

# Osisko Development Reports Third Quarter 2021 Results

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MONTREAL, Nov. 09, 2021 - [Osisko Development Corp.](#) ("Osisko Development" or the "Company") (ODV: TSX-V) is pleased to report its unaudited financial and operating results for the three and nine months ended September 30, 2021, please see the Company's filings on SEDAR ([www.sedar.com](http://www.sedar.com)).

## Third Quarter 2021 Achievements & Financial Results Highlights

- The Cariboo gold project is advancing through permitting as a 4,750 tonnes per day underground operation with a feasibility study targeted for completion in the first half of 2022.
- 47,000 meters of infill drilling completed in Q3 & 152,000 meters year-to-date at the Cariboo Gold Project in Wells, British Columbia. Further details on the exploration drilling results, can be viewed in the Company's press releases filed on SEDAR ([www.sedar.com](http://www.sedar.com)) dated April 12, 2021, May 19, 2021, June 15, 2021, June 24, 2021, June 29, 2021, July 6, 2021 and July 21, 2021, August 11, 2021, August 25, 2021, October 5, 2021, October 19, 2021 and October 26, 2021.
- The Company received a Notice of Work permit to commence the development to collect an underground bulk sample at its Cariboo Gold Project.
- 11,800 meters of infill drilling completed during the quarter and 22,724 meters year-to-date at the San Antonio Gold Project in Sonora, Mexico.
- New drilling, surface mapping and geochemical sampling has indicated that mineralization remains open in all directions and at depth at the San Antonio Gold Project.
- The Company will commence processing, via heap leach, of the stockpile currently on site at the San Antonio Gold Project in November (Figure 1).
- The production permit for the Sapuchi oxide mineralization is on schedule and is anticipated in H1 2022.
- The cash position of the Company as at September 30, 2021 was approximately \$72 million.
- The market value of equity investments was CAD\$89.5 million as at September 30<sup>th</sup> 2021.
- The Company incurred a net loss of \$31.7 million during the quarter. The net loss is mostly due to the recognition of a non-cash impairment in the amount of \$33.3 million, of which \$22.3 million is related to an impairment on the Bonanza Ledge II project ("Bonanza Ledge II"). The remaining \$11 million impairment is related to the revaluation of the stockpile inventory held at the San Antonio Project.
- Osisko Development continues to provide support for local infrastructure in the town of Wells, The Barkerville Historic Town and Park and maintaining relationships with its partners the Lhtako Dene Nation, Xat'xk' Nation and Williams Lake First Nation.

"We are pleased by the progress achieved to date at both Cariboo and San Antonio. The ongoing work at Cariboo has advanced our Environmental Assessment and Feasibility Study bringing us closer to our major milestones. At San Antonio, the construction of the heap leach pad has been completed and the stockpile processing will commence this quarter," commented Sean Roosen, Chair and Chief Executive Officer of Osisko Development.

## Highlights - Subsequent to the Quarter

- In October, the Province of British Columbia, Lhtako Dene Nation and the Company announced the approval of amendments to Mines Act Permits M-238 and M-198 allowing for the expansion of the existing Bonanza Ledge II underground mine with an increase in production from 150,000 t/year to 215,000 t/year.
- The TSX-V approved the listing of the Company's 14,789,373 outstanding share purchase warrants under the symbol ODV.WT effective at market open on October 25, 2021.

## Impairment - Bonanza Ledge Phase II Project

In March 2021, processing of ore commenced at Bonanza Ledge II which is a small underground satellite project that will help train the workforce and also serve to permanently sequester above-ground waste material from historical operations and mitigate an existing environmental liability. The Company recognized

an impairment on its short-life of mine Bonanza Ledge II of \$22.4 million during the three month and \$58.4 million for the nine months ended September 30, 2021, triggered by continuing operational challenges leading to lower production and revenues than originally planned. The recoverable amount was assessed at \$nil as of September 30, 2021. Significant judgement was involved in the assumptions used in the model, which include but is not limited to gold price, average grade per tonne, and mining and milling recovery rates. Given the small scale and short life, it allows the Company to facilitate (i) hands on training and commissioning of the Company's mining and processing complex for the future Cariboo Gold Project, (ii) opportunities for managing historical reclamation obligations inherited by the Company and (iii) maintain the economic and social benefits for our Indigenous partners and communities.

In early Q4, Bonanza Ledge II entered the stope mining stage with all major development completed and permits received. Other achievements include:

- Infill drilling has good potential to increase the mine life within the surrounding BC Vein, Bonanza Ledge and KL deposits on Barkerville Mountain (see Mineral Resource Update dated October 5, 2020 including 271,000 ounces of gold in the measured and indicated category and 241,000 ounces of gold in the inferred category).
- Based on surface geological mapping and diamond drilling, the BC Vein has a significant exploration potential along strike for 18 km.
- Facilitation of Permitting for the Cariboo Gold Project.
- Upgraded QR Mill and related infrastructure for the benefit of the Cariboo Project.
- Commissioned underground mining equipment such as the road header also intended for use in the Cariboo Gold Project.
- Installation of Water Treatment Plants at the QR Mill tailings site and Barkerville Mountain Waste Rock Storage and Water Management area for benefit of Cariboo Gold project.
- Hiring and training of key operational and construction staff for the Cariboo Gold Project.

#### Consolidated Financial Statements

Osisko Development's unaudited interim consolidated financial statements and management's discussion and analysis for the three and nine months ended September 30, 2021 are available on the Company's website at [www.osiskodev.com](http://www.osiskodev.com), and on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com).

#### Conference Call

Osisko Development will host a conference call on November 10<sup>th</sup> 2021, at 9:00 A.M., Eastern Time to discuss the quarterly results.

Date: November 10, 2021, at 9:00 A.M., EST

Dial-in Numbers:

- North American Toll-Free: 1 (888) 880-5501
- Local and International: 1 (438) 800-1833
- Access Code: 8787742

Replay will also available on our website [www.osiskodev.com](http://www.osiskodev.com)

#### Qualified Persons

Per National Instrument 43-101 Standards of Disclosure for Mineral Projects, Maggie Layman, P.Geo. Vice President Exploration of [Osisko Development Corp.](http://www.osiskodev.com), is a Qualified Person and has prepared, validated, and approved the technical and scientific content of this news release.

About Osisko Development Corp.

*[Osisko Development Corp.](http://www.osiskodev.com) is 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, is Osisko Development's flagship asset with measured and indicated resources of 21.44 Mt at 4.6 Au g/t for a total of 3.2 million ounces of gold and inferred resource of 21.69 Mt at 3.9 Au g/t for a total of 2.7 million*

ounces of gold (see NI 43-101 Technical Report and mineral resource estimate effective October 5<sup>th</sup>, 2020). 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 first half of 2022. 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 as well as the Guerrero Properties located in Mexico. Osisko Development began trading on the TSX Venture Exchange under the symbol "ODV" on December 2, 2020 and the Company's 14,789,373 outstanding share purchase warrants were listed on the TSX Venture Exchange under the symbol "ODV.WT" on October 25, 2021.

For further information, please contact [Osisko Development Corp.](#):

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### Forward-looking Statements

Certain statements contained in this press release may be deemed "forward-looking statements" within the meaning of applicable Canadian and U.S. securities laws. 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 is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including the timely completion of the feasibility study and the continued advancement of the Environmental Assessment for the Cariboo Project, the timely commencement of the underground bulk sample at Cariboo, the release of the production permit in H1 2022 for the San Antonio Project, the potential to increase the mine life of Bonanza Ledge II with surrounding deposits through infill drilling, the exploration potential of the BC Vein and management's perceptions of historical trends, current conditions and expected future developments, results of further exploration work to define and expand mineral resources, expected conclusions of optimization studies, 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. Such risks and uncertainties include, among others, risks relating to the ability of exploration activities (including drill results) to accurately predict mineralization; errors in management's geological modelling; the ability of to complete further exploration activities, including drilling; property and royalty interests in the Cariboo gold deposit; the ability of the Corporation to obtain required approvals; the results of exploration activities; risks relating to mining activities; the global economic climate; metal prices; dilution; environmental risks; and community and non-governmental actions and the responses of relevant governments to the COVID-19 outbreak and the effectiveness of such responses.

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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/a288a1cb-4b96-4398-ba09-2010a04e016c>

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