environmental and employment-related obligations) will remain with such entity upon transfer.

Significant Acquisitions and Dispositions

Aside from the acquisitions and dispositions in connection with the Transaction, Osisko Subco has not made any significant acquisitions or dispositions since its incorporation.

Financial Information and MD&A

As Osisko Subco is incorporated in connection with and for the purposes of carrying out the Transaction, there are no financial statements and management's discussion and analysis available for Osisko Subco as at the date of this Filing Statement. The financial information pertaining to the Contributed Osisko Assets that are assigned to Osisko Subco, along with related management's discussion and analysis are attached to this Filing Statement as Appendix "H" – *"Financial Statements of the Contributed Osisko Assets"* and Appendix "I" – *"Management's Discussion and Analysis of the Contributed Osisko Assets"*.

Description of Securities and Capitalization

Osisko Subco has an authorized capital consisting of an unlimited number of Osisko Subco Shares. The following table sets forth Osisko Subco's capital structure as at the date of this Filing Statement.

Osisko Subco Securities	**Authorized**	**Outstanding**(1)
Osiko Subco Shares	Unlimited	100(2)

Notes:

(1) This is the amount outstanding since the incorporation of Osisko Subco, on October 5, 2020. As of the date of this Filing Statement, there are no financial statements available for Osisko Subco, other than the financial statements pertaining to the Contributed Osisko Assets, which are appended to this Filing Statement as Appendix "H" – *"Financial Statements of the Contributed Osisko Assets"* and Appendix "I" – *"Management's Discussion and Analysis of the Contributed Osisko Assets"*.

(2) Prior to the Amalgamation, Osisko holds 100 Osisko Subco Shares, representing 100% equity interest in Osisko Subco.

Holders of Osisko Subco Shares are entitled to receive notice of any meeting of shareholders of Osisko Subco and to attend and to cast one vote per Osisko Subco Share at all such meetings. Holders of Osisko Subco Shares are entitled to receive dividends, if any, as and when declared by the board of Osisko Subco in its discretion. Upon the liquidation, dissolution or winding up of Osisko Subco, holders of Osisko Subco Shares are entitled to receive on a pro rata basis the net assets of Osisko Subco, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to the holders of Osisko Subco Shares with respect to dividends or liquidation. The Osisko Subco Shares do not carry any special rights or restrictions, such as pre-emptive, subscription, redemption or conversion rights.

Prior Sales

Aside from the 100 Osisko Subco Shares issued to Osisko at $1 per Osisko Subco Share on incorporation, there are no Osisko Subco Shares sold since the date of its incorporation. In connection with the Financing, Osisko Subco issued 13,350,000 Subscription Receipts at a price of $7.50 per Subscription Receipt for gross proceeds of $100,125,000.

See *"Subscription Receipt Financing"*

Non-Arm's Length Transactions

Other than as already described in this Filing Statement in relation to the Financing, the Transaction and Osisko Retained Royalty Interest, Osisko Subco has not engaged in any non-Arm's Length Transaction since its incorporation.

Technical Information

The scientific and technical information contained in this Appendix "D" – *"Information Concerning the Contributed Osisko Assets"* under the heading "*The Cariboo Gold Project*" and has been reviewed and approved by Maggie Layman, Vice President Exploration of Barkerville, who is a "qualified Person" for purposes of NI 43-101.

The information presented in this Appendix "D" – *"Information Concerning the Contributed Osisko Assets"* about the Cariboo Project is extracted or derived from public disclosures made pursuant to Canadian Securities Law, including Cariboo Technical Report prepared in accordance with NI 43-101.

The Cariboo Gold Project

Information relating to Cariboo Project is supported by the Cariboo Technical Report titled "*NI 43-101 Technical Report and Mineral Resource Estimate for the Cariboo Gold Project, British Columbia, Canada*" dated October 5, 2020, with an effective date of October 5, 2020, prepared by Christine Beausoleil, P. Geo., and Carl Pelletier, P. Geo., of InnovExplo Inc.

Where appropriate, certain information contained in this Filing Statement updates information derived from the Cariboo Technical Report. Any updates to the scientific or technical information derived from the Cariboo Technical Report and any other scientific or technical information in respect of the Cariboo Technical Report contained in this Filing Statement were prepared by or under the supervision of Maggie Layman, Vice President Exploration of Barkerville, who is a "qualified Person" for purposes of NI 43-101 and reviewed and validated by InnovExplo Inc.

The Cariboo Technical Report is the most recent technical report available with respect to the Cariboo Project. The Cariboo Technical Report is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the reports, which have been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and are available for review on SEDAR (www.sedar.com) under the applicable reporting issuer's issuer profile. The Cariboo Technical Report is not and shall not be deemed to be incorporated by reference

PROPERTY DESCRIPTION AND LOCATION

The Project is located in the historic Wells-Barkerville mining camp (also known as the Cariboo Gold District) of British Columbia and extends for approximately 60 km from northwest to southeast. The main towns in the Project area are Wells and Barkerville Historic Town & Park. Wells is situated 74 km east of Quesnel, approximately 115 km southeast of Prince George, and approximately 500 km north of Vancouver (Figure 1).

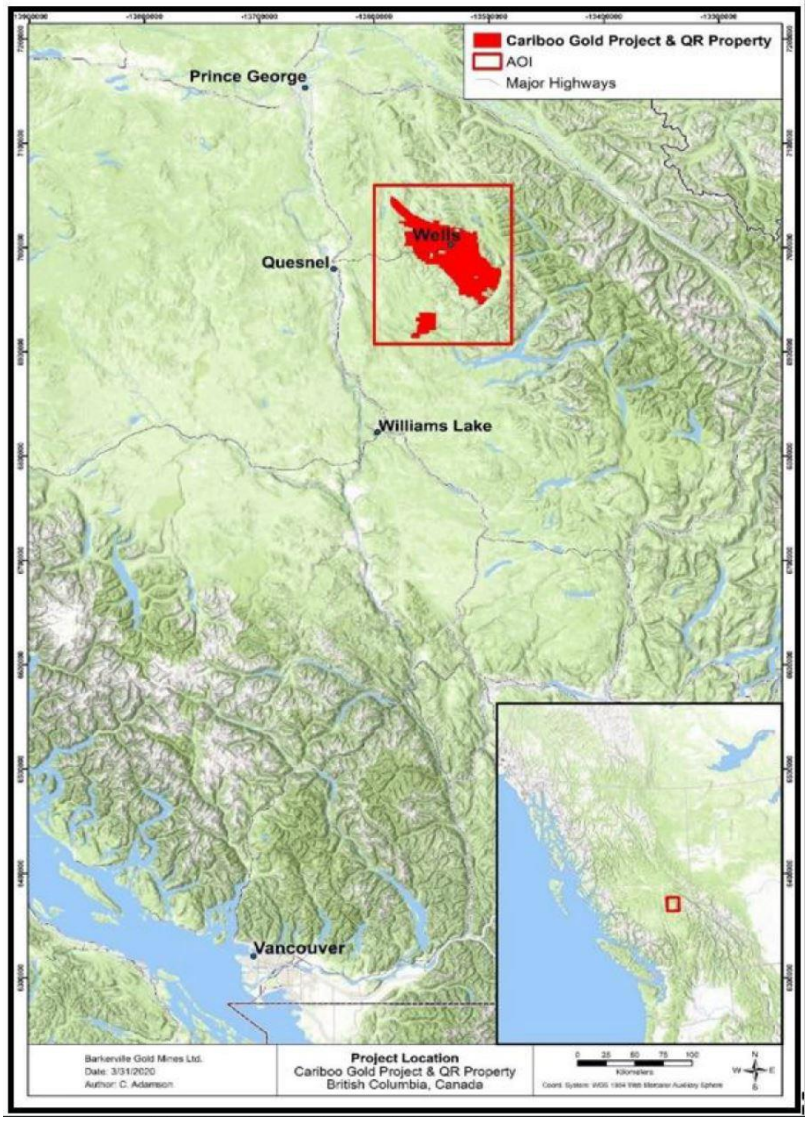


Figure 1 – Location of the Cariboo Project

Project consists of 407 mineral titles totalling 151,891.99 ha across two (2) contiguous property blocks known as the Cariboo Main Block and the QR Mill Property. These mineral titles include mineral claims, mineral leases, placer claims and placer leases. These titles grant Barkerville the rights to explore for metal ores in bedrock or talus rock, including rock and other materials from mine tailings, dumps and previously mined deposits of minerals, as set out in the Mineral Tenure Act. The breakdown according to type of mineral title is as follows:

Barkerville holds all the placer claims and placer leases, all the QR Mill mineral titles and 355 of the 372 mineral titles for the rest of the Project. The remaining 17 are mineral titles are jointly owned with other companies and individuals: a 97.5% interest in six (6), an 85% interest in two (2), and a 50% interest in the other nine (9).

The Project also contains 234 private land parcels from Crown-granted mineral claims (3129.47 ha) that overlap many of the mineral titles, where Barkerville is the registered owner on title of the surface and/or undersurface rights to the parcels.

All placer claims, placer and leases and the wholly-owned mineral claims (304 out of 321) are registered in the name of Barkerville. The remaining 17 mineral claims are registered jointly with various other companies and individuals. All mineral titles held entirely or partially by Barkerville are in good standing in the Minerals Titles Online database.

Please refer to Appendices I, II and III of the Cariboo Technical Report for details on mineral claims and titles, including the expiration date of claims, licenses and rights.

Due to COVID-19, MTO granted an extension to Barkerville until December 31, 2021 to all tenure owners to file work or pay cash in lieu to extend tenures with 2020 "good to" dates. The protection order does not change tenure "good to" dates however none of the claims are expired. Barkerville policy is still to renew tenures past 2020/2021 "good to" dates where possible, while making use of the COVID-19 extension for planning and execution of the work programs on regional and Cariboo regional mineral claims where practicable.

The Project is subject to various royalties, agreements and encumbrances, as discussed below.

Required Permits and Status

The Project requires a provincial environmental assessment because it exceeds the following threshold under the Reviewable Projects Regulation (B.C. Reg. 243/2019): "A new mine facility that, during operations, will have a production capacity of >75,000 tonnes/year (t/yr) of mineral ore".

The Project will require review as per the BC Environmental Assessment Act 2018, and issuance of an Environmental Assessment Certificate. An initial Project Description and Engagement Plan have been submitted to the BC Environmental Assessment Office to initiate the provincial environmental assessment process. The proposed submission date of the Environmental Asessment Certificate Application is Q2 2020.

In addition to the provincial environmental assessment approval, the federal and provincial permits, approvals and Authorizations that could potentially be applicable to the proposed Project includes:

Federal Permits and Approvals potentially applicable to the Cariboo Project

- Fisheries Act Authorization
- Migratory Birds Convention Act
- Navigation Convention Act
- Navigation Protection Program Notification and/or Approval
- Species at Risk Act Authorization

- Explosive Magazine, Factory Licenses and Permits
- Transportation of Dangerous Goods

Provincial Permits and Approvals potentially applicable to the Cariboo Project

- Mines Act Permit
- Effluent Discharge Permit and Waste Storage Approval
- Heritage Conservation Act Permits
- Heritage Conservation Act Concurrence Letters
- License of Occupation
- Statutory Right of Way
- Wildlife Act Permit
- Construction Permit for a Potable Water Well
- Water System Construction Permit
- Short Term Use of Water Permit
- Water Sustainability Act Approval
- Water License
- Licenses to Cut and Special Use Permit
- Industrial Access Permit
- Permit for Regulated Activities

As the Project proceeds, specific permit requirements will be determined based on discussions with the regulatory agencies.

Agreement and Royalties with Osisko Gold Royalties Ltd

On November 30, 2015, Barkerville entered into a letter agreement with Osisko whereby Osisko agreed to purchase 32 million common shares of Barkerville and a 1.5% NSR royalty on the Cariboo Project. In connection therewith, Osisko agreed to acquire 32 million flow-through common shares of Barkerville at a price of C$0.32 per share, for total proceeds to Barkerville of C$10,240,000. Following the private placement, Osisko expected to have ownership over 47,625,000 common shares of Barkerville, representing approximately 19.9% of the issued and outstanding Barkerville shares.

Osisko also agreed to acquire a 1.5% NSR royalty on the Cariboo Project for a cash consideration of C$25 million. Osisko and Barkerville also agreed to negotiate a gold stream agreement following the completion by Barkerville of a feasibility study on the Cariboo Project. According to the terms, following a 60- day negotiation period, if Osisko and Barkerville had not entered into a gold stream agreement, Barkerville would either grant a right to Osisko to purchase an additional 0.75% NSR royalty for consideration of C$12.5 million or make a payment of C$12.5 million to Osisko.

On March 27, 2017, Barkerville announced it had entered into a letter agreement with Osisko whereby Osisko agreed to purchase an additional 0.75% NSR royalty on the Cariboo Project for a cash consideration of $12,500,000 (paid). At the time, Osisko owned a total NSR royalty of 2.25% on all mineral current rights held by Barkerville. The grant of the additional royalty would cancel Osisko's royalty right, which was granted pursuant to the investment agreement between Osisko and Barkerville dated February 5, 2016; however, Osisko would retain a right of first refusal relating to any gold stream offer received by Barkerville with respect to the Cariboo Project.

On September 05, 2018, Barkerville entered into the Second Amended and Restated Royalty Purchase Agreement whereby Osisko purchased an additional 1.75% NSR royalty on the Cariboo Project for a cash consideration of $20,000,000 (paid), with an option for Osisko to purchase an additional 1.0% NSR royalty for $13,000,000 to bring the Cariboo Project NSR to 5.0%.

On September 23, 2019, Barkerville and Osisko entered into a definitive agreement, pursuant to which Osisko acquired all of the issued and outstanding common shares of Barkerville that it did not already own by way of a plan of arrangement (the "**Arrangement**"). Under the terms of the Arrangement, each shareholder of Barkerville (excluding Osisko) received 0.0357 (the "**Exchange Ratio**") of a common share of Osisko for each share of Barkerville held. The Exchange Ratio implied a consideration of $0.58 per Barkerville share, based on the closing price of Osisko shares on the Toronto Stock Exchange (TSX) on September 20, 2019. The Exchange Ratio implied an equity value of approximately $338 million on a fully diluted in-the-money basis, inclusive of Barkerville shares held by Osisko.

On November 21, 2019, the Arrangement became effective at 12:01 a.m. (Vancouver Time), and resulted in Barkerville becoming a wholly-owned subsidiary of Osisko.

Osisko's 4% NSR royalty was the only royalty that applies to the mineral resource area of the Cariboo Project. Osisko intends to exercise the option for an additional 1% NSR royalty on the property.

Surface Rights Option Agreements

Table 1 lists the properties where Barkerville owns the surface rights as well as the underlying option agreements under which the properties rights were acquired.

Table 1 – Barkerville surface rights option agreements

PID	District Lot	Title #	Crown Grant #	Fee simple Owner	Agreement Name	Vendee	Vendor	Execution Date
004-056-582	41F	BB1960681	41F/34	Barkerville	Myrtle-Proserpine & Promise Properties	BGM	Huakan International Mining Inc.	2011-May-05
004-056-710	1F	CA6623323	1F/34	Barkerville	Williams Creek Crown Grants	BGM	Williams Creek Gold	2016-May-02
004-056-736	1B	CA6623292	1B/35	Barkerville	Williams Creek Crown Grants	BGM	Williams Creek Gold	2016-May-02
004-056-752	32F	CA4347922	32F	Barkerville	Williams Creek Crown Grants	BGM	Williams Creek Gold	2016-May-02
004-056-787	4B	CA4347919	4B/35	Barkerville	Williams Creek Crown Grants	BGM	Williams Creek Gold	2016-May-02
004-078-543	2F	CA3322186	2F/34	Barkerville	Blackbull & Canusa	International Wayside Gold Mines Ltd	Grand Lowhee Mining Co. Ltd	2000-Jul-28
004-078-560	42F	CA332187	42F	Barkerville	Blackbull & Canusa	International Wayside Gold Mines Ltd	Grand Lowhee Mining Co. Ltd	2000-Jul-28
004-078-578	17F	CA3322185	17F/34	Barkerville, Golden Cariboo Resources Ltd	Xmas Claims	Golden Cariboo Resources Ltd	P. Wright Contracting Ltd	2002-Oct-30
004-078-608	35F	CA5682814	35F/34	Barkerville	35F St George	BGM	Prairie Flower Company Inc.	2016-Nov-14
004-078-632	5F	FB503371	5F/34	Barkerville	4050 Bowron Lake Rd (Ballarat)	BGM	Jane Ball	2019-Jun-10
004-086-627	2B	CA3393199	2B/35	Barkerville	District Lot 10518 & Crown Grant 2B	Island Mountain Gold Mines Ltd	P. Wright Contracting Ltd	2006-Jan-27

PID	District Lot	Title #	Crown Grant #	Fee simple Owner	Agreement Name	Vendee	Vendor	Execution Date
004-086-872	20F	PT5233, PC16246	20F/34	Barkerville	Island Mountain & Mosquito Creek Properties	International Wayside Gold Mines Ltd	Mosquito Consolidated Gold Mines	1997-Apr-15
004-086-902	30F	PT5234, PC16247	30F	Barkerville	Island Mountain & Mosquito Creek Properties	International Wayside Gold Mines Ltd	Mosquito Consolidated Gold Mines	1997-Apr-15
004-087-054	39F	PT5232, PC16245	39F	Barkerville	Island Mountain & Mosquito Creek Properties	International Wayside Gold Mines Ltd	Mosquito Consolidated Gold Mines	1997-Apr-15
004-087-097	38F	PT5235, PC16248	38F	Barkerville	Island Mountain & Mosquito Creek Properties	International Wayside Gold Mines Ltd	Mosquito Consolidated Gold Mines	1997-Apr-15
006-787-592	131	CA3322184	4215/55	Barkerville	Parcel B Block 7 DL 131 - 12422 Barkerville Hwy	International Wayside Gold Mines Ltd	Kenneth Pollock	1999-Nov-13
008-218-803	10518	CA3393918	5313/624	Barkerville	District Lot 10518 (PARCEL A)	BGM	Elizabeth Van Halderen (Premanco Industries Ltd)	2013-Jan-21
008-801-908	93	CA3322180	35/36	Barkerville	Cariboo Gold Quartz	International Wayside Gold Mines Ltd	Mosquito Consolidated Gold Mines Ltd	1994-Oct-03
014-385-643	7795	CA3322188	5436/625	Barkerville	Cariboo Gold Quartz	International Wayside Gold Mines Ltd	Mosquito Consolidated Gold Mines Ltd	1994-Oct-03
014-385-686	7798	CA3322189	5439/625	Barkerville	Cariboo Gold Quartz	International Wayside Gold Mines Ltd	Mosquito Consolidated Gold Mines Ltd	1994-Oct-03
014-385-732	391	CA3322183	2517/101	Barkerville	P Wright District Lots Mosquito	International Wayside Gold Mines Ltd	P. Wright Contracting Ltd	2004-Jun-10
014-385-741	318	CA3322182	535/92	Barkerville	P Wright District Lots Mosquito	International Wayside Gold Mines Ltd	P. Wright Contracting Ltd	2004-Jun-10

PID	District Lot	Title #	Crown Grant #	Fee simple Owner	Agreement Name	Vendee	Vendor	Execution Date
014-385-759	92	CA3322179	35/36	Barkerville	Cariboo Gold Quartz	International Wayside Gold Mines Ltd	Mosquito Consolidated Gold Mines Ltd	1994-Oct-03
014-982-013	94	CA3322181	35/36	Barkerville	Cariboo Gold Quartz	International Wayside Gold Mines Ltd	Mosquito Consolidated Gold Mines Ltd	1994-Oct-03
015-289-681	10467	CA4347921	385/674	Barkerville	Williams Creek Crown Grants	BGM	Williams Creek Gold	2016-May-02
017-589-517	391	CA4545743	2517/101	Barkerville	P Wright District Lots Mosquito	International Wayside Gold Mines Ltd	P. Wright Contracting Ltd	2004-Jun-10
018-685-056	289	CA6190280	1036/97	Barkerville	District Lot 289 (PARCEL 1)	BGM	Dennis Wayne Manuel	2017-Aug-03
018-856-870	131	CA801713	4215/55	Barkerville	12438 Barkerville Hwy (Hubs Motel)	Barkerville Gold Mines Ltd.	Harald Dietrich Andreesen and Dianne Elaine Andreesen	2019-Aug-19
026-025-906	391	BB1991819	2517/101	Barkerville	P Wright District Lots Mosquito	International Wayside Gold Mines Ltd.	P.Wright Contracting Ltd.	2004-Jun-10

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Project is accessible via Highway 26, which branches off Provincial Highway 97 at Quesnel. A network of gravel roads provides access to the Cow, Island and Barkerville mountains. Barkerville's project offices and related facilities are located in the town of Wells. The QR Mill is a wholly-owned and fully permitted milling and tailings facility approximately 110 km from Wells. An all-season road provides access (500 Nyland Lake Road).

The City of Quesnel is the primary supply and service centre for natural resource industries and has the closest regional hospital. Manpower is also available in the region. The Project has sufficient power and water to support a mining operation. Canadian National Railway provides rail access from Quesnel to the Port of Vancouver.

Barkerville has sufficient surface rights in the Project area for mineral exploration and development operations. These rights are generally conveyed by the issuer's Barkerville's Crown-granted mineral claims or by specific permits, like those related to tailings and waste disposal areas, or water and timber use.

The climate allows for year-round mining operations, and there is enough readily available water to conduct diamond drilling. The Project area is subject to a semi-alpine continental climate with cool summers and cold winters. The weather is wet throughout the year, with a mean annual precipitation of up to 120 cm and accumulated snow depths up to 1.8 m. The mean 24-h temperature at Wells-Barkerville at an elevation of approximately 1,256 m (4,121 ft) is 9.2°C in January and 12.3°C in July.

The topography in the Project area is mountainous, rising from a low point of approximately 1,190 masl in the incised river valleys around the towns of Wells and Barkerville Historic Town & Park to a peak of 2,060 masl at Roundtop Mountain located 25 km south of Wells. Mount Proserpine, 11 km south of the town, summits at 1,830 masl. The area is well forested, and the mountains are typically covered with subalpine forests, except near their peaks. Vegetation is dominated by Engelmann Spruce (Picea engelmann), Lodgepole Pine (Pinus contorta var. latifolia) and Subalpine Fir (Abies lasiocarpa), accompanied by alders and other deciduous varieties on lower wetter slopes flanking river valleys. Prominent in the subalpine flora is the shrub Rhododendron albiflorum.

HISTORY

The Cariboo Project contains several historical mines, including Cariboo Gold Quartz, Aurum and Mosquito Creek.

All "reserves" and "resources" estimates provided in this section are historical in nature and should not be relied upon. The qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. It is unlikely they comply with current NI 43-101 requirements or follow CIM Definitional Standards, and their relevance and reliability have not been verified. They are included in this section for illustrative purposes only and Osisko, Barkerville and the Resulting Issuer are not treating the historical estimate as current mineral reserves.

Historical Mines

Cariboo Gold Quartz Mine

Fred Wells purchased the Rainbow claim group from A.W. Sanders and formed Cariboo Gold Quartz Mining Company Ltd in 1927. The Cariboo Gold Quartz Mine operated from 1927 to 1959 at Cow Mountain. Production from the mine was from several zones: No.1, Tailings, Rainbow, Sanders and Pinkerton.

In October 1942, gold mining was classified as a non-war industry by the federal government and received no priority for labour or supplies. As a result, gold mines in British Columbia were unable to hire replacement labour for the duration of the war.

Following the purchase of the Island Mountain Mine in 1954, Cariboo Gold Quartz Mining Company Ltd focused on developing higher grade pyrite-type replacement ore. Subsequent activities in the mine were mainly confined to the

No. 1 and Tailings zones below the 1500 level (through the No.1 shaft), in the Rainbow Zone (No. 2 shaft and No. 1–No. 2 shaft connection), in the Sanders Zone (No. 3 shaft), and the Pinkerton Zone.

The mine closed on August 31, 1959.

In 1959, in its 33rd annual report, the company reported book reserves of 95,265 t of ore, including a 1952 reserve write-down of 42,275 t of 9.26 g/t Au and another 52,990 t of 12.69 g/t Au scattered in 51 ore remnants through 13 levels and across a distance of 10,500 ft (3,200 m).

The Cariboo Gold Quartz Mill continued operating using feed from the Aurum Mine until March 1967. During the period between 1933 and 1967, a total of 1,951,944 t of ore were mined, and 863,307 oz of gold and 91,652 oz of silver were recovered (MINFILE number 093H 019). The average recovery during that period was 95.3%.

Island Mountain Mine (Aurum Mine)

In 1925, C.J. Seymour Baker acquired the Aurum Group, at which he worked until 1932.

In 1932, Newmont acquired the Aurum Group and eight (8) adjacent claims to form Island Mountain Mines Company Ltd

Milling commenced in 1934 at a rate of 50 short tons per day and reached a peak of 149 st/d in 1941. Quartz-type ore in diagonal vein structures and pyrite-type ore in the Aurum limestone unit were both extracted. The mine was developed over a strike length of 4,500 ft (1,371.6 m). After 1945, no further exploration or development was carried out west of the Aurum Fault, and in 1952 the mine suspended active exploration and development.

Under Newmont's ownership, production from the mine was 770,093 st (699,536 t) from which 333,705 oz of gold and 48,130 oz of silver were recovered (MINFILE number 093H 006). The mill also recovered 531 lb of zinc and 134 lb of lead.

Cariboo Gold Quartz Mining purchased the mine and equipment from Newmont in 1954 for a sum of $305,000. Underground workings extending northwest from the Island Mountain Mine into the Mosquito Group are formally known as the Aurum Mine. The Cariboo Gold Quartz Mine and Island Mountain Mine do not connect below Jack of Clubs Lake.

Mosquito Creek Mine

Andrew H. Jukes of Calgary acquired the Mosquito Creek claim group and formed Mosquito Creek Gold in 1971 to explore the ground above the Aurum Mine. Surface exploration drilling and underground development from 1971 to 1975 were financed by a joint venture agreement with the Home Oil Company Ltd of Calgary. They conducted an extensive surface and underground exploration and development program on the property. In 1975, Mosquito Creek Gold purchased all of Home Oil Company's interest in the property. Subsequently, Peregrine entered into a joint venture agreement with Mosquito Creek Gold, whereby it ultimately earned a 50% working interest in the property.

A total of 27,384 oz of gold were recovered from 86,248 t of mostly pyrite-type ore milled during the main production period (1980 to 1983). The operation failed due to low initial reserves and a low discovery rate of new ore. The latter was the result of insufficient development at depth and northwest of the Mosquito Fault.

In 1984, Hudson Bay Mining and Smelting Co. Ltd. optioned the property but dropped it after earning a 10% interest. Hudson Bay Mining and Smelting Co. Ltd. sold its interest back to Mosquito Creek Gold, and Peregrine sold its 50% interest to Mosquito.

In 1986, the property was optioned by Hecla Mining Company of Canada Ltd who conducted underground exploration work and then dropped it.

Mining operations were intermittent until 1987 when Mosquito Creek Gold became Mosquito Consolidated Gold Mines Ltd. After the gold price dropped, and new ore became hard to find, the mine closed in 1987. During the period between 1980 and 1987, a total of 92,826 t of ore were mined from which 35,054 oz of gold and 9,750 oz of silver were recovered (MINFILE number 093H 010).

In 1988, Lyon Lake Mines Ltd optioned the property and earned a 50% interest after performing underground exploration.

Surface Work Programs

Cariboo Gold Quartz Mining Company Ltd (1968)

In 1968, Dolmage Campbell and Associates Ltd carried out 5 km of bulldozer trenching on behalf of Cariboo Gold Quartz Mining.

Seventeen (17) trenches approximately 2 m to 2.5 m deep were excavated across the Baker-Rainbow contact over a strike length of 1.6 km on Island Mountain. Pyritic mineralization, 6 m long by 1 m wide, was discovered in Trench J.

Wharf Resources Ltd (1980–1981)

In 1972, Cariboo Gold Quartz Mining amalgamated with Coseka Resources Ltd to form a company with the name of the latter. In April 1973, Wharf Resources Ltd (formerly Plateau Metals and Industries) amalgamated with French Exploration Ltd (a wholly- owned subsidiary of Coseka Resources).

Wharf Resources carried out surface drilling programs in 1980 and 1981 to search for near-surface ore on the Cariboo and Island Mountain claim groups. A total of 7,010 m of percussion drilling and 1,219 m of diamond drilling were completed in 1980 and 1981.

Blackberry Gold Resources Inc. (1988)

In 1987, Blackberry Gold Resources Inc. completed several work programs on the ARCH 1-4 claim group located on Cow and Richfield mountains. The objective of the work was to discover gold mineralization associated with the system of north-striking fault structures. Ground VLF geophysical surveys were used to define conductors inferred to be the strike extension of major faults on the Cariboo Group of Crown-granted mineral claims. Four strong conductive trends were tested along six fences of percussion drill holes for a total of 2,424 m of drilled in 79 holes. This was followed by 2,465 m of diamond drilling in 19 holes.

Pan Orvana Resources Inc. (1989–1991)

On July 12, 1985, Mosquito Creek Gold purchased the Cariboo and Island Mountain claim groups from Wharf Resources Ltd, Pan Orvana Resources Ltd signed the Cariboo Gold Option Agreement on May 20, 1988, obtaining the right to earn a 50% interest in the Cariboo Group, but terminated the agreement in 1991 without exercising the option.

Pan Orvana Resources Ltd excavated 20 surface trenches, drilled four (4) holes and conducted ground geophysical surveys, geochemical sampling programs and geological mapping.

Gold City Mining Corp. (1994–1995)

In 1994 and 1995, Gold City Mining assembled a large land position consisting of 13,000 ha of mineral titles between Mount Tom and the Cariboo Hudson Mine to form the Welbar Gold Project.

Doing so involved seven (7) option agreements, including one that covered the Mosquito Creek, Island Mountain and Cariboo claim groups. The latter was subject to the Cariboo Option Agreement between Mosquito Consolidated Gold Mines Ltd and International Wayside Gold Mines Ltd. lntera Information Technologies Corp. flew a synthetic aperture radar survey in July 1995. DIGHEM I Power completed a regional airborne radiometric- Mag-EM survey of 1,280

line-km, as well as trenching and diamond drilling on some of their properties, including one (1) hole on the Mosquito Creek Group.

From October 1 to November 30, 1995, Gold City Mining conducted a 13-hole (1,865 m) diamond drilling program on the Cariboo-Hudson Property.

Gold City Mining optioned the Cariboo-Hudson Property from Cathedral Gold Corp. in 1994.

In November 1995, Gold City Mining sunk four (4) diamond drill holes (560 m) on the Williams Creek Property. That same month, Gold City Mining drilled two (2) holes (390 m) on the Island Mountain Property.

International Wayside Gold Mines Ltd (1999–2014)

From 1999 to 2014, IWGM drilled 66 holes totalling 8,602 m in surface diamond drilling on the Island Mountain Project.

International Wayside Gold Mines Ltd (1995–2009)

1995–1999 Work Programs

IWGM worked the Project area continuously from May 1, 1995. Most of the work was carried out on the main mine trend, either from the surface or underground from the 1200 level adit. In 1998 and 1999, a secondary target, the BC Vein, was explored over a strike length of 384 m by 31 surface drill holes totalling 2,245.2 m. Between 1995 and 1999, IWGM's drilled 104 holes totalling 7,349.4m in surface diamond drilling, 17 holes totalling 654.1m in underground diamond drilling and 135 holes totalling 5,739.9m in underground percussion drilling over the Rainbow, Pinkerton, Sanders, Butts and BC Vein zones.

In the summer of 1997, IWGM carried out a geochemical and prospecting program to find new mineralized showings and generate targets for further exploration. The geochemical surveys yielded 1,079 soil samples, 59 stream sediment samples and 121 rock samples.

The 1999 Estimate comprised measured resources of 7,158,100 t at 2.43 g/t Au for a total of 559,200 oz of gold, indicated resources of 1,394,300 t at 2.02 g/t Au for a total of 90,500 oz of gold, and inferred resources of 802,000 t at 2.06 g/t Au for a total of 53,100 oz of gold.

These "Resources" are historical in nature and should not be relied upon. The qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. It is unlikely they comply with current NI 43-101 requirements or follow CIM Definition Standards, and their relevance and reliability have not been verified. They are included in this section for illustrative purposes only and the issuer is not treating the historical estimate as current mineral ressources.

2000–2009 Work Programs

IWGM carried out extensive work from 2000 to 2009. During this period, IWGM drilled 336 holes totalling 47,222 m in surface diamond drilling over the BC Vein (88 holes), Bonanza Ledge (121 holes), Cow Mountain (29 holes), Myrtle Property (14 holes), Golfinch (6 holes), Goldfinch and Bonanza Ledge (10 holes), Black Bull (3 holes), Mucho Oro (31 holes), Lowhee Creek (2 holes) as well as 7 groundwater monitoring well holes. In addition, from 2003 to 2004, IWGM drilled 76 holes totalling 6,177.4 m in underground diamond drilling over the Bonanza Ledge zone.

Barkerville Gold Mines Ltd (2010-2014)

From 2010 to 2014, Barkerville engaged in surface diamond drilling on the Cariboo Project and drilled a total of 318 holes (73,700.1 metres). Drilling was done on Bonanza Ledge, Cow Mountain, Island Mountain, Pit Vein Zeon, BC Vein, Souts Gulch and Myrtle Property zones. Details of the work program are set out in the Cariboo Technical Report.

Barkerville Gold Mines Ltd (2015-2019)

During 2015, Barkerville milled 11,275 tonnes of Bonanza Ledge ore at an average head grade of 10.14 g/t Au, a recovery rate of 94%, and an average net operating cost of $877/oz. Based on the results as of February 28, 2015, management decided to cease production and place Bonanza Ledge under care and maintenance.

These "Resources" are historical in nature and should not be relied upon. The qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. It is unlikely they comply with current NI 43-101 requirements or follow CIM Definition Standards, and their relevance and reliability have not been verified. They are included in this section for illustrative purposes only and the issuer is not treating the historical estimate as current mineral ressources.

In January 2017, Barkerville began commissioning its wholly-owned QR Mill using the low-grade stockpile at the Bonanza Ledge open pit. Material sorting was done at the stockpile, producing relatively high-grade pre-concentrate. By the end of February 2017, Barkerville had transported 2,860 t to the QR Mill for an average grade of 2.94 g/t Au. During the second quarter of 2017, Barkerville began portal and underground development at the Bonanza Ledge Mine to prepare for the processing of in-situ Bonanza Ledge material. A total of 470 m of underground development was completed in 2017, resulting in the processing of approximately 7,000 t of both low- and high-grade development material at the QR Mill for commissioning and training purposes.

In 2015, Snowden Mining Industry Consultants Pty prepared the 2015 Estimate for Cow Mountain using the multiple indicator kriging method and all of Barkerville's drill hole data available by the end of September 2014. The 2015 Estimate was reported at a cut-off grade of 0.50 g/t Au demonstrated an indicated mineral resource of 35.6 Mt of 2.4 Au g/t and 2.8 Au Moz and inferred mineral resource of 27.5 Mt at 2.3 Au g/t and 2.0 Au Moz. This estimate was based on the results of a Whittle pit optimization to a depth of 1,000 ft (304.8 m) below the surface, around the underground workings of the Cariboo Gold Quartz Mine. The effective date of the 2015 Estimate is March 31, 2015.

These "Resources" are historical in nature and should not be relied upon. The qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. It is unlikely they comply with current NI 43-101 requirements or follow CIM Definition Standards, and their relevance and reliability have not been verified. They are included in this section for illustrative purposes only and the issuer is not treating the historical estimate as current mineral ressources.

In 2016, Barkerville mandated InnovExplo to complete an NI 43-101 technical report and 2017 MRE for the Barkerville Mountain deposit. GEOVIA GEMS software v.6.7 was used for modelling purposes and the estimation approach, which consisted of 3D block modelling and the ordinary kriging interpolation method. The 2017 MRE for the Barkerville Mountain deposit is reported at a 3.5 g/t cut-off grade demonstrated measured resources of 248,200 t at 8.07 Au g/t and contained Au of 64,400 Moz, indicated resources of 436,700 t at 6.75 Au g/t and contained Au of 94,400 Moz and inferred in-situ resources of 108,100 t at 5.34 Au g/t and contained Au of 18,600 Moz. The effective date of the 2017 Estimate is March 21, 2017.

These "Resources" are historical in nature and should not be relied upon. The qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. It is unlikely they comply with current NI 43-101 requirements or follow CIM Definition Standards, and their relevance and reliability have not been verified. They are included in this section for illustrative purposes only and the issuer is not treating the historical estimate as current mineral ressources.

In 2017, Barkerville mandated InnovExplo to update the 2017 MRE and prepare the 2018 MRE. The ordinary kriging grade interpolation method was used. The results of the in situ 2018 MRE at the 3.0 g/t cut-off grade indicates a total measured and indicated resource of 8,109,900 t at 6.1 Au g/t and 1,599,000 Au (Oz) and total inferred of 12,731,200 t at 5.2 Au g/t and 2,155,700 Au (Oz). The measured and indicated resource estimate includes the Bonanza Ledge, BC Vein, Mosquito, Shaft, Valley and Cow deposits and the inferred resource estimate includes the BC Vein, Mosquito, Shaft, Valley and Cow deposits. The effective date for the 2018 MRE is May 2, 2018.

These "Resources" are historical in nature and should not be relied upon. The qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. It is unlikely they comply with current NI 43-101 requirements or follow CIM Definition Standards, and their relevance and reliability have not been verified. They are included in this section for illustrative purposes only and the issuer is not treating the historical estimate as current mineral ressources.

In 2019, Barkerville mandated InnovExplo to review, validate and update the 2018 MRE. The ordinary kriging grade interpolation method was used. The 2019 MRE at the official 3.0 g/t cut-off grade indicates: (i) measured resources at 175,000 t at 6.1 Au g/t and 34,000 ounces (Bonanza Ledge); (ii) total indicated resources of 13,266,000 t at 5.63 Au g/t and 2,401,000 ounces (Bonanza Ledge, BC Vein, Mosquito, Shaft, Valley, Cow); and (iii) total inferred resources of 11,936,000 at 5.0 Au g/t and 1,9222,000 ounces (BC Vein, Mosquito, Shaft, Valley, Cow).

These "Resources" are historical in nature and should not be relied upon. The qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. It is unlikely they comply with current NI 43-101 requirements or follow CIM Definition Standards, and their relevance and reliability have not been verified. They are included in this section for illustrative purposes only and the issuer is not treating the historical estimate as current mineral ressources.

Based on the results of the 2019 MRE, Barkerville mandated BBA Inc. to prepare a technical report and PEA for the Cariboo Project. A number of specialized consultants assisted BBA with the PEA: Allnorth Consultants Ltd, Golder Associates Ltd, InnovExplo Inc., Mining Plus Canada Consulting Ltd, SRK Consulting (Canada) Inc., and WSP Canada Inc. The effective date of the PEA is August 18, 2019. The purpose was to complete a review and compilation of the resources, mining designs, processing options and preliminary economics of the Cariboo Project, and to support the results disclosed in Barkerville's press release entitled "Barkerville Gold Mines Delivers Positive PEA for Cariboo Gold Project" dated August 19, 2019.

The PEA provided a base case assessment for developing the Cariboo gold deposit (4,000 tpd) as an underground mine, with a concentrator located at the mine site at Wells and further processing at the QR Mill. The key project outcomes are summarized below and are discussed in more detail in the technical report filed on SEDAR.

- Project resources: 13.3 Mt of mineralized material at 5.6 g/t Au (Indicated) and 11.9 Mt at 5.0 g/t Au (Inferred).
- Total mineralized material mined (In-stope Resources) from four deposits (Cow, Valley, Shaft, Mosquito): 14.683 Mt at 4.5 g/t Au average diluted gold grade.
- Mine life of 11 years, with peak year payable production of 206,000 oz, average LOM annual payable production of 185,000 oz of gold.
- Gold payable recovery of 92.1%.
- Payable production (LOM) of 1.966 Moz of gold.
- Operating cost (total average) of $105.13/t mined.
- Estimated 70 construction personnel required during the construction period and 333 employees during operations.
- Concentrator construction starting in Q2 2022. Commercial production planned for Q3 2022.

These "Resources" are historical in nature and should not be relied upon. The qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. It is unlikely they comply with current NI 43-101 requirements or follow CIM Definition Standards, and their relevance and reliability have not been verified. They are included in this section for illustrative purposes only and the issuer is not treating the historical estimate as current mineral ressources.

Drilling and Exploration

From 2015 to 2018, Barkerville's exploration team executed a systematic pipeline approach on the Cariboo Project with surface mapping, geochemical sampling and drilling (diamond and RC). Table 2 summarizes the drilling on the Cariboo Project from 2015 to 2018, and Table 3 summarizes all surface geochemical samples.

Table 2 – Summary of drilling on the Cariboo Project from 2015 to 2018

Deposit	BC Vein and BL		Barkerville Mountain		Cow Mountain		Valley Zone		Shaft Zone		Mosquito Creek		Regional Targets		
Year	(m)	(hole)	(m)	(hole)	(m)	(hole)	(m)	(hole)	(m)	(hole)	(m)	(hole)	(m)	(hole)	Total/ Year
2015	33,429	164	7,890	42	-	-	-	-	-	-	-	-	-	-	41,319
2016	8,695	57	2,621	10	32,291	242	-	-	11,290	33	16,027	50	-	-	70,924
2017	4,772	34	3,918	8	4,479	14	41,369	93	93,958	212	13,456	44	-	-	161,952
2018	2,305	14	-	-	67,936	250	503	2	53,609	169	4,597	20	4,903	14	133,853
Total	**49,209**	**269**	**14,429**	**60**	**104,706**	**506**	**41,872**	**95**	**158,857**	**414**	**34,080**	**114**	**4,903**	**14**	**408,048**

Table 3 – Surface geochemical samples collected on the Cariboo Project 2015-2018

	Rock sample (qty)						
Year	Grab	Select	Float	Linear	Channel	Panel	Soil sample (qty)
2015	-	25	-	-	-	111	-
2016	81	75	1	17	341	50	4,928
2017	121	42	-	10	11	-	3,775
2018	108	182	25	8	26	4	6,307
Total	**310**	**324**	**26**	**35**	**378**	**165**	**15,010**

GEOLOGICAL SETTING AND MINERALIZATION

The Project lies within the Kootenay Terrane of the Omineca Tectonic Belt in the south-central Canadian Cordillera. The Omineca rocks were complexly deformed by Middle Jurassic to Early Tertiary compressional tectonics, and by Tertiary transtension and extension. The Kootenay Terrane in the vicinity of the Project is subdivided into the eastern Cariboo and western Barkerville subterranes. The Cariboo Subterrane is juxtaposed on the Barkerville Subterrane by the east-dipping Pleasant Valley Thrust.

The Snowshoe Group, central to the Barkerville Subterrane, hosts the Project.

The Barkerville and Cariboo subterranes comprise metamorphosed equivalents of continent-derived siliciclastic protoliths with interlayered marble units and granitic orthogneiss. The subterranes are pericratonic their character and are thought to have formed near the current western margin of Laurentia. Various authors suggest that both Barkerville and Cariboo subterranes share the same tectostratigraphic position and depositional environment.

The principal gold-producing areas in the Barkerville Subterrane are in areas of greenschist-grade metamorphism (chlorite grade) and do not extend into amphiboIite-grade domains. The S1 and S2 fabrics are defined by metamorphic muscovite, quartz, albite, chlorite and locally biotite, and its character is governed by rock type. The metamorphic micas generally define foliation suggesting that peak metamorphic temperature coincided with the formation of cleavage.

Lode-gold mineralization on the Cariboo Project shares many characteristics with orogenic gold deposits. Gold mineralization is associated with orogenic silica-carbonate-sericite-pyrite stable fluids moving along secondary permeability induced by the interaction of metamorphic fabrics, sublayer-parallel strike- slip faults, contacts between lithological units, and rheological contrasts between lithologies.

The mineralization is defined in the Cow-Island-Barkerville Mountain Corridor. The Cow/Island segment covers a strike length of 3.7 km and a width of approximately 700 m, down to a vertical depth of 600 m below surface. The Barkerville segment covers a strike length of 3km and a width of approximately 700 m, down to a vertical depth of 500 m below surface.

Five inter-related styles of mineralization are observed on the Cariboo Project:

1. Fault-fill breccia veins subparallel to foliation (S_1), hosted in carbonaceous mudstone (BC Vein style);

2. Vertical NE-trending extensional (axial planar) veins dominantly hosted in sandstone units in S_3 cleavages (Cow Mountain, Shaft Zone, Mosquito Creek, Lowhee Zone and KL Zone vein mineralization);

3. Fractured moderately dipping ENE-trending shear veins, hosted in sandstone units (Cow Mountain, Shaft Zone, Mosquito Creek, Lowhee Zone and KL Zone vein mineralization);

4. Gold-bearing sulphide replacements hosted in fold hinges of calcareous sandstone units (Island Mountain and Mosquito Creek Replacement Style);

5. Gold-bearing sulphide replacement mineralization hosted in fault-bounded calcareous siltstone units (Bonanza Ledge style).

Vein mineralogy is largely simple, composed predominantly of quartz and lesser iron carbonate gangue. Pyrite is the dominant sulphide mineral with vein content ranging from trace amounts to tens of percent. Pyrite content appears to have a direct association with gold content in the veins. Although galena and arsenopyrite can also occur in individual veins in amounts up to several percent, these minerals generally occur in trace amounts as does sphalerite, chalcopyrite, argentite and scheelite. Generally increasing amounts of galena and argentite are related to elevated silver values. At least two sulphide events are observed in veins: one early event inter-grown with quartz and a secondary event infilling pre-existing void spaces or vein margins. The bismuth-lead sulphosalt cosalite also occurs in isolated

veins and appears to be associated with high-grade gold independent of pyrite content. Cosalite is only observed as intergrowths with quartz and its timing is considered early.

Replacement mineralization in calcareous sandstones varies from fineto coarse-grained pyrite with lesser arsenopyrite. Bonanza Ledge replacement mineralization, hosted in calcareous siltstone, consists entirely of fine-grained pyrite ore. Sulphide content in replacement ore types is generally high, ranging from 10% (replacing thin calcareous bands) to massive (replacing entire beds). The timing relationship for observed mineralization types is considered to be contemporaneous, with vertical veins acting as feeders for the fault fill veins, replacement horizons and earlier shear veins.

Large veins tend to exhibit a strong silica alteration halo with pyrite contents that range from several percent to massive. Farther from the large veins, the pyrite content drops to trace amounts with intense silicification. Most smaller veins have strong silica with trace pyrite proximal to vein margins; they rarely show the massive pyrite deposition exhibited in larger veins. A widespread moderate silica envelope with patchy but intense silica closer to the veins is observed within the vein corridors. More distal from the vein corridors, the intensity of silica alteration becomes weak, and sericite is the dominant alteration mineral with an iron carbonate halo outside of the sericite. Localized veins show argillic and chloritic alteration within the vertical axial planar veins.

EXPLORATION

Barkerville's exploration team carried out exploration work on the Cariboo Project from May to December 2019. The program consisted of geological mapping and surface rock sampling, followed by interpretation and the preparation of an internal mapping report. Mapping and sampling efforts specifically targeted the northwest and southeast strike extensions of the known mineralization and defined resources in the Wells area, as well as a parallel trend at Mount Burns (Lightning Creek Trend).

Geological mapping

The principal aims of the 2019 regional mapping program were to expand the coverage of Barkerville 1:2,000-scale mapping within the prospective sandstone of the Barkerville Trend in an effort to delineate greenfield exploration targets and provide recommendations for the targeting methodology.

Mapping was carried out over 19 weeks during the late-May to early-October field season, with data interpretation spanning into December. The field component of the program consisted of detailed geological mapping and surface structural data collection carried out across approximately 2,900 ha within the Barkerville Trend, split between the Island Mountain and Proserpine prospects. The focus of late-season mapping shifted to the Lightning Creek trend, exposed at Mount Burns.

A total of 200 surface samples or various types (grab, select, panel, linear) were collected in 2019 across all mapping areas, as summarized in Table 4. The mapping and sampling confirmed the extension of the corridors and allowed Barkerville to develo drilling targets.

Table 4 – 2019 Cariboo Project surface rock samples

Prospect	Grab Samples	Select Mineralized Samples	Panel Samples	Linear Samples	Total Samples
Antler Creek	2	0	0	0	2
Mount Burns	4	8	0	0	12
Island Mtn	11	53	2	0	66
Proserpine Mtn	35	78	6	1	120
Total	**52**	**139**	**8**	**1**	**200**

DRILLING

Barkerville is continuously drilling on the property and the drilling was still ongoing at the time of the report. The drilling performed from January to December 2019 was included in the current MRE update and is defined as the "2019 Program" and the potential impact on the MRE is presented below for the drilling completed to date. The objectives were to test new brownfields targets adjacent to known deposits, infill high-grade MSO stopes modelled from the PEA and currently classified as inferred, explore the depth potential of known deposits, and continue exploration on regional targets. Diamond drill core is the principal source of geological information for the Cariboo Project.

Drilling Methodology

The 2019 Program was performed by Hy-Tech Drilling Ltd, based in Smithers, British Columbia. Collar locations were determined using a Trimble DGPS.

Drills were lined up using a Reflex TN14 Gyrocompass or a Suunto compass. The downhole dip and azimuth were surveyed using a Reflex EZ-shot tool. Surveys started 10 m below the casing, and readings were taken at least every 30 m downhole. A reading was also taken at the bottom of the hole if the EOH depth was 15 m or more from the last test. A multi-shot survey was performed in exploration holes upon completion. Drilling contractors handled the instruments, and survey information was transcribed and provided in paper format to Barkerville geologists. Starting in January 2019, survey information was also copied from the instruments to USB drives and transferred into the Barkerville Database.

At the drill rig, the drill helpers placed core into core boxes and marked off every 3-m drill run using a labelled wooden block. Oriented core measurements were taken for all exploration holes, but stopped for most infill holes from July 2019 onward. The drill helpers were responsible for marking the core using a Reflex Act III tool. All holes were drilled in NQ diameter unless noted otherwise in this report.

Core Logging Procedures

The drill core was transported to Barkerville's facility in Wells where it was cleaned of drilling additives and mud, and the metres were marked before collecting the data.

Geotechnical data collection includes RQD at 1-m intervals. Magnetic susceptibility data were not collected because it was concluded that such data are not relevant to the deposit. Geotechnicians performed hardness testing on all core.

Downhole orientation lines were connected where possible, and orientation measurements recorded.

All data were recorded using Datamine DHLogger software. Sample intervals and pertinent information regarding lithology, mineralization and alteration were marked on the core.

After recording the sampling information, drill core samples were sawn in half, labelled, and bagged. The remaining drill core is stored onsite in a secured location for future reference. Numbered security tags were applied to lab shipments for chain of custody requirements. Samples were then shipped to the laboratory of ALS Minerals in North Vancouver, British Columbia, for analysis.

2019 Drilling Program

The 2019 Program focused on the Cow–Island–Barkerville Corridor, as well as Proserpine Mountain.

Barkerville drilled 92,297 m in 264 surface holes at an average recovery rate of 96%. A summary of the drilling program is presented in Table 5.

Table 5 – Summary of Barkerville's 2019 Program

Deposit / Prospect	Total metres	Number of Holes
BCV	3,744	24
BM	36,376	87
LZ	8,422	24
WC	1,572	4
CM	16,137	72
MC	8,259	15
SZ	12,032	26
WLO	3,079	6
PSP	2,676	6
Totals	**92,297**	**264**

The 2019 Program at Island Mountain focused on the Shaft Zone, Mosquito Creek and the Willow Regional Target, totalling 23,370 m in 47 holes.

The drilling conducted at Shaft Zone and Mosquito Creek continued the category conversion work and followed up on the results from 2018 to expand known mineralized vein corridors. The Shaft Zone (12,032 m, 26 holes) was explored and defined from surface to a maximum vertical depth of 750 m, while drilling at Mosquito Creek (8,259 m, 15 holes) targeted shallow modelled vein corridors to a maximum vertical depth of 370 m and replacement-style mineralized zones. Infill drilling on these two deposits was designed to intercept modelled vein corridors with a 25-m spacing at depth in order to convert inferred resources to indicated.

Drilling at the Willow prospect tested the 2017 gold-in-soil anomalies in the northwest area of Island Mountain and followed up on 2018 mapping recommendations. Two (2) stratigraphic holes were drilled at an azimuth of 225° followed by four (4) holes drilled at an azimuth between 120° and 130° to test surface anomalies, for a total of six (6) drill holes and 3,079 m.

The 2019 Program at Cow Mountain continued the category conversion work on known vein corridors (inferred to indicated) and explored the down-dip extent of selected targets. The targeted vein corridors were drilled from surface to a maximum vertical depth of 280 m with a 25-m intercept spacing at depth. A total of 16,137 m was drilled in 72 holes. No new holes were drilled on the Valley deposit during the 2019 Program.

The aim of the 2019 Program at Barkerville Mountain was to provide infill data on the BC Vein and to explore targets identified during the 2018 mapping program on the KL Zone, Williams Creek, and Lowhee Zone prospects. Historical drilling and surface geochemical data also contributed to the generation of these exploration targets.

BC Vein drilling, totalling 3,744 m in 23 holes, improved block model confidence and further delineated the deposit. Drilling at the three exploration prospects targeted mineralized vein corridors within the prospective sandstone unit analogous to those on the Cow and Island mountains. In total, 86 holes (36,250 m) were drilled on the KL prospect, four (4) holes (1,572 m) on the Williams Creek prospect, and 24 holes (8,422 m) on the Lowhee prospect.

At the Proserpine prospect, a single drill rig tested surface geochemical results and the down-dip extent of mineralization reported from historical workings. One (1) stratigraphic hole was drilled at an azimuth of 210°, followed by five (5) holes drilled at 120° azimuth to intersect the anomalies. Six (6) drill holes were completed for 2,676 m.

No geotechnical or metallurgical holes were drilled in 2019.

Full details on the 2019 Program can be found in the Cariboo Technical Report.

2020 Drilling Program

Parallel to the 2020 MRE update, which includes all drilling to the end of 2019, Barkerville began their 2020 Program. The 2020 Program again focuses on the Cow–Island– Barkerville Corridor. Barkerville has currently drilled 25,397.7 meters in 82 holes at an average recovery rate of 97% (as of September 28, 2020). A summary of the Drilling Program to date is presented in Table 6.

Table 6 – Summary of Barkerville's 2020 Program as of September 28, 2020.

Deposit	Total metres	Number of Holes
BCV	560.60	3
LZ	10,144.50	24
CM	4,353.90	21
VZ	9,342.70	30
SZ	996.00	4
Totals	**25,397.70**	**82**

To date, the majority of the 2020 drilling has been focused in the Valley Zone to continue the category conversion work, expand known mineralized vein corridors, and follow up on results from the 2018 MRE. The targeted vein corridors are being drilled from surface to a maximum vertical depth of 825 m with a 25-m intercept spacing at depth. So far, a total of 9,342.70 m have been drilled in 30 holes with drilling planned to continue into 2021.

The 2020 Program at Cow Mountain continued the category conversion work on known vein corridors (inferred to indicated) and explored the down-dip extent of selected targets. The targeted vein corridors were drilled from surface to a maximum vertical depth of 350 m with a 25-m intercept spacing at depth. A total of 4,353.90 m were drilled in 21 holes. No further drilling is currently planned.

The aim of the 2020 Program at Barkerville Mountain was to provide infill data on the BC Vein and to further define the Lowhee Zone prospect.

BC Vein drilling, totalling 560.60 m in 3 holes, improved block model confidence and further delineated the deposit. Drilling at the Lowhee Zone targeted mineralized vein corridors within the prospective sandstone unit analogous to those on Cow and Island mountains. The targeted vein corridors were drilled from surface to a maximum vertical depth of 370 m with a 50-m intercept spacing at depth. A total of 10,144.50 m were drilled in 24 holes. No further drilling is currently planned.

The 2020 Program at Island Mountain has so far consisted of four (4) holes drilled at Shaft Zone for a total of 996.00 m. Further drilling at Shaft Zone is set to continue in the winter of 2020 and will continue the category conversion work.

Barkerville's 2020 Drilling Program was paused from March through June 2020 due to COVID-19.

The intersections were visually compared in 3D to the mineralized zones 3D solids and interpolated block grades of the 2020 MRE.

Overall, the visual inspection of the 2020 drilling results demonstrated that the thickness and the grade of the mineralized zones are in the same order of magnitude as the 2020 MRE. The 2020 drilling continues to confirm the geological and grade continuities that were demonstrated in the 2020 MRE.

For the purpose of this MRE Report, InnovExplo is of the opinion that the gains and the losses would balance each other, and the resulting difference would not be material to the overall resource. According to the drilling results in

the extension of the known mineralized zones and with the discovery of new zones, there is a potential to increase the mineral resources.

SAMPLE PREPARATION, ANALYSES AND SECURITY

The following paragraphs describe the sample preparation, analysis, and security procedures for the 2019 Program included in the current resource estimate. InnovExplo reviewed the QA/QC procedures and results.

Core Handling, Sampling and Security

Core handling, sampling, and security procedures are managed by Barkerville personnel. The procedures are described in detail below.

The drill core is placed into wooden core boxes at the drill site with the end of each drill run marked with a small wooden block displaying the depth of the hole. Box labels indicate the hole and box numbers. The boxes are racked and covered at the drill, secured with ratchet straps, and then transported daily from the drill site to Barkerville's core storage and logging facility by truck by the drilling contractor. The boxes are labelled in permanent marker with the hole and box number (e.g. GR-15-01 Bx 1). The secure core storage and logging facility is located in the town of Wells.

Upon receiving a load of core from the drill crew, the core is brought into the logging room. Meterage blocks are checked for errors, the core is oriented in the box and cleaned, and the metre-marks are drawn on the core before logging begins. The geological and geotechnical core logging data is collected with Datamine's DHLogger software.

The sample intervals are between 0.5 m and 1.5 m in length and do not cross geological contacts. A line is drawn with a pencil along the length of the core to indicate where the core will be sawn. Each sampling ticket is divided into three tags. One tag is stapled to the core box at the beginning of the interval to record the drill hole number and sample interval recorded. The second tag is placed in the sample bag, which is sent to the laboratory; this tag does not reference the drill hole or meterage. The last tag remains in the sample ticket book with the hole number and recorded interval. All samples are assigned a unique sample number.

After the core boxes with tags are photographed, the core boxes are moved to the cutting station. The core is cut lengthwise by diamond saw, with half the core submitted as the primary sample and the remaining half core retained in the core box for future reference.

The sample are individually bagged with the corresponding tag. The tag number is written on the bag and every bag is sealed. The bags are then placed on rice bags and the rice bags are sealed with numbered security tags for chain of custody requirements. If any tampering with security tags is suspected, the laboratory will communicate with Barkerville. Samples are transported to the ALS lab in Vancouver by Van Kam transport trucking service. The remaining drill core is subsequently stored on site at Barkerville's secure facility in Wells, British Columbia.

Laboratories Accreditation and Certification

The ISO and the International Electrotechnical Commission ("IEC") form the specialized system for worldwide standardization. ISO/IEC 17025 General Requirements for the Competence of Testing and Calibration Laboratories sets out the criteria for laboratories wishing to demonstrate that they are technically competent, operating an effective quality system, and able to generate technically valid calibration and test results. The standard forms the basis for the accreditation of competence of laboratories by accreditation bodies. ISO 9001 applies to management support, procedures, internal audits and corrective actions. It provides a framework for existing quality functions and procedures.

All the samples of the 2019 Program were submitted to the ALS Minerals laboratory in British Columbia. The ALS Minerals laboratory is ISO 9001 certified and accredited (ISO/IEC 17025) for the analytical methods used routinely on the samples from the Cow, Island and Barkerville Mountains. The ALS Minerals facility is a commercial laboratory independent of Barkerville and has no interest in the Cariboo Project.

Sample Preparation and Assay

Sample Preparation

- Samples are sorted and logged into the ALS Minerals LIMS program.
- Samples are dried and weighed.
- Samples are crushed to +70% passing 2 mm (CRU-31).
- The crushed sample split of up to 500 g is pulverized to +85% passing 75 μm screen (PUL 32m).
- Samples containing visible gold or cosalite mineralization are assayed by metallic screen method; a crushed sample split of 1,000 g is pulverized (method PUL-32) to pass 100 μm (Tyler 150 mesh) stainless steel screen to separate the oversize fractions (method SCR-21).

Gold Assaying

- A 50-g pulp aliquot is analyzed by Au-AA26: fire assay followed by aqua regia digestion (HNO3-HCl) with an ASS.
- When assay results are higher than 100 g/t Au, a second 50-g pulp aliquot is analysed by Au-GRA22: fire assay, parting with nitric acid (HNO3) with a gravimetric finish.
- All samples containing visible gold or cosalite mineralization are assayed by the metallic screen method (method Au-SCR21). At the request of Barkerville, any sample exceeding 100 g/t Au (Au-AA26) is rerun with the screen method following the procedure below.
- For visible gold assays or cosalite mineralization, the +100 μm fraction (Au+) is analyzed in its entirety by FA with gravimetric finish. The 100 μm fraction (minus) is homogenized and two (2) subsamples are analyzed by FA with atomic absorption spectroscopy (Au-AA25) or gravimetric finish (Au-GRA21). The average of the two (2) minus fraction subsamples are taken and reported as the Au- fraction result. The gold content is then determined by the weighted average of the Au+ and Au- fractions.

Multi-element Assaying

- Some samples are analyzed by trace-level multi-element method ME-MS61: a 0.25-g aliquot is digested by four-acid digestion (HNO3-HClO4-HF-HCl) and HCl leach (method GEO-4A01) and analyzed by inductively coupled plasma atomic emission spectroscopy; an analytical technique used for the detection of chemical elements.
- Following this analysis, the results are reviewed for high concentrations of bismuth, mercury, molybdenum, silver and tungsten and diluted accordingly.

Samples meeting these criteria are then analyzed by ICP-MS. Results are corrected for spectral interelement interferences.

Specific Gravity Measurements

- Before crushing and pulverizing, the specific gravity of selected samples is determined by the bulk sample method (water displacement, OA GRA08).

Quality Assurance and Quality Control

A total of 84,039 samples (including QA/QC samples) were assayed during 2019. The 2019 QA/QC program included a routine insertion of standards and blanks. Barkerville included one (1) standard in every 20 samples and one (1) blank in every 40 samples. The 2019 QA/QC program did not include field or coarse reject duplicates.

Accuracy is monitored by adding standards at the rate of one CRM for every 20 samples. A total of 4,202 standards were analyzed during the 2019 Program, for an insertion rate of 5.0%. Eight different CRMs from Ore Research and Exploration Pty Ltd (ore assay standards were used). The average CRM results are all within ±1.5% of the expected values. Most assays were within ±3standard deviations of the accepted value.

In 2019, 2,101 blanks were submitted to ALS Minerals with the core samples. All the blanks analyzed at ALS Minerals, except for the one high failure, assayed less than or equal to 0.1 g/t Au, which is 10 times the detection limit of 0.01 g/t Au, and are thus considered acceptable.

Conclusions

A total of 256 holes were drilled in 2019 on the Cariboo Project. InnovExplo is of the opinion that the sample preparation, analysis, QA/QC and security protocols used for the Cariboo Project follow generally accepted industry standards, and that the data is valid.

Data Verification

InnovExplo's data verification included the diamond drill hole databases used for the 2020 MRE, as well as the review and validation of the geological models of each deposits, and the review of information on mined-out areas and the data for selected drill holes (assays, QA/QC program, downhole surveys, lithologies, alteration and structures).

The QPs also reviewed and validated the resource estimation process followed by Barkerville and Talisker Exploration Services Inc., including all parameters, geological interpretation, basic statistics, variography, interpolation parameters, block model construction, scripts that run the model, volumetric report, and the validation process.

Historical work subject to verification consisted of the holes used for the 2019 MRE. Basic cross-check routines were performed between the current Barkerville Databases and the previously validated database for the 2019 MRE.

InnovExplo was granted access to the assay certificates for all holes in the 2019 drilling programs. Assays were verified for 5% of the drill holes. No discrepancies were found.

Barkerville Drill Hole Collar and Downhole Surveys

The 2019 surface drill hole collars in the resource area were surveyed using a Trimble DGPS unit. InnovExplo 2019 verifications included a visit to an active drill site.

Downhole surveys (single shot and multi shots) were conducted on the majority of surface holes. The Reflex survey information was verified for 5% of the holes from the latest drilling programs. No discrepancies were found.

Assays

The author had access to the assay certificates for all historical and current holes in the Barkerville Databases. All assays were verified for selected drill holes from the latest drilling program, i.e., 5% of the 2019 drilling program. The assays recorded in the databases were compared to the original certificates from ALS Minerals (North Vancouver, British Columbia). The electronic transfer of the laboratory results via e-mail, followed by the electronic transfer directly into the databases by Barkerville staff, allowed for immediate error detection and prevented any typing errors.

No errors or discrepancies were found. The final databases are considered to be of good overall quality. InnovExplo considers the Barkerville Databases to be valid and reliable.

Discussions and reviews with Barkerville personnel during video conferencing convinced the author that the protocols and the QA/QC program in place are adequate.

Mined-out Voids

No underground activities were carried out in 2019. The 2019 voids model for Bonanza Ledge (all types of historical underground workings combined; see below) remains current and was used for the 2020 MRE.

For the Cow, Valley, Shaft, Mosquito, KL, Lowhee and BC Vein & Splays deposits, the drilling program continues to intercept undocumented voids. To reduce the associated risk, a spherical buffer with a 10-m radius was applied around the intercepts to represent a potential stope of 20 m in diameter. These "buffer voids" were used to deplete the final resource estimate.

The voids are a combination of the historical underground workings (stopes, drifts and shafts) of the Cariboo Gold Quartz Mine (Cow Mountain), the Aurum and Mosquito Creek mines (Island Mountain), and the Barkerville Mountain Mine (Barkerville Mountain).

InnovExplo considers the level of detail in the void triangulation to be of good quality and reliable, despite some uncertainty related to previously undocumented voids.

Barkerville Logging, Sampling and Assaying Procedures

InnovExplo reviewed several sections of the mineralized core by comparing core photographs, drill logs and the database.

MINERAL PROCESSING AND METALLURGICAL TESTING

Sample Selection and Compositing

In 2019, BBA, Osisko and Barkerville developed a metallurgical testwork program to characterize the behaviour of mineralized material from the Project during mineral processing and extraction. It included composite samples composed of NQ diamond drill core obtained from the Shaft, Cow, Valley and Mosquito zones during the issuer's 2016, 2017 and 2018 drilling programs. The results were presented in the 2019 PEA.

The metallurgical testwork program was developed by BBA, Osisko and BGM in order to characterize Cariboo Gold mineralized material behaviour to mineral processing and extraction processes. It included composite samples from four zones; Shaft, Cow, Valley and Mosquito. The material for the composites was obtained from NQ drill core intervals from the diamond drill core of the drilling campaigns performed by BGM in 2016, 2017 and 2018.

The testwork program was designed to determine the mineralized material response to a preconcentration process and subsequently to the QR Mill process.

The selected mineralized intervals for the LOM composite included wall rock/shoulder samples from quartered NQ drill core and were separated on site into two size fractions: (-60 mm/+10 mm) sized material sent to Steinert in Kentucky, USA for mineral sorting testwork; and (-25 mm) sized material sent to SGS Burnaby, British Columbia, for compositing for metallurgical testwork.

A single composite of fines (-25 mm) fraction was prepared at SGS by blending the material from each zone to represent the expected LOM distribution. The testwork for the fines (-25 mm) fraction involved mineralized material characterization, grindability, gravity and flotation. Mineral sorting pre-concentration products received from Steinert were also blended to create composites, representing the expected LOM distribution and individual mineralized zones. Cyanide leaching response of pre-concentrates from both the mineral sorting and flotation samples were tested individually. A bulk sample representing the QR Mill feed blend of mineral sorter concentrate and flotation concentrate was prepared for leach optimization.

Drill core intervals for variability composites that represented Gold grade variation of each mineralized zone were selected by BGM, Osisko and BBA and sent to SGS for a second metallurgical testwork campaign. The material received for the variability testwork program was 1,243 kg from Shaft Zone, 728 kg from Cow Zone and 180 kg from Valley Zone (Table 13-2). The drill core intervals received were crushed to -35 mm and screened. The coarse fraction (-35+10 mm) of the material was sent to Steinert for mineral sorting testwork. (-10 mm) sized material was kept at SGS for metallurgical testwork. Mineral sorting products received back from Steinert were assayed and prepared for metallurgical testwork at SGS.

Comminution Testwork

Samples were submitted to crusher work index, Bond ball mill work index and abrasion index testing at SGS.

Mineral Sorting Testwork

Mineral sorting testwork was conducted at Steinert facilities in Kentucky, USA, in August 2018. The initial testwork program focused on 1,264 kg of drill core material, from all four deposits, crushed to -60 mm/+10 mm. The mineral sorting products of two samples from Shaft Zone and Cow Zone were recombined to reproduce the previously tested -60 mm/+10 mm feed, crushed to -35 mm/+10 mm and sent back to Steinert for mineral sorting.

The second mineral sorting testwork program involved the variability samples from three mineralized deposits. Ten variability samples sized -35 mm/+10 mm were mineral sorted at Steinert in January 2019.

Once the mineral sorting tests were completed, the mineral sorting products were sent to SGS for analysis along with the -8 mm fines generated during mineral sorting due to sample handling.

Flotation Testwork

Kinetic flotation tests were conducted on samples: fine fraction gravity tails, fine fraction of whole rock composites, OSC, and blend of mineral sorter concentrate with fines.

The gravity tails composites were produced from bulk gravity concentration tests, while the whole rock samples consisted of the -25 mm fines. The effect of grind size on flotation performance at target P80 values of 200, 150 and 100 microns was tested on these samples. Whole rock variability composites (SZ1, SZ2, SZ3 and SZ4) were tested at two target P80 values of 200 and 400 microns.

Mineral sorting concentrate of CZ and SZ variability samples were tested at 100 and 200 microns. The same mineral sorter concentrate samples were blended with their generated fines and tested at 100 and 200 microns.

Gravity Concentration

Gravity concentration tests were performed on the blend of mineral sorter concentrate and flotation concentrate prior to leach tests. The samples were first subjected to gravity concentration using a lab scale Knelson concentrator and further concentrated with Mozley table. The average gold recovery was 28.1%.

Leaching Testwork

A leaching program was conducted and included flotation rougher concentrates, OSC and blended flotation/mineral sorter concentrates at 70:30, 50:50 and 30:70 of fines-to-coarse ratios. The fines-to-coarse proportion for operations has not yet been established, the testwork program was designed to cover a range of scenarios. The samples were prepared to a pulp density of 45% (w/w) solids, with the exception of the flotation rougher concentrate leach tests that were run at 35% (w/w) solids. All leaching tests were conducted at a target pH of 11 to 11.5 and dissolved oxygen levels of 6 ppm to 8 ppm.

Fines flotation concentrate, mineral sorter concentrate flotation concentrate and mineral sorter concentrate of variability composites were blended in proportions, which would represent the preconcentrate production and leached at 45 and 75 microns with and without pre-treatment.

Cyanide Destruction Testwork

Cyanide destruction testwork was performed on a bulk gravity tailings sample of the 50:50 (fines to coarse ratio) blend of flotation concentrate and mineral sorter concentrate at Cyanco following cyanidation. To reduce the reagent consumption rates, a pre-aeration step added to leaching ahead of cyanide destruction. The addition of the pre-aeration step reduced the cyanide consumption and the amount of total cyanide in leach tails by reducing the formation of stable metal cyanide complexes, which were suspected to be cyanide consumers, and as a result reduced the detox reagent consumption rates. Targeted cyanide levels were successfully achieved with both conditions.

Thickening, Filtration and Rheology Testwork

Three samples were sent to Pocock Industrial in Salt Lake City, Utah for thickening, filtration and rheology testing; these included flotation tailings, pre-leach thickener feed and detoxed tailings.

All three samples were submitted to flocculant screening tests to identify the best reagent for flocculation of solids to promote rapid settling and reducing suspended solids concentration in overflow. The screening tests also provided an indication of the required reagent dosing. The selected flocculant for all three samples was a high molecular weight, 10% charge anionic polyacrylamide.

Once an appropriate flocculant was selected, static settling tests were conducted to provide an estimate of the optimized operating parameters, including feed slurry density and flocculant dosing, for dynamic testing. The recommended flocculant dosing for dynamic testing ranged between 24 g/t and 36 g/t.

Dynamic thickening tests were performed on each material to determine the recommended maximum hydraulic design basis for high rate thickener design. Expected underflow solids concentrations and overflow suspended solids concentrations were also determined in testing.

Pre-Concentration Recovery and Mass Pull Projection

The average recovery and mass pull results presented in this section were for the preconcentrate blends prepared for the testwork program. The blends were prepared using a fixed proportion of each mineralized zone considering the preliminary mine plan at the time. Annual recovery projections are expected to differ from the average testwork results according to the final mine plan proportions of mineralized zones. The average gold recovery and mass pull results from the testwork performed are summarized in Table 7. The projected pre-concentrate transferred to the QR Mill is 21.2% of the Mine site feed mass and the overall gold recovery is 92.2%.

Table 7 – Average gold recovery and mass pull for each process step

Process step	Average stage mass recovery (%)	Average gold stage recovery (%)
Crushing circuit fines	30.0	36.0
Crushing circuit coarse	70.0	64.0
Flotation concentrate	20.0	98.9
Coarse mineral sorting concentrate	42.6	93.9
Pre-concentrate (QR feed)	21.2	95.3
Gravity	NA	28.1
Leaching of pre-concentrate	NA	95.5

Overall Au Recovery	92.2

MINERAL RESOURCE ESTIMATE

The 2020 MRE of the Cariboo Project encompasses updated resources for the deposits of Cow Mountain (Cow), Island Mountain (Shaft and Mosquito), and Barkerville Mountain (BC Vein (including the BC Vein Splays), KL and Lowhee). The updates were prepared by Leonardo de Souza, MAusIMM (CP), of Talisker Exploration Services Inc., and reviewed and validated by Christine Beausoleil, P.Geo., and Carl Pelletier, P.Geo., both of InnovExplo, using all available information. No changes are reported for the Valley (Cow Mountain) and the Bonanza Ledge (Barkerville Mountain) deposits.

The 2020 MRE relied on information from the 2019 exploration program. The effective date of the 2020 MRE is April 28, 2020.

Methodology

The 2020 MRE covers all the deposits in the Cow-Island-Barkerville Mountain Corridor. The resource area for the Cow/Island segment covers a strike length of 3.7 km and a width of approximately 700 m, down to a vertical depth of 600 m below surface. The estimate for the Barkerville segment covers a strike length of 3 km and a width of approximately 700 m, down to a vertical depth of 500 m below surface.

The models for the Cow, Valley, Shaft, Mosquito, BC Vein, KL and Lowhee deposits were prepared using LeapFrog GEO v.5.0.4. and Datamine. Leapfrog GEO v.5.0.4. was used for the modelling, which included the construction of 334 mineralized solids: 101 for Cow; 39 for Valley; 74 for Shaft; 50 for Mosquito; 6 for BC Vein and five BC Vein splays; 40 for KL; and 24 for Lowhee. Datamine was used for the estimation, which consisted of 3D block modelling and the ordinary kriging interpolation method. Statistical studies, capping and variography were completed using Datamine, GSLIB and Excel. Capping and validations were carried out in Datamine and Microsoft Excel.

The Bonanza Ledge model was prepared using GEOVIA GEMS software v.6.7. Such software was used for the modelling, which included the construction of one (1) mineralized solid, and for the estimation, which consisted of 3D block modelling and ordinary kriging interpolation. Statistical studies and variography were done using Snowden Supervisor v.8.6 software. Capping and several validations were carried out in Microsoft Excel and Snowden Supervisor v.8.6 software.

The main steps in the methodology were as follows:

- Compile and validate the diamond drill hole databases used for mineral resource estimation;
- Validate the geological model and interpretation of the mineralized zones based on lithological and structural information, historical underground mapping and general orientation of stopes, and metal content;
- Validate the drill hole intercepts database, compositing database and capping values, for the purposes of geostatistical analysis and variography;
- Validate the block models and grade interpolation;
- Revise the classification criteria and validate the clipping areas for mineral resource classification;
- Assess the resources with "reasonable prospects for economic extraction" and select appropriate cut-off grades; and
- Generate a mineral resource statement.

Drill Hole Database

Four (4) diamond drill hole databases cover the Cariboo Project: Cow Mountain (Cow and Valley deposits), Island Mountain (Shaft and Mosquito deposits), Barkerville Mountain (BC Vein, KL, and Lowhee deposits), and Bonanza Ledge. The Cow Mountain database contains 1,259 validated drill holes. The Island Mountain database contains 1,321 validated drill holes. The Barkerville Mountain database contains 535 validated surface DDH. The Bonanza Ledge database contains 213 validated holes.

All databases include lithological, alteration and structural descriptions taken from drill core logs. Oriented core data have been available since the 2016 Program. The databases cover the strike length of each resource area at variable drill spacings, ranging from 10 to 60 m for the Cow, Island and Barkerville mountains deposits, and from 5-15 m for the Bonanza Ledge deposit.

In addition to the tables of raw data, each database includes several tables of calculated drill hole composites and wireframe solid intersections, which are required for the statistical evaluation and resource block modelling.

Geological Model

Barkerville updated the 2020 geological models for the Cow, Valley, Shaft, Mosquito, and BC Vein deposits using historical data, the data from the 2015-2018 drilling programs, and new holes from the 2019 drilling program. Barkerville also modelled two additional deposits, KL and Lowhee, using the new 2019 DDH data. The Bonanza Ledge geological model was reviewed and validated by the QPs. No new data have been acquired at Bonanza Ledge since the technical report of Brousseau et al. (2017).

A total of 335 geological solids were created and/or updated for all the deposits.

The Cow, Valley, Shaft, Mosquito, Lowhee, and KL geological models consist of 328 mineralized solids representing axial planar veins. All geological solids were modelled in Leapfrog GEO v.5.0.4. The solids were designed with a minimum thickness of 2 m and based on a cut-off grade of 1.0 g/t Au. The solids veins extend to a radius of up to 50 m from the last selected intercept or are fixed at the mid-distance of an intercept that does not meet the minimum grade criterion. The solids were snapped to drill holes. The solids were created from the axial planar structural data using 3-g/t indicator interpolants.

The geological model for the BC Vein includes one (1) sheared solid representing the mineralized layer parallel vein, along with five (5) solids representing mineralized layer parallel splays. The solids were modelled in Leapfrog GEO v.5.0.4. The BC Vein and splays were modelled from geological logs and grade intervals. The BC Vein was designed with a minimum thickness of 2 m, controlled by the hanging and footwall of the shear, and was based on a cut-off grade of 1.0 g/t Au. Geological contacts were given precedent over grade. The splays were designed with a minimum thickness of 2 m and were based on a cut-off grade of 1.0 g/t Au. All solids were snapped to drill holes.

A geological structural contact was modelled between the BC Vein and the KL deposits. The surface is a major lithological contact between the brittle sandstone, which hosts the KL Axial Planar veins, and the more ductile carbonaceous mudstones and siltstones that host the BC Vein shear and layer parallel veins. This contact was used as a hard boundary to limit the extent of the mineralized geological models.

In 2017, InnovExplo created one (1) solid for the Bonanza Ledge deposit. Construction lines were created on cross-sections spaced 5 to 25 m apart, which were snapped to drill hole intercepts. The solid was inspired by a sulphide shell defined in Brousseau et al. (2017) using a threshold of 3% pyrite and clipped to the Footwall Fault to the southwest, which was modelled from drill hole logs. The authors reviewed and validated the 2017 model and concluded that the model remains accurate for the 2020 MRE update.

Two surfaces were created for each deposit to define the topography and the overburden/bedrock contact. The topography was created using LIDAR data from 2016, except for Bonanza Ledge, which used LIDAR data from 2000 (before the test pit was excavated at the Bonanza Ledge Mine). The overburden-bedrock contact was modelled using

logged overburden intervals. A waste solid was also created for Bonanza Ledge corresponding to the block model limits.

Mineral Resource Estimate

The author has classified the 2020 MRE as measured, indicated, and inferred mineral resources based on geological and grade continuity, data density, search ellipse criteria, drill hole density, and interpolation parameters. The author is of the opinion that the resasonable prospect for an eventual economic extraction requirement is met by having a minimum width for the modelling of the mineralized zones and with a cut-off grade that using reasonable input, both for a potential underground extraction scenario.

The 2020 MRE is considered to be reliable and based on quality data and geological knowledge. The mineral resource estimate follow CIM Definition Standards.

InnovExplo is of the opinion that the current mineral resource estimate can be categorized as measured, indicated, and inferred mineral resources based on data density, search ellipse criteria, drill hole density, and interpolation parameters. InnovExplo considers the 2020 MRE to be reliable and based on quality data and geological understanding with parameters that follow CIM Definition Standards.

Table 8 displays the results of the 2020 MRE for the Cariboo Project at the official 2.1 g/t Au cut-off grade for all eight deposits: Cow, Valley, Shaft, Mosquito, KL, Lowhee, BC Vein and Bonanza Ledge.

Table 8 – 2020 Cariboo Project Mineral Resource Estimate at 2.1 g/t Au cut-off

		Tonnes	Grade	Ounces
Category	**Deposit**	**('000)**	**('000)**	**('000)**
Measured	Bonanza Ledge	240	5.1	39
Indicated	Bonanza Ledge	86	3.9	11
	BC Vein	1192	4.7	179
	KL	393	3.3	42
	Lowhee	381	3.7	46
	Mosquito	783	6.0	150
	Shaft	10889	4.7	1644
	Valley	1744	4.5	251
	Cow	5734	4.5	838
Total Indicated Resources		**21,201**	**4.6**	**3,160**
Inferred	BC Vein	472	3.9	60
	KL	1926	2.9	181
	Lowhee	1032	3.2	105
	Mosquito	1348	4.8	208
	Shaft	7913	4.2	1081
	Valley	5683	4.0	722
	Cow	3276	3.5	364
Total Measured and Indicated Resources		**21,441**	**4.6**	**3,200**
Total Inferred Resources		**21,649**	**3.9**	**2,721**

MRE Notes:

(1) The independent and qualified persons for the mineral resource estimates, as defined by NI 43-101, are Christine Beausoleil, P.Geo., and Carl Pelletier, P.Geo. (InnovExplo Inc.). The effective date of the 2020 mineral resource estimate is April 28, 2020.
(2) These mineral resources are not mineral reserves as they do not have demonstrated economic viability.
(3) The mineral resource estimate follows CIM Definition Standards.
(4) A total of 334 vein zones were modelled for the Cow Mountain (Cow and Valley), Island Mountain (Shaft and Mosquito), Barkerville Mountain (BC Vein, KL, and Lowhee) deposits and one (1) gold zone for Bonanza Ledge. A minimum true thickness of 2.0 m was applied, using the grade of the adjacent material when assayed or a value of zero when not assayed.
(5) The estimate is reported for a potential underground scenario at cut-off grade of 2.1 g/t Au. The cut-off grades were calculated using a gold price of USD1,350 per ounce; a USD/CAD exchange rate of 1.31; a mining cost of $65.39/t; a processing, environment & transport cost of $28.67/t; and a G&A cost of $11.07/t. The cut-off grade should be re- evaluated in light of future prevailing market conditions (metal prices, exchange rate, mining cost, etc.).
(6) Density values for Cow, Shaft, and BC Vein were estimated using the inverse distance squared interpolation method, with a minimum default value of 2.81 g/cm^3 for Cow, 2.78 g/cm^3 for Shaft, and 269 g/cm^3 for BC Vein. Median densities were applied for Valley (2.80 g/cm^3), Mosquito (2.78 g/cm^3), KL (2.81 g/cm^3) and Lowhee (2.73 g/cm^3). An average density of 3.20 g/cm^3 was applied for Bonanza Ledge.
(7) A three-step capping procedure was applied to composited data for Cow (3.0 m), Valley (1.5 m), Shaft (2.0 m), Mosquito (3.0 m), BC Vein (2.0 m), KL (1.75 m), and Lowhee (1.75 m). Restricted search ellipsoids ranged from 7 to 60 g/t Au at three different distances ranging from 25 to 100 m for each deposit. High grades at Bonanza Ledge were capped at 70 g/t Au on 2.0 m composited data.
(8) The resources for the Cow, Valley, Shaft, Mosquito, BC Vein, KL, and Lowhee vein zones were estimated using Datamine Studio RM 1.5 software using hard boundaries on composited assays. The ordinary kriging method was used to interpolate a sub-blocked model (parent block size = 5 m x 5 m x 5 m). Resources for Bonanza Ledge were estimated using GEOVIA GEMS 6.7 software using hard boundaries on composited assays. The ordinary kriging method was used to interpolate a block model (block size = 2 m x 2 m x 5 m).
(9) Results are presented in-situ. Ounce (troy) = metric tons x grade / 31.10348. Calculations used metric units (metres, tonnes, g/t). The number of tonnes was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects. Rounding followed the recommendations as per NI 43-101.
(10) InnovExplo Inc. is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issues that could materially affect the mineral resource estimate other than those disclosed in the Cariboo Technical Report, as summarized herein.

Interpretation and Conclusions

After conducting a detailed review of all pertinent information and completing the 2020 MRE mandate, InnovExplo concludes the following:

- The results demonstrate the geological and grade continuities for all eight (8) gold deposits in the Cow-Island-Barkerville Mountain Corridor.

  In an underground scenario, the Cariboo Gold Project contains an estimated Measured Resource of 240,000 tonnes grading at 5.1 g/t Au for a total of 39,000 ounces of gold, and Indicated Resource of 21,201,000 tonnes grading at 4.6 g/t Au for a total of 3,161,000 ounces, and an Inferred Resource of 21,649,000 tonnes grading 3.9 g/t Au for a total of 2,721,000 ounces.

- The resource estimates for the Cow, Shaft, Mosquito, BC Vein & Splays deposits were updated using the 2019 drill results.

- Initial mineral resource estimates for the KL and Lowhee deposits used the 2019 drill results.

- No change is reported for the Valley and Bonanza Ledge deposits.

- Additional diamond drilling on multiple zones would likely increase the inferred resources and upgrade some of the inferred resources to indicated resources.

InnovExplo concludes that the results of the 2020 MRE supports the recommendation to advance the Project to the feasibility stage.

InnovExplo considers the 2020 MRE to be reliable, thorough, based on quality data, reasonable hypotheses, and parameters compliant with NI 43 101 requirements and CIM Definition Standards.

Recommendations

Based on the results of the 2020 MRE, InnovExplo recommends that the Project move to an advanced phase of development, which would involve the preparation of a feasibility study covering all eight deposits: Cow, Valley, Shaft, Mosquito, Bonanza Ledge, BC Vein & Splays, KL and Lowhee.

Specifically, InnovExplo recommends: continuing the exploration program (see below for details); updating the existing PEA for new mining scenarios at lower grades using data from the geotechnical, hydrogeological and metallurgical studies; continuing the permitting process for an underground bulk sample; conducting a feasibility study after obtaining said permits; continuing the community outreach program; and conducting a characterization study of the mining project environment in tandem with these other projects.

It is recommended that the exploration program consist of drilling (infill and exploration), geological mapping and grab sampling to test the extensions of known high-grade vein corridors and to identify new targets.

The recommended two-phase work program is detailed below:

Phase 1 – PEA and Exploration Work:

A. Update the PEA

- Metallurgical testwork
- Geotechnical work
- Permitting
- Social licence management

B. Exploration Work

- Infill drilling in high-grade vein corridors (> 5.0 g/t Au) to potentially convertinferred resources to the indicated category;
- Exploration drilling on all zones to explore the true depth potential of high-grade vein corridors using 50 m step-outs downdip
- Continued geological mapping and surface sampling programs to identifyand define new targets.

Phase 2 – Feasibility and Bulk Sampling Program (conditional on the success of Phase 1):

A. Underground bulk sampling program to test geological and grade continuities, metallurgical and geotechnical parameters.

B. Feasibility study.

InnovExplo has prepared a cost estimate for the proposed program to serve as a guideline for the Project. The budget is presented below. The estimated cost for the PEA and exploration work program would amount to approximately $24.54 million and would include a resource estimate update. The estimated cost for the feasibility study is approximately $10.2 million. For a total budget of $38.34 million.

Table 9 - Estimated costs for the recommended work program

Phase 1 – PEA and Exploration Work	Cost Estimate ($)
1A) PEA update	500,000
1B) Exploration work:	
1. Infill and exploration drilling (90,000 m)	19,800,000

2. Surface mapping and sampling	150,000
Subtotal	20,450,000
Contingency (20%)	4,090,000
Total Phase 1	**24,540,000**

Phase 2 – Feasibility and bulk Sampling program	**Cost Estimate ($)**
Feasibility Study	8,500,000
Contingency (20%)	1,700,000
Total Phase 2	**10,200,000**
TOTAL Phase 1 and 2	**38,340,000**

InnovExplo believes the recommended work program and proposed expenditures are appropriate and well thought out, and that the proposed budget reasonably reflects the contemplated activities.

APPENDIX "E"
INFORMATION CONCERNING THE RESULTING ISSUER

The following is a summary of the Resulting Issuer and its expected business and operations, which should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. The information contained in this Appendix "E" – "Information Concerning the Resulting Issuer", unless otherwise indicated, is given as of November 20, 2020.

All capitalized terms used in this Appendix "E" – *"Information Concerning the Resulting Issuer"* and not defined herein have the meaning ascribed to such terms in the *"Glossary"* or elsewhere in this Filing Statement. Unless otherwise indicated herein, references to "$", "CDN $" or "Canadian dollars" are to Canadian dollars, references to "US$" or "U.S. dollars" are to United States dollars. See in this Filing Statement, *"General Matters – Currency"*. See also in this Filing Statement, *"Cautionary Statement Regarding Forward-Looking Information"*.

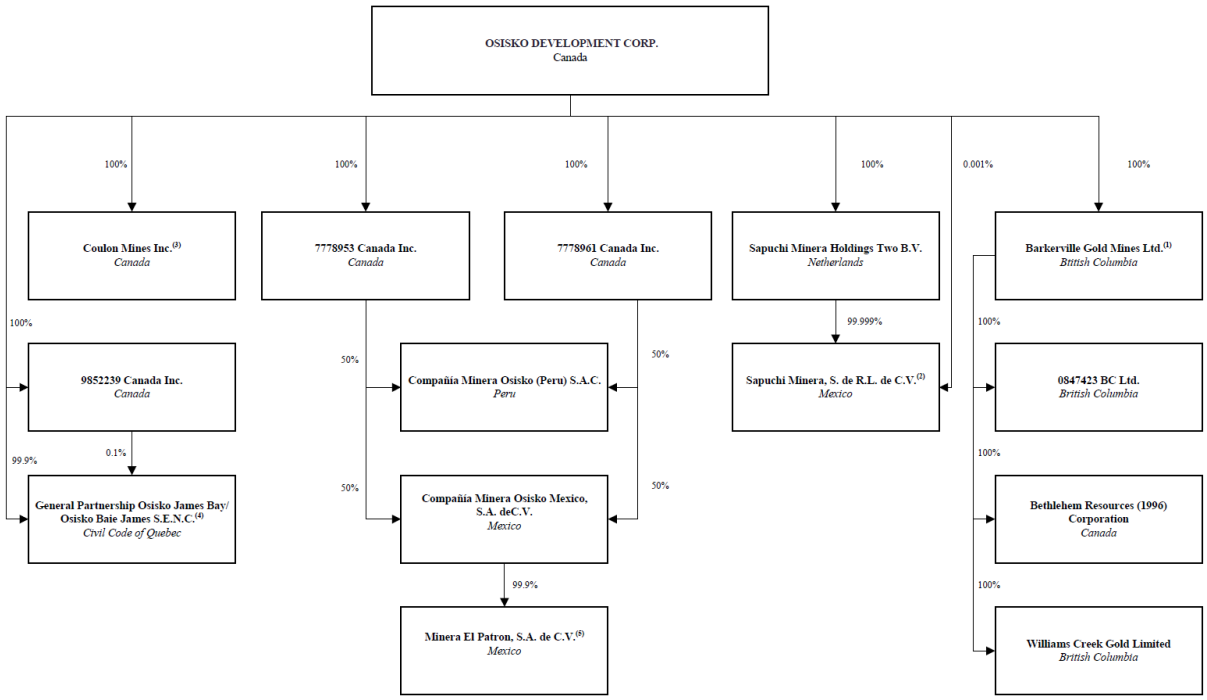
Corporate Structure

Name and Incorporation

As a condition to the Transaction, Barolo, now the Resulting Issuer, will have been continued under the CBCA and changed its name to "Osisko Development Corp.". The Resulting Issuer will have its head and registered office at 1100 Avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, Canada, H3B 2S2.

Intercorporate Relationships

Shortly following the completion of the Transaction, it is expected that (i) Amalco will be wound up into the Resulting Issuer and dissolved, and (ii) the Resulting Issuer will complete the Continuance, following which the Resulting Issuer will have the following structure:



Notes:

(1) Barkerville holds the Cariboo Project.
(2) Sapuchi Minera, S. de R.L. de C.V. holds the San Antonio Project.

(3) Coulon Mines Inc. holds the Coulon Property.
(4) General Partnership Osisko James Bay holds the James Bay Properties.
(5) Minera El Patron S.A de C.V. holds the Guerrero Property.

For each entity proposed to be transferred to the Resulting Issuer, all assets and liabilities (including accounts payable, environmental and employment-related obligations) will remain with such entity upon transfer.

Description of the Business of the Resulting Issuer

On completion of the Transaction, the Resulting Issuer will carry on the business and operations related to the Contributed Osisko Assets. The Contributed Osisko Assets will consist of the following mineral projects, with only the Cariboo Project being a material property of the Resulting Issuer upon the completion of the Transaction:

1. Cariboo Project (British Columbia, Canada – Permitting)

   Initial project description has been submitted for the Cariboo Project, the early engagement phase has been completed as of November 2, 2020 and currently the Cariboo Project is into the process planning phase. The environmental assessment certificate is expected in H2 2022 with all permits required for construction and operation expected to be issued within 90 days following the issuance of the certificate.

2. Bonanza Ledge II (British Columbia, Canada – Permitting and Construction)

   The project description has been submitted for Bonanza Ledge II and permits are expected to be issued in Q1 2021.

3. San Antonio Gold Project (Sonora, Mexico – Permit Amendment)

   The work required to comply with actual environmental regulations and permits has been initiated. The work and studies required to amend the existing permit from a copper leaching (SX-EW) operation to a gold heap leach operation has begun but no documents have been filed. This change in the mining permit would allow for the treatment of a stockpile of gold mineralized oxide material. It is anticipated that this amendment could be received in H1 2021. Parallel to ongoing infill and expansion exploration drilling, economic and engineering studies of the present in situ inferred resources of the Sapuchi heap leach gold project, an environmental baseline study is planned to start in Q1 2021 and be completed and filed in Q1 2022. These timelines are highly speculative and may slip as there could be significant delays in Mexico due to COVID-19. Other permits are also required, such as explosive permits are planned to be applied for in H2 2021. Following the filing of all these permits applications and studies, it is expected that permits to construct and operate the Sapuchi heap leach gold project will be received in mid 2022.

4. Coulon Project (Québec, Canada – Exploration)

5. James Bay Properties (Québec, Canada – Exploration)

6. Guerrero Properties (Guerrero, Mexico – Exploration)

Information with respect to the Cariboo Project is set forth on Appendix "D" – *"Information Concerning the Contributed Osisko Assets"* to this Filing Statement.

On completion of the Transaction, the Resulting Issuer will also hold the Contributed Osisko Marketable Securities.

Business Objectives and Milestones

The Resulting Issuer's primary objective is the development of the Cariboo Project, the Resulting Issuer's only material property. To that end, the Resulting Issuer budgets $71 million (approximately 79% of the estimated available funds) for the exploration and development of the Cariboo Project. In addition, some funds will be spent on the exploration and stockpile treatment on the San Antonio Project. See *"Principal Purposes of Funds"*.

The following reflects the specific milestones that the Resulting Issuer intends to accomplish with respect to the Cariboo Project and the San Antonio Project:

Cariboo Project

Objectives / Milestones	Projected Timeline	Approximate Cost
Exploration Activities[(1)]	Throughout 2021	$28 million
Feasibility Costs	H2 2021	$4 million
Permitting Activities		
Bulk Sample Permit	Q4 2020	$2.5 million
BL2 Production Permit	Q1 2021	
Cariboo Gold Project Permit	2022	
Bulk Sample	Throughout 2021	$20 million
Other Mining Activities[(2)]	Throughout 2021	$16.5 million
TOTAL		**$71 million**

Notes:

(1) The Resulting Issuer intends to continue exploration expenses for the infill program on the Cariboo Project which is necessary for the feasibility study and resource expansion purposes. In addition, the Resulting Issuer intends to continue being active on the Cariboo Project throughout 2021.
(2) The Resulting Issuer intends to carry out various mining activities on the Cariboo Project including carrying out a mining camp.

San Antonio Project

Objectives / Milestones	Projected Timeline	Approximate Cost
Exploration Program	H2 2021	$5 million
Development[(1)]	H2 2021	$9.5 million
TOTAL		**$14.5 million**

Notes:

(1) The Resulting Issuer intends to explore and maintain the San Antonio Project, including obtain permits for, among other things, certain reclamation activities in order to process the ore stockpile as well as building up inventory on the project.

Aside from the above, the Resulting Issuer intends to maintain its other properties and expects to incur approximately $1.5 million in holding costs with respect to these properties.

See *"Available Funds and Principal Purpose"*

Exploration and Development of Cariboo Project

The Cariboo Project will be the only material property to the Resulting Issuer. The Resulting Issuer intends to utilize approximately $71 million of the available funds for the exploration and development of the Cariboo Project.

See *"Business Objectives and Milestones"* and *"Principal Purposes of Funds"*.

Description of Securities

The authorized share capital of the Resulting Issuer will be the same as the currently authorized share capital of Barolo, and the rights associated with each Resulting Issuer Share will be the same as the rights associated with each Barolo Share. The Resulting Issuer will have an unlimited number of Resulting Issuer Shares authorized for issuance.

There will be no Barolo Options outstanding following the completion of the Transaction.

There are 13,350,000 Subscription Receipts outstanding as of the date hereof, which, following the completion of the Transaction, will convert into 13,350,000 Resulting Issuer Shares and 6,675,000 Resulting Issuer Warrants.

Immediately following completion of the Transaction, the Resulting Issuer is expected to have 113,583,504 Resulting Issuer Shares issued and outstanding.

The foregoing figures are based on (i) the number of Barolo Shares outstanding as of the date hereof (being 14,004,287 Barolo Shares, or 233,404 Resulting Issuer Shares after giving effect to the Consolidation (subject to rounding)), (ii) the number of Osisko Subco Shares issued to Osisko upon the incorporation of Osisko Subco (being 100 Osisko Subco Shares, which will be exchanged for 100 Resulting Issuer Shares upon the Amalgamation), (iii) the number of Consideration Shares to be issued to Osisko pursuant to the Osisko Contribution Agreement (being 100,000,000 Osisko Subco Shares, which will be exchanged for 100,000,000 Resulting Issuer Shares upon the Amalgamation), (iv) the number of Osisko Subco Shares to be issued to holders of Subscription Receipts upon satisfaction of the Escrow Release Conditions (being 13,350,000 Osisko Subco Shares, which will be exchanged for 13,350,000 Resulting Issuer Shares upon the Amalgamation), and (v) no securities exercisable, exchangeable or convertible for Barolo Shares being exercised, exchanged or converted prior to the completion of the Transaction.

Pro Forma Consolidated Capitalization

The following table sets forth *pro forma* consolidated capitalization of the Resulting Issuer as at the date hereof, both before and after giving effect to the Transaction and the Financing.

Designation of Security	Authorized	Before Giving Effect to the Transaction and the Financing[(1)(2)]	After Giving Effect to the Transaction and the Financing[(1)(2)]
Resulting Issuer Shares[(4)]	Unlimited	233,404	113,583,504[(3)]

Notes:

(1) Figures are presented on a post-Consolidation basis (subject to rounding). As of the date hereof, there are 14,004,287 pre-Consolidation Barolo Shares outstanding.

(2) There will be no Barolo Options outstanding following the completion of the Transaction. The holders of the Barolo Options had entered into an Omnibus Option Cancellation Agreement with Osisko and Barolo on September 24, 2020, whereby Barolo Options will be cancelled without consideration upon the Effective Date, should such Effective Date occur prior to March 30, 2021 and the RTO Letter Agreement has not been terminated.

(3) In addition to the Resulting Issuer Shares, the Resulting Issuer will also have 6,675,000 Resulting Issuer Warrants outstanding following the completion of the Financing and Transaction.

(4) Under the proposed Security Based Compensation Arrangements, the Resulting Issuer will have 10% rolling stock option, Resulting Issuer RSU Plan, Resulting Issuer DSU Plan and Resulting Issuer Employee Share Purchase Plan with a maximum 4,000,000, 3,000,000 and 3,000,000 Resulting Issuer Shares reserved for issuance under each plan, respectively. For more details on the breakdown of fully diluted capitalization, please see below table under *"Fully Diluted Share Capital"*.

(5) Based on the *pro forma* consolidated balance sheet, the Resulting Issuer anticipates a deficit of approximately $1,729,000. Please refer to Appendix "J"– *"Unaudited Pro Forma Financial Statements of the Resulting Issuer"*.

Fully-Diluted Share Capital

The following table sets forth the proposed *pro forma* capitalization of the Resulting Issuer as at the date hereof, on a fully-diluted basis, after giving effect to the Transaction and the Financing.

After Giving Effect to the Transaction and the Financing

Designation of Security	Number	Percentage
Resulting Issuer Shares	113,583,504	94.4%
Resulting Issuer Warrants	6,675,000	5.6%

Designation of Security	Number	Percentage
Total Fully-Diluted	120,258,504	**100%**

The following table sets forth the proposed *pro forma* capitalization of the Resulting Issuer after giving effect to the Transaction and the Financing, and including any Resulting Issuer Shares reserved for issuance under the proposed Securities Based Compensation Arrangements:

Designation of Security	Breakdown[(1)]	Number	Breakdown Percentage[(2)]	Percentage
Resulting Issuer Shares	113,583,504	113,583,504	86.3%	86.3%
Resulting Issuer Warrants	6,675,000	6,675,000	5.1%	5.1%
Resulting Issuer Options	up to 11,358,350[(1)]	11,358,350[(2)]	up to 8.6%[(3)]	8.6%[(2)]
Resulting Issuer RSUs	up to 4,000,000[(1)]		up to 3.0%[(3)]	
Resulting Issuer DSUs	up to 3,000,000[(1)]		up to 2.3%[(3)]	
Resulting Issuer ESPs	up to 3,000,000[(1)]		up to 2.3%[(3)]	
Total Fully-Diluted		**131,616,854**		**100%**

Note:

(1) These numbers represent the maximum number of Resulting Issuer Shares reserved for issuance under the proposed Security Based Compensation Arrangements; provided, however that the aggregate number of Resulting Issuer Shares eligible to be issued under all Security Based Compensation Arrangements may not exceed 10% of the total issued and outstanding Resulting Issuer Shares at the time of grant.

(2) As at the Closing of the Transaction, an aggregate of 11,358,350 Resulting Issuer Shares are eligible to be issued under all proposed Security Based Compensation Arrangements is, representing 10% of the Resulting Issuer Shares expected to be outstanding at the time (or approximately 8.6% on a fully-diluted basis).

(3) The number of Resulting Issuer Shares reserved for issuance under the proposed Security Based Compensation Arrangements will be subject to a restriction such that the aggregate number of Resulting Issuer Shares eligible to be issued under all Security Based Compensation Arrangements may not exceed 10% of the total issued and outstanding Resulting Issuer Shares at the time of grant.

Available Funds and Principal Purposes

Funds Available

The Resulting Issuer estimates that upon giving effect to the Transaction and the Financing, it would have available funds of approximately $90 million as set out in the following table:

Sources of Funds	Estimated Amount (CDN$)
Estimated Working Capital as at October 31, 2020	(6,200,000)
Gross Cash from Financing	100,125,000
Less: Estimated Expenses – Financing and Transaction[(1)]	(3,903,360)
Total Estimated Available Funds[(2)]	**90,021,640**

Notes:

(1) Includes expected commission and legal fees.

(2) This does not include the value of the Contributed Osisko Marketable Securities, which is valued at approximately $119.2 million as at October 23, 2020.

The Resulting Issuer will have positive working capital (net of transaction costs) of approximately $90 million plus the Contributed Osisko Marketable Securities valued at approximately $119.2 million.

Other than as otherwise disclosed in this Filing Statement, there are no payments intended to be made from the estimated available funds to non-arm's length parties.

Principal Purposes of Funds

The following table sets forth the principal purposes for which the estimated funds available to the Resulting Issuer upon completion of the Transaction and the Financing will be used and the current estimated amounts to be used for each such principal purpose:

Use of Funds	Estimated Amount (CDN $)
Cariboo Project[(1)]	
Exploration Activities	
PEA and Exploration Work[(2)]	
PEA Update	500,000
Infill and Exploration Drilling (90,000 m)	19,800,000
Surface Mapping and Sampling	150,000
Contingency (20%)	4,090,000
Resource Expansion	3,500,000
Feasibility costs[(3)(4)]	6,500,000
Bulk Sample – Development	20,000,000
Other Mining activities[(5)]	16,500,000
San Antonio	
Exploration Program	5,000,000
Development[(6)]	9,500,000
Holding Costs	1,500,000
Working Capital	
General and Administrative[(7)]	2,981,640
TOTAL USE OF PROCEEDS	**90,021,640**

Note:

(1) The primary business objective of the Resulting Issuer is the exploration and development of the Cariboo Project, and to that end, approximately 79% of the estimated available funds will be spent on the Cariboo Project.

(2) This includes Phase 1 of the recommended work program for the Cariboo Project, based on the Cariboo Technical Report, a summary of which can be found in Appendix "D" – *"Information Concerning the Contributed Osisko Assets"*.

(3) This includes Phase 2 of the recommended work program for the Cariboo Project, based on the Cariboo Technical Report, a summary of which can be found in Appendix "D" – *"Information Concerning the Contributed Osisko Assets"*. The difference in amount projected by the 2020 MRE ($8.5 million) for a feasibility study and the above proposed used of funds is due to expenses already incurred by Barkerville in 2020.

(4) This includes the cost relating to permitting activities contemplated by the Resulting Issuer includes bulk sample permit, BL2 production permit and Cariboo Project permit. See *"Business Objectives and Milestones"*.

(5) The Resulting Issuer intends to carry out various mining activities on the Cariboo Project including carrying out a mining camp.

(6) The Resulting Issuer intends to explore and maintain the San Antonio Project, including obtain permits for, among other things, certain reclamation activities in order to process the ore stockpile as well as building up inventory on the project.

(7) For the 12 months following Closing, General and Administrative expenses is estimated at approximately $6.7 million. Any shortfall is expected to be financed through raising of additional funds, the sale of certain Contributed Osisko Marketable Securities and/or a reduction in the scope of exploration activities.

During the 12 months following Closing, it is expected that approximately $76.6 million will be used to fund development costs in respect of the Contributed Osisko Assets. The remaining funds are expected to be used for general and administrative expenses. There may be circumstances where, for sound business reasons, the Resulting Issuer reallocates the funds for different purposes.

Dividends

There are no restrictions in the Resulting Issuer's articles or by-laws or pursuant to any agreement or understanding which could prevent the Resulting Issuer from paying dividends. The Resulting Issuer does not intend to declare or pay any dividends on any class of securities. The Resulting Issuer currently intends to retain future earnings, if any, to fund the development and growth of its business and does not intend to pay any cash dividends on the Resulting Issuer Shares for the foreseeable future. Any decision to pay dividends on the Resulting Issuer Shares in the future will be made by the Resulting Issuer Board on the basis of earnings, financial requirements and other conditions existing at the time.

Principal Securityholders

To the knowledge of the proposed directors and executive officers of the Resulting Issuer, upon completion of the Transaction, there is not expected to be any persons or companies who beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than ten percent (10%) of the voting rights attached to the all outstanding Resulting Issuer Shares, other than as set out below:

Name and Municipality of Residence	Number of Resulting Issuer Shares Owned or Controlled	Percentage of Outstanding Resulting Issuer Shares
Osisko Gold Royalties Ltd Montréal, Québec, Canada	100,000,100[(1)(2)]	88.0%

Notes:

(1) These Resulting Issuer Shares will be owned of record and beneficially.
(2) Assuming the exercise all of the Resulting Issuer Warrants and issuance of all Resulting Issuer Shares reserved pursuant to the Security Based Compensation Arrangements, Osisko holds 76 % of the fully diluted outstanding Resulting Issuer Shares.

Directors, Officers and Promoters

Name, Address, Occupation and Security Holdings

The following table sets forth the name and municipality of residence, proposed position with the Resulting Issuer, principal occupation within the five preceding years and the number and percentage of securities to be held of the proposed directors and officers of the Resulting Issuer. These persons will become directors and/or officers of the Resulting Issuer on Closing of the Transaction. The term of office of each director will expire immediately prior to the first annual meeting of shareholders of the Resulting Issuer following completion of the Transaction.

Name and Municipality of Residence	Age	Position with Resulting Issuer	Principal Occupation in Past Five Years	From	To	Number and Percentage of Resulting Issuer Shares Owned or Controlled Following the Financing and the Transaction
Joanne Ferstman[(1)(2)] Toronto, Ontario, Canada	52	Director	Corporate Director (2014 – Present)	N/A	N/A	13,333 Resulting Issuer Shares (0.01%) 6,666 Resulting

Name and Municipality of Residence	Age	Position with Resulting Issuer	Principal Occupation in Past Five Years	From	To	Number and Percentage of Resulting Issuer Shares Owned or Controlled Following the Financing and the Transaction
						Issuer Warrants
Duncan Middlemiss[(1)(2)] Mississauga, Ontario, Canada	56	Director	President and CEO of Wesdome Gold Mines Ltd. (2016 – Present); President and CEO of St Andrew Goldfields Ltd (2013 – 2016)	N/A	N/A	Nil
Michèle McCarthy[(1)(3)] Toronto, Ontario, Canada	61	Director	President of McCarthy Law Professional Corporation (2003 - Present**)**; President and CEO of Independent Review Inc. (2019 - Present)	N/A	N/A	Nil
Charles E. Page[(2)(3)] Burlington, Ontario, Canada	68	Lead Director	Corporate Director (2014 – Present) and Professional Geologist	N/A	N/A	25,000 Resulting Issuer Shares (0.02%) 12,500 Resulting Issuer Warrants
Éric Tremblay[(3)(4)] Val d'Or, Québec, Canada	50	Director	COO of Dalradian Resources Inc.(2015 – Present)	N/A	N/A	Nil
John Burzynski[(4)] Toronto, Ontario, Canada	56	Director	Executive Chairman, CEO and Director of Osisko Mining Inc. (2015 – Present)	N/A	N/A	Nil
Sean Roosen[(5)(4)] Beaconsfield, Québec, Canada	57	Chair,Chief Executive Officer and Director	Chair of the Board of Directors and CEO of Osisko (2014 – Present)	N/A	N/A	93,333 Resulting Issuer Shares (0.08%) 46,666 Resulting Issuer Warrants
Chris Lodder[(6)] Oakville, Ontario, Canada	59	President	President and CEO of Barkerville (2016 – Present); President, Founder of Talisker Exploration Services Inc.	N/A	N/A	3,333 Resulting Issuer Shares (0.003%) 1,666 Resulting

Name and Municipality of Residence	Age	Position with Resulting Issuer	Principal Occupation in Past Five Years	From	To	Number and Percentage of Resulting Issuer Shares Owned or Controlled Following the Financing and the Transaction
						Issuer Warrants
Luc Lessard[7] Saint-Bruno, Québec, Canada	56	Chief Operating Officer	Senior Vice President, Technical Services of Osisko (2015 – Present)	N/A	N/A	6,666 Resulting Issuer Shares (0.006%) 3,333 Resulting Issuer Warrants
Benoit Brunet[8] Varennes, Québec, Canada	31	Vice President, Finance, Chief Financial Officer and Corporate Secretary	Vice President, Business Strategy of Osisko (February 2020 – Present); Senior Associate (2018 – 2020) and Associate (2016 – 2017) of Québec Private Equity group at Caisse de dépôt et placement du Québec; Senior Associate, Audit of PricewaterhouseCoopers LLP (2013-2016)	N/A	N/A	1,400 Resulting Issuer Shares (0.001%) 700 Resulting Issuer Warrants
François Vézina[9] Saint-Bruno, Québec, Canada	47	Vice President, Technical Services	COO of Barkerville (2018 – 2019); Vice President, Projects of Barkerville (2017-2018); Vice President, Technical Services of Falco Resources (2017 – Present)	N/A	N/A	2,700 Resulting Issuer Shares (0.002%) 1,350 Resulting Issuer Warrants
Chris Pharness[10] Kuskanook, British Columbia, Canada	51	Vice President, Sustainable Development	Vice President, Environment & Sustainability of Barkerville (2016 – Present)	N/A	N/A	Nil
Maggie Layman[11] Vancouver, British Columbia, Canada	36	Vice President, Exploration	Vice President, Exploration of Barkerville (2018 – Present); previously, the Manager, Exploration of Barkerville (2015 – 2018)	N/A	N/A	2,666 Resulting Issuer Shares (0.002%) 1,333 Resulting Issuer Warrants

Notes:

(1) Expected member of the Audit and Risk Committee of the Resulting Issuer. Michèle McCarthy is expected to serve as Chair.

(2) Expected member of the Human Resources Committee of the Resulting Issuer. Duncan Middlemiss is expected to serve as Chair.
(3) Expected member of the Corporate Governance and Nomination Committee of the Resulting Issuer. Éric Tremblay is expected to serve as Chair.
(4) Expected member of the Environment, Health, Safety and Sustainability Committee of the Resulting Issuer. Éric Tremblay is expected to serve as Chair.
(5) Mr. Roosen will be spending half of his time as CEO of Osisko Development Corp. and the remainder as Executive Chair of Osisko.
(6) Mr. Lodder will be spending all of his time as President of Osisko Development Corp.
(7) Mr. Lessard will be spending the majority of his time acting as COO of Osisko Development Corp. and the remainder acting as President and CEO and Director of Falco Resources Ltd. given the latter is in the permitting phase.
(8) Mr Brunet will be spending all of his time as Vice President, Finance, CFO and Corporate Secretary of Osisko Development Corp.
(9) Mr. Vézina will be spending the majority of his time as Vice President, Technical Services of Osisko Development Corp and the remainder acting as Vice President, Technical Services of Falco Resources Ltd. given the latter is in the permitting phase.
(10) Mr. Pharness will be spending all of his time as Vice President, Sustainable Development of Osisko Development Corp.
(11) Ms. Layman will be spending all of her time as Vice President, Exploration of Osisko Development Corp.

Immediately following the completion of the Transaction, the directors and officers of the Resulting Issuer, as a group, are expected to own or control, directly or indirectly, 148,431 Resulting Issuer Shares (approximately 0.13% of the Resulting Issuer Shares). However, if Osisko increases the size of the Financing or otherwise raises additional funds prior to or following the completion of the Transaction, which will be subject to prior approval of the Exchange, then the directors and officers of the Resulting Issuer may subscribe for securities of Osisko Subco or the Resulting Issuer in such circumstances.

For information regarding the current directors and officers of Barolo, see Appendix "C" – *"Information Concerning Barolo"*.

Resulting Issuer Board and Management Biographies

The following are brief biographies of the directors, executive officers and senior management of the Resulting Issuer.

John Burzynski, Director

Mr. John Burzynski currently serves as the Executive Chairman and Chief Executive Officer of Osisko Mining Inc., having served in those capacities since August 2015, and has been a director of Osisko Mining Inc. (formerly Oban Mining Corporation) since incorporation in February 2010. Mr. Burzynski is currently a director of Osisko Gold Royalties Ltd and, from June 2014 to August 2016, also served as the Senior Vice President, New Business Development. Mr. Burzynski holds a Bachelor of Science (Honours) degree in Geology from Mount Allison University, and a Master of Science in exploration and mineral economics from Queen's University. He is a registered P.Geo. in the province of Québec, and has over 30 years of experience as a professional geologist on international mining and development projects.

Charles E. Page, Lead Director

Mr. Charles E. Page is a corporate director and has more than 40 years of experience in the mineral industry. During his career, Mr. Page has held progressive leadership roles in developing strategies to explore, finance and develop mineral properties in Canada and internationally. Mr. Page worked at Queenston Mining Inc. in various capacities, including President and Chief Executive Officer, from 1990 to its sale to Osisko Mining Corporation in 2012.

Mr. Page holds a Bachelor of Science degree in Geological Science from Brock University and a Master of Science degree in Earth Science from the University of Waterloo. He is a Professional Geologist registered in the province of Ontario and Saskatchewan, and is also a Fellow of the Geological Association of Canada.

Joanne Ferstman, Director

Ms. Joanne Ferstman is a corporate director, who has been serving on a number of public company boards, and has over 20 years of progressive experience in the financial industry. She has been Lead Director of Osisko since 2014. From 2013 to 2014, Ms. Ferstman was a Director of Osisko Mining Corporation. Ms. Ferstman was until June 2012 the President and Chief Executive Officer of Dundee Capital Markets Inc., a full service investment dealer with principal businesses that include investment banking, institutional sales and trading and private client financial

advisory. She has also held several leadership positions within Dundee Corporation and DundeeWealth Inc. over 18 years, primarily as Chief Financial Officer, where she was responsible for strategic development, financial and regulatory reporting and risk management. Ms. Ferstman currently serves as Chair of the board of Dream Unlimited Corp, including serving as Chair of the Audit Committee, member of the Organization & Design Committee and member of the Leaders & Mentors Committee. She also serves as a director of Cogeco Communications Inc., including serving as Chair of the Audit Committee and a member of the Strategic Opportunities Committee. In August 2018, she was appointed to the board of the directors of ATS Automation Tooling Systems Inc. and currently serves as a member of its Audit Committee and serves as a member of the Human Resources Committee. She was formerly a director of Aimia Inc. (June 2008 to June 2017), Excellon Resources Inc. (April 2013 to February 2015) and Dream Office REIT (June 2003 to May 2018). Ms. Ferstman holds a Bachelor of Commerce and a Graduate degree in Public Accountancy from McGill University and is a Chartered Professional Accountant.

Michèle McCarthy, Director

Ms. Michèle McCarthy is the President of McCarthy Law Professional Corporation and President and Chief Executive Officer of Independent Review Inc. She is an experienced corporate director and has significant experience in corporate restructuring and regulatory compliance. Ms. McCarthy was the Chair of the boards of Sandy Lake Gold Inc., Big 8 Split Inc. TD Split Inc. and 5Banc Split Inc. She also served as a director and member of the Audit Committee and Risk Management Committees at Equity Financial Holdings Inc. She is the former Chair of the Toronto Port Authority and member of the Small Business Advisory Committee of the Ontario Securities Commission. From 1997 to 2002 she was the Chief Legal Officer, Director Compliance and Corporate Secretary for Deutsche Bank Canada and Deutsche Bank Securities and created its Schedule III bank branch (1997-2002) and consulted on the reorganization of UBS Bank (Canada) and the establishment of UBS AG Canada Branch. From 2007 to 2011, she was the Chief Legal Officer, Corporate Secretary, Chief Privacy Officer, Ombudsman and Head of Compliance for GMAC Residential Funding of Canada, ResMor Trust and Ally.

Ms. McCarthy serves on the boards of the McMichael Foundation, The Rekai Centres and the Honourable Company of Freemen of the City of London in North America. She also served on the boards of Canada's National Ballet School, the St. George's Society of Toronto, the University of Toronto (Trinity College) and the Humber Memorial Hospital.

Ms. McCarthy holds an LLB and LLM in Securities Law from Osgoode Hall and has been accredited with an ICD.D designation.

Duncan Middlemiss, Director

Mr. Duncan Middlemiss, P.Eng, is the President and Chief Executive Officer and a director of Wesdome Gold Mines Ltd. Prior to joining Wesdome Gold Mines Ltd., he was President and Chief Executive Officer and a director of St. Andrew Goldfields Ltd. until its acquisition by Kirkland Lake Gold Inc. in January 2016. Mr. Middlemiss joined St. Andrew Goldfields Ltd. in July 2008 as General Manager and Vice President Operations, later assuming the role of Chief Operating Officer. He was appointed as President and Chief Executive Officer in October 2013. He earned a B. Sc. in mining engineering at Queen's University in 1989 and worked for Inco Limited (now Vale Canada Limited) as Mine Design Engineer until 1995. At that time, he joined Barrick Gold Inc. at their Holt-McDermott Mine, where he held the position of Chief Mine Engineer. In 2002, he joined Foxpoint Resources (now Kirkland Lake Gold Inc.) where he was instrumental in overseeing the rehabilitation, development, and commencement of production at the Macassa Mine beginning as Engineering & Production Manager, and later as Mine Manager. Mr. Middlemiss is a native of Kirkland Lake, Ontario and has extensive experience in the mining of gold deposits in the Abitibi Greenstone Belt. Mr. Middlemiss is the Past Chair of the Ontario Mining Association and remains active in the organization.

Éric Tremblay, Director

Mr. Éric Tremblay has more than 25 years of mine building and mine operations experience, mostly at underground mining operations, culminating in his current position as Chief Operating Officer of Dalradian Resources Inc. and in his previous position as General Manager at Canada's largest gold mine, Canadian Malartic, which is jointly owned by Agnico-Eagle Mines Limited and Yamana Gold Inc. In 2014, his team achieved a record of more than 500,000 ounces of production at a cost under $700/oz. Previously, Mr. Tremblay was General Manager at IAMGOLD's Westwood Project, where he participated in closure of the Doyon Mine and construction of the Westwood Project.

Mr. Tremblay was charged with completing the permitting, scoping study, feasibility study, surface construction and underground development at Westwood. Further, while at IAMGOLD, he was General Manager of the Sleeping Giant Mine, an underground mine using multiple mining methods (long hole, shrinkage, room and pillar). His mandate was to optimize production and return the mine to profitability. Previous positions included Underground Superintendent at Cambior's Mouska Mine, Underground Captain/Project Engineer/Senior Supervisor over a seven-year period at Cambior and Barrick's Doyon Mine, where he was involved in mine-planning, construction, development and production. Mr. Tremblay graduated from Laval University with a B.Sc. in mining engineering and mineral processing.

Sean Roosen, Chair of the Board of Directors and Chief Executive Officer

Mr. Sean Roosen is the Chair of the Board of Directors and Chief Executive Officer of Osisko. As at the Transaction's closing, he will be the Executive Chair of Osisko. Mr. Roosen was a founding member of Osisko Mining Corporation (2003) and of EurAsia Holding AG, a European venture capital fund.

Mr. Roosen has over 30 years of progressive experience in the mining industry. As founder, President, Chief Executive Officer and Director of Osisko Mining Corporation, he was responsible for developing the strategic plan for the discovery, financing and development of the Canadian Malartic mine. He also led the efforts for the maximization of shareholders' value in the sale of Osisko Mining Corporation, which resulted in the creation of Osisko. Mr. Roosen is an active participant in the resource sector and in the formation of new companies to explore for mineral deposits both in Canada and internationally.

In 2017, Mr. Roosen received an award from Mines and Money Americas for best Chief Executive Officer in North America and was, in addition, named in the "Top 20 Most Influential Individuals in Global Mining". In prior years, he has been recognized by several organizations for his entrepreneurial successes and his leadership in innovative sustainability practices. Mr. Roosen is a graduate of the Haileybury School of Mines.

Mr. Roosen serves on the board of directors of Osisko Mining and Victoria Gold Corp. as a representative of Osisko.

Chris Lodder, President

Mr. Chris Lodder has more than 30 years' experience working on and managing Greenfields exploration, Brownfields exploration, and mine development with major and junior mining companies worldwide with the majority of his career focused in the Americas. He has led teams responsible for discoveries of compliant resources containing more than 34 million ounces of gold. He was President, CEO and a Director of Barkerville Gold Mines from 2016 until its acquisition by Osisko Gold Royalties in 2019. Chris is also the President of Talisker Exploration Services Inc., an Ontario based mining and exploration services company founded by Mr. Lodder and two partners in 2010, whose principal clients are Osisko Gold Royalties and their associated companies. From 1999 to 2010 he was South American Exploration Manager and later the Americas Exploration Manager for AngloGold Ashanti and prior that he had various management roles with Queenstake Reources in South America. Chris is a volunteer director on the board of the Barkerville Heritage Trust which oversees the management of the Barkerville Historic Town and Park which is a living museum which perserves the history of the Cariboo Gold Rush.

Luc Lessard, Eng., Chief Operating Officer

Mr. Luc Lessard is a mining engineer with more than 30 years of experience designing, building and operating mines. He was previously Chief Operating Officer of the Canadian Malartic Partnership (owned jointly by Agnico Eagle and Yamana), and prior to that was the Chief Operating Officer and Senior Vice President of Engineering and Construction for Osisko Mining Corporation where he was responsible for the design, construction and commissioning of the world class Canadian Malartic gold mine. During his career, Mr. Lessard has worked on many open pit and underground mine builds and prior to Osisko, Mr. Lessard was Vice President of Engineering and Construction for IAMGOLD and General Manager, Projects for Cambior Inc. Mr. Lessard is President, Chief Executive Officer and Director of Falco Resources Ltd. and also sits on the Board of Directors of Nighthawk Gold Corp. and Osisko Metals Incorporated.

Benoit Brunet CPA, Vice President, Finance and Chief Financial Officer and Corporate Secretary

Mr. Benoit Brunet is currently Vice President Business Strategy at Osisko Gold Royalties. Prior to joining Osisko, he was part of the Québec Private Equity group of the Caisse de dépôt et placement du Québec, one of the largest North American institutional investor where he helped deploy $700 million in the mining sector across the province of Québec. He was overseeing investments totaling approximately $1.5 billion and known for having structured innovative financial instruments for some of the largest mining projects in the region. Prior to joining the Caisse de dépôt et placement du Québec, Mr. Brunet worked at PricewaterhouseCoopers LLP for the assurance group in Montréal. Mr. Brunet holds a CPA designation, an undergraduate and graduate degree in public accounting from the Université du Québec à Montréal.

François Vézina, P.Eng., MBA, Vice President, Technical Services

Mr. François Vézina is a Mining Engineer with 20 years of experience in mining industry. He has extensive experience in both surface and underground mining operations, having worked at various mining sites in Canada, Mexico and Finland.

Mr. Vézina was the Technical Service Manager for Agnico-Eagle Mines Limited and was responsible for overseeing the completion of the feasibility studies of LaRonde II, Pinos Altos and Kittilä. Mr. Vézina participated in the construction and commissioning of Pinos Altos as Mine Development Manager and Kittilä as Mine Operations Manager. He later joined Osisko Mining Corporation and participated in the construction of the Canadian Malartic mine and serve as Mine Operations Manager for over 5 years. Mr. Vézina is recognized for his innovative project development strategies and mining optimization. Since the start of his career, Mr. Vézina has been responsible for the design and engineering of four mines and participated in the construction and development of two other mines. Mr. Vézina pursues his passion by getting involved with universities and colleges by regularly giving lectures on the mining industry.

Mr. Vézina holds a Bachelor degree in Mining Engineering and a Master in Business Administration (MBA). He is a registered Engineer (Eng.) in Québec, (P.Eng.) in Ontario and in British Columbia.

Chris Pharness, Vice President, Sustainable Development

Mr. Chris Pharness is an environmental professional with 25 years of environmental and resource management experience in British Columbia and has been with Barkerville since 2013. Mr. Pharness' breadth of experience includes mining, forestry, oil and gas and large scale construction projects, with extensive involvement in fish and wildlife management based research and project management. Much of Mr. Pharness' work and personal history have allowed him to build close relationships with Indigenous Nations, local communities, and regulatory agencies in British Columbia.

Maggie Layman, Vice President, Exploration

Ms. Maggie Layman is a professional geologist with 14 years' mineral exploration experience in diverse ore deposits throughout Canada. Previously as Barkerville's Exploration Manager, Ms. Layman led the Barkerville team on the Cariboo Project through systematic exploration with technical teams and ensuring compliance of drill programs. Prior to joining Barkerville, Ms. Layman worked as a drill manager and project geologist for Vale and Independence Gold Corp. Ms. Layman holds a B.Sc. from Memorial University of Newfoundland, is registered as a Professional Geologist with the Association of Engineers and Geoscientists of British Columbia and is an active volunteer with the AME Indigenous Relations and Reconciliation Committee.

Promoter Consideration

Osisko, whose head office is located in Montréal, Québec, is considered to be a Promoter of the Resulting Issuer. For information regarding the number and percentage of Resulting Issuer Shares beneficially owned, directly or indirectly, or over which control is exercised by Osisko, please see *"Principal Securityholders"*.

In connection with the Transaction, Osisko will assign the Contributed Osisko Assets to Osisko Subco in exchange for 100,000,000 Osisko Subco Shares valued at $7.50 per Osisko Subco Share (each of which are convertible to a Resulting Issuer Share on the Effective Date). As such, the total value of consideration paid to Osisko for the Contributed Osisko Assets is approximately $750 million. Pursuant to the Amalgamation and subject to the Osisko retaining the Osisko Retained Royalty Interests, Barolo will acquire the Contributed Osisko Assets by way of a three-cornered amalgamation among Barolo, Barolo Subco and Osisko. The value of the consideration was determined by Osisko, Barolo and the market based on the book value of the Contributed Osisko Assets, with the exception of the Contributed Osisko Marketable Securities which were valued at fair market value. The Financing also proceeded at a price of $7.50 per Osisko Subco Share (each of which are convertible to a Resulting Issuer Share on the Effective Date), further evidencing the fair value of the consideration. For additional information regarding the Contributed Osisko Assets and Osisko Retained Royalty Interest, please Appendix "D" – *"Information Concerning the Contributed Osisko Assets"*. Financial information pertaining to the valuation of the Contributed Osisko Assets is detailed in Appendix "H" – *"Financial Statements of the Contributed Osisko Assets"* and Appendix "I" – *"Management's Discussion and Analysis of the Contributed Osisko Assets"*.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No individual set forth in the above table is, as at the date hereof, or was, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Resulting Issuer) that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days and that was issued while such individual was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued after such individual ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while such individual was acting in the capacity as director, chief executive officer or chief financial officer.

No individual set forth in the above table or shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, nor any personal holding company of any such individual:

(a) is, as of the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Resulting Issuer) that, while such individual was acting in that capacity, or within a year of such individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual; or

(c) has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests that they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the Resulting Issuer Board, any director with a conflict will disclose his or her interest and abstain from voting on such matter in accordance with the CBCA.

Other than as disclosed herein, there are no known existing or potential conflicts of interest between the Resulting Issuer and its proposed Promoters, directors and officers or other proposed members of management of the Resulting Issuer as a result of their outside business interests, except that certain of the directors, officers and Promoters serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or Promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
John Burzynski	Osisko Mining Inc. (Ontario)	TSX	Chair and CEO	2015	Present
	O3 Mining Inc. (Ontario)	TSXV	Chair of the Board and Director	2015	Present
	Osisko Gold Royalties Ltd (Québec)	TSX NYSE	Senior Vice President, New Business Development	2014	2016
	Osisko Metals Incorporated (British Columbia)	TSXV	Director	2017	Present
	Cornish Metals Inc. (Canada)	TSXV	Director	2015	2018
	Condor Petroleum Inc. (Alberta)	TSX	Director	2011	2016
	Barkerville Gold Mines Ltd. (British Columbia)	TSXV	Director	2016	2019
Joanne Ferstman	Osisko Gold Royalties Ltd (Québec)	TSX NYSE	Director	2014	Present
	Dream Unlimited Corp. (Ontario)	TSX	Director	2014	Present
	Cogeco Communications Inc. (Canada)	TSX	Director	2016	Present
	Aimia Inc. (Canada)	TSX	Director	2008	2017
	ATS Automation Tooling Systems Inc. (Ontario)	TSX	Director	2018	Present
	Dream Office Real Estate Investment Trust	TSX	Director	2003	2018
Charles E. Page	Osisko Gold Royalties Ltd (Québec)	TSX NYSE	Director	2014	Present
	Unigold Inc. (Ontario)	TSXV	Director	2010	Present

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
	Wesdome Gold Mines Ltd. (Ontario)	TSX	Director	2015	2018
Michèle McCarthy	G2 Goldfields Inc. (formerly Sandy Lake Gold Inc.) (Canada)	TSXV	Director	2016	2019
	TD Split Inc. (Ontario)	TSX	Director	2014	2015[(1)]
	Big 8 Split Inc. (Ontario)	TSX	Director	2014	2018[(1)]
	5 Banc Split Inc. (Ontario)	TSX	Director	2014	2016[(1)]
Duncan Middlemiss	Wesdome Gold Mines Ltd. (Ontario)	TSX	Director	2016	Present
	IDM Mining Ltd. (British Columbia)	TSXV	Director	2017	2019
	St Andrew Goldfields Ltd (Ontario)	TSX	Director	2013	2016
Éric Tremblay	Nighthawk Gold Corp. (Ontario)	TSX	Director	2020	Present
	Daldarian Resources Inc. (Ontario)	TSX	COO	2015	2018[(2)]
Sean Roosen	Osisko Gold Royalties Ltd (Québec)	TSX NYSE	Director	April 2014	Present
	Osisko Mining Inc. (Ontario)	TSX	Director	August 2015	Present
	Victoria Gold Corp. (British Columbia)	TSX	Director	June 2018	Present
	Barkerville Gold Mines Ltd. (British Columbia)	TSXV	Director	2015	Present
	Condor Petroleum Inc. (Alberta)	TSX	Director	2011	2019
	Dalradian Resources Inc. (Ontario)	TSX	Director	2010	2018
	NioGold Mining Corp. (British Columbia)	TSXV	Director	2014	2016[(3)]
	Falco Resources Ltd. (Canada)	TSXV	Director	2014	2019
Chris Lodder	Barkerville Gold Mines Ltd. (British Columbia)	TSXV	President and CEO	2015	2019[(4)]
Luc Lessard	Osisko Gold Royalties Ltd (Québec)	TSX NYSE	Senior Vice-President, Technical Services	2015	Present
	Falco Resources Ltd (Canada)	TSXV	President, CEO and Director	2014	Present
	Nighthawk Gold Corp. (Ontario)	TSX	Director	2013	Present
	Highland Copper Company Inc. (British Columbia)	TSXV	Director	2015	2019
	Alio Gold Inc. (British Columbia)	TSX NYSE American	Director	2014	2016

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
	Osisko Metals Incorporated (British Columbia)	TSXV	Director	2017	Present
	Barkerville Gold Mines Ltd. (British Columbia)	TSXV	COO	2016	2018
Benoit Brunet	Osisko Gold Royalties Ltd (Québec)	TSX NYSE	Vice President, Business Strategy	February 2020	Present
	Falco Resources Ltd. (Canada)	TSXV	Director	2020	Present
François Vézina	Osisko Gold Royalties Ltd (Québec)	TSX NYSE	Vice President, Technical Services	2018	Present
	Barkerville Gold Mines Ltd. (British Columbia)	TSXV	COO	2018	2019(4)
	Falco Resources Ltd. (Canada)	TSXV	Vice President, Technical Services	2017	Present
Chris Pharness	Barkerville Gold Mines Ltd. (British Columbia)	TSXV	Vice President, Environment and Sustainability	2016	2019(4)
Maggie Layman	Barkerville Gold Mines Ltd. (British Columbia)	TSXV	Vice President, Exploration	2018	2019(4)

Notes:

(1) 5Banc Split Inc., Big 8 Split Inc. and TD Split Inc. each provided notice that on December 5, 2016, December 14, 2018 and November 15, 2015, respectively, that they no longer have any public shareholders. 5Banc Split Inc., Big 8 Split Inc. and TD Split Inc. have ceased to be reporting issuers.

(2) Pursuant to the completion of an arrangement on September 7, 2018, the shares of Daldarian Resources Inc. were de-listed from the TSX on September 10, 2018 and cancelled from admission to trading on AIM on September 10, 2018. Daldarian Resources Inc. ceased to be a reporting issuer.

(3) Pursuant to the completion of an arrangement on March 11, 2016, the shares of NioGold Mining Corp. were de-listed from the Exchange on March 11, 2016 and NioGold Mining Corp. ceased to be a reporting issuer.

(4) Pursuant to the completion of the Arrangement on November 21, 2019, Barkerville became a wholly-owned subsidiary of Osisko. The shares of Barkerville were de-listed from the Exchange on November 22, 2019.

Executive Compensation

The statement of executive compensation contained in this section relates only to the proposed executive compensation of the Resulting Issuer assuming completion of the Transaction, and should be read and interpreted as though the Transaction has been completed.

Pursuant to applicable Securities Laws, the Resulting Issuer must disclose the compensation expected to be paid to its NEOs. Assuming the completion of the proposed Transaction, it is expected that the Resulting Issuer will have five NEOs, Sean Roosen (Executive Chairman and CEO), Chris Lodder (President), Luc Lessard (Chief Operating Officer), Benoit Brunet (Vice President, Finance, Chief Financial Officer and Corporate Secretary) and François Vézina (Vice President, Technical Services). The following table sets forth the proposed compensation for the Resulting Issuer's NEOs for the 12-month period following completion of the Transaction:

Name and Principal Position	Salary ($)	Share-based Awards ($)(1)	Option-based Awards ($)(2)	Annual Incentive Plan	Long Term Incentive Plans	Pension Value ($)	All other Compensation ($)	Total Compensation ($)
Sean Roosen(3) Chair and Chief Executive Officer	359,000	–	–	359,000	1,077,000	–	20,000	1,815,000

Name and Principal Position	Salary ($)	Share-based Awards ($)[1]	Option-based Awards ($)[2]	Annual Incentive Plan	Long Term Incentive Plans	Pension Value ($)	All other Compensation ($)	Total Compensation ($)
Benoit Brunet, Vice President, Finance, Chief Financial Officer and Corporate Secretary	236,000	–	–	118,000	236,000	–	20,000	610,000
Luc Lessard[4] Chief Operating Officer	313,000	–	–	413,000	1,082,500	–	20,000	1,828,500
Chris Lodder, President	425,000	–	–	425,000	425,000	–	20,000	1,295,000
François Vézina, Vice President, Technical Services	250,000	–	–	250,000	500,000	–	20,000	1,020,000

Notes:

(1) Represents awards issued pursuant to the Resulting Issuer RSU Plan.
(2) Represents awards issued pursuant to the Resulting Issuer Option Plan.
(3) Represents the total compensation that Mr. Roosen would receive from the Resulting Issuer assuming, for illustrative purposes only, that Mr. Roosen would receive 50% of his current compensation level from the Resulting Issuer for his role as Chief Executive Officer of the Resulting Issuer and 50% of his current compensation level from Osisko for his role as Executive Chairman of the Osisko Board. The foregoing has been presented for illustrative purposes only, and will be determined following the completion of the Transaction, once the Resulting Issuer Board has been constituted and the Human Resources Committee of the Resulting Issuer has been established, at which time the Resulting Issuer Board and the Osisko Board will determine the respective compensation to be paid by each of the Resulting Issuer and Osisko for Mr. Roosen's services.
(4) The compensation for Mr. Lessard will be partially charged back to Falco Resources Ltd where he is President, CEO and director. The amount of charge back will be $200,000 (salary), $100,000 (annual incentive), $200,000 (long term incentive plan).

The expected compensation described in the foregoing table is being provided for illustrative purposes only, and has been presented on the basis of the current compensation levels of each such NEO with Osisko and assuming a 100% satisfaction of annual and long-term incentive plan milestones. **The compensation arrangements for the Resulting Issuer's NEOs will be determined following the completion of the Transaction, in the discretion of the Resulting Issuer Board or Human Resources Committee, once the Resulting Issuer Board has been constituted and the Human Resources Committee of the Resulting Issuer has been established.**

Compensation Discussion and Analysis

As of the date hereof, there are no formal employment, consulting or management agreements. The NEO's and the directors operate under informal arrangements. The Resulting Issuer anticipates entering into an employment agreement with Sean Roosen as of the Closing of the transaction, and with the other members of management, as of January 1, 2021. From the Closing of the transaction until formal employment agreements are entered into, each member of management will assume their function through service agreements between Osisko or Barkerville, as appropriate, and the Resulting Issuer. It is anticipated that as of January 1, 2021, each member of management will be a direct employee of the Resulting Issuer. The proposed members of management are subject to customary non-competition and non-disclosure obligations under their agreements with Osisko or Barkerville. The Resulting Issuer intends to impose non-competition and non-disclosure obligations through the employment agreements to be entered into with members of management.

The Resulting Issuer, which is expected to be comprised of seven directors, has not yet formed a separate Human Resources Committee to oversee compensation matters.

The Human Resources Committee is expected to assess NEO compensation in due course and will consider many factors, including industry peers and the performance of the reporting issuer.

Chief Executive Officer

The CEO's compensation is set by discussion with the other members of the Resulting Issuer Board. The level of compensation will be assessed at least once per year and will consider the Resulting Issuer's financial position and ability to pay, and the level of CEO fees generally known to be paid by other companies in the industry and assessed as reasonable by the other members of the Resulting Issuer Board. The Resulting Issuer Board intends to review executive compensation with reference to a peer group going forward subsequent to Closing. This basis is more subjective than would be one based on objective, identifiable measures. The CEO's total compensation is not tied to specific performance criteria or goals.

For the 12-month period following the Closing, it is expected that the amount of CEO compensation will be $1,815,000 per year (see *"Salary"*, *"Share-Based Awards"* and *"Option-Based Awards"* in the table above under the heading *"Executive Compensation"*) and, in addition, the CEO will be eligible for annual bonuses of up to 100% of his annual salary (see "*Annual Incentive Plan*" in the table above under the heading *"Executive Compensation"*), which may be payable in either cash or Resulting Issuer Shares (or any combination thereof). Any bonus paid to the CEO in Resulting Issuer Shares will be subject to compliance with applicable Exchange policies and prior Exchange Approval on a case-by-case basis.

Upon completing the Transaction, it is expected that the Resulting Issuer and the CEO will enter into a formal written employment agreement. Such employment agreement, which would be subject to approval by the Resulting Issuer Board, may provide for additional compensation in the event of Change of Control, severance, termination or constructive dismissal; however, the specifics of such provisions, if any, are unknown at this time.

Chief Financial Officer

The CFO's compensation is set by discussion between the CFO and CEO, subject to review by the Resulting Issuer Board as a whole. The Resulting Issuer Board intends to review executive compensation with reference to a peer group going forward subsequent to Closing. This basis is more subjective than would be one based on objective, identifiable measures.

For the 12-month period following the Closing, it is expected that the amount of CFO compensation will be $610,000 per year (see *"Salary"*, *"Share-Based Awards"* and *"Option-Based Awards"* in the table above under the heading *"Executive Compensation"*) and, in addition, the CFO will be eligible for annual bonuses of up to 50% of his annual salary (see "*Annual Incentive Plan*" in the table above under the heading *"Executive Compensation"*), which may be payable in either cash or Resulting Issuer Shares (or any combination thereof). Any bonus paid to the CFO in Resulting Issuer Shares will be subject to compliance with applicable Exchange policies and prior Exchange Approval on a case-by-case basis.

Director Compensation

During the 12-month period after giving effect to the Transaction, it is anticipated that the directors of the Resulting Issuer will receive cash compensation and/or Resulting Issuer DSUs for their services in their capacity as directors, and for committee participation, involvement in special assignments or for services as consultants or experts. The compensation arrangements for the directors of the Resulting Issuer will be determined following the completion of the Transaction once the Resulting Issuer Board has been constituted.

Indebtedness of Directors and Officers

No individual who: (a) is proposed to be a director or officer of the Resulting Issuer; (b) at any time during the most recently completed financial year of Barolo, or Osisko, or was, a director or officer of Barolo or Osisko; or (c) is an associate of any of the foregoing, is either: (i) indebted to Barolo or Osisko or a subsidiary of either Barolo or Osisko; or (ii) indebted to another entity with such indebtedness being the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Barolo or Osisko.

Investor Relations Arrangements

No written or oral agreement or understanding has been reached with any person to provide any promotional or investor relations services for the Resulting Issuer.

Options to Purchase Securities

The following table indicates the groups which will hold options to purchase common shares of the Resulting Issuer immediately following the completion of the Transaction.

Group	Number of Resulting Issuer Shares under Option	Exercise Price and Expiry Dates	Market Value Per Share on Date of Grant	Market Value Per Share
Officers of Resulting Issuer	Nil	N/A	N/A	N/A
Directors (who are not also officers) of Resulting Issuer	Nil	N/A	N/A	N/A
Employees of Resulting Issuer	Nil	N/A	N/A	N/A
Consultants of Resulting Issuer	Nil	N/A	N/A	N/A
Former Officers of Barolo	Nil	N/A	N/A	N/A
Former Directors of Barolo	Nil	N/A	N/A	N/A
Employees of Barolo	Nil	N/A	N/A	N/A
Consultants of Barolo	Nil	N/A	N/A	N/A
Totals	Nil	N/A	N/A	N/A

Equity Incentive Plans

Resulting Issuer Restricted Share Unit Plan

The purpose of the Resulting Issuer RSU Plan is to assist the Resulting Issuer and its subsidiaries in attracting and retaining individuals with experience and ability, to allow certain employees of the Resulting Issuer and its subsidiaries to participate in the long-term success of the Resulting Issuer and to promote a greater alignment of interests between the employees designated under the Resulting Issuer RSU Plan and the Resulting Issuer Shareholders.

The following is a summary of the principal terms of the Resulting Issuer RSU Plan, which is qualified in its entirety by reference to the text of the Resulting Issuer RSU Plan, a copy of which is attached hereto as Appendix "B" – *"Equity Incentive Plans":*

- The aggregate number of Resulting Issuer Shares reserved for issuance from treasury under the Resulting Issuer RSU Plan shall not exceed 4,000,000 Resulting Issuer Shares, provided, however, the number of Resulting Issuer Shares reserved for issuance from treasury under the Resulting Issuer RSU Plan and pursuant to all other Security Based Compensation Arrangements of the Resulting Issuer and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Resulting Issuer Shares then issued and outstanding. Any Resulting Issuer Shares subject to a RSU which has been cancelled or terminated

in accordance with the terms of the Resulting Issuer RSU Plan without settlement will again be available under the Resulting Issuer RSU Plan.

- the Resulting Issuer RSU Plan shall be administered by a Committee of the Resulting Issuer, which comes under the authority of the Resulting Issuer Board. The Committee of the Resulting Issuer has full power and authority to interpret the Resulting Issuer RSU Plan, to establish any rules and regulations and to adopt any condition that it deems necessary or desirable for the administration of the Resulting Issuer RSU Plan within the limits prescribed by applicable legislation. The Committee of the Resulting Issuer designates, upon recommendation from the President or Chief Executive Officer, from time to time and at their sole discretion, the executives and key employees of the Resulting Issuer or of a subsidiary who are entitled to participate in the Resulting Issuer RSU Plan.

- The grant of RSUs under the Resulting Issuer RSU Plan is subject to a number of restrictions:

    - the aggregate number of Resulting Issuer Shares which may be reserved for issuance to Resulting Issuer Insiders under the Resulting Issuer RSU Plan and all other Security Based Compensation Arrangements of the Resulting Issuer and its subsidiaries shall not, in the aggregate, exceed ten percent (10%) of the issued and outstanding Resulting Issuer Shares, calculated on a non-diluted basis;

    - within any twelve (12) month period, the Resulting Issuer shall not issue Resulting Issuer Insiders under the Resulting Issuer RSU Plan and all other Security Based Compensation Arrangements of the Resulting Issuer and its subsidiaries, in the aggregate, a number of Resulting Issuer Shares exceeding ten percent (10%) of the issued and outstanding Resulting Issuer Shares, calculated on a non-diluted basis;

    - within any twelve (12) month period, the Resulting Issuer shall not issue to any one Person (and companies wholly-owned by that Person) under the Resulting Issuer RSU Plan and all other Security Based Compensation Arrangements of the Resulting Issuer and its subsidiaries, in the aggregate, a number of Resulting Issuer Shares exceeding five percent (5%) of the issued and outstanding Resulting Issuer Shares, calculated on a non-diluted basis; and

    - within any twelve (12) month period the Resulting Issuer shall not issue to a Consultant under the Resulting Issuer RSU Plan and all other Security Based Compensation Arrangements of the Resulting Issuer and its subsidiaries, in the aggregate, a number of Resulting Issuer Shares exceeding two percent (2%) of the issued and outstanding Resulting Issuer Shares, calculated on a non-diluted basis.

- Whenever cash or other dividends are paid on Resulting Issuer Shares, additional RSUs will be automatically granted to each RSU Plan Participant who holds RSUs on the record date for such dividend. The number of such RSUs (rounded to the nearest whole RSU) to be credited as of a dividend payment date shall be determined by dividing the aggregate dividends that would have been paid to such RSU Plan Participant if the RSU Plan Participant's RSUs had been Resulting Issuer Shares by the Market Value on the date on which the dividends were paid on the Resulting Issuer Shares. RSUs granted to a RSU Plan Participant by reason of cash or other dividend shall be subject to the same vesting as the RSUs to which they relate. Notwithstanding the foregoing, nothing in the Resulting Issuer RSU Plan shall permit the Resulting Issuer to grant RSUs in excess of the maximum number of Resulting Issuer Shares reserved for issuance from treasury under the Resulting Issuer RSU Plan.

- Vesting and settlement provisions under the Resulting Issuer RSU Plan are as follows:

- Unless otherwise indicated by the Committee of the Resulting Issuer, upon grant (as to the vesting term) each RSU shall vest on the third (3rd) anniversary of the grant date. Furthermore, in the case of RSUs subject to performance vesting conditions, such RSUs shall be multiplied by the performance percentage determined by the Resulting Issuer Board upon vesting, provided however that should such performance

percentage exceed 100%, then the Resulting Issuer shall be entitled to settle such amount that exceeds 100% in cash at its sole discretion. Notwithstanding the foregoing, the Committee of the Resulting Issuer may, in its entire discretion, accelerate the terms of vesting of any RSUs in circumstances deemed appropriate by the Committee of the Resulting Issuer.

- Should a RSU Plan Participant cease to be eligible under the Resulting Issuer RSU Plan pursuant to the termination of employment provisions of the Resulting Issuer RSU Plan, notwithstanding any Benefits Extension Periods granted, any RSUs held by such RSU Plan Participant shall expire within twelve (12) months from the date on which such RSU Plan Participant ceases to be eligible and any vested RSUs granted to such RSU Plan Participant must be settled, pursuant to the procedures outlined in the Resulting Issuer RSU Plan, within a maximum of ten (10) years following the date of grant.

- Following the vesting date, the RSU Plan Participant shall elect to receive from the Resulting Issuer, as applicable (i) Resulting Issuer Shares issued from treasury equal in number to the vested RSUs in the RSU Plan Participant's account, (ii) a lump sum payment in cash equal to the number of vested RSUs recorded in the RSU Plan Participant's account multiplied by the Market Value of a Resulting Issuer Share on the Settlement Date, payable in the form of a cheque, or other payment method as determined by the Committee of the Resulting Issuer, in each case, less any applicable withholding Taxes and other deductions required by law to be withheld by the Resulting Issuer in connection with the satisfaction of the holder's RSUs, or (iii) any combination of the foregoing. Notwithstanding the election of the RSU Plan Participant (or his or her succession), the Committee of the Resulting Issuer, in its sole discretion, shall be entitled to settle the RSU Plan Participant's account in any form provided for in the Resulting Issuer RSU Plan.

- Upon an RSU Change of Control, all outstanding RSUs shall vest, irrespective of any performance vesting conditions.

- In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than normal cash dividends) of the Resulting Issuer's assets to shareholders or any other change affecting the Resulting Issuer Shares, such adjustments as are required to reflect such change shall be made with respect to the number of RSUs in the accounts maintained for each RSU Plan Participant, provided that no fractional RSUs shall be issued to RSU Plan Participants and the number of RSUs to be issued in such event shall be rounded down to the next whole number of RSUs.

- If a RSU Plan Participant ceases to be an employee as a result of termination for cause, or as a result of a voluntary termination, effective as of the date notice is given to the RSU Plan Participant of such termination, or as of the date on which the Resulting Issuer or the subsidiary receives communication of a voluntary resignation, all outstanding RSUs shall be terminated.

- If a RSU Plan Participant ceases to be an employee of the Resulting Issuer or a subsidiary as a result of death, termination not for cause, retirement or Long-Term Disability, the vesting of RSUs shall be subject to the following:

  - For each outstanding RSUs granted – fixed component:

    - in the event the RSU Plan Participant is not entitled to a Benefits Extension Period, the vesting of the fixed component portion of each RSU grant will be prorated based on the number of days actually worked from the date of grant of such RSUs until the date of termination for death, termination not for cause, retirement or Long-Term Disability, over the number of days of the original vesting schedule set forth in relation to such RSU grant; or

        - in the event the RSU Plan Participant is entitled to a Benefits Extension Period, the vesting of the fixed component portion of each RSU grant will be prorated based on the sum of the number of days included in the Benefits Extension Period and those actually worked from the date of grant of such RSUs up until the date of termination for death, termination not for cause, retirement or Long-Term Disability, over the number of days of the original vesting schedule set forth in relation to such RSU grant; and

    - For each outstanding RSUs granted – performance vesting:

        - the vesting of all performance based RSU grant will be prorated based on the number of days actually worked from the date of grant of such RSUs up until the date of termination for death, termination not for cause, retirement or Long Term Disability, over the original vesting schedule set forth in relation to such grant; the number of vested RSUs resulting from such prorated calculation will be multiplied by the performance percentage determined by the Resulting Issuer Board.

- A voluntary resignation will be considered as retirement if the RSU Plan Participant has reached normal retirement age under the Resulting Issuer benefit plans or policies, unless the Committee of the Resulting Issuer decides otherwise at its sole discretion.

- The approval of the Resulting Issuer Board and the requisite approval from the Exchange and Disinterested Shareholders of the Resulting Issuer shall be required for any of the following amendments to be made to the Resulting Issuer RSU Plan:

    - any increase to the percentage of Resulting Issuer Shares reserved for issuance under the Resulting Issuer RSU Plan or a change from a fixed maximum percentage of shares to a fixed maximum number of Resulting Issuer Shares;

    - any change to the definition of RSU Plan Participant which would have the potential of broadening or increasing Insider participation; and

    - remove or exceed the Insider participation limit prescribed by the Exchange's Corporate Finance Manual

    - any amendment that may modify or delete the amendment, suspension or termination section of the Resulting Issuer RSU Plan.

- The Resulting Issuer Board may, subject to receipt of requisite approval from the Exchange, in its sole discretion make all other amendments to the Resulting Issuer RSU Plan that are not of the type contemplated above including, without limitation:

    - amend, suspend or terminate the Resulting Issuer RSU Plan in whole or in part or amend the terms of RSUs credited in accordance with the Resulting Issuer RSU Plan. If any such amendment, suspension or termination will materially or adversely affect the rights of a RSU Plan Participant with respect to RSUs credited to such RSU Plan Participant, the written consent of such RSU Plan Participant to such amendment, suspension or termination shall be obtained. Notwithstanding the foregoing, the obtaining of the written consent of any RSU Plan Participant to an amendment, suspension or termination which materially or adversely affects the rights of such RSU Plan Participant with respect to any credited RSUs shall not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Resulting Issuer are listed. If the Committee of the Resulting Issuer terminates the Resulting Issuer RSU Plan, RSUs previously credited to RSU

Plan Participants shall remain outstanding and in effect and be settled in due course in accordance with the terms of the Resulting Issuer RSU Plan (which shall continue to have effect, but only for such purposes) on the Settlement Date.

- The rights and interests of a RSU Plan Participant in respect of the Resulting Issuer RSU Plan are not transferable or assignable other than by will or the Laws of succession to the legal representative of the RSU Plan Participant.

The above summary is qualified in its entirety by the full text of the Resulting Issuer RSU Plan, which is set out in Appendix "C" – *"Information Concerning Barolo"* to this Filing Statement.

Resulting Issuer Deferred Share Unit Plan

The purpose of the Resulting Issuer DSU Plan is to enhance the ability of the Resulting Issuer and its subsidiaries to attract and retain talented individuals to serve as members of the Resulting Issuer Board or of its subsidiaries and to promote alignment of interests between such Persons and the shareholders of the Resulting Issuer.

The following is a summary of the principal terms of the Resulting Issuer DSU Plan, which is qualified in its entirety by reference to the text of the Resulting Issuer DSU Plan, a copy of which is attached hereto as Appendix "B" – *"Equity Incentive Plans"*.

- The aggregate number of Resulting Issuer Shares reserved for issuance from treasury under the Resulting Issuer DSU Plan shall not exceed 3,000,000 Resulting Issuer Shares, provided, however, the number of Resulting Issuer Shares reserved for issuance from the treasury under the Resulting Issuer DSU Plan and pursuant to all other Security Based Compensation Arrangements of the Resulting Issuer and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Resulting Issuer Shares then issued and outstanding. Any Resulting Issuer Shares subject to a DSU which has been cancelled or terminated in accordance with the terms of the Resulting Issuer DSU Plan without settlement will again be available under the Resulting Issuer DSU Plan.

- The Resulting Issuer DSU Plan is administered by the Committee of the Resulting Issuer which comes under the authority of the Resulting Issuer Board. The Committee of the Resulting Issuer has full power and authority to interpret the Resulting Issuer DSU Plan, to establish any rules and regulations and to adopt any condition that it deems necessary or desirable for the administration of the Resulting Issuer DSU Plan within the limits prescribed by applicable legislation. The Committee of the Resulting Issuer may designate, from time to time and at its sole discretion, the Eligible Directors who are entitled to become DSU Plan Participants.

- The grant of DSUs under the Resulting Issuer DSU Plan is subject to a number of restrictions:

    - the aggregate number of Resulting Issuer Shares issuable at any time to Resulting Issuer Insiders under the Resulting Issuer DSU Plan and all other Security Based Compensation Arrangements of Resulting Issuer and its subsidiaries shall not, in the aggregate, exceed ten percent (10%) of the issued and outstanding Resulting Issuer Shares, calculated on a non-diluted basis;

    - within any twelve (12) month period, the Resulting Issuer shall not issue to Resulting Issuer Insiders under the Resulting Issuer DSU Plan and all other Security Based Compensation Arrangements of Resulting Issuer and its subsidiaries, in the aggregate, a number of Resulting Issuer Shares exceeding ten percent (10%) of the issued and outstanding Resulting Issuer Shares, calculated on a non-diluted basis;

    - within any twelve (12) month period, Resulting Issuer shall not issue to any one Person (and companies wholly-owned by that Person) under the Resulting Issuer DSU Plan and all other Security Based Compensation Arrangements of Resulting Issuer and its subsidiaries, in the

aggregate, a number of Resulting Issuer Shares exceeding five percent (5%) of the issued and outstanding Resulting Issuer Shares, calculated on a non-diluted basis.

- Whenever cash or other dividends are paid on Resulting Issuer Shares, additional DSU's will be automatically granted to each DSU Plan Participant who holds DSU's on the record date for such distribution of dividend. The number of such DSUs (rounded to the nearest whole DSU) to be credited as of a dividend payment date shall be determined by dividing the aggregate dividend that would have been paid to such DSU Plan Participant if the DSU Plan Participant's DSU had been Resulting Issuer Shares by the Market Value on the date on which the distributions were paid on the Resulting Issuer Shares. DSUs granted to a DSU Plan Participant under this paragraph shall be subject to the same vesting as the DSUs to which they relate.

- In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than normal cash dividends) of the Resulting Issuer's assets to shareholders or any other change affecting the Resulting Issuer Shares, such adjustments as are required to reflect such change shall be made with respect to the number of DSUs in the accounts maintained for each DSU Plan Participant, provided that no fractional DSUs shall be issued to DSU Plan Participants and the number of DSUs to be issued in such event shall be rounded to the nearest whole DSU.

- A DSU Plan Participant may select a date on which the Resulting Issuer pays to a RSU Plan Participant the Market Value of the DSU that have become vested and payable in cash or in Common Shares at the sole discretion of the Committee of the Resulting Issuer. Such date will fall in the period starting on the Business Day following termination and ending the last Business Day of the month of December of the year following termination.

- On the Settlement Date, the Resulting Issuer shall either (i) deliver to the DSU Plan Participant, or his legal representative, one (1) Resulting Issuer Shares issued from treasury equal in number to one (1) Resulting Issuer Share for each DSU credited to the DSU Plan Participant's account on the Settlement Date, (ii) pay the DSU Plan Participant, or his legal representative, a lump sum cash payment equal to the Market Value of one (1) Resulting Issuer Share for each DSU credit to the DSU Plan Participant's account on the Settlement Date payable in the form of a cheque, or other payment method as determined by the Committee of the Resulting Issuer, of any cash portion then payable to the DSU Plan Participant, in each case, less any applicable withholding Taxes and other deductions required by law to be withheld by the Resulting Issuer in connection with the satisfaction of the DSU Plan Participant's DSUs, or (iii) any combination of the foregoing. Notwithstanding the election of the DSU Plan Participant (or his or her succession), the Committee of the Resulting Issuer, in its sole discretion, shall be entitled to settle the DSU Plan Participant's account in any form provided for under the Resulting Issuer DSU Plan.

- If the Settlement Date in respect of any DSUs occurs during a Blackout Period, or within ten (10) Business Days after the expiry of a Blackout Period, then the Settlement Date shall be the date that is the tenth (10^{th}) Business Day after the expiry of the Blackout Period, provided that such Settlement Date may not be later than the last Business Day of the month of December of the year following termination. If the revised Settlement Date is not a date that is prior to the last Business Day of the month of December of the year following termination, then the Settlement Date in respect of such DSUs shall, notwithstanding any other provision of the Resulting Issuer DSU Plan, be the last Business Day of the month of December of the year following termination.

- Under no circumstances shall DSUs be considered Resulting Issuer Shares nor shall they entitle any DSU Plan Participant to exercise voting rights or any other rights attaching to the ownership or control of Resulting Issuer Shares, nor shall any DSU Plan Participant be considered the owner of any Resulting Issuer Shares pursuant to the Resulting Issuer DSU Plan.

- The approval of the Resulting Issuer Board and the requisite approval from the Exchange and the Disinterested Shareholders of the Resulting Issuer (by simple majority) shall be required for any of the following amendments to be made to the Resulting Issuer DSU Plan:

    - any increase to the percentage of Resulting Issuer Shares reserved for issuance under the Resulting Issuer DSU Plan or a change from a fixed maximum percentage of shares to a fixed maximum number of shares;

    - any change to the definition of "DSU Plan Participant" which would have the potential of broadening or increasing Insider participation;

    - remove or exceed the Insider participation limit prescribed by the Exchange's Corporate Finance Manual; and

    - any amendment that may modify or delete any of the above section

- The Resulting Issuer Board may, subject to receipt of requisite approval from the Exchange, in its sole discretion make all other amendments to the Resulting Issuer DSU Plan that are not of the type contemplated in the above section including, without limitation:

    - amend, suspend or terminate the Resulting Issuer DSU Plan in whole or in part or amend the terms of DSUs credited in accordance with the Resulting Issuer DSU Plan. If any such amendment, suspension or termination will materially or adversely affect the rights of a DSU Plan Participant with respect to DSUs credited to such DSU Plan Participant, the written consent of such DSU Plan Participant to such amendment, suspension or termination shall be obtained. Notwithstanding the foregoing, the obtaining of the written consent of any DSU Plan Participant to an amendment, suspension or termination which materially or adversely affects the rights of such DSU Plan Participant with respect to any credited DSUs shall not be required if such amendment, suspension or termination is required in order to comply with applicable Laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which Resulting Issuer Shares are listed. If the Committee of the Resulting Issuer terminates the Resulting Issuer DSU Plan, DSUs previously credited to DSU Plan Participants shall remain outstanding and in effect and be settled in due course in accordance with the terms of the Resulting Issuer DSU Plan (which shall continue to have effect, but only for such purposes) on the Settlement Date.

- The rights and interests of a DSU Plan Participant in respect of the Resulting Issuer DSU Plan are not transferable or assignable other than by will or the Laws of succession to the legal representative of the DSU Plan Participant.

The above summary is qualified in its entirety by the full text of the Resulting Issuer DSU Plan, which is set out in Appendix "B" – *"Equity Incentive Plans" t*o this Filing Statement.

Resulting Issuer Option Plan

The purpose of the Resulting Issuer Option Plan of the Resulting Issuer is to advance the interests of the Resulting Issuer and each subsidiary by encouraging the directors, officers, Consultants and employees of the Resulting Issuer and its subsidiaries to acquire shares in the Resulting Issuer, thereby increasing their proprietary interest in the Resulting Issuer, encouraging them to remain associated with the Resulting Issuer and/or subsidiaries and furnishing them with additional incentive in their efforts on behalf of the Resulting Issuer and/or subsidiaries. Under the policies of the Exchange, the Resulting Issuer Option Plan will require annual shareholder approval at each annual meeting of the Resulting Issuer.

The following is a summary of the principal terms of the Resulting Issuer Option Plan, which is qualified in its entirety by reference to the text of the Resulting Issuer Option Plan, a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement:

- The aggregate number of Resulting Issuer Shares to be delivered upon the exercise of all Resulting Issuer Options granted under the Resulting Issuer Option Plan and pursuant to all other Security Based Compensation Arrangements shall not exceed the greater of ten percent (10%) of the issued and outstanding Resulting Issuer Shares at the time of granting of Resulting Issuer Options (on a non-diluted basis).

- Any increase in the issued and outstanding Resulting Issuer Shares will result in an increase in the available number of Resulting Issuer Shares issuable under the Resulting Issuer Option Plan, and any exercises of Resulting Issuer Options will make new grants available under the Resulting Issuer Option Plan effectively resulting in a re-loading of the number of Resulting Issuer Options available to grant under the Resulting Issuer Option Plan. If any Resulting Issuer Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased shares subject thereto shall again be available for the purpose of the Resulting Issuer Option Plan.

- Subject to the provisions of the Resulting Issuer Option Plan and rules of the Exchange, the Resulting Issuer Board, or the Committee of the Resulting Issuer, as applicable, shall have authority to construe and interpret the Resulting Issuer Option Plan and all Resulting Issuer Option agreements entered into in connection with the grant of Resulting Issuer Options under the Resulting Issuer Option Plan, to define the terms used in the Resulting Issuer Option Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind the terms of the Resulting Issuer Option Plan and to make all other determinations necessary or advisable for the administration of the Resulting Issuer Option Plan.

- The Price per share at which any Resulting Issuer Share which is the subject of a Resulting Issuer Option may be purchased will be established by the Resulting Issuer Board or the Committee of the Resulting Issuer, as applicable, subject to the rules of the regulatory authorities having jurisdiction over the securities of the Resulting Issuer, on the basis of the market price at the time the Resulting Issuer Option is granted, where "**market price**" shall mean the closing price of the Resulting Issuer Shares on the Exchange, on the trading date immediately preceding the date of the option grant in question, subject to applicable Laws and regulations; provided, however, that where there is no such closing price or trade on the trading date immediately preceding the date of the option grant in question, then "**market price**" shall mean the closing price or trade on the immediately preceding trading date of such date in question on which shares of the Resulting Issuer actually traded and for which there is a closing price on the Exchange.

- The period within which such Resulting Issuer Option shall be exercised (the "**Option Period**") shall be a period of time fixed by the Resulting Issuer Board and set out in an agreement pursuant to which the Resulting Issuer Options are granted, not to exceed ten (10) years from the date the Resulting Issuer Option Price is granted, provided that the Option Period shall be reduced with respect to any Resulting Issuer Option as provided in the Resulting Issuer Option Plan and provided that the Option Period may be extended beyond ten (10) years where the expiry date falls within a Blackout Period.

- The aggregate number of Resulting Issuer Shares to be delivered upon the exercise of all Resulting Issuer Options granted under the Resulting Issuer Option Plan and pursuant to all other Security Based Compensation Arrangements shall not exceed the greater of ten percent (10%) of the issued and outstanding Resulting Issuer Shares at the time of granting of Resulting Issuer Options (on a non-diluted basis) or such other number as may be approved by the Exchange and the Resulting Issuer Shareholders from time to time.

- The maximum number of Resulting Issuer Shares which may be issued to any one Resulting Issuer Optionee under the Resulting Issuer Option Plan together with any other Security Based Compensation Arrangement in any 12 month period shall not exceed 5% of the number of Resulting Issuer Shares

outstanding (on a non-diluted basis) from time to time, unless Disinterested Shareholder approval is obtained pursuant to the policies of the Exchange or any stock exchange or regulatory authority having jurisdiction over the securities of the Resulting Issuer.

- The maximum number of Resulting Issuer Shares which may be issuable to any one Consultant within any 12 month period under the Resulting Issuer Option Plan together with any other Security Based Compensation Arrangement shall not exceed 2% of the Resulting Issuer Shares outstanding on a non-diluted basis.

- The maximum number of Resulting Issuer Shares which may be issuable to all Investor Relations Employee within any 12 month period, under the Resulting Issuer Option Plan together with any other Security Based Compensation Arrangement shall not exceed 2% of the Resulting Issuer Shares outstanding on a non-diluted basis.

- No Resulting Issuer Options can be granted under the Resulting Issuer Option Plan if the Resulting Issuer is on notice from the Exchange to transfer its listed shares to the NEX or while the Resulting Issuer's Shares trade on the NEX.

- The maximum number of Resulting Issuer Shares which may be issuable to all Insiders at any time under the Resulting Issuer Option Plan together with any other Security Based Compensation Arrangement shall not exceed 10% of the Resulting Issuer Shares outstanding (on a non-diluted basis) from time to time. The number of Resulting Issuer Shares issued to Insiders within any one year period pursuant to all of the Resulting Issuer's Security Based Compensation Arrangements shall not exceed 10% of the number of outstanding Resulting Issuer Shares on a non-diluted basis.

- If a Option Plan Participant ceases to be an executive director, officer, Consultant, employee or Investor Relations Employee of the Resulting Issuer or a subsidiary for any reason (other than disability, retirement with the consent of the Corporation or death) the Resulting Issuer Options granted to such Option Plan Participant may be exercised in whole or in part by the Option Plan Participant, during a period commencing on the date of such cessation and ending 90 days thereafter (or if the Option Plan Participant is an Investor Relations Employee, 30 days thereafter) or on the expiry date, whichever comes first.

- In the event the Resulting Issuer proposes to amalgamate, merge or consolidate with any other corporation (other than with a wholly-owned subsidiary of the Resulting Issuer) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the shares of the Resulting Issuer or any part thereof shall be made to all holders of shares of the Resulting Issuer, the Resulting Issuer shall have the right, upon written notice thereof to each Option Plan Participant, to require the exercise of the option granted within the thirty (30) day period next following the date of such notice and to determine that upon such thirty (30) day period, all rights of the Option Plan Participant to exercise same (to the extent not theretofore exercised) shall ipso facto terminate and cease to have any further force or effect whatsoever.

- In the event that the term of an Resulting Issuer Option expires during such period of time during which Insiders are prohibited from trading in Resulting Issuer Shares as provided by the Resulting Issuer's insider trading policy, as it may be implemented and amended from time to time (the "**Blackout Period**") or within 10 Business Days thereafter, the option shall expire on the date that is 10 Business Days following the Blackout Period.

- If any Resulting Issuer Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Resulting Issuer Shares subject thereto shall again be available for the purpose of the Resulting Issuer Option Plan.

- The approval of the Resulting Issuer Board and the requisite approval from the Exchange and the Resulting Issuer Shareholders shall be required for any of the following amendments to be made to the Resulting Issuer Option Plan:

- an increase to the number of Resulting Issuer Shares issuable under the Resulting Issuer Option Plan or a change from a fixed maximum percentage plan to a fixed maximum number of shares;

- a reduction in the exercise Price of an Resulting Issuer Option (for this purpose, a cancellation or termination of an option of an Option Plan Participant prior to its expiry for the purpose of reissuing Resulting Issuer Options to the same Option Plan Participant with a lower exercise Price shall be treated as an amendment to reduce the exercise Price of an option), other than for standard anti-dilution purposes;

- an increase in the maximum number of Resulting Issuer Shares that may be issued to Insiders within any one year period or that are issuable to Insiders at any time as set out in the Exchange's Corporate Finance Manual;

- an extension of the term of any Resulting Issuer Option beyond the original expiry date;

- any change to the definition of Option Plan Participant which would have the potential of broadening or increasing Insider participation;

- the addition of any form of financial assistance;

- any amendment to a financial assistance provision which is more favourable to optionees;

- any amendment to the transferability of assignability of any rights under the Resulting Issuer Option Plan;

- any amendment that affects the power of the Resulting Issuer Board to amend the Resulting Issuer Option Plan; and

- any other amendments that may lead to significant or unreasonable dilution in the Resulting Issuer's outstanding securities or may provide additional benefits to Option Plan Participants, especially Insiders, at the expense of the Resulting Issuer and its existing Resulting Issuer Shareholders.

- The Resulting Issuer Board may, without Resulting Issuer Shareholder approval but subject to receipt of requisite approval from the Exchange, in its sole discretion make all other amendments to the Resulting Issuer Option Plan including, without limitation:

  - amendments of housekeeping nature, such as to rectify typographical errors and/or to include clarifying provisions for greater certainty;

  - a change to the vesting provisions of an option or the Resulting Issuer Option Plan;

  - amendments necessary as a result of changes in Securities Laws and other Laws applicable to the Resulting Issuer;

  - if the Resulting Issuer becomes listed or quoted on a stock exchange or stock market senior to the Exchange, it may make such amendments as may be required by the policies of such senior stock exchange or market; and

- Subject to terms of the Resulting Issuer Option Plan and the rules of the Exchange, the exercise price of a Resulting Issuer Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Resulting Issuer Option amd the date the Resulting Issuer Shares commenced trading on the Exchange, and the date of the last amendment of the exercise Price.

- A Resulting Issuer Option must be outstanding for at least one year before the Resulting Issuer may extend its term, subject to the limits contained in the Resulting Issuer Option Plan.

- Any proposed amendment to the terms of a Resulting Issuer Option is subject to the rules of the Exchange.

- The Resulting Issuer shall obtain Disinterested Shareholder approval prior to any of the following actions becoming effective:

  - The Resulting Issuer Option Plan, together with all of the Resulting Issuer's other Security Based Compensation Arrangements, could result at any time in: (i) the number of Resulting Issuer Shares reserved for issuance under Resulting Issuer Options granted to Resulting Issuer Insiders exceeding 10% of the outstanding Resulting Issuer Shares, (ii) the grant to Resulting Issuer Insiders within a 12-month period of a number of Resulting Issuer Options exceeding 10% of the outstanding Resulting Issuer Shares; and (iii) the issuance to any one Option Plan Participant within a 12-month period, of a number of Resulting Issuer Shares exceeding 5% of outstanding Resulting Issuer Shares; or

  - Any reduction in the exercise Price of any Resulting Issuer Option previously granted to Resulting Issuer Insiders.

The above summary is qualified in its entirety by the full text of the Resulting Issuer Option Plan, a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement.

Resulting Issuer Employee Share Purchase Plan

The Employee Share Purchase Plan provides for the acquisition of Resulting Issuer Shares by Eligible Employees for the purpose of advancing the interests of the Resulting Issuer through the motivation, attraction and retention of employees and officers of the Resulting Issuer and the Designated Affiliates or subsidiaries of the Resulting Issuer and to secure for the Resulting Issuer and the Resulting Issuer Shareholders the benefits inherent in the ownership of Resulting Issuer Shares by employees of the Resulting Issuer and Designated Affiliates or subsidiaries of the Resulting Issuer, it being generally recognized that employee share purchase plans aid in attracting, retaining and encouraging employees due to the opportunity offered to them to acquire a proprietary interest in the Resulting Issuer as well as aligning employees' interests with those of the Resulting Issuer Shareholders.

The following is a summary of the principal terms of the Employee Share Purchase Plan, which is qualified in its entirety by reference to the text of the Employee Share Purchase Plan, a copy of which is attached as Appendix "B" – *"Equity Incentive Plans"* to this Filing Statement:

- The aggregate number of Resulting Issuer Shares reserved for issuance from treasury under the Employee Share Purchase Plan shall not exceed 3,000,000 Resulting Issuer Shares, provided, however, the number of Resulting Issuer Shares reserved for issuance from the treasury under the Employee Share Purchase Plan and pursuant to all other Security Based Compensation Arrangements of the Resulting Issuer and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Resulting Issuer Shares then issued and outstanding.

- The Employee Share Purchase Plan is subject to a number of restrictions including the following:

  - the aggregate number of Resulting Issuer Shares issuable to Insiders, at any time, under the Employee Share Purchase Plan and all other Security Based Compensation Arrangements of the Resulting Issuer and its subsidiaries shall not, in the aggregate, exceed ten percent (10%) of the issued and outstanding Resulting Issuer Shares, calculated on a non-diluted basis;

  - within any twelve (12) month period, the Resulting Issuer shall not issue Insiders under the Employee Share Purchase Plan and all other Security Based Compensation Arrangements of

the Resulting Issuer and its subsidiaries, in the aggregate, a number of Resulting Issuer Shares exceeding ten percent (10%) of the issued and outstanding Resulting Issuer Shares, calculated on a non-diluted basis; and

- within any twelve (12) month period, the Resulting Issuer shall not issue to any one Person (and companies wholly-owned by that Person) under the Employee Share Purchase Plan and all other Security Based Compensation Arrangements of the Resulting Issuer and its subsidiaries, in the aggregate, a number of Resulting Issuer Shares exceeding five percent (5%) of the issued and outstanding Resulting Issuer Shares, calculated on a non-diluted basis.

- Eligible Employees who have provided services to the Resulting Issuer or any Designated Affiliate or subsidiary for at least 60 days shall, from time to time, be entitled to participate in the Employee Share Purchase Plan. The Committee of the Resulting Issuer, shall have the right, in its absolute discretion, to waive such 60 day period or to determine that the Employee Share Purchase Plan does not apply to any Eligible Employee; for greater certainty, an Eligible Employee who withdrew from the Employee Share Purchase Plan shall cease to be an Eligible Employee and shall not be allowed to participate in the Employee Share Purchase Plan, for the remaining term of the calendar year during which such withdrawal occurred.

- Any Eligible Employee may elect to contribute money to the Employee Share Purchase Plan, on an ongoing basis, if the Eligible Employee delivers to the Resulting Issuer, (i) a written notice of his or her intention to participate in the Employee Share Purchase Plan at least 10 Business Days before the beginning of any calendar quarter, and (ii) a written direction in form and substance satisfactory to the Resulting Issuer authorizing the Resulting Issuer to deduct from the remuneration of the Eligible Employee the Eligible Employee's Contribution in equal instalments starting on the first day of such quarter. As part of the above written notice, the Eligible Employee will have to provide the Resulting Issuer with registration instructions for the issuance of the Resulting Issuer Shares to be issued to the Eligible Employee under the Employee Share Purchase Plan. A written notice from the Eligible Employee shall be deemed to be a confirmation by the Eligible Employee that such Eligible Employee accepts the terms of the Employee Share Purchase Plan as such terms may exist or be amended from time to time.

- The Eligible Employee Contribution shall be a minimum of $100 a month but in no event shall the Eligible Employee's Contribution exceed 10% (unless otherwise specified by the Committee of the Resulting Issuer), before deductions, of the Eligible Employee's Base Annual Salary subject to a maximum contribution of $1,250 per month. The Eligible Employee Contributions shall be subject to the limits set out in the Employee Share Purchase Plan.

- Under the Employee Share Purchase Plan, an Eligible Employee shall automatically cease to be entitled to participate in the Employee Share Purchase Plan, upon termination of the employment of the Eligible Employee with or without cause by the Resulting Issuer or the Designated Affiliate or cessation of employment of the Eligible Employee with the Resulting Issuer or a Designated Affiliate as a result of resignation or otherwise other than retirement of the Eligible Employee after having attained a stipulated age in accordance with the Resulting Issuer's normal retirement policy (as such policy may be established or revised from time to time at the discretion of Corporation and subject to applicable laws) or earlier with the Resulting Issuer's consent.

- The Committee of the Resulting Issuer, authorized by the Resulting Issuer Board to oversee the Employee Share Purchase Plan has the following rights:

  - without the approval of the Resulting Issuer Shareholders to suspend or terminate and to re-instate the Employee Share Purchase Plan, and

- without the approval of the Resulting Issuer Shareholders by ordinary resolution, to make any amendment to the Employee Share Purchase Plan not contemplated under paragraph 5.2.3 of the Employee Share Purchase Plan, including, but not limited to
    - any amendment of a "housekeeping" nature, including, without limitation, amending the wording of any provision of the Employee Share Purchase Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Employee Share Purchase Plan that is inconsistent with any other provision of the Employee Share Purchase Plan, correcting grammatical or typographical errors and amending the definitions contained in the Employee Share Purchase Plan;
    - any amendment to comply with the rules, policies, instruments and notices of any regulatory authority to which the Resulting Issuer is subject, including the Exchange, or to otherwise comply with any applicable Laws or regulation;
    - any amendment to the vesting provisions of the Employee Share Purchase Plan;
    - any amendment to the provisions concerning the effect of the termination of an Eligible Employee employment or services on such Eligible Employee's status under the Employee Share Purchase Plan;
    - any amendment respecting the administration or implementation of the Employee Share Purchase Plan.
- with the approval of the Resulting Issuer Shareholders by ordinary resolution, to make any of the following amendments to the Employee Share Purchase Plan:
    - any increase to the number of Resulting Issuer Shares issuable from treasury under the Employee Share Purchase Plan or a change from a fixed maximum percentage of Resulting Issuer Shares to a fixed maximum number;
    - an amendment to the level of the Resulting Issuer's Contribution;
    - an amendment to the contribution mechanism relating to the Resulting Issuer's Contribution;
    - any amendment to the categories of persons who are Eligible Employees;
    - any amendment that may modify or delete the ssuspension, termination or amendment section of the Employee Share Purchase Plan; or
    - remove or exceed the Insider participation limit prescribed by the Exchange's Corporate Finance Manual

Equity Compensation Plan Breakdown

The following table summarizes the breakdown of securities that are reserved and authorized for issuance under the proposed Security Based Compensation Arrangements.

Equity Compensation Plan	Reserved and Authorized for Issuance[1]
Resulting Issuer Option Plan	11,358,350[2]
Resulting Issuer RSU Plan	4,000,000

Resulting Issuer DSU Plan	3,000,000
Employee Share Purchase Plan	3,000,000

Notes:

(1) Represents the maximum number of Resulting Issuer Shares reserved under each plan; provided, however that the aggregate number of Resulting Issuer Shares eligible to be issued under all Security Based Compensation Arrangements may not exceed 10% of the total issued and outstanding Resulting Issuer Shares at the time of grant. See *"Fully-Diluted Share Capital"*.

(2) The Resulting Issuer Option Plan is a rolling 10% stock option plan.

Investment Agreement

Following the Closing of the Transaction, the Resulting Issuer intends to enter into an investment agreement with Osisko, providing for, amongst other things, the following:

- *Nomination Right:* As long as Osisko, together with its Affiliates, beneficially owns, directly or indirectly, at least 10% of the outstanding Resulting Issuer Shares (calculated on a non-diluted basis), Osisko has the right to nominate for election to the Resulting Issuer Board, on an annual basis, a percentage of directors over the total number of directors of the Resulting Issuer in accordance with the below:

Osisko's Ownership %	**Nomination right (Percentage of Directors)**
+ 50	50%+1
41-50	50%
31-40	40%
16-30	30%
10-15	15% (but not less than 1)

- *Participation Right on Royalties, Stream Rights and Similar Interests:* As long as Osisko holds Resulting Issuer Shares equal to at least 10% of the outstanding Resulting Issuer Shares, Osisko has a right of first refusal on any proposed sale, transfer or disposition in any royalty, stream, royalty buyback right, forward sale, gold loan or other agreement involving the sale of a similar interest in products mined or otherwise extracted from any property belonging to the Resulting Issuer or any of its subsidiaries. In addition, Osisko has the right to participate in the buy-back of any royalty affecting any property held directly or indirectly by the Resulting Issuer.

- *Service Agreement:* As long as Osisko holds Resulting Issuer Shares equal to at least 10% of the outstanding Resulting Issuer Shares, Osisko has exclusive right to provide technical and management services to the Resulting Issuer as well as the right to request for the provision of technical services from the Resulting Issuer. For any services agreements entered between the parties, the services rendered thereunder will be provided at cost plus a reasonable administrative fee.

- *Cooperation in Distribution:* The investment agreement will contain customary demand registration and piggyback rights in prospectus offerings in favour of Osisko. Osisko shall use commercially reasonable efforts to consult with the Resulting Issuer regarding the possibility to coordinate a sale or disposition of Resulting Issuer Shares that represents greater than 10% of outstanding Resulting Issuer Shares by Osisko with any offering of securities of the Resulting Issuer.

The investment agreement will also contain customary representation, warranties and covenants of an agreement of this nature.

Investment Policy

The Resulting Issuer intends to adopt an investment policy (the "**Investment Policy**"), which sets forth the principles that should govern the management of funds and investment by the Resulting Issuer. The Investment Policy provides that investment decisions of the Resulting Issuer be guided by the benchmark of a prudent person or prudent investor, and a flexible approach will be taken with respect to investment targets, taking into account the following general guidelines:

- *Investment Sector:* Investment will be primarily in the natural resources industry, although the Resulting Issuer may invest outside the natural resources industry as circumstances may warrant.
- *Investment Types:* Any investment structures and instruments.
- *Commodities:* All commodities that comprise natural resources and various investment instruments.
- *Investment Targets:* Various investment targets, including direct project investments, investments in public or private corporation or distressed assets.
- *Time Horizon:* Specific to each investment and will be reevaluated by the Resulting Issuer from time to time.
- *Jurisdiction:* All jurisdictions, subject to risk assessment by the board of directors and management of the Resulting Issuer
- *Investment Size:* Unlimited.
- *Investment Review*: Ongoing review.

Management of the Resulting Issuer will provide oversight over the performance of the Resulting Issuer's investment portfolio, conduct meetings to assess investment positions and provide the board of directors of the Resulting Issuer with information on investment activities.

Escrowed Securities

The Exchange has granted a waiver from the requirements under Exchange Policy 5.4, which subjects securities of the Resulting Issuer held by directors, officers and Promoters of the Resulting Issuer to an escrow.

To the knowledge of Barolo and Osisko, as of the date of this Filing Statement, there are no securities that will be held in escrow prior or subsequent to the Financing and Transaction.

Auditor(s), Transfer Agent(s) and Registrar(s)

Auditor

If the Transaction is successfully completed, Resulting Issuer's auditor will be PricewaterhouseCoopers LLP which is located at 1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Québec, Canada, H3B 4Y1.

Transfer Agent and Registrar

The Resulting Issuer's transfer agent and registrar will be TSX Trust Company which is located at 301- 100 Adelaide Street West, Toronto, Ontario, Canada, M5H 4H1.

APPENDIX "F"
FINANCIAL STATEMENTS OF BAROLO

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Barolo Annual Financial Statements F-2

Barolo Interim Financial Statements F-23

BAROLO VENTURES CORP.

Financial Statements
(Expressed in Canadian Dollars)

For the years ended May 31, 2020 and 2019

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Barolo Ventures Corp.

Opinion

We have audited the accompanying financial statements of Barolo Ventures Corp. (the "Company"), which comprise the statements of financial position as at May 31, 2020 and 2019, and the statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity (deficiency) for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has a history of losses and anticipates further losses in its search for and evaluation of new business opportunities. As at May 31, 2020, the Company has an accumulated deficit of $11,033,062. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

September 22, 2020

BAROLO VENTURES CORP.
Statements of Financial Position
(Expressed in Canadian dollars)
As at May 31

		2020		2019 (Note 1)
Assets				
Current assets				
Cash	**$**	**61,435**	$	162,715
Receivables (Note 3)		**1,067**		14,973
	$	**62,502**	$	177,688
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**40,246**	$	44,992
Shareholders' equity				
Share capital (Note 6)		**9,058,020**		9,058,020
Contributed surplus (Note 6)		**1,997,298**		1,997,298
Deficit		**(11,033,062)**		(10,922,622)
		22,256		132,696
	$	**62,502**	$	177,688

Nature of operations and going concern (Note 1)

Approved on September 22, 2020 on behalf of the Board:

"Scott Ackerman"
Scott Ackerman – Director

""Rick Cox"
Rick Cox – Director

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

BAROLO VENTURES CORP.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
For the years ended May 31

		2020		2019 (Note 1)
EXPENSES				
Audit and accounting	**$**	**79,464**	$	75,150
Administration and bank charges		**131**		816
Consulting fees		**-**		1,000
Interest and penalties		**-**		15,968
Legal		**6,802**		18,874
Rent		**12,000**		10,000
Share-based payments (Note 6)		**-**		304,930
Transfer agent and filing fees		**12,043**		37,056
Travel		**-**		2,201
Write-off of exploration and evaluation assets (Note 4)		**-**		1
TOTAL OPERATING EXPENSES		**(110,440)**		(465,996)
Foreign exchange loss		**-**		(1,606)
Recovery of accounts payable and accrued liabilities		**-**		81,349
Loss on dissolution of subsidiaries (Note 9)		**-**		(544,892)
		-		(465,149)
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	**$**	**(110,440)**	$	(931,145)
BASIC AND DILUTED LOSS PER SHARE	**$**	**(0.01)**	$	(0.09)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING[1] (Basic and Diluted)		**14,004,287**		9,927,575
Loss and comprehensive loss attributable to:				
Shareholders of the Company	**$**	**(110,440)**	$	(2,010,993)
Non-controlling interests		**-**		1,079,848
	$	**(110,440)**	$	(931,145)

[1] Per share information has been retroactively adjusted to reflect the September 20, 2018 1.75 old for 1 new common share consolidation.

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

BAROLO VENTURES CORP.
Statements of Cash Flows
(Expressed in Canadian dollars)
For the years ended May 31

		2020		2019 **(**Note 1)
Cash flows from operating activities:				
Net loss for the year	**$**	**(110,440)**	$	(931,145)
Items not involving cash:				
Share-based payments		**-**		304,930
Foreign exchange loss		**-**		1,606
Write-off of exploration and evaluation assets		**-**		1
Recovery of accounts payable and accrued liabilities		**-**		(81,349)
Loss on dissolution of subsidiaries		**-**		544,892
Change in non-cash operating working capital:				
Receivables		**13,906**		(8,257)
Accounts payable and accrued liabilities		**(4,746)**		(268,080)
Net cash used in operating activities		**(101,280)**		(437,402)
Cash flows from financing activities:				
Proceeds received on the issuance of common shares		**-**		600,000
Net cash provided by financing activities		**-**		600,000
Change in cash for the year		**(101,280)**		162,598
Cash, beginning of the year		**162,715**		117
Cash, end of the year	**$**	**61,435**	$	162,715
Supplementary information with respect to cash flows:				
Income taxes paid	$	**-**	$	-
Interest paid	$	**968**	$	-

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

BAROLO VENTURES CORP.
Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)

	Number of Common Shares[1]	Share Capital	Contributed Surplus	Deficit	Non-Controlling Interests	Shareholders' Equity (Deficiency)
Balance, May 31, 2018	2,004,287	$ 8,458,020	$ 1,692,368	$ (8,911,629)	$ (1,624,740)	$ (385,981)
Private placement	12,000,000	600,000	-	-	-	600,000
Share-based payments	-	-	304,930	-	-	304,930
Loss for the year	-	-	-	(931,145)	-	(931,145)
Non-controlling interests	-	-	-	(1,079,848)	1,079,848	-
Dissolution of subsidiaries	-	-	-	-	544,892	544,892
Balance, May 31, 2019	14,004,287	$ 9,058,020	$ 1,997,298	$ (10,922,622)	$ -	$ 132,696
Balance, May 31, 2019	**14,004,287**	**$ 9,058,020**	**$ 1,997,298**	**$ (10,922,622)**	**$ -**	**$ 132,696**
Loss for the year	**-**	**-**	**-**	**(110,440)**	**-**	**(110,440)**
Balance, May 31, 2020	**14,004,287**	**$ 9,058,020**	**$ 1,997,298**	**$ (11,033,062)**	**$ -**	**$ 22,256**

[1] Per share information has been retroactively adjusted to reflect the September 20, 2018 1.75 old for 1 new common share consolidation.

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

1. Nature of Operations and Going Concern

Barolo Ventures Corp. (the "Company") was incorporated on June 13, 2006 and is a public company whose shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "BVC.H". The Company's stock had been cease-traded since October 4, 2016 for failure to file certain financial statements. The Company has brought its financial reporting obligations up-to-date, and on August 3, 2018 the British Columbia Securities Commission issued a full revocation of the cease trade order. The Company was previously engaged in the acquisition, exploration and development of mineral properties in Canada and the United States, but currently does not have an active business, and is investigating new business opportunities. The registered and records office of the Company is 2200 - 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8 and the principal place of business is 1600 - 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3.

On September 20, 2018, the Company changed its name from North American Potash Developments Inc. to Barolo Ventures Corp. and consolidated its common shares on a 1.75 old for 1 new basis (all share and per share amounts in these financial statements reflect the share consolidation).

During the year ended May 31, 2019, management decided to dissolve the Company's three US subsidiaries (BUA USA LLC, Potash Green LLC, and Potash Green Utah LLC). The majority of the assets and liabilities in these companies were intercompany loans, advances and investments that have now been written off. As such, there was no significant impact on the Company's financial statements aside from the loss on dissolution of the subsidiaries of $544,892 resulting from the derecognition of the Company's non-controlling interests. All comparative figures in these financial statements include the accounts of the Company and the now dissolved subsidiaries.

Going Concern

These financial statements are prepared on the basis that the Company will continue as a going concern. The Company has a history of losses and anticipates further losses in its search for and evaluation of new business opportunities. As at May 31, 2020, the Company has an accumulated deficit of $11,033,062 and working capital of $22,256. Management believes that the Company likely has insufficient liquidity to meet its operational requirements for the next fiscal year; and therefore, the Company remains dependent upon the financial support of its shareholders.

The future success of the Company is dependent on settlement of its liabilities, the identification and successful negotiation/acquisition of a sustainable/viable business operation together with the ability to finance the necessary funding, at agreeable terms, to support a business or asset acquisition. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation. Management recognizes that the Company will need to generate additional financial resources in order to meet its planned business objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

All of the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

1. Nature of Operations and Going Concern (continued)

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. Significant Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The policies applied in these financial statements are based on IFRS effective for the year ended May 31, 2020. The Board of Directors authorized these financial statements for issue on September 22, 2020.

(b) Basis of Measurement

These financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value and have been prepared using the accrual basis of accounting except for cash flow information.

(c) Critical Accounting Estimates, Judgments and Assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimate or assumption is made. Actual results may differ from these estimates.

Estimates and underlying assumptions used in determining asset and liability values are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

(i) Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

2. Significant Accounting Policies (continued)

(c) Critical Accounting Estimates, Judgments and Assumptions (continued)

The information about significant areas of judgment considered by management in preparing the financial statements is as follows:

(i) Going concern

The assessment of the Company's ability to continue as a going concern as discussed in Note 1 involves judgment regarding future funding available for its operations and working capital requirements.

(ii) Determination of functional currency

The functional and reporting currency of the Company and its now dissolved subsidiaries is the Canadian Dollar ("CAD"). The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment of the Company. The Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

(d) Functional and Presentation Currency

The Company and its now dissolved subsidiaries' functional currency is the CAD. The financial statements are presented in CAD which is the Company's presentation currency, unless otherwise noted.

(e) Cash

Cash includes cash on hand and demand deposits.

(f) Exploration and Evaluation Assets

Exploration and evaluation asset expenditures are capitalized once the legal right to explore a property has been acquired. Exploration and evaluation assets are recorded at cost less accumulated impairment losses. Direct costs related to the acquisition and exploration and evaluation of exploration and evaluation assets are capitalized until the commercial viability of the asset is established, at which time the capitalized costs are reclassified to mineral properties under development. To the extent that the expenditures are spent to establish ore reserves within the rights to explore, the Company will consider those costs as intangible assets in nature. The depreciation of a capital asset in connection with exploring or evaluating a property of this nature will be included in the cost of the intangible asset.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation asset expenditures incurred are deemed to be impaired. As a result, those exploration and expenditure asset costs, in excess of estimated recoveries, are written off to profit or loss.

Management reviews the facts and circumstances to determine if the carrying amount of the exploration and evaluation assets exceeds their recoverable amount on a regular basis. If the facts and circumstances suggest the carrying value exceeds the recoverable amount, the Company will perform an impairment test on the property.

Exploration stage assets and development stage assets are considered separate cash generating units ("CGU") for impairment testing purposes.

2. Significant Accounting Policies (continued)

(f) Exploration and Evaluation Assets (continued)

The amount shown for exploration and evaluation assets does not necessarily represent present or future values. 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 agreement payments including the fair value of the common shares received by the Company from third parties to the Company are credited to the cumulative and capitalized cost of the related mineral property. If the received amount exceeds the capitalized cost of the related property, the excess is recognized as income in the year received.

(g) Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount which is the higher of its fair value less costs to sell and its value-in-use. For the purpose of estimating recoverable amounts, the impairment test is carried out on the asset's CGU, which is the lowest level for which there are separately identifiable cash flows. A CGU may include certain aggregated exploration and evaluation assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount with the impairment loss recognized in profit or loss.

A previously recognized impairment loss is reversed when there has been a change in the assumptions used to determine the asset's recoverable amount when the impairment loss was initially recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been recognized, net of depletion, depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Any reversal of previously recognized impairment losses is recognized in profit or loss.

(h) Financial Instrument Measurement and Valuation

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1- Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2- Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and
- Level 3- Inputs that are not based on observable market data.

The measurement of the Company's financial instruments is disclosed in Note 7 to these financial statements.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

2. Significant Accounting Policies (continued)

(h) Financial Instrument Measurement and Valuation (continued)

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are recognized in profit or loss.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

(i) Financial Liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

(j) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provision related to asset retirement obligation, dismantling, decommissioning and site disturbance remediation is made for the estimated cost and capitalized in the relevant asset category. Such provision is measured at the present value of management's best estimate of expenditure required to settle the present obligation at the statement of financial position date. Subsequent to the initial measurement, the obligation is adjusted at the end of each reporting period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs in profit or loss whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the obligation are charged against the provision to the extent the provision is established.

2. Significant Accounting Policies (continued)

(j) Provisions (continued)

Other Provisions:

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date. The Company had no provisions as at May 31, 2020 or May 31, 2019.

(k) Foreign Currency Translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the reporting period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are reflected in profit or loss.

(l) Income Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of 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 and 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 tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on 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.

(m) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options and share purchase warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction, net of tax, from the proceeds.

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on

2. Significant Accounting Policies (continued)

(m) Share Capital (continued)

fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing price on the measurement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded in contributed surplus.

(n) Share-based Payments

The cost of incentive share options and other equity-settled share-based compensation and payment arrangements is recorded based on the estimated fair-value at the grant date and charged to earnings over the vesting period. Where incentive share options are subject to vesting, each vesting tranche is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period by a charge to earnings, with a corresponding increase to contributed surplus based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

(o) Loss per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

(p) Adoption of New Accounting Standards

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended May 31, 2019, except for the adoption, on June 1, 2019, of IFRS 16, Leases ("IFRS 16"), and IFRIC 23, Uncertainty over Income Tax Treatments ("IFRIC 23"), which have an initial application as at this date.

IFRS 16

New standard that replaces IAS 17 and sets out the principles for the recognition, measurement, presentation and disclosures of leases; effective for annual periods beginning on or after January 1, 2019. The adoption of this standard did not have an impact on its financial statements as the Company currently has no leases.

IFRIC 23

New standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019, with early adoption permitted. During the year ended May 31, 2019, the Company dissolved all of its subsidiaries. These subsidiaries have been removed from their respective corporate registries. As a result, the Company has determined that any penalties resulting from failure to file tax returns for these subsidiaries would be minimal and would not have a significant impact on its financial statements.

3. Receivables

	May 31, 2020	May 31, 2019
GST receivable	**$ 1,067**	$ 14,973

4. Exploration and Evaluation Assets

Hornby Basin Property – Northwest Territories, Canada

By option agreement dated July 1, 2006 and the amended agreement dated June 30, 2007, the Company acquired an undivided 100% right, title and interest in four mineral claims located in the Great Bear Lake area of the Northwest Territories known as the Hornby Basin Property ("HB Claims").

As at May 31, 2011, the Company had spent the required expenditure up to October 2014 and continued to evaluate the timing of further exploration work on the HB claims. The Company did not conduct any further work on the property during the year ended May 31, 2012 and had no plans to continue exploration. As such, during the fiscal year ended May 31, 2012, the property was written down by $268,999 to a nominal value of $1. As the Company did not spend the minimum required amounts to maintain its claims on this property and had no plans to do so, the claims lapsed, and the property was written off during the year ended May 31, 2019.

5. Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

As of May 31, 2020, $nil was due to related parties (May 31, 2019 - $nil).

During the year ended May 31, 2020, $nil (2019 - $243,945) was recorded as compensation costs for key management personnel, relating entirely to share-based payments.

6. Share Capital and Contributed Surplus

(a) Authorized

Unlimited number of common shares without par value.

(b) Share capital issued and outstanding

On September 20, 2018, the Company consolidated its common shares on a 1.75 old for 1 new basis (all share and per share amounts in these financial statements reflect the share consolidation).

6. Share Capital and Contributed Surplus (continued)

(b) Share capital issued and outstanding (continued)

On October 2, 2018, the non-brokered private placement proceeds of $600,000 from the August 22, 2018 financing of 12,000,000 subscription receipts of the Company at a price of $0.05 per subscription receipt were released to the Company, and each subscription receipt automatically converted into one unit of the Company (each, a "Unit") for no additional consideration. Each Unit consists of one post-consolidated common share and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one additional post-consolidated common share at a price of $0.07 per share until October 2, 2019.

As at May 31, 2020, 14,004,287 common shares are issued and outstanding (2019 – 14,004,287).

(c) Stock Options

The Company has established a stock option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants to a maximum of 10% of the Company's issued and outstanding common shares. These options may be granted for a maximum term of ten years from the date of grant and vest as determined by the board of directors.

On December 3, 2018 the Company granted 1,400,000 incentive stock options to directors, officers and a consultant of the Company. The options have an exercise price of $0.25, expire in five years, and vest immediately.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, as at May 31, 2018	**-**	**$ -**
Granted	**1,400,000**	**$0.25**
Balance, as at May 31, 2019 and 2020	**1,400,000**	**$0.25**

As at May 31, 2020, stock options outstanding and exercisable are as follows:

Grant Date	Number of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (Years)
December 3, 2018	**1,400,000**	$0.25	December 3, 2023	3.51
Total	**1,400,000**	**$0.25**		**3.51**

The fair value of the options granted during the year ended May 31, 2019 was determined to be $304,930 using the Black-Scholes option pricing model under the following assumptions: risk-free interest rate - 2.07%; expected life - 5 years; expected volatility - 135% and expected dividends - nil.

6. Share Capital and Contributed Surplus (continued)

(d) Warrants

On October 2, 2018, as part of a non-brokered private placement, the Company issued 12,000,000 share purchase warrants, with each warrant entitling the holder to acquire one post-consolidated common share at a price of $0.07 per share until October 2, 2019. These warrants had a $nil value based on the residual value method.

A summary of the Company's warrant activity is as follows:

	Number of Warrants		Weighted Average Exercise Price	Expiry Date
Balance, as at May 31, 2018	-	**$**	-	
Issued	12,000,000		0.07	**October 2, 2019**
Balance, as at May 31, 2019	12,000,000	**$**	0.07	**October 2, 2019**
Expired	(12,000,000)	**$**	0.07	**October 2, 2019**
Balance, as at May 31, 2020	**-**	**$**	**-**	

7. Financial Instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

The Company's functional currency is the CAD. Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates.

The Company believes it is not subject to significant currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in short-term deposit certificates issued by its banking institution. Due to the short-term nature of these financial instruments, fluctuations in interest rates do not have a significant impact on their fair values as at May 31, 2020 and 2019.

7. Financial Instruments (continued)

Market Risk (continued)

(iii) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Credit risk is the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company is exposed to credit risk with respect to its cash position and receivables. The Company's cash is held in a major Canadian financial institution which is considered to have high creditability. The Company's receivable is from a government agency thus the collection is considered assured. The Company believes it has no significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet its obligations. The Company's approach to managing liquidity risk is to ensure that it will have sufficient funds to meet liabilities when due. As at May 31, 2020, the Company had a cash balance of $61,435 (May 31, 2019 - $162,715) to settle liabilities of $40,246 (May 31, 2019 - $44,992). As such, management believes that the Company likely has insufficient liquidity to meet its operational requirements for the next fiscal year; and therefore, the Company remains dependent upon the financial support of its shareholders. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Additionally, the Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

Consequently, the Company is exposed to liquidity risk as at May 31, 2020.

Fair Value

As at May 31, 2020 and May 31, 2019, the Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Cash and receivables are classified as amortized cost. Accounts payable and accrued liabilities are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments.

8. Capital Management

The Company defines capital as consisting of shareholders' equity (comprised of issued share capital, contributed surplus, and deficit). The Company's objectives when managing capital are to support the identification and acquisition of a new business opportunity and thus the creation of shareholder value as well as to ensure that the Company is able to meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at May 31, 2020, the Company does not have any long-term debt outstanding and is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the year ended May 31, 2020.

9. Non-Controlling Interest

The Company owned 70% of the common shares of Potash Green LLC and 70% of the common shares of Potash Green Utah LLC. Set-out below is the summarized financial information for each subsidiary. The amounts disclosed for Potash Green LLC and Potash Green Utah LLC are based on those included in the prior year consolidated financial statements before intercompany eliminations.

During the year ended May 31, 2019, management decided to dissolve the Company's US subsidiaries. The majority of the assets and liabilities in these companies were intercompany loans, advances and investments that have now been written off. As such, there was no significant impact on the Company's financial statements aside from the loss on dissolution of the subsidiaries of $544,892 resulting from the derecognition of the Company's non-controlling interests.

	Year Ended May 31, 2020		Year Ended May 31, 2019	
	Potash Green LLC	**Potash Green Utah LLC**	Potash Green LLC	Potash Green Utah LLC
	$	**$**	$	$
Net and Comprehensive income (loss) for the year	**-**	**-**	**(1,963,642)**	5,563,136
Comprehensive income (loss) attributable to non-controlling interest	**-**	**-**	**(589,093)**	1,668,941

10. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2020	2019
	$	$
Loss for the year before income taxes	**(110,440)**	(931,145)
Expected income tax (recovery)	**(30,000)**	(251,000)
Change in statutory, foreign tax, foreign exchange rates and other	**2,000**	(28,000)
Permanent difference	**-**	699,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	**(556,000)**	(33,000)
Change in unrecognized deductible temporary differences	**584,000**	(387,000)
Total income tax expense	**-**	-

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

	2020	2019
	$	$
Deferred tax assets (liabilities)		
Exploration and evaluation assets	**280,000**	280,000
Allowable capital losses	**819,000**	818,000
Non-capital losses available for future period	**838,000**	255,000
	1,937,000	1,353,000
Unrecognized deferred tax assets	**(1,937,000)**	(1,353,000)
Net deferred tax assets	**-**	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2020	**Expiry Date Range**	2019	Expiry Date Range
Temporary Differences				
Exploration and evaluation assets	$1,036,000	**No expiry date**	$1,038,000	No expiry date
Allowable capital losses	3,033,000	**No expiry date**	3,028,000	No expiry date
Non-capital losses available for future periods	3,105,000	**2035 to 2039**	944,000	**2034 to 2038**

Tax attributes are subject to review and potential adjustment by tax authorities.

BAROLO VENTURES CORP.

Condensed Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

For the three months ended August 31, 2020 and 2019

BAROLO VENTURES CORP.
Condensed Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
As at

		August 31, 2020		May 31, 2020
Assets				
Current assets				
Cash	**$**	**21,677**	$	61,435
Receivables (Note 4)		**2,119**		1,067
	$	**23,796**	$	62,502
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**23,160**	$	40,246
Shareholders' equity				
Share capital (Note 6)		**9,058,020**		9,058,020
Contributed surplus (Note 6)		**1,997,298**		1,997,298
Deficit		**(11,054,682)**		(11,033,062)
		636		22,256
	$	**23,796**	$	62,502

Nature of operations and going concern (Note 1)
Subsequent events (Note 9)

Approved on October 30, 2020 on behalf of the Board:

"Scott Ackerman"
Scott Ackerman – Director

"Rick Cox"
Rick Cox – Director

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

BAROLO VENTURES CORP.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
For the three months ended August 31,

		2020		2019
EXPENSES				
Audit and accounting	**$**	**15,000**	$	15,000
Administration and bank charges		**580**		32
Consulting fees		**1,000**		-
Legal		**-**		605
Rent		**3,000**		3,000
Transfer agent and filing fees		**2,040**		2,599
TOTAL OPERATING EXPENSES		**(21,620)**		(21,236)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$**	**(21,620)**	$	(21,236)
BASIC AND DILUTED LOSS PER SHARE	**$**	**(0.00)**	$	(0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (Basic and Diluted)		**14,004,287**		14,004,287

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

BAROLO VENTURES CORP.
Condensed Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
For the three months ended August 31

		2020		2019
Cash flows from operating activities:				
Net loss for the period	**$**	**(21,620)**	$	(21,236)
Change in non-cash operating working capital:				
Receivables		**(1,052)**		8,686
Accounts payable and accrued liabilities		**(17,086)**		(31,348)
Net cash used in operating activities		**(39,758)**		(43,898)
Change in cash for the period		**(39,758)**		(43,898)
Cash, beginning of the period		**61,435**		162,715
Cash, end of the period	**$**	**21,677**	$	118,817
Supplementary information with respect to cash flows:				
Income taxes paid	$	**-**	$	-
Interest paid	$	**-**	$	968

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

BAROLO VENTURES CORP.
Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Shareholders' Equity
Balance, May 31, 2019	14,004,287	$ 9,058,020	$ 1,997,298	$ (10,922,622)	$ 132,696
Loss for the period	-	-	-	(21,236)	(21,236)
Balance, August 31, 2019	14,004,287	$ 9,058,020	$ 1,997,298	$ (10,943,858)	$ 111,460
Balance, May 31, 2020	**14,004,287**	**$ 9,058,020**	**$ 1,997,298**	**$ (11,033,062)**	**$ 22,256**
Loss for the period	**-**	**-**	**-**	**(21,620)**	**(21,620)**
Balance, August 31, 2020	**14,004,287**	**$ 9,058,020**	**$ 1,997,298**	**$ (11,054,682)**	**$ 636**

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

1. Nature of Operations and Going Concern

Barolo Ventures Corp. (the "Company" or "Barolo") was incorporated on June 13, 2006 and is a public company whose shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "BVC.H". The Company was previously engaged in the acquisition, exploration and development of mineral properties in Canada and the United States, but currently does not have an active business, and is investigating new business opportunities. The registered and records office of the Company is 2200 - 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8 and the principal place of business is 1600 - 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3.

Going Concern

These condensed interim financial statements are prepared on the basis that the Company will continue as a going concern. The Company has a history of losses and anticipates further losses in its search for and evaluation of new business opportunities. As at August 31, 2020, the Company has an accumulated deficit of $11,054,682 and working capital of $636 (see Subsequent Events (Note 9) for details on the Company's transaction with Osisko Gold Royalties Ltd and private placement offering). Management believes that the Company likely has sufficient liquidity to meet its operational requirements for the next fiscal year; and therefore, the Company has sufficient resources for the next 12 months.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. To date, COVID-19 has not had an adverse impact on the Company.

2. Basis of Presentation

Statement of Compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, these condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the most recent audited annual financial statements of the Company as at and for the year ended May 31, 2020. The Board of Directors authorized these condensed interim financial statements for issue on October 30, 2020.

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's most recent audited annual financial statements as at and for the year ended May 31, 2020.

3. Significant Accounting Policies

(a) Basis of Measurement

These condensed interim financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. Significant Accounting Policies (continued)

(b) Critical Accounting Estimates, Judgments and Assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimate or assumption is made. Actual results may differ from these estimates.

Estimates and underlying assumptions used in determining asset and liability values are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The information about significant areas of estimation uncertainty considered by management in preparing the condensed interim financial statements is as follows:

(i) Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

The information about significant areas of judgment considered by management in preparing the condensed interim financial statements is as follows:

(i) Going concern

The assessment of the Company's ability to continue as a going concern as discussed in Note 1 involves judgment regarding future funding available for its operations and working capital requirements.

(ii) Determination of functional currency

The functional and reporting currency of the Company is the Canadian Dollar (“CAD”). The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment of the Company. The Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

4. Receivables

	August 31, 2020	May 31, 2020
GST receivable	**$ 2,119**	**$** 1,067

5. Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

As of August 31, 2020, $nil was due to related parties (May 31, 2020 - $nil).

During the period ended August 31, 2020, $nil (2019 - $nil) was recorded as compensation costs for key management personnel.

6. Share Capital and Contributed Surplus

(a) Authorized

Unlimited number of common shares without par value.

(b) Share capital issued and outstanding

As at August 31, 2020, 14,004,287 common shares are issued and outstanding (May 31, 2020 – 14,004,287).

No shares were issued during the period ended August 31, 2020 and the year ended May 31, 2020.

(c) Stock Options

The Company has established a stock option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants to a maximum of 10% of the Company's issued and outstanding common shares. These options may be granted for a maximum term of ten years from the date of grant and vest as determined by the board of directors.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, as at May 31, 2019 and 2020 and August 31, 2020	**1,400,000**	**$0.25**

As at August 31, 2020, stock options outstanding and exercisable are as follows:

Grant Date	Number of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (Years)
December 3, 2018	**1,400,000**	$0.25	December 3, 2023	3.26
Total	**1,400,000**	**$0.25**		**3.26**

6. Share Capital and Contributed Surplus (continued)

(d) Warrants

A summary of the Company's warrant activity is as follows:

	Number of Warrants		Weighted Average Exercise Price	Expiry Date
Balance, as at May 31, 2019	12,000,000	**$**	0.07	**October 2, 2019**
Expired	(12,000,000)	**$**	0.07	**October 2, 2019**
Balance, as at May 31, 2020 and August 31, 2020	**-**	**$**	**-**	

7. Financial Instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

The Company's functional currency is the CAD. Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates.

The Company believes it is not subject to significant currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in short-term deposit certificates issued by its banking institution. Due to the short-term nature of these financial instruments, fluctuations in interest rates do not have a significant impact on their fair values as at August 31, 2020 and May 31, 2020.

7. Financial Instruments (continued)

Market Risk (continued)

(iii) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Credit risk is the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company is exposed to credit risk with respect to its cash position and receivables. The Company's cash is held in a major Canadian financial institution which is considered to have high creditability. The Company's receivable is from a government agency thus the collection is considered assured. The Company believes it has no significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet its obligations. The Company's approach to managing liquidity risk is to ensure that it will have sufficient funds to meet liabilities when due. As at August 31, 2020, the Company had a cash balance of $21,677 (May 31, 2020 - $61,435) to settle liabilities of $23,160 (May 31, 2020 - $40,246) (see Subsequent Events (Note 9) for details on the Company's transaction with Osisko Gold Royalties Ltd and private placement offering). As such, management believes that the Company likely has sufficient liquidity to meet its operational requirements for the next fiscal year; and therefore, the Company has sufficient resources for the next 12 months. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Consequently, the Company is not exposed to liquidity risk as at August 31, 2020.

Fair Value

As at August 31, 2020 and May 31, 2020, the Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Cash and receivables are classified as amortized cost. Accounts payable and accrued liabilities are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

8. Capital Management

The Company defines capital as consisting of shareholders' equity (comprised of issued share capital, contributed surplus, and deficit). The Company's objectives when managing capital are to support the identification and acquisition of a new business opportunity (see Note 9) and thus the creation of shareholder value as well as to ensure that the Company is able to meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at August 31, 2020, the Company does not have any long-term debt outstanding and is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the period ended August 31, 2020.

9. Subsequent Events

On October 5, 2020, the Company ("**Barolo**") and Osisko Gold Royalties Ltd ("**Osisko Royalties**") entered into a binding letter agreement (the "**Letter Agreement**") outlining the terms upon which Osisko Royalties will transfer certain mining properties (or securities of the entities that directly or indirectly own such mining properties), including the Cariboo Gold Project, and a portfolio of marketable securities (collectively the "**Contributed Assets**") to the Company in exchange for common shares of the Company ("**Barolo Shares**"), which will result in a "Reverse Take-Over" of Barolo (the "**RTO**") under the policies of the TSX-V. In this subsequent events note, references to the "**Resulting Issuer**" or "**Osisko Development**" are to Barolo after the closing of the RTO. The Letter Agreement was superseded by the definitive amalgamation agreement dated October 23, 2020 (see "Transaction Particulars" below).

Transaction Particulars

Osisko Royalties and Barolo entered into a definitive amalgamation agreement dated October 23, 2020 providing for the RTO, pursuant to which a newly-incorporated subsidiary of Barolo ("**Barolo Subco**") will amalgamate with a newly-incorporated subsidiary of Osisko ("**Osisko Subco**") under the Business Corporations Act (British Columbia), which will hold, directly or indirectly, the Contributed Assets, to form "**Amalco Subco**", following which Amalco Subco will be merged into the Resulting Issuer (by way of a voluntary dissolution) to form the Resulting Issuer.

As part of the RTO, and subject to any required shareholder and regulatory approvals, Barolo will: (i) change its name to "Osisko Development Corp."; (ii) change its stock exchange ticker symbol to "ODV"; (iii) consolidate its common shares on a 60:1 basis; (iv) adopt new by-laws and other corporate policies; adopt new security-based compensation arrangements; and (vi) reconstitute the board of directors and management of the Resulting Issuer.

9. Subsequent Events (continued)

Financing Particulars

On October 29, 2020, Osisko Subco closed a “bought deal” private placement offering of 13,350,000 subscription receipts (the **“Subscription Receipts”**) at a subscription price of $7.50 per Subscription Receipt for aggregate gross proceeds of $100,125,000 (the "**Financing**").

Each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, on or about the date that the RTO is completed, one post-consolidated common share of the Resulting Issuer (each, a "**Resulting Issuer Share**") and one-half-of-one warrant. Each whole warrant (a "**Warrant**") will entitle the holder thereof to purchase one Resulting Issuer Share for $10 for an 18-month period following the closing of the RTO. The Resulting Issuer Shares to be issued upon the conversion of the Subscription Receipts will be freely-tradeable upon the closing of the RTO.

The Financing was conducted on a "bought deal" basis through a syndicate of underwriters co-led by Canaccord Genuity Corp. and National Bank Financial Inc., on behalf of a syndicate of underwriters (collectively, the “**Underwriters**”). For their services in connection with completion of the Financing, upon conversion of the Subscription Receipts, the Underwriters will receive a cash commission equal to 5% of the gross proceeds of the Financing; provided that a reduced cash commission equal to 2% shall be payable to the Underwriters in respect of subscribers on the President’s List.

The gross proceeds of the Financing have been deposited with the TSX Trust Company, as escrow agent, and will be released to the Resulting Issuer upon the satisfaction of the escrow release conditions (if at all), including the satisfaction or waiver of the conditions to the closing of the RTO, the conditional approval of the TSX-V to list the Resulting Issuer Shares issuable under the RTO and Financing, and certain other customary conditions.

Completion of the RTO is subject to a number of conditions, including, but not limited to, TSX-V acceptance. Where applicable, the RTO cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

APPENDIX "G"
MANAGEMENT'S DISCUSSION AND ANALYSIS OF BAROLO

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Dated: September 22, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of Barolo Ventures Corp. for the year ended May 31, 2020 and is prepared as at September 22, 2020. Throughout this MD&A, unless otherwise specified, "Barolo", "Company", "we", "us" and "our" refer to Barolo Ventures Corp.. This MD&A should be read in conjunction with the Company's audited financial statements ("Financial Statements") for the year ended May 31, 2020 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that this MD&A does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods covered. The Financial Statements together with the other financial information included in this MD&A fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date hereof and for the periods presented herein. The board of directors' (the "Board") approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward-looking statements include but are not limited to statements concerning:

- The Company's strategies and objectives
- General business and economic conditions
- Foreign political policies and objectives
- The Company's success at completing future financings
- The continued financial support of its shareholders

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in or implied by these forward-looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. The forward-looking statements contained in this document are made as of the date hereof. Accordingly, readers should not place undue reliance on forward-looking statements.

CORPORATE OVERVIEW

Barolo was incorporated on June 13, 2006 and is a public company whose shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "BVC.H". The Company was previously engaged in the acquisition, exploration and development of mineral properties in Canada and the United States, but currently does not have an active business, and is investigating new business opportunities. The registered and records office of the Company is located at 2200 - 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8 and the principle place of business is at 1600 - 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3.

On September 20, 2018, the Company changed its name from North American Potash Developments Inc. to Barolo Ventures Corp. and consolidated its common shares on a 1.75 old for 1 new basis (all share and per share amounts in the Financial Statements and this MD&A reflect the share consolidation).

During the year ended May 31, 2019, management decided to dissolve the Company's three US subsidiaries (BUA USA LLC, Potash Green LLC, and Potash Green Utah LLC). The majority of the assets and liabilities in these companies were intercompany loans, advances and investments that have now been written off. As such, there was no significant impact on the Company's financial statements aside from the loss on dissolution of the subsidiaries of $544,892 resulting from the derecognition of the Company's non-controlling interests. All comparative figures in the Financial Statements and this MD&A include the accounts of the Company and the now dissolved subsidiaries.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

SELECTED ANNUAL INFORMATION[1]

	For the year ended May 31, 2020	For the year ended May 31, 2019	For the year ended May 31, 2018
Revenue	$-	$-	$-
Loss for the year	$(110,440)	$(931,145)	$(69,451)
Basic/diluted loss per share [2]	$(0.01)	$(0.09)	$(0.03)
Total assets	$62,502	$177,688	$6,834
Current liabilities	$40,246	$44,992	$392,815
Long-term liabilities	$-	$-	$-

[1] Financial information prepared in accordance with IFRS.

[2] On September 20, 2018, the Company consolidated its share capital on a 1.75 old shares for one new share basis. All share and per share values in the financial statements and this MD&A have been adjusted to reflect this consolidation.

Since the end of the 2015 fiscal year, the Company has had no revenue and has incurred sustaining overhead expenses as it continues to investigate new business opportunities. The main expenditures for the 2018 and 2020 fiscal years were for administrative and legal costs. The significant increase in loss for the 2019 fiscal year principally related to share based payments expense of $304,930 associated with the fair value of incentive stock options granted and vested during the period, and a loss of $544,892 on dissolution of the Company's subsidiaries, partially offset by an $81,349 gain associated with the recovery of certain aged trade payables.

SUMMARY OF QUARTERLY RESULTS[1]

	4th Quarter Ended May 31, 2020	3rd Quarter Ended February 28, 2020	2nd Quarter Ended November 30, 2019	1st Quarter Ended August 31, 2019
(a) Revenue	$-	$-	$-	$-
(b) Loss for the period	($31,378)	($27,090)	($30,736)	($21,236)
(c) Basic/diluted loss per share	($0.00)	($0.00)	($0.00)	($0.00)
	4th Quarter Ended May 31, 2019	**3rd Quarter Ended February 28, 2019**	**2nd Quarter Ended November 30, 2018**	**1st Quarter Ended August 31, 2018**
(a) Revenue	$-	$-	$-	$-
(b) Income (loss) for the period	$794,283	($325,369)	($1,374,479)	($25,580)
(c) Basic/diluted income (loss) per share [2]	$0.08	($0.02)	($0.14)	($0.01)

[1] Financial information prepared in accordance with IFRS.

[2] On September 20, 2018, the Company consolidated its share capital on a 1.75 old shares for one new share basis. All share and per share values in the consolidated financial statements and this MD&A have been adjusted to reflect this consolidation.

The operating results for the periods detailed in the table above largely reflect the on-going costs of maintaining a public company. The significant loss in the second quarter of 2019 related to the fair value of the 12,000,000 warrants issued with the October 2, 2018 non-brokered private placement. The fair value was determined to be $1,306,881 using the Black-Scholes pricing model under the following assumptions: risk-free interest rate - 0.75%; expected life - 1 year; expected volatility – 135% and expected dividends – nil. The $1,306,881 was subsequently reversed in the fourth quarter of 2019 as management determined that per the residual value method the value of the warrants is $nil. The income in the fourth quarter of 2019 also included gains on the write-off of certain accounts payable. The increased loss in the third quarter of 2019 related to share-based payments expense of $304,930 associated with the fair value of incentive stock options granted and vested during the period.

RESULTS OF OPERATIONS FOR THE THREE AND TWELVE MONTHS ENDED MAY 31, 2020

The following is an analysis of the Company's operating results for the three and twelve months ended May 31, 2020 and includes a comparison against the three and twelve months ended May 31, 2019.

Comprehensive income (loss) for the three and twelve months ended May 31, 2020 amounted to ($31,378) and ($110,440) or ($0.00) and ($0.01) per share (basic and diluted), respectively (2019 – $794,283 and ($931,145) or $0.08 and ($0.09) loss per share (basic and diluted), respectively) based on a weighted average number of shares outstanding of 14,004,287 common shares (2019 – 9,927,575 common shares). The Company's income during the three months ended May 31, 2019 was attributed to the $81,349 recovery from accounts payable that were eliminated through debt forgiveness and the $1,306,881 reversal of the fair value of the warrants issued with the October 2, 2018 non-brokered private placement.

Audit and accounting expenses for the three and twelve months ended May 31, 2020 were $25,000 and $79,464 compared to $37,000 and $75,150, respectively for the same periods in the previous year. These fees relate to the accounting services utilized by the Company to maintain its books and records, the preparation of the Company's annual corporate tax return, the accrual of fees for the 2020 fiscal year audit and the costs associated with filing required financial reports with the Exchange.

Administration and bank charges for the three and twelve months ended May 31, 2020 were $26 and $131, respectively compared to $23 and $816 for the same periods in the previous year. Theses charges were incurred for office supplies and the maintenance of the Company's bank accounts.

Consulting fees for the three and twelve months ended May 31, 2020 were $nil and $nil compared to $nil and $1,000, respectively for the same periods in the previous year. The charges in the previous period were incurred as part of the Company's ongoing efforts to investigate new business opportunities.

Interest and penalties for the three and twelve months ended May 31, 2020 were $nil and $nil, respectively compared to $968 and $15,968, respectively for the same periods in the previous year. The charges in the previous period are late-filing penalties and interest on the Company's tax returns.

Legal fees for the three and twelve months ended May 31, 2020 were $1,410 and $6,802 compared to $5,867 and $18,874, respectively for the same periods in the previous year. The Company incurred higher legal services in the previous year as part of its efforts to bring its reporting up to date, communicate with the previous and current Board of Directors, complete the name change, consolidate the Company's existing common shares and close a non-brokered private placement.

Rent expense for the three and twelve months ended May 31, 2020 was $3,000 and $12,000, respectively compared to $3,000 and $10,000, respectively for the same periods in the previous year. The rent charge is part of a new rental agreement that began in August 2018 and is for the administrative head office of the Company.

Share-based payments for the three and twelve months ended May 31, 2020 were $nil and $nil, respectively compared to $nil and $304,930, respectively for the same periods in the previous year. The share-based payments related to the fair value of the 1,400,000 incentive stock options granted on December 3, 2018.

Transfer agent and filing fees for the three and twelve months ended May 31, 2020 were $1,942 and $12,043, respectively compared to $1,838 and $37,056, respectively for the same periods in the previous year. The expenditures in the previous periods were significantly higher than the current periods as in 2019 the Company's cease-trade order was lifted and it retained the services of a transfer agent. Additionally, there were costs and fees required by the Exchange and the BCSC associated with the revocation of the cease trade order, share consolidation and name change.

Travel expenses for the three and twelve months ended May 31, 2020 were $nil and $nil, respectively compared to $nil and $2,201 for the same periods in the previous year. These charges were incurred for purposes of investigating new business.

Write-off of exploration and evaluation assets for the three and twelve months ended May 31, 2020 were $nil and $nil, respectively compared to $nil and $1 for the same periods in the previous year. The Company had not spent the minimum required amounts to maintain its four claims on the Hornby Basin Property and has no intention of ever doing so. Thus, the Company decided to completely write-off any claims to this property and use its existing working capital to fund new business opportunities elsewhere.

Foreign exchange losses for the three and twelve months ended May 31, 2020 were $nil and $nil, respectively compared to ($360) and ($1,606), respectively for the same periods in the previous year. This figure will fluctuate with any change in the exchange rate of the US dollar.

Recovery of accounts payable and accrued liabilities for the three and twelve months ended May 31, 2020 was $nil and $nil compared to $81,349 and $81,349 for the same periods in the previous year. In 2019, the Company eliminated $81,349 of aged trade payables through debt forgiveness during the year.

Loss on dissolution of subsidiaries for the three and twelve months ended May 31, 2020 was $nil and $nil compared to $544,892 and $544,892 for the same periods in the previous year. During the previous year ended May 31, 2019, management decided to dissolve the Company's three US subsidiaries (BUA USA LLC, Potash Green LLC, and Potash Green Utah LLC). The majority of the assets and liabilities in these companies were intercompany loans, advances and investments that have now been written off. The $544,892 loss on the dissolution resulted from the derecognition of the Company's non-controlling interests.

SHARE CAPITAL

Authorized:

Unlimited common shares without par value.

Issued and outstanding:

On September 20, 2018, the Company consolidated its common shares on a 1.75 old for 1 new basis (all share and per share amounts in the Financial Statements and this MD&A reflect the share consolidation).

On August 22, 2018, the Company closed a non-brokered private placement financing of 12,000,000 subscription receipts (the "Subscription Receipts") of the Company at a price of $0.05 per Subscription Receipt for gross proceeds of $600,000 (the "Offering"). On October 2, 2018, each Subscription Receipt automatically converted into one unit of the Company (each, a "Unit") for no additional consideration. Each Unit consisted of one post-consolidated common share and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one additional post-consolidated common share at a price of $0.07 per share until October 2, 2019. As of the date of this MD&A all warrants expired unexercised.

As of May 31, 2020, and the date of this MD&A, the Company has 14,004,287 common shares issued and outstanding.

Stock Options:

The Company has established a stock option plan whereby the Board may, from time to time, grant options to directors, officers, employees or consultants to a maximum of 10% of the Company's issued and outstanding common shares. These options may be granted for a maximum term of ten years from the date of grant and vest as determined by the Board.

On December 3, 2018 the Company granted 1,400,000 incentive stock options to directors, officers and a consultant of the Company which vested immediately; they have an exercise price of $0.25 and expire on December 3, 2023.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted average Exercise Price
Balance, as at May 31, 2018	**-**	**$ -**
Granted	**1,400,000**	**$0.25**
Balance, as at May 31, 2019, May 31, 2020, and the date of this MD&A	**1,400,000**	**$0.25**

As at May 31, 2020 and the date of this MD&A, stock options outstanding and exercisable are as follows:

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
December 3, 2018	**1,400,000**	$0.25	December 3, 2023	3.51
Total	**1,400,000**	**$0.25**		**3.51**

The fair value of the options granted during the year ended May 31, 2019 was determined to be $304,930 using the Black-Scholes option pricing model under the following assumptions: risk-free interest rate - 2.07%; expected life - 5 years; expected volatility - 135% and expected dividends - nil.

Warrants:

On October 2, 2018, as part of a non-brokered private placement the Company issued 12,000,000 share purchase warrants, with each warrant entitling the holder to acquire one post-consolidated common share at a price of $0.07 per share until October 2, 2019. These warrants have a $nil value based on the residual value method.

As of October 2, 2019 all warrants expired unexercised.

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted Average Exercise price	Expiry Date
Balance, as at May 31, 2018	**-**	**$ -**	
Issued	**12,000,000**	**0.07**	**October 2, 2019**
Balance, as at May 31, 2019	**12,000,000**	**0.07**	**October 2, 2019**
Expired	(12,000,000)	0.07	October 2, 2019
Balance, as at May 31, 2020 and the date of this MD&A	**-**	**-**	

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $22,256 at May 31, 2020 as compared to working capital of $132,696 as at May 31, 2019. At May 31, 2020, the Company had cash in the amount of $61,435, as compared to $162,715 at May 31, 2019.

To date, the Company has financed its activities by selling its common shares through private placements, advances from shareholders, and option payments received on property it optioned to a third party.

On October 2, 2018 the $600,000 in proceeds from the Offering were released to the Company, and each Subscription Receipt automatically converted into one Unit of the Company for no additional consideration. Each Unit consisted of one post-consolidated common share and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one additional post-consolidated common share at a price of $0.07 per share until October 2, 2019. As of the date of this MD&A all warrants expired unexercised.

The Company has no operating revenues and finances its operations principally through equity financing. Although the Company has been successful in raising the above funds, there can be no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities. In these uncertain times, the Company carefully monitors its expenditure and cash flows. The Company anticipates that it will continue to rely on the equity market to raise additional funds when needed. The Company has no current plans to use debt financing.

The Company currently has no established credit lines with chartered banks or other financial institutions.

As at the date of this MD&A, there were no capital lease obligations or purchase obligations.

A summary of the Company's cash flows during the year ended May 31, 2020 and the comparative year ended May 31, 2019 is as follows:

	2020	2019
Cash flows used in operating activities	**$ (101,280)**	$ (437,402)
Cash flows used in investing activities	**-**	-
Cash flows provided by financing activities	**-**	600,000
Change in cash for the year	**(101,280)**	162,598
Cash, beginning of the year	**162,715**	117
Cash, end of the year	**$ 61,435**	$ 162,715

Cash flows used in operating activities were $101,280 for the year ended May 31, 2020 compared to $437,402 during the year ended May 31, 2019. The $101,280 use of cash was to pay $15,968 in interest and penalties with the remaining $85,312 being used for administrative and public company reporting expenditures.

Cash flows provided by financing activities was $nil for the year ended May 31, 2020 compared to $600,000 during the year ended May 31, 2019. The $600,000 was provided by the Company's non-brokered private placement of 12,000,000 Units. See Share Capital section for details of the non-brokered private placement.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties. The following discussion summarizes certain risk factors that apply to the Company's business. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also materially adversely affect the business, financial

condition and results of operations, or the trading price of the Company's common shares if any such risks actually occur.

An investment in the Company's common shares should be considered highly speculative due to the nature of the Company's existing business and operations.

The Company requires financing in order to maintain and continue its operations.

The Company's ability to continue will largely be reliant on its continued attractiveness to equity investors and its ability to obtain additional financing to maintain and grow operations. Should the Company require additional capital to continue, failure to raise such capital could result in the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

From time to time, the Company may issue new shares, seek debt financing, dispose of assets, or enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards.

The Company depends on the business and technical expertise of its management team.

The Company is dependent on the business and technical expertise of its management team. If it is unable to rely on this business and technical expertise, or if any of the expertise is inadequately performed, the business, financial condition and results of operations of the Company could be materially adversely affected until such time as the expertise could be replaced.

The Company's share price is expected to be volatile.

Securities of micro- and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies involved. These factors include macroeconomic development globally and market perceptions of the attractiveness of particular industries and location of the assets. The Company's share price is expected to be volatile and will be affected by the Company's financial conditions or results of operations as reflected in its liquidity position and earnings reports.

Other factors unrelated to the Company's operations and performance that may have an affect on the price of the Company's shares include: the lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the Company's securities to be delisted further reducing market liquidity.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

FINANCIAL INSTRUMENTS

Fair Value

The Company's financial instruments include cash, receivables, and accounts payable and accrued liabilities.

Cash and receivables are classified as amortized cost. Accounts payable and accrued liabilities are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, and interest rate risk. The Board approves and monitors the risk management processes.

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

I. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet its obligations. The Company's approach to managing liquidity risk is to ensure that it will have sufficient funds to meet liabilities when due. As at May 31, 2020, the Company had a cash balance of $61,435 (May 31, 2019 - $162,715) to settle liabilities of $40,246 (May 31, 2019 - $44,992).

As such, management believes that the Company likely has insufficient liquidity to meet its operational requirements for the next fiscal year; and therefore, the Company remains dependent upon the financial support of its shareholders. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Additionally, the Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

Consequently, the Company is exposed to liquidity risk as at May 31, 2020.

II. Credit risk

Credit risk is the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company is exposed to credit risk with respect to its cash position and receivables. The Company's cash is held in a major Canadian financial institution which is considered to have high creditability. The Company's receivable is from a government agency thus the collection is considered assured. The Company believes it has no significant credit risk.

III. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk, which are discussed further below:

a) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in short-term deposit certificates issued by its banking institution. Due to the short-term nature of these financial instruments, fluctuations in interest rates do not have a significant impact on their fair values as at May 31, 2020 and 2019.

b) Currency risk

The Company's functional currency is the CAD. Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates.

The Company believes it is not subject to significant currency risk.

c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board and corporate officers.

As of May 31, 2020, $nil was due to related parties (May 31, 2019 - $nil).

During the year ended May 31, 2020, $nil (2019 -$243,945) was recorded as compensation costs for key management personnel, relating entirely to share-based payments.

ADOPTION OF NEW ACCOUNTING STANDARDS

The accounting policies applied in the preparation of the Financial Statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended May 31, 2019, except for the adoption, on June 1, 2019, of **IFRS 16, Leases** ("IFRS 16"), and **IFRIC 23, Uncertainty over Income Tax Treatments** ("IFRS 23"), both of which have an initial application as at this date.

IFRS 16

New standard that replaces IAS 17 and sets out the principles for the recognition, measurement, presentation and disclosures of leases; effective for annual periods beginning on or after January 1, 2019. The adoption of this standard did not have an impact on its financial statements as the Company currently has no leases.

IFRIC 23

New standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019, with early adoption permitted. During the year ended May 31, 2019, the Company dissolved all of its subsidiaries. These subsidiaries have been removed from their respective corporate registries. As a result, the Company has determined that any penalties resulting from failure to file tax returns for these subsidiaries would be minimal and would not have a significant impact on its financial statements.

PROPOSED TRANSACTIONS

No transactions are proposed.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into off-balance sheet arrangements. The Company does not have any outstanding derivative financial instruments, forward contracts, foreign exchange contracts or off-balance sheet guarantees.

CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Uncertainty about these estimates, assumptions and judgments could result in outcomes that could require a material adjustment to the carrying amount of assets or liabilities in future years. Information about critical accounting estimates, assumptions and judgments are detailed in Note 2 (c) of the May 31, 2020 audited financial statements.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Dated: October 30, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of Barolo Ventures Corp. for the three months ended August 31, 2020 and is prepared as at October 30, 2020. Throughout this MD&A, unless otherwise specified, "Barolo", "Company", "we", "us" and "our" refer to Barolo Ventures Corp. This MD&A should be read in conjunction with the Company's audited financial statements ("Financial Statements") for the year ended May 31, 2020 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"), together with the unaudited condensed interim financial statements as at and for the three months ended August 31, 2020 and 2019, which were prepared in accordance with IFRS and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting (collectively referred to as the "Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that this MD&A does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods covered. The Financial Statements together with the other financial information included in this MD&A fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date hereof and for the periods presented herein. The board of directors' (the "Board") approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially

from those anticipated in such forward-looking statements. These forward-looking statements include but are not limited to statements concerning:

- The Company's strategies and objectives
- General business and economic conditions
- Foreign political policies and objectives
- The Company's success at completing future financings
- The continued financial support of its shareholders

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in or implied by these forward-looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. The forward-looking statements contained in this document are made as of the date hereof. Accordingly, readers should not place undue reliance on forward-looking statements.

CORPORATE OVERVIEW

Barolo was incorporated on June 13, 2006 and is a public company whose shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "BVC.H". The Company was previously engaged in the acquisition, exploration and development of mineral properties in Canada and the United States, but currently does not have an active business, and is investigating new business opportunities. The registered and records office of the Company is located at 2200 - 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8 and the principle place of business is at 1600 - 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. To date, COVID-19 has not had an adverse impact on the Company.

PROPOSED TRANSACTION

On October 5, 2020, the Company ("**Barolo**") and Osisko Gold Royalties Ltd ("**Osisko Royalties**") entered into a binding letter agreement (the "**Letter Agreement**") outlining the terms upon which Osisko Royalties will transfer certain mining properties (or securities of the entities that directly or indirectly own such mining properties), including the Cariboo Gold Project, and a portfolio of marketable securities (collectively the "**Contributed Assets**") to the Company in exchange for common shares of the Company ("**Barolo Shares**"), which will result in a "Reverse Take-Over" of Barolo (the "**RTO**") under the policies of the TSX-V. In this note, references to the "**Resulting Issuer**" or "**Osisko Development**" are to Barolo after

the closing of the RTO. The Letter Agreement was superseded by the definitive amalgamation agreement dated October 23, 2020 (see “Transaction Particulars” below).

Transaction Particulars

Osisko Royalties and Barolo entered into a definitive amalgamation agreement dated October 23, 2020 providing for the RTO, pursuant to which a newly-incorporated subsidiary of Barolo ("**Barolo Subco**") will amalgamate with a newly-incorporated subsidiary of Osisko ("**Osisko Subco**") under the Business Corporations Act (British Columbia), which will hold, directly or indirectly, the Contributed Assets, to form "**Amalco Subco**", following which Amalco Subco will be merged into the Resulting Issuer (by way of a voluntary dissolution) to form the Resulting Issuer.

As part of the RTO, and subject to any required shareholder and regulatory approvals, Barolo will: (i) change its name to "Osisko Development Corp."; (ii) change its stock exchange ticker symbol to "ODV"; (iii) consolidate its common shares on a 60:1 basis; (iv) adopt new by-laws and other corporate policies; adopt new security-based compensation arrangements; and (vi) reconstitute the board of directors and management of the Resulting Issuer.

Financing Particulars

On October 29, 2020, Osisko Subco closed a “bought deal” private placement offering of 13,350,000 subscription receipts (the **“Subscription Receipts”**) at a subscription price of $7.50 per Subscription Receipt for aggregate gross proceeds of $100,125,000 (the "**Financing**").

Each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, on or about the date that the RTO is completed, one post-consolidated common share of the Resulting Issuer (each, a "**Resulting Issuer Share**") and one-half-of-one warrant. Each whole warrant (a "**Warrant**") will entitle the holder thereof to purchase one Resulting Issuer Share for $10 for an 18-month period following the closing of the RTO. The Resulting Issuer Shares to be issued upon the conversion of the Subscription Receipts will be freely-tradeable upon the closing of the RTO.

The Financing was conducted on a "bought deal" basis through a syndicate of underwriters co-led by Canaccord Genuity Corp. and National Bank Financial Inc., on behalf of a syndicate of underwriters (collectively, the “**Underwriters**”). For their services in connection with completion of the Financing, upon conversion of the Subscription Receipts, the Underwriters will receive a cash commission equal to 5% of the gross proceeds of the Financing; provided that a reduced cash commission equal to 2% shall be payable to the Underwriters in respect of subscribers on the President’s List.

The gross proceeds of the Financing have been deposited with the TSX Trust Company, as escrow agent, and will be released to the Resulting Issuer upon the satisfaction of the escrow release conditions (if at all), including the satisfaction or waiver of the conditions to the closing of the RTO, the conditional

approval of the TSX-V to list the Resulting Issuer Shares issuable under the RTO and Financing, and certain other customary conditions.

Completion of the RTO is subject to a number of conditions, including, but not limited to, TSX-V acceptance. Where applicable, the RTO cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

SELECTED ANNUAL INFORMATION[1]

	For the year ended May 31, 2020	For the year ended May 31, 2019	For the year ended May 31, 2018
Revenue	$-	$-	$-
Loss for the year	$(110,440)	$(931,145)	$(69,451)
Basic/diluted loss per share [2]	$(0.01)	$(0.09)	$(0.03)
Total assets	$62,502	$177,688	$6,834
Current liabilities	$40,246	$44,992	$392,815
Long-term liabilities	$-	$-	$-

[1] Financial information prepared in accordance with IFRS.

[2] On September 20, 2018, the Company consolidated its share capital on a 1.75 old shares for one new share basis. All share and per share values in the financial statements and this MD&A have been adjusted to reflect this consolidation.

Since the end of the 2015 fiscal year, the Company has had no revenue and has incurred sustaining overhead expenses as it continues to investigate new business opportunities. The main expenditures for the 2018 and 2020 fiscal years were for administrative and legal costs. The significant increase in loss for the 2019 fiscal year principally related to share based payments expense of $304,930 associated with the fair value of incentive stock options granted and vested during the period, and a loss of $544,892 on dissolution of the Company's subsidiaries, partially offset by an $81,349 gain associated with the recovery of certain aged trade payables.

SUMMARY OF QUARTERLY RESULTS[1]

	1st Quarter Ended August 31, 2020	4th Quarter Ended May 31, 2020	3rd Quarter Ended February 28, 2020	2nd Quarter Ended November 30, 2019
(a) Revenue	$-	$-	$-	$-
(b) Loss for the period	($21,620)	($31,378)	($27,090)	($30,736)
(c) Basic/diluted loss per share	($0.00)	($0.00)	($0.00)	($0.00)
	1st Quarter Ended August 31, 2019	**4th Quarter Ended May 31, 2019**	**3rd Quarter Ended February 28, 2019**	**2nd Quarter Ended November 30, 2018**
(a) Revenue	$-	$-	$-	$-
(b) Income (loss) for the period	($21,236)	$794,283	($325,369)	($1,374,479)
(c) Basic/diluted income (loss) per share[2]	($0.00)	$0.08	($0.02)	($0.14)

[1] *Financial information prepared in accordance with IFRS.*

[2] *On September 20, 2018, the Company consolidated its share capital on a 1.75 old shares for one new share basis. All share and per share values in the financial statements and this MD&A have been adjusted to reflect this consolidation.*

The operating results for the periods detailed in the table above largely reflect the on-going costs of maintaining a public company. The significant loss in the second quarter of 2019 related to the fair value of the 12,000,000 warrants issued with the October 2, 2018 non-brokered private placement. The fair value was determined to be $1,306,881 using the Black-Scholes pricing model under the following assumptions: risk-free interest rate - 0.75%; expected life - 1 year; expected volatility – 135% and expected dividends – nil. The $1,306,881 was subsequently reversed in the fourth quarter of 2019 as management determined that per the residual value method the value of the warrants is $nil. The income in the fourth quarter of 2019 also included gains on the write-off of certain accounts payable. The increased loss in the third quarter of 2019 related to share-based payments expense of $304,930 associated with the fair value of incentive stock options granted and vested during the period.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED AUGUST 31, 2020 AND 2019

The following is an analysis of the Company's operating results for the three months ended August 31, 2020 and includes a comparison against the three months ended August 31, 2019.

Loss and comprehensive loss for the three months ended August 31, 2020 amounted to ($21,620) or ($0.00) per share (basic and diluted), (2019 – $(21,236) or ($0.00) loss per share (basic and diluted), respectively) based on a weighted average number of shares outstanding of 14,004,287 common shares (2019 – 14,004,287 common shares).

Audit and accounting expenses for the three months ended August 31, 2020 were $15,000 compared to $15,000 for the same period in the previous year. These fees relate to the accounting services utilized by the Company to maintain its books and records.

Administration and bank charges for the three months ended August 31, 2020 were $580 compared to $32 for the same period in the previous year. Theses charges were incurred for maintenance of the Company's bank accounts.

Consulting fees for the three months ended August 31, 2020 were $1,000 compared to $nil for the same period in the previous year. The charges in this period were incurred as part of the Company's ongoing efforts to investigate new business opportunities.

Legal fees for the three months ended August 31, 2020 were $Nil compared to $605 for the three months ended August 31, 2019.

Rent expense for the three months ended August 31, 2020 was $3,000 compared to $3,000 for the same period in the previous year. The rent charge is part of a rental agreement that began in August 2018 and is for the administrative head office of the Company.

Transfer agent and filing fees for the three months ended August 31, 2020 were $2,040 compared to $2,599 for the same period in the previous year.

SHARE CAPITAL

Authorized:

Unlimited common shares without par value.

Issued and outstanding:

As of May 31, 2019, May 31, 2020, August 31, 2020, and the date of this MD&A, the Company has 14,004,287 common shares issued and outstanding.

Stock Options:

The Company has established a stock option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants to a maximum of 10% of the Company's issued and outstanding common shares. These options may be granted for a maximum term of ten years from the date of grant and vest as determined by the board of directors.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, as at May 31, 2019 and 2020, August 31, 2020, and the date of this MD&A	**1,400,000**	**$0.25**

As at August 31, 2020 and the date of this MD&A, stock options outstanding and exercisable are as follows:

Grant Date	Number of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (years)
December 3, 2018	**1,400,000**	$0.25	December 3, 2023	3.26
Total	**1,400,000**	**$0.25**		**3.26**

Warrants:

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted Average Exercise price	Expiry Date
Balance, as at May 31, 2019	**12,000,000**	**$0.07**	**October 2, 2019**
Expired	(12,000,000)	$0.07	October 2, 2019
Balance, as at May 31, 2020, August 31, 2020, and the date of this MD&A	**-**	**-**	

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $636 at August 31, 2020 as compared to working capital of $22,256 as at May 31, 2020. At August 31, 2020, the Company had cash in the amount of $21,677, as compared to $61,435 at May 31, 2020.

To date, the Company has financed its activities by selling its common shares through private placements, advances from shareholders, and option payments received on property it optioned to a third party.

The Company has no operating revenues and finances its operations principally through equity financing. In these uncertain times, the Company carefully monitors its expenditure and cash flows. The Company anticipates that it will continue to rely on the equity market to raise additional funds when needed. The Company has no current plans to use debt financing.

The Company currently has no established credit lines with chartered banks or other financial institutions.

As at the date of this MD&A, there were no capital lease obligations or purchase obligations.

A summary of the Company's cash flows during the three months ended August 31, 2020 and the comparative period ended August 31, 2019 is as follows:

		2020		2019
Cash flows used in operating activities	**$**	**(39,758)**	$	(43,898)
Change in cash for the period		**(39,758)**		(43,898)
Cash, beginning of the period		**61,435**		162,715
Cash, end of the period	**$**	**21,677**	$	118,817

Cash flows used in operating activities were $39,758 for the three months ended August 31, 2020 compared to $43,898 during the three months ended August 31, 2019. The $39,758 was used for administrative and public company reporting expenditures.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties. The following discussion summarizes certain risk factors that apply to the Company's business. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also materially adversely affect the business, financial condition and results of operations, or the trading price of the Company's common shares if any such risks actually occur.

An investment in the Company's common shares should be considered highly speculative due to the nature of the Company's existing business and operations.

The Company depends on the business and technical expertise of its management team.

The Company is dependent on the business and technical expertise of its management team. If it is unable to rely on this business and technical expertise, or if any of the expertise is inadequately performed, the business, financial condition and results of operations of the Company could be materially adversely affected until such time as the expertise could be replaced.

The Company's share price is expected to be volatile.

Securities of micro- and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies involved. These factors include macroeconomic development globally and market perceptions of the attractiveness of particular industries and location of the assets. The Company's share price is expected to be volatile and will be affected by the Company's financial conditions or results of operations as reflected in its liquidity position and earnings reports.

Other factors unrelated to the Company's operations and performance that may have an affect on the price of the Company's shares include: the lessening in trading volume and general market interest in the

Company's securities may affect an investor's ability to trade significant numbers of shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the Company's securities to be delisted further reducing market liquidity.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

The Company's functional currency is the CAD. Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates.

The Company believes it is not subject to significant currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in short-term deposit certificates issued by its banking institution. Due to the short-term nature of these financial instruments, fluctuations in interest rates do not have a significant impact on their fair values as at August 31, 2020 and May 31, 2020.

(iii) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Credit risk is the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company is exposed to credit risk with respect to its cash position and receivables. The Company's cash is held in a major Canadian financial institution which is considered to have high creditability. The Company's receivable is from a government agency thus the collection is considered assured. The Company believes it has no significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet its obligations. The Company's approach to managing liquidity risk is to ensure that it will have sufficient funds to meet liabilities when due. As at August 31, 2020, the Company had a cash balance of $21,677 (May 31, 2020 - $61,435) to settle liabilities of $23,160 (May 31, 2020 - $40,246) (see "Proposed Transaction" for details on the Company's transaction with Osisko Gold Royalties Ltd and private placement offering). As such, management believes that the Company likely has sufficient liquidity to meet its operational requirements for the next fiscal year; and therefore, the Company has sufficient resources for the next 12 months. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Consequently, the Company is not exposed to liquidity risk as at August 31, 2020.

Fair Value

As at August 31, 2020 and May 31, 2020, the Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Cash and receivables are classified as amortized cost. Accounts payable and accrued liabilities are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board and corporate officers.

As of August 31, 2020, $nil was due to related parties (May 31, 2020 - $nil).

During the three months ended August 31, 2020, $nil (2019 -$Nil) was recorded as compensation costs for key management personnel.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into off-balance sheet arrangements. The Company does not have any outstanding derivative financial instruments, forward contracts, foreign exchange contracts or off-balance sheet guarantees.

CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Uncertainty about these estimates, assumptions and judgments could result in outcomes that could require a material adjustment to the carrying amount of assets or liabilities in future years. Information about critical accounting estimates, assumptions and judgments are detailed in Note 2 (c) of the May 31, 2020 audited financial statements.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

APPENDIX "H"
FINANCIAL STATEMENTS OF THE CONTRIBUTED OSISKO ASSETS

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Unaudited Condensed Combined Carve-out Interim Financial Statements

For the three and nine months ended September 30, 2020

The Mining Activities of Osisko Gold Royalties Ltd

Combined Carve-out Interim Balance Sheets
As at September 30, 2020 and December 31, 2019
(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	Notes	September 30, 2020 $	December 31, 2019 $
Assets			
Current assets			
Cash		3,653	8,006
Amounts receivable		4,188	1,872
Inventories	4	10,269	1,656
Other assets		2,201	6,709
		20,311	18,243
Non-current assets			
Investments in associates	5	12,161	14,284
Other investments	6	92,461	44,073
Mining interests and plant and equipment	4,7	378,046	277,708
Exploration and evaluation		43,150	42,949
Inventories	4	18,723	-
Other assets	4	6,927	-
		571,779	397,257
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	4	22,699	12,005
Environmental rehabilitation provision	4	3,776	493
		26,475	12,498
Non-current liabilities			
Environmental rehabilitation provision	4	31,231	20,034
Deferred income taxes		15,511	9,711
		73,217	42,243
Equity			
Net parent company investment		490,836	374,118
Accumulated other comprehensive income (loss)		7,726	(19,104)
		498,562	355,014
		571,779	397,257

The notes are an integral part of these unaudited condensed combined carve-out interim financial statements.

The Mining Activities of Osisko Gold Royalties Ltd

Combined Carve-out Interim Statements of Income (Loss)
For the three and nine months ended September 30, 2020 and 2019
(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2020	2019	2020	2019
		$	$	$	$
Operating expenses					
Compensation		862	316	2,000	929
General and administrative		289	4	1,320	7
Exploration and evaluation, net of tax credits		32	44	108	126
Operating loss		**1,183**	**364**	**3,428**	**1,062**
Interest income		(294)	(7)	(297)	(21)
Accretion expense		-	-	1,002	-
Share of loss of associates		209	2,646	1,598	1,834
Other (gains) losses, net	8	(852)	12,289	(5,862)	12,464
Loss (earnings) before income taxes		**246**	**15,292**	**(131)**	**15,339**
Income tax (recovery) expense		(1)	(1,384)	432	(1,775)
Net loss		245	13,908	301	13,564

The notes are an integral part of these unaudited condensed combined carve-out interim financial statements.

The Mining Activities of Osisko Gold Royalties Ltd

Combined Carve-out Interim Statements of Comprehensive Income (Loss)
For the three and nine months ended September 30, 2020 and 2019
(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Net loss	(245)	(13,908)	(301)	(13,564)
Other comprehensive income (loss)				
Items that will not be reclassified to the combined carve-out statements of income (loss)				
Changes in fair value of financial assets at fair value through comprehensive income	11,954	145	32,223	2,027
Income tax effect	(1,640)	(205)	(4,866)	(575)
Share of other comprehensive loss of associate	(32)	-	(32)	-
Other comprehensive income (loss)	10,282	(60)	27,325	1,452
Comprehensive income (loss)	10,037	(13,968)	27,024	(12,112)

The Mining Activities of Osisko Gold Royalties Ltd

Combined Carve-out Interim Statements of Cash Flows
For the nine months ended September 30, 2020 and 2019
(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	Notes	2020 $	2019 $
Operating activities			
Net loss		(301)	(13,564)
Adjustments for:			
Share-based compensation		529	458
Amortization		210	-
Accretion expense		1,002	-
Share of loss of associates		1,598	1,834
Net gain on acquisition of investments		(3,539)	(173)
Change in fair value of financial assets at fair value through profit and loss		(960)	757
Net loss on disposal of investments		(1,226)	(602)
Impairment of an investment in an associate		-	12,500
Deferred income tax expense (recovery)		432	(1,775)
Other		-	(18)
Net cash flows used in operating activities before changes in non-cash working capital items		(2,255)	(583)
Changes in non-cash working capital items	9	(2,264)	9
Net cash flows used in operating activities		(4,519)	(574)
Investing activities			
Mining assets and plant and equipment		(42,347)	-
Exploration and evaluation (expenses) tax credits, net		(202)	93
Restricted cash		4,762	-
Net cash flows (used in) provided by investing activities		(37,787)	93
Financing activities			
Advances/investments from (reimbursed to) parent company, net		38,474	(91)
Other		(521)	-
Net cash flows provided by (used in) financing activities		37,953	(91)
Decrease in cash		(4,353)	(572)
Cash – beginning of period		8,006	1,267
Cash – end of period		3,653	695

Additional information related to the combined carve-out interim statements of cash flows is presented in Note 8.

The Mining Activities of Osisko Gold Royalties Ltd

Combined Carve-out Interim Statements of Changes in Equity
For the nine months ended September 30, 2020 and 2019
(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	Net parent company investment	Accumulated other comprehensive loss[(i)]	Total
	$	$	$
Balance - January 1, 2020	374,118	(19,104)	355,014
Net loss	(301)	-	(301)
Other comprehensive income	-	27,325	27,325
Comprehensive (loss) income	(301)	27,325	27,024
Net parent company investment	116,524	-	116,524
Transfer of realized gain on financial assets at fair value through other comprehensive income	495	(495)	-
Balance – September 30, 2020	490,836	7,726	498,562

	Net parent company investment	Accumulated other comprehensive loss[(i)]	Total
	$	$	$
Balance - January 1, 2019	247,455	(26,498)	220,957
Net income	(13,564)	-	(13,564)
Other comprehensive income	-	1,452	1,452
Comprehensive income	(13,564)	1,452	(12,112)
Net parent company investment	34,912	-	34,912
Transfer of realized gain on financial assets at fair value through other comprehensive income	-	-	-
Balance – September 30, 2019	268,803	(25,046)	243,757

(i) As at September 30, 2020 and 2019, the accumulated other comprehensive loss comprises items that will not be recycled to the combined carve-out interim statement of loss.

1. Basis of presentation

These condensed combined carve-out interim financial statements have been prepared by the management of Osisko Gold Royalties Ltd ("Osisko") in connection with the October 5, 2020 agreement for the proposed sale of a portfolio of mining assets and investments in mining assets owned by Osisko to Barolo Ventures Corp. ("Barolo") in exchange for common shares of Barolo as consideration (the "Arrangement"), which will result in a "Reverse Take-Over" of Barolo (the "RTO") under the policies of the TSX Venture Exchange. References to Osisko Development Corp. ("Osisko Development") is to Barolo after the closing of the RTO, as Barolo will change its name to Osisko Development Corp.

Through the Arrangement, Barolo will indirectly acquire, among other things, the following assets from Osisko (referred to herein as the "Osisko Contributed Assets"):

- Cariboo gold project;
- Portfolio of investments in equity securities of exploration and evaluation publicly traded corporations;
- San Antonio gold project (acquired by Osisko in August 2020);
- James Bay exploration properties (including the Coulon property); and
- Guerrero exploration properties.

Osisko (or its subsidiaries) will retain the following royalty or stream interests in the assets transferred to Barolo:

- 5% net smelter return ("NSR") royalty on the Cariboo gold project and Bonanza Ledge II gold project;
- 15% gold and silver stream on the San Antonio gold project;
- 3.0% NSR royalty on the James Bay and Guerrero exploration properties (including the Coulon property).

The Arrangement is expected to close in the fourth quarter of 2020.

These condensed combined carve-out interim financial statements reflect the activities, assets and liabilities of the Osisko Contributed Assets (the "Business") in connection with the Arrangement on a "carve-out" basis, rather than representing the actual legal structure. For all periods presented in these combined carve-out financial statements, the economic activities related to the Osisko Contributed Assets are presented on a combined basis as at the dates and for the periods when they were under common control. The combined carve-out interim financial statements have been prepared for the purpose of presenting the financial position, results of operations and cash flows of the Osisko Contributed Assets on a stand-alone basis. The combined carve-out interim financial statements have been extracted from historical accounting records of Osisko with estimates used, when necessary, for certain allocations.

- The combined carve-out balance sheets reflect the assets and liabilities recorded by Osisko which have been assigned to the Business on the basis that they are specifically identifiable and attributable to the Business;

- The combined carve-out statements of loss and comprehensive loss include a pro-rata allocation of Osisko's income and expenses based on specifically identifiable activities attributable to the Business; and

- Income taxes have been calculated as if the Business had been a separate legal entity and had filed separate tax returns for the periods presented.

The Net parent company investment represents the cumulative net contributions by Osisko to the Business for purposes of investment in the Business' assets and amounts incurred by Osisko for operating expenses and the net cash flows of the Business from the purchase and sale of investments and investments in mining assets, plant and equipment and exploration and evaluation assets.

The condensed combined carve-out interim financial statements may not be indicative of the Business' future performance and they do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Business operated as an independent entity and had it presented stand-alone financial statements for the three and nine months ended September 30, 2020 and 2019.

The Board of Directors of Osisko approved the condensed combined carve-out interim financial statements on November ●, 2020.

2. Statement of compliance

These unaudited condensed combined carve-out interim financial statements have been prepared in accordance with the *International Financial Reporting Standards* ("IFRS") as issued by the *International Accounting Standards Board* ("IASB") applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*. The condensed combined carve-out interim financial statements should be read in conjunction with the Business' audited combined carve-out financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these combined condensed carve-out interim financial statements are consistent with those of the previous financial year, except as otherwise disclosed in Note 3.

Uncertainty due to COVID-19

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Business' operations, financial results and condition in future periods are also subject to significant uncertainty, including potential restrictions on exploration and development sites access and supply chains disruptions that could delay the exploration and development plans of the main assets of the Business. In the current environment, the assumptions and judgements made by the Business are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Business' valuation of its long-term assets, including the assessment for impairment and impairment reversal.

3. New accounting standard

Amendments to IAS 1 *Presentation of Financial Statements*

The IASB has made amendments to IAS 1 *Presentation of Financial Statements* which use a consistent definition of materiality throughout IFRS and the *Conceptual Framework for Financial Reporting*, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole. The Business adopted these amendments to IAS 1 on January 1, 2020, which did not have a significant impact on the condensed combined carve-out interim financial statements disclosures.

4. Acquisition of the San Antonio gold project

In August 2020, Osisko acquired the San Antonio gold project in the state of Sonora in Mexico for US$42.0 million. An amount of US$30.0 million was paid in cash by Osisko and the remaining US$12.0 million was paid through the issuance of common shares of Osisko. A total of 1,011,374 Osisko common shares were issued and valued at $15.8 million, based on the closing price of Osisko's common shares on the transaction date. For purposes of these condensed combined carve-out interim financial statements, the consideration paid by Osisko is considered as an equity contribution in the Business by the parent company. Transaction costs amounted to $5.9 million.

In accordance with IFRS 3 *Business Combinations*, the transaction has been recorded as an acquisition of assets as the acquired assets and assumed liabilities did not meet the definition of a business.

The total purchase price of $68.1 million was allocated to the assets acquired and the liabilities assumed based on the relative fair value at the closing date of the transaction. All financial assets acquired and financial liabilities assumed were recorded at fair value.

The purchase price was calculated as follows:

Consideration paid	**$**
Issuance of 1,011,374 Osisko common shares	15,846
Cash consideration paid by Osisko	40,015
Value-added tax paid on acquisition of assets	6,328
Transaction costs	5,865
	68,054

Net assets acquired	**$**
Inventories	8,584
Inventories – non-current [(1)]	18,723
Other non-current assets	6,328
Mining interests and plant and equipment	55,089
Accounts payable and accrued liabilities	(11,369)
Provision and other liabilities	(9,301)
	68,054

(1) The inventory balance associated with the ore that is not expected to be processed within 12 months is classified as non-current and is recorded in the other assets line item on the combined carve-out interim balance sheet.

5. Investments in associates

	Nine months ended September 30, 2020	Year ended December 31, 2019
	$	$
Balance – Beginning of period	14,284	125,871
Acquisitions	972	8,455
Share of loss and other comprehensive loss, net	(1,632)	(4,259)
Net (loss) gain on ownership dilution	-	104
Deemed disposal	-	(77,123)
Gain (loss) on deemed disposals	1,226	(23,654)
Impairment	-	(12,500)
Transfers to other investments (Note 6)	(2,689)	(4,430)
Others	-	1,820
Balance – End of period	12,161	14,284

6. Other investments

	Nine months ended September 30, 2020	Year ended December 31, 2019
	$	$
Fair value through profit or loss (warrants)		
Balance – Beginning of period	529	1,449
Acquisitions	768	105
Change in fair value	960	(437)
Deemed disposal	-	(588)
Balance – End of period	2,257	529
Fair value through other comprehensive income (shares)		
Balance – Beginning of period	43,544	24,361
Acquisitions	11,747	5,826
Transfer from associates (Note 5)	2,689	4,430
Change in fair value	32,224	9,148
Disposals	-	(221)
Balance – End of period	90,204	43,544
Total	92,461	44,073

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

7. Mining interests and plant and equipment

	Nine months ended September 30, 2020			Year ended December 31, 2019		
	Mining Interests[i]	Plant and equipment	Total	Mining Interests[i]	Plant and equipment	Total
	$	$	$	$	$	$
Net book value – Beginning of period	263,938	13,770	277,708	-	-	-
Acquisition of the San Antonio gold Project[ii] (Note 4)	53,759	1,330	55,089	-	-	-
Acquisition of Barkerville Gold Mines Ltd.	-	-	-	247,054	13,968	261,022
Additions	43,319	244	43,563	16,654	47	16,701
Investment tax credits	(2,735)	-	(2,735)	-	-	-
Environmental rehabilitation costs	4,176	-	4,176	-	-	-
Depreciation	-	(3,260)	(3,260)	-	(245)	(245)
Depreciation capitalized	3,034	-	3,034	230	-	230
Share-based compensation capitalized	471	-	471	-	-	-
Net book value – End of period	365,962	12,084	378,046	263,938	13,770	277,708
Closing balance						
Cost	365,962	15,589	381,551	263,938	14,015	277,953
Accumulated depreciation	-	(3,505)	(3,505)	-	(245)	(245)
Net book value	365,962	12,084	378,046	263,938	13,770	277,708

(i) As at September 30, 2020, Osisko held a 4% NSR royalty on the Cariboo gold project and Bonanza Ledge II gold project acquired from Barkerville in 2019. In November 2020, Osisko acquired an additional 1% NSR royalty on these properties for a total 5% NSR royalty.
(ii) In November 2020, Osisko acquired a 15% gold and silver stream (with ongoing per-ounce payments equal to 15% of the prevailing price of gold and silver, as applicable) on the San Antonio gold project.

8. Additional information on the condensed combined carve-out interim statements of loss

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	$	$	$	$
Other gains (losses), net				
Change in fair value of financial assets at fair value through profit and loss	261	108	960	(757)
Net gain on acquisition of investments [i]	588	85	3,539	173
Net gain on disposal of investments	-	-	1,226	602
Impairment of an investment in an associate	-	(12,500)	-	(12,500)
Other	3	18	137	18
	852	(12,289)	5,862	(12,464)

(i) Represents changes in the fair value of the underlying investments between the respective subscription dates and the closing dates.

9. Additional information on the condensed combined carve-out interim statements of cash flows

	Nine months ended September 30,	
	2020	**2019**
	$	**$**
Changes in non-cash working capital items		
Decrease in accounts receivable	419	6
Increase in inventories	(29)	
Increase in other current assets	(784)	-
(Decrease) increase in accounts payable and accrued liabilities	(1,870)	3
	(2,264)	9
Tax credits receivable related to exploration and evaluation assets		
Beginning of period	938	281
End of period	3,673	-

10. Fair value of financial instruments

The following table provides information about financial assets measured at fair value in the combined carve-out balance sheets and categorized by level according to the significance of the inputs used in making the measurements.

Level 1– Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2– Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
Level 3– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	September 30, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Recurring measurements				
Financial assets at fair value through profit or loss[(i)]				
Warrants on equity securities				
Publicly traded mining exploration and development companies				
Precious metals	-	-	1,409	1,409
Other minerals	-	-	848	848
Financial assets at fair value through other comprehensive income[(i)]				
Equity securities				
Publicly traded mining exploration and development companies				
Precious metals	81,390	-	-	81,390
Other minerals	8,813	-	-	8,813
	90,203	-	2,257	92,460

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

	December 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Recurring measurements				
Financial assets at fair value through profit or loss[(i)]				
Warrants on equity securities				
Publicly traded mining exploration and development companies				
Precious metals	-	-	408	408
Other minerals	-	-	101	101
Financial assets at fair value through other comprehensive income (loss)[(i)]				
Equity securities				
Publicly traded mining exploration and development companies				
Precious metals	34,430	-	-	34,430
Other minerals	9,114	-	-	9,114
	43,544	-	509	44,053

(i) On the basis of its analysis of the nature, characteristics and risks of equity securities, the Business has determined that presenting them by industry and type of investment is appropriate.

During the three and nine months ended September 30, 2020 and 2019, there were no transfers among Level 1, Level 2 and Level 3.

The following table presents the changes in the Level 3 investments (warrants) for the nine months ended September 30, 2020 and 2019:

	2020	**2019**
	$	**$**
Balance – January 1	529	1,449
Acquisitions	768	-
Change in fair value - held at the end of the period[(i)]	960	(823)
Balance – September 30	2,257	626

(i) Recognized in the condensed combined carve-out interim statements of loss under other gains (losses), net.

Determination of the fair value of financial instruments

For a description of the valuation techniques and the data used to determine the fair value of the main financial instruments, refer to Note 6 “Significant accounting policies” of the audited combined carve-out financial statements for the year ended December 31, 2019. No material changes were made to our techniques for measuring fair value as at September 30, 2020. The Business has controls and procedures in place to ensure that the valuation of financial instruments is appropriate and reliable.

11. Segment disclosure

The operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer ("CEO") of Osisko who fulfills the role of the chief operating decision-maker. The CEO is responsible for allocating resources and assessing performance of the Business' operating segments. The Business manages its business under one single operating segment, which is the exploration, evaluation and development of mining projects.

12. Subsequent event

Arrangement

Concurrent with the Arrangement described in Note 1, Barolo had entered into an engagement letter with Canaccord Genuity Corp. and National Bank Financial Inc., on behalf of a syndicate of underwriters (collectively, the "Underwriters"), pursuant to which the Underwriters had agreed to buy, on a "bought deal" private placement basis, 13,350,000 subscription receipts of Barolo (the "Subscription Receipts") at a subscription price of $7.50 per Subscription Receipt (the "Issue Price") for gross proceeds of approximately $100 million (the "Financing"). Each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, on or about the date that the Arrangement is completed, one common share of Osisko Development after giving effect to a 60:1 consolidation of the common shares of Barolo (each, an "Osisko Development Share") and one-half-of-one warrant to purchase an Osisko Development Share (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Osisko Development Share for $10.00 for an 18-month period following the closing of the Arrangement.

The Financing was completed on October 29, 2020 and the gross proceeds of the Financing have been deposited with the TSX Trust Company, as escrow agent, and will be released upon the satisfaction of the escrow release conditions (if at all), including the satisfaction or waiver of the conditions to closing the RTO and conditional approval of the TSX Venture Exchange to list the Osisko Development shares issuable under the RTO and Financing, and certain other customary conditions (collectively, the "Escrow Release Conditions"). In the event that the Escrow Release Conditions are not satisfied on or prior to January 31, 2021, being the deadline to satisfy the Escrow Release Conditions, then the proceeds will be returned to the holders of the Subscription Receipts and the Subscription Receipts shall be cancelled.

The Mining Activities of Osisko Gold Royalties Ltd

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Combined Carve-out
Financial Statements

For the years
ended
December 31, 2019 and 2018

Independent auditor's report

To the Board of Directors of Osisko Gold Royalties Ltd

Our opinion

In our opinion, the accompanying combined carve-out financial statements present fairly, in all material respects, the financial position of The Mining Activities of Osisko Gold Royalties Ltd (the Business) as at December 31, 2019 and 2018, 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).

What we have audited
The combined carve-out financial statements comprise:

- the combined carve-out balance sheets as at December 31, 2019 and 2018;
- the combined carve-out statements of loss for the years then ended;
- the combined carve-out statements of comprehensive loss for the years then ended;
- the combined carve-out statements of cash flows for the years then ended;
- the combined carve-out statements of changes in equity for the years then ended; and
- the notes to the combined carve-out financial statements, which include a summary of significant accounting policies.

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 combined carve-out 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 Business in accordance with the ethical requirements that are relevant to our audit of the combined carve-out financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Emphasis of matter – combined carve-out financial statements

We draw attention to the fact that, as described in note 1 to the combined carve-out financial statements, the Business has not operated as a separate entity. These combined carve-out financial statements are, therefore, not necessarily indicative of results that would have occurred if the Business had been a separate stand-alone entity during the years ended December 31, 2019 and 2018 presented or of future results of it.

The combined carve-out financial statements are prepared by the management of Osisko Gold Royalties Ltd for the purpose of regulatory filings with the Toronto Venture Exchange. As a result, the combined carve-out financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of matter – financing

We draw attention to note 21 in the combined carve-out financial statements, which describes a financing transaction that is expected to close concurrently with the acquisition of the Business by Barolo Ventures Corp. Our opinion is not modified in respect of this matter.

Other information

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

Our opinion on the combined carve-out 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 combined carve-out 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 combined carve-out 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 combined carve-out financial statements

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



In preparing the combined carve-out financial statements, management is responsible for assessing the Business'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 Business or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the combined carve-out financial statements

Our objectives are to obtain reasonable assurance about whether the combined carve-out 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 combined carve-out 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 combined carve-out 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 Business'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 Business'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 combined carve-out 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 Business to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined carve-out financial statements, including the disclosures, and whether the combined carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the combined carve-out financial statements of the entities or business activities within the Business to express an opinion on the combined carve-out financial statements. We are responsible for the direction, supervision and performance of the 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.

PricewaterhouseCoopers LLP[1]

Montréal, Quebec
November 19, 2020

[1] CPA auditor, CA, public accountancy permit No. A123475

The Mining Activities of Osisko Gold Royalties Ltd

Combined Carve-out Balance Sheets

As at December 31, 2019 and 2018

(tabular amounts expressed in thousands of Canadian dollars)

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash		8,006	1,267
Amounts receivable		1,872	293
Inventories		1,656	-
Other assets	13	6,709	109
		18,243	1,669
Non-current assets			
Investments in associates	8	14,284	125,871
Other investments	9	44,073	25,810
Mining interests and plant and equipment	10	277,708	-
Exploration and evaluation	11	42,949	95,002
		397,257	248,352
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	12,005	83
Environmental rehabilitation provision	13	493	-
		12,498	83
Non-current liabilities			
Environmental rehabilitation provision	13	20,034	-
Deferred income taxes	14	9,711	27,312
		42,243	27,395
Equity			
Net parent company investment		374,118	247,455
Accumulated other comprehensive loss		(19,104)	(26,498)
		355,014	220,957
		397,257	248,352

The notes are an integral part of these combined carve-out financial statements.

The Mining Activities of Osisko Gold Royalties Ltd

Combined Carve-out Statements of Loss

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in thousands of Canadian dollars)

	Notes	2019 $	2018 $
Operating expenses			
Compensation	15	3,374	978
General and administrative	15	292	23
Exploration and evaluation, net of tax credits	15	178	170
Impairment of assets	11,15	49,985	7,344
Operating loss		**53,829**	**8,515**
Interest income		(63)	(120)
Share of loss of associates	8	4,259	2,829
Other losses, net	15	36,333	576
Loss before income taxes		**94,358**	**11,800**
Income tax recovery	14	(18,656)	(2,026)
Net loss		**75,702**	**9,774**

The notes are an integral part of these combined carve-out financial statements.

The Mining Activities of Osisko Gold Royalties Ltd

Combined Carve-out Statements of Comprehensive Loss
For the years ended December 31, 2019 and 2018
(tabular amounts expressed in thousands of Canadian dollars)

	2019 $	2018 $
Net loss	**(75,702)**	**(9,774)**
Other comprehensive income (loss)		
Items that will not be reclassified to the combined carve-out consolidated statements of loss		
Changes in fair value of financial assets at fair value through comprehensive income	9,147	(23,917)
Income tax effect	(1,718)	1,127
Share of other comprehensive income of associates	-	897
Other comprehensive income (loss)	**7,429**	**(21,893)**
Comprehensive loss	**(68,273)**	**(31,667)**

The notes are an integral part of these combined carve-out financial statements.

The Mining Activities of Osisko Gold Royalties Ltd

Combined Carve-out Statement of Cash Flows
For the years ended December 31, 2019 and 2018

(tabular amounts expressed in thousands of Canadian dollars)

	Notes	2019 $	2018 $
Operating activities			
Net loss		(75,702)	(9,774)
Adjustments for:			
Share-based compensation		610	365
Impairment of assets	11	49,985	7,344
Impairment of an investment in associate	8	12,500	-
Share of loss of associates		4,259	2,829
Net gain on acquisition of investments		(154)	(1,528)
Net loss on disposal of investments	8	23,654	-
Net (gain) loss on dilution of investments in associates		(104)	778
Change in fair value of financial assets at fair value through profit and loss		437	1,326
Deferred income tax recovery		(18,656)	(2,026)
Others		7	-
Net cash flows used in operating activities before changes in non-cash working capital items		(3,164)	(686)
Changes in non-cash working capital items	17	(5,271)	156
Net cash flows used in operating activities		(8,435)	(530)
Investing activities			
Cash acquired through the acquisition of Barkerville	7	8,312	-
Mining interests and plant and equipment		(5,713)	-
Exploration and evaluation tax credits, net of expenses		168	2,153
Net cash flows provided by investing activities		2,767	2,153
Financing activities			
Investments from (reimbursed to) parent company, net		12,407	(6,129)
Net cash flows provided by (used in) financing activities		12,407	(6,129)
Increase (decrease) in cash		6,739	(4,506)
Cash – beginning of year		1,267	5,773
Cash – end of year		8,006	1,267

Additional information related to the combined carve-out statements of cash flows is presented in Note 17.

The notes are an integral part of these combined carve-out financial statements.

Osisko Gold Royalties Ltd

Combined Carve-out Statement of Changes in Equity
For the years ended December 31, 2019 and 2018

(tabular amounts expressed in thousands of Canadian dollars)

	Net parent company investment	Accumulated other comprehensive loss[(i)]	Total
	$	$	$
Balance - January 1, 2019	247,455	(26,498)	220,957
Net loss	(75,702)	-	(75,702)
Other comprehensive income	-	7,429	7,429
Comprehensive (loss) income	(75,702)	7,429	(68,273)
Net parent company investment	202,330	-	202,330
Transfer of realized gain on financial assets at fair value through other comprehensive income	35	(35)	-
Balance – December 31, 2019	374,118	(19,104)	355,014

	Net parent company investment	Accumulated other comprehensive loss[(i)]	Total
	$	$	$
Balance - January 1, 2018	268,793	(4,526)	264,267
Net loss	(9,774)	-	(9,774)
Other comprehensive loss	-	(21,893)	(21,893)
Comprehensive loss	(9,774)	(21,893)	(31,667)
Net parent company investment	(11,643)	-	(11,643)
Transfer of realized gain on financial assets at fair value through other comprehensive income	79	(79)	-
Balance – December 31, 2018	247,455	(26,498)	220,957

(i) As at December 31, 2019 and 2018, the accumulated other comprehensive loss comprises items that will not be recycled to the combined carve-out statement of loss.

The notes are an integral part of these combined carve-out financial statements.

1. Basis of presentation

These combined carve-out financial statements have been prepared by the management of Osisko Gold Royalties Ltd ("Osisko") in connection with the October 5, 2020 agreement for the proposed sale of a portfolio of mining assets and investments in mining assets owned by Osisko to Barolo Ventures Corp. ("Barolo") in exchange for common shares of Barolo as consideration (the "Arrangement"), which will result in a "Reverse Take-Over" of Barolo (the "RTO") under the policies of the TSX Venture Exchange. References to Osisko Development Corp. ("Osisko Development") is to Barolo after the closing of the RTO, as Barolo will change its name to Osisko Development Corp.

Through the Arrangement, Barolo will indirectly acquire, among other things, the following assets from Osisko (referred to herein as the "Osisko Contributed Assets"):

- Cariboo gold project;
- Portfolio of investments in equity securities of exploration and evaluation publicly traded corporations;
- San Antonio gold project (acquired by Osisko in August 2020);
- James Bay exploration properties (including the Coulon property); and
- Guerrero exploration properties.

Osisko (or its subsidiaries) will retain the following royalty or stream interests in the assets transferred to Barolo:

- 5% net smelter return ("NSR") royalty on the Cariboo gold project and Bonanza Ledge II gold project;
- 15% gold and silver stream on the San Antonio gold project;
- 3.0% NSR royalty on the James Bay and Guerrero exploration properties (including the Coulon property).

The Arrangement is expected to close in the fourth quarter of 2020.

These combined carve-out financial statements reflect the activities, assets and liabilities of the Osisko Contributed Assets (the "Business") in connection with the Arrangement on a "carve-out" basis, rather than representing the actual legal structure. For all periods presented in these combined carve-out financial statements, the economic activities related to the Osisko Contributed Assets are presented on a combined basis as at the dates and for the periods when they were under common control. The combined carve-out financial statements of have been prepared for the purpose of presenting the financial position, results of operations and cash flows of the Osisko Contributed Assets on a stand-alone basis. The combined carve-out financial statements have been extracted from historical accounting records of Osisko with estimates used, when necessary, for certain allocations.

- The combined carve-out balance sheets reflect the assets and liabilities recorded by Osisko which have been assigned to the Business on the basis that they are specifically identifiable and attributable to the Business;

- The combined carve-out statements of loss and comprehensive loss include a pro-rata allocation of Osisko's income and expenses based on specifically identifiable activities attributable to the Business; and

- Income taxes have been calculated as if the Business had been a separate legal entity and had filed separate tax returns for the periods presented.

The Net parent company investment represents the cumulative net contributions by Osisko to the Business for purposes of investment in the Business' assets and amounts incurred by Osisko for operating expenses and the net cash flows of the Business from the purchase and sale of investments and investments in mining assets, plant and equipment and exploration and evaluation assets.

The combined carve-out financial statements may not be indicative of the Business' future performance and they do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Business operated as an independent entity and had it presented stand-alone financial statements for the years ended December 31, 2018 and 2019.

The Board of Directors of Osisko approved the combined carve-out financial statements on November ●, 2020.

2. Statement of compliance

These combined carve-out financial statements have been prepared in accordance with the *International Financial Reporting Standards* ("IFRS") as issued by the *International Accounting Standards Board* ("IASB") and interpretations issued by the *International Financial Reporting Interpretations Committee* ("IFRIC").

3. New accounting standards

Amendments to IFRS 3 *Business Combinations*

On January 1, 2019, the Business early adopted the amendments issued by the IASB to the guidance in IFRS 3 *Business Combinations*. Under the amendments, the definition of a business is amended and requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term "outputs" is also amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. IFRS 3 also introduces an optional fair value concentration test.

IFRS 16 *Leases*

On January 1, 2019, the Business adopted IFRS 16 *Leases*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, which is the customer ("lessee") and the supplier ("lessor"). IFRS 16 replaces IAS 17 *Leases*, and related interpretations. All leases result in the lessee obtaining the right to use an asset at the start of the lease and incurring a financing obligation corresponding to the lease payments to be made over time. Accordingly, for lessees, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as was required by IAS 17 and, instead, introduces a single lessee accounting model.

Applying that model, a lessee is required to recognize:

i) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
ii) amortization of lease assets separately from interest on lease liabilities in the statement of loss.

Management has reviewed all of the Business' leasing arrangements in light of the requirements of IFRS 16. The standard affects primarily the accounting for the Business' operating leases.

The adoption of IFRS 16 did not have any material impact on the combined carve-out financial statements for the year ended December 31, 2019 as the leases were not material.

IFRIC 23 *Uncertainty over Income Tax Treatments*

On January 1, 2019, the Business adopted IFRIC 23 *Uncertainty over Income Tax Treatments.* IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty, that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored, that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment, that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements. The adoption of IFRIC 23 had no impact on the combined carve-out financial statements for the year ended December 31, 2019.

4. Significant accounting policies

The significant accounting policies applied in the preparation of the combined carve-out financial statements are described below.

a) Basis of measurement

The combined carve-out financial statements are prepared under the historical cost convention, except for the revaluation of certain financial assets at fair value (including derivative instruments).

b) Business combinations

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

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

The results of businesses acquired during the period are included into the combined carve-out financial statements from the date on which control commences (generally at the closing date when the acquirer legally transfers the consideration).

c) Consolidation

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

The principal subsidiaries of the Business and their geographic locations at December 31, 2019 were as follows:

Entity	Jurisdiction
Barkerville Gold Mines Ltd.(i)	British Columbia
Coulon Mines Inc.	Canada
General Partnership Osisko James Bay	Québec

(i) From November 21, 2019 (Note 7).

4. Significant accounting policies *(continued)*

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each combined entity and associate of the Business are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The combined carve-out financial statements are presented in Canadian dollars, which is the functional currency of the Business.

(ii) Transactions and balances

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

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

e) Financial instruments

Financial assets and liabilities are recognized when the Business becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Business has transferred substantially all risks and rewards of ownership.

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

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

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

4. Significant accounting policies *(continued)*

e) Financial instruments (continued)

(i) Financial assets

Equity instruments

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

(ii) Financial liabilities

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

The Business has classified its financial instruments as follows:

Category	**Financial instrument**
Financial assets at amortized cost	Bank balances and cash on hand Reclamation deposits
Financial assets at fair value through profit or loss	Investments in derivatives
Financial assets at fair value through other comprehensive income or loss	Investments in equity instruments, other than in derivatives
Financial liabilities at amortized cost	Accounts payable and accrued liabilities

4. Significant accounting policies *(continued)*

f) Impairment of financial assets

At each reporting date, the Business assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk or if a simplified approach has been selected.

The Business did not have any financial assets subject to the expected credit loss model as at December 31, 2019 and 2018.

Amounts receivable

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

g) Cash

Cash includes cash on hand and deposits held with banks.

h) Refundable tax credits for mining exploration expenses

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

i) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis.

j) Investments in associates

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

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

The Business assesses at each reporting date whether there is any objective evidence that its investments in associates are impaired. If impaired, the carrying value of the Business' share of the underlying assets of associates is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal and value-in-use) and charged to the combined carve-out statement of loss.

4. Significant accounting policies *(continued)*

k) Mining Interests and Property and equipment

Subsequent to completion of a positive economic analysis on a mineral property, capitalized exploration and evaluation assets are transferred into mining interests, or as an item of property and equipment, based on the nature of the underlying asset.

Mining interests and property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset, including the purchase price and/or development/construction costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Business and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced.

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

Furniture and office equipment	3-5 years
Exploration equipment and facilities	3-20 years
Mining plant and equipment (development)	5-20 years

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate. Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of *other losses, net* in the combined carve-out statement of loss.

Proceeds from the sale of a royalty interest on mining interests is recognized as a reduction of the capitalized costs, and any excess would be recognized as a gain on the combined carve-out statement of loss.

l) Exploration and evaluation expenditures

Exploration and evaluation assets are comprised of exploration and evaluation expenditures and mining properties acquisition costs for exploration and evaluation assets. Expenditures incurred on activities that precede exploration and evaluation, being all expenditures incurred prior to securing the legal rights to explore an area, are expensed immediately. Exploration and evaluation assets include rights in mining properties, paid or acquired through a business combination or an acquisition of assets, and costs related to the initial search for mineral deposits with economic potential or to obtain more information about existing mineral deposits. Mining rights are recorded at acquisition cost less accumulated impairment losses. Mining rights and options to acquire undivided interests in mining rights are depreciated only as these properties are put into commercial production.

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

Exploration and evaluation expenditures include the cost of:

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

Exploration and evaluation expenditures include overhead expenses directly attributable to the related activities. Cash flows attributable to capitalized exploration and evaluation costs are classified as investing activities in the combined carve-out statement of cash flows under the heading *exploration and evaluation*.

4. Significant accounting policies *(continued)*

l) Exploration and evaluation expenditures (continued)

Exploration and evaluation assets under a farm-out arrangement (where a farmee incurs certain expenditures in a property to earn an interest in that property) are accounted as follows:

(i) the Business uses the carrying value of the interest before the farm-out arrangement as the carrying value for the portion of the interest retained;
(ii) the Business credits any cash consideration received against the carrying amount of the portion of the interest retained, with an excess included as a gain in profit or loss;
(iii) in the situation where a royalty interest is retained by the Business as a result of an interest earned by the farmee, the Business records the royalty interest received at an amount corresponding to the carrying value of the exploration and evaluation property at the time of the transfer in ownership; and
(iv) the Business does not record exploration expenditures made by the farmee on the property.

Proceeds from the sale of a royalty interest on an exploration and evaluation asset is recognized as a reduction of the capitalized costs, and any excess would be recognized as a gain on the combined carve-out statement of loss.

m) Provision for environmental rehabilitation

Provision for environmental rehabilitation, restructuring costs and legal claims, where applicable, is recognized when:

(i) The Business has a present legal or constructive obligation as a result of past events.
(ii) It is probable that an outflow of resources will be required to settle the obligation.
(iii) The amount can be reliably estimated.

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

Reclamation deposits

Reclamation deposits are term deposits held on behalf of the Government of the Province of British Columbia as collateral for possible rehabilitation activities on the Business' mineral properties in connection with permits required for exploration activities. Reclamation deposits are released once the property is restored to satisfactory condition, or as released under the surety bond agreement. As they are restricted from general use, they are included under other assets on the combined carve-out balance sheet.

n) Current and deferred income tax

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

Current income taxes

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

4. Significant accounting policies *(continued)*

n) Current and deferred income tax (continued)

Deferred income taxes

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

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

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

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

o) Share-based compensation

The officers and employees of the Business are participants in the share-based compensation plans of Osisko, consisting of an option plan and a restricted share units plan. Osisko is the sole responsible for the settlement of exercised options and vested restricted share units and thus, the Business expenses related to these shared-based plans are recognized with a corresponding entry to *Net parent company investment*. These combined carve-out financial statements include allocations of share-based compensation cost relating to share-based plans of Osisko.

Share option plan

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

Restricted share units

Restricted share units ("RSU") may be granted by Osisko as part of the long-term compensation package, entitling the officers and employees to receive a payment in the form of common shares of Osisko, cash (based on Osisko's share price at the relevant time) or a combination of common shares and cash, at the sole discretion of Osisko. The fair value of the RSU to be settled in common shares is measured on the grant date and is recognized over the vesting period.

p) Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer ("CEO") of Osisko who fulfills the role of the chief operating decision-maker. The CEO is responsible for allocating resources and assessing performance of the Business' operating segments. The Business manages its business under one single operating segment, which is the exploration, evaluation and development of mining projects.

5. Accounting standards issued but not yet effective

The Business has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than December 31, 2019. Many of these updates are not expected to have any significant impact on the Business and are therefore not discussed herein.

Amendments to IAS 1 *Presentation of Financial Statements*

The IASB has made amendments to IAS 1 *Presentation of Financial Statements* which use a consistent definition of materiality throughout IFRS and the *Conceptual Framework for Financial Reporting*, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole. The amendments to IAS 1 are effective for financial years beginning on or after January 1, 2020 and will not have a significant impact on the combined carve-out financial statements disclosures.

6. Critical accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Mineral reserves and resources

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

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

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

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

Critical accounting estimates and assumptions (continued)

Impairment of exploration and evaluation assets, mining interests and plant and equipment (continued)

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

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

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

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

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

Provision for environmental rehabilitation

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

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

Critical judgements in applying the Business' accounting policies

Business combinations

The assessment of whether an acquisition meets the definition of a business, or whether assets are acquired is an area of key judgement. In performing this assessment, the Business may apply the optional fair value concentration test under IFRS 3, which requires judgement. The Business must also consider if the acquisition includes an input and a substantive process that together significantly contribute to the ability to create outputs, which also requires judgment. The assumptions and estimates with respect to determining the fair value of assets acquired and liabilities assumed, and exploration and evaluation properties in particular, generally requires a high degree of judgement. Changes in the judgements made could impact the amounts assigned to assets and liabilities.

Investee – significant influence

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

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

Impairment of investments in associates

The Business follows the guidance of IAS 28 *Investments in Associates and Joint Ventures* to assess whether there are impairment indicators which may lead to the recognition of an impairment loss with respect to its net investment in an associate. This determination requires significant judgement in evaluating if a decline in fair value is significant or prolonged, which triggers a formal impairment test. In making this judgement, the Business' management evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its carrying amount, the volatility of the investment and the financial health and business outlook for the investee, including factors such as the current and expected status of the investee's exploration projects and changes in financing cash flows.

Impairment of exploration and evaluation mining assets

Assessment of impairment of exploration and evaluation assets (including exploration and evaluation assets under a farm-out agreement) requires the use of judgements when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Business' exploration and evaluation mining assets. Factors which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or will expire in the near future and is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area, taking into consideration such expenditures to be incurred by a farmee, 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 Business has decided to discontinue such activities in the specific area; sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale; significant negative industry or economic trends; interruptions in exploration and evaluation activities by the Business or its farmee; and a significant drop in current or forecast commodity prices.

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

Deferred income tax assets

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

7. Acquisition of Barkerville Gold Mines Ltd.

On November 21, 2019, Osisko acquired all of the outstanding common shares of Barkerville Gold Mines Ltd. ("Barkerville") that it did not already own at the date of the transaction. For purposes of these combined carve-out financial statements, the consideration paid by Osisko is considered as an equity contribution in the Business by the parent company.

Barkerville is a Canadian exploration and development company focused on the development of its extensive land package located in the historical Cariboo Mining District of central British Columbia, Canada.

For each common share of Barkerville, shareholders received 0.0357 common share of Osisko. All of Barkerville's outstanding common share options have been exchanged for common share options ("Barkerville replacement share options") of Osisko using the same share exchange ratio as for the common shares valued at $1.9 million using the Black-Sholes option pricing model.

A total of 13,560,832 Osisko common shares were issued and valued at $160.6 million, based on the closing price of the Osisko's common shares on the transaction date. A total of 1,005,478 Barkerville replacement share options were issued and valued at $1.9 million, based on the Black-Sholes option pricing model. The fair value of the 10,000,000 Barkerville common share warrants already held by Osisko and cancelled was estimated at $0.6 million, using the Black-Sholes option pricing model. Transaction costs amounted to $1.5 million and cash and cash equivalents acquired amounted to $8.3 million.

Prior to the acquisition date, Osisko held an initial investment of 183,625,585 common shares in Barkerville, which was considered as an investment in an associate, having a net book value of $101.4 million. On November 21, 2019, the date of acquisition of Barkerville, the fair value of the initial investment was $77.1 million and has been included as part of consideration for the transaction, resulting in a loss of $24.3 million recorded in the combined carve-out statement of loss under o*ther losses, net*.

In accordance with the early adoption of the amendments to IFRS 3 *Business Combinations*, the transaction has been recorded as an acquisition of assets as the acquired assets and assumed liabilities did not constitute a business. IFRS 3, as amended, proposes a screening test that determines that a set of activities and assets is not a business if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The total purchase price of $241.7 million was allocated to the assets acquired and the liabilities assumed based on the fair value of the total consideration at the closing date of the transaction. All financial assets acquired and financial liabilities assumed were recorded at fair value.

The purchase price was calculated as follows:

Consideration paid	**$**
Issuance of 13,560,832 Osisko common shares	160,564
Fair value of 183,625,585 Barkerville common shares already held	77,123
Fair value of 1,005,478 Barkerville replacement share options issued	1,912
Fair value of 10,000,000 warrants of Barkerville already held by Osisko and cancelled	589
Transaction costs	1,513
	241,701

Net assets acquired	**$**
Cash and cash equivalents	8,312
Other current assets	4,565
Reclamation deposits	5,361
Plant and equipment	13,968
Mineral properties	247,054
Accounts payable and accrued liabilities	(16,320)
Provision and other liabilities	(21,239)
	241,701

8. Investments in associates

	2019	2018
	$	$
Balance – January 1	125,871	112,436
Acquisitions	8,455	16,145
Share of loss and other comprehensive loss, net	(4,259)	(1,932)
Net gain (loss) on ownership dilution	104	(778)
Deemed disposal (Note 7)	(77,123)	-
Loss on deemed disposals (Note 7)	(23,654)	-
Impairment [(i)]	(12,500)	-
Transfers to other investments (Note 9)	(4,430)	-
Other	1,820	-
Balance – December 31	14,284	125,871

(i) On September 30, 2019, the Business determined that its net investment in Falco Resources Ltd. ("Falco"), an associate of the Business, was impaired. This determination was made considering, 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 share price and the business outlook for the investee, including factors such as the current and expected status of the investee's development projects. The net investment in Falco was written down to its estimated fair value and, therefore, an impairment charge of $12.5 million ($10.8 million, net of income taxes) was recorded.

Material investment (December 31, 2019)

Falco Resources Ltd.

Falco's main asset is the Horne 5 gold project, for which a positive feasibility study was released in October 2017.

As at December 31, 2019, the Business held 41,385,240 common shares (36,031,449 common shares as at December 31, 2018) representing a 19.9% interest in Falco (17.8% as at December 31, 2018). Based on the fact that some officers of the Business are also officers and directors of Falco, and because of other facts and circumstances, the Business concluded that it exercises significant influence over Falco and accounts for its investment using the equity method.

8. Investments in associates *(continued)*

Material investments *(continued)*

	Falco		Barkerville	
	2019[i]	2018[ii]	2019[iii]	2018[ii]
	$	$	$	$
Current assets	2,310	9,209	n/a	32,533
Non-current assets	133,793	132,255	n/a	166,995
Current liabilities	14,123	40,415	n/a	17,196
Non-current liabilities	36,467	9,758	n/a	14,172
Revenues	-	-	-	-
Net (loss) earnings from continuing operations and net income (loss)	(8,589)	(6,713)	(842)	8,907
Other comprehensive income (loss)	-	-	10	(181)
Comprehensive (loss) income	(8,589)	(6,713)	(832)	8,726
Carrying value of investment[iv]	8,858	21,128	n/a	95,695
Fair value of investment[iv]	13,864	10,449	n/a	65,146

(i) Information is for the reconstructed twelve months ended September 30, 2019 and as at September 30, 2019.
(ii) Information is for the reconstructed twelve months ended September 30, 2018 and as at September 30, 2018.
(iii) Information is for the reconstructed twelve months ended September 30, 2019. Following the acquisition of Barkerville on November 21, 2019 (Note 7), Barkerville became a wholly-owned subsidiary of the Business.
(iv) As at December 31, 2019 and 2018.

Investments in immaterial associates

The Business has interests in a number of individually immaterial associates that are accounted for using the equity method. The aggregate financial information on these associates is as follows:

	2019	2018
	$	$
Aggregate amount of the Business' share of net loss	(877)	(1,406)
Aggregate amount of the Business' share of other comprehensive income	-	897
Aggregate carrying value of investments	5,426	9,048
Aggregate fair value of investments	7,302	11,101

9. Other investments

	2019	2018
	$	$
Fair value through profit or loss (warrants)		
Balance – January 1	1,449	-
Acquisitions	105	2,775
Change in fair value	(437)	(1,326)
Deemed disposal (Note 7)	(588)	-
Balance – December 31	529	1,449
Fair value through other comprehensive income (shares)		
Balance – January 1	24,361	41,017
Acquisitions	5,826	8,154
Transfer from associates (Note 8)	4,430	-
Change in fair value	9,148	(23,917)
Disposals	(221)	(893)
Balance – December 31	43,544	24,361
Total	44,073	25,810

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

10. Mining interests and plant and equipment

	Year ended December 31, 2019		
	Mining Interests[(i)]	Plant and equipment	Total
	$	$	$
Net book value – January 1	-	-	-
Acquisition of Barkerville (Note 7)	247,054	13,968	261,022
Additions	16,654	47	16,701
Depreciation	-	(245)	(245)
Depreciation capitalized	230	-	230
Net book value – December 31	263,938	13,770	277,708
Closing balance			
Cost	263,938	14,015	277,953
Accumulated depreciation	-	(245)	(245)
Net book value	263,938	13,770	277,708

(i) As at June 30, 2020, Osisko held a 4% NSR royalty on the Cariboo gold project and Bonanza Ledge II gold project acquired from Barkerville in 2019. In November 2020, Osisko acquired an additional 1% NSR royalty on these properties.

11. Exploration and evaluation

	2019	2018
	$	$
Net book value - January 1	95,002	102,182
Additions	221	257
Investments tax credits	-	(93)
Transfer to Osisko [(i)]	(2,289)	-
Impairments [(ii)]	(49,985)	(7,344)
Net book value - December 31 [(iii, iv)]	42,949	95,002
Balance – December 31		
Cost	101,138	103,206
Accumulated impairment	(58,189)	(8,204)
Net book value - December 31 [(iii, iv)]	42,949	95,002

(i) In 2016, Osisko entered into an earn-in agreement with Osisko Mining Inc. ("Osisko Mining") on the Kan property. In 2019, Osisko Mining reached the minimal investment threshold on the Kan property. Therefore, a 100% interest in the Kan property was transferred to Osisko Mining (now held by O3 Mining Inc.) and Osisko retained an escalating NSR royalty on the Kan property.

(ii) In 2019, the Business incurred an impairment charge of $50.0 million ($37.6 million, net of income taxes) on its Coulon zinc project in Canada for which the Business determined that further exploration and evaluation expenditures are no longer planned in the near term and that the carrying amount of the asset is unlikely to be recovered in full from a sale of the project at the current time. On December 31, 2019, the Coulon project was written down to its estimated recoverable amount of $10.0 million, which was determined by the fair value less cost of disposal using a market approach, based on a dollar value per thousand pounds of mineral reserve/resource of zinc equivalent for comparable sales transactions realized.

In 2018, the Business incurred an impairment charge of $7.3 million ($5.4 million, net of income taxes) on certain exploration and evaluation properties in Canada for which substantive exploration and evaluation expenditures (taking into consideration such expenditures to be incurred by a farmee) is neither budgeted nor planned or for which the Business (or the farmee) has decided to discontinue such activities.

(iii) Exploration and evaluation assets having a net book value of $31.7 million as at December 31, 2019 ($34.0 million as at December 31, 2018) were subject to different earn-in agreements with O3 Mining Inc. ("O3 Mining"). Under the earn-in agreements (originally signed in 2016 with Osisko Mining Inc., which has transferred them to O3 Mining in 2019), O3 Mining could earn a 100% interest in most of the Business' exploration properties located in the James Bay area and Labrador Trough (excluding the Coulon copper-zinc project) upon completing expenditures of $26.0 million over an initial 7-year period; O3 Mining could earn a first 50% interest upon completing expenditures totaling $15.6 million over an initial 4-year period. In November 2020, the earn-in agreements were terminated by the parties.

(iv) In November 2020, Osisko retained a 3% NSR royalty on the exploration and evaluation properties prior to the closing of the Arrangement.

12. Accounts payable and accrued liabilities

	December 31, 2019	December 31, 2018
	$	$
Trade payables	6,664	19
Other payables	2,232	-
Other accrued liabilities	3,109	64
	12,005	83

13. Environmental rehabilitation provision

	Year ended December 31,
	$
Balance – Beginning of period	-
Acquisition of Barkerville (Note 7)	20,549
Accretion	89
Revision of estimates	(111)
Balance – End of period	20,527
Current portion	493
Non-current portion	20,034
	20,527

(i) The environmental rehabilitation provision represents the legal and contractual obligations associated with the eventual closure of the Business' mining interests, plant and equipment and exploration and evaluation assets. As at December 31, 2019, the estimated inflation-adjusted undiscounted cash flows required to settle the environmental rehabilitation amounts to $23.4 million. The weighted average actualization rate used is 4.2% and the disbursements are expected to be made between 2020 and 2024 as per the current closure plans. A reclamation deposit of $5.4 million (included under *Other assets* on the combined carve-out balance sheets) was held as collateral for the environmental rehabilitation provision. The reclamation deposit was released in September 2020 following the signature of an indemnity agreement with Osisko.

14. Income taxes

(a) Income tax expense

The income tax recorded in the combined carve-out statements of loss for the years ended December 31, 2019 and 2018 is presented as follows:

	2019	2018
	$	$
Deferred income tax (Note 14 (b)):		
Origination and reversal of temporary differences	(20,238)	(2,655)
Change in unrecognized deductible temporary differences	1,582	629
Deferred income tax recovery	(18,656)	(2,026)
Income tax recovery	(18,656)	(2,026)

14. Income taxes *(continued)*

(a) Income tax expense *(continued)*

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

	2019	2018
	$	$
Loss before income taxes	(94,358)	(11,800)
Income tax provision calculated using the combined Canadian federal and provincial statutory income tax rate	(25,099)	(3,151)
Increase (decrease) in income taxes resulting from:		
Non-deductible expenses, net	47	41
Non-deductible portion of capital losses, net	3,855	77
Differences in foreign statutory tax rates	(10)	-
Share of equity loss of associates	566	378
Tax benefits not recognized	1,985	629
Total income tax expense (recovery)	(18,656)	(2,026)

The 2019 Canadian federal and provincial statutory income tax rate is 26.6% (26.7% in 2018).

(b) Deferred income taxes

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

	December 31, 2019	December 31, 2018
	$	$
Deferred tax assets:		
Non-capital losses	502	222
Deferred tax assets	502	222
Deferred tax liabilities:		
Exploration and evaluation assets	(8,428)	(21,491)
Investments	(1,785)	(6,043)
Deferred tax liability	(10,213)	(27,534)
Deferred tax liability, net	(9,711)	(27,312)

14. Income taxes *(continued)*

(b) Deferred income taxes *(continued)*

The 2019 movement for deferred tax assets and deferred tax liabilities may be summarized as follows:

	Dec. 31, 2018	Statement of income (loss)	Equity	Other comprehen-sive income	Dec. 31, 2019
	$	$	$	$	$
Deferred tax assets:					
Non-capital losses	220	282	-	-	502
Deferred tax liabilities:					
Exploration and evaluation assets	(21,489)	12,400	661	-	(8,428)
Investments	(6,043)	5,974	-	(1,716)	(1,785)
	(27,312)	18,656	661	(1,716)	(9,711)

The 2018 movement for deferred tax assets and deferred tax liabilities may be summarized as follows:

	Dec. 31, 2017	Statement of income (loss)	Equity	Other comprehen-sive income	Dec. 31, 2018
	$	$	$	$	$
Deferred tax assets:					
Non-capital losses	-	220	-	-	220
Deferred tax liabilities:					
Exploration and evaluation assets	(23,450)	1,961	-	-	(21,489)
Investments	(7,015)	(155)	-	1,127	(6,043)
	(30,465)	2,026	-	1,127	(27,312)

(c) Unrecognized deferred tax liabilities

The aggregate amount of taxable temporary differences associated with investments in subsidiaries, for which deferred tax liabilities have not been recognized as at December 31, 2019, is $4.1 million ($41.7 million as at December 31, 2018). No deferred tax liabilities are recognized on the temporary differences associated with investments in subsidiaries because the Business controls the timing of reversal and it is not probable that they will reverse in the foreseeable future.

15. Additional information on the combined carve-out statements of loss

	2019	2018
Operating expenses by nature		
Impairment of assets	49,985	7,344
Employee benefit expenses (see below)	3,374	978
Professional fees	394	184
Other expenses	76	9
	53,829	8,515
Employee benefit expenses		
Salaries and wages	2,764	613
Share-based compensation	610	365
	3,374	978
Other losses, net		
Change in fair value of financial assets at fair value through profit and loss	(437)	(1,326)
Net gain (loss) on dilution of investments in associates	104	(778)
Net gain on acquisition of investments[(i)]	154	1,528
Net loss on disposal of investments[(ii)]	(23,654)	-
Impairment of an investment in an associate (Note 8)	(12,500)	-
	(36,333)	(576)

(i) Represents changes in the fair value of the underlying investments between the respective subscription dates and the closing dates.
(ii) In 2019, the net loss on disposal of investments includes the net losses realized on the deemed disposal of associates (Note 8).

16. Key management

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

	2019	2018
	$	$
Salaries and short-term employee benefits	782	653
Share-based compensation	692	365
Severance payments	1,216	-
	2,690	1,018

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

17. Additional information on the combined carve-out statements of cash flows

	2019	2018
	$	$
Changes in non-cash working capital items		
(Increase) decrease in amounts receivable	(1)	167
Increase in inventories	(69)	-
Increase in other current assets	(157)	-
Decrease in accounts payable and accrued liabilities	(5,044)	(11)
	(5,271)	156
Tax credits receivable related to exploration and evaluation assets		
Beginning of year	281	2,750
End of year [(i)]	938	281

(i) Balance as at December 31, 2019 from the acquisition of Barkerville (Note 7).

18. Financial risks

The Business' activities expose it to a variety of financial risks: market risks (including interest rate risk and other price risk), credit risk and liquidity risk. The Business' overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Business' performance. Risk management is carried out under policies approved by the Board of Directors. The Board of Directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and investment in excess liquidities.

(a) Market risks

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Business' interest rate risk on financial assets is primarily related to cash, which bear interest at variable rates. However, as these investments come to maturity within a short period of time, the impact would likely be not significant. Other financial assets are not exposed to interest rate risk because they are mostly non-interest bearing, except for derivative financial instruments (warrants).

Financial liabilities are not exposed to interest rate risk because they are non-interest bearing.

(ii) Other price risk

The Business is exposed to equity price risk as a result of holding long-term investments in other exploration and development mining companies. The equity prices of long-term investments are impacted by various underlying factors including commodity prices. Based on the Business' long-term investments held as at December 31, 2019, a 10% increase (decrease) in the equity prices of these investments would decrease (increase) the net loss by $0.1 million and the other comprehensive loss by $3.8 million for the year ended December 31, 2019. Based on the Business' long-term investments held as at December 31, 2018, a 10% increase (decrease) in the equity prices of these investments would have decreased (increased) the net loss by $0.2 million and the other comprehensive loss by $2.1 million for the year ended December 31, 2018.

18. Financial risks *(continued)*

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Business to credit risk consist of cash, amounts receivable and reclamation deposits. The Business reduces its credit risk by investing its cash in high interest savings accounts with Canadian recognized financial institutions and its reclamation deposits in guaranteed investments certificates issued by Canadian chartered banks. In the case of amounts receivable, the Business performs either a credit analysis or ensures that it has sufficient guarantees in case of a non-payment by the third party to cover the net book value of the note.

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

(c) Liquidity risk

Liquidity risk is the risk that the Business will not be able to meet the obligations associated with its financial liabilities. The Business manages the liquidity risk by continuously monitoring actual and projected cash flows, taking into account the requirements related to its investment commitments, mining properties and exploration and evaluation assets and matching the maturity profile of financial assets and liabilities. The Board of Directors of Osisko reviews and approves any material transaction out of the ordinary course of business, including proposals on mergers, acquisitions or other major investment or divestitures. As at December 31, 2019, cash is held with Canadian recognized financial institutions.

As at December 31, 2019, all financial liabilities to be settled in cash or by the transfer of other financial assets mature within 90 days.

19. Fair value of financial instruments

The following table provides information about financial assets and liabilities measured at fair value in the combined carve-out balance sheets and categorized by level according to the significance of the inputs used in making the measurements.

Level 1– Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2– Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
Level 3– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	December 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Recurring measurements				
Financial assets at fair value through profit or loss[(i)]				
Warrants on equity securities				
Publicly traded mining exploration and development companies				
Precious metals	-	-	428	428
Other minerals	-	-	101	101
Financial assets at fair value through other comprehensive loss[(i)]				
Equity securities				
Publicly traded mining exploration and development companies				
Precious metals	34,430	-	-	34,430
Other minerals	9,114	-	-	9,114
	43,544	-	529	44,073

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

	December 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Recurring measurements				
Financial assets at fair value through profit or loss[(i)]				
Warrants on equity securities				
Publicly traded mining exploration and development companies				
Precious metals	-	-	1,449	1,449
Other minerals	-	-	-	-
Financial assets at fair value through other comprehensive loss[(i)]				
Equity securities				
Publicly traded mining exploration and development companies				
Precious metals	12,102	-	-	12,102
Other minerals	12,259	-	-	12,259
	24,361	-	1,449	25,810

(i) On the basis of its analysis of the nature, characteristics and risks of equity securities, the Business has determined that presenting them by industry and type of investment is appropriate.

During the years ended December 31, 2019 and 2018, there were no transfers among Level 1, Level 2 and Level 3.

Financial instruments in Level 1

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

Financial instruments in Level 2

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

Financial instruments in Level 3

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

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

The following table presents the changes in the Level 3 investments (warrants) for the years ended December 31, 2019 and 2018:

	2019	2018
	$	$
Balance – January 1	1,449	-
Acquisitions	105	2,775
Deemed disposal (note 7)	(588)	-
Change in fair value – deemed disposed [(i)]	(342)	-
Change in fair value – held at the end of the period [(i)]	(95)	(1,326)
Balance – December 31	529	1,449

(i) Recognized in the combined carve-out statements of loss under *other losses, net*.

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

The fair value of the warrants on equity securities of publicly traded mining exploration and development companies, classified as Level 3, is determined using the Black-Scholes option pricing model. The main non-observable input used in the model is the expected volatility. An increase/decrease in the expected volatility used in the models of 10% would lead to an insignificant variation in the fair value of the warrants as at December 31, 2019 and 2018.

Financial instruments not measured at fair value on the combined carve-out balance sheets

Financial instruments that are not measured at fair value on the combined carve-out balance sheets are represented by cash, amounts receivables and accounts payable and accrued liabilities. Their fair value approximates their carrying values due to their short-term nature.

20. Segment disclosure

The operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer (“CEO”) of Osisko who fulfills the role of the chief operating decision-maker. The CEO is responsible for allocating resources and assessing performance of the Business’ operating segments. The Business manages its business under one single operating segment, which is the exploration, evaluation and development of mining projects.

21. Subsequent events

Arrangement

Concurrent with the Arrangement described in Note 1, Barolo had entered into an engagement letter with Canaccord Genuity Corp. and National Bank Financial Inc., on behalf of a syndicate of underwriters (collectively, the "Underwriters"), pursuant to which the Underwriters had agreed to buy, on a "bought deal" private placement basis, 13,350,000 subscription receipts of Barolo (the "Subscription Receipts") at a subscription price of $7.50 per Subscription Receipt (the "Issue Price") for gross proceeds of approximately $100 million (the "Financing"). Each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, on or about the date that the Arrangement is completed, one common share of Osisko Development after giving effect to a 60:1 consolidation of the common shares of Barolo (each, an "Osisko Development Share") and one-half-of-one warrant to purchase an Osisko Development Share (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Osisko Development Share for $10.00 for an 18-month period following the closing of the Arrangement.

The Financing was completed on October 29, 2020 and the gross proceeds of the Financing have been deposited with the TSX Trust Company, as escrow agent, and will be released upon the satisfaction of the escrow release conditions (if at all), including the satisfaction or waiver of the conditions to closing the RTO and conditional approval of the TSX Venture Exchange to list the Osisko Development shares issuable under the RTO and Financing, and certain other customary conditions (collectively, the "Escrow Release Conditions"). In the event that the Escrow Release Conditions are not satisfied on or prior to January 31, 2021, being the deadline to satisfy the Escrow Release Conditions, then the proceeds will be returned to the holders of the Subscription Receipts and the Subscription Receipts shall be cancelled.

San Antonio gold project

In August 2020, Osisko acquired the San Antonio gold project in the state of Sonora in Mexico for US$42.0 million. An amount of US$30.0 million was paid in cash by Osisko and the remaining US$12.0 million was paid through the issuance of common shares of Osisko. As part of the Arrangement described in Note 1, Osisko will contribute the San Antonio gold project assets to the Business at the closing of the Arrangement and will retain a 15% gold and silver stream (with ongoing per-ounce payments equal to 15% of the prevailing price of gold and silver, as applicable) on the San Antonio gold project.

Uncertainty due to COVID-19

The duration and full financial effect of the COVID-19 pandemic (declared in March 2020) is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Business' operations, financial results and condition in future periods are also subject to significant uncertainty, including potential restrictions on exploration and development sites access and supply chains disruptions that could delay the exploration and development plans of the main assets of the Business. In the current environment, the assumptions and judgements made by the Business are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Business' valuation of its long-term assets, including the assessment for impairment and impairment reversal.



BARKERVILLE GOLD MINES LTD.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

Independent auditor's report

To the Board of Directors of
Barkerville Gold Mines Ltd.

Our opinion

In our opinion, the accompanying interim condensed consolidated financial statements present fairly, in all material respects, the financial position of Barkerville Gold Mines Ltd. and its subsidiaries (together, the Company) as at September 30, 2019, and its financial performance and its cash flows for the nine-month period then ended in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's interim condensed consolidated financial statements comprise:

- the consolidated statement of financial position as at September 30, 2019;
- the consolidated statement of loss and comprehensive loss for the nine-month period then ended;
- the consolidated statement of changes in equity for the nine-month period then ended;
- the consolidated statement of cash flows for the nine-month period then ended; and
- the selected explanatory notes to the interim condensed consolidated financial statements.

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

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
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"PwC" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.

Material uncertainty related to going concern

We draw attention to note 2 in the interim condensed consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matter – comparative figures

The comparative figures on the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the nine-month period ended September 30, 2018 are unaudited.

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

Management is responsible for the preparation and fair presentation of the interim condensed consolidated financial statements in accordance with IFRS, 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 interim condensed consolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the interim condensed 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 interim condensed 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 interim condensed 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 Company'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 Company'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 interim condensed 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim condensed consolidated financial statements, including the disclosures, and whether the interim condensed consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the interim condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

PricewaterhouseCoopers LLP[1]

Montréal, Quebec
November 20, 2020

[1] CPA auditor, CA, public accountancy permit No. A123475

Barkerville Gold Mines Ltd.

Consolidated Statements of Financial Position
As at September 30, 2019 and December 31, 2018

		September 30, 2019		December 31, 2018
Assets		$		$
Current assets				
Cash	$	12,072,178	$	37,706,844
Restricted cash		-		2,000,000
Amounts receivable (Note 3)		1,263,952		2,446,023
Prepaid expenses		1,046,050		664,230
Inventory		1,743,911		1,451,409
		16,126,091		44,268,506
Reclamation deposits		5,361,400		5,361,400
Exploration and evaluation assets		1		1
Mineral properties and deferred development costs (Note 4)		5,241,220		58,000
Property, plant and equipment (Note 5)		14,054,245		15,081,060
Total assets	$	40,782,957	$	64,768,967
Liabilities				
Current liabilities				
Trade and other payables	$	11,534,048	$	12,483,585
Due to related parties		843,255		689,469
Lease payable		494,435		389,640
Bridge loan payable (Note 11)		3,500,000		-
RSU Liability (Note 6)		391,300		408,000
Provision for site reclamation and closure		1,655,639		1,655,639
Total current liabilities		18,418,677		15,626,333
Provision for site reclamation and closure		20,174,000		19,390,836
Lease payable		290,486		434,360
Flow through premium liability (Note 6)		-		6,296,137
Total liabilities		38,883,163		41,747,666
Shareholders' equity				
Share capital (Note 6)		318,340,038		298,770,227
Share-based payments reserve		48,729,579		48,100,579
Accumulated deficit		(365,169,823)		(323,849,505)
Total shareholders' equity		1,899,794		23,021,301
Total liabilities and shareholders' equity	$	40,782,957	$	64,768,967

Going concern (Note 2)

Subsequent event (Note 11)

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

Approved on behalf of the board:

"Chris Lodder"
Chris Lodder, President and Chief Executive Officer

"Sean Roosen"
Sean Roosen, Director

Barkerville Gold Mines Ltd.

Consolidated Statements of Loss and Comprehensive Loss
For the nine-month periods ended September 30, 2019 and 2018

	Nine months ended September 30,	
	2019	**2018 (unaudited)**
Expenses:		
Mill operating expense	$ 1,293,267	$ 2,288,583
Exploration	19,532,223	24,763,503
Evaluation	19,335,428	28,717,146
Corporate administration	5,682,001	6,193,887
Finance expense and loss on investments	458,930	586,187
Impairment (Note 5)	1,497,808	-
Gain on sale of NSR	-	(11,207,296)
Other (income) expenses	(183,202)	275,515
Loss before income taxes	(47,616,455)	(51,617,525)
Income tax recovery	6 ,296,137	9 ,247,000
Net loss for the period	$ (41,320,318)	$ (42,370,525)
Other comprehensive loss		
Change in fair value of investments	-	81,864
Comprehensive loss for the period	$ (41,320,318)	$ (42,288,661)
Loss per common share, basic and diluted (Note 9)	$ (0.08)	$ (0.10)
Weighted average number of common shares outstanding (Note 9)	539,282,515	438,093,411

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

Barkerville Gold Mines Ltd.

Consolidated Statements of Changes in Equity
For the nine-month periods ended September 30, 2019 and 2018

	Number of common shares outstanding	Share capital	Share-based payments reserve	Accumulated other comprehensive loss	Accumulated deficit	Total Shareholders' Equity
Balance - January 1, 2018	434,953,997	$ 273,366,729	$ 44,905,079	$ (91,864)	$ (256,290,824)	$ 61,889,120
Net loss for the period	-	-	-	-	(42,370,525)	(42,370,525)
Change in fair value of fair value through OCI investments	-	-	-	81,864	-	81,864
Stock based compensation	-	-	987,000	-	-	987,000
Warrants issued on sale of NSR	-	-	1,873,000	-	-	1,873,000
Issuance of shares pursuant to RSU plan	400,000	300,000	(300,000)	-	-	-
Issue of shares for acquisition of mineral property	3,860,000	2,631,000	-	-	-	2,631,000
Exercise of options and warrants	590,000	459,475	(192,500)	-	-	266,975
Balance at September 30, 2018 (unaudited)	439,803,997	$ 276,757,204	$ 47,272,579	$ (10,000)	$ (298,661,349)	$ 25,358,434
Balance at January 1, 2019	506,558,119	$ 298,770,227	$ 48,100,579	$ -	$ (323,849,505)	$ 23,021,301
Net loss and comprehensive loss for the period	-	-	-	-	(41,320,318)	(41,320,318)
Issue of shares pursuant to private placements	55,556,000	19,357,311	-	-	-	19,357,311
Issue of shares for acquisition of property, plant and equipment	400,000	136,000	-	-	-	136,000
Stock based compensation	-	-	662,000	-	-	662,000
Exercise of options	100,000	76,500	(33,000)	-	-	43,500
Balance at September 30, 2019	562,614,119	$ 318,340,038	$ 48,729,579	$ -	$ (365,169,823)	$ 1,899,794

The balance as at September 30, 2018 and changes for the nine-month period then ended are unaudited.

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

Barkerville Gold Mines Ltd.
Consolidated Statements of Cash Flows
For the nine-month periods ended September 30, 2019 and 2018

	Nine months ended September 30, 2019	September 30, 2018 (unaudited)
Cash flows used in operating activities		
Net loss for the period	$ (41,320,318)	$ (42,370,525)
Adjustments to reconcile loss to net cash used in operating activities		
Depreciation	1,405,598	903,819
Accretion expense - provision for site reclamation and closure	783,164	374,694
Impairment	1,497,808	-
Gain on sale of NSR	-	(11,207,296)
Gain on revaluation of RSU	(16,700)	(1,360)
Realized loss on sale of investments	-	426,700
Stock based compensation	662,000	1,864,250
Deferred tax recovery	(6,296,137)	(9,247,000)
Changes in non-cash working capital balances:		
Accounts receivable	1,182,071	993,077
Prepaid expenses	(381,820)	(14,856)
Trade and other payables	(949,537)	1,344,698
Inventory	(292,502)	(74,352)
Total cash outflows from operating activities	(43,726,373)	(57,008,151)
Cash flows from (used in) investing activities		
Proceeds from sale of NSR	-	20,000,000
Reclamation deposits	-	2,616,200
Restricted cash	2,000,000	(2,000,000)
Disposals of investments, net	-	11,446,573
Acquisition of property, plant and equipment, net of disposals	(1,713,031)	(809,274)
Proceeds from gold sales	-	23,604,060
Acquisition of mineral properties and deferred development costs	(4,817,045)	(10,848,809)
Total cash (outflows) inflows from investing activities	(4,530,076)	44,008,750
Cash flows from (used in) financing activities		
Amounts advanced by related parties	153,786	238,630
Finance lease	(432,814)	(702,452)
Net issuance of share capital	19,400,811	266,975
Proceeds from bridge loan	3,500,000	-
RSU settled in cash	-	(429,340)
Total cash inflows (outflows) from financing activities	22,621,783	(626,187)
Total decrease in cash and cash equivalents during the period	(25,634,666)	(13,625,588)
Cash and cash equivalents at the beginning of the period	37,706,844	39,797,324
Cash and cash equivalents at the end of the period	$ 12,072,178	$ 26,171,736

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

1. Corporate Information

Barkerville Gold Mines Ltd. ("the Company" or "Barkerville") was incorporated on February 12, 1970 under the laws of the Province of British Columbia and is engaged in exploration and evaluation of mineral properties in British Columbia, including the development of the Cariboo Gold Project.

The address of the Company's corporate office and principal place of business is 155 University Avenue, suite 1410, M5H 3B7, Toronto, Canada.

2. Basis of Preparation

a) Going Concern of Operations

These interim condensed consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material. At September 30, 2019, the Company had accumulated losses of $365,169,823 (December 31, 2018: $323,849,505). The Company had a loss of $41,320,318 during the nine-month period ended September 30, 2019 (2018: $42,370,525). These conditions raise material uncertainty that may cast significant doubt as to the ability of the Company to continue operating as a going concern.

Although the Company has raised financing subsequent to year-end (note 11), the Company requires additional financing to continue to be able to operate, retain rights to its properties and carry out exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern for the foreseeable future is dependent upon its ability to obtain adequate financing, including, but not limited to, debt financing and parent company funding, which has no guarantee of continuing in the future. While management has been successful in securing financing in the past, it is not possible to predict whether financing efforts will be successful.

The Company is in the process of exploring certain of its properties and has not yet determined whether these properties contain economically recoverable reserves. The continued operations of the Company and the amounts recoverable on these properties are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing to complete the necessary exploration and development of such property and upon attaining future profitable production or proceeds from disposition of the properties.

b) Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"), and its interpretations.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on November 20, 2020.

2. BASIS OF PREPARATION (CONTINUED)

c) Basis of presentation

The notes herein include only significant transactions and events occurring since the Company's last fiscal year end and are not fully inclusive of all matters required to be disclosed in the annual audited consolidated financial statements. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with our most recent annual audited financial statements for the year ended December 31, 2018.

The interim condensed consolidated financial statements are expressed in Canadian dollars, which is the Company's functional currency.

d) Recent accounting pronouncements

The adoption of the following new standards, interpretations and amendments were included in the financial statements for the year beginning January 1, 2019.

IFRS 16 *Leases*

The Company has adopted IFRS 16 on a modified retrospective basis from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized from January 1, 2019.

The Company also utilized certain practical expedient elections whereby, (i) a lessee may apply a single discount rate to a portfolio of leases with reasonably similar characteristics, (ii) short term and low value leases are treated as previous operating leases, and (iii) the Company places reliance on previous assessments that there were no existing onerous lease contracts.

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 8.4%.

For leases previously classified as finance leases the entity recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application.

Operating lease commitments disclosed as at December 31, 2018	458,000
Discounted using the lessee's incremental borrowing rate of at the date of initial application	393,735
Add: finance lease liabilities recognized as at December 31, 2018	824,000
Lease liability recognized as at 1 January 2019	**1,217,735**
Of which are:	
Current lease liabilities	564,303
Non-current lease liabilities	653,432

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at December 31, 2018.

2. Basis of Preparation (Continued)

d) Recent accounting pronouncements (continued)

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

	September 30, 2019	December 31, 2018
Office	$ 82,459	$ 145,045
Motor vehicles	176,699	248,690
Total right-of-use assets	$ 259,158	$ 393,735

3. Amounts Receivable

The amounts receivable for the Company are comprised of the following:

	September 30, 2019	December 31, 2018
Receivable from incidental gold sales	$ -	$ 361,919
Exploration tax credits and other receivables	946,096	1,034,773
Goods and services tax receivable	317,856	1,049,331
Total amounts receivable	$ 1,263,952	$ 2,446,023

4. Mineral Properties and Deferred Development Costs

	Mineral properties	Deferred development costs	Total
Cost			
Balance at January 1, 2018	$ 5,750,081	$ 34,034,613	$ 39,784,694
Proceeds from gold sales	-	(23,604,060)	(23,604,060)
Additions for the year	3,394,000	7,017,858	10,411,858
Sale of NSR, net of costs	(4,962,750)	(1,956,954)	(6,919,704)
Balance at December 31, 2018	4,181,331	15,491,457	19,672,788
Additions for the period	2,000	5,181,220	5,183,220
Balance at September 30, 2019	$ 4,183,331	$ 20,672,677	$ 24,856,008
Depletion and impairment losses			
Balance at January 1, 2018	$ 4,123,331	$ 15,491,457	$ 19,614,788
Depletion for the year	-	-	-
Balance at December 31, 2018	4,123,331	15,491,457	19,614,788
Depletion for the period	-	-	-
Balance at September 30, 2019	$ 4,123,331	$ 15,491,457	$ 19,614,788
Carrying amounts			
Balance at January 1, 2018	$ 1,626,750	$ 18,543,156	$ 20,169,906
Balance at December 31, 2018	$ 58,000	$ -	$ 58,000
Balance at September 30, 2019	$ 60,000	$ 5,181,220	$ 5,241,220

4. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT COSTS (CONTINUED)

Cariboo Gold Project:

The Cariboo Gold Project is subject to a net smelter return royalty (NSR) of 2.75-4.75% for various properties within the contiguous mineral tenures.

On September 6, 2018 the Company completed a royalty sale transaction with Osisko Gold Royalties Ltd (Osisko), a related party, pursuant to which Osisko acquired a 1.75% net smelter return royalty on the Cariboo Gold Project for the aggregate purchase price of $20,000,000 (received) (Royalty Purchase Agreement). Of the purchase price paid on closing, $2,000,000 (received) was kept by the Company in a segregated restricted account (Restricted Funds) not to be made available to Barkerville until certain conditions precedent were satisfied. Those conditions precedent include the delivery to Osisko of certain waivers and consents required from third parties in connection with the Royalty Transaction. The conditions precedent were not satisfied as at December 31, 2018, and $2,000,000 Restricted Funds were classified as Restricted Cash on the Company's statement of financial position.

Under the terms of the Royalty Purchase Agreement, the Company also had the option to grant Osisko an additional 1% NSR on the Cariboo property for additional cash consideration of $13,000,000, at any point between the closing date of the Royalty Purchase Agreement and December 31, 2018 (the Option Royalty). In order to grant the Option Royalty and receive the additional consideration, the Company must have successfully satisfied the conditions precedent to the release of the Restricted Funds. On December 16, 2018, the deadline to satisfy the conditions was extended to February 28, 2019.

On February 26, 2019 the Company and Osisko amended the terms of the Royalty Purchase Agreement to release the Restricted Funds to the Company for immediate use ($2,000,000 received April 2019) and further extend the deadline for satisfaction of the conditions precedent. In November 2020, Osisko exercised its option to acquire the additional 1% NSR royalty (Note 11) for a total NRS royalty on the property of 5%.

5. PROPERTY, PLANT AND EQUIPMENT

During the nine-month period ended September 30, 2019, the portable ore sorter was assessed for the indicators of impairment due to the inability to use for the type of ore expected. Management has determined the recoverable amount of the portable ore sorter using the fair value less costs of disposal model. The recoverable amount was $790,476. An impairment loss of $1,497,808 was recorded to reduce the carrying amount of portal ore sorter to $790,476.

6. EQUITY

Share Capital

a) Common Shares

As at September 30, 2019, 562,614,119 (December 31, 2018: 506,558,119) common shares were issued and outstanding.

Private Placement

On April 23, 2019, the Company completed a brokered private placement financing of 55,556,000 common shares at a price of $0.36 per share for gross proceeds of $20,000,160. The Company paid a cash commission and other issue costs equal to $642,358.

Flow through premium liability

For the purposes of calculating the tax effect of any premium related to the issuances of the flow-through shares, the Company reviewed the share price of the Company's common shares and compared it to determine if there was a premium paid on the shares.

For the nine-month period ended September 30, 2019, the Company recognized an amount of $6,296,137, in relation to flow-through private placements closed in the prior year and has recorded the gain as income tax recovery upon filing of renunciation documents with the Canada Revenue Agency which occurred during the nine-month period ended September 30, 2019.

b) Option Plan Details

The following is a summary of changes in options outstanding for the nine-month period ended September 30, 2019 and the year ended December 31, 2018:

	Number of options	Weighted average exercise price per share
Balance, December 31, 2017	28,355,000	$0.54
Granted	4,815,000	$0.51
Exercised	(590,000)	$0.45
Forfeited/Expired	(405,000)	$0.87
Balance, December 31, 2018	32,175,000	$0.53
Granted	2,150,000	$0.42
Exercised	(100,000)	$0.44
Forfeited/Expired	(4,810,000)	$0.53
Balance, September 30, 2019	29,415,000	$0.52

6. EQUITY (CONTINUED)

A summary of the Company's options outstanding, all of which are exercisable, at September 30, 2019 is presented as follows:

Grant Date	Expiry Date	Exercise Price	Outstanding and all Exercisable	Weighted Average Remaining Life (Years)
15/07/2015	15/07/2020	$0.27	4,375,000	0.79
14/10/2015	14/10/2020	$0.29	1,650,000	1.04
22/12/2015	22/12/2020	$0.2475	375,000	1.23
08/03/2016	08/03/2021	$0.5213	2,605,000	1.44
07/12/2016	07/12/2021	$0.4675	5,950,000	2.19
15/12/2016	15/12/2021	$0.4500	200,000	2.21
03/05/2017	03/05/2022	$0.9913	2,650,000	2.59
30/06/2017	30/06/2022	$0.8825	1,650,000	2.75
08/12/2017	08/12/2022	$0.6450	3,445,000	3.19
05/06/2018	05/06/2023	$0.6000	2,040,000	3.68
29/10/2018	29/10/2023	$0.4350	2,325,000	4.08
31/01/2019	31/01/2024	$0.4350	750,000	4.34
28/07/2019	28/07/2024	$0.4100	1,400,000	4.83
			29,415,000	2.46

i) On January 31, 2019, the Company granted to certain officers, directors and employees of the Company, an aggregate total of 750,000 options to purchase common shares of the Company exercisable at a price of $0.435 per common share for a period of five years. The Common Shares issuable upon exercise of the options are subject to a four-month hold period from the original date of grant.

The fair value of the 750,000 options was estimated at $249,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.78%; volatility 104% and an expected life of 5 years.

ii) On July 29, 2019, the Company granted to certain directors and officers of the Company, an aggregate total of 1,400,000 options to purchase common shares of the Company exercisable at a price of $0.41 per common share for a period of five years. The common shares issuable upon exercise of the options are subject to a four-month hold period from the original date of grant.

The fair value of the 1,400,000 options was estimated at $413,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.39%; volatility 99% and an expected life of 5 years.

6. EQUITY (CONTINUED)

c) Restricted Share Units

Of the 10,000,000 shares authorized for issuance under the Plan, 566,600 (December 31, 2018 – 566,600) shares have been issued as at September 30, 2019.

The following table summarizes changes in the number of RSUs outstanding:

	Number of RSU's	Weighted average fair value at the time of grant / shares issue
Balance, December 31, 2017	800,000	$ 0.75
Granted	1,590,000	$ 0.55
Shares issued pursuant to RSU's	(466,600)	$ 0.72
RSU's exercised for cash	(903,400)	$ 0.55
Balance, December 31, 2018	1,020,000	$ 0.63
Granted	1,450,000	$ 0.435
RSU's exercised for cash	(1,540,000)	$ 0.44
Balance, September 30, 2019	930,000	$ 0.64

RSU liability:

The RSU liability at September 30, 2019 relates to the 930,000 RSU's (December 31, 2018 - 1,020,000) that are fully vested and exercisable into cash at the option of the holder.

The table below shows the activity for RSU liability for the nine-month period ended September 30, 2019 and year ended December 31, 2018:

Period/year ended	September 30, 2019	December 31, 2018
Balance at beginning of period/year	$ 408,000	$ -
RSU's issued	630,750	877,250
RSU's exercised for cash	(630,750)	(447,389)
RSU's exercised for shares	-	(23,310)
Period end revaluation	(16,700)	1,449
Balance at end of period/year	$ 391,300	$ 408,000

d) Share Purchase Warrants

Expiry Date	Exercise Price	Outstanding and exercisable
September 6, 2021	$0.75	10,000,000
Balance, September 30, 2019		**10,000,000**

7. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the nine-month periods ended September 30, 2019 and 2018:

a) Services

The Company incurred administrative and operations costs in the amount of $1,134,481 (2018 - $1,066,413) as well as gold royalties of $25,160 (2018 - $594,632) paid to Osisko, a company with certain common directors and officers.

The Company incurred exploration costs in the amount of $120,000 (2018 - $75,143) paid to Talisker Exploration Services, a company whose President is the CEO and director of the Company.

The Company incurred exploration costs in the amount of $402,644 (2018 - $nil) paid to Falco Resources Ltd., a company related to the COO and a director of the Company.

b) Legal fees

Legal fees in the amount of $293,543 (2018 - $569,236) were charged by a law firm in which Legal Counsel is a director of the Company.

c) Sale of NSR

On September 6, 2018, the Company completed a royalty sale transaction with Osisko, pursuant to which Osisko acquired a 1.75% net smelter return royalty on the Cariboo property for the aggregate purchase price of $20,000,000. See note 4 for further details.

8. SEGMENTED REPORTING

An operating segment is defined as a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are reviewed regularly by the Company's chief operating decision maker, the Chief Executive Officer, and for which discrete financial information is available. The Company has determined that it has one reportable operating segment, the acquisition, exploration, development and production of gold mineral properties, all of which occurs within Canada. The Company's corporate head office earns nominal revenue that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment.

9. Loss Per Share

Basic loss per share is calculated by dividing the net loss for the period by the weighted average number of ordinary shares outstanding during the period.

	Nine months ended September 30, 2019	Nine months ended September 30, 2018 (unaudited)
Loss attributed to ordinary shareholders	**$(41,320,318)**	$ (42,370,525)
Weighted average number of common shares	**539,282,515**	438,093,411
Basic and diluted loss per share	**$ (0.08)**	$ (0.10)

The effect of the shares issuable on the exercise of options and share purchase warrants (see note 6) was anti-dilutive for the nine-month periods ended September 30, 2019 and 2018 as the Company had a net loss for the periods.

10. Commitments & Contingencies

Lease commitments
As at September 30, 2019, the lease liabilities arise from the following future minimum lease payments by year:

1 year	513,669
2 year	263,986
3 year	32,334
Totals	$ 809,989

Flow-through shares
As at September 30, 2019, the Company is committed to spending approximately $3,601,000 by December 31, 2019 in connection with its flow-through offerings (December 31, 2018 - $23,000,000).

Due to the size, complexity and nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

11. Subsequent Event

Acquisition of Barkerville
On November 21, 2019, Osisko acquired all of the outstanding common shares of Barkerville that it did not already own at the date of the transaction. For each common share of Barkerville, shareholders received 0.0357 common share of Osisko. All of Barkerville's outstanding common share options have been exchanged for common share options of Osisko using the same share exchange ratio as for the common shares.

Upon completion of the transaction, current Osisko and Barkerville shareholders held approximately 91% and 9% of Osisko shares outstanding, respectively.

As part of the transaction, Osisko had provided Barkerville with a bridge loan having an interest rate of 10% per annum. An amount of $3.5 million was outstanding as at September 30, 2020 and was converted into an equity investment on the acquisition date. Since its acquisition by Osisko, the Company obtained funding from its parent company amounting to approximately $62 million.



BARKERVILLE GOLD MINES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

Independent auditor's report

To the Shareholders of Barkerville Gold Mines Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Barkerville Gold Mines Ltd. and its subsidiaries (together, the Company) as at December 31, 2018 and 2017, 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).

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

- the consolidated statements of financial position as at December 31, 2018 and 2017;
- the consolidated statements of loss and other comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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 Company 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.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Material uncertainty related to going concern

We draw attention to note 2 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other



matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 20, 2019

Barkerville Gold Mines Ltd.

Consolidated Statements of Financial Position

As at December 31, 2018 and December 31, 2017

	December 31, 2018	December 31, 2017
Assets		
Current Assets		
Cash and cash equivalents (Note 8)	$ 37,706,844	$ 39,797,324
Restricted cash (Note 12)	2,000,000	-
Investments (Note 9)	-	11,811,409
Amounts receivable (Note 6)	2,446,023	3,159,946
Prepaid expenses (Note 7)	664,230	1,037,063
Inventory	1,451,409	1,047,793
Total current assets	44,268,506	56,853,535
Reclamation deposits (Note 14)	5,361,400	7,977,600
Exploration and evaluation assets (Note 11)	1	1
Mineral properties and deferred development costs (Note 12)	58,000	20,169,906
Property, plant and equipment (Note 10)	15,081,060	15,520,803
Total assets	$ 64,768,967	$ 100,521,845
Liabilities		
Current liabilities		
Trade and other payables (Note 13)	$ 12,483,585	$ 14,386,967
Due to related parties (Note 16)	689,469	536,406
Lease payable (Note 21)	389,640	501,483
RSU Liability (Note 15)	408,000	-
Provision for site reclamation and closure (Note 14)	1,655,639	4,756,697
Total current liabilities	15,626,333	20,181,553
Provision for site reclamation and closure (Note 14)	19,390,836	8,853,662
Lease payable (Note 21)	434,360	350,510
Flow through premium liability (Note 15)	6,296,137	9,247,000
Total liabilities	41,747,666	38,632,725
Shareholders' equity		
Share capital (Note 15)	298,770,227	273,366,729
Share-based payments reserve (Note 15)	48,100,579	44,905,079
Accumulated other comprehensive loss (Note 15)	-	(91,864)
Accumulated deficit	(323,849,505)	(256,290,824)
Total shareholders' equity	23,021,301	61,889,120
Total liabilities and shareholders' equity	$ 64,768,967	$ 100,521,845

Going concern (Note 2)

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

Approved on behalf of the board:

"Chris Lodder" — Chris Lodder, Chief Executive Officer

"Sean Roosen" — Sean Roosen, Chairman

Barkerville Gold Mines Ltd.

Consolidated Statements of Loss and Other Comprehensive Loss

For the years ended December 31, 2018 and 2017

	Year ended	
	December 31, 2018	December 31, 2017
Expenses:		
Mill operating expense	$ 4,858,140	$ 821,895
Exploration	29,779,063	39,098,085
Evaluation	53,598,376	17,661,109
Corporate administration	7,928,461	8,783,159
Finance expense and loss on investments	576,757	(259,903)
Gain on sale of NSR (Note 12)	(11,207,296)	(6,836,558)
Other (income) expenses	(8,727,820)	(75,362)
Loss before income taxes	(76,805,681)	(59,192,425)
Income tax recovery (Note 23)	9,247,000	5,379,300
Net loss for the period	$ (67,558,681)	$ (53,813,125)
Other comprehensive loss		
Change in fair value of investments (Note 9)	91,864	11,126
Total Comprehensive loss for the period	$ (67,466,817)	$ (53,801,999)
Loss per common share, basic and diluted (Note 20)	$ (0.15)	$ (0.14)
Weighted average number of common shares outstanding, (Note 20)	440,883,326	375,502,727

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

Barkerville Gold Mines Ltd.

Consolidated Statements of Changes in Equity

As at December 31, 2018 and 2017

	Outstanding Shares	Share Capital	Shares to be Issued	Share-based payments reserve	Accumulated other comprehensive loss	Accumulated deficit	Total Shareholders' Equity
Balance at January 1, 2017	325,370,394	$ 193,651,714	$ 332,500	$ 33,088,879	$ (102,990)	$ (202,477,699)	$ 24,492,404
Net loss for the year	-	-	-	-	-	(53,813,125)	(53,813,125)
Change in fair value of fair value through OCI investments	-	-	-	-	11,126	-	11,126
Stock based compensation	-	-	-	5,417,750	-	-	5,417,750
Issuance of RSU's	-	-	-	687,000	-	-	687,000
Issue of shares pursuant to RSU plan	100,000	87,000	-	(87,000)	-	-	-
Issue of shares pursuant to private placements	91,257,490	69,254,265	-	8,427,000	-	-	77,681,265
Issue of shares for acquisition of mineral property (Note 12)	1,400,000	1,111,750	-	-	-	-	1,111,750
Issued pursuant to agreement	400,000	352,000	-	-	-	-	352,000
Exercise of options and warrants	16,426,113	8,910,000	(332,500)	(2,628,550)	-	-	5,948,950
Balance at December 31, 2017	434,953,997	$ 273,366,729	$ -	$ 44,905,079	$ (91,864)	$ (256,290,824)	$ 61,889,120
Balance at January 1, 2018	434,953,997	$ 273,366,729	$ -	$ 44,905,079	$ (91,864)	$ (256,290,824)	$ 61,889,120
Net loss for the year	-	-	-	-	-	(67,558,681)	(67,558,681)
Release of fair value through OCI investments	-	-	-	-	91,864	-	91,864
Stock based compensation	-	-	-	1,815,000	-	-	1,815,000
Warrants issued on sale of NSR (Note 10)	-	-	-	1,873,000	-	-	1,873,000
Issue of shares pursuant to private placements	66,687,522	21,989,713	-	-	-	-	21,989,713
Issuance of shares pursuant to RSU plan	466,600	323,310	-	(300,000)	-	-	23,310
Issue of shares for acquisition of mineral property (Note 12)	3,860,000	2,631,000	-	-	-	-	2,631,000
Exercise of options and warrants	590,000	459,475	-	(192,500)	-	-	266,975
Balance at December 31, 2018	506,558,119	$ 298,770,227	$ -	$ 48,100,579	$ -	$ (323,849,505)	$ 23,021,301

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

Barkerville Gold Mines Ltd.

Consolidated Statements of Cash Flows

For the years ended December 31, 2018 and 2017

	Year ended	
	December 31, 2018	December 31, 2017
Cash flows from (used in) operating activities		
Net loss for the year	$ (67,558,681)	$ (53,813,125)
Adjustments to reconcile loss to net cash used in operating activities		
Depreciation	1,513,670	1,076,930
Accretion expense - provision for site reclamation and closure	499,592	475,795
Increase in estimate of provision for site reclamation and closure	6,936,524	-
Shares issued pursuant to agreement	-	352,000
Gain on sale of NSR	(11,207,296)	(6,836,558)
Gain on revaluation of RSU	1,449	-
Realized loss on sale of investments	414,927	-
Stock based compensation	2,692,250	6,104,750
Deferred tax recovery	(9,247,000)	(5,379,300)
Changes in non-cash working capital balances:		
Accounts receivable	713,923	(2,688,347)
Prepaid expenses	372,833	(590,186)
Trade and other payables	(1,903,382)	9,165,286
Inventory	(403,616)	(956,638)
Total cash outflows from operating activities	(77,174,807)	(53,089,393)
Cash flows from (used in) investing activities		
Proceeds from sale of NSR	20,000,000	12,500,000
Restricted cash	(2,000,000)	-
Reclamation deposits	2,616,200	(4,581,800)
Disposals (purchase) of investments, net	11,488,346	(835,186)
Acquisition of property, plant and equipment, net of disposals	(1,320,140)	(8,284,469)
Proceeds from gold sales	23,604,060	1,504,882
Acquisition of mineral properties and deferred development costs	(6,789,220)	(19,615,710)
Total cash inflows (ouflows) from investing acitivites	47,599,246	(19,312,283)
Cash flows from (used in) financing activities		
Amounts advanced by (paid to) related parties	153,063	435,032
Finance lease	(773,418)	(337,997)
Net issuance of share capital	28,552,825	92,877,215
RSU settled in cash	(447,389)	-
Total cash inflows (outflows) from financing activities	27,485,081	92,974,250
Total decrease in cash and cash equivalents during the year	(2,090,480)	20,572,574
Cash and cash equivalents at the beginning of the year	39,797,324	19,224,750
Cash and cash equivalents at the end of the year	$ 37,706,844	$ 39,797,324

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

1. CORPORATE INFORMATION

Barkerville Gold Mines Ltd. ("the Company" or "Barkerville") was incorporated on February 12, 1970 under the laws of the Province of British Columbia and is engaged in exploration and evaluation of mineral properties in British Columbia, including the development of the Cariboo Gold Project. The Company is listed on the TSX Venture Exchange, under the symbol BGM-V.

The address of the Company's corporate office and principal place of business is 155 University Avenue, suite 1410, M5H 3B7, Toronto, Canada.

2. BASIS OF PREPARATION

a) Going Concern of Operations

These consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material. At December 31, 2018, the Company had accumulated losses of $323,849,505 (December 31, 2017: $256,290,824). The Company had a loss of $67,558,681 during the year ended December 31, 2018 (2017: $53,813,125). These conditions raise material uncertainty that may cast significant doubt as to the ability of the Company to continue operating as a going concern.

The Company requires additional financing to continue to be able to operate, retain rights to its properties and carry out exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern for the foreseeable future is dependent upon its ability to obtain adequate financing. It is not possible to predict whether financing efforts will be successful.

The Company is in the process of exploring certain of its properties and has not yet determined whether these properties contain economically recoverable reserves. The continued operations of the Company and the amounts recoverable on these properties are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing to complete the necessary exploration and development of such property and upon attaining future profitable production or proceeds from disposition of the properties.

b) Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to the preparation of these financial statements.

The financial statements were authorized for issuance to the Board of Directors on March 20, 2019.

2. BASIS OF PREPARATION (CONTINUED)

c) Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The functional currency of the Company and the Company's subsidiary is the Canadian dollar. The consolidated financial statements are expressed in Canadian dollars which is the Company's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated, including the adoption of IFRS 9, Financial Instruments and IFRS 15, Revenue from Contracts with Customers.

a) Basis of Consolidation

The consolidated financial statements include Barkerville Gold Mines Ltd. and its subsidiaries as at December 31, 2018. Subsidiaries are entities controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has all of the following:

- Power over the investee (i.e., existing rights that give the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

The operations, assets and liabilities of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Company.

These consolidated financial statements include the accounts of the Company and all of its wholly owned subsidiaries:

- Bethlehem Resources (1996) Corporation;
- Williams Creek Gold Ltd.; and
- 0847423 BC Ltd.

All intercompany transactions and balances are eliminated on consolidation.

b) Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand, demand deposits with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts. Cash and cash equivalents do not include restricted cash.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Exploration and Evaluation Properties, Mineral Properties and Deferred Development Costs

Pre-exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Expenditures

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, drilling and other work involved in searching for minerals.

Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of:

(i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;
(ii) determining the optimal methods of extraction and metallurgical and treatment processes;
(iii) studies related to surveying, transportation, and infrastructure requirements;
(iv) permitting activities; and
(v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

License costs paid in connection with a right to explore in an existing exploration area are expensed as incurred.

Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless it is concluded that a future economic benefit is more likely than not to be realized.

In evaluating if expenditures meet the criteria to be capitalized, several different sources of information are utilized. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

Exploration and evaluation expenditures incurred on a license where a NI 43-101 – Standards of Disclosure for Mineral Projects ("43-101") compliant resource has not yet been established are expensed as incurred until sufficient evaluation has occurred in order to establish a 43-101 compliant resource and on completion of a positive economic analysis. Costs expensed during this phase are included in "exploration expenses" in the statement of loss and other comprehensive loss.

Costs of acquiring exploration and evaluation assets are capitalized. They are subsequently measured at cost less accumulated impairment.

Once development is approved, exploration and evaluation assets are tested for impairment and transferred from "Exploration and Evaluation Assets" to "Mineral Properties and Deferred Development Costs" or "Property, Plant & Equipment" depending on the nature of the asset. No amortization is charged during the exploration and evaluation phase.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Exploration and Evaluation Properties, Mineral Properties and Deferred Development Costs (continued)

Mineral Properties and Deferred Development Costs

Subsequent to completion of a positive economic analysis on a mineral property, capitalized exploration and evaluation assets are transferred into mineral properties, or as an item of property, plant and equipment based on the nature of the underlying asset. Items of property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets (where relevant) borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Following transfer of "Exploration and Evaluation Assets" into "Mineral Properties" within "Mineral Properties and Deferred Development Costs", all subsequent expenditure on the construction, installation or completion of infrastructure and mine facilities is capitalized within "Deferred Development Costs". Development expenditure is net of proceeds from the incidental sale of ore extracted during the development phase.

When a mine construction project (included in deferred development costs) moves into the production stage, the capitalization of certain mine construction costs ceases and are either regarded as part of the cost of inventory or expenses, except for costs which qualify for capitalization relating to mining asset additions or improvements, underground/surface mine development or mineable reserve development.

Management reviews the carrying value of capitalized mineral property and development costs for indicators of impairment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all costs associated with the project are impaired to the project's recoverable amount.

Amortization and Depletion

Accumulated mine development costs are amortized/depleted on a unit of production basis over the economically recoverable reserves and resources of the mine concerned, except in the case of assets whose useful life are shorter than the life of the mine, in which case the straight line method is applied. The unit of account for run-of-mine (ROM) costs is tonnes of ore extracted and processed. Rights and concessions are depleted on the unit of production basis over total recoverable reserves and resources of the relevant area. The unit of production rate for the amortization/depletion takes into consideration expenditures to date.

Amortization and depletion are either regarded as part of the cost of inventory or expensed through the statement of loss and other comprehensive loss.

Disposal

Gains and losses on disposal of an item within Exploration and Evaluation Properties, or Mineral Properties and Deferred Development Costs are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in profit or loss.

Sale of Royalty Interest

The Company does not recognize any gain or loss on its exploration and evaluation royalty transactions, until the consideration received is in excess of the carrying amount of the associated asset on which the royalty is to be earned.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Property, Plant and Equipment

Cost

Items of property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets (where relevant) borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

The cost of replacing or overhauling a component of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is written off. Costs associated with routine repairs and maintenance of plant and equipment are expensed as incurred.

Depreciation

The carrying amounts of property, plant and equipment are depreciated using the diminishing balance method using the rates below. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (or components) of plant and equipment.

Mining Plant & Equipment: 5%-50%

Office Furniture & Equipment: 20%

Depreciation methods and useful lives are reviewed at each annual reporting date and adjusted as appropriate.

Depreciation is either regarded as part of the cost of inventory or expensed through the statement of loss and other comprehensive loss.

Disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in profit or loss.

e) Reclamation Deposits

Reclamation deposits are term deposits held on behalf of the Government of the Province of British Columbia (the "province") as collateral for possible reclamation activities on the Company's mineral properties in connection with permits required for exploration activities. As they are restricted from general use, they are excluded from current assets. Reclamation deposits are released, by the province, once the property is restored to satisfactory condition, or as released under the surety bond agreement described in Note 14. Reclamation deposits are classified as loans and receivables.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset (or cash-generating unit (CGU)) may be impaired. If any indication of impairment exists, the Company estimates the asset's or CGU's recoverable amount. Recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the asset is tested as part of a larger CGU. Where the carrying value of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment of inventories, are recognized in loss and other comprehensive loss in those expense categories consistent with the function of the impaired asset.

An assessment is made each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount since the last impairment loss was recognized. The reversal is limited to the recoverable amount, which cannot exceed the carrying amount that would have been determined, net of depreciation/amortization, had no impairment loss been recognized for the asset/CGU in prior years. Such a reversal is recognized in loss and other comprehensive loss. Exploration and Evaluation assets are considered for impairment in light of the requirements of IFRS 6, and allocated to a separate CGU.

g) Inventory

Gold inventories are physically measured or estimated and valued at the lower of cost or net realizable value. Net realizable value is the estimated future sales price of the product the entity expects to realize when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Cost is calculated by the cost method, comprising the direct purchase cost of the items.

Consumables are valued at the lower of cost or net realizable value. Any provision for obsolescence is determined by reference to specific items. A regular review is undertaken to determine the extent of any provision for obsolescence.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Revenue Recognition

Revenue from the sale of metals contained in concentrates is recognized when significant risks and rewards of ownership of the concentrates have been transferred to the customer in accordance with the agreements entered into between the Company and its customer, collection is reasonably assured and the price is reasonably determinable. Revenue from the sale of metals represents gross proceeds receivable from the customer. Revenue from metal sales is primarily from gold sales but also includes silver by product.

During the development stage of a mine up until the determination of commercial production, incidental revenues earned are credited against the mineral property and deferred development costs. Once commercial production is declared, revenue from the sales of gold and silver is recognized based on the identification of contracts with a customer, the determination of performance obligation under the contract and the related transaction price, and the point at which the Company satisfies its performance obligation.

Interest revenue is recognized as it is earned.

i) Financial Instruments

1. Financial assets
Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), amortized cost, or fair value through other comprehensive income ("FVOCI). The Company determines the classification of its financial assets at initial recognition.

(1.1) FVTPL
Financial assets are classified at FVTPL if they are acquired for the purpose of selling in the near term. Gains or losses on these items are recognized in net earnings or loss.

(1.2) Amortized cost
Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's amounts receivables are recorded at amortized cost as they meet the required criteria. A provision is recorded when the estimated recoverable amount of the financial asset is lower than the carrying amount. At each statement of financial position date, the Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. When sold or impaired, any accumulated fair value adjustments previously recognized are included in profit or loss.

(1.3) FVOCI
Listed and unlisted bonds were reclassified from available for sale to FVOCI, as the Company's business model is achieved both by collecting contractual cash flows and selling of these assets. The contractual cash flows of these investments are solely principal and interest.

For equity securities that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at FVOCI, with all subsequent changes in fair value being recognized in other comprehensive income ("OCI"). This election is available for each separate investment. Under this new FVOCI category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment, the cumulative fair value change remains in OCI and is not recycled to net earnings or loss.
(1.4) Reclassifications
Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Financial Instruments (continued)

2. Financial liabilities
For financial liabilities, IFRS 9 retains most of the IAS 39 requirements and since the Company does not have any financial liabilities designated at FVTPL, the adoption of IFRS 9 did not impact the Company's accounting policies for financial liabilities. Trade and other payables, due to related parties and lease payable are accounted for at amortized cost.

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

j) Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursements. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost in loss and other comprehensive loss.

Provision for site reclamation and closure

The Company records the present value of estimated costs of legal and constructive obligations required to restore mining and other operations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the mining production location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred by the development/construction of the mine. Any rehabilitation obligations that arise through the production of inventory are expensed as incurred. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability and is included as a finance expense.

The periodic unwinding of the discount is recognized in profit or loss as a finance cost. Additional disturbances or changes in rehabilitation costs are recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. Costs related to restoration of site damage (subsequent to start of commercial production) which is created on an ongoing basis during production are provided for at their net present values and recognized in profit or loss as extraction progresses.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

If the change in estimate results in an increase in the rehabilitation liability and, therefore, an addition to the carrying value of the asset, the Company considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature mines, the revised mine asset net of rehabilitation provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

For closed sites, or assets with zero carrying values changes to estimated costs are recognized immediately in loss and other comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Contingencies

Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in the consolidated financial statements on the date such changes occur.

l) Income Taxes

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

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

m) Deferred Tax

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

n) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, and flow-through shares are classified as equity instruments.

When the Company issues units as part of a private placement, consisting of both common shares and common share purchase warrants, the fair value of the warrants is determined using the Black-Scholes pricing model, and the remaining value is assigned to the common shares.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the flow through share proceeds.

Earnings (loss) Per Share

Basic earnings (loss) per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings (loss) per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding on a diluted basis. The weighted average number of shares outstanding on a diluted basis takes into account the additional shares for the assumed exercise of stock options and warrants and debt conversion, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercise were used to acquire common stock at the average market price during the reporting period. In a loss period, stock options and warrants are anti-dilutive.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Share Capital (continued)

Share-based Payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Determining the fair value of share-based payments involves estimates of interest rates, expected life of options and warrants, expected forfeiture rate, share price volatility and the application of the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the input of highly subjective assumptions that can materially affect the fair value estimate. Stock options granted vest in accordance with the stock option plan. The valuation of stock-based · compensation is subjective and can impact profit and loss significantly. The Corporation has applied a forfeiture rate in arriving at the fair value of stock-based compensation to be recognized, reflecting historical experience. Historical experience may not be representative of actual forfeiture rates incurred.

Several other variables are used when determining the value of stock options and warrants using the Black-Scholes valuation model: dividend yield, volatility and risk-free interest rate.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with the fair value of goods and services received. Where the fair value of the goods or services is not determinable, the fair value of the equity instruments granted is used.

When options are exercised, the proceeds received, together with any related amount in share-based payments reserve, are credited to share capital.

p) Fair value measurement

The Company measures financial instruments, such as derivatives, at fair value at each reporting date. Also, from time to time, the fair values of non-financial assets and liabilities are required to be determined, e.g. when the entity acquires a business, or when an entity measures the recoverable amount of an asset or cash-generating unit (CGU) at fair value less costs of disposal. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 17.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q) Fair value measurement (continued)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purposes of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

r) Recent accounting pronouncements

The adoption of the following new standards, interpretations and amendments were included in the financial statements for the year beginning January 1, 2018.

IFRS 15 Revenue Recognition

The Company has adopted all of the requirements of IFRS 15 as of January 1, 2018. IFRS 15 replaced IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue. The Company has used the modified retrospective transition method, which had no impact on the Company's consolidated financial statements as the Company has not yet reached commercial production and had no revenue recorded in the financial statements. The following is the Company's new accounting policy for revenue recognition under IFRS 15:

Revenue recognition

During the development stage of a mine up until the determination of commercial production, incidental revenues earned are credited against the mineral property and deferred development costs. Once commercial production is declared, revenue from the sales of gold and silver is recognized based on the identification of contracts with a customer, the determination of performance obligation under the contract and the related transaction price, and the point at which the Company satisfies its performance obligation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Recent accounting pronouncements

IFRS 9 Financial Instruments
The Company has adopted IFRS 9 effective January 1, 2018 and elected not to retroactively restate comparative periods. There was no impact on carrying values and equity as at January 1, 2018 and no measurement differences as a result of adopting IFRS 9.

The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") for classification and measurement of financial liabilities were carried forward in IFRS 9. IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements. The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

	IAS 39	IFRS 9
Cash & Cash Equivalents	Fair Value through profit or loss	Fair Value through profit or loss
Reclamation deposits	Loans and Receivables measured at amortized cost	Amortized cost
Amounts receivable	Loans and Receivables measured at amortized cost	Amortized cost
Investments	Available for sale	Financial asset at fair value through other comprehensive income
Trade and other payables, Due to related parties, Lease payable	Financial liabilities at amortized cost	Financial liabilities at amortized cost

As a result of the adoption of IFRS 9, the Company's accounting policy for financial instruments has been updated.

The following new standards, interpretations and amendments which are relevant to the Company's operations are effective for annual periods beginning on or after January 1, 2019 and have not been early adopted by the Company:

IFRS 16 Leases

IFRS 16 - In 2016, the IASB issued IFRS 16, Leases ("IFRS 16"), replacing IAS 17, Leases and related interpretations. The standard introduces a single on-balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. Lessors continue to classify leases as finance and operating leases. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted if IFRS 15, Revenue from Contracts with Customers ("IFRS 15") has been adopted. The Company is finalizing its evaluation of the impact of the new standard, which is not expected to be material.

There are no additional standards not yet effective that would have an impact on the consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates about the future that affect the reported amounts of assets and liabilities. Estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

a) Provision for Site Reclamation and Closure

Provisions for Site Reclamation and Closure have been created based on management estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability as shown in Note 15. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

b) Mineral Reserves and Mineral Resource Estimates

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

c) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward only to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

d) Inventories

Net realizable value tests are performed at each reporting date and represent the estimated future sale price of the product the Company expects to realize when the product is sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

5. CRITICAL ACCOUNTING JUDGEMENTS

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

a) Commencement of Commercial Production

Once a mine is ready for its intended use, depletion of capitalized mineral property costs begins. Significant judgement is required to determine when a project is ready to be operated in the manner intended by management. In assessing whether the Bonanza Ledge project has reached commercial production, management has considered several factors including:

- Whether all major capital expenditures necessary to bring the mine to the condition where it is capable of operating in the manner intended by management have been completed;
- Whether a reasonable period of testing and commissioning has taken place;
- The ability to produce saleable product;
- Whether the mine or plant has reached a pre-determined percentage of design capacity;
- Whether mineral recoveries are at or near the expected production level; and
- Whether the mine has the ability to sustain ongoing production of ore.

Because of operating difficulties encountered in the ramp up of the Bonanza Ledge mine and plant efficiency, management does not consider that commercial production has been met as at December 31, 2018.

b) Exploration and Evaluation Expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

c) Impairment of Property, Plant and Equipment, Mining Properties and Deferred Development Costs and Exploration and Evaluation Assets

Management considers both external and internal sources of information in determining if there are any indications that the Company's property, plant and equipment assets, mining properties and deferred development costs and exploration and evaluation assets are impaired. External sources of information management consider include the market, economic, and legal environment in which the Company operates. Internal sources of information management considers include the manner in which the property, plant and equipment, mining properties and deferred development costs are being used or are expected to be used, and indication of economic performance of the assets. Management has used its judgment to determine the appropriate allocation of assets to a specific cash generating unit (CGU), for which it was determined that there are two CGUs (individual mining locations). These locations are the lowest level for which cash flows are largely independent of those from other assets/CGUs.

Exploration and evaluation assets have not been included with other CGUs for assessment for impairment indicators. If, after an exploration and evaluation expenditure is capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash generating unit or group of cash generating units level in the year the new information becomes available. The Company has determined that there are currently no indicators of impairment on its exploration and evaluation properties at December 31, 2018 (December 31, 2017: $nil).

5. CRITICAL ACCOUNTING JUDGMENTS (CONTINUED)

d) Net smelter royalty agreements

When entering into a long-term royalty arrangements linked to production at specific project, judgment is required in assessing the appropriate accounting treatment for the transaction and allocation of proceeds between exploration & evaluation assets and mineral properties and deferred development costs disposed. The Company considers the specific terms of each arrangement to determine whether we have disposed of an interest in the reserves and resources of the respective operation. This assessment considers what the counterparty is entitled to and the associated risks and rewards attributable to them over the life of the operation.

6. AMOUNTS RECEIVABLE

The amounts receivable for the Company are comprised of the following:

	December 31, 2018	December 31, 2017
Receivable from incidental gold sales	**$ 361,919**	$ 1,352,599
Trade and other receivables	**1,034,773**	1,006,144
Goods and services tax receivable	**1,049,331**	801,203
Total amounts receivable	**$ 2,446,023**	$ 3,159,946

7. PREPAID EXPENSES

The prepaid expenses for the Company are comprised of the following:

	December 31, 2018	December 31, 2017
Insurance	**$ 454,766**	$ 259,478
Other prepaid amounts	**209,464**	777,585
Total prepaid expenses	**$ 664,230**	$ 1,037,063

8. CASH AND CASH EQUIVALENTS

The balance at December 31, 2018 consists of cash on deposit with major Canadian banks in general interest bearing accounts totaling $37,249,594 (December 31, 2017 - $39,139,074) and cashable guaranteed investment certificates with major Canadian banks of $457,250 (December 31, 2017 - $658,250) for total cash and cash equivalents of $37,706,844 (December 31, 2017 - $39,797,324).

9. FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME INVESTMENTS

The balance at December 31, 2018 consists of one investment into shares of publicly traded company totaling $nil (December 31, 2017: various short-term corporate bonds and shares of publicly traded companies investments totaling $11,811,409). The impact to the consolidated financial statements of this revaluation to market value resulted in an annual gain of $91,864 for the year ended December 31, 2018 (2017: $11,126 gain) which has been recognized in other comprehensive loss and released to loss and comprehensive loss upon disposal during 2018.

10. PROPERTY, PLANT AND EQUIPMENT

	Mine plant & equipment	Office furniture & equipment	Total
Cost:			
Balance at January 1, 2017	$ 19,220,761	$ 1,112,256	$ 20,333,017
Additions	9,448,104	59,992	9,508,096
Disposal	(86,250)	-	(86,250)
Balance at December 31, 2017	28,582,615	1,172,248	29,754,863
Additions	2,153,088	64,899	2,217,987
Disposal	(453,675)	-	(453,675)
Balance at December 31, 2018	$ 30,282,028	$ 1,237,147	$ 31,519,175
Depreciation and impairment losses			
Balance at January 1, 2017	$ 11,521,436	$ 666,604	$ 12,188,040
Depreciation	1,974,002	95,083	2,069,085
Disposal	(23,065)	-	(23,065)
Balance at December 31, 2017	13,472,373	761,687	14,234,060
Depreciation	2,415,527	89,781	2,505,308
Disposal	(301,253)	-	(301,253)
Balance at December 31, 2018	$ 15,586,647	$ 851,468	$ 16,438,115
Net Book Value			
Balance at January 1, 2017	$ 7,699,325	$ 445,652	$ 8,144,977
Balance at December 31, 2017	$ 15,110,242	$ 410,561	$ 15,520,803
Balance at December 31, 2018	$ 14,695,381	$ 385,679	$ 15,081,060

As at December 31, 2018, $807,700 (December 31, 2017: $807,700) of property, plant and equipment is pledged as collateral for the reclamation deposits (see Note 14).

For the year ended December 31, 2018, $991,639 (year ended December 31, 2017 - $988,898) of depreciation is capitalized to mine development costs (note 12).

Sale of Goldstream Mill:

On September 8, 2016, the Company sold the assets and liabilities related to the Goldstream Mill for proceeds of $2,000,000 in the form of a $1,000,000 promissory note payable as follows:

(i) Less than 6 months - $50,000
(ii) 6 - 12 months - $50,000
(iii) 12 - 24 months - $175,000
(iv) 24 - 36 months - $275,000
(v) 36 - 48 months - $450,000

With the remaining $1,000,000 receivable over time by way of having the right to receive 25% of the net profits generated from commercial processing of material through the Mill.

The Company will record proceeds of disposition as they are received due to the uncertainty of collection regarding the amount receivable. The Company has not received any payments due under the promissory note.

11. EXPLORATION & EVALUATION ASSETS

	Wayside Property	Cariboo Gold Project	Williams Creek Project	Bethlehem	Total
Cost					
Balance at January 1, 2017	$1	$ 942,455	$ 4,720,986	$-	$5,663,442
Sale of NSR	-	(942,455)	(4,720,986)	-	(5,663,441)
Balance at December 31, 2017	1	-	-	-	1
Additions	-	-	-	-	-
Balance at December 31, 2018	$1	$-	$-	$-	$1
Carrying amounts					
Balance at January 1, 2017	$1	$ 942,455	$ 4,720,986	$-	$5,663,442
Balance at December 31, 2017	$1	$-	$-	$-	$1
Balance at December 31, 2018	$1	$-	$-	$-	$1

On September 6, 2018 the Company completed a 1.75% net smelter return royalty on the Cariboo Gold Project (see Note 12).

12. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT COSTS

	Mineral properties	Deferred development costs	Total
Cost			
Balance at January 1, 2017	$4,123,331	$15,491,457	$19,614,788
Additions for the year	1,626,750	18,543,156	20,169,906
Balance at December 31, 2017	5,750,081	34,034,613	39,784,694
Proceeds from gold sales	-	(23,604,060)	(23,604,060)
Additions for the period	3,394,000	7,017,858	10,411,858
Sale of NSR, net of costs	(4,962,750)	(1,956,954)	(6,919,704)
Balance at December 31, 2018	$4,181,331	$15,491,457	$19,672,788
Depletion and impairment losses			
Balance at January 1, 2017	$4,123,331	$15,491,457	$19,614,788
Depletion for the year	-	-	-
Balance at December 31, 2017	4,123,331	15,491,457	19,614,788
Depletion for the period	-	-	-
Balance at December 31, 2018	$4,123,331	$15,491,457	$19,614,788
Carrying amounts			
Balance at January 1, 2017	$ -	$-	$-
Balance at December 31, 2017	$1,626,750	$18,543,156	$20,169,906
Balance at December 31, 2018	$ 58,000	$-	$58,000

Quesnel River Mine:

The QR Mine is subject to a 5% net operating profits royalty, a 1% net smelter return royalty (NSR), and a 2% net profit royalty. Should a deposit of one million proven recoverable ounces of gold be discovered on the property, the property is subject to a 50% back-in interest in return for reimbursing the Company for double the amount of expenditures incurred and by completing a bankable feasibility study.

12. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT COSTS (CONTINUED)

Bonanza Ledge:
On January 30, 2018 – Barkerville Gold Mines Ltd. entered into an agreement with arm's length parties to purchase a 10% interest in 8 mineral claims adjacent to the Corporation's Bonanza Ledge mine. As consideration for the purchase, the Corporation has agreed to pay the vendor a cash purchase price of $400,000 (paid), and to issue the vendor an aggregate of 660,000 common shares (issued) in the capital of the Corporation.

Wayside property:
As at December 31, 2018 and December 31, 2017, the Company holds a 100% interest in the Wayside property, consisting of certain mineral claims and leases located in the Lillooet Mining Division, British Columbia. If the property commences commercial production, the Company will be required to issue shares equal in value to $480,000 to the party from whom it was initially acquired.

Cariboo Gold Project:

The Cariboo Gold Project is subject to a net smelter return royalty (NSR) of 2.75-4.75% for various properties within the contiguous mineral tenures.

On March 1, 2018 – Barkerville Gold Mines Ltd. entered into an agreement to purchase five mineral claims located in the Cariboo Gold District in British Columbia. As consideration for the purchase, the Corporation has agreed to pay the vendors a cash purchase price of $5,000 (paid), and to issue the vendors an aggregate of 200,000 common shares (issued) in the capital of the Corporation.

On April 24, 2018, the Company entered into an agreement to purchase twelve mineral claims covering an area of 5300 hectares located in the Cariboo Gold District in British Columbia. As consideration for the acquisition, the Company has agreed to pay the vendor a cash purchase price of $300,000 (paid), and to issue the vendor an aggregate of three million common shares (issued) in the capital of the Company.

On September 6, 2018 the Company completed a royalty sale transaction with Osisko Gold Royalties Ltd (Osisko), pursuant to which Osisko acquired a 1.75% net smelter return royalty on the Cariboo Gold Project for the aggregate purchase price of $20,000,000 (received) (Royalty Purchase Agreement). Of the purchase price paid on closing, $2,000,000 (received) was kept by the Company in a segregated restricted account (Restricted Funds) and will not be available to Barkerville until certain conditions precedent are satisfied. Those conditions precedent include the delivery to Osisko of certain waivers and consents required from third parties in connection with the Royalty Transaction. The conditions precedent were not satisfied as at December 31, 2018, and $2,000,000 Restricted Funds were classified as Restricted Cash on the Company's statement of financial position.

Under the terms of the Royalty Purchase Agreement, the Company also has the option to grant Osisko an additional 1% NSR on the Cariboo property for additional cash consideration of $13,000,000, at any point between the closing date of the Royalty Purchase Agreement and December 31, 2018 (the Option Royalty). In order to grant the Option Royalty and receive the additional consideration, the Company must have successfully satisfied the conditions precedent to the release of the Restricted Funds. In the event that (i) the Company announces a change of control during the Option Royalty period, or (ii) Osisko participates in an equity financing of the Company during the Option Royalty period, if the Option Royalty remains unexercised, Osisko will have the right to purchase the Option Royalty. On December 16, 2018, the deadline to satisfy the conditions was extended to February 28, 2019, and as at March 20, 2019, the conditions were not yet satisfied. As part of the Royalty Purchase Agreement, Barkerville has granted Osisko 10,000,000 common share purchase warrants exercisable for common shares at an exercise price of $0.75 per common share for a period of 36 months following the closing of the Royalty Purchase Agreement. Any gain on the Royalty Purchase Transaction is recognized in full as control over the right to the silver or gold mineral interest transfers to the purchaser. The Company has allocated the proceeds of Royalty Purchase Agreement between exploration and evaluation assets, and mineral properties and deferred development costs based on their carrying values at the time of NSR sale and indicated resources. As a result the Company has decreased the carrying values of mineral properties and deferred development costs by $6,919,704 and recognized a gain on sale of NSR of $11,207,296. The gain on sale of NSR was calculated as follows:

NSR proceeds received	$	20,000,000
Less: Warrants issued		(1,873,000)
Previously capitalized costs development & acquisition costs		(6,919,704)
	$	11,207,296

12. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT COSTS (CONTINUED)

Bethlehem:

On November 16, 2010 the Company completed the acquisition of all the issued and outstanding shares of Bethlehem Resources (1996) Corporation, a private B.C. company, from International Bethlehem Mining Corporation (IBMC). The asset purchase includes the Goldstream mill facility, tailings pond, and related mineral leases and claims which are located in the Revelstoke mining division, British Columbia. Certain mineral claims are subject to either a 25% net profit royalty, or a 2.5% net smelter return royalty and a 12.5 % net profit royalty, at the election of the holder of the royalty interest. The Goldstream Mill facility was subsequently sold.

13. TRADE AND OTHER PAYABLES

The trade and other payables of the Company consist of the following:

	December 31, 2018	December 31, 2017
Trade payables	**$ 7,003,824**	$ 8,540,805
Payroll related liabilities	**1,390,545**	1,346,189
Accrued liabilities	**4,089,216**	4,499,973
Total trade and other payables	**$ 12,483,585**	$ 14,386,967

14. PROVISIONS FOR SITE RECLAMATION AND CLOSURE

Provincial laws and regulations concerning environmental protection affect the Company's exploration and operations. Under current regulations, the Company is required to meet performance standards to minimize the environmental impact from its activities and to perform site restoration and other closure activities. The Company's provision for future site closure and reclamation costs is based on known requirements. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments.

The Company's determination of the environmental rehabilitation provision arising from its activities at the Cariboo Gold Project, Quesnel River Mine, and Bonanza Ledge Mine at December 31, 2018 was $21,046,475 (December 31, 2017: $13,610,356). This estimate was based upon a December 31, 2018 undiscounted future cost of $24,268,092 (December 31, 2017: $16,534,420), an annual inflation rate of 1.98% and risk adjusted discount rate of 5.3%. The closure and reclamation expenditure is expected to be incurred in various stages up to 2021. As of December 31, 2018 the Company has revisited its reclamation and closure plan and $1,655,639 in expenditures are expected to be incurred within the next 12 months from the statement of financial position date. There is uncertainty related to the cost of implementation of the mitigation plan related to uncertainty about applicable water quality, the engineering scope and cost of mitigation required to meet the standards and responsibilities for the financial liability. As such, if outcomes are unfavorable, it could result in additional liability.

14. PROVISIONS FOR SITE RECLAMATION AND CLOSURE (CONTINUED)

The breakdown of the provision for site reclamation and closure is as per below:

	December 31, 2018	December 31, 2017
Balance,	$ 13,610,359	$ 13,134,564
Accretion	499,592	475,795
Change in estimate	6,936,524	-
Balance,	$ 21,046,475	$ 13,610,359
Current portion	1,655,639	4,756,697
Long term portion	19,390,836	8,853,662

Reclamation Deposits:

The Company is required to make reclamation deposits in respect of its expected site reclamation and closure obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company.

The Company entered into $12,036,000 surety bond agreement in order to release its reclamation deposits. On September 5, 2017, the Company entered into a deposit agreement with OneBeacon Specialty Insurance Company (the "Surety"). As at December 31, 2018, The Company had total deposits of $5,361,400 (December 31, 2017: $7,977,600) with the Surety in connection with the surety bonds for ongoing reclamation and mine closure obligations. During the year ended December 31, 2018, $2,681,200 was released under the surety bond agreement. The principal balance of the Deposit plus interest earned on the principal is used to fund ongoing reclamation and mine closure obligations. Interest shall accrue on the Deposit at the 3-month US T-Bill rate, and shall be compounded monthly. The Surety is entitled to a management fee of 2.0% of the Deposit calculated on an annualized basis.

15. EQUITY

Share Capital

a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value. As at December 31, 2018, 506,558,119 (December 31, 2017: 434,953,997) common shares were issued and outstanding.

The holders of common shares are entitled to receive dividends which are declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

During the year ended December 31, 2018:

1. On December 18, 2018 and December 21, 2018, the Company completed two tranches of a brokered private placement financing of (i) 40,132,581 flow-through shares at a price of $0.50 per flow-through share for gross proceeds of $20,066,291, (ii) 6,000,000 flow-through shares at a price of $0.40 per flow-through share for gross proceeds of $2,400,000, and (iii) 20,554,941 shares at a price of $0.34 per share for gross proceeds of $6,988,680. The Company paid a cash commission and other issue costs equal to $1,169,120.

2. On May 1, 2018, the Company issued 3,000,000 common shares at a price of $0.67 per share for value of $2,010,000 in connection with the acquisition of twelve mineral claims located in the Cariboo Gold District in British Columbia.

3. On March 1, 2018, the Company issued 200,000 common shares at a price of $0.63 per share for gross with a value of $126,000 in connection with the acquisition of 5 mineral tenures located in the Cariboo Mining District, as described in Note 12.

4. On January 25, 2018, the Company issued 660,000 common shares at a price of $0.75 per share for gross with a value of $495,000 in connection with the acquisition of 10% interest in 8 mineral claims adjacent to the Company's Bonanza Ledge mine, as described in Note 12.

During the year ended December 31, 2017:

5. On December 29, 2017, the Company completed a brokered private placement financing of 10,988,000 flow-through shares at a price of $1.00 per flow-through share for gross proceeds of $10,988,000. The Company paid a cash commission equal to $289,400.

6. On November 22, 2017, the Company issued 1,100,000 common shares at a price of $0.71 per share for gross with a value of $781,000 in connection with the acquisition of 20 mineral tenures located in the Cariboo Mining District, as described in Note 12.

7. On September 28, 2017, the Company completed a brokered private placement financing of (i) 25,000,000 flow-through shares at a price of $1.12 per flow-through share for gross proceeds of $28,000,000, and (ii) 8,750,000 common shares of the Corporation at a price of $0.80 per Common Share for additional gross proceeds of $7,000,000.

   The Company paid a cash commission equal to $764,294.

8. On August 18, 2017, the Company issued 400,000 common shares at a price of $0.88 per share for gross with a value of $352,000 to the Lhtako Dene First Nation as part of a community relations agreement.

9. On May 18, 2017, the Company completed brokered and non-brokered private placement financings of an aggregate of 46,519,490 units of the Company at a price of $0.95 per unit for aggregate gross proceeds of $44,193,516. Each unit comprises one common share of the Company and one-half of one common share purchase warrant of the Company. Each unit warrant will entitle the holder thereof to purchase one common share of the Company at a price of $1.30 per warrant share, for a period of 18 months following the closing date of the offering, and has a fair value of $8,427,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.66%; volatility 74% and an expected life of 18 months.

15. EQUITY (CONTINUED)

a) Common Shares (continued)

10. On September 1, 2017, the Company issued 250,000 common shares at a price of $0.44 per share for gross with a value of $289,250 in connection with the acquisition of a 100% interest in 10 mineral claims located in the Cariboo Mining District, as described in Note 12.

11. On August 1, 2017, the Company issued 50,000 common shares at a price of $0.83 per share for gross with a value of $41,500 in connection with the acquisition of certain real estate with an office building.

Flow through premium liability

For the purposes of calculating the tax effect of any premium related to the issuances of the flow-through shares, the Company reviewed the share price of the Company's common shares and compared it to determine if there was a premium paid on the shares.

During the year ended December 31, 2018:

For the year ended December 31, 2018, the Company recognized an amount of $9,247,000, in relation to flow-through private placements closed in the prior year and has recorded the gain as income tax recovery upon filing of renunciation documents with the Canada Revenue Agency which occurred during the year ended December 31, 2018.

The Company also recognized $6,296,137 as a flow-through premium liability on issuance in connection with the private placements described in note 15(a)(1) above. The amount will be reduced upon filing of renunciation documents with the Canada Revenue Agency.

b) Option Plan Details

The Company has an incentive Stock Option Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The terms of the Plan provide that the Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant at terms of up to five years. No amounts are paid or payable by the recipient on receipt of the option, and the options granted are not dependent on any performance-based criteria. In accordance with the Plan, the vesting of options is at the complete discretion of the Board other than in respect of any particular options granted to a service provider who is performing Investor Relations Activities, which will vest in stages over twelve months with no more than one quarter (1/4) of such option vesting in any three month period.

The following is a summary of changes in options outstanding for the years ended December 31, 2018 and 2017:

	Number of options	Weighted average exercise price per share
Balance, December 31, 2016	26,402,661	$0.41
Granted	9,045,000	$0.82
Exercised	(6,146,161)	$0.35
Forfeited/Expired	(946,500)	$0.83
Balance, December 31, 2017	28,355,000	$0.54
Granted	4,815,000	$0.51
Exercised	(590,000)	$0.45
Forfeited/Expired	(405,000)	$0.87
Balance, December 31, 2018	32,175,000	$0.53

15. EQUITY (CONTINUED)

b) Option Plan Details (continued)

A summary of the Company's options outstanding and exercisable at December 31, 2018 is presented as follows:

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Exercised	Forfeited/ Expired	Closing Balance	Vested and Exercisable	Weighted Average Remaining Life (Years)
23/10/2013	23/10/2018	$ 0.87	405,000	-	-	(405,000)	-	-	-
15/07/2015	15/07/2020	$ 0.27	5,175,000	-	-	-	5,175,000	5,175,000	1.54
14/10/2015	14/10/2020	$ 0.29	2,290,000	-	(40,000)	-	2,250,000	2,250,000	1.79
22/12/2015	22/12/2020	$ 0.2475	475,000	-	-	-	475,000	475,000	1.98
08/03/2016	08/03/2021	$ 0.5213	2,865,000	-	-	-	2,865,000	2,865,000	2.19
07/12/2016	07/12/2021	$ 0.4675	7,800,000	-	(450,000)	-	7,350,000	7,350,000	2.94
15/12/2016	15/12/2021	$ 0.4500	300,000	-	(100,000)	-	200,000	200,000	2.96
03/05/2017	03/05/2022	$ 0.9913	3,500,000	-	-	-	3,500,000	3,500,000	3.34
30/06/2017	30/06/2022	$ 0.8825	1,650,000	-	-	-	1,650,000	1,650,000	3.50
08/12/2017	08/12/2022	$ 0.6450	3,895,000	-	-	-	3,895,000	3,895,000	3.94
05/06/2018	05/06/2023	$ 0.6000	-	2,290,000	-	-	2,290,000	2,290,000	4.43
30/10/2018	30/10/2023	$ 0.4350	-	2,525,000	-	-	2,525,000	2,525,000	4.83
			28,355,000	4,815,000	(590,000)	(405,000)	32,175,000	32,175,000	3.00

i) On October 30, 2018 the Company granted to certain officers and employees of the Company, an aggregate total of 2,525,000 options to purchase common shares of the Company exercisable at a price of $0.435 per Common Share for a period of five years. The Common Shares issuable upon exercise of the options are subject to a four-month hold period from the original date of grant.

The fair value of the 2,525,000 options was estimated at $829,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 2.38%; volatility 105% and an expected life of 5 years.

ii) On June 5, 2018, the Company granted an aggregate of 2,290,000 options to purchase common shares of the Company exercisable at a price of $0.60 per share for a period of five years, to certain directors, officers and employees. The common shares issuable upon exercise of the options are subject to a four month hold period from the original date of grant.

The fair value of the 2,290,000 options was estimated at $987,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 2.11%; volatility 110% and an expected life of 5 years.

c) Restricted Share Units

The Restricted Share Unit Plan (RSU Plan) provides for the grant of restricted share units (RSUs).

Each RSU represents an entitlement to one common share of the Company, upon vesting. RSUs are redeemable for the issue of common shares at prevailing market prices on the date of the RSU grant, or into cash, at the option of the holder, on the date of exercise.

As of December 31, 2017, the Board resolved that a maximum of 10,000,000 shares shall be authorized for issuance under the RSU Plan; the RSU and stock option Plan may not exceed 10% of the issued and outstanding shares of the Company. RSU awards vest over three years on each anniversary of the grant date. RSU awards may, but need not, be subject to performance incentives to reward attainment of annual or long-term performance goals in accordance with the terms of the RSU Plan. Any such performance goals are specified in the award agreement.

15. EQUITY (CONTINUED)

c) Restricted Share Units (continued)

The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the common shares on the grant date multiplied by the number of RSUs granted. The fair value is expensed over the vesting term. Upon redemption of the RSU the carrying amount is recorded as an increase in common share capital and a reduction in the RSU liability.

Of the 10,000,000 shares authorized for issuance under the Plan, 566,600 (December 31, 2017 – 100,000) shares have been issued as at December 31, 2018.

The following table summarizes changes in the number of RSUs outstanding:

	Number of RSU's	Weighted average fair value at the time of grant / shares issue
Balance, December 31, 2016	-	$ -
Granted	900,000	$ 0.76
Shares issued pursuant to RSU's	(100,000)	$ 0.87
Balance, December 31, 2017	800,000	$ 0.75
Granted	1,590,000	$ 0.55
Shares issued pursuant to RSU's	(466,600)	$ 0.72
RSU's exercised for cash	(903,400)	$ 0.55
Balance, December 31, 2018	1,020,000	$ 0.63

RSU liability:

The RSU liability at December 31, 2018 relates to the 1,020,000 RSU's that are fully vested and exercisable into cash at the option of the holder.

The table below shows the activity for RSU liability for the year ended December 31, 2018 and 2017:

Year ended	December 31, 2018	December 31, 2017
Balance at beginning of year	$ -	$ -
RSU's issued	877,250	-
RSU's exercised for cash	(447,389)	-
RSU's exercised for shares	(23,310)	-
Period end revaluation	1,449	-
Balance at end of year	$ 408,000	$ -

15. EQUITY (CONTINUED)

d) Share Purchase Warrants

The following is a summary of changes in warrants from January 1, 2017 to December 31, 2018:

	Number of Warrants	Weighted average exercise price per warrant
Balance, January 1, 2017	9,851,700	$ 0.41
Issue of warrants	23,259,738	1.30
Exercise of warrants	(9,448,700)	0.40
Balance, December 31, 2017	23,662,738	$ 1.29
Issue of warrants (i), (Note 12)	10,000,000	0.75
Expiry of warrants	(23,662,738)	1.29
Balance, December 31, 2018	10,000,000	$ 0.75

(i) The fair value of the 10,000,000 common share purchase warrants was estimated at $1,873,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 2.08%; volatility 104% and an expected life of 36 months.

As at December 31, 2018, the Company had outstanding warrants as follows:

Expiry Date	Exercise Price	Outstanding and exercisable
September 6, 2021	$0.75	10,000,000
Balance, December 31, 2018		**10,000,000**

Share-Based Payments Reserve

Share-based payment reserve represents employee entitlements to share-based awards that have been charged to the loss and other comprehensive loss in the periods during which the entitlements were accrued and have not yet been exercised.

16. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the years ended December 31, 2018 and 2017:

a) Services

The Company incurred administrative and operations costs in the amount of $1,449,771 (2017 - $547,399) as well as gold royalties of $1,057,736 (2017 - $32,904) paid to Osisko, a company with certain common directors and officers.

The Company incurred exploration costs in the amount of $124,232 (2017 - $94,050) paid to Talisker Exploration Services, a company whose President is a director of the Company.

The Company incurred exploration costs in the amount of $74,844 (2017 - $1,617) paid to Falco Resources, a company related to the COO and a director of the Company.

The Company incurred rent costs in the amount of $nil (2017 - $16,766) paid to Orion Capital, a company related to a director of the Company.

b) Legal fees

Legal fees in the amount of $nil (2017 - $13,370) were charged by a law firm in which a partner is a director of the Company.

Legal fees in the amount of $847,293 (2017 - $283,338) were charged by a law firm in which Legal Counsel is a director of the Company.

c) Sale of NSR

On September 6, 2018 the Company completed a royalty sale transaction with Osisko, pursuant to which Osisko acquired a 1.75% net smelter return royalty on the Cariboo property for the aggregate purchase price of $20,000,000. See note 12 for further details.

d) Key Management Compensation

Key management personnel compensation comprised:

	Year ended December 31, 2018	Year ended December 31, 2017
Short term employee benefits, director fees	**$ 2,738,856**	$ 2,552,687
Severance	**-**	60,000
Share based payments	**1,599,250**	3,238,000
	$ 4,338,106	$ 5,850,687

e) Balance payable:

The amounts payable to related parties, are summarized as follows:

	December 31, 2018	December 31, 2017
Amounts due to related parties	**$ 689,469**	$ 536,406
	$ 689,469	$ 536,406

Amounts due to related parties at December 31, 2018 include $689,469 (December 31, 2017: $536,406) payable to companies with affiliated officers in common with officers of the Company. The balance is payable on demand, interest free, and unsecured.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

	Financial Assets at Fair Value through Profit and Loss		Amortized cost		Fair Value through Other Comprehensive Income	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Cash and cash equivalents	$ 37,706,844	$ 39,797,324	$ -	$ -	$ -	$ -
Restricted cash	2,000,000	-	-	-	-	-
Amounts receivable	-	-	2,446,023	3,159,946	-	-
Fair Value through Other Comprehensive Income Investments	-	-	-	-	-	11,811,409
Reclamation deposits	-	-	5,361,400	7,977,600	-	-
Total Financial Assets	$ 39,706,844	$ 39,797,324	$ 7,807,423	$ 11,137,546	$ -	$ 11,811,409

	December 31, 2018	December 31, 2017
Financial liabilities at amortized cost:		
Trade and other payables	$ 12,483,585	$ 14,386,967
Due to related parties	689,469	536,406
Lease payable	824,000	851,993
Total Financial Liabilities	$ 13,997,054	$ 15,775,366

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings at variable rates. Interest rate risk is limited to potential decreases on the interest rate offers on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Equity Price Risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company is exposed to this risk through its equity holdings and marketable securities. The Company manages equity price risk on its marketable securities by investing in investment grade short term corporate bonds.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents, reclamation deposits, fair value through other comprehensive income investments, and amounts receivable. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company's marketable securities consist of high quality investments with investment grades.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of its cash and cash equivalents and restricted cash of $39,706,844 in total (December 31, 2017: $39,797,324), reclamation deposits of $5,361,400 (December 31, 2017: $7,977,600), amounts receivable of $2,446,023 (December 31, 2017: $3,159,946), and fair value through other comprehensive income investments of $nil (December 31, 2017: $11,811,409).

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. As at December 31, 2018, the Company had a working capital of $30,297,812 (December 31, 2017: $36,671,982 working capital), comprising of the excess of current assets over current liabilities.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities as at December 31, 2018 and 2017:

	Book Value at December 31, 2018	Within 1 Year	2 to 5 years	Over 5 years	Total
Trade and other payables	$ 12,483,585	$ 12,483,585	$ -	$ -	$ 12,483,585
Due to related parties	689,469	689,469	-	-	689,469
Lease payable	835,747	397,979	437,768	-	835,747
Total	$ 14,008,801	$ 13,571,033	$ 437,768	$ -	$ 14,008,801

	Book Value at December 31, 2017	Within 1 Year	2 to 5 years	Over 5 years	Total
Trade and other payables	$ 14,386,967	$ 14,386,967	$ -	$ -	$ 14,386,967
Due to related parties	536,406	536,406	-	-	536,406
Lease payable	880,525	524,303	356,222	-	880,525
Total	$ 15,803,898	$ 15,447,676	$ 356,222	$ -	$ 15,803,898

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Statement of Financial Position carrying amounts for amounts receivable, trade and other payables and due to related parties, approximate their fair value due to their short-term nature.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair Value Measurements, using:					
	Level 1		Level 2		Level 3	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Financial Assets						
Cash and cash equivalents	$ 37,706,844	$ 39,797,324	$ -	$ -	$ -	$ -
Restricted cash	2,000,000	-	-	-	-	-
Fair value through other comprehensive income investments	-	11,811,409	-	-	-	-
	$ 39,706,844	$ 51,608,733	$ -	$ -	$ -	$ -

Fair value through other comprehensive income investments

The fair value through other comprehensive income investment is based on quoted prices and is therefore considered to be Level 1. There are no financial instruments subject to Level 2 or Level 3 fair value measurements (2017: none).

18. CAPITAL MANAGEMENT

The company monitors its cash and cash equivalents, fair value through other comprehensive income investments, common shares, warrants, stock options. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investor's confidence required to sustain future development and production of the business. There were no changes in the Company's approach to capital management during the period.

The Company's capital consists of the following:

	December 31, 2018	December 31, 2017
Working Capital	$ 30,297,812	$ 36,671,982
Share capital	298,770,227	273,366,729
Share-based payments reserve	48,100,579	44,905,079
Accumulated other comprehensive income	-	(91,864)
Accumulated Deficit	(323,849,505)	(256,290,824)
Capital	$ 53,319,113	$ 98,561,102

19. SEGMENTED REPORTING

An operating segment is defined as a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are reviewed regularly by the Company's chief operating decision maker, the Chief Executive Officer, and for which discrete financial information is available. The Company has determined that it has one reportable operating segment, the acquisition, exploration, development and production of gold mineral properties, all of which occurs within Canada. The Company's corporate head office earns nominal revenue that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment.

20. LOSS PER SHARE

Basic loss per share is calculated by dividing the net loss for the period by the weighted average number of ordinary shares outstanding during the period.

	Year ended December 31, 2018	Year ended December 31, 2017
Loss attributed to ordinary shareholders	$ (67,558,681)	$ (53,813,125)
Weighted average number of common shares	440,883,326	375,502,727
Basic and diluted loss per share	$ (0.15)	$ (0.14)
Weighted Average Number of Common Shares		
Issued Common Shares at beginning of period	434,953,997	325,370,394
Effect of shares issued for private placements	2,355,651	37,775,754
Effect of shares issued for exercise of options and RSU's	860,253	12,356,579
Effect of shares issued for mineral properties	2,713,425	-
Weighted average number of common shares - basic and diluted	440,883,326	375,502,727

As at December 31, 2018, there are 32,175,000 (December 31, 2017: 28,355,000) options, 1,020,000 (December 31, 2017: 800,000) RSU's, 10,000,000 (December 31, 2017: 23,259,738) share purchase warrants, and nil (December 31, 2017: 403,000) broker warrants outstanding. The effect of shares issuable on the exercise of options, share purchase warrants, and broker warrants was anti-dilutive for the years ended December 31, 2018 and 2017 as the Company had a net loss for the periods.

21. LEASES PAYABLE

The Company leases certain mining equipment under finance leases. The future minimum lease payments under finance leases as at December 31, 2018 and 2017 are as follows:

	December 31, 2018	December 31, 2017
Total minimum lease payments	$ **835,747**	$ 880,525
Less: amount representing interest	**(11,747)**	(28,532)
Finance lease obligation	**824,000**	851,993
Less: current portion	**(389,640)**	(501,483)
	$ **434,360**	$ 350,510

As at December 31, 2018, future minimum lease payments by year, and in the aggregate, are as follows:

1 year	**397,979**
2 year	**286,895**
3 year	**150,873**
Totals	$ **835,747**

The finance leases are issued at a rate of interest of 0% to 4.98% and mature in 2018, 2019, and 2020. During the year ended December 31, 2018, $27,591 (2017 - $24,789) of interest from finance leases was charged to operations.

22. COMMITMENTS & CONTINGENCIES

Flow-through shares
As at December 31, 2018, the Company is committed to spending approximately $23,000,000 by December 31, 2019 in connection with its flow-through offerings (December 31, 2017 - $29,454,000).

Due to the size, complexity and nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

On April 8, 2016, the Company announced that it has been served with a proposed class action lawsuit that has been commenced in the Ontario Superior Court of Justice relating to an August 12, 2012, technical report prepared by Peter T. George, P. Geo, concerning a mineral resource estimate for the Cariboo Gold Project. The Notice of Action also names the Company's former President and CEO, James Francis Callaghan, former CFO, Minaz Dhanani, the author of the Technical Report Peter T. George and his consulting company, Geoex Limited.
On April 2, 2018, The Company announced that the previously announced class action lawsuit relating in part to an August 12, 2012 technical report concerning a mineral resource estimate for the Cariboo Gold Project, has been settled and the settlement has been approved by the Court. The settlement agreement provides for a payment of an aggregate settlement amount of $250,000 that will be fully funded by insurance coverage maintained by the Company. The settlement agreement contains no admission of liability or wrongdoing.

23. DEFERRED INCOME TAX

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

	Year ended December 31, 2018	Ten months ended December 31, 2017
Net loss before taxes	(76,805,681)	(59,192,426)
Income taxed at local statutory rates: 27% (2017: 26%)	(20,737,534)	(15,390,030)
Non-deductible expenses	752,680	1,604,053
Impact of increase in statutory rates	-	(1,449,904)
Impact of true ups	2,231,545	4,232,283
Flow-through premium liability	(9,247,000)	(5,230,000)
Flow-through shares renounced	7,952,661	5,980,699
Other	(975)	75,672
Increase (decrease) in unrecognized deferred tax assets	9,801,623	4,797,927
Deferred Income tax (recovery)	(9,247,000)	(5,379,300)

The significant components of the Company's estimated deferred tax assets and liabilities are as follows:

	Year ended December 31, 2018	Ten months ended December 31, 2017
	26.00%	26.00%
Deferred income tax assets:		
Losses carried forward	$ 32,347,834	$ 25,859,625
Mineral properties and property, plant and equipment	9,715,971	8,652,889
Un-deducted financing costs	910,446	972,113
Asset retirement obligation and other	5,918,901	3,781,500
Unrecognized deferred tax assets	(48,813,710)	(39,149,885)
Total deferred income tax assets	79,442	117,242
Deferred income tax liabilities:		
Property, plant and equipment	(79,442)	(117,242)
Total deferred income tax liabilities	$ -	$ -

As at December 31, 2018, the Company has non-capital loss carry-forwards for income tax purposes of approximately $119,807,000 (December 31, 2017 - $95,776,000) that expires in various amounts from 2026 to 2038.

24. SUBSEQUENT EVENTS

On January 31, 2019 the Company granted to certain officers and employees of the Company, an aggregate total of 750,000 options to purchase common shares of the Company exercisable at a price of $0.435 per Common Share for a period of five years. The Common Shares issuable upon exercise of the options are subject to a four-month hold period from the original date of grant. The Company has also granted an aggregate total of 1,450,000 restricted share units of the Company to certain eligible participants under the Company's restricted share unit plan. The RSUs will vest immediately and convert into Common Shares at a fair market value of $0.435 per Common Share.

APPENDIX "I"
MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONTRIBUTED OSISKO ASSETS

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Osisko Annual Carve Out MD&A I-16

Barkerville Interim MD&A I-38

Barkerville Annual MD&A I-63

The Mining Activities of Osisko Gold Royalties Ltd

Management's Discussion and Analysis

For the three and nine months ended September 30, 2020

The entity's unaudited combined combined carve-out interim financial statements and related notes for the three and nine months ended September 30, 2020 and 2019 (the "Carve-out Financial Statements") represent the activities, assets and liabilities of the portfolio of mining assets and marketable securities of Osisko Gold Royalties Ltd ("Osisko") spun-off on a "carve-out" basis (thereafter referred to as the "Business"), rather than representing the legal structure. For all periods presented in the Carve-Out Financial Statements, the economic activities related to the Osisko Contributed Assets are carved-out. The Carve-Out Financial Statements of the Business have been prepared for the purpose of presenting the financial position, results of operations and cash flows of the Osisko Contributed Assets on a stand-alone basis.

The following management discussion and analysis ("MD&A") of the operations and financial position of the Business for the three and nine months ended September 30, 2020 should be read in conjunction with the Business Carve-out Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. IFRS does not provide guidance for the preparation of carve-out financial statements, and accordingly in preparing the Carve-out Financial Statements, certain accounting conventions commonly used for the preparation of historical financial statements have been applied. Management is responsible for the preparation of the Carve-out Financial Statements and other financial information relating to the Business included in this report. All monetary amounts included in this report are expressed in Canadian dollars, the Business reporting and functional currency, unless otherwise noted. Assets and liabilities of the subsidiaries that have a functional currency other than the Canadian dollar are translated into Canadian dollars at the exchange rate in effect on the combined carve-out balance sheet date and revenues and expenses are translated at the average exchange rate over the reporting period. This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "Forward-Looking Statements" section. The information included in this MD&A is as of November 19, 2020.

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Highlights – Third Quarter of 2020 and Subsequent to the Third Quarter

- As a result of the COVID-19 pandemic, exploration and development activities on the Cariboo gold project were temporarily suspended during the second quarter, but have since returned to normal operations.

- In August 2020, Osisko acquired the San Antonio gold project in the state of Sonora in Mexico for US$42.0 million. An amount of US$30.0 million was paid in cash by Osisko and the remaining US$12.0 million was paid through the issuance of common shares of Osisko. As part of the Arrangement described below, Osisko will contribute the San Antonio gold project assets to the Business at the closing of the Arrangement.

- On October 5, 2020, Osisko announced it had entered into a binding letter agreement with Barolo Ventures Corp. ("Barolo") whereby Osisko will transfer certain assets to Barolo in exchange for shares of Barolo. The business combination will result in a reverse takeover of Barolo by Osisko and the common shares of Barolo will be subject to a consolidation on a 60:1 basis. A concurrent placement of approximately $100 million will be made by issuing 13,350,000 subscription receipts.

Carve-out Financial Statements and Arrangement

The combined carve-out interim financial statements have been prepared by management of Osisko in connection with the October 5, 2020 agreement for the proposed sale of a portfolio of mining assets and investments in mining assets owned by Osisko to Barolo in exchange for common shares of Barolo as consideration (the "Arrangement"), which will result in a "Reverse Take-Over" of Barolo (the "RTO") under the policies of the TSX Venture Exchange. References to Osisko Development Corp. ("Osisko Development") is to Barolo after the closing of the RTO, as Barolo will change its name to Osisko Development Corp.

Through the Arrangement, Barolo will indirectly acquire, among other things, the following assets from Osisko (referred to herein as the "Osisko Contributed Assets"):

- Cariboo gold project;
- Portfolio of investments in equity securities of exploration and evaluation publicly traded corporations;
- San Antonio gold project (acquired by Osisko in August 2020);
- James Bay exploration properties (including the Coulon property); and
- Guerrero exploration properties.

Osisko (or its subsidiaries) will retain the following royalty or stream interests in the assets transferred to Barolo:

- 5% net smelter return ("NSR") royalty on the Cariboo gold project and Bonanza Ledge II gold project;
- 15% gold and silver stream on the San Antonio gold project;
- 3.0% NSR royalty on the James Bay and Guerrero exploration properties (including the Coulon property).

The Arrangement is expected to close in the fourth quarter of 2020.

These combined carve-out interim financial statements reflect the activities, assets and liabilities of the Osisko Contributed Assets in connection with the Arrangement on a "carve-out" basis, rather than representing the actual legal structure. For all periods presented in the combined carve-out financial statements, the economic activities related to the Osisko Contributed Assets are presented on a combined basis as at the dates and for the periods when they were under common control. The combined carve-out interim financial statements have been prepared for the purpose of presenting the financial position, results of operations and cash flows of the Osisko Contributed Assets on a stand-alone basis. The combined carve-out interim financial statements have been extracted from historical accounting records of Osisko with estimates used, when necessary, for certain allocations.

- The combined carve-out balance sheets reflect the assets and liabilities recorded by Osisko which have been assigned to the Business on the basis that they are specifically identifiable and attributable to the Business;

- The combined carve-out statements of loss and comprehensive loss include a pro-rata allocation of Osisko's income and expenses based on specifically identifiable activities attributable to the Business; and

- Income taxes have been calculated as if the Business had been a separate legal entity and had filed separate tax returns for the periods presented.

The Net parent company investment represents the cumulative net contributions by Osisko to the Business for purposes of investment in the Business' assets and amounts incurred by Osisko for operating expenses and the net cash flows of the Business from the purchase and sale of investments and investments in mining assets, plant and equipment and exploration and evaluation assets.

The combined carve-out interim financial statements may not be indicative of the Business' future performance and they do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Business operated as an independent entity and had it presented stand-alone financial statements for the three and nine months ended September 30, 2020 and 2019.

Uncertainty due to COVID-19

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Business' operations, financial results and condition in future periods are also subject to significant uncertainty. In the current environment, the assumptions and judgements made by the Business are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Business valuation of its long-term assets, including the assessment for impairment and impairment reversal. Actual results may differ materially from these estimates.

As a result of the COVID-19 pandemic, the Business took action to protect its employees, contractors and the communities in which it operates. As part of the contingency plan developed by the Business, it closed its offices in March and provided employees with adequate equipment to allow them to safely work remotely from home. The Business has also suspended non-essential travels for all employees as well as non-essential work at its Cariboo gold project, including exploration and development activities. Exploration and development activities have resumed operations in the second quarter under strict health and safety measures.

Mining Exploration and Evaluation / Development Activities

During the nine months ended September 30, 2020, investments in mining assets and plant and equipment amounted to $43.6 million, mostly on the Cariboo gold property and the Bonanza Ledge Phase 2 project, and investments in exploration and evaluation assets amounted to $0.2 million.

Cariboo gold project.

On November 21, 2019, the Business acquired the Cariboo gold project located in the historical Cariboo Mining District of central British Columbia, Canada, through the acquisition of Barkerville.

Preliminary economic assessment

In September 2019, Barkerville filed an independent preliminary economic assessment ("PEA") prepared in accordance with National Instrument 43-101 for its 100% owned Cariboo gold project. The PEA provides a base case assessment of developing the project as an underground ramp-access mine with a gold pre-concentration plant in Wells and gold processing in its existing upgraded Quesnel River mill, for an after-tax internal rate of return of 28%. The results summarized below were derived from an underground mine plan extracting from the September 2019 Cariboo Gold Project Resources: 13.3 million tonnes at 5.6 g/t Au (Indicated) and 11.9 million tonnes at 5.0 g/t Au (Inferred) using a cut-off grade of 3.0 g/t Au. The potential total mineralized material mined (In-stope Resources) are extracted from four deposits (Cow, Valley, Shaft Mosquito): 14.7 million tonnes at 4.5 g/t Au average diluted gold grade. The PEA is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

The PEA base case highlights are as follows:

Gold price	**US$1,325/oz**
Discount rate	**5%**
Exchange rate	**C$1.00 = $0.77**
IRR after taxes and mining duties	**28.1%**
NPV after taxes and mining duties	**C$402.2 million**
Pre-production construction costs (including $30.0 M contingency)	C$305.5 million
After tax payback period (after start of operations)	3.1 years
Peak-year payable production	**206,000 oz**
Average Life-of-mine ("LOM") payable production	**185,000 oz**
Metallurgical gold recovery	92.1%
Average diluted gold grade	4.5 g/t Au
PEA life of mine (LOM)	11 years
Total mineralized material mined	14,683,000 tonnes
Contained gold in mined resource	2,133,000 oz
Payable gold LOM	1,966,000 oz
All-in sustaining costs net of by-product credits and royalties over LOM	US$796.00/oz
Estimated all-in cost (CAPEX plus OPEX)	US$912.00/oz
Total unit operating cost	C$105.13/ tonne mined
Gross revenue	C$3.39 billion
Operating cash flow	C$1.54 billion
NPV before taxes and mining duties	C$632.7 million
IRR before taxes and mining duties	34.9%

For more information, refer to Barkerville's NI 43-101 Technical Report dated September 17, 2019 and entitled *"Preliminary Economic Assessment of the Cariboo Gold Project"*, filed on www.sedar.com under Barkerville's profile.

Updated mineral resource estimate

In October 2020, Osisko announced an updated mineral resource estimate for the Cariboo gold project of 3.2 million ounces of gold (21.4 million tonnes grading 4.6 g/t Au) in the measured and indicated resource category, and 2.7 million ounces of gold (21.6 million tonnes grading 3.9 g/t Au) in the inferred resource category. Resource grades have some built-in dilution integrated through the process of modelling of "vein corridors" as opposed to individual veins, which, individually have gold grades that are commonly higher than 8.0 g/t Au. Metallurgical testing has shown that the mineralization can be effectively upgraded by flotation and x-ray transmission ore-sorting, owing to the strong association of gold with pyrite. The concentrates can then be processed at the wholly-owned QR mill. This mill is currently being refurbished to treat ore from the BC Vein mine being developed near Wells.

The mineral resource estimate is built upon nearly 500,000 meters of core from the 2015 to 2019 drill campaigns, and historically verified drill data using a total of 2,218 drill holes. A strong understanding of the controls of mineralization enabled Osisko's technical team to construct a mineral resource estimate constrained by lithology, alteration, structure and mineralization.

Cariboo Gold Project Mineral Resource Estimate at 2.1 g/t Au cut-off

Category	Deposit	Tonnes ('000)	Grade (Au g/t)	Ounces ('000)
Measured	**Bonanza Ledge**	**240**	**5.1**	**39**
Indicated	Bonanza Ledge	86	3.9	11
	BC Vein	1,192	4.7	179
	KL	393	3.3	42
	Lowhee	381	3.7	46
	Mosquito	783	6.0	150
	Shaft	10,889	4.7	1,644
	Valley	1,744	4.5	251
	Cow	5,734	4.5	838
Total Indicated Resources		**21,201**	**4.6**	**3,160**
Inferred	BC Vein	472	3.9	60
	KL	1,926	2.9	181
	Lowhee	1,032	3.2	105
	Mosquito	1,348	4.8	208
	Shaft	7,913	4.2	1,081
	Valley	5,683	4.0	722
	Cow	3,276	3.5	364
Total Measured and Indicated Resources		**21,441**	**4.6**	**3,200**
Total Inferred Resources		**21,649**	**3.9**	**2,721**

Mineral Resource Estimate notes:

1. The independent and qualified persons for the mineral resource estimates, as defined by NI 43-101, are Christine Beausoleil, P.Geo., and Carl Pelletier, P.Geo. (InnovExplo Inc.). The effective date of the mineral resource estimate is October 5, 2020.
2. These mineral resources are not mineral reserves as they do not have demonstrated economic viability.
3. The mineral resource estimate follows CIM Definition Standards.
4. A total of 334 vein zones were modelled for the Cow Mountain (Cow and Valley), Island Mountain (Shaft and Mosquito), Barkerville Mountain (BC Vein, KL, and Lowhee) deposits and one (1) gold zone for Bonanza Ledge. A minimum true thickness of 2.0 m was applied, using the grade of the adjacent material when assayed or a value of zero when not assayed.
5. The estimate is reported for a potential underground scenario at cut-off grade of 2.1 g/t Au. The cut-off grades were calculated using a gold price of US$1,350 per ounce.

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

In accordance with NI 43-101, an updated technical report for the Cariboo will be filed on SEDAR (www.sedar.com) under Osisko's issuer profile and, in due course, the Resulting Issuer's profile.

Outlook

The Business is carrying out on-site activities on the Cariboo gold property, investing in exploration activities, reclaiming certain historical sites and advancing technical studies towards a feasibility study and permitting. As a result of the COVID-19 pandemic, exploration activities had been temporarily suspended at the Cariboo gold property to ensure the health and security of the employees, but have resumed activities in June. A COVID-19 laboratory unit is being installed at the Cariboo gold camp to increase security and ensure the continuity of the exploration and development activities. The laboratory is expected to be operational during the month of November.

The Business is currently conducting a 40,000-meter program to expand and delineate the known and new vein corridors and deposits. This exploration is focused on the expansion of the Lowhee Zone and further delineation of the Cow and Valley deposits with four diamond drill rigs. Regional greenfields exploration will occur along the Burns, Yanks and Cariboo Hudson targets and will include geological mapping and geochemical surface sampling.

San Antonio gold project

Osisko acquired the San Antonio gold project in Sonora, Mexico for US$42 million. As part of the Arrangement, Osisko will contribute the San Antonio gold project assets to the Business at the closing of the Arrangement and will retain a 15% gold and silver stream (with ongoing per-ounce payments equal to 15% of the prevailing price of gold and silver, as applicable) on the San Antonio gold project.

The San Antonio gold project is a past-producing mine that went into receivership as an oxide copper mine. The Business will initially focus on amending existing permits to transition the mine production to a gold heap leach operation as it continues to evaluate the gold potential of the asset. The Business expects exploration potential to expand both oxide and sulphide resources as recent metallurgical testing has shown that the sulphide resources are amenable to heap leaching.

The processing scenario assumes heap leaching of the mineralized material sourced from open pit mining. The mineral resource has been limited to mineralized material that occurs within optimized pit shells.

San Antonio Gold Project Mineral Resource Estimate

Category	Deposit	Tonnes ('000)	Gold Grade g/t	Silver Grade g/t	Gold Ounces ('000)	Silver Ounces ('000,000)
Inferred	Golfo de Oro	11,700	1.3	2.7	503	1.0
	California	4,900	1.2	2.1	182	0.3
	Sapuchi	11,100	1.0	3.4	364	1.2
Total Inferred Resources		**27,600**	**1.2**	**2.9**	**1,049**	**2.5**

Mineral Resource Estimate notes:

1. The independent and qualified person for the mineral resource estimates, as defined by NI 43-101, is Leonardo de Souza, MAusIMM (CP), of Talisker Exploration Services Inc.
2. The gold cut-off grade applied to oxide, transition and sulphide ore are 0.32 g/t Au, 0.36 g/t Au and 0.42 g/t Au, respectively.
3. These mineral resources are not mineral reserves as they do not have demonstrated economic viability.
4. The mineral resource estimate follows CIM Definition Standards.
5. The estimate is reported for a potential open pit scenario assuming US$1,550 per ounce of gold.
6. Results are presented in-situ. Ounce (troy) = metric tonnes x grade / 31.103. Calculations used metric units (metres, tonnes, g/t). Any discrepancies in the totals are due to rounding effects. Rounding followed the recommendations as per NI 43-101.
7. Talisker Exploration Services Inc. is not aware of any known environmental, permitting, legal, title-related, taxation, socio- political, marketing or other relevant issues that could materially affect the mineral resource estimate other than those that may be disclosed in a NI 43-101 compliant technical report.

Properties under earn-in agreements (James Bay area)

In 2016, Osisko entered into earn-in agreements with Osisko Mining. On July 5, 2019, Osisko Mining completed a spinout transaction, which resulted in, among other things, Osisko Mining transferring certain assets to O3 Mining, including properties under earn-in agreements with Osisko.

Under the Kan earn-in agreement, Osisko Mining had the option to earn a 100% interest in the Kan property (comprised of the Kan and Fosse Au properties) upon completing expenditures totaling $6.0 million over a 7-year period. The Business received notice from Osisko Mining in the first quarter of 2019 that the threshold had been reached. Therefore, a 100% interest in the Kan property was transferred to Osisko Mining (now held by O3 Mining) and Osisko retained an escalating NSR royalty ranging from 1.5% to 3.5% on precious metals and a 2.0% NSR royalty on other metals and minerals produced from the Kan property.

Under other earn-in agreements, O3 Mining could earn a 100% interest in most of Osisko's exploration properties located in the James Bay area and Labrador Trough (excluding the Coulon copper-zinc project) upon completing expenditures of $26.0 million over the initial 7-year period; O3 Mining could earn a first 50% interest upon completing expenditures totaling $15.6 million over the initial 4-year period. Osisko would retain an escalating NSR royalty ranging from 1.5% to 3.5% on precious metals and a 2.0% NSR royalty on other metals and minerals produced from the 26 properties.

As at September 30, 2020, the net book value of the properties under the earn-in agreements amounted to $31.7 million.

In November 2020, the earn-in agreements were terminated by the parties.

Coulon zinc project

The Coulon zinc project is located 15 kilometres north of the Fontanges Airport in the Middle North of Québec. It is close to an hydroelectric dam and the project can be accessed year-round via the Trans-Taïga road. In 2009, a NI 43-101 Technical Report and Resource Estimate was filed. Indicated resources were estimated at 3,675,000 tonnes grading on average 3.61% Zn, 1.27% Cu, 0.40% Pb, 37.2g/t Ag et 0.25 g/t Au and inferred resources were estimated at 10,058,000 tonnes grading on average 3.92% Zn, 1.33% Cu, 0.19% Pb, 34.5 g/t Ag et 0.18 g/t Au.

The Coulon zinc project has a net book value of $10.0 million as at September 30, 2020. In 2019, the Business determined that further exploration and evaluation expenditures were no longer planned in the near term and that the carrying amount of the asset was unlikely to be recovered in full from a sale of the project at the current time. On December 31, 2019, the Coulon project was written down to its estimated recoverable amount of $10.0 million.

Equity Investments

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

During the nine months ended September 30, 2020, the Business acquired investments for $12.7 million.

Fair value of marketable securities

The following table presents the carrying value and fair value of the investments in marketable securities (excluding warrants) as at September 30, 2020 (in thousands of dollars):

Investments	Carrying value[(i)]	Fair value[(ii)]
	$	$
Associates	12,161	29,331
Other	90,204	90,204
	102,365	119,535

(i) The carrying value corresponds to the amount recorded on the combined carve-out balance sheet, which is the equity method for investments in associates and the fair value for the other investments, as per IFRS 9, *Financial Instruments*.
(ii) The fair value corresponds to the quoted price of the investments in a recognized stock exchange as at September 30, 2020.

Main Investments

The following table presents the main investments of the Business in marketable securities as at September 30, 2020:

Company	Number of Shares Held	Ownership %
Minera Alamos Inc. (other investment)	76,080,000	17.4
Falco Resources Ltd. (associate)	41,385,240	18.3

Minera Alamos Inc.

Minera Alamos is a gold development company that is expected to join the ranks of gold producers in early 2021. The company has a portfolio of high-quality Mexican assets, including the 100%-owned Santana open-pit, heap-leach development project in Sonora currently under construction, which is expected to have its first gold production in the first quarter of 2021.

The La Fortuna open pit gold project in Durango (100%-owned) has released a positive preliminary economic assessment and is nearing the end of the permitting process. A construction decision on La Fortuna could be made in late 2020 or early 2021. For more information, refer to Minera Alamos's press release dated July 15, 2020 and entitled: "*Minera Alamos Provides Mid-Year Construction Update At The Santana Gold Project, Sonora, Mexico; Adds Further Technical Expertise To The Board*", available on www.sedar.com under Minera Alamos' profile.

In 2020, the Business acquired 30.0 million additional common shares of Minera Alamos for $6.0 million. As at September 30, 2020, the Business holds 76,080,000 common shares representing an 17.4% interest in Minera Alamos (12.3% as at December 31, 2019).

Falco Resources Ltd.

Falco's main asset is the Horne 5 gold project, for which a positive feasibility study was released in October 2017. For more information, refer to Falco's press release dated October 16, 2017 and entitled: "*Falco Announces Positive Feasibility Study Results on Horne 5 Gold Project*" and filed on www.sedar.com.

On October 27, 2020, Falco announced it has entered into agreements with Glencore Canada Corporation and its affiliated companies ("Glencore") related to its flagship Horne 5 project, located in Rouyn-Noranda, Québec. The agreements include a $10.0 million senior secured convertible debenture bridge financing to fund the continued advancement of the Horne 5 project and life of mine copper and zinc concentrate offtake agreements.

In addition to being subject to the applicable legal framework, the development of the Horne 5 project is subject to a contractual framework whereby the obtaining of the required license to operate from Glencore is subordinated to the entering into a comprehensive financial guarantee arrangement in order to provide adequate financial protection to Glencore's neighboring Horne smelter. Once this condition precedent will be achieved, Falco and Glencore will establish a work plan for the further development of the Horne 5 project, including operational parameters to be complied with by Falco in order to maintain the primacy of the Neighbor's operation, the whole, in accordance with the agreed upon contractual framework. Based on the foregoing, Falco will not be carrying any dewatering activities prior to finalizing a satisfactory comprehensive financial guarantee framework with Glencore and thereafter agreeing on a mutually satisfactory work plan for the conduct of such activities. A comprehensive financial guarantee framework has been submitted to Glencore.

For more information, refer to Falco's press release dated August 19, 2019 entitled: "*Falco provides Horne 5 project development update*" and Falco's press release dated October 27, 2020 entitled *"Falco Enters Into Agreements With Glencore",* both filed on www.sedar.com.

On February 11, 2020, Falco announced the acquisition of Golden Queen Mining Consolidated Ltd., which closed on March 27, 2020. Through this non-cash transaction, Falco gained access to approximately $4.2 million of cash at the closing of the transaction.

For more information, refer to Falco's press release dated March 27, 2020 entitled: "*Falco Completes Acquisition of Golden Queen Mining Consolidated*" and filed on www.sedar.com.

As at September 30, 2020, the Business holds 41,385,240 common shares representing an 18.3% interest in Falco (19.9% as at December 31, 2019). The Business concluded that it exercises significant influence over Falco and accounts for its investment using the equity method.

Sustainability Activities

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

The Business focuses on the following key areas:

- Promoting the mining industry and its benefits to society;
- Maintaining strong relationships with the Federal government and the Provincial, Municipal and First Nations governments where it has activities and projects;
- Supporting the economic development of regions where it operates;
- Promoting diversity throughout the organization and the mining industry; and
- Encouraging investee companies to adhere to the same areas of focus in sustainability.

Overview of Financial Results

Financial Summary – third quarter of 2020

- Operating loss of $1.2 million compared to $0.4 million in Q3 2019;
- Net loss of $0.2 million, compared to a net loss of $13.9 million in Q3 2019;

In the third quarter of 2020, the Business incurred an operating loss of $1.2 million compared to $0.4 million in the third quarter of 2019, as a result of higher operating expenses due to increased activities following the acquisition of Barkerville in November 2019.

In the third quarter of 2020, the Business incurred a net loss of $0.2 million compared to $13.9 million in the third quarter of 2019. The net loss in 2019 was the result of a net loss on investments of $12.3 million.

Financial Summary – first nine months of 2020

- Operating loss of $3.4 million compared to $1.1 million in the first nine months of 2019;
- Net loss of $0.3 million, compared to $13.6 million in the first nine months of 2019;
- Net cash flows used in operating activities of $4.5 million compared to $0.6 million in the first nine months of 2019; and
- Investments in mining interests and plant and equipment of $43.6 million compared to nil in the first nine months of 2019.

In the first nine months of 2020, the Business incurred an operating loss of $3.4 million compared to $1.1 million in the first nine months of 2019, as a result of higher operating expenses due to increased activities following the acquisition of Barkerville in November 2019.

In the first nine months of 2020, the Business incurred a net loss of $0.3 million compared to $13.6 million in the first nine months of 2019, as a result of higher operating expenses due to increased activities following the acquisition of Barkerville in November 2019.

The net cash flows used in operating activities in the first nine months of 2020 amounted to $4.5 million compared to $0.6 million in the first nine months of 2019, mainly as a result of higher operating expenses following the acquisition of Barkerville in November 2019.

Combined Carve-out Statements of Income (Loss)

The following table presents summarized combined carve-out statements of income (loss) for the three and nine months ended September 30, 2020 and 2019 (in thousands of dollars, except amounts per share):

		Three months ended September 30,		Nine months ended September 30,	
		2020	2019	2020	2019
		$	$	$	$
Operating expenses					
Compensation	(a)	862	316	2,000	929
General and administrative	(a)	289	4	1,320	7
Exploration and evaluation		32	44	108	126
Operating loss		**1,183**	**364**	**3,428**	**1,062**
Other (revenues) expense, net	(b)	(937)	14,928	(3,559)	14,277
Loss (earnings) before income taxes		**246**	**15,292**	**(131)**	**15,339**
Income tax (recovery) expense	(c)	(1)	(1,384)	432	(1,775)
Net loss		245	13,908	301	13,564

(a) Compensation and general and administrative expenses increased to $1.2 million in the third quarter of 2020 compared to $0.3 million in the third quarter of 2019. For the first nine months of 2020, compensation and general and administration expenses increased to $3.3 million from $0.9 million in the first nine months of 2019. The increase is the result of the increased activities following the acquisition of Barkerville in November 2019.

(b) Other revenues, net, of $0.9 million in the third quarter of 2020 include a net gain on investment of $0.8 million and interest income of $0.3 million, partially offset by a share of loss of associates of $0.2 million.

Other expenses, net, of $14.9 million in the third quarter of 2019 include a net loss on investments of $12.3 million (including an impairment charge on an investment in an associate of $12.5 million) and a share of loss of associates of $2.6 million.

Other revenues, net, of $3.6 million in the first nine months of 2020 include a net gain on investments of $5.9 million and interest income of $0.3 milllion, partially offset by a share of loss of associates of $1.6 million and an accretion expense of $1.0 million.

Other expenses, net, of $14.3 million in the first nine months of 2019 include a net loss on investments of $12.5 million (including an impairment charge on an investment in an associate of $12.5 million) and a share of loss of associates of $1.8 million.

(c) The statutory rate is 26.5% in 2020 and 26.6% in 2019. The elements that impacted the effective income taxes are the non-taxable (or deductible) part of capital gains (or losses) (50%) and non-deductible expenses.

Liquidity and Capital Resources

As at September 30, 2020, the Business cash position amounted to $3.7 million compared to $8.0 million as at December 31, 2019. Significant variations in the liquidity and capital resources in the first nine months 2020 are explained below under the *Cash Flows* section. The Business is dependent upon raising funds in order to fund future exploration programs. See the *Risk and Uncertainties* section of this MD&A for more details.

Cash Flows

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

	Nine months ended September 30,	
	2020	**2019**
	$	**$**
Cash flows		
Operations	(2,255)	(583)
Working capital items	(2,264)	9
Operating activities	**(4,519)**	**(574)**
Investing activities	(37,787)	93
Financing activities	37,953	(91)
Decrease in cash	(4,353)	(572)
Cash – beginning of period	8,006	1,267
Cash – end of period	3,653	695

Operating Activities

Cash flows used in operating activities in the first nine months of 2020 amounted to $4.5 million compared to $0.6 million in the first nine months of 2019. The increase is mainly due to higher operating expenses in 2020 following the acquisition of Barkeville in November 2019.

Investing Activities

Cash flows used in investing activities amounted to $37.8 million in the first nine months of 2020 compared to cash flows provided by investing activities of $0.1 million in the first nine months of 2019. In the first nine months of 2020, the Business paid $42.3 million for investments in mining interests and property and equipment, mainly on the Cariboo gold project and the Bonanza Ledge II gold project, and received a net amount of $4.8 million from a reduction in restricted cash.

Financing Activities

Cash flows provided by financing activities amounted to $38.0 million in the first nine months of 2020 compared to cash flows used in financing activities of $0.1 million in the first nine months of 2019. In the first nine months of 2020, the net investments from the parent company generated cash flows of $38.5 million. In the first nine months of 2019, the net cash flows reimbursed to the Business amounted to $0.1 million.

Segment Disclosure

The operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer (“CEO”) of Osisko who fulfills the role of the chief operating decision-maker. The CEO is responsible for allocating resources and assessing performance of the Business operating segments. The Business manages its business under one single operating segment, which is the exploration, evaluation and development of mining projects.

Contractual Obligations and Commitments

As at September 30, 2020, there were no material contractual obligations and commitments.

Off-balance Sheet Items

There are no significant off-balance sheet arrangements.

Subsequent Events to September 30, 2020

Concurrent financing

Concurrent with the Arrangement, Barolo had entered into an engagement letter with Canaccord Genuity Corp. and National Bank Financial Inc., on behalf of a syndicate of underwriters (collectively, the "Underwriters"), pursuant to which the Underwriters had agreed to buy, on a "bought deal" private placement basis, 13,350,000 subscription receipts of Barolo (the "Subscription Receipts") at a subscription price of $7.50 per Subscription Receipt (the "Issue Price") for gross proceeds of approximately $100 million (the "Financing"). Each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, on or about the date that the Arrangement is completed, one common share of Osisko Development after giving effect to a 60:1 consolidation of the common shares of Barolo (each, an "Osisko Development Share") and one-half-of-one warrant to purchase an Osisko Development Share (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Osisko Development Share for $10.00 for an 18-month period following the closing of the Arrangement.

The Financing was completed on October 29, 2020 and the gross proceeds of the Financing have been deposited with the TSX Trust Company, as escrow agent, and will be released upon the satisfaction of the escrow release conditions (if at all), including the satisfaction or waiver of the conditions to closing the RTO and conditional approval of the TSX Venture Exchange to list the Osisko Development shares issuable under the RTO and Financing, and certain other customary conditions (collectively, the "Escrow Release Conditions"). In the event that the Escrow Release Conditions are not satisfied on or prior to January 31, 2021, being the deadline to satisfy the Escrow Release Conditions, then the proceeds will be returned to the holders of the Subscription Receipts and the Subscription Receipts shall be cancelled.

San Antonio gold project

In August 2020, Osisko acquired the San Antonio gold project in the state of Sonora in Mexico for US$42.0 million. An amount of US$30.0 million was paid in cash by Osisko and the remaining US$12.0 million was paid through the issuance of common shares of Osisko. As part of the Arrangement, Osisko will contribute the San Antonio gold project assets to the Business at the closing of the Arrangement and will retain a 15% gold and silver stream (with ongoing per-ounce payments equal to 15% of the prevailing price of gold and silver, as applicable) on the San Antonio gold project..

Risks and Uncertainties

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

There are important risks which management believes could impact the Business' activities. For information on risks and uncertainties, please also refer to the *Risk and Uncertainties* section of the MD&A of the Business for the year ended December 31, 2019.

Internal Control Disclosure

In November 2007, the Canadian Securities Administrators exempted issuers on the TSX-V, such as the Business, from certifying disclosure controls and procedures, as well as internal controls over financial reporting as of December 31, 2007, and thereafter. The Business is required to file basic certificates. The Business makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109.

Basis of Presentation of Combined Financial Statements

The unaudited combined carve-out interim financial statements for the three and nine months ended September 30, 2020 have been prepared in accordance with the IFRS as issued by the IASB applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The unaudited combined carve-out interim financial statements should be read in conjunction with the Business annual audited combined carve-out financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in the unaudited combined carve-out interim financial statements are consistent with those of the previous financial year, except as otherwise disclosed below.

The significant accounting policies of the Business are detailed in the notes to the audited combined carve-out financial statements for the year ended December 31, 2019.

Amendments to IAS 1 *Presentation of Financial Statements*

The IASB has made amendments to IAS 1 *Presentation of Financial Statements* which use a consistent definition of materiality throughout IFRS and the *Conceptual Framework for Financial Reporting*, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole. The Business adopted IAS 1 on January 1, 2020, which did not have a significant impact on the combined carve-out financial statements disclosures.

Critical Accounting Estimates and Judgements

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

Critical accounting estimates and assumptions as well as critical judgements in applying the Business accounting policies are detailed in the audited combined carve-out financial statements for the year ended December 31, 2019.

Financial Instruments

All financial instruments are required to be measured at fair value on initial recognition. The fair value is based on quoted market prices, unless the financial instruments are not traded in an active market. In this case, the fair value is determined by using valuation techniques like discounted cash flows, the Black-Scholes option pricing model or other valuation techniques. Measurement in subsequent periods depends on the classification of the financial instrument. A description of financial instruments and their fair value is included in the audited combined carve-out financial statements for the year ended December 31, 2019 and in the unaudited combined carve-out interim financial statements for the three and nine months ended September 30, 2020.

Technical Information

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

Cautionary Note Regarding Forward-Looking Statements

This MD&A may contain forward-looking statements and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, "forward-looking information"), including, but not limited to, statements relating to the future financial or operating performance of the Business, the Business mineral projects, the future price of metals, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production (if any), capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, use of proceeds from financings, requirements for additional capital, government regulation of mining operations and mineral exploration activities, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage, development of the projects, timing (if at all) to complete a pre-feasibility study on the projects. Often, but not always, forward-looking information can be identified by the use of words and phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information reflects the Business beliefs and assumptions based on information available at the time such statements were made. Actual results or events may differ from those predicted in forward-looking information. All of the Business forward-looking information is qualified by (i) the assumptions that are stated or inherent in such forward-looking information, including the assumptions listed below, and (ii) the risks described in the section entitled "Risks and Uncertainties" in this MD&A and the carve-out financial statements of the Business.

Although the Business believes that the assumptions underlying the forward-looking information contained in this MD&A are reasonable, this list is not exhaustive of the factors that may affect any forward-looking information. The key assumptions that have been made in connection with forward-looking information include the following: the significance of drill results and ongoing exploration activities; timing to obtain assay results from labs; ability of exploration activities (including drill results) to accurately predict mineralization; the predictability of geological modelling; the accuracy of the Business records of its property interests; the global economic climate; metal prices; environmental risks; community and non- governmental actions; that permits required for the Business operations will be obtained on a timely basis in order to permit the Business to proceed on schedule with its planned drilling programs; that skilled personnel and contractors will be available as the Business operations continue to grow; that the price of gold will exceed levels that will render the project of the Business economical; the relevance of the assumptions and that the Business will be able to continue raising the necessary capital to finance its operations and realize on its mineral resource estimates.

Forward-looking information involves known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; errors in geological modelling; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations of grade or recovery rates; failure of plant and equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

Although the Business has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Business disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

The Mining Activities of Osisko Gold Royalties Ltd

Management's Discussion and Analysis

For the year ended December 31, 2019

The entity's audited combined carve-out financial statements and related notes for the years ended December 31, 2019 and 2018 (the "Carve-Out Financial Statements") represent the activities, assets and liabilities of the portfolio of mining assets and marketable securities of Osisko Gold Royalties Ltd ("Osisko") spun-of on a "carve-out" basis (thereafter referred to as the "Business"), rather than representing the legal structure. For all periods presented in the Carve-Out Financial Statements, the economic activities related to the Business are carved-out. The Carve-Out Financial Statements of the Business have been prepared for the purpose of presenting the financial position, results of operations and cash flows of the Business on a stand-alone basis.

The following management discussion and analysis ("MD&A") of the operations and financial position of the Business for the year ended December 31, 2019 should be read in conjunction with the Business' Carve-out Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). IFRS does not provide guidance for the preparation of carve-out financial statements, and accordingly in preparing the Carve-out Financial Statements, certain accounting conventions commonly used for the preparation of historical financial statements have been applied. Management is responsible for the preparation of the Carve-out Financial Statements and other financial information relating to the Business included in this report. All monetary amounts included in this report are expressed in Canadian dollars, the Business reporting and functional currency, unless otherwise noted. Assets and liabilities of the subsidiaries that have a functional currency other than the Canadian dollar are translated into Canadian dollars at the exchange rate in effect on the combined carve-out balance sheet date and revenues and expenses are translated at the average exchange rate over the reporting period. This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "Forward-Looking Statements" section. The information included in this MD&A is as of November 19, 2020.

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Highlights – 2019 and Subsequent to the Year

- In November 2019, the Business completed the acquisition of Barkerville, owner of the Cariboo gold project in British Columbia, Canada;

- In 2019, the Business incurred an impairment charge of $50.0 million ($37.6 million, net of income taxes) on its Coulon zinc project and an impairment charge of $12.5 million ($10.8 million, net of income taxes) on its net investment in Falco Resources Ltd. ("Falco"), an associate of the Business.

- In August 2020, Osisko acquired the San Antonio gold project in the state of Sonora in Mexico for US$42.0 million. An amount of US$30.0 million was paid in cash by Osisko and the remaining US$12.0 million was paid through the issuance of common shares of Osisko. As part of the Arrangement described below, Osisko will contribute the San Antonio gold project assets to the Business at the closing of the Arrangement.

- On October 5, 2020, Osisko announced it had entered into a binding letter agreement with Barolo Ventures Corp. ("Barolo") whereby Osisko will transfer certain assets to Barolo in exchange for shares of Barolo. The business combination will result in a reverse takeover of Barolo by Osisko and the common shares of Barolo will be subject to a consolidation on a 60:1 basis. A concurrent placement of approximately $100 million will be made by issuing 13,350,000 subscription receipts.

Carve-out Financial Statements and Arrangement

The combined carve-out financial statements have been prepared by management of Osisko in connection with the October 5, 2020 agreement for the proposed sale of a portfolio of mining assets and investments in mining assets owned by Osisko to Barolo in exchange for common shares of Barolo as consideration (the "Arrangement"), which will result in a "Reverse Take-Over" of Barolo (the "RTO") under the policies of the TSX Venture Exchange. References to Osisko Development Corp. ("Osisko Development") is to Barolo after the closing of the RTO, as Barolo will change its name to Osisko Development Corp.

Through the Arrangement, Barolo will indirectly acquire, among other things, the following assets from Osisko (referred to herein as the "Osisko Contributed Assets"):

- Cariboo gold project;
- Portfolio of investments in equity securities of exploration and evaluation publicly traded corporations;
- San Antonio gold project (acquired by Osisko in August 2020);
- James Bay exploration properties (including the Coulon property); and
- Guerrero exploration properties.

Osisko (or its subsidiaries) will retain the following royalty or stream interests in the assets transferred to Barolo:

- 5% net smelter return ("NSR") royalty on the Cariboo gold project and Bonanza Ledge II gold project;
- 15% gold and silver stream on the San Antonio gold project;
- 3.0% NSR royalty on the James Bay and Guerrero exploration properties (including the Coulon property).

The Arrangement is expected to close in the fourth quarter of 2020.

The combined carve-out financial statements reflect the activities, assets and liabilities of the Osisko Contributed Assets in connection with the Arrangement on a "carve-out" basis, rather than representing the actual legal structure. For all periods presented in the combined carve-out financial statements, the economic activities related to the Osisko Contributed Assets are presented on a combined basis as at the dates and for the periods when they were under common control. The combined carve-out financial statements have been prepared for the purpose of presenting the financial position, results of operations and cash flows of the Osisko Contributed Assets on a stand-alone basis. The combined carve-out financial statements have been extracted from historical accounting records of Osisko with estimates used, when necessary, for certain allocations.

- The combined carve-out balance sheets reflect the assets and liabilities recorded by Osisko which have been assigned to the Business on the basis that they are specifically identifiable and attributable to the Business;

- The combined carve-out statements of loss and comprehensive loss include a pro-rata allocation of Osisko's income and expenses based on specifically identifiable activities attributable to the Business; and

- Income taxes have been calculated as if the Business had been a separate legal entity and had filed separate tax returns for the periods presented.

The Net parent company investment represents the cumulative net contributions by Osisko to the Business for purposes of investment in the Business' assets and amounts incurred by Osisko for operating expenses and the net cash flows of the Business from the purchase and sale of investments and investments in mining assets, plant and equipment and exploration and evaluation assets.

The combined carve-out financial statements may not be indicative of the Business' future performance and they do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Business operated as an independent entity and had it presented stand-alone financial statements for the years ended December 31, 2018 and 2019.

Acquisition of Barkerville Gold Mines Ltd.

On November 21, 2019, Osisko acquired all of the outstanding common shares of Barkerville Gold Mines Ltd. ("Barkerville") that it did not already own at the date of the transaction. For purposes of these combined carve-out financial statements, the consideration paid by Osisko is considered as an equity contribution by the parent company.

Barkerville is a Canadian exploration and development company focused on the development of its extensive land package located in the historical Cariboo Mining District of central British Columbia, Canada.

For each common share of Barkerville, shareholders received 0.0357 common share of Osisko. All of Barkerville's outstanding common share options have been exchanged for common share options ("Barkerville replacement share options") of Osisko using the same share exchange ratio as for the common shares valued at $1.9 million using the Black-Sholes option pricing model.

A total of 13,560,832 Osisko common shares were issued and valued at $160.6 million, based on the closing price of the Osisko's common shares on the transaction date. A total of 1,005,478 Barkerville replacement share options were issued and valued at $1.9 million, based on the Black-Sholes option pricing model. The fair value of the 10,000,000 Barkerville common share warrants already held by Osisko and cancelled was estimated at $0.6 million, using the Black-Sholes option pricing model. Transaction costs amounted to $1.5 million and cash and cash equivalents acquired amounted to $8.3 million.

Prior to the acquisition date, Osisko held an initial investment of 183,625,585 common shares in Barkerville, which was considered as an investment in an associate, having a net book value of $101.4 million. On November 21, 2019, the date of acquisition of Barkerville, the fair value of the initial investment was $77.1 million and has been included as part of consideration for the transaction, resulting in a loss of $24.3 million recorded in the combined carve-out statement of loss under *Other losses, net*.

In accordance with the early adoption of the amendments to IFRS 3 *Business Combinations*, the transaction has been recorded as an acquisition of assets as the acquired assets and assumed liabilities did not constitute a business. IFRS 3, as amended, proposes a screening test that determines that a set of activities and assets is not a business if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The total purchase price of $241.7 million was allocated to the assets acquired and the liabilities assumed based on the fair value of the total consideration at the closing date of the transaction. All financial assets acquired and financial liabilities assumed were recorded at fair value.

The purchase price was calculated as follows:

Consideration paid	**$**
Issuance of 13,560,832 Osisko common shares	160,564
Fair value of 183,625,585 Barkerville common shares already held	77,123
Fair value of 1,005,478 Barkerville replacement share options issued	1,912
Fair value of 10,000,000 warrants of Barkerville already held by Osisko and cancelled	589
Transaction costs	1,513
	241,701

Net assets acquired	**$**
Cash and cash equivalents	8,312
Other current assets	4,565
Reclamation deposits	5,361
Plant and equipment	13,968
Mineral properties	247,054
Accounts payable and accrued liabilities	(16,320)
Provision and other liabilities	(21,239)
	241,701

Exploration and Evaluation / Development Activities

During the year ended December 31, 2019, investments in mining assets and plant and equipment amounted to $16.7 million, mostly on the Cariboo gold project and the Bonanza Ledge Phase 2 project, and the Business received previously claimed tax credits of $0.3 million.

Cariboo gold project

On November 21, 2019, the Business acquired the Cariboo gold project located in the historical Cariboo Mining District of central British Columbia, Canada, through the acquisition of Barkerville (refer to the section *Acquisition of Barkerville Gold Mines Ltd.* of this MD&A).

Preliminary economic assessment

In September 2019, Barkerville filed an independent preliminary economic assessment (“PEA”) prepared in accordance with National Instrument 43-101 for its 100% owned Cariboo gold project. The PEA provides a base case assessment of developing the project as an underground ramp-access mine with a gold pre-concentration plant in Wells and gold processing in its existing upgraded Quesnel River mill, for an after-tax internal rate of return of 28%. The results summarized below were derived from an underground mine plan extracting from the September 2019 Cariboo Gold Project Resources: 13.3 million tonnes at 5.6 g/t Au (Indicated) and 11.9 million tonnes at 5.0 g/t Au (Inferred) using a cut-off grade of 3.0 g/t Au. The potential total mineralized material mined (In-stope Resources) are extracted from four deposits (Cow, Valley, Shaft Mosquito): 14.7 million tonnes at 4.5 g/t Au average diluted gold grade. The PEA is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

The PEA base case highlights are as follows:

Gold price	**US$1,325/oz**
Discount rate	**5%**
Exchange rate	**C$1.00 = $0.77**
IRR after taxes and mining duties	**28.1%**
NPV after taxes and mining duties	**C$402.2 million**
Pre-production construction costs (including $30.0 M contingency)	C$305.5 million
After tax payback period (after start of operations)	3.1 years
Peak-year payable production	**206,000 oz**
Average Life-of-mine ("LOM") payable production	**185,000 oz**
Metallurgical gold recovery	92.1%
Average diluted gold grade	4.5 g/t Au
PEA life of mine (LOM)	11 years
Total mineralized material mined	14,683,000 tonnes
Contained gold in mined resource	2,133,000 oz
Payable gold LOM	1,966,000 oz
All-in sustaining costs net of by-product credits and royalties over LOM	US$796.00/oz
Estimated all-in cost (CAPEX plus OPEX)	US$912.00/oz
Total unit operating cost	C$105.13/ tonne mined
Gross revenue	C$3.39 billion
Operating cash flow	C$1.54 billion
NPV before taxes and mining duties	C$632.7 million
IRR before taxes and mining duties	34.9%

For more information, refer to Barkerville's NI 43-101 Technical Report dated September 17, 2019 and entitled *"Preliminary Economic Assessment of the Cariboo Gold Project"*, filed on www.sedar.com under Barkerville's profile.

Updated Mineral Resource Estimate

In October 2020, Osisko announced an updated mineral resource estimate for the Cariboo gold project of 3.2 million ounces of gold (21.4 million tonnes grading 4.6 g/t Au) in the measured and indicated resource category, and 2.7 million ounces of gold (21.6 million tonnes grading 3.9 g/t Au) in the inferred resource category. Resource grades have some built-in dilution integrated through the process of modelling of "vein corridors" as opposed to individual veins, which, individually have gold grades that are commonly higher than 8.0 g/t Au. Metallurgical testing has shown that the mineralization can be effectively upgraded by flotation and x-ray transmission ore-sorting, owing to the strong association of gold with pyrite. The concentrates can then be processed at the wholly-owned QR mill. This mill is currently being refurbished to treat ore from the BC Vein mine being developed near Wells.

The mineral resource estimate is built upon nearly 500,000 meters of core from the 2015 to 2019 drill campaigns, and historically verified drill data using a total of 2,218 drill holes. A strong understanding of the controls of mineralization enabled Osisko's technical team to construct a mineral resource estimate constrained by lithology, alteration, structure and mineralization.

Cariboo Gold Project Mineral Resource Estimate at 2.1 g/t Au cut-off

Category	Deposit	Tonnes ('000)	Grade (Au g/t)	Ounces ('000)
Measured	**Bonanza Ledge**	**240**	**5.1**	**39**
Indicated	Bonanza Ledge	86	3.9	11
	BC Vein	1,192	4.7	179
	KL	393	3.3	42
	Lowhee	381	3.7	46
	Mosquito	783	6.0	150
	Shaft	10,889	4.7	1,644
	Valley	1,744	4.5	251
	Cow	5,734	4.5	838
Total Indicated Resources		**21,201**	**4.6**	**3,160**
Inferred	BC Vein	472	3.9	60
	KL	1,926	2.9	181
	Lowhee	1,032	3.2	105
	Mosquito	1,348	4.8	208
	Shaft	7,913	4.2	1,081
	Valley	5,683	4.0	722
	Cow	3,276	3.5	364
Total Measured and Indicated Resources		**21,441**	**4.6**	**3,200**
Total Inferred Resources		**21,649**	**3.9**	**2,721**

Mineral Resource Estimate notes:

1. The independent and qualified persons for the mineral resource estimates, as defined by NI 43-101, are Christine Beausoleil, P.Geo., and Carl Pelletier, P.Geo. (InnovExplo Inc.). The effective date of the mineral resource estimate is October 5, 2020.
2. These mineral resources are not mineral reserves as they do not have demonstrated economic viability.
3. The mineral resource estimate follows CIM Definition Standards.
4. A total of 334 vein zones were modelled for the Cow Mountain (Cow and Valley), Island Mountain (Shaft and Mosquito), Barkerville Mountain (BC Vein, KL, and Lowhee) deposits and one (1) gold zone for Bonanza Ledge. A minimum true thickness of 2.0 m was applied, using the grade of the adjacent material when assayed or a value of zero when not assayed.
5. The estimate is reported for a potential underground scenario at cut-off grade of 2.1 g/t Au. The cut-off grades were calculated using a gold price of US$1,350 per ounce.

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

In accordance with NI 43-101, an updated technical report for the Cariboo will be filed on SEDAR (www.sedar.com) under Osisko's issuer profile and, in due course, the Resulting Issuer's issuer profile.

Outlook

The Business plans to work on an infill and exploration program in 2020 at Cariboo, including further exploration and expansion on the Lowhee target and further delineation on the Cow and Valley deposits. Regional exploration will focus on the parallel trend of Burns Mountain and Yanks peak, as well as the historic Cariboo Hudson mine. The business also expects to continue work on reclaiming certain historical sites and advancing technical studies towards a feasibility study and permitting.

Properties under earn-in agreements (James Bay area)

In 2016, Osisko entered into earn-in agreements with Osisko Mining. On July 5, 2019, Osisko Mining completed a spinout transaction, which resulted in, among other things, Osisko Mining transferring certain assets to O3 Mining, including properties under earn-in agreements with Osisko.

Under the Kan earn-in agreement, Osisko Mining had the option to earn a 100% interest in the Kan property (comprised of the Kan and Fosse Au properties) upon completing expenditures totaling $6.0 million over a 7-year period. The Business received notice from Osisko Mining in the first quarter of 2019 that the threshold had been reached. Therefore, a 100% interest in the Kan property was transferred to Osisko Mining (now held by O3 Mining) and Osisko retained an escalating NSR royalty ranging from 1.5% to 3.5% on precious metals and a 2.0% NSR royalty on other metals and minerals produced from the Kan property.

Under other earn-in agreements, O3 Mining could earn a 100% interest in most of Osisko's exploration properties located in the James Bay area and Labrador Trough (excluding the Coulon copper-zinc project) upon completing expenditures of $26.0 million over the initial 7-year period; O3 Mining could earn a first 50% interest upon completing expenditures totaling $15.6 million over the initial 4-year period. Osisko would retain an escalating NSR royalty ranging from 1.5% to 3.5% on precious metals and a 2.0% NSR royalty on other metals and minerals produced from the 26 properties. During the year ended December 31, 2019, Osisko Mining and O3 Mining invested approximately $2.0 million on these properties for a total on December 31, 2019 of $6.6 million (excluding the Kan property).

As at December 31, 2019, the net book value of the properties under the earn-in agreements amounted to $31.7 million.

In November 2020, the earn-in agreements were terminated by the parties.

Coulon zinc project

The Coulon zinc project is located 15 kilometres north of the Fontanges Airport in the Middle North of Québec. It is close to an hydroelectric dam and the project can be accessed year-round via the Trans-Taïga road. In 2009, a NI 43-101 Technical Report and Resource Estimate was filed. Indicated resources were estimated at 3,675,000 tonnes grading on average 3.61% Zn, 1.27% Cu, 0.40% Pb, 37.2g/t Ag et 0.25 g/t Au and inferred resources were estimated at 10,058,000 tonnes grading on average 3.92% Zn, 1.33% Cu, 0.19% Pb, 34.5 g/t Ag et 0.18 g/t Au.

On December 31, 2019, the Business incurred an impairment charge of $50.0 million ($37.6 million, net of income taxes) on its Coulon zinc project in Canada for which the Business determined that further exploration and evaluation expenditures are no longer planned in the near term and that the carrying amount of the asset is unlikely to be recovered in full from a sale of the project at the current time. On December 31, 2019, the Coulon project was written down to its estimated recoverable amount of $10.0 million, which was determined by the fair value less cost of disposal using comparable transactions realized, based on a dollar value per thousand pounds of mineral reserve/resource of zinc equivalent.

Equity Investments

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

During the year ended December 31, 2019, the Business acquired investments for $14.4 million ($27.0 million in 2018) and disposed investments for $0.2 million ($0.9 million in 2018), respectively.

Fair value of marketable securities

The following table presents the carrying value and fair value of the investments in marketable securities (excluding warrants) as at December 31, 2019 (in thousands of dollars):

Investments	Carrying value[(i)]	Fair value[(ii)]
	$	$
Associates	14,284	21,166
Other	44,073	44,073
	58,357	65,239

(i) The carrying value corresponds to the amount recorded on the combined carve-out balance sheet, which is the equity method for investments in associates and the fair value for the other investments, as per IFRS 9, *Financial Instruments*.
(ii) The fair value corresponds to the quoted price of the investments in a recognized stock exchange as at December 31, 2019.

Main Investments

The following table presents the main investments of the Business in marketable securities as at December 31, 2019:

Company	Number of Shares Held	Ownership
		%
Minera Alamos Inc. (other investment)	46,080,000	12.3
Falco Resources Ltd. (associate)	41,385,240	19.9

Minera Alamos Inc.

Minera Alamos is a gold development company that is expected to join the ranks of gold producers in early 2021. The company has a portfolio of high-quality Mexican assets, including the 100%-owned Santana open-pit, heap-leach development project in Sonora currently under construction, which is expected to have its first gold production in the first quarter of 2021.

The La Fortuna open pit gold project in Durango (100%-owned) has released a positive preliminary economic assessment and is nearing the end of the permitting process. A construction decision on La Fortuna could be made in late 2020 or early 2021. For more information, refer to Minera Alamos's press release dated July 15, 2020 and entitled: "*Minera Alamos Provides Mid-Year Construction Update At The Santana Gold Project, Sonora, Mexico; Adds Further Technical Expertise To The Board*", available on www.sedar.com under Minera Alamos' profile.

As at December 31, 2019, the Business holds 46,080,000 common shares representing an 12.3% interest in Minera Alamos (15.3% as at December 31, 2018).

Falco Resources Ltd.

Falco's main asset is the Horne 5 gold project, for which a positive feasibility study was released in October 2017. For more information, refer to Falco's press release dated October 16, 2017 and entitled: "*Falco Announces Positive Feasibility Study Results on Horne 5 Gold Project*" and filed on www.sedar.com.

On August 16, 2019 Falco provided an update on the development of the project. As part of the risk assessment for the dewatering phase, Falco has collaborated with its principal neighbor (the "Neighbor"), the owner of the mining concessions, on an initial geotechnical program to gather information and analyze the risks associated with the development of the Horne 5 project. Both parties met in July and agreed to continue collaborating by sharing information and initiate a second phase of geotechnical work which will be conducted by Falco and will include the Quemont area. The objective is to collect and analyze geotechnical information in order to assess the risks inherent to the eventual dewatering phase of the Horne 5 project and then develop adequate mitigation measures that will protect the integrity of the Neighbor's operation.

In addition to being subject to the applicable legal framework, the development of the Horne 5 project is subject to a contractual framework whereby the obtaining of the required license to operate from its Neighbor is subordinated to the entering into a comprehensive financial guarantee arrangement with the Neighbor in order to provide adequate financial protection to this operation. Once this condition precedent will be achieved, Falco and its Neighbor will establish a work plan for the further development of the Horne 5 project, including operational parameters to be complied with by Falco in order to maintain the primacy of the Neighbor's operation, the whole, in accordance with the agreed upon contractual framework. Based on the foregoing, Falco will not be carrying any dewatering activities prior to finalizing a satisfactory comprehensive financial guarantee framework with its Neighbor and thereafter agreeing on a mutually satisfactory work plan for the conduct of such activities. A comprehensive financial guarantee framework has been submitted to its Neighbor, but needs to be finalized.

For more information, refer to Falco's press release dated August 19, 2019 entitled: "*Falco provides Horne 5 project development update*" and filed on www.sedar.com.

As at December 31, 2019, the Business holds 41,385,240 common shares representing a 19.9% interest in Falco (17.8% as at December 31, 2018). The Business concluded that it exercises significant influence over Falco and accounts for its investment using the equity method.

Impairment of Assets

Coulon zinc project (exploration and evaluation assets)

On December 31, 2019, the Business incurred an impairment charge of $50.0 million ($37.6 million, net of income taxes) on its Coulon zinc project in Canada for which the Business determined that further exploration and evaluation expenditures are no longer planned in the near term and that the carrying amount of the asset is unlikely to be recovered in full from a sale of the project at the current time. On December 31, 2019, the Coulon project was written down to its estimated recoverable amount of $10.0 million, which was determined by the fair value less cost of disposal using a market approach, based on a dollar value per thousand pounds of mineral reserve/resource of zinc equivalent for comparable sales transactions realized.

Net investment in Falco Resources Ltd.

On September 30, 2019, the Business determined that its net investment in Falco, an associate, was impaired. This determination was made considering, 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 share price and the business outlook for the investee, including factors such as the current and expected status of the investee's development projects. The net investment in Falco was written down to its estimated fair value and, therefore, an impairment charge of $12.5 million ($10.8 million, net of income taxes) was recorded under *Other gains (losses), net* on the combined carve-out statements of loss for the year ended December 31, 2019.

Sustainability Activities

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

The Business focuses on the following key areas:

- Promoting the mining industry and its benefits to society;
- Maintaining strong relationships with the Federal government and the Provincial, Municipal and First Nations governments where it has activities and projects;
- Supporting the economic development of regions where it operates;
- Promoting diversity throughout the organization and the mining industry; and
- Encouraging investee companies to adhere to the same areas of focus in sustainability.

Overview of Financial Results

Financial Summary

- Impairment charge of $50.0 million ($37.6 million, net of income taxes) on the Coulon zinc project;
- Operating loss of $53.8 million compared to $8.5 million in 2018;
- Impairment charge of $12.5 million ($10.8 million net of income taxes) on the net investment in Falco;
- Net loss of $75.7 million, compared to $9.8 million in 2018;
- Net cash flows used in operating activities of $8.4 million compared to $0.5 million in 2018; and
- Investments in mining interests and plant and equipment of $16.7 million compared to nil in 2018.

In 2019, the Business incurred a higher operating loss as a result of higher operating expenses and an impairment charge of $50.0 million on the Coulon zinc project. In 2018, the Business recorded an impairment charge of $7.3 million on exploration and evaluation properties in the James Bay area. The higher operating expenses in 2019 was the result of the acquisition of Barkerville in November 2019.

In 2019, the Business recorded an impairment charge of $12.5 million ($10.8 million, net of income taxes) on its net investment in Falco and a loss on the deemed disposal of investments in associates, mainly on the Barkerville equity position held prior to the acquisition (refer to the *Acquisition of Barkerville Gold Mines Ltd.* section of this MD&A for details).

The higher net loss of $75.7 million in 2019 compared to $9.8 million in 2018 is the result of the increased operating loss, the impairment charges on the Coulon zinc project and on Falco, and the loss on deemed disposal of investments.

The net cash flows used in operating activities in 2019 amounted to $8.4 million compared to $0.5 million in 2018, mainly as a result of higher operating expenses following the acquisition of Barkerville in November 2019.

Combined Carve-out Statements of Loss

The following table presents summarized combined carve-out statements of loss for the years ended December 31, 2019 and 2018 (in thousands of dollars, except amounts per share):

		2019	2018
		$	$
Operating expenses			
Compensation	(a)	3,374	978
General and administrative	(a)	292	23
Exploration and evaluation		178	170
Impairment of assets	(b)	49,985	7,344
Operating loss		**53,829**	**8,515**
Other expenses, net	(c)	40,529	3,285
Loss before income taxes		**94,358**	**11,800**
Income tax recovery	(d)	(18,656)	(2,026)
Net loss		75,702	9,774

(a) Compensation and general and administrative expenses increased to $3.7 million in 2019 compared to $1.0 million in 2018 as a result of the increased activities following the acquisition of Barkerville in November 2019. An amount of $1.2 million was also expensed in 2019 as a result of severance costs.

(b) In 2019, the Business recorded an impairment charge of $50.0 million ($37.6 million, net of income taxes) on its Coulon zinc project. The impairment charges are explained in the *Impairment of assets* section of this MD&A.

In 2018, the Business incurred an impairment charge of $7.3 million ($5.4 million, net of income taxes) on certain exploration and evaluation properties in Canada for which substantive exploration and evaluation expenditures (taking into consideration such expenditures to be incurred by a farmee) is neither budgeted nor planned or for which the Business (or the farmee) has decided to discontinue such activities.

(c) Other expenses, net, of $40.5 million in 2019 include a share of loss of associates of $4.3 million and losses on investments of $36.3 million (mainly from a net loss on disposal of investments (related to the Barkerville shares held prior to the acquisition)) and an impairment charge of $12.5 million ($10.8 million, net of income taxes) on its net investment in Falco).

Other expenses, net, of $3.3 million in 2018 include a share of loss of associates of $2.8 million and a net loss on investments of $0.6 million.

(d) The statutory rate is 26.6% in 2019 and 26.7% in 2018. The elements that impacted the effective income taxes are the non-taxable (or deductible) part of capital gains (or losses) (50%) and non-deductible expenses.

Liquidity and Capital Resources

As at December 31, 2019, the Business cash position amounted to $8.0 million compared to $1.3 million as at December 31, 2018. Significant variations in the liquidity and capital resources in 2019 are explained below under the *Cash Flows* section. The Business is dependent upon raising funds in order to fund future exploration programs. See the *Risk and Uncertainties* section of this MD&A for more details.

Cash Flows

The following table summarizes the cash flows (in thousands of dollars) for the years ended December 31, 2019 and 2018:

	2019	2018
	$	$
Cash flows		
Operations	(3,164)	(686)
Working capital items	(5,271)	156
Operating activities	**(8,435)**	**(530)**
Investing activities	2,767	2,153
Financing activities	12,407	(6,129)
Increase (decrease) in cash	6,739	(4,506)
Cash – beginning of period	1,267	5,773
Cash – end of period	8,006	1,267

Operating Activities

Cash flows used in operating activities in 2019 amounted to $8.4 million compared to $0.5 million in 2018. The increase is mainly due to higher operating expenses in 2019 as well as a negative impact from working capital items as a result of accounts payable and accrued liabilities paid following the acquisition of Barkeville in November 2019.

Investing Activities

Cash flows provided by investing activities amounted to $2.8 million in 2019 compared to $2.2 million in 2018.

In 2019, the Business acquired $8.3 million through the acquisition of Barkerville and paid $16.7 for investments in mining interests and property and equipment, mainly on the Cariboo gold project and the Bonanza Ledge II gold project.

In 2018, exploration and evaluation activities generated $2.2 million as the Business received payments of previously claimed governmental tax credits.

Financing Activities

Cash flows provided by financing activities amounted to $12.4 million in 2019 compared to cash used in financing activities of $6.1 million in 2018.

In 2019, the net investments from the parent company generated cash flows of $12.4 million. In 2018, the net cash flows reimbursed to the Business amounted to $6.1 million.

Segment Disclosure

The operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer (“CEO”) of Osisko who fulfills the role of the chief operating decision-maker. The CEO is responsible for allocating resources and assessing performance of the Business operating segments. The Business manages its business under one single operating segment, which is the exploration, evaluation and development of mining projects.

Contractual Obligations and Commitments

As at December 31, 2019, there were no material contractual obligations and commitments.

Off-balance Sheet Items

There are no significant off-balance sheet arrangements.

Subsequent Events to December 31, 2019

Concurrent financing

Concurrent with the Arrangement, Barolo had entered into an engagement letter with Canaccord Genuity Corp. and National Bank Financial Inc., on behalf of a syndicate of underwriters (collectively, the "Underwriters"), pursuant to which the Underwriters had agreed to buy, on a "bought deal" private placement basis, 13,350,000 subscription receipts of Barolo (the "Subscription Receipts") at a subscription price of $7.50 per Subscription Receipt (the "Issue Price") for gross proceeds of approximately $100 million (the "Financing"). Each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, on or about the date that the Arrangement is completed, one common share of Osisko Development after giving effect to a 60:1 consolidation of the common shares of Barolo (each, an "Osisko Development Share") and one-half-of-one warrant to purchase an Osisko Development Share (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Osisko Development Share for $10.00 for an 18-month period following the closing of the Arrangement.

The Financing was completed on October 29, 2020 and the gross proceeds of the Financing have been deposited with the TSX Trust Company, as escrow agent, and will be released upon the satisfaction of the escrow release conditions (if at all), including the satisfaction or waiver of the conditions to closing the RTO and conditional approval of the TSX Venture Exchange to list the Osisko Development shares issuable under the RTO and Financing, and certain other customary conditions (collectively, the "Escrow Release Conditions"). In the event that the Escrow Release Conditions are not satisfied on or prior to January 31, 2021, being the deadline to satisfy the Escrow Release Conditions, then the proceeds will be returned to the holders of the Subscription Receipts and the Subscription Receipts shall be cancelled.

San Antonio gold project

In August 2020, Osisko acquired the San Antonio gold project in the state of Sonora in Mexico for US$42.0 million. An amount of US$30.0 million was paid in cash by Osisko and the remaining US$12.0 million was paid through the issuance of common shares of Osisko. As part of the Arrangement, Osisko will contribute the San Antonio gold project assets to the Business at the closing of the Arrangement and will retain a 15% gold and silver stream (with ongoing per-ounce payments equal to 15% of the prevailing price of gold and silver, as applicable) on the San Antonio gold project.

Uncertainty due to COVID-19

The duration and full financial effect of the COVID-19 pandemic (declared in March 2020) is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Business' operations, financial results and condition in future periods are also subject to significant uncertainty. In the current environment, the assumptions and judgements made by the Business are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Business' valuation of its long-term assets, including the assessment for impairment and impairment reversal. Actual results may differ materially from these estimates.

Risks and Uncertainties

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

Nature of Mineral Exploration and Mining

The Business future is dependent on its exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Business exploration properties may be required to construct mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary or full feasibility studies on the carve-out entity's projects, or the current or proposed exploration programs on any of the properties in which the Business has exploration rights, will result in any profitable commercial mining operations. The Business cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves.

Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; precious metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Business not receiving an adequate return on its invested capital or suffering material adverse effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

Exploration, Development and Operations

The long term profitability of the Business operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors, including the Business ability to extend the permitted term of exploration granted by the underlying concession contracts. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

Liquidity and Additional Financing

The Business ability to continue its business operations is dependent on management's ability to secure additional financing. The Business only source of liquidity is its cash balances. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Business obligations. Prior financings were provided by the net investments from the parent company.

The advancement, exploration and development of the Business properties, including continuing exploration and development projects, and, if warranted, construction of mining facilities and the commencement of mining operations, will require substantial additional financing. As a result, the Business may be required to seek additional sources of equity financing in the near future. The ability of the Business to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes and economic downturns. There can be no assurance that the Business will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Business objectives or obtained on terms favourable to the Business. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the Business properties, or even a loss of property interest, which would have a material adverse effect on the Business business, financial condition and results of operations.

No Earnings and History of Losses

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

Volatility of Commodity Prices

The development of the Business properties is dependent on the future prices of minerals and metals. As well, should any of the Business properties eventually enter commercial production, the Business profitability will be significantly affected by changes in the market prices of minerals and metals.

Precious metals prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Business control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of any of the Business exploration projects, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Business properties to be impracticable or uneconomical. As such, the Business may determine that it is not economically feasible to commence commercial production at some or all of its properties, which could have a material adverse impact on the Business financial performance and results of operations. In such a circumstance, the Business may also curtail or suspend some or all of its exploration activities.

Acquiring Title

The acquisition of title to mineral properties is a very detailed and time-consuming process. The Business may not be the registered holder of some or all of the claims and concessions comprising the Cariboo gold and San Antonio projects or any of the mineral projects of the Business. These claims or concessions may currently be registered in the names of other individuals or entities, which may make it difficult for the Business to enforce its rights with respect to such claims or concessions. There can be no assurance that proposed or pending transfers will be effected as contemplated. Failure to acquire title to any of the claims or concessions at one or more of the Business projects may have a material adverse impact on the financial condition and results of operation of the Business.

Title Matters

Once acquired, title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more claims or concessions at the Business projects will not be challenged or impugned. There may be challenges to any of the Business titles which, if successful, could result in the loss or reduction of the Business interest in such titles. The Business properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Business may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Uncertainty and Inherent Sample Variability

Although the Business believes that the estimated mineral resources and mineral reserves disclosed in this MD&A have been delineated with appropriately spaced drilling, there exists inherent variability between duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. There also may be unknown geologic details that have not been identified or correctly appreciated at the current level of delineation. This results in uncertainties that cannot be reasonably eliminated from the estimation process. Some of the resulting variances can have a positive effect and others can have a negative effect on mining and processing operations.

Reliability of Mineral Resources Estimates

Mineral resources are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other relevant issues. There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Business control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data, the nature of the mineralized body and of the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience.

Fluctuations in commodity prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties, may require revision of mineral resource estimates. Should reductions in mineral resources occur, the Business may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Mineral resources should not be interpreted as assurances of mine life or of the profitability of current or future operations. Any material reductions in estimates of mineral resources could have a material adverse effect on the Business results of operations and financial condition.

Mineral resources are not mineral reserves and have a greater degree of uncertainty as to their existence and feasibility. There is no assurance that mineral resources will be upgraded to proven or probable mineral reserves.

Uncertainty Relating to Inferred Mineral Resources

Inferred mineral resources are not mineral reserves and do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven and probable mineral reserves as a result of continued exploration.

Term and Extension of Concession Contracts

Non-compliance with concession contracts may lead to their early termination by the relevant mining authorities or other governmental entities. A company whose concession contracts were subject to termination could be prevented from being issued new concessions or from keeping the concessions that it already held. The Business is not aware of any cause for termination or any investigation or procedure aimed at the termination of any of its concession contracts.

Governmental Regulation

The mineral exploration and development activities of the Business are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although the Business exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing the Business operations, or more stringent implementation thereof, could have an adverse impact on the Business business and financial condition.

The Business operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties

for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of the Business future operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities that could cause operations to cease or be curtailed. Other enforcement actions may include corrective measures requiring capital expenditures, the installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed upon them for violations of applicable laws or regulations.

Permitting

The operations of the Business require licenses and permits from various governmental authorities. The Business will use its best efforts to obtain all necessary licenses and permits to carry on the activities which it intends to conduct, and it intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that the Business will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development, or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the Business properties.

With respect to environmental permitting, the development, construction, exploitation and operation of mines at the Business projects may require the granting of environmental licenses and other environmental permits or concessions by the competent environmental authorities. Required environmental permits, licenses or concessions may take time and/or be difficult to obtain, and may not be issued on the terms required by the Business. Operating without the required environmental permits may result in the imposition of fines or penalties as well as criminal charges against the Business for violations of applicable laws or regulations.

Surface Rights

The Business does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government or third parties will be granted, nor that they will be on reasonable terms if granted. Failure to acquire surface rights may impact the Business ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of the Business future operations.

Dependence on Key Personnel

The Business future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified personnel. The Business relies on a limited number of key employees, consultants and members of senior management, and there is no assurance that the Business will be able to retain such personnel. The loss of one or more key employees, consultants or members of senior management, if such persons are not replaced, could have a material adverse effect on the Business business, financial condition and prospects.

To operate successfully and manage its potential future growth, the Business must attract and retain highly qualified engineering, managerial and financial personnel. The Business faces intense competition for qualified personnel in these areas, and there can be no certainty that the Business will be able to attract and retain qualified personnel. If the Business is unable to hire and retain additional qualified personnel in the future to develop its properties, its business, financial condition and operating results could be adversely affected.

Uninsurable Risks

Mining operations generally involve a high degree of risk. Exploration, development and production operations on mineral properties involve numerous risks, including but not limited to unexpected or unusual geological operating conditions, seismic activity, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, risks relating to the shipment of precious metal concentrates or ore bars, and political and social instability, any of which could result in damage to, or destruction of, the mine and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although the Business believes that appropriate precautions to mitigate these risks are being taken, operations are subject to hazards such as equipment failure or failure of structures, which may result in environmental pollution and consequent liability. It is not always possible to obtain insurance against all such risks and the Business may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities

arise, they could reduce or eliminate the Business future profitability and result in increasing costs and a decline in the value of the common shares. The Business does not maintain insurance against title, political or environmental risks.

While the Business may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting the Business business and financial condition.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has been negatively impacted. These factors may impact the ability of the Business to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to the Business. If increased levels of volatility and market turmoil continue, the Business operations could be adversely impacted and the value and price of the Common Shares could be adversely affected.

Information Systems Security Threats

The Business operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date the Business has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Business will not incur such losses in the future. The Business risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Business may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Competition

The mineral exploration and mining business is competitive in all of its phases. In the search for and acquisition of attractive mineral properties, the Business competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources. The Business ability to acquire properties in the future will depend on its ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that the Business will continue to be able to compete successfully with its competitors in acquiring such properties or prospects, nor that it will be able to develop any market for the raw materials that may be produced from its properties. Any such inability could have a material adverse effect on the Business business and financial condition.

Option and Joint Venture Agreements

The Business may enter into option agreements and/or joint ventures as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to the Business or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a negative impact on the Business.

Under the terms of such option agreements the Business may be required to comply with applicable laws, which may require the payment of maintenance fees and corresponding royalties in the event of exploitation/production. The costs of complying with option agreements are difficult to predict with any degree of certainty; however, were the Business forced to suspend operations on any of its concessions or pay any material fees, royalties or taxes, it could result in a material adverse effect to the Business business, financial results and condition.

The Business may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying concessions.

Mergers and Amalgamations

The ability to realize the benefits of any merger or amalgamation completed by the Business will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner. This integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities of the Business following completion of any such arrangement, and from operational matters during such a process.

Community Relationships

The Business relationships with the communities in which it operates are critical to ensure the future success of its existing operations and the construction and development of its projects.

While the Business is committed to operating in a socially responsible manner and working towards entering into agreements in satisfaction of such requirements, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Business, financial position and operations.

Conflicts of Interest

Certain of the directors and officers of the Business also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and in financing through royalty and stream agreements. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The directors of the Business are required by law to act honestly and in good faith with a view to the best interests of the Business, and to disclose any interest they may have in any project or opportunity of the Business. In addition, each of the directors is required by law to declare his or her interest in and refrain from voting on any matter in which he or she may have a conflict of interest, in accordance with applicable laws.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies, as well as the location of population centres and pools of labour, are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could impact the Business ability to explore its properties, thereby adversely affecting its business and financial condition.

The Outstanding Common Shares Could be Subject to Dilution

The exercise of stock options, warrants, the DSUs and the RSUs to be issued by the Business and the issuance of additional equity securities in the future could result in dilution in the equity interests of holders of common shares.

No Dividends Policy

The Business does not anticipate to declare a dividend in the foreseeable future. Any future determination as to the payment of dividends will be at the discretion of the Board and will depend on the availability of profit, operating results, the financial position of the Business, future capital requirements and general business and other factors considered relevant by the directors of the Business. No assurances in relation to the payment of dividends can be given.

Coronavirus (COVID-19)

The Business faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt, directly or indirectly, its operations and may materially and adversely affect its business and financial conditions. The Business could be adversely impacted by the effects of the coronavirus or other epidemics. In December 2019, a novel strain of the coronavirus emerged in China and the virus has now spread to several other countries, including Canada and the U.S., and infections have been reported globally. The extent to which the coronavirus impacts the Business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of the coronavirus globally could materially and adversely impact the Business including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, operations and business of third party operators and other factors that will depend on future developments beyond the Business' control, which may have a material and adverse effect on its business, financial condition and results of operations. There can be no assurance that the Business' personnel will not be impacted by these pandemic diseases and ultimately see its

workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks. In addition, a significant outbreak of coronavirus could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and the Business' future prospects.

Internal Control Disclosure

In November 2007, the Canadian Securities Administrators exempted issuers on the TSX-V, such as the Business, from certifying disclosure controls and procedures, as well as internal controls over financial reporting as of December 31, 2007, and thereafter. The Business is required to file basic certificates. The Business makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109.

Basis of Presentation of Combined Carve-out Financial Statements

The combined carve-out financial statements for the year ended December 31, 2019 have been prepared in accordance with the IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in the combined carve-out financial statements are consistent with those of the previous financial year, except for the adoption of amendments to accounting standards and new accounting standards, which are presented below.

The significant accounting policies of the Business are detailed in the notes to the audited combined carve-out financial statements for the year ended December 31, 2019.

Amendments to IFRS 3 *Business Combinations*

On October 22, 2018, the IASB issued amendments to the guidance in IFRS 3 *Business Combinations*. Under the amendments, the definition of a business is amended and requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term "outputs" is also amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. IFRS 3 also introduces an optional fair value concentration test. The amendments, which were effective at the latest for acquisitions completed by the Business after January 1, 2020, were early adopted on January 1, 2019.

New accounting standard – IFRS 16 *Leases*

On January 1, 2019, the Business adopted IFRS 16 *Leases*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, which is the customer ("lessee") and the supplier ("lessor"). IFRS 16 replaces IAS 17 *Leases*, and related interpretations. All leases result in the lessee obtaining the right to use an asset at the start of the lease and incurring a financing obligation corresponding to the lease payments to be made over time. Accordingly, for lessees, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as was required by IAS 17 and, instead, introduces a single lessee accounting model.

Applying that model, a lessee is required to recognize:

i) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
ii) amortization of lease assets separately from interest on lease liabilities in the statement of loss.

Management has reviewed all of the Business leasing arrangements in light of the requirements of IFRS 16. The standard affects primarily the accounting for the Business' operating leases.

The adoption of IFRS 16 did not have any material impact on the combined carve-out financial statements for the year ended December 31, 2019 as the leases were not material.

New accounting standard – IFRIC 23, *Uncertainty over Income Tax Treatments*

On January 1, 2019, the Business adopted IFRIC 23, *Uncertainty over Income Tax Treatments.* IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty, that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored, that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment, that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements. The adoption of IFRIC 23 had no impact on the combined carve-out financial statements for the year ended December 31, 2019.

Critical Accounting Estimates and Judgements

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

Critical accounting estimates and assumptions as well as critical judgements in applying the Business accounting policies are detailed in the audited combined carve-out financial statements for the year ended December 31, 2019.

Financial Instruments

All financial instruments are required to be measured at fair value on initial recognition. The fair value is based on quoted market prices, unless the financial instruments are not traded in an active market. In this case, the fair value is determined by using valuation techniques like discounted cash flows, the Black-Scholes option pricing model or other valuation techniques. Measurement in subsequent periods depends on the classification of the financial instrument. A description of financial instruments and their fair value is included in the audited combined carve-out financial statements for the year ended December 31, 2019.

Technical information

The scientific and technical information contained in this MD&A has been reviewed and approved by Maggie Layman and Guy Desharnais, who are "Qualified Persons" (“QP”) as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Cautionary Note Regarding Forward-Looking Statements

This MD&A may contain forward-looking statements and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, "forward-looking information"), including, but not limited to, statements relating to the future financial or operating performance of the Business, the Business mineral projects, the future price of metals, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production (if any), capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, use of proceeds from financings, requirements for additional capital, government regulation of mining operations and mineral exploration activities, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage, development of the projects, timing (if at all) to complete a pre-feasibility study on the projects. Often, but not always, forward-looking information can be identified by the use of words and phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information reflects the Business beliefs and assumptions based on information available at the time such statements were made. Actual results or events may differ from those predicted in forward-looking information. All of the Business forward-looking information is qualified by (i) the assumptions that are stated or inherent in such forward-looking information, including the assumptions listed below, and (ii) the risks described in the section entitled "Risks and Uncertainties" in this MD&A and the carve-out financial statements of the Business.

Although the Business believes that the assumptions underlying the forward-looking information contained in this MD&A are reasonable, this list is not exhaustive of the factors that may affect any forward-looking information. The key assumptions that have been made in connection with forward-looking information include the following: the significance of drill results and ongoing exploration activities; timing to obtain assay results from labs; ability of exploration activities (including drill results) to accurately predict mineralization; the predictability of geological modelling; the accuracy of the Business records of its property interests; the global economic climate; metal prices; environmental risks; community and non- governmental actions; that permits required for the Business operations will be obtained on a timely basis in order to permit the Business to proceed on schedule with its planned drilling programs; that skilled personnel and contractors will be available as the Business operations continue to grow; that the price of gold will exceed levels that will render the project of the Business economical; the relevance of the assumptions and that the Business will be able to continue raising the necessary capital to finance its operations and realize on its mineral resource estimates.

Forward-looking information involves known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; errors in geological modelling; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations of grade or recovery rates; failure of plant and equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

Although the Business has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Business disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.



MANAGEMENT'S DISCUSSION AND ANALYSIS

OF THE COMPANY'S FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

FOR THE THREE AND NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

THIS MD&A IS DATED NOVEMBER 14, 2019

This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with Barkerville Gold Mines' ("**Barkerville**", the "**Company**", "**we**", or "**our**") unaudited interim condensed consolidated financial statements for the three and nine month periods ended September 30, 2019 and 2018 and related notes thereto, and the Company's audited consolidated financial statements for the years ended December 31, 2018 and 2017 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. All figures are in Canadian dollars unless otherwise noted. The MD&A has been prepared as of November 14, 2019 and includes certain statements that may be deemed "forward-looking statements". Investors are directed to the section "Forward Looking Statements" included within this MD&A.

Information relating to the Cariboo Gold Project is supported by the technical report titled "NI 43-101 Technical Report and Mineral Resource Estimate Update for the Cariboo Gold Project, B.C., Canada" dated June 14, 2018 with an effective date of May 2, 2018 prepared by Christine Beausoleil, P. Geo. (OCQ No. 656, EGBC No. 36156) and Carl Pelletier, P. Geo. (OGQ no. 384, APGO no. 1713) from InnovExplo Inc. (the "**Cariboo Technical Report**"). Reference should be made to the full text of the Cariboo Technical Report, which has been filed with Canadian securities regulatory authorities pursuant to National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**") and is available for review on SEDAR under the issuer profile of Barkerville at www.sedar.com.

As per NI 43-101, Maggie Layman, P.Geo. Vice President Exploration, is a Qualified Person for the Company and has prepared, validated and approved the technical and scientific content in this MD&A. The Company strictly adheres to CIM Best Practices Guidelines in conducting, documenting, and reporting its exploration activities on the Cariboo Gold Project.

ABOUT THE COMPANY

Barkerville is engaged in the exploration and development of precious metals from mineral tenures located in the Cariboo Mining District in Central British Columbia. The Company presently controls approximately 213,000 hectares of mineral and placer tenures and Crown-Granted mineral claims. The Company's block of contiguous claims represents 65% of the complete mineral tenures package and is centered around the Town of Wells, which is located approximately 85 km east of Quesnel. In addition to the main claim block, the Company has a further eight blocks of mineral tenures in the Cariboo Mining District Quesnellia and Cache Creek Terranes. These areas were acquired by staking in 2016 based on regional target generation. The Company's QR Mine & Mill are located approximately 58 km southeast of Quesnel, on a separate group of mineral tenures. The QR mineral tenures encompass seven past producing hard rock mines, including the QR Mine & Mill.

The Company has a two-stage business plan based on existing resources at the Cariboo Gold Projects and the larger exploration potential of the Cariboo District.

Q3 HIGHLIGHTS

Resources Update

An updated Resource statement was released on May 29, 2019 and included all 2018 drill results. The Company is undertaking required economic, environmental and socio-economic studies to initiate permit applications requesting underground development and mining at the Cariboo Gold Project (including, but not limited to the Mosquito Creek, Valley Zone and Cow Mountain deposits).

See “Mineral Properties” section below for further details on the resource update.

Financings

On April 23, 2019, the Company completed a brokered private placement financing of 55,556,000 common shares of the Company at a price of $0.36 per common share for gross proceeds of $20,000,160.

As at September 30, 2019, the Company has cash and investments of $12,072,178.

Corporate Update

On Sept. 23, Osisko Gold Royalties Ltd and Barkerville Gold Mines Ltd., entered into a definitive agreement, pursuant to which Osisko has agreed to acquire all of the issued and outstanding common shares of Barkerville that it does not currently own, by way of a plan of arrangement under the Business Corporations Act (British Columbia).

Under the terms of the Arrangement Agreement, holders ("Barkerville Shareholders") of the common shares of Barkerville (the "Barkerville Shares") will be entitled to receive 0.0357 of a common share of Osisko (each whole share, an "Osisko Share") in exchange for each Barkerville Share held immediately prior to the effective time of the Arrangement, representing an implied offer price of C$0.58 per Barkerville Share based on Osisko's closing price as of September 20, 2019 on the TSX and a premium of 44% based on both companies' trailing 20-day VWAP as at September 20, 2019 (being the last trading day prior to the announcement of the Arrangement).

Upon completion of the transaction, current Osisko and Barkerville shareholders will hold approximately 91% and 9% of Osisko shares outstanding, respectively.

The Arrangement will require the approval of Barkerville Shareholders at a special meeting expected to take place in November 2019 (the "Barkerville Meeting"). In order to become effective, the Arrangement must be approved at the Barkerville Meeting by (i) at least 66⅔ percent of the votes cast by Barkerville Shareholders, and (ii) a simple majority of the minority held in accordance with Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions. Directors and officers of Barkerville and certain Barkerville Shareholders holding approximately 17.9% of the issued and outstanding Barkerville Shares have entered into voting and support agreements with Osisko in support of the Arrangement. The board of directors of Barkerville, on the recommendation of its independent special committee, has unanimously approved the Arrangement and will recommend that Barkerville Shareholders vote FOR the Arrangement.

The Arrangement Agreement includes representations, warranties and covenants typical of a transaction of this nature, including with respect to non-solicitation, a right to match, and a fiduciary-out. In addition, Barkerville has agreed to pay a termination fee of C$9.8 million to Osisko upon the occurrence of certain events.

Osisko holds approximately 32.6% of the outstanding Barkerville Shares, accordingly, the Arrangement will be a non-arm's length transaction for the purposes of the policies of the TSXV and a "business combination" under Multilateral Instrument 61-101. Osisko has also agreed to provide Barkerville with a C$7 million unsecured bridge loan (the "Bridge Loan") to allow Barkerville to continue to advance the exploration and development of the Cariboo gold project. As at September 30, 2019, $3,500,000 (December 31, 2018 - $nil) is outstanding under the loan.

The Bridge Loan will have an interest rate of 10% per annum and a term to maturity of six months. The Bridge Loan may be increased to C$13 million, subject to approval of both Osisko and Barkerville. It is anticipated that the Arrangement will be completed in November 2019.

REVIEW OF OPERATIONS

Exploration Activities

2019 Exploration Objectives

Results obtained in 2018 exploration program defined target areas based on location within the stratigraphy, soil sample anomalies and historic core relog. A total of 80,000 meters is planned for the 2019 drill program. The 2019 exploration objectives will:

1. Test the new brownfields targets adjacent to known deposits known as the Willow, Lowhee, KL Zone.
2. Infill high grade vein corridors greater than 6.0 g/t Au to convert from inferred to indicated category and
3. Expand resource to 650 meters with 50-meter step outs down dip of high-grade vein corridors at Shaft Zone, Cow Mountain and Mosquito Creek.

Barkerville Gold Mines Ltd. 3D Deposit Model

An updated Resource statement was released on May 29, 2019 and included all 2018 drill results. The Company is undertaking required economic, environmental and socio-economic studies to initiate permit applications requesting underground development and mining at the Cariboo Gold Project (including, but not limited to the Shaft Zone, Valley Zone and Cow Mountain deposits).

See “Mineral Properties” section below for further details on the resource update.

2019 Drill Program Update

The Company commenced diamond drilling in January 2019 with up to eight diamond drill rigs. A total of 89,657 meters were drilled in 255 holes at the time of reporting on Island, Cow and Barkerville and Proserpine Mountains. The objective of the 2019 drill program is to infill areas on Shaft, Mosquito Creek and Cow Mountain Zone greater than 6.0 g/t Au in shallow vein corridors (<300 meters) currently classified as inferred, expand mineralization at depth on Shaft and Mosquito Deposits by drilling down dip and plunge of existing vein corridors to a depth of 700 meters and explore new Brownfields targets adjacent to known deposits based on previous drilling, soil geochemical anomalies and surface geological mapping on Barkerville Mountain. The table below outlines the total meters drilled in each target area.

Total Meters Drilled by Target	
Shaft Zone	12,000
Mosquito Creek	8,200
NW IM / Willow	3,100
Williams Zone	4,100
KL Zone	33,600
BC Vein	3,700
Cow	15,000
Lowhee Zone	7,300
Proserpine	2,400
Total	89,400

Results from the drilling campaign confirm the presence of vein corridors at depth on Island Mountain at both Shaft Zone and Mosquito Creek. IM-19-043, located at Mosquito Creek, intersected 45.94 g/t Au over 5.2 meters (core length) and is located 90 meters down plunge from a modelled vein corridor. IM-19-013, drilled on Shaft Zone, intersected 19.34 g/t Au over 17.90 meters (core length) and is 70 meters down dip from a modelled vein corridor. The infill drilling results on Mosquito, Shaft and Cow continue to demonstrate continuity of the vein corridors. Exploration on the Willow target indicate that the gold in soil geochemical anomalies may be related to replacement mineralization as the sandstone package drilled in these initial stratigraphic holes is dominantly calcareous. Additional structural interpretation is ongoing. Results on Barkerville Mountain (KL Zone and Williams Targets) successfully identified new mineralized vein corridors analogous to the vein corridors on Cow and Island Mountains. The apparent strike of this new system is 1.5 kilometers, outlined from the Company's detailed lithological and structural mapping programs conducted in 2017 and 2018. Significant results include 19.3 g/t Au over 6.3 meters (core length). Drilling at the BC Vein was designed for infill and category conversion and was successful in intersecting the BC Vein structure and mineralization. A new zone has been identified south east of Cow Mountain and is interpreted to be the extension of Cow on the east side of Lowhee Fault. Initial assays for this zone include 6.13 g/t Au over 5.95 meters. One drill is currently operating on the Proserpine Target, 7 kilometers south east of Bonanza Ledge on strike for the mineral system. Full assay results are available on the Company's website.

Mineralized quartz veins on the Cariboo Gold Project are overall sub-vertical dip and northeast strike. Vein corridors are defined as a high-density network of mineralized quartz veins within the axis of the F3 folds and hosted within the sandstones. These corridors have been defined from surface to a vertical depth averaging 300 meters and up to a depth of 600 meters and remain open for expansion both "at depth" and "down plunge". The updated Mineral Resource Estimate contains a total of 249 mineralized vein corridors on Mosquito, Shaft, Valley and Cow Zones. These vein corridors range in width from 2 meters to 40 meters and have an average width of 3 meters and a strike length of up to 300 meters. Drillhole spacing in the corridors currently averages 25 meters between drilling sections with vertical drilling separations ranging from 20 to 75 meters with hole spacing increasing at depth. Gold grades are intimately associated with vein-hosted pyrite as well as pyritic, intensely silicified wall rock haloes in close proximity to the veins.

Environmental Matters

The Operations team is working through some outstanding Inspection Orders from provincial regulators and resolving issues that have generated Administrative Monetary Penalties (AMP). By the end of the second quarter, all but the Bonanza Ledge water quality AMP compliance issues have been resolved. BGM submitted a response to AMP's totaling $139,000.00 on October 25, 2019. BGM is awaiting determination from the Assistant Deputy Minister of Environmental Protection Services regarding an assessment of the response and penalties. Response is expected in Q4 2019.

A Water Treatment Plant at Bonanza Ledge is in the procurement stage with commissioning anticipated in Q4 2019 and treatment in place for the Spring freshet of 2020. This plant will eliminate all existing AMP compliance issues for the Company.

A Short-Term Water Management Plan was approved by both MEMPR and MOE and was put in place at QR. The Company developed a contingency plan (piping and pumps) and extra instrumentation which was approved by regulators.

The Company is required, under the Mine's Act Permit, to dispose of the existing Potentially Acid Generating (PAG) rock pile at the Bonanza Ledge site by September 30, 2019. This material was generated primarily from the open pit and, to a lesser extent, from Bonanza Ledge underground. The existing, permitted plan for this material is to backfill it into the existing open pit and to truck and place the balance in the Main Zone Pit at QR. Backfilling into the pit is currently ongoing.

The Company has determined, for underground operations safety, long term stability, reclamation and cost savings reasons that a better approach is to place the PAG material on the slope on top of and above the open pit. An engineered cover on the material and water diversion system would be applied to ensure the material remains inert. The intent would be a passive closure approach for the area and the material. This is in the initial stages of regulator engagement and engineering. An extension to the September 30, 2019 deadline was submitted and the Company awaits response from the Ministry.

Development Work

Development activity continued at Bonanza Ledge to access the BC Vein orebody in Q3. BC Vein has a reserve of 279,000 tonnes at a grade of 6.12g/t. This project is called Bonanza Ledge Phase II and will exploit the resource over the next two years at a nominal mining rate of 650 tonnes per day. The Company has re-engaged CMAC Mining to carry out development with both conventional drill and blast and roadheader techniques. As of September 30, 2019 416 metres of new development has been excavated towards BC Vein. Approximately 2600 meters of development in both ore and waste will be required to be in a position to consistently produce 650tpd.

Production at Bonanza Ledge Phase II requires permit amendments for both Bonanza Ledge and QR under the Mine's Act and the Environmental Management Act. Engineering and environmental study work and Regulator engagement is underway on this effort.

Community Engagement

First Nations engagement with Lhtako Dene First Nation resulted in a signed Engagement Protocol Agreement and a Relationship Agreement. The Company is presently in discussion for the negotiation of an Impact Benefit Agreement which is expected to be signed in 2019. Engagement has also begun with Xat'sull First Nation that has resulted in a signed Interim Relationship Agreement. This Interim Relationship Agreement is expected to be replaced in Q1 2020 with an Impact Benefit Agreement which will include considerations related to the Cariboo Gold Project, QR Mine tailings storage and ongoing exploration activities. BGM will also be providing third party review support for the Lhtako Dene First Nation, Xat'sull First Nation and the Williams Lake Indian Band in relation to on going permit amendments and the Cariboo Gold Project EA.

Barkerville currently employs First Nations members as well as permanent residents of Wells. Community partnerships are maintained including: (i) the donation of money, equipment and manpower to Barkerville Historic Town towards an underground mining exhibit; and (ii) the donation of the Cariboo Gold Quartz Headframe to the District of Wells as an observation/interpretation tower - located with a view of the proposed Cariboo Gold Mine. Barkerville will be supporting many initiatives for First Nations and the Wells community in 2019 and has begun engagement activities with 6 First Nations as part of the Cariboo Gold Project Environmental Assessment. Community engagement in Wells has resulted in increased support from community members for Barkerville's ongoing activities and an open dialogue to address concerns that are raised.

MINERAL PROPERTIES

Cariboo Gold Project

On May 29, 2019, the Company announced an updated underground resource for Cow, Island and Barkerville Mountains on the Company's Cariboo Gold Project. The underground mineral resource estimate incorporates the Cow Mountain and Valley Zones on Cow Mountain and Shaft Zone and Mosquito Creek on Island Mountain at a cut-off grade of 3.0 g/t Au. A mineral resource on Bonanza Ledge and BC Vein is also included. The resource is defined over 6 kilometers of Barkerville's 67-kilometer-long land package. Infill and exploration drilling is ongoing. The mineral resource estimate was conducted by Talisker Exploration Services Inc. and validated by InnovExplo Inc., an independent consulting firm based out of Val-d'Or, Quebec. In accordance with NI 43-101, an updated technical report for the Cariboo Gold Project was filed on July 11th, 2019 on SEDAR.

The updated mineral resource estimate for Cow and Island Mountain deposits is built upon over 400,000 meters of diamond drilling from Barkerville's 2016 and 2017 drill campaigns, and historically verified drill data. The mineral resource estimate is supported by a robust 3D litho-structural model of the gold-bearing vein corridors. A strong understanding of the controls of mineralization enabled the Company's technical team to construct a mineral resource estimate constrained by lithology, alteration, structure and mineralization. A total of 249 vein corridors were modelled. The BC Vein deposit is 1.7 kilometers in strike length, 0.5 meters to 37 meters in thickness, and 400 meters in depth. The 2019 Cariboo Gold Project Underground Mineral Resource Estimate reported at a 3.0 g/t Au cut-off grade.

Cariboo Gold Project Mineral Resources				
Deposit		Tonnes	Au (g/t)	Au Oz
Measured				
	Bonanza Ledge	264,000	7.3	61,900
Indicated				
	Bonanza Ledge	63,400	4.8	9,700
	BC Vein	444,900	6.4	91,600
	Mosquito	247,000	9.5	75,700
	Shaft	4,373,200	5.9	835,600
	Valley	769,600	5.8	142,700
	Cow	1,947,800	6.1	381,800
Total Indicated		7,845,900	6.1	1,537,100
Total Measured and Indicated		8,109,900	6.1	1,599,000
Inferred				
	BC Vein	173,400	4.6	25,400
	Mosquito	699,200	6	135,600
	Shaft	7,357,000	5.1	1,213,000
	Valley	2,454,300	5.4	423,400
	Cow	2,047,300	5.4	358,300
Total Inferred		12,731,200	5.2	2,155,700

Given the nature of these vein corridors, extensions down dip and along strike are highly plausible. Drilling has occurred to depths of 800 meters from surface. The mineral resource estimate reported herein represents the first mineral resource estimate on Cow and Island published by the new management team. The robust 3D litho-structural model that defines the controls of mineralization allows the exploration team to define additional mineral resource much more efficiently, this model can be applied to the remaining 65 kilometers of strike.

QAQC Program and Core Sampling Protocols

Lynda Bloom M.Sc., P.Geo, of Analytical Solutions Limited (**"ASL"**), was engaged to design a rigorous quality assurance/quality control (**"QAQC"**) program and operations manual for the Company's diamond drilling sampling programs. ASL was chosen due to their extensive experience in exploration geochemistry, data interpretation and quality control for assay programs. ASL provides independent consulting services that enable mining companies to comply with security exchange regulations. QAQC programs are designed and monitored according to specific project requirements. ASL provides QPs with assistance in designing quality control programs so that regulators and third-party auditors are satisfied with the integrity of the assays, while minimizing expenses.

Once received from the drill and processed, all drill core samples are sawn in half, labelled and bagged. The remaining drill core is subsequently stored on site at the Company's secure facility in Wells, BC. Numbered security tags are applied to lab shipments for chain of custody requirements. The Company inserts quality control samples at regular intervals in the sample stream, including blanks and reference materials with all sample shipments to monitor laboratory performance.

Drill core samples are submitted to ALS Geochemistry's analytical facility in North Vancouver, British Columbia for preparation and analysis. The ALS facility is accredited to the ISO/IEC 17025 standard for gold assays and all analytical methods include quality control materials at set frequencies with established data acceptance criteria. The entire sample is crushed and 250 grams is pulverized. Analysis for gold is by 50g fire assay fusion with atomic absorption finish with a lower limit of 0.01 ppm and upper limit of 100 ppm. Samples with gold assays greater than 100 ppm are re-analyzed using a 1,000g screen metallic fire assay. A selected number of samples are also analyzed using a 48 multi-elemental geochemical package by a 4-acid digestion, followed by Inductively Coupled Plasma Atomic Emission Spectroscopy and Inductively Coupled Plasma Mass Spectroscopy.

Bonanza Ledge Deposit and QR Mill

Beginning in 1998, the Company focused on delineating a high-grade resource within the BC Vein, roughly 3 km southeast of the Gold Quartz Mine. The Company intersected a new style of mineralization in the footwall of the BC Vein in March 2000, now known as the Bonanza Ledge deposit. At that time, the Company was focused on bringing the Bonanza Ledge open pit mine into production as soon as reasonably possible, as all necessary approvals and permits had been obtained.

The QR Mill operates under Permit M-198, received in June 2012, as amended, to allow the Company to process Bonanza Ledge ore at the QR Mill. The trial grouting of the first hole on the North Dam was completed.

RESULTS OF OPERATIONS

Three months Ended September 30, 2019 compared to the Three Months ended September 30, 2018:

The Company reported a net loss of $14,569,579 during the three-month period ended September 30, 2019 as compared to a net loss of $14,584,923 during the comparative three-month period ended September 30, 2018. Overall, net loss remained consistent between the two periods, with the variance representing a small decrease in net loss of $15,344.

The variances between the two periods were primarily due to the following items:

(i) A decrease of $3,019,353 in exploration expenses, from $8,994,745 during the three-month period ended September 30, 2018 to $5,975,392 during the three-month period ended September 30, 2019. The amounts decreased between the two periods with decreases in drilling due to timing of drill programs in effect resulting in expenditures of $3,497,917 in the current period as compared to $5,810,288 in the prior period and related decrease in assaying costs decreasing from $834,867 in 2018 to $330,105 in 2019.

Exploration expenses for the three-month periods ended September 30, 2019 and 2018 consist of the following:

	Three months ended	
	September 30, 2019	September 30, 2018
Administration fees	$ 460,656	$ 513,813
Assaying	330,105	834,867
Depreciation	4,349	758
Assessment and tax	3,407	(818)
Consulting fees	282,890	139,641
Environmental and permitting	2,541	58,296
Equipment and rentals	182,163	340,271
Drilling	3,497,917	5,810,288
Travel	73,159	126,236
Employee salaries and benefits	1,022,413	1,134,759
Repairs and maintenance	115,792	36,634
Total exploration expenses	$ 5,975,392	$ 8,994,745

(ii) There was a decrease of $6,893,367 in evaluation expenses, decreasing from $13,020,409 during the three-month period ended September 30, 2018 to $6,127,042 during the three-month period ended September 30, 2019. The lower evaluation expenses in 2019 were primarily due to a decrease in contractor fees, amounting to $3,431,156 during the current period as compared to $8,277,802 during the comparable period in 2018. Contractor fees in the prior year were higher due to underground production costs associated with the QR mine, ore hauling, and environmental work conducted on the property. Office and administration expenditures also decreased from $1,716,886 during the three-month period ended September 30, 2018 to $973,957 during the current period as the Company focused on exploration and decreased mining and development activities. There was also a decrease in royalty expense decreasing from $556,568 during the three-month period ended September 30, 2018 to $nil in the current period, reflecting the fact the Company did not have any gold sales in the current period.

Evaluation expenses for the three-month periods ended September 30, 2019 and 2018 consist of the following:

	Three months ended	
	September 30, 2019	September 30, 2018
Consulting fees	$ 3,431,156	$ 8,277,802
Depreciation	241,971	460,918
Employee salaries and benefits	1,004,129	1,597,613
Office and administration	973,957	1,716,886
Travel	85,541	115,001
Assaying	359,035	264,619
Assessment and tax	31,253	31,002
Royalty	-	556,568
Total evaluation expenses	$ 6,127,042	$ 13,020,409

(iii) A decrease of $1,218,495 in mill operating expenses, from $1,238,525 during the three-month period ended September 30, 2018 to $20,030 during the three-month period ended September 30, 2019. These costs represent upkeep cost related to the QR Mill. The amounts were lower as the Company focused on exploration and decreased mining and development activities. The negative expenditure to utilities expense is due to account reclassification to mineral properties capitalized to the balance sheet.

Mill operating expenses for the three-month periods ended September 30, 2019 and 2018 consist of the following:

	Three months ended	
	September 30, 2019	September 30, 2018
Repairs and maintenance	$ 193,177	$ 177,173
Utilities	(173,147)	1,061,352
Total operating expenses	$ 20,030	$ 1,238,525

(iv) An increase of $3,475 in corporate administration from $2,102,818 during the three-month period ended September 30, 2018 to $2,106,293 during the three-month period ended September 30, 2019. This increase is primarily due to an increase in stock-based compensation expense amounting to $413,000 during the three-month period ended September 30, 2019 compared to $nil during the three month period ended September 30, 2018. See note 14 of the unaudited interim condensed consolidated financial statements for the three- and nine-month periods ended September 30, 2019 and 2018, for details on options issued during the periods. This was offset by a decrease in legal, audit and accounting fees which decreased from $514,098 during the three-month period ended September 30, 2018 to $170,297 during the current period. These costs were higher in the prior year due to the NSR transaction with Osisko Gold Royalties.

Corporate administration expenses for the three-month periods ended September 30, 2019 and 2018 consist of the following:

	Three months ended	
	September 30, 2019	September 30, 2018
Consulting fees	$ 38,923	$ 102,987
Depreciation	36,014	21,092
Employee salaries and benefits	872,293	831,120
Legal, audit & accounting	170,297	514,098
Office and administration	295,582	382,485
Shareholder communications and advertising	126,406	125,778
Stock based compensation	413,000	-
Travel and related expenses	153,778	125,258
Total corporate administration expenses	$ 2,106,293	$ 2,102,818

(v) The finance expense for the three-month periods ended September 30, 2019 and 2018 consists of the following:

	Three months ended September 30, 2019	September 30, 2018
Accretion on provision for site reclamation and closure	$ 261,055	$ 124,898
Bank charges, interest charges and commissions	8,091	7,966
Realized loss on sale of investments	-	(30,000)
Interest income	(81,675)	(51,963)
Total finance expense and loss on investments	$ 187,471	$ 50,901

Finance expenses increased primarily due the larger accretion expense related to the provision for site reclamation and closure.

Nine months ended September 30, 2019 compared to the nine months ended September 30, 2018:

The Company reports a net loss of $41,320,318 during the nine-month period ended September 30, 2019 as compared to a net loss of $42,370,525 during the comparative nine-month period ended September 30, 2018. Overall, this represents a lower net loss of $1,050,207.

The variances between the two periods were primarily due to the following items:

(vi) A decrease of $5,231,280 in exploration expenses, from $24,763,503 during the nine-month period ended September 30, 2018 to $19,532,223 during the nine-month period ended September 30, 2019. The decrease is mainly due to the decrease in drilling due to timing of drill programs in effect resulting in expenditures of $10,571,518 in the current period as compared to $14,221,753 in the prior period. There was also a large decrease in related assaying costs decreasing from $2,150,094 in 2018 to $1,192,847 in 2019. Stock based compensation also decreased from $465,500 during the prior period to $nil, See note 14 of the unaudited interim condensed consolidated financial statements for the three- and nine-month periods ended September 30, 2019 and 2018, for details on options issued during the periods.

Exploration expenses for the nine-month periods ended September 30, 2019 and 2018 consist of the following:

	Nine months ended	
	September 30, 2019	September 30, 2018
Administration fees	$ 1,981,760	$ 1,834,236
Assaying	1,192,847	2,150,094
Depreciation	10,417	2,393
Assessment and tax	52,857	102,055
Consulting fees	850,099	695,799
Environmental and permitting	10,028	90,068
Equipment and rentals	933,019	1,187,597
Drilling	10,571,518	14,221,753
Travel	293,956	411,164
Employee salaries and benefits	3,477,158	3,422,326
Repairs and maintenance	278,978	180,518
Recovery of exploration expenditures	(120,414)	-
Stock based compensation	-	465,500
Total exploration expenses	$ 19,532,223	$ 24,763,503

(vii) There was a decrease of $9,381,718 in evaluation expenses, decreasing from $28,717,146 during the nine-month period ended September 30, 2018 to $19,335,428 during the nine-month period ended September 30, 2019. The lower evaluation expenses in 2019 were primarily due to a decrease in contractor fees, amounting to $9,934,275 during the current period as compared to $15,346,615 during the comparable period in 2018. Contractor fees in the prior year were higher due to underground production costs associated with the QR mine, ore hauling, and environmental work conducted on the property. Office and administration expenditures also decreased from $5,342,927 during the nine-month period ended September 30, 2018 to $3,026,825 during the current period as the Company focused on exploration and decreased mining and development activities. There was also a decrease in stock-based compensation from $582,500 during the prior period to $nil, see note 14 of the unaudited interim condensed consolidated financial statements for the three and nine month periods ended September 30, 2019 and 2018, for details on options issued during the periods.

Evaluation for the nine-month periods ended September 30, 2019 and 2018 consist of the following:

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Consulting fees	$ 9,934,275	$ 15,346,615
Depreciation	1,284,352	839,959
Employee salaries and benefits	3,653,784	4,674,043
Office and administration	3,026,825	5,342,927
Travel	235,867	212,733
Stock based compensation	-	582,500
Assaying	857,291	781,196
Penalties and fines	139,200	200,000
Assessment and tax	194,897	115,855
Royalty	8,937	621,318
Total evaluation expenses	$ 19,335,428	$ 28,717,146

(viii) A decrease of $995,316 in mill operating expenses, from $2,288,583 during the nine-month period ended September 30, 2018 to $1,293,267 during the nine-month period ended September 30, 2019. These costs represent maintenance cost related to the QR Mill. The amounts were higher in the prior period due to higher utility costs during the period.

Mill operating expenses for the nine-month periods ended September 30, 2019 and 2018 consist of the following:

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Repairs and maintenance	$ 507,595	$ 526,425
Utilities	785,672	1,762,158
Total operating expenses	$ 1,293,267	$ 2,288,583

(ix) A decrease of $511,886 in corporate administration from $6,193,887 during the nine-month period ended September 30, 2018 to $5,682,001 during the nine-month period ended September 30, 2019. This decrease is primarily due to a decrease in stock-based compensation expense amounting to $662,000 during the nine-month period ended September 30, 2019 compared to $816,250 during the nine-month period ended September 30, 2018. See note 14 of the unaudited interim condensed consolidated financial statements for the three- and nine-month periods ended September 30, 2019 and 2018, for details on options issued during the periods. There was also a large decrease in legal, audit and accounting fees which decreased from $881,798 during the nine-month period ended September 30, 2018 to $484,010 during the current period. These costs were higher in the prior year due to the NSR transaction with Osisko Gold Royalties.

Corporate administration expenses for the nine-month periods ended September 30, 2019 and 2018 consist of the following:

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Consulting fees	$ 271,273	$ 247,231
Depreciation	110,829	61,467
Employee salaries and benefits	2,435,344	2,377,270
Legal, audit & accounting	484,010	881,798
Office and administration	1,023,638	954,866
Shareholder communications and advertising	350,398	466,030
Stock based compensation	662,000	816,250
Travel and related expenses	344,509	388,975
Total corporate administration expenses	$ 5,682,001	$ 6,193,887

(x) The finance expense for the nine-month periods ended September 30, 2019 and 2018 consists of the following:

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Accretion on provision for site reclamation and closure	$ 783,164	$ 374,694
Bank charges, interest charges and commissions	29,033	23,312
Realized loss on sale of investments	-	426,700
Interest income	(353,267)	(238,519)
Total finance expense and loss on investments	$ 458,930	$ 586,187

Finance expenses decreased primarily due to a large realized loss on sale of investment realized during the comparable period in 2018. This decrease was offset by an increase in accretion on the provision for site reclamation and closure.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly unaudited interim condensed consolidated financial information of the Company and is derived from unaudited interim condensed consolidated financial statements prepared by the Company's management.

	Period ended							
	30-Sep-19 Q3	30-Jun-19 Q2	31-Mar-19 Q1	31-Dec-18 Q4	30-Sep-18 Q3	30-Jun-18 Q2	31-Mar-18 Q1	31-Dec-17 Q4
Total Revenue	-	-	-	-	-	-	-	-
Loss before income taxes	(14,569,579)	(14,355,485)	(18,691,391)	(25,188,156)	(14,584,923)	(18,672,196)	(18,360,406)	(16,453,485)
Net loss	(14,569,579)	(14,355,485)	(12,395,254)	(25,188,156)	(14,584,923)	(18,672,196)	(9,113,406)	(16,331,485)
Basic loss per Share	(0.03)	(0.03)	(0.02)	(0.06)	(0.03)	(0.04)	(0.02)	(0.04)
Diluted loss per Share	(0.03)	(0.03)	(0.02)	(0.06)	(0.03)	(0.04)	(0.02)	(0.04)

See "**Results from Operations**" for discussion of results.

LIQUIDITY AND CAPITAL RESOURCES

On September 30, 2019, the Company had cash and cash equivalents on hand of $12,072,178 (December 31, 2018: $37,706,844) and had a working capital deficiency of $2,292,586 (December 31, 2018: $28,642,173). The Company's major commitments over the next year are repayment of trade and other payables, and amounts due to related parties, as well as meeting its flow-through expenditure commitments as described in Note 21 of the unaudited interim condensed consolidated financial statements for the three and nine month periods ended September 30, 2019 and 2018.

The Company will rely on future equity financings as well as cash flows from potential future production to fund operations. It is not possible to predict whether any financing efforts will be successful. The Company has no assurance that additional funding will be available for further development, exploration and evaluation, and operation of its projects. Any additional funding will be dependent upon the Company's ability to obtain financing through joint ventures, equity or debt financing or other means. Although the Company has been successful in the past in obtaining financing through the sale of equity securities and other means, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further business advancements. The consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material. These conditions raise material uncertainty that may cast significant doubt as to the ability of the Company to continue operating as a going concern.

OUTSTANDING SHARE CAPITAL

The Company has an unlimited number of common shares authorized, with 562,614,119 common shares outstanding on September 30, 2019 and 562,689,119 as of the date of this MD&A. A total of 29,415,000 stock options, 930,000 restricted share units and 10,000,000 share purchase warrants were outstanding on September 30, 2019 and 29,415,000 stock options, nil restricted share units and 10,000,000 purchase warrants as of the date of this MD&A.

RELATED PARTY BALANCES AND TRANSACTIONS

The following is a summary of the Company's related party transactions during the three and nine month periods ended September 30, 2019 and 2018:

a) **Services**

The Company incurred administrative and operations costs in the amount of $431,334 and $1,134,481 (2018 - $578,560 and $1,066,413) as well as gold royalties of $nil and $25,160 (2018 - $416,860 and $594,632) paid to Osisko Gold Royalties, a company with certain common directors and officers.

The Company incurred exploration costs in the amount of $45,000 and $120,000 (2018 - $39,503 and $75,143) paid to Talisker Exploration Services, a company whose President is the CEO and director of the Company.

The Company incurred exploration costs in the amount of $131,395 and $402,644 (2018 - $nil and $nil) paid to Falco Resources, a company related to the COO and a director of the Company.

b) **Legal fees**

Legal fees in the amount of $54,018 and $293,543 (2018 - $331,956 and $569,236) were charged by a law firm in which Legal Counsel is a director of the Company.

c) **Sale of NSR**

On September 6, 2018 the Company completed a royalty sale transaction with Osisko Gold Royalties, pursuant to which Osisko Gold Royalties acquired a 1.75% net smelter return royalty on the Cariboo property for the aggregate purchase price of $20,000,000.

d) **Key Management Compensation**

Key management personnel compensation comprised:

	Three months ended September 30, 2019	Three months ended September 30, 2018	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018
Short term employee benefits, director fees	**$ 563,646**	$ 614,970	**$ 1,541,569**	$ 2,299,713
Share based payments	**413,000**	-	**1,258,370**	1,369,250
	$ 976,646	$ 614,970	**$ 2,799,939**	$ 3,668,963

e) **Balance payable:**

The amounts payable to related parties, are summarized as follows:

	September 30, 2019	December 31, 2018
Amounts due to related parties	**$ 843,255**	$ 689,469
	$ 843,255	$ 689,469

Amounts due to related parties at September 30, 2019 include $843,255 (December 31, 2018: $689,469) payable to companies with affiliated officers in common with officers of the Company. The balance is payable on demand, interest free, and unsecured.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions.

RECENT ACCOUNTING PRONOUNCEMENTS

The adoption of the following new standards, interpretations and amendments were included in the financial statements for the year beginning January 1, 2019.

IFRS 16 Leases

The Company has adopted IFRS 16 on a modified retrospective basis from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized from January 1, 2019.

The Company also utilized certain practical expedient elections whereby, (i) a lessee may apply a single discount rate to a portfolio of leases with reasonably similar characteristics, (ii) short term and low value leases are treated as previous operating leases, and (iii) the Company places reliance on previous assessments that there were no existing onerous lease contracts.

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 *Leases.* These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 8.4%.

For leases previously classified as finance leases the entity recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application.

Operating lease commitments disclosed as at December 31, 2018	458,000
Discounted using the lessee's incremental borrowing rate of at the date of initial application	393,735
Add: finance lease liabilities recognized as at December 31, 2018	824,000
Lease liability recognized as at 1 January 2019	**1,217,735**
Of which are:	
Current lease liabilities	564,303
Non-current lease liabilities	653,432

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at December 31, 2018.

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

	September 30, 2019	December 31, 2018
Office	82,459	145,045
Motor vehicles	176,699	248,690
Total right-of-use assets	**259,158**	**393,735**

There are no additional standards not yet effective that would have an impact on the consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

	Financial Assets at Fair Value through Profit and Loss		Amortized Cost		Fair Value through Other Comprehensive Income	
	September 30 2019	**December 31, 2018**	**September 30 2019**	**December 31, 2018**	**September 30 2019**	**December 31, 2018**
Cash and cash equivalents	$ 12,072,178	$ 37,706,844	$ -	$ -	$ -	$ -
Restricted cash	-	2,000,000	-	-	-	-
Amounts receivable	-	-	1,263,952	2,446,023	-	-
Reclamation deposits	-	-	5,361,400	5,361,400	-	-
Total Financial Assets	$ 12,072,178	$ 39,706,844	$ 6,625,352	$ 7,807,423	$ -	$ -

	September 30, 2019	December 31, 2018
Financial liabilities at amortized cost:		
Trade and other payables	$ 11,534,048	$ 12,483,585
Due to related parties	843,255	689,469
Lease payable	784,921	824,000
Bridge loan payable	3,500,000	-
Total Financial Liabilities	$ 16,662,224	$ 13,997,054

Risk Management - General Objectives, Policies and Processes

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

The Company is exposed to risks that arise from its use of financial instruments. The following are the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this document.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board of Directors (**"Board"**) is responsible for the determination of the Company's risk management objectives and policies. The Board has delegated to the Company's management the authority for designing and operating processes that ensure the effective implementation of the objectives and policies.

The overall objective of the Board is to set policies that seek to reduce risk as much as possible without unduly affecting the Company's competitiveness and flexibility.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

(xi) **Interest Rate Risk:**

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings at variable rates. Interest rate risk is limited to potential decreases on the interest rate offers on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

(xii) **Commodity Price Risk:**

The Company is subject to commodity price risk for all the principal metals that are recovered from the concentrates that it produces. These include gold and silver. These metal prices are subject to numerous factors beyond the control of the Company including central bank sales, producer hedging activities, interest rates, exchange rates, inflation and deflation, global and regional supply and demand, and political and economic conditions in major producing countries throughout the world. A 5% increase/decrease in gold price would have an impact of approximately $nil. The Company has elected not to actively manage its exposure to metal prices at this time.

(xiii) **Equity Price Risk:**

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company is exposed to this risk through its equity holdings. The available-for-sale investment in common shares is not a source of market risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash, reclamation deposits and amounts receivable. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand. The reclamation bonds are maintained with financial institutions by the Province of British Columbia and can be released upon the Company fulfilling its reclamation obligations.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of its cash and cash equivalents and restricted cash of $12,072,178 in total (December 31, 2018: $39,706,844), reclamation deposits of $5,361,400 (December 31, 2018: $5,361,400), amounts receivable of $1,263,952 (December 31, 2018: $2,446,023), and fair value through other comprehensive income investments of $nil (December 31, 2018: $nil).

Liquidity Risk

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. As at September 30, 2019, the Company had a working capital deficiency of $2,292,586 (December 31, 2018: $28,642,173).

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities as at September 30, 2019 and December 31, 2018:

	Book Value at September 30, 2019	Within 1 Year	2 to 5 years	Over 5 years	Total
Trade and other payables	$ 11,534,048	$ 11,534,048	$ -	$ -	$ 11,534,048
Due to related parties	843,255	843,255	-	-	843,255
Lease payable	809,989	513,669	296,320	-	809,989
Total	$ 13,187,292	$ 12,890,972	$ 296,320	$ -	$ 13,187,292

	Book Value at December 31, 2018	Within 1 Year	2 to 5 years	Over 5 years	Total
Trade and other payables	$ 12,483,585	$ 12,483,585	$ -	$ -	$ 12,483,585
Due to related parties	689,469	689,469	-	-	689,469
Lease payable	835,747	397,979	437,768	-	835,747
Total	$ 14,008,801	$ 13,571,033	$ 437,768	$ -	$ 14,008,801

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the nine month period ended September 30, 2019 there has been no significant change in the Company's internal control over financial reporting.

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make.

The management of the Company has filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com. In contrast to the certificate under National Instrument 52-109 - *Certification of Disclosure in Issuer's Annual and Interim Filings* ("**NI 52-109**"), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed "forward-looking statements," within the meaning of certain securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, future production, costs of production, prices of gold, reserve or resource potential, exploration and operational activities, and events or developments that the Company expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although the Company believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Company to be materially different than anticipated. The forward-looking information in this MD&A describes the Company's expectations as of the date of this MD&A.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. The Company and its operations are also subject to a large number of risks, including: the Company's liquidity and financing capability, fluctuations in gold prices, market conditions, results of current exploration activities, the possibility of a labour stoppage or shortage, delays in obtaining government permits and approvals and such other risks as discussed herein and in other publicly filed disclosure documents. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in such forward-looking statements, there may be other factors that cause performance, events, or circumstances to differ materially from those described in forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not try to place undue reliance on forward-looking statements contained in this MD&A.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business. The Company's exploration activities expose it to various financial and operational risks that could have a significant impact on its level of operating cash flows in the future. Readers are advised to study and consider risk factors disclosed in the Company's MD&A dated March 20, 2019 for the fiscal year ended December 31, 2018 and available under the Company's issuer profile on SEDAR at www.sedar.com.

TECHNICAL INFORMATION

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

ADDITIONAL INFORMATION

Additional information relating to the Company, is available on SEDAR at www.sedar.com.



MANAGEMENT'S DISCUSSION AND ANALYSIS

OF THE COMPANY'S FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

THIS MD&A IS DATED MARCH 20, 2019

This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with Barkerville Gold Mines' ("**Barkerville**", the "**Company**", "**we**", or "**our**") audited consolidated financial statements for the years ended December 31, 2018 and 2017 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). All figures are in Canadian dollars unless otherwise noted. The MD&A has been prepared as of March 20, 2019 and includes certain statements that may be deemed "forward-looking statements". Investors are directed to the section "Forward Looking Statements" included within this MD&A.

Information relating to the Cariboo Gold Project is supported by the technical report titled "NI 43-101 Technical Report and Mineral Resource Estimate Update for the Cariboo Gold Project, B.C., Canada" dated June 14, 2018 with an effective date of May 2, 2018 prepared by Christine Beausoleil, P. Geo. (OCQ No. 656, EGBC No. 36156) and Carl Pelletier, P. Geo. (OGQ no. 384, APGO no. 1713) from InnovExplo Inc. (the "**Cariboo Technical Report**"). Reference should be made to the full text of the Cariboo Technical Report, which has been filed with Canadian securities regulatory authorities pursuant to National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**") and is available for review on SEDAR under the issuer profile of Barkerville at www.sedar.com.

As per NI 43-101, Maggie Layman, P.Geo. Vice President Exploration, is a Qualified Person for the Company and has prepared, validated and approved the technical and scientific content in this MD&A. The Company strictly adheres to CIM Best Practices Guidelines in conducting, documenting, and reporting its exploration activities on the Cariboo Gold Project.

Forward Looking Statements

This MD&A contains certain statements that may be deemed "forward-looking statements," within the meaning of certain securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, future production, costs of production, prices of gold, reserve or resource potential, exploration and operational activities, and events or developments that the Company expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although the Company believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Company to be materially different than anticipated. The forward-looking information in this MD&A describes the Company's expectations as of the date of this MD&A.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. The Company and its operations are also subject to a large number of risks, including: the Company's liquidity and financing capability, fluctuations in gold prices, market conditions, results of current exploration activities, the possibility of a labour stoppage or shortage, delays in obtaining government permits and approvals and such other risks as discussed herein and in other publicly filed disclosure documents. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in such forward-looking statements, there may be other factors that cause performance, events, or circumstances to differ materially from those described in forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not try to place undue reliance on forward-looking statements contained in this MD&A.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

ABOUT THE COMPANY

Barkerville is engaged in the exploration and development of precious metals from mineral tenures located in the Cariboo Mining District in Central British Columbia. The company presently controls approximately 195,000 hectares of mineral tenures and Crown-Granted mineral claims. The Company's block of contiguous claims represents 65% of the complete mineral tenures package and is centered around the Town of Wells, which is located approximately 85 km east of Quesnel. In addition to the main claim block, the Company has a further six blocks of mineral tenures in the Cariboo Mining District. These areas were acquired by staking in 2016 based on regional target generation. The Company's QR Mine & Mill are located approximately 58 km southeast of Quesnel, on a separate group of mineral tenures. The mineral tenures encompass seven past producing hard rock mines, including the QR Mine & Mill.

The company has a two-stage business plan based on existing resources at the Cariboo Gold Projects and the larger exploration potential of the Cariboo District.

UPDATES DURING THE YEAR ENDED DECEMBER 31, 2018 AND SUBSEQUENT TO THE YEAR

Financings

On December 18, 2018 and December 21, 2018, the Company completed two tranches of a brokered private placement financing of (i) 40,132,581 flow-through shares at a price of $0.50 per flow-through share for gross proceeds of $20,066,291, (ii) 6,000,000 flow-through shares at a price of $0.40 per flow-through share for gross proceeds of $2,400,000, and (iii) 20,554,941 common shares at a price of $0.34 per share for gross proceeds of $6,988,680.

On September 6, 2018, the Company completed a royalty sale transaction with Osisko Gold Royalties Ltd ("**Osisko**"), pursuant to which Osisko acquired from Barkerville a 1.75% net smelter return royalty on the Cariboo property for the aggregate purchase price of $20,000,000. Of the purchase price paid on closing, $2,000,000 will be kept by Barkerville in a segregated restricted account and will not be available to Barkerville until certain conditions precedent are satisfied. Those conditions precedent include the delivery to Osisko of certain waivers and consents required from third parties in connection with the royalty transaction, the conditions have not been met as at the date of this document.

As at December 31, 2018, the Company has cash and investments of $37,706,844.

REVIEW OF OPERATIONS

In 2018 the Company explored and delineated resources on the Cariboo Gold Project. The drilling confirmed down dip extensions of mineralized vein corridors to depths of 700 meters and confirmed high grade intercepts within the current resource. The current resource of 1.6 million Au ounces measured & indicated and 2.16 million Au ounces inferred (see the Cariboo Technical Report filed on SEDAR June 14, 2018) is calculated to an average depth of 300 meters over a combined strike length of 3.5 kilometers and includes 50,000 meters of historical drilling and 170,000 meters of new drilling completed up to the end of 2017. A total of 123,300 meters in 442 holes were drilled on the project in 2018. Of the 2018 drilling, 64,000 meters were drilled on Cow Mountain, 50,000 meters on Shaft Zone, 4,500 meters at Mosquito Creek and 4,800 meters on Grouse Creek Regional target. The drilling during the 2018 program was focused on resource conversion, which will feed the economic study in 2019. The 2018 regional rock and soil sampling and surface geologic mapping extend the current mineralized strike to 16 kilometers. Surface geochemical sampling on the newly acquired Yanks Peak claims returned anomalous samples greater than 50 ppb Au in soil over a 4.5-kilometer trend.

2019 Exploration Objectives

Results from the 2018 exploration program defined target areas based on location within the stratigraphy, soil sample anomalies and historic core relog. The 2019 exploration program will:

1. Test the new brownfields targets adjacent to known deposits,
2. Infill high grade vein corridors greater than 6.0 g/t Au to convert from inferred to indicated category and
3. Expand resource to 650 meters with 50-meter step outs down dip of high-grade vein corridors at Shaft Zone, Cow Mountain and Mosquito Creek.

A total of 50,000 meters is planned for this initial phase and an additional 40,000 meters will be proposed following results of Phase 1.

Barkerville Gold Mines Ltd. 3D Deposit Model

An updated Resource statement will be available in 2019 and will include all 2018 drill results. The Company is undertaking required economic, environmental and socio-economic studies to initiate permit applications requesting underground development and mining at the Cariboo Gold Project (including, but not limited to the Shaft Zone, Valley Zone and Cow Mountain deposits).

Operations Activities in 2018

Test mining at Bonanza Ledge was completed in December of 2018 on Barkerville Mountain. Valuable technical information and personnel training was achieved during 2018 that benefits ongoing advanced studies, permitting and future mining. A total of 1,400 meters of development took place at the Bonanza Ledge and BC Vein test mine. Approximately 122,000 tonnes were extracted and processed at a grade of 5.98 g/t Au and 21,125 ounces of gold poured in 2018. The company has also applied for a permit amendment to extend the test mining for the BC vein ore bodies on Barkerville Mountain.

Exploration in 2018 saw exploration drilling at Island Mountain, Mosquito Creek, Cow Mountain and Grouse Creek. Regionally, the Company has undertaken an extensive soil sampling and prospecting program focused on the Burns and Lightning Creek areas. The Company has also worked to extend the present underground resource areas, which increased prospectivity substantially. General prospecting work was also carried out on the Cayenne Block close to Hixon British Columbia where several new gold anomalies were defined. Results from drilling through to the end of December 2018 will be included in the next resource update scheduled for Q2 2019.

First Nations engagement with Lhtako Dene First Nation resulted in a signed Engagement Protocol Agreement, a Relationship Agreement and a negotiated Impact Benefit Agreement which will be completed in Q3 2019. Engagement has also begun with Xat'sull First Nation that has resulted in a signed Interim Relationship Agreement. This Relationship Agreement is expected to be renegotiated in Q3 2019 and will likely result in a long term agreement (>5years) and will include considerations related to the Cariboo Gold Project, QR Mine tailings storage and ongoing exploration activities.

Barkerville currently employs First Nations members as well as permanent residents of Wells. Community partnerships are maintained including: (i) the donation of money, equipment and manpower to Barkerville Historic Town towards an underground mining exhibit; and (ii) the donation of the Cariboo Gold Quartz Headframe to the District of Wells as an observation/interpretation tower - located with a view of the proposed Cariboo Gold Mine. Barkerville will be supporting many initiatives for First Nations and the Wells community in 2019 and has begun engagement activities with 6 First Nations as part of the Cariboo Gold Project Environmental Assessment. Community engagement in Wells has resulted in increased support from community members for Barkerville's ongoing activities and an open dialogue to address concerns that are raised. Barkerville currently has good support from our First Nations partners.

RESULTS OF OPERATIONS

Three Months Ended December 31, 2018 compared to the Three Months Ended December 31, 2017:

The Company reports a net loss of $25,188,156 during the three-month period ended December 31, 2018 as compared to a net loss of $16,331,485 during the comparative three-month period ended December 31, 2017. Overall, this represents a higher net loss of $8,856,671.

The variances between the two periods were primarily due to the following items:

(i) An increase of $2,934,551 in mill operating expenses, from $(364,994) during the three-month period ended December 31, 2017 to $2,569,557 during the three month period ended December 31, 2018. These costs represent upkeep cost related to the QR Mill. The negative costs in 2017 are primarily due to a reclassification of costs to the balance sheet during the last quarter in the prior year.

Mill Operating Expenses for the Company for the three month periods ended December 31, 2018 and 2017 consist of the following components by nature:

	Three months ended	
	December 31, 2018	December 31, 2017
Repairs and maintenance	$ 793,895	$ 156,749
Utilities	1,775,662	(521,743)
Total operating expenses	$ 2,569,557	$ (364,994)

(ii) A decrease of $4,825,301 in exploration expenses, from $9,840,861 during the three-month period ended December 31, 2017 to $5,015,560 during the three-month period ended December 31, 2018. The decrease is due primarily to lower expenditures on the drill program. In 2017, the Company undertook a large drill program resulting in expenditures of $5,815,272 as compared to $2,091,521 in the current 2018 period. In 2018 the Company focused on allocating more resources towards mine development. Similarly, supporting costs to the drill program decreased as well, with administration fees decreasing from $1,346,947 during the period in 2017 to $421,330 during 2018 as well as assaying costs decreasing from $603,006 in 2017 to $418,888 in 2018.

Exploration expenses for the Company for the three-month periods ended December 31, 2018 and 2017 consist of the following components by nature:

	Three months ended December 31, 2018	December 31, 2017
Administration fees	$ 421,330	$ 1,346,947
Assaying	418,888	603,006
Depreciation	1,228	-
Assessment and tax	779	16,159
Consulting fees	225,165	335,810
Environmental and permitting	50,443	(34,716)
Equipment and rentals	370,088	364,829
Drilling	2,091,521	5,815,272
Travel	96,851	153,929
Employee salaries and benefits	805,495	1,195,306
Repairs and maintenance	79,772	188,319
Stock based compensation	454,000	792,000
Recovery of exploration expenditures	-	(936,000)
Total exploration expenses	$ 5,015,560	$ 9,840,861

(iii) There was an increase of $20,593,565 in evaluation expenses, increasing from $4,287,665 during the three-month period ended December 31, 2017 to $24,881,230 during the three-month period ended December 31, 2018. The higher evaluation expenses in 2018 were primarily due to an increase in consulting fees, amounting to $10,597,506 during the current period as compared to $728,278 during the comparable period in 2017. Consulting fees increased due to underground production costs associated with ore hauling, and environmental work conducted on the property. Office and administration expenditures also increased primarily as a result of consulting and overall evaluation expenditures incurred, due to increases in equipment rentals, supplies, camp costs and accommodations and related expenditures, amounting to $3,139,150 for the three month period ended December 31, 2018 as compared to $1,647,241 for the same period in 2017.

The Company also incurred an expense in the amount of $6,936,524 (2017: $nil), related to the updated closure plan estimate; see note 14 of the audited financial statements for the years ended December 31, 2018 and 2017 for details.

Evaluation expenses for the Company for the three-month periods ended December 31, 2018 and 2017 consist of the following components by nature:

	Three months ended December 31, 2018	December 31, 2017
Mine Contractors and Consulting fees	$ 10,957,506	$ 728,278
Depreciation	588,594	(311,395)
Employee salaries and benefits	2,187,963	1,461,813
Office and administration	3,139,150	1,647,241
Travel	133,176	41,618
Stock based compensation	140,000	541,000
Assaying	336,098	143,595
Penalties and fines	-	-
Assessment and tax	9,221	1,664
Increase in estimate of asset retirement obligation	6,936,524	-
Royalty	452,998	33,851
Total evaluation expenses	$ 24,881,230	$ 4,287,665

(iv) A decrease of $1,224,373 in corporate administration from $2,958,947 during the three-month period ended December 31, 2017 to $1,734,574 during the three month period ended December 31, 2018. This decrease is primarily due to a decrease in stock based compensation expense amounting to $1,026,000 during the year ended December 31, 2017 compared to $234,000 during the year ended December 31, 2018. See note 15 of the audited consolidated financial statements for the years ended December 31, 2018 and 2017, for details on options issued during the periods.

Corporate administration expenses for the three-month periods ended December 31, 2018 and 2017 consist of the following components by nature:

	Three months ended December 31, 2018	December 31, 2017
Consulting fees	$ 147,040	$ 39,262
Depreciation	20,029	21,750
Employee salaries and benefits	604,869	919,313
Legal, audit & accounting	141,926	346,899
Office and administration	386,877	347,969
Shareholder communications and advertising	106,659	108,317
Stock based compensation	234,000	1,026,000
Travel and related expenses	93,174	149,437
Total corporate administration expenses	$ 1,734,574	$ 2,958,947

(v) The finance expense for the Company for the three-month periods ended December 31, 2018 and 2017 consists of the following components by nature:

	Three months ended December 31, 2018	December 31, 2017
Accretion on provision for site reclamation and closure	$ 124,898	$ 112,643
Bank charges, interest charges and commissions	4,279	47,846
Realized loss on sale of investments	(11,773)	-
Interest income	(126,834)	(404,469)
Total finance expense and loss on investments	$ (9,430)	$ (243,980)

Finance expenses increased primarily due to lower interest earned on cash balances as the cash balances have averaged lower than the prior year.

Year Ended December 31, 2018 compared to the Year Ended December 31, 2017:

The Company reports a net loss of $67,558,681 during the year ended December 31, 2018 as compared to a net loss of $53,813,125 during the comparative year ended December 31, 2017. Overall, this represents a higher net loss of $13,745,556.

The variances between the two periods were primarily due to the following items:

(i) An increase of $4,036,245 in operating expenses, increasing from $821,895 during the year ended December 31, 2017 to $4,858,140 during the year ended December 31, 2018. These costs represent care and maintenance costs and upkeep on the mine. The amounts increased due to increased utilities and fuel costs between the two periods due to increase in milling activities.

Mill Operating Expenses for the Company for the years ended December 31, 2018 and 2017 consist of the following components by nature:

	Year ended December 31, 2018	December 31, 2017
Repairs and maintenance	$ 1,320,320	$ 762,870
Utilities	3,537,820	59,025
Total operating expenses	$ 4,858,140	$ 821,895

(ii) A decrease of $9,319,022 in exploration expenses, decreasing from $39,098,085 during the year ended December 31, 2017 to $29,779,063 during the year ended December 31, 2018. The decrease is primarily due to lower expenditures in connection with the drill program. In 2017, the Company undertook a large drill program resulting in expenditures of $22,147,901 as compared to expenditures of $16,313,274 in the current 2018 year, as the Company allocated more resources towards mine development. Similarly, supporting activities also decreased, with administration fees decreasing from $4,166,954 for 2017 to $2,255,566 in 2018. Stock based compensation also accounts for a large portion of the drop with an expense of $2,383,000 during the year ended December 31, 2017 compared to $919,500 during the current year ended December 31, 2018. The decrease is due to the number of stock options and restricted share units issued during the respective period and the related Black Scholes valuations (see note 15 of the audited consolidated financial statement for the years ended December 31, 2018 and 2017 for details).

Exploration expenses for the Company for the year ended December 31, 2018 and 2017 consist of the following components by nature:

	Year ended	
	December 31, 2018	December 31, 2017
Administration fees	$ 2,255,566	$ 4,166,954
Assaying	2,568,982	2,857,509
Depreciation	3,621	-
Assessment and tax	102,834	151,615
Consulting fees	920,964	1,796,778
Environmental and permitting	140,511	59,980
Equipment and rentals	1,557,685	1,541,247
Drilling	16,313,274	22,147,901
Travel	508,015	495,344
Employee salaries and benefits	4,227,821	4,642,658
Repairs and maintenance	260,290	467,653
Stock based compensation	919,500	2,383,000
Recovery of exploration expenditures	-	(1,612,554)
Total exploration expenses	$ 29,779,063	$ 39,098,085

(iii) An increase of $35,937,267 in evaluation expenses, from $17,661,109 during the year ended December 31, 2017 to $53,598,376 during the year ended December 31, 2018. The amount increased primarily as a result of an increase in consulting fees, being $26,304,121 during the current 2018 period as compared to $4,983,057 during the comparable 2017 period. Consulting fees increased due to underground production costs associated with ore hauling, and environmental work conducted on the property. Office and administration expenditures increased in relation to the increase in consulting and overall evaluation expenditures incurred, due to increases in equipment rentals, supplies, camp costs and accommodations and related expenditures, amounting to $8,482,077 for the year ended December 31, 2018 as compared to $4,035,756 for the same period in 2017.

The Company also incurred an expense in the amount of $6,936,524 (2017: $nil), related to the updated closure plan estimate, see note 14 of the audited financial statements for the years ended December 31, 2018 and 2017 for details.

Evaluation expenses for the Company for the year ended December 31, 2018 and 2017 consist of the following components by nature:

	Year ended December 31, 2018	Year ended December 31, 2017
Mine Contractors and Consulting fees	$ 26,304,121	$ 4,983,057
Depreciation	1,428,553	988,604
Employee salaries and benefits	6,862,006	5,063,007
Office and administration	8,482,077	4,035,756
Travel	345,909	207,566
Stock based compensation	722,500	1,244,000
Assaying	1,117,294	556,122
Penalties and fines	200,000	-
Assessment and tax	125,076	105,588
Increase in estimate of asset retirement obligation	6,936,524	-
Royalty	1,074,316	477,409
Total evaluation expenses	$ 53,598,376	$ 17,661,109

(iv) A decrease of $854,698 in corporate administration from $8,783,159 during the year ended December 31, 2017 to $7,928,461 during the year ended December 31, 2018. The decrease was primarily due to a decrease in stock based compensation to $1,050,250 for the current period compared to $2,477,750 for the comparable year, stemming from the number of stock options and restricted share units issued during the respective periods and related Black Scholes valuations; see note 15 of the audited consolidated financial statement for the years ended December 31, 2018 and 2017 for details.

Corporate administration expenses for the years ended December 31, 2018 and 2017 consist of the following components by nature:

	Year ended December 31, 2018	Year ended December 31, 2017
Consulting fees	$ 394,271	$ 265,970
Depreciation	81,496	88,326
Employee salaries and benefits	2,982,139	3,015,343
Legal, audit & accounting	1,023,724	779,305
Office and administration	1,341,743	1,243,231
Shareholder communications and advertising	572,689	428,748
Stock based compensation	1,050,250	2,477,750
Travel and related expenses	482,149	484,486
Total corporate administration expenses	$ 7,928,461	$ 8,783,159

(v) The finance expense for the Company for the years ended December 31, 2018 and 2017 consists of the following components by nature:

	Year ended

	December 31, 2018	December 31, 2017
Accretion on provision for site reclamation and closure	$ 499,592	$ 475,794
Bank charges, interest charges and commissions	27,591	47,846
Realized loss on sale of investments	414,927	-
Interest income	(365,353)	(783,543)
Total finance expense and loss on investments	$ 576,757	$ (259,903)

Finance expenses increased primarily due to realized losses on the sale of investments upon liquidation of the investments held by the Company.

(vi) The Company recorded a gain on the sale of a net smelter return royalty of $11,207,296 during the year as compared to a gain of $6,836,558 during the comparative year ended December 31, 2017. The prior period gain is related to the sale of a 0.75% net smelter return royalty on the Cariboo Gold Project for a cash consideration of $12,500,000 to Osisko, which closed on April 19, 2017. During the current year ended December 31, 2018, the Company completed the sale of a 1.75% net smelter return royalty on the Cariboo Gold Project for cash consideration of $20,000,000 to Osisko, which closed on September 6, 2018.

(vii) The Company also recorded a gain on gold and silver sales of $9,077,481 during the year from sales above and beyond the costs capitalized to the balance sheet during the year ended December 31, 2018. Total gold sales during the year ended December 31, 2018 amounted to $32,331,880 (2017 - $1,504,882).

SELECTED ANNUAL INFORMATION

The following table highlights financial data on the Company for the most recently completed three financial years.

	Year ended		Ten month period ended
	31-Dec-18	31-Dec-17	31-Dec-16
Revenue	**$ 0**	$ 0	$ 0
Net loss	**$ (67,558,681)**	$ (53,813,125)	$ (43,947,658)
Loss per share	**(0.15)**	(0.14)	(0.15)
Total assets	**$ 64,768,967**	$ 100,521,845	$ 48,403,698
Total liabilities	**$ 41,747,666**	$ 38,632,725	$ 23,911,294
Working capital (deficiency)	**$ 30,297,812**	$ 36,671,982	$ 21,085,727

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly unaudited interim condensed consolidated financial information of the Company and is derived from unaudited interim condensed consolidated financial statements prepared by the Company's management.

	Period ended							
	31-Dec-18 Q4	30-Sep-18 Q3	30-Jun-18 Q2	31-Mar-18 Q1	31-Dec-17 Q4	30-Sep-17 Q3	30-Jun-17 Q2	31-Mar-17 Q1
Total Revenue	-	-	-	-	-	-	-	-
Loss before income taxes	(25,188,156)	(14,584,923)	(18,672,196)	(18,360,406)	(16,453,485)	(17,562,643)	(10,430,149)	(14,746,148)
Net loss	(25,188,156)	(14,584,923)	(18,672,196)	(9,113,406)	(16,331,485)	(17,553,543)	(10,421,049)	(9,507,048)
Basic loss per Share	(0.06)	(0.03)	(0.04)	(0.02)	(0.04)	(0.04)	(0.03)	(0.03)
Diluted loss per Share	(0.06)	(0.03)	(0.04)	(0.02)	(0.04)	(0.04)	(0.03)	(0.03)

See "**Results from Operations**" for discussion of results.

LIQUIDITY AND CAPITAL RESOURCES

On December 31, 2018, the Company had cash and cash equivalents on hand of $37,706,844 (December 31, 2017: $39,797,324) and had a working capital of $30,297,812 (December 31, 2017: $36,671,982). The Company's major commitments over the next year are repayment of trade and other payables, and amounts due to related parties, as well as meeting its flow-through expenditure commitments as described in Note 22 of the audited consolidated financial statements for the years ended December 31, 2018 and 2017.

The Company will rely on future equity financings as well as cash flows from potential future production to fund operations. It is not possible to predict whether any financing efforts will be successful. The Company has no assurance that additional funding will be available for further development, exploration and evaluation, and operation of its projects. Any additional funding will be dependent upon the Company's ability to obtain financing through joint ventures, equity or debt financing or other means. Although the Company has been successful in the past in obtaining financing through the sale of equity securities and other means, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further business advancements. The consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material. These conditions raise material uncertainty that may cast significant doubt as to the ability of the Company to continue operating as a going concern.

Outstanding Share Capital

The Company has an unlimited number of common shares authorized, with 506,558,119 common shares outstanding on December 31, 2018 and 506,558,119 as of the date of this MD&A. A total of 32,175,000 stock options, 1,020,000 restricted share units and 10,000,000 share purchase warrants were outstanding on December 31, 2018 and 32,925,000 stock options, 930,000 restricted share units and 10,000,000 purchase warrants as of the date of this MD&A.

Current Exploration Activities

2018 Island Mountain and Cow Mountain Drill Programs

A total of 123,022 meters were drilled in 442 holes on Cow and Island Mountains in 2018. On Shaft Zone, a total of 49,655 meters were drilled in 177 holes, on the Mosquito Creek Deposit, a total of 4,597 meters were drilled in 20 holes. On the Cow Mountain Deposit, a total of 63,970 meters were drilled in 231 holes. The objective of these programs was to further delineate modelled high-grade vein corridors to a depth of 300 meters from surface and explore to depths of 500 meters targeting extensions down dip and down plunge of known high grade intercepts. The infill drilling results continue to demonstrate continuity and expansion of high-grade vein corridors. Up to 8 drill rigs have been used for the duration of the drill programs from January to December. The Grouse Creek Regional target tested surface geochemical anomalies for a total of 4,800 meters in 14 holes. Assay results from these intervals are available on the Company's website.

Mineralized quartz veins on the Cariboo Gold Project are overall sub-vertical dip and northeast strike. These corridors have been defined from surface to a vertical depth of 600 meters and remain open for expansion both "at depth" and "down plunge". Gold grades are intimately associated with vein-hosted pyrite as well as pyritic, intensely silicified wall rock haloes in close proximity to the veins. Recent modelling of veins at Shaft Zone proposes 67 mineralized vein corridors with an estimated horizontal width of 3 meters and a strike length of up to 300 meters. Modeling at Mosquito Creek proposes 37 vein corridors. These corridors, as well as others that are developing in the Shaft and have been defined from surface to a vertical depth of 600 meters and remain open for expansion to depth and down plunge. Drillhole spacing in the corridors currently averages 25 meters between drilling sections with vertical drilling separations ranging from 20 to 75 meters with hole spacing increasing at depth. Gold grades are intimately associated with vein-hosted pyrite as well as pyritic, intensely silicified wall rock haloes in close proximity to the veins.

Metallurgical Testing

Selected holes were drilled on Island and Cow Mountains to collect material for metallurgical test purposes. The holes were designed to show representative intercepts from known vein zones throughout the deposits at various depths and grade intercepts. A total of 2,575 meters of PQ core were drilled in 12 holes.

Geotechnical Drilling

A two-phase geotechnical program was conducted at Shaft, Valley and Cow with the objective to collect detailed geotechnical information on the deposits for structural and engineering purposes. A total of 4,187 meters in 14 holes were drilled in 2018.

2018 Regional Mapping and Sampling

The Company conducted a surface geological mapping and sampling program on the Cariboo Property in selected areas with the objective of defining targets north-west of Island Mountain and south east of

Bonanza Ledge at Williams creek, and along a parallel trend on the recently acquired Burns Mountain and Yanks Peak claims. A total of 6308 soil samples and 314 rock samples were collected.

Detailed geologic mapping was completed on Barkerville and Cow Mountains to further define the structural and lithologic controls in these areas. This compilation is parallel to the ongoing update of the 3D geologic model.

The regional reconnaissance results from the 2016 and 2017 geochemical sampling and mapping programs have delineated a previously unknown 25-kilometer-long corridor of multi-station and multi-line auriferous soil anomalies beginning at Cow Mountain and trending southwest along strike to the past producing Cariboo-Hudson Mine. Defined by both the geophysical and geochemical data, the width of the mineralized corridors ranges between 150 and 500 metres, which is consistent with the mineralized envelopes on Island, Cow and Barkerville Mountains. To date, 160 regional targets have been generated over 67 kilometers of the Cariboo Break.

The 'Cariboo Break,' a major deep-seated shear which appears to have focused gold mineralization along its length is manifested as a well constrained magnetic depression coincident with the auriferous soil anomalies generated from the 2016 and 2017 regional exploration program and the mine trend on Island, Cow and Barkerville Mountains. A second trend of gold bearing mineralization extending from Burns Mountain to Yanks Peak is proposed and being further defined with the 2018 sampling and mapping program.

<u>Updated Mineral Resource Statement</u>

On May 2, 2018, the Company announced a maiden underground resource for Cow and Island Mountains and an update for Barkerville Mountain on the Company's Cariboo Gold Project. The underground mineral resource estimate incorporates the Cow Mountain and Valley Zones on Cow Mountain and Shaft Zone and Mosquito Creek on Island Mountain at a cut-off grade of 3.0 g/t Au. A mineral resource on Bonanza Ledge and BC Vein is also included. The resource is defined over 6 kilometers of Barkerville's 67-kilometer-long land package. Infill and exploration drilling is ongoing and resource updates will be presented annually. The mineral resource estimate was conducted by Talisker Exploration Services Inc. and validated by InnovExplo Inc., an independent consulting firm based out of Val-d'Or, Quebec. In accordance with NI 43-101, an updated technical report for the Cariboo Gold Project was filed on June 14th, 2018 on SEDAR.

The maiden mineral resource estimate for Cow and Island Mountain deposits is built upon over 210,000 meters of diamond drilling from Barkerville's 2016 and 2017 drill campaigns, and historically verified drill data using a total of 2,328 drillholes. The mineral resource estimate is supported by a robust 3D litho-structural model of the gold-bearing vein corridors. A strong understanding of the controls of mineralization enabled the Company's technical team to construct a mineral resource estimate constrained by lithology, alteration, structure and mineralization. A total of 181 vein corridors were modelled.

2018 Cariboo Gold Project Underground Mineral Resource Estimate reported at a 3.0 g/t Au cut-off grade

Cariboo Gold Project Mineral Resources				
Deposit		Tonnes	Au (g/t)	Au Oz
Measured				
	Bonanza Ledge	264,000	7.3	61,900
Indicated				
	Bonanza Ledge	63,400	4.8	9,700
	BC Vein	444,900	6.4	91,600
	Mosquito	247,000	9.5	75,700
	Shaft	4,373,200	5.9	835,600
	Valley	769,600	5.8	142,700
	Cow	1,947,800	6.1	381,800
Total Indicated		7,845,900	6.1	1,537,100
Total Measured and Indicated		8,109,900	6.1	1,599,000
Inferred				
	BC Vein	173,400	4.6	25,400
	Mosquito	699,200	6	135,600
	Shaft	7,357,000	5.1	1,213,000
	Valley	2,454,300	5.4	423,400
	Cow	2,047,300	5.4	358,300
Total Inferred		12,731,200	5.2	2,155,700

Given the nature of these vein corridors, extensions down dip and along strike are highly plausible. Drilling has occurred to depths of 600 metres from surface. The mineral resource estimate reported herein represents the first mineral resource estimate on Cow and Island published by the new management team. The robust 3D litho-structural model that defines the controls of mineralization allows the exploration team to define additional mineral resource much more efficiently, this model can be applied to the remaining 65 kilometers of strike.

QAQC Program and Core Sampling Protocols

Lynda Bloom M.Sc., P.Geo, of Analytical Solutions Limited (**"ASL"**), was engaged to design a rigorous quality assurance/quality control (**"QAQC"**) program and operations manual for the Company's diamond drilling sampling programs. ASL was chosen due to their extensive experience in exploration geochemistry, data interpretation and quality control for assay programs. ASL provides independent consulting services that enable mining companies to comply with security exchange regulations. QAQC programs are designed and monitored according to specific project requirements. ASL provides QPs with assistance in designing quality control programs so that regulators and third-party auditors are satisfied with the integrity of the assays, while minimizing expenses.

Once received from the drill and processed, all drill core samples are sawn in half, labelled and bagged. The remaining drill core is subsequently stored on site at the Company's secure facility in Wells, BC. Numbered security tags are applied to lab shipments for chain of custody requirements. The Company inserts quality control samples at regular intervals in the sample stream, including blanks and reference materials with all sample shipments to monitor laboratory performance.

Drill core samples are submitted to ALS Geochemistry's analytical facility in North Vancouver, British Columbia for preparation and analysis. The ALS facility is accredited to the ISO/IEC 17025 standard for gold assays and all analytical methods include quality control materials at set frequencies with established data acceptance criteria. The entire sample is crushed and 250 grams is pulverized. Analysis for gold is by 50g fire assay fusion with atomic absorption finish with a lower limit of 0.01 ppm and upper limit of 100 ppm. Samples with gold assays greater than 100 ppm are re-analyzed using a 1,000g screen metallic fire assay. A selected number of samples are also analyzed using a 48 multi-elemental geochemical package by a 4-acid digestion, followed by Inductively Coupled Plasma Atomic Emission Spectroscopy and Inductively Coupled Plasma Mass Spectroscopy.

Bonanza Ledge Deposit and QR Mill

Beginning in 1998, the Company focused on delineating a high grade resource within the BC Vein, roughly 3 km southeast of the Gold Quartz Mine. The Company intersected a new style of mineralization in the footwall of the BC Vein in March 2000, now known as the Bonanza Ledge deposit. At that time, the Company was focused on bringing the Bonanza Ledge open pit mine into production as soon as reasonably possible, as all necessary approvals and permits had been obtained.

Permits

The Bonanza Ledge deposit was discovered when the Company intersected a new style of mineralization in the footwall of the BC Vein in March 2000. Since that time the Company has worked diligently drilling, mine modeling and completing studies including First Nations consultations to obtain all the necessary approvals and permits to bring the proposed Bonanza Ledge open pit mine into production. The receipt of the Mines Act permit for the proposed open-pit mine at Bonanza Ledge was received and announced in a News Release on December 6, 2011.

QR Mill

The QR Mill operates under Permit M-198, received in June 2012, as amended, to allow the Company to process Bonanza Ledge ore at the QR Mill. The trial grouting of the first hole on the North Dam was completed.

RELATED PARTY BALANCES AND TRANSACTIONS:

These transactions are recorded at the value established and agreed upon by the related parties.

Name of Related Party	Description	Year ended December 31, 2018 $	Year ended December 31, 2017 $
Tom Obradovich, former CEO	Salary & benefits[1]	Nil	Nil
	Severance	Nil	Nil
	Consulting fees & benefits	156,038	155,506
	Share based payments	Nil	Nil
Chris Lodder, CEO	Salary & benefits[9]	751,310	605,436
	Share based payments	215,000	Nil
	Restricted Share Units[16]	192,500	450,000
Andres Tinajero, CFO	Salary & benefits[2]	522,503	365,212
	Share based payments	249,000	185,000
	Restricted Share Units[16]	137,500	150,000
Lisa McCormack, former Corporate Secretary	Salary-Severance & benefits[3]	4,550	124,185
	Share based payments	Nil	111,000
Claire Lehan, Corporate Secretary	Restricted Share Units[16] Share based payments	49,500 -	- 45,000
Paul Geddes, former VP Exploration	Salary & benefits	46,508	365,436
	Share based payments	Nil	185,000
Maggie Layman, VP Exploration	Salary & benefits[17]	242,489	Nil
	Share based payments	152,000	Nil
	Restricted Share Units[16]	99,000	Nil
Chris Pharness, VP Environment	Salary & benefits[10]	307,101	367,653
	Share based payments	174,000	185,000
	Restricted Share Units[16]	123,750	Nil
Cale Pharness	Salary & benefits[8]	8,784	42,618
Dave Rouleau, former VP Operations	Salary & benefits[11]	193,073	183,438
	Share based payments	108,000	579,000
	Restricted Share Units[16]	99,000	Nil
Wildeboer Dellelce	Legal fees[5]	Nil	13,370
Bennett Jones LLP	Legal fees[6]	847,293	283,338
Talisker Exploration Services Inc.	Exploration[7]	124,232	94,050
Osisko Gold Royalties Ltd.	Operation & Administrative[13]	1,449,771	547,399
	Gold royalties	1,057,736	32,904
Falco Resources	Operation & administrative[14]	74,844	1,617
Orion Capital	Rent[15]	Nil	16,766

The Company accrued directors' fees of $1,500 for its Non-Executive directors for each meeting and committee meeting that a director attends in person or by teleconference.

Name of Director	Description	Year ended December 31, 2018 $	Year ended December 31, 2017 $
Greg Gibson, (former director)	Directors' fees	Nil[4]	22,250
	Share based payments	Nil	Nil
Tom Obradovich	Directors' fees	60,000[4]	45,000
	Share based payments	Nil	45,000
Anthony Makuch	Directors' fees	54,000[4]	43,500
	Share based payments	Nil	45,000
John Kutkevicius	Directors' fees	61,500[4]	49,500
	Share based payments	Nil	34,000
Ian Gordon, (former director)	Directors' fees	Nil[4]	15,955
	Share based payments	Nil	Nil
Allan Folk, (former director)	Directors' fees	Nil[4]	15,955
	Share based payments	Nil	Nil
Morris Prychidny	Directors' fees	73,000[4]	75,500
	Share based payments	Nil	45,000
Chris Lodder	Directors' fees	Nil	Nil
	Share based payments	Nil	Nil
Sean Roosen	Directors' fees	100,500[4]	69,000
	Share based payments	Nil	45,000
	Restricted Share Units	Nil[12]	87,000
Andree St-Germain	Directors' fees	57,000[4]	21,682
	Share based payments	Nil	349,000
John Sabine	Directors' fees	55,500[4]	21,682
	Share based payments	Nil	349,000
John Burzynski	Directors' fees	45,000[4]	20,182
	Share based payments	Nil	349,000

Notes:

1) Mr. Obradovich has an ongoing consulting agreement with the Company for $12,500 a month.
2) On May 1, 2015, Andres Tinajero was appointed as CFO of the Company. The agreement is to pay the CFO $300,000 per annum, an annual bonus at the discretion of the Board. The bonus shall have a short and long target payout of 100% of base salary based on achievement. The agreement includes a termination clause to pay the CFO 24 months of base fees. In the event of a change of control, the CFO is entitled to a lump sum payment equal to 24 months of his annual fee plus average bonus.
3) The Company paid the former Corporate Secretary a salary of $70,000 per year.
4) Includes fee for Board meetings and committee meetings attended.
5) These fees were paid to a law firm in which Mr. Kutkevicius is a partner.
6) These fees were paid to a law firm in which Mr. Sabine is Legal Counsel.
7) Talisker Exploration Services Inc. is a company controlled by Mr. Chris Lodder. Mr. Lodder (CEO & Director of the Company) owns 33.33% interest and is the President of the company.
8) Cale Pharness is immediate family of Mr. Chris Pharness, the VP of Environment.
9) On July 1, 2016 Chris Lodder was appointed as CEO of the Company. The agreement is to pay the CEO $425,000 per annum, an annual bonus at the discretion of the Board. The bonus shall have a short and long target payout of 200% of base salary based on achievement. The CEO is entitled in the event of termination of employment without cause, of an amount equal to two (2) times his base salary plus average bonus paid for the previous 2 - year period. In the event where less than 2 -year bonus was paid, the average paid for

the previous period will be used to calculate the 2 - year average; payment, in the event of a change of control of the Company, of an amount equal to two (2) times his base salary plus bonus at target for the previous 2 - year period; participation in the executive medical benefits plan offered by the Company.

10) On October 17, 2016, the Company amended Chris Pharness' employment agreement. The agreement is to pay the VP of Environment $240,000 per annum, an annual bonus at the discretion of the Board. The bonus shall have a short and long term target payout of 100% of base fee based on achievement. The agreement includes a termination clause to pay the VP of Environment 24 months of base fees. In the event of a change of control, the VP of Environment is entitled to a lump sum payment equal to 24 months of his annual fee.
11) On April 3, 2017, the Company entered into an employment agreement with Dave Rouleau. The agreement is to pay the VP of Operations $240,000 per annum, an annual bonus at the discretion of the Board. The bonus shall have a short and long term target payout of 100% of base fee based on achievement. The agreement includes a termination clause to pay the VP of Operations 24 months of base fees. In the event of a change of control, the VP of Operations entitled to a lump sum payment equal to 24 months of his annual fee.
12) On December 29, 2017 and June 28, 2017, the Company granted an aggregate of 900,000 restricted share units to certain directors and officers.
13) These fees were paid to a firm in which Mr. Roosen is the CEO & Director and Mr. Burzynski is a Director.
14) These fees were paid to an entity in which Mr. Roosen and Mr. Luc Lessard are officers of the Company.
15) These fees were paid to an entity in which Mr. Prychidny is a partner.
16) On June 5, 2018, the Company granted an aggregate of 1,595,000 restricted share units to certain directors and officers.
17) On February 1, 2018, the Company amended Maggie Layman's employment agreement. The agreement is to pay the VP of Exploration $240,000 per annum, and annual bonus at the discretion of the Board. The agreement includes a termination clause to pay the VP of Exploration 12 months of base fees. In the event of a change of control, the VP of Exploration is entitled to a lump sum payment equal to 12 months of her annual fee.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions.

RECENT ACCOUNTING PRONOUNCEMENTS

The adoption of the following new standards, interpretations and amendments were included in the financial statements for the year beginning January 1, 2018.

IFRS 15 Revenue Recognition

The Company has adopted all of the requirements of IFRS 15 as of January 1, 2018. IFRS 15 replaced IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue. The Company has used the modified retrospective transition method, which had no impact on the Company's consolidated financial statements as the Company has not yet reached commercial production and had no revenue recorded in the financial statements. The following is the Company's new accounting policy for revenue recognition under IFRS 15:

Revenue recognition

During the development stage of a mine up until the determination of commercial production, incidental revenues earned are credited against the mineral property and deferred development costs. Once commercial production is declared, revenue from the sales of gold and silver is recognized based on the

identification of contracts with a customer, the determination of performance obligation under the contract and the related transaction price, and the point at which the Company satisfies its performance obligation.

IFRS 9 Financial Instruments

The Company has adopted IFRS 9 effective January 1, 2018 and elected not to retroactively restate comparative periods. There was no impact on carrying values and equity as at January 1, 2018 and no measurement differences as a result of adopting IFRS 9.

The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") for classification and measurement of financial liabilities were carried forward in IFRS 9. IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements. The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

	IAS 39	IFRS 9
Cash & Cash Equivalents	Fair Value through profit or loss	Fair Value through profit or loss
Reclamation deposits	Loans and Receivables measured at amortized cost	Amortized cost
Amounts receivable	Loans and Receivables measured at amortized cost	Amortized cost
Investments	Available for sale	Financial asset at fair value through other comprehensive income
Trade and other payables, Due to related parties, Lease payable	Financial liabilities at amortized cost	Financial liabilities at amortized cost

As a result of the adoption of IFRS 9, the Company's accounting policy for financial instruments has been updated.

The following new standards, interpretations and amendments which are relevant to the Company's operations are effective for annual periods beginning on or after January 1, 2019 and have not been early adopted by the Company:

IFRS 16 Leases

In 2016, the IASB issued IFRS 16, Leases ("**IFRS 16**"), replacing IAS 17, Leases and related interpretations. The standard introduces a single on-balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. Lessors continue to classify leases as finance and operating leases. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted if IFRS 15, Revenue from Contracts with Customers has been adopted.

The Company has begun its evaluation of the impact of the new standard, which is not expected to be material.

There are no additional standards not yet effective that would have an impact on the consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

The Company is exposed to risks that arise from its use of financial instruments. The following are the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

	Financial Assets at Fair Value through Profit and Loss		Amortized Cost		Fair Value through Other Comprehensive Income	
	December 31 2018	**December 31, 2017**	**December 31 2018**	**December 31, 2017**	**December 31 2018**	**December 31, 2017**
Cash and cash equivalents	$ 37,706,844	$ 39,797,324	$ -	$ -	$ -	$ -
Restricted cash	2,000,000	-	-	-	-	-
Amounts receivable	-	-	2,446,023	3,159,946	-	-
Fair Value through Other Comprehensive Income Investments	-	-	-	-	-	11,811,409
Reclamation deposits	-	-	5,361,400	7,977,600	-	-
Total Financial Assets	$ 39,706,844	$ 39,797,324	$ 7,807,423	$ 11,137,546	$ -	$ 11,811,409

	December 31, 2018	December 31, 2017
Financial liabilities at amortized cost:		
Trade and other payables	$ 12,483,585	$ 14,386,967
Due to related parties	689,469	536,406
Lease payable	824,000	851,993
Total Financial Liabilities	$ 13,997,054	$ 15,775,366

GENERAL OBJECTIVES, POLICIES AND PROCESSES:

The Board of Directors (**"Board"**) is responsible for the determination of the Company's risk management objectives and policies. The Board has delegated to the Company's management the authority for designing and operating processes that ensure the effective implementation of the objectives and policies.

The overall objective of the Board is to set policies that seek to reduce risk as much as possible without unduly affecting the Company's competitiveness and flexibility.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

(i) Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings at variable rates. Interest rate risk is limited to potential decreases on the interest rate offers on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

(ii) Commodity Price Risk:

The Company is subject to commodity price risk for all the principal metals that are recovered from the concentrates that it produces. These include gold and silver. These metal prices are subject to numerous factors beyond the control of the Company including central bank sales, producer hedging activities, interest rates, exchange rates, inflation and deflation, global and regional supply and demand, and political and economic conditions in major producing countries throughout the world. A 5% increase/decrease in gold price would have an impact of approximately $nil. The Company has elected not to actively manage its exposure to metal prices at this time.

(iii) Equity Price Risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company is exposed to this risk through its equity holdings. The available-for-sale investment in common shares is not a source of market risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash, reclamation deposits and amounts receivable. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand. The reclamation bonds are maintained with financial institutions by the Province of British Columbia and can be released upon the Company fulfilling its reclamation obligations.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of its cash and cash equivalents and restricted cash of $39,706,844 in total (December 31, 2017: $39,797,324), reclamation deposits of $5,361,400 (December 31, 2017: $7,977,600), amounts receivable of $2,446,023 (December 31, 2017: $3,159,946), and fair value through other comprehensive income investments of $nil (December 31, 2017: $11,811,409).

Liquidity Risk

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. As at December 31, 2018, the Company had a working capital of $30,297,812 (December 31, 2017: $36,671,982).

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities as at December 31, 2018 and December 31, 2017:

	Book Value at December 31, 2018	Within 1 Year	2 to 5 years	Over 5 years	Total
Trade and other payables	$ 12,483,585	$ 12,483,585	$ -	$ -	$ 12,483,585
Due to related parties	689,469	689,469	-	-	689,469
Lease payable	835,747	397,979	437,768	-	835,747
Total	$ 14,008,801	$ 13,571,033	$ 437,768	$ -	$ 14,008,801

	Book Value at December 31, 2017	Within 1 Year	2 to 5 years	Over 5 years	Total
Trade and other payables	$ 14,386,967	$ 14,386,967	$ -	$ -	$ 14,386,967
Due to related parties	536,406	536,406	-	-	536,406
Lease payable	880,525	524,303	356,222	-	880,525
Total	$ 15,803,898	$ 15,447,676	$ 356,222	$ -	$ 15,803,898

As a mining company the Company faces other risks including, but not necessarily limited to, the following:

Reliance on Management's Expertise

Barkerville strongly depends on the business acumen expertise of its management team and there is little possibility that this dependence will decrease in the near term. The loss of the services of any member of such team could have a material adverse effect on the Company.

Cyber Security

The Company relies on information technology systems in all areas of operations. These systems are subject to an increasing number of sophisticated cyber threats. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving. Should a cyber-attack be successful, and a breach of sensitive information occur, or its systems and services be disrupted, Barkerville's financial position, and/or ability to achieve its strategic objectives may be negatively affected.

The Company maintains policies, processes, and procedures to address capabilities, performance, security, and system availability including resiliency and disaster recovery for systems, infrastructure, and data. Security protocols, along with information technology security policies, address compliance with information technology security standards. The Company actively monitors, manages, and continues to enhance its ability to mitigate cyber risk through its enterprise wide programs. However, there is no assurance that any of these measures will be successful.

Legal Risk

On April 2, 2018, the Company announced that a previously announced class action lawsuit relating in part to an August 12, 2012 technical report concerning a mineral resource estimate for the Cariboo Gold Project, has been settled and the settlement has been approved by the Court. The settlement agreement provides for a payment of an aggregate settlement amount of $250,000 that will be fully funded by insurance coverage maintained by the Company. The settlement agreement contains no admission of liability or wrongdoing.

Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct, operate and maintain mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk are taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour and occupational health standards, mine safety, toxic substance and other related matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Permits and Licenses

The exploitation and development of its mineral properties requires the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will

require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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

Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water the environment, the Company may become subject to liability for hazards that cannot be insured against.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

Conflicts of Interest

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

Commitments and Contingencies

Due to the size, complexity and nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Flow-Through Shares

As at December 31, 2018, the Company is committed to spending approximately $23,000,000 by December 31, 2019 in connection with its flow-through offerings (December 31, 2017 - $29,454,000).

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the year ended December 31, 2018 there has been no significant change in the Company's internal control over financial reporting.

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make.

The management of the Company has filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com. In contrast to the certificate under National Instrument 52-109 - *Certification of Disclosure in Issuer's Annual and Interim Filings* ("**NI 52-109**"), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

ADDITIONAL INFORMATION

Additional information relating to the Company, is available on SEDAR at www.sedar.com.

"Chris Lodder"

Chris Lodder
President & Chief Executive Officer

APPENDIX "J"
UNAUDITED *PRO FORMA* FINANCIAL STATEMENTS OF THE RESULTING ISSUER

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Resulting Issuer Pro Forma Financial Statements J-2

OSISKO DEVELOPMENT CORP.

(formerly Barolo Ventures Corp.)

. . . . . .

Unaudited Pro Forma Condensed

Consolidated Financial Statements

August 31, 2020

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF OSISKO DEVELOPMENT CORP.

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Osisko Development Corp.

Pro Forma Consolidated Balance Sheet
As at August 31, 2020
(Unaudited)

(Expressed in thousands of Canadian dollars)

	Barolo Ventures Corp.	The Mining Activities of Osisko Gold Royalties Ltd	Pro Forma Adjustments	Note 4	Osisko Development Corp. Pro Forma Consolidated
	$	$	$		$
Assets					
Current assets					
Cash	22	3,653	100,125	f)	100,050
			(3,250)	f)	
			(500)	i)	
Amounts receivable	2	4,188	-		4,190
Inventories	-	2,201	-		2,201
Other assets	-	10,269	-		10,269
	24	20,311	96,375		116,710
Non-current assets					
Investments in associates	-	12,161	-		12,161
Other investments	-	92,461	-		92,461
Mining interests and plant and equipment	-	378,046	(13,000)	b)	364,296
			(750)	c)	
Exploration and evaluation	-	43,150	-		43,150
Inventories	-	18,723	-		18,723
Other assets	-	6,927	-		6,927
	24	**571,779**	**82,625**		**654,428**

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

Osisko Development Corp.

Pro Forma Consolidated Balance Sheet
As at August 31, 2020
(Unaudited)

(Expressed in thousands of Canadian dollars)

	Barolo Ventures Corp.	The Mining Activities of Osisko Gold Royalties Ltd	Pro Forma Adjustments	Note 4	Osisko Development Corp. Pro Forma Consolidated
	$	$	$		$
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	23	22,699	-		22,722
Environmental rehabilitation provision	-	3,776	-		3,776
	23	26,475	-		26,498
Non-current liabilities					
Environmental rehabilitation provision	-	31,231	-		31,231
Contract liability	-	-	19,563	d)	19,563
Deferred income taxes	-	15,511	-		15,511
	23	73,217	19,563		92,803
Equity					
Share capital (Note 5)	9,058	-	457,523	a)	551,249
			100,125	f)	
			(3,250)	f)	
			(4,900)	g)	
			(9,058)	h)	
			1,751	i)	
Net parent company investments	-	490,836	(457,523)	a)	-
			(13,000)	b)	
			(750)	c)	
			(19,563)	d)	
Warrants (Note 6)	-	-	4,900	g)	4,900
Contributed surplus	1,997	-	(1,997)	h)	-
Accumulated other comprehensive loss	-	7,726	-		7,726
Deficit	(11,054)	-	11,054	h)	(2,250)
			(2,250)	i)	
	1	498,562	63,062		561,625
	24	**571,779**	**82,625**		**654,428**

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

Osisko Development Corp.

Pro Forma Consolidated Statement of Loss
For the three months ended August 31, 2020
(Unaudited)

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

	Barolo Ventures Corp.	The Mining Activities of Osisko Gold Royalties Ltd	Pro Forma Adjustments	Note 4	Osisko Development Corp. Pro Forma Consolidated
	$	$	$		$
Operating expenses					
Compensation	-	862	-		862
General and administrative	22	289	-		311
Exploration and evaluation, net of tax credits	-	32	-		32
Operating loss	**22**	**1,183**	**-**		**1,205**
Interest income	-	(294)	-		(294)
Accretion expense	-	-	-		-
Share of loss of associates	-	209	-		209
Other gains, net	-	(852)	-		(852)
Loss before income taxes	**22**	**246**	**-**		**268**
Income tax recovery	-	(1)	-		(1)
Net loss	**22**	**245**	**-**		**267**
Net loss per share (Note 7)					
Basic and diluted	0.00				0.00

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

Osisko Development Corp.

Pro Forma Consolidated Statement of Loss
For the year ended May 31, 2020
(Unaudited)

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

	Barolo Ventures Corp.	The Mining Activities of Osisko Gold Royalties Ltd[(i)]	Barkerville Gold Mines Ltd.[(ii)]	Pro Forma Adjustments	Note 4	Osisko Development Corp. Pro Forma Consolidated
	$	$	$	$		$
Operating expenses						
Compensation	-	3,898	2,327	-		6,225
General and administrative	110	1,327	4,210	-		5,647
Exploration and evaluation, net of tax credits	-	168	18,300	(18,300)	e)	168
Impairment of assets	-	49,985	-	-		49,985
Listing and other transaction fees	-	-	-	2,250	i)	2,250
Other expenses	-	-	307	-		307
Operating loss	**110**	**55,378**	**25,144**	**(16,050)**		**64,582**
Interest income	-	(87)	(117)	-		(204)
Accretion expense	-	1,034	405	-		1,439
Share of loss of associates	-	6,460	-	-		6,460
Other losses, net		31,148	196	-		31,344
Loss before income taxes	**110**	**93,933**	**25,628**	**(16,050)**		**103,621**
Income tax recovery	-	(17,832)	-	-		(17,832)
Net loss	**110**	**76,101**	**25,628**	**(16,050)**		**85,789**
Net loss per share (Note 7)						
Basic and diluted	(0.01)					(0.76)

(i) Corresponds to the twelve-month period ended June 30, 2020. Refer to Note 1 c) for the historical information used.

(ii) Corresponds to the period from July 1, 2019 to November 20, 2019. Refer to Note 1 c) for the historical information used.

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

1. BASIS OF PRESENTATION

The unaudited pro forma condensed consolidated financial statements (the "Pro Forma Financial Statements") have been prepared by Osisko Gold Royalties Ltd ("Osisko Gold Royalties") management pursuant to a Letter Agreement dated October 5, 2020 between Barolo Ventures Corp. ("Barolo") and Osisko Gold Royalties as described in Note 3.

The Pro Forma Financial Statements have been prepared for illustrative purposes only to give effect to the transaction described in Note 3 (the "Transaction") and pursuant to the assumptions and adjustments described in Note 4. The unaudited pro forma consolidated balance sheet as at August 31, 2020 has been prepared as if the Transaction had occurred on August 31, 2020. The unaudited pro forma consolidated statement of loss for the year ended May 31, 2020 and the unaudited pro forma consolidated statement of loss for the three months ended August 31, 2020 have been prepared as if the Transaction had occurred on June 1, 2019.

The Pro Forma Financial Statements are not necessarily indicative of the financial position and results of operations that would have been achieved if the acquisition had been completed on the dates or for the period presented, nor do they claim to project the results of operations or financial position of the entity for any future period or as of any future date. Any potential synergies that may be realized and integration costs that may be incurred after the acquisition date have been excluded from these statements.

In preparing the unaudited pro forma consolidated balance sheet and the unaudited pro forma consolidated statements of loss, the following historical information, that was prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), was used:

a) For the unaudited pro forma consolidated balance sheet as at August 31, 2020:

   (i) The unaudited interim statement of financial position of Barolo as at August 31, 2020.

   (ii) The unaudited combined carve-out balance sheet of The Mining Activities of Osisko Gold Royalties Ltd as at September 30, 2020.

b) For the unaudited pro forma consolidated statement of loss for the three months ended August 31, 2020:

   (i) The unaudited statement of loss and comprehensive loss of Barolo for the three months ended August 31, 2020.

   (ii) The unaudited combined carve-out interim statement of loss of The Mining Activities of Osisko Gold Royalties Ltd for the three months ended September 30, 2020.

c) For the unaudited pro forma consolidated statement of loss for the year ended May 31, 2020:

   (i) The audited statement of loss and comprehensive loss of Barolo for the year ended May 31, 2020.

   (ii) The reconstructed combined carve-out statement of loss of The Mining Activities of Osisko Gold Royalties Ltd for the year ended June 30, 2020 using:

   - the unaudited combined carve-out interim statement of loss of The Mining Activities of Osisko Gold Royalties Ltd for the six months period ended June 30, 2020.
   - the audited combined carve-out statement of loss of The Mining Activities of Osisko Gold Royalties Ltd for the year ended December 31, 2019.
   - the unaudited combined carve-out interim statement of loss of The Mining Activities of Osisko Gold Royalties Ltd for the six months period ended June 30, 2019.

   (iii) The reconstructed interim consolidated statement of loss of Barkerville Gold Mines Ltd. ("Barkerville") for the 143 day-period ended November 20, 2019 using:

   - the audited condensed interim consolidated statement of loss and comprehensive loss of Barkerville for the nine months period ended September 30, 2019.
   - the unaudited interim consolidated statement of loss and comprehensive loss of Barkerville for the six months period ended June 30, 2019.
   - the unaudited interim internal consolidated statement of loss of Barkerville for the 51 day-period ended November 20, 2019.

   The financial information of Barkerville is included in The Mining Activities of Osisko Gold Royalties Ltd since November 20, 2019.

The reconstructed combined carve-out statement of loss of The Mining Activities of Osisko Gold Royalties Ltd and the reconstructed interim consolidated statement of loss of Barkerville used to prepare the unaudited pro forma consolidated statements of loss for the year ended May 31, 2020 were prepared for the purpose of the Pro Forma Financial Statements and do not conform with the respective historical financial statements of these two entities included elsewhere in the Filing Statement.

1. BASIS OF PRESENTATION *(continued)*

The Pro Forma Financial Statements should be read in conjunction with the historical consolidated financial statements, together with the notes thereto, of Barolo, of The Mining Activities of Osisko Gold Royalties Ltd and of Barkerville, referred to above some of which are available at www.sedar.com and some of which are incorporated by reference and included in Schedule F to J of the Filing Statement of Barolo dated as of November 20, 2020.

In the opinion of Osisko Gold Royalties management, these Pro Forma Financial Statements include all adjustments necessary for a fair presentation of the Transaction described in the Note 3 and applied on a basis consistent with The Mining Activities of Osisko Gold Royalties Ltd's accounting policies.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the Pro Forma Financial Statements are set out in the audited combined carve-out financial statements of The Mining Activities of Osisko Gold Royalties Ltd for the year ended December 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB.

As further described in Note 4, certain expenses, gains and losses of Barolo and Barkerville have been reclassified to conform to the presentation of the combined carve-out financial statements of The Mining Activities of Osisko Gold Royalties Ltd.

3. AGREEMENT AND RELATED TRANSACTION

On October 5, 2020, Barolo entered into a binding letter agreement (the "Letter Agreement") outlining the terms upon which Osisko Gold Royalties will transfer certain mining properties (as described below) and a portfolio of marketable securities (together with the mining properties, the "Contributed Osisko Assets") to Barolo in exchange for common shares of Barolo (the "Barolo Shares"), which will result in a "Reverse Take-Over" of Barolo (the "RTO") under the policies of the TSX Venture Exchange (the "TSX-V"). After giving effect to the closing of the RTO, Barolo is referred to herein as Osisko Development Corp. ("Osisko Development").

As part of the RTO, Barolo has also entered into an agreement with Canaccord Genuity Corp. and National Bank Financial Inc., on behalf of a syndicate of underwriters (collectively, the "Underwriters"), pursuant to which the Underwriters have agreed to sell, on a "bought deal" private placement basis, 13,350,000 subscription receipts of Barolo ("Subscription Receipts") at a subscription price of $7.50 per Subscription Receipt for gross proceeds of $100.1 million (the "Financing").

Each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, on or about the date that the RTO is completed, one common share of Osisko Development (each, an "Osisko Development Share") after giving effect to a 60:1 consolidation of the common shares of Barolo and one-half-of-one warrant to purchase an Osisko Development share (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Osisko Development Share for $10.00 for an 18-month period following the closing of the RTO. The Osisko Development Shares to be issued upon the conversion of the Subscription Receipts will be freely-tradeable upon the closing of the RTO.

Upon the conversion of the Subscription Receipts, the Underwriters are entitled to receive a cash commission equal to 5.0% of the gross proceeds of the Financing; provided that a cash commission equal to 2.0% shall be payable to certain subscribers on the president's list.

The Financing closed on October 29, 2020, with the gross proceeds of the Financing to be held in escrow pending the satisfaction of the escrow release conditions, which are (i) the closing of the RTO, and (ii) the conditional approval of the TSX-V to list the Osisko Development Shares issuable under the RTO and Financing, and certain other customary conditions.

Contributed Osisko Assets

The following assets will be transferred by Osisko Gold Royalties to Barolo:

- Cariboo gold project (British Columbia, Canada)
- San Antonio gold project (Sonora, Mexico)
- Bonanza Ledge II gold project (British Columbia, Canada)
- Guerrero exploration properties (Guerrero, Mexico)
- James Bay exploration properties, including the Coulon property (Québec, Canada)
- Portfolio of publicly-listed equity positions

3. AGREEMENT AND RELATED TRANSACTION *(continued)*

Contributed Osisko Assets ***(continued)***

In addition, Osisko Gold Royalties (or its subsidiaries) will retain the following royalty or stream interests in the assets transferred to Barolo:

- 5% net smelter return ("NSR") royalty on the Cariboo gold project and Bonanza Ledge II gold project
- 15% gold and silver stream on the San Antonio gold project
- 3.0% NSR royalty on the James Bay and Guerrero exploration properties

In addition, Osisko Gold Royalties will be granted the following rights in Osisko Development: (i) a right of first refusal on all future royalties and streams to be offered by Osisko Development; (ii) a right to participate in buybacks of existing royalties held by Osisko Development; and (iii) other rights customary with a transaction of this nature.

Acquisition of Barolo

The net assets of Barolo acquired will be recorded at their estimated relative fair market value at the date of closing of the Transaction by RTO and are based on preliminary estimates by management. Thus, the preliminary consideration paid and the net assets acquired, which are subject to change, are summarized below:

	$
Consideration paid for the deemed acquisition of Barolo	
14,004,287 pre-consolidation common shares deemed issued	1,751
Estimated transaction fees to be paid in cash	500
	2,251
Net assets deemed acquired	
Net assets of Barolo as at August 31, 2020	1
	2,250

Transaction Particulars

Osisko Gold Royalties and Barolo will enter into a definitive agreement providing for the RTO, which is expected to be structured as a sale by Osisko Gold Royalties of a wholly-owned subsidiary holding, directly or indirectly, the transferred assets (and subsequent amalgamation of such subsidiary with a subsidiary of Barolo); provided, however, that the definitive structure of the RTO will be determined based on further legal and tax advice to be received prior to the execution of the definitive agreements relating to the RTO. As part of the RTO, and subject to any required shareholder and regulatory approvals, Barolo will: (i) change its name to "Osisko Development Corp."; (ii) change its stock exchange ticker symbol to "ODV"; (iii) consolidate the common shares of Barolo on a 60:1 basis; (iv) adopt new by-laws and other corporate policies; (v) adopt new security-based compensation arrangements; and (vi) reconstitute the Board of directors and management of Osisko Development.

Completion of the RTO is subject to a number of conditions, including, but not limited to, TSX-V acceptance and if applicable, disinterested shareholder approval.

4. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS

The Pro Forma Financial Statements include the following assumptions and adjustments to give effect to the transaction:

a) Use of the continuity of interests accounting method for the Contributed Osisko Assets. All the assets and liabilities of the Contributed Osisko Assets are held at their historical values and the net parent company investment value has been reclassified to share capital.

b) To record the additional NSR royalty acquired and retained by Osisko Gold Royalties on the Cariboo gold project and the Bonanza Ledge II gold project (1%, for a total NSR royalty of 5%), prior to the closing of the Transaction.

c) To record the NSR royalties acquired and retained by Osisko Gold Royalties on the James Bay properties (3%) and the Guerrero properties (3%), prior to the closing of the Transaction.

d) To record the 15% gold and silver stream acquired and retained by Osisko Gold Royalties on the San Antonio gold project, prior to the closing of the Transaction.

e) Barkerville's historical accounting policies were to expense exploration and evaluation expenses, as well as recognize revenues and mill operating expenses before the declaration of commercial production in their consolidated statement of loss. Under The Mining Activities of Osisko Gold Royalties Ltd's accounting policies, these expenses and revenues would have been capitalized under Exploration and evaluation assets and Mining interests and plant and equipment, respectively. The pro forma consolidated statement of loss for the year ended May 31, 2020 has been adjusted to reflect these accounting policy differences.

f) To record the Financing of 13,350,000 Subscription Receipts at a subscription price of $7.50 per Subscription Receipt for gross proceeds of $100.1 million, less the estimated issuance costs of $3.3 million.

g) To record the estimated fair value of the 6,675,000 Warrants. Each Warrant will entitle the holder to purchase one Osisko Development Share for $10.00 for an 18-month period following the closing of the RTO. The fair value of the warrants was estimated at $4.9 million using the Black-Scholes option pricing model with the following main assumptions: volatility of 40%, maturity of 18 months and risk-free interest rate of 0.25%.

h) To reclassify the Contributed Surplus and Deficit of Barolo to Share Capital. The 1,400,000 pre-consolidation Barolo's share options at August 31, 2020 are deemed to be cancelled concurrently with the Transaction.

i) To account for the deemed acquisition of the issued and outstanding common shares of Barolo by The Mining Activities of Osisko Gold Royalties Ltd for a deemed paid consideration of $2.3 million. Thus, a listing fee of $1.8 million and estimated transaction fees to be paid in cash of $0.5 million have been recognized in the pro forma consolidated statement of loss for the year ended May 31 2020.

5. SHARE CAPITAL

The share capital as at August 31, 2020 presented on the unaudited pro forma condensed consolidated balance sheet consists of the following:

	Number of shares	Share capital
	('000)	$
Opening balance - Barolo	14,004	9,058
Share consolidation on a 60:1 basis	(13,771)	-
Shares issued for the acquisition of the Contributed Osisko assets [(i)]	100,000	450,216
Shares issued as part of the Financing	13,350	91,975
Closing balance - Pro forma	113,583	551,249

(i) Use of the continuity of interests accounting method.

6. WARRANTS

Each Subscription Receipt entitled the holder thereof to receive one Osisko Development Share and one-half-of-one Warrant. As a result, a total of 6,675,000 Warrants have been issued as part of the Financing. Each Warrant will entitle the holder to purchase one Osisko Development Share for $10.00 for an 18-month period following the closing of the RTO.

7. LOSS PER SHARE

(number of shares expressed in thousands)	Three months ended August 31, 2020	Year ended May 31, 2020
	$	$
Pro forma net loss	**(267)**	**(85,789)**
Pro forma net loss per share – basic and diluted		
Historical weighted average number of Barolo common shares outstanding	14,004	14,004
Share consolidation	(13,771)	(13,771)
Shares issued for the acquisition of the Contributed Osisko Assets	100,000	100,000
Shares issued as part of the Financing	13,350	13,350
Pro forma weighted average number of common shares outstanding	113,583	113,583
Pro forma net loss per share – basic and diluted	(0.00)	(0.76)

As a result of the pro forma consolidated net losses for the three months ended August 31, 2020 and the year ended May 31, 2020, all potentially dilutive common shares are deemed to be antidilutive and thus the pro forma diluted net loss per share is equal to the pro forma basic net loss per share.