

# Osisko Development Corp. Provides Corporate Update

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MONTREAL, Jan. 19, 2021 - [Osisko Development Corp.](#) ("Osisko Development" or the "Corporation") (ODV: TSX-V) is pleased to provide the following update on its 100% owned Cariboo Gold Project in Wells, British Columbia and San Antonio Gold Project in Sonora, Mexico.

## Highlights

- The company is well funded with approximately \$325 million in cash and cash equivalents, comprising approximately \$200 million cash and \$125 million in marketable securities.
- At the Cariboo Gold Project, the Corporation is kicking off a new 2-year drill program aimed at resource extension and discovery-oriented exploration. The aim is to complete 90,000 meters of resource conversion drilling by Q3 2021 to support the feasibility study.
- The Corporation has entered the process planning stage of the BC Environmental Process, and is working with leading consultants to ensure that the Cariboo Gold Project can operate as one of the most socially and environmentally acceptable mines in the world.
- Commenced development of mineralized material from the Bonanza Ledge Phase 2, and stockpiling has been initiated at the mill.
- The Corporation is projecting first gold from our Bonanza Ledge Phase 2 project in Q2 2021.
- The Corporation purchased a brand new comminution circuit (grinding circuit) that was designed for a mining project planned at 7,500tpd. This investment represents a major step forward in securing critical equipment for the concentrator, reduces engineering risk and will allow to fast track the construction of the processing facilities once all permits are received.
- A new Sandvik MT720 continuous miner ("*roadheader*") has been delivered on the Cariboo site, assembled and commissioned. The Corporation expects to use this new technology for drift development at the Bonanza Ledge Phase II and Cariboo projects. This equipment is engineered to mechanically cut the hard and abrasive rock mass and is expected to improve the development performance by 25%, and to reduce costs by 50% compared to traditional "drill and blast" development.
- At the San Antonio Gold Project, we have completed the engineering and permitting to process the gold mineralized stockpile via heap leaching.
- 35,000 meters exploration and infill drill program of the Sapuchi, Golfo de Oro and California Projects have been planned. We have established an initial exploration budget of approximately US\$6 million for 2021.
- Engineering and permitting for heap leach mining for the Sapuchi, Golfo de Oro and California Projects is ongoing.

## Cariboo Gold Project Update

Osisko Development continues to advance its flagship Cariboo Gold Project while undertaking an intensive exploration program at this highly prospective property. While development advances at Bonanza Ledge Phase II, the Corporation is progressing a feasibility study on the broader Cariboo Gold Project, which is expected to be released in the second half of 2021.

Production at Bonanza Ledge Phase II is on track to restart in the first quarter of 2021. The main access to the ore zone is continuing in accordance with the original schedule and development plan. Over 2,300 meters have been completed since the start of the project; five ore horizons have been developed and are ready for extraction following permit approval, which is scheduled for the end of the first quarter of 2021. Production is expected to start at an average rate of 600 tonnes per day and ore will be transported to the QR Mill site for processing. Mill facilities have been upgraded in the second half of 2020 and all circuits are presently undergoing the final commissioning phase.

## Permitting

The Cariboo Gold Project achieved a major milestone in the permitting process by obtaining a Readiness

Decision in December 2020 pursuant to British Columbia's Environmental Assessment process. Public consultations were completed in the summer of 2020 and the project is now on the legislated timeline to obtain the final approval from the Environmental Assessment Office. The environmental assessment certificate is expected to be issued in the third quarter of 2022, with all remaining permits required to start construction expected to be issued within 90 days following the issuance of such certificate. Osisko Development has also applied for a bulk sample permit with respect to its Cow Mountain Zone and the construction of an exploration ramp for the promising Lowhee Zone. The 10,000 tonnes bulk sample is intended for metallurgical testing on run of mine ("ROM") for ore sorting technology that the Corporation is planning to implement in its processing facilities. Permit approval and commencement of earth works is expected to be received and begin in the first quarter of 2021.

#### Equipment Acquisitions

Osisko Development is pleased to announce the purchase of a comminution equipment package for the Cariboo Gold project. The equipment package consists of a jaw crusher, semi-autogenous grinding (SAG) and ball mill as well as all auxiliary components and spare parts. The equipment, currently stored in Winnipeg, Manitoba, is in excellent condition and will be transported closer to the project in due course. This investment will add flexibility to the project's throughput and will allow the Corporation to proceed with the detailed engineering.

In addition, a new Sandvik MT720 continuous miner ("*roadheader*") has been delivered to site, and has been assembled and commissioned. This equipment has been leased by the Corporation, with an option to purchase the equipment. The Corporation is projecting to use this new technology for drift development at the Bonanza Ledge Phase II and Cariboo projects. This equipment is engineered to mechanically cut the hard and abrasive rock mass and is expected to improve the development performance by 25%, and to reduce costs by 50% compared to traditional "drill and blast" development.

Related to the bulk sample on Cow Mountain, the Corporation has entered into an agreement to purchase an ore sorter to test the ROM material on site at its Bonanza Ledge Mine Facility. The Cariboo Gold ore response to ore sorting technology has demonstrated excellent gold recoveries at very low cost. The metallurgical testing for the ROM material of Cow Mountain bulk sample is expected to be completed in early 2022.

#### Exploration Activities

A total of 59,500 meters were drilled in over 216 holes in the exploration and category conversion program on the Cariboo Gold Project, which includes up to eight diamond drill rigs. The drilling confirmed down dip extensions of mineralized veins and high grade intercepts within the current resource and expanded the new discoveries on Lowhee and Proserpine. Recent results included 18.18 g/t Au over 10.2 meters including 91.4 g/t Au over 0.50 meter in BM-20-020 on Lowhee Zone and 9.33 g/t Au over 12.1 meters including 62.9 g/t Au over 0.60 meters in CM-20-046 on Valley Zone. Please refer to the Corporation's January 13, 2021 news release for additional details on hole CM-20-046 and the October 5, 2020 press release from [Osisko Gold Royalties Ltd.](#) for hole BM-20-020.

Drilling in 2021 commenced in January with the objective to continue the category conversion program on the known deposit areas to support the feasibility study while expanding at depth and along strike. Significant exploration will occur adjacent to known deposits, at KL, Lowhee and Proserpine. A proposed total of ten drill rigs turning by January 15, 2021 and up to 14 drill rigs by the end of the second quarter of 2021 is planned.

The Cariboo mineral resource update includes 3.2 million ounces of gold (21.4 million tonnes grading 4.6 g/t Au) in the measured and indicated category, and 2.7 million ounces of gold (21.6 million tonnes grading 3.9 g/t Au) in the inferred category. The mineral resource estimate incorporates eight deposit areas; the Shaft and Mosquito Creek deposits on Island Mountain, Cow and Valley deposits on Cow Mountain, and Lowhee, KL, BC Vein and Bonanza Ledge deposits on Barkerville Mountain at a cut-off grade of 2.1 g/t Au.

Regional exploration continued to deliver new discoveries and identify new drill targets that should provide the long term growth and expansion for the Cariboo Gold Project. In 2021 regional exploration drilling will begin on the newly defined targets at Burns Mountain and Yanks Peak.

## San Antonio Gold Project Update

The San Antonio Gold Project, located in Sonora, Mexico, has an initial resource estimate containing 27.6 million tonnes grading 1.18 g/t Au for 1 million ounces of gold in the inferred category. While the exploration campaign for the project is being evaluated, the Corporation is currently targeting development of a scenario for initial annual production of 50,000 to 70,000 ounces of gold with additional near-term potential from reprocessing the 1.3 million tonnes stockpile located on site.

Osisko Development is pleased to announce that it has entered into an agreement to purchase a semi-portable crushing plant for the San Antonio Gold Project with capacity of 15,000 tonnes per day. The equipment package consists of a jaw crusher, cone crushers and the related screening and material handling equipment. The equipment is in good condition and currently stored in Nevada, USA and will be transported to the project in the next quarter.

## Corporate matters

Mr. Benoit Brunet, Vice President, Finance and Chief Financial Officer and Corporate Secretary of Osisko Development, has accepted a role to return to the Caisse de d?p?t et placement du Qu?bec ("CDPQ"). He will remain with the Corporation until the end of February 2021 to facilitate the transition of his responsibilities. Mr. Brunet has been instrumental in the successful launch and capitalization of Osisko Development, which includes the listing of the Corporation by way of a reverse takeover transaction and three financings totaling approximately \$210 million &#8211; in a very productive three month stretch.

Mr. Roosen, Chair and Chief Executive Officer of Osisko Development stated: "Benoit joined Osisko Gold Royalties in February 2020 and moved to Osisko Development in November 2020. During the year, he successfully achieved many milestones, proved to be a devoted and esteemed member of our team and more recently, was key to the successful launch of Osisko Development. Osisko Development now has a market capitalization of over 1 billion dollars and a portfolio of securities valued at approximately \$125 million and cash resources of more than \$200 million." Mr. Roosen added: "With such a positive situation and strong balance sheet, we are set for the next step of growth through the development of our Cariboo and San Antonio Projects as we continue to assess opportunities. We wish Benoit a successful return to CDPQ."

## Qualified Persons

The scientific and technical content in this news release has been reviewed and approved by Maggie Layman, P. Geo, Vice President, Exploration of the Corporation, who is a qualified person for purposes of National Instrument 43-101 &#8211; *Standards of Disclosure for Mineral Projects*.

For further information on the Cariboo Project, please see 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. as filed on SEDAR ([www.sedar.com](http://www.sedar.com)) under Osisko Development's issuer profile and on the Corporation's website.

Mineral resources are not mineral reserves as they do not have demonstrated economic viability.

## About Osisko Development Corp.

[Osisko Development Corp.](#) is well-capitalized and uniquely positioned as a premier gold development company in North America to advance the Cariboo Gold Project and other Canadian and Mexican properties, with the objective of becoming the next mid-tier gold producer. The Cariboo Gold Project, located in central British Columbia, Canada, is Osisko Development's flagship asset with measured and indicated resource of 21.44 million tonnes at 4.6 g/t Au for a total of 3.2 million ounces of gold and inferred resource of 21.69 million tonnes at 3.9 g/t Au for a total of 2.7 million ounces of gold. The considerable exploration potential at depth and along strike distinguishes the Cariboo Gold Project relative to other development assets as does the historically low, all-in discovery costs of US \$19 per ounce. The Cariboo Gold 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. Osisko Development's project pipeline is complemented by potential near-term production targeted from the San Antonio Gold Project, located in Sonora, Mexico and early exploration stage properties including the Coulon Project and James Bay Properties located in Quebec, Canada as well as the Guerrero Properties located in Guerrero, Mexico.

For further information about Osisko Development Corp., please contact:

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#### Cautionary Note Regarding Forward-Looking Information

*Certain statements contained in this news release may be considered "forward-looking statements" within the meaning of applicable Canadian securities laws. Information in this news release about the Corporation being well-funded; the drill program aimed at resource extension and discovery-oriented exploration; the timing and ability of Osisko Development (if at all) to complete resource conversion drilling by Q3 2021 to support a feasibility study; the ability to operate a socially and environmentally acceptable mine at Cariboo; timing and ability (if at all) for the first gold pour from Bonanza Ledge Phase 2; the timely development of the Cariboo Gold Project and the San Antonio Gold Project, including the timing and ability of the Corporation to obtain permits, restart production, complete exploration programs and prepare updated technical disclosure under NI 43-101, and any other information herein that is not a historical fact may be "forward-looking statements". These forward-looking statements, by their nature, require Osisko Development to make certain assumptions and necessarily involve known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements. Forward-looking statements are not guarantees of performance. Words such as "may", "will", "would", "could", "expect", "believe", "plan", "anticipate", "intend", "estimate", "continue", or the negative or comparable terminology, as well as terms usually used in the future and the conditional, are intended to identify forward-looking statements. Information contained in forward-looking statements, including with respect to future drilling at, and future production from, the Cariboo Gold Project and the San Antonio Gold Project, timely obtaining of all required permits and results of exploration programs, is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, public disclosure from operators of the relevant mines, as well as other considerations that are believed to be appropriate in the circumstances. Osisko Development considers its assumptions to be reasonable based on information currently available, but cautions the reader that their assumptions regarding future events, many of which are beyond the control of Osisko Development, may ultimately prove to be incorrect since they are subject to risks and uncertainties that affect Osisko Development, and its business.*

*For additional information with respect to these and other factors and assumptions underlying the forward-looking statements made in this news release concerning Osisko Development, see the Filing Statement available electronically on SEDAR ([www.sedar.com](http://www.sedar.com)) under Osisko Development's issuer profile. The forward-looking statements set forth herein concerning Osisko Development reflect management's expectations as at the date of this news release and are subject to change after such date. Osisko Development disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.*

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