



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

DECEMBER 31, 2018

OSISKO METALS INCORPORATED
Management's Discussion & Analysis
For the year ended December 31, 2018

The following management discussion and analysis (the "MD&A") of the operations and financial position of Osisko Metals Incorporated ("Osisko Metals" or the "Company") for the year ended December 31, 2018, should be read in conjunction with Osisko Metals' audited consolidated financial statements as at and for the year ended December 31, 2018 (the "Financial Statements"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Consequently, all comparative financial information presented in the MD&A reflects the consistent application of IFRS.

Osisko Metals' management ("Management") is responsible for the preparation of the financial statements and other financial information relating to the Company included in this MD&A. The Board of Directors (the "Board") is responsible for ensuring that Management fulfills its responsibilities for financial reporting. In furtherance of the foregoing, the Board has appointed an Audit Committee composed entirely of independent directors. The Audit Committee meets with Management in order to discuss results of operations and the financial condition of the Company prior to making recommendations and submitting the financial statements to the Board for its consideration and approval for issuance to shareholders. The information included in the MD&A is as of March 26, 2019, the date when the Board approved the Financial Statements, following the recommendation of the Audit Committee. All monetary amounts included in this report are expressed in Canadian dollars, the Company's reporting and functional currency, unless otherwise noted. The MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "Cautionary Statement Regarding Forward-Looking Statements" section.

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Business Description

The Company was incorporated under the provisions of the *Business Corporations Act* (Alberta) on May 10, 2000 and obtained a listing pursuant to the policies of the TSX Venture Exchange ("TSX-V") on August 22, 2001. Since May 2017, the Company is registered under the *Business Corporations Act* (British Columbia). In June 2017, the Company amended its name from "Bowmore Exploration Ltd." to "Osisko Metals Incorporated".

The Company's shares are listed under the symbol OM on the TSX Venture Exchange and under the symbol OB5 on the Frankfurt Stock Exchange.

Osisko Metals is an exploration and evaluation company focused on base metals projects located in Canada. The Company's objective is to position itself in proven mineral jurisdictions with favorable geology, rich mineral endowment, infrastructure, friendly regulatory structure and political stability.

The Company is creating value with an emphasis on base metals in two of Canada's premiere former producing base metal mining camps. The Bathurst Mining Camp ("BMC") hosted the world's largest underground zinc mine, and within the Pine Point Project (the "Pine Point Project") was Canada's largest open pit zinc-lead mine. In the BMC, with over 64,000 hectares, the objective is to expand the Key Anacon project (the "Key Anacon Project") and explore along the Brunswick Horizon. In February 2018, Osisko Metals acquired Pine Point Mining Limited ("Pine Point") and now controls over 22,000 hectares at the Pine Point Project located near Hay River in the Northwest Territories ("Hay River"). In addition to the BMC and the Pine Point Project, the Company acquired a large land holding in the Province of Quebec, that cover multiple grass-root zinc targets that will be advanced through exploration.

The Company's vision is to become a leading base metals development company in Canada. The Company is seizing an opportunity created by both the increase in global infrastructure projects and the diminishing zinc supply to the market. Osisko Metals' strategy is to develop multiple base metal deposits, expand and define resources and to focus on de-risking these projects.

Highlights

- On February 23, 2018, the Company completed the acquisition of Pine Point.
- On March 26, 2018, the Company concluded an option agreement (the "Agreement") with Osisko Mining Inc. ("OSK") to earn a 50% interest in the Urban-Barry Base Metals Project (the "UB Project").
- On September 12, 2018, the Company closed a bought deal private placement of flow-through shares (the "September 2018 Offering") representing gross proceeds to Osisko Metals of \$10.0 million.
- On November 6, 2018, the Company closed a bought deal private placement of flow-through shares (the "November 2018 Offering") representing gross proceeds to Osisko Metals of \$7.5 million.
- On November 12, 2018, the Company concluded an option agreement (the "Quevillon Agreement") with OSK to earn a 50% interest in the Quevillon claim group (the "Quevillon Project").
- On December 6, 2018, Osisko Metals announced an updated Inferred Mineral Resource Estimate ("MRE") for the Pine Point Project. The associated National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101") technical report was filed on January 18, 2019.

Highlights – Subsequent to December 31, 2018

- On February 20, 2019, the Company announced the maiden MRE for the eastern portion of the BMC encompassing the Key Anacon and Gilmour South deposits.

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Mining Assets and Exploration Advancements

The Company has interest in mining claims located in the Northwest Territories, the Province of New Brunswick and the Province of Quebec. The Company has incurred the following costs on its exploration and evaluation ("E&E") assets during the years ended December 31, 2018 and 2017:

Property	Balance – January 1, 2018	Geology	Analysis	Geo- physics	Drilling	Disposition/ Write-off	Other	Balance – December 31, 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Quebec								
Genex	82,070	1,036,125	48,493	10,000	-	-	42,571	1,219,259
Urban-Barry	-	-	-	-	500,000	-	-	500,000
Quevillon	-	-	-	-	279,790	-	-	279,790
Silica South	278,278	5,215	-	-	-	-	388	283,881
Other QC								
Properties	176,272	22,928	-	3,371	-	(190,451)	3,964	16,084
Moose Brook	27,223	-	-	-	-	(30,370)	3,147	-
Gilmour South	1,682,742	185,291	47,473	99,600	1,475,167	-	357,652	3,847,925
Key Anacon	36,711	466,555	126,952	144,221	3,084,266	-	78,376	3,937,081
Canadian								
Continental	-	355,664	-	19,850	258,078	-	11,878	645,470
Mount								
Fronsac	413,082	173,129	65,579	127,801	750,852	-	31,566	1,562,009
Other NB								
Properties	227,277	47,877	-	-	37,619	(33,296)	-	279,477
Pine Point	-	2,028,444	474,090	70,604	14,852,180	-	1,008,981	18,434,299
Total	2,923,655	4,321,228	762,587	475,447	21,237,952	(254,117)	1,538,523	31,005,275

Property	Balance – January 1, 2017	Geology	Analysis	Geo- physics	Drilling	Disposition/ Write-off	Other	Balance – December 31, 2017
	\$	\$	\$	\$	\$	\$	\$	\$
St-Victor	1,155,443	150	-	-	-	(1,155,593)	-	-
Silica East	35,514	150	-	-	-	-	2,519	38,183
Silica Amherst	136,033	156	-	-	-	-	349	136,538
Silica South	255,001	150	2,430	-	2,100	-	18,597	278,278
Normetal Sud	-	1,032	-	-	-	(302)	300	1,030
Schefferville	-	16,885	-	-	-	(37,598)	20,848	135
Montauban	-	6,800	-	-	4,065	-	-	10,865
Other QC								
Properties	-	54,524	56,437	-	-	(67,856)	28,486	71,591
La Scie	466,622	-	-	-	-	(476,007)	9,385	-
Brunswick								
Belt SE	-	95,765	-	-	18,042	(105,431)	19,787	28,163
Brunswick								
Belt W	-	37,914	-	-	10,169	(51,712)	24,880	21,251
Moose Brook	-	55,162	7,188	-	6,372	(56,058)	14,559	27,223
Gilmour South	-	101,359	13,602	110,250	740,549	(126,237)	843,219	1,682,742
Flat Landing	-	21,663	3,171	-	148,223	(45,716)	19,807	147,148
Louvicourt	-	16,514	-	-	8,532	(24,970)	9,990	10,066
Key Anacon	-	24,453	2,400	-	20,410	(11,245)	693	36,711
Other NB								
Properties	-	229,148	24,423	71,828	258,780	(162,297)	11,849	433,731
Total	2,048,613	661,825	109,651	182,078	1,217,242	(2,321,022)	1,025,268	2,923,655

The Northwest Territories

Pine Point Project

On February 23, 2018 (the "Closing Date"), Osisko Metals completed a plan of arrangement pursuant to which, among other things, (i) the Company acquired all of the issued and outstanding shares of Pine Point, and (ii) a newly-formed corporation, Generation Mining Limited ("Spinco"), was created to hold all of the assets and liabilities of Pine Point, with the exception of the Pine Point Project, all of which was completed by way of a statutory plan of arrangement under the *Business Corporations Act* (Ontario) (the "Arrangement").

Under the terms of the Arrangement, each former holder of shares of Pine Point received, in exchange for each share of Pine Point held immediately prior to the effective time of the Arrangement:

- 0.2710 of a common share of Osisko Metals;
- 0.0677 of a common share purchase warrant of Osisko Metals, with each whole warrant entitling the holder thereof to acquire one common share of Osisko Metals at an exercise price of \$1.50 per share for a period of 12 months from the date of the Arrangement; and
- one common share of Spinco, whose shares were consolidated on a 10:1 basis under the Arrangement.

The Company issued 43,278,524 common shares, 10,811,585 warrants and 5,185,443 replacement warrants upon the completion of the Arrangement having a fair market value of \$32.0 million.

The transaction has been accounted for as an asset acquisition as Pine Point does not meet the definition of a business under IFRS 3, Business Combinations. The assets acquired and liabilities assumed were recognized at their estimated fair value on the Closing Date. Acquisition-related transaction costs in the amount of \$1.6 million were capitalized as E&E assets in the consolidated statement of financial position.

Pine Point has an option agreement to purchase a 50% interest in a 3% net smelter return ("NSR") held on the Pine Point Property. To keep this option in force, annual payments of US\$75,000 will be made on each anniversary of this agreement until commercial production is achieved, at which point the Company can exercise this option by paying US\$3.0 million, less the prepaid amounts.

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

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

The center of the Pine Point Project is located 82 km east of Hay River. This project extends over 69 km, encompassing three known mineral trends, and is accessed throughout its length by a paved all-weather highway. Mineral rights held by the Company are broken down as follows:

Title Type	Number	Area (HA)
Mining Leases	40	17,548.2
Mineral Claims Granted (Pine Point Mining Limited)	13	4,448.92
Mineral Claims Granted (Transfer to Pine Point Mining Limited)	9	216.36
Total	62	22,213.48

Hay River is considered the economic and infrastructure "Hub of the North", in addition to hosting the terminus of the CN railhead. Unique among mining projects in the Northwest Territories, the Pine Point Project benefits from substantial infrastructure including paved road access, the railhead in Hay River, approximately 100 km of 25 metre wide haul roads, and hydro-electric power available on site.

The Pine Point Project has had a positive Preliminary Economic Assessment study entitled "*NI 43-101 Preliminary Economic Assessment Technical Report on the Pine Point Zinc Project, Northwest Territories, Canada*", dated June 1, 2017 (with an effective date of April 18, 2017), prepared by Garrett Macdonald, P.Eng. (JDS Energy & Mining Inc.), Kelly McLeod, P.Eng. (JDS Energy & Mining Inc.), Dino Pilotto, P.Eng. (JDS Energy & Mining Inc.), Ken Embree, P.Eng. (Knight Piésold Ltd.), Albert Daniel Siega, P.Eng. (Independent Consultant) and Paul Gann, P.Geo. (Independent Consultant) for Darnley Bay Resources Limited (now Pine Point), that focused on a restricted subset of open-pit deposits, totaling 25.8 million tonnes of Indicated Resources grading 2.9% zinc and 1.1% lead and 3.7 million tonnes of Inferred Resources grading 2.9% zinc and 0.8% lead. The Company is focused on the larger historical resource portfolio that totals 50Mt at 5-6% zinc + lead. The Company is not treating this previous estimate as current mineral resources or mineral reserves as defined in NI 43-101 and such historical estimate should not be relied upon. These historical resources have not been prepared in accordance with NI 43-101. The primary focus of the Company's 70,837 metres of drilling (1,031 drillholes) is conversion of historical resources to Inferred Mineral Resources under NI 43-101 and advancing confidence to the Indicated resource level for a portion of the Inferred resource.

During its 23-year production history (under Cominco Limited), over 98 deposits were identified of which 52 were mined, producing nearly 64 million tonnes of ore at a time when it was Canada's most profitable zinc-lead mine. The Company has worked to selectively convert and upgrade the more than 40 undeveloped historical deposits to conform to the disclosure requirements of NI 43-101, as well as deploy modern exploration tools with innovative strategies across the property. Prior metallurgical bench tests highlighted the potential to produce very high concentrate grades, up to 59.5% zinc and 76.7% lead, with negligible deleterious elements.

On December 6, 2018, the Company announced Inferred MRE for the Pine Point Project. The MRE was prepared by BBA Inc. ("BBA") and incorporates an open pit mining scenario with cut-off values based on estimated long-term metal prices, mining costs, metal recoveries, concentrate transport and smelter costs. The Technical Report titled "*Mineral Resource Estimate for the Pine Point Lead-Zinc Project Hay River, Northwest Territories, Canada*", with an effective date of December 20, 2018, prepared by BBA is filed electronically on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. The Qualified Persons for BBA who authored the report are Jeffrey Cassoff, P. Eng., Colin Hardie, P. Eng., and Pierre-Luc Richard, P. Geo.

Highlights of the MRE:

- The Pine Point in-pit Inferred MRE stands at 38.4 Mt grading 4.58% zinc and 1.85% lead (6.58% ZnEq) containing approximately 3.9 billion pounds of zinc and 1.6 billion pounds of lead.
- The pit constrained resource is based on optimized pit shells using a zinc price of US\$1.10/lb and a lead price of US\$0.90/lb. The lower cut-off grade varies across the property and ranges between 1.70% ZnEq and 2.00% ZnEq.
- The in-pit Inferred MRE is divided into five geographic zones, each zone composed of individual deposits (see Table 1). The MRE incorporates 42 new pits and expansions of 2 historical pits.
- Pine Point's main core (East Mill, Central and North Zones) contains approximately 23.4 Mt grading 6.30% ZnEq or 2.3 billion pounds of zinc and 0.9 billion pounds of lead.
- At the deposit scale the grade and tonnage show little variability at lower cut-off grades (see Table 2). The in-pit MRE is very robust and is relatively insensitive to metal prices.
- Osisko Metals will continue the infill campaign in early 2019 and begin a substantial exploration program in mid-2019 to test the excellent brownfield mineral potential along the entire 65km Pine Point trend. A new MRE is planned for H2-2019 with the aim of converting a significant proportion of current Inferred Mineral Resources to the Indicated category. A total of 714 drillholes have been drilled to date since the closing of the database for the MRE.

Area	Tonnage	ZnEq	Zn	Pb	Strip Ratio
	(Mt)	(%)	(%)	(%)	
Central Zone	4.8	7.69	5.84	1.72	11.7
East Mill Zone	5.5	5.16	3.76	1.30	5.7
North Zone	13.1	6.27	4.26	1.87	5.3
West Zone	6.4	10.09	6.30	3.53	14.5
N-204 Zone	8.6	4.74	3.61	1.02	5.4
Total	38.4	6.58	4.58	1.85	7.7

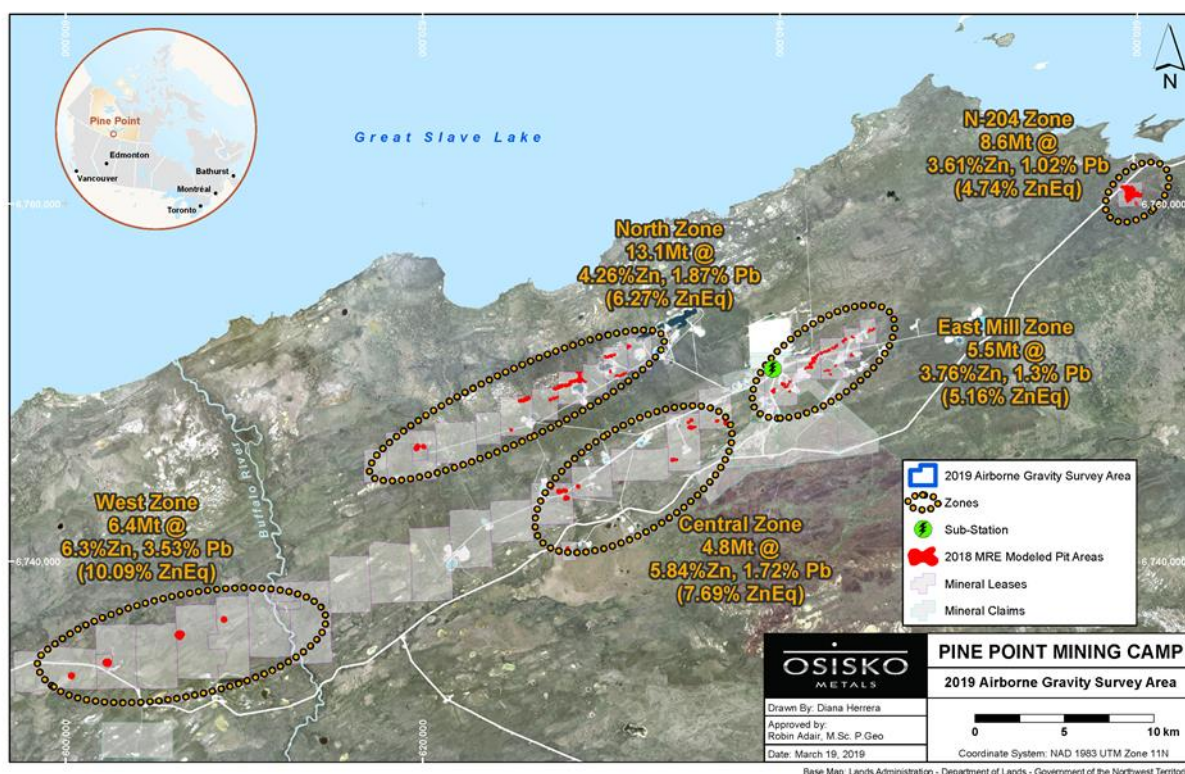


Figure 1: Pine Point Mining Camp

Sensitivity to Cut-Off Grades

Variation of cut-off grades does not significantly change the Inferred MRE with its robust grade and tonnage even at the lower cut-off grades.

Table 2: Cut-Off Grade Sensitivity				
AREA	Cut-Off Grade (%)	Tonnage (Mt)	Zn (%)	Pb (%)
ALL	10.00	5.15	10.66	5.34
	9.00	6.39	9.90	4.88
	8.00	8.18	9.07	4.38
	7.00	10.54	8.25	3.89
	6.00	13.87	7.43	3.38
	5.00	18.65	6.58	2.89
	4.00	25.16	5.77	2.43
	3.00	32.14	5.11	2.09
	2.00	37.63	4.64	1.88
	1.80	38.46	4.57	1.85
	1.60	39.19	4.51	1.82
	1.40	39.86	4.46	1.80
	1.20	40.44	4.41	1.78
	1.00	40.92	4.36	1.76

The Inferred MRE is constrained with pit shells that were developed from a pit optimization analysis using the economic and operating parameters presented below:

Table 3: Pit Optimization Parameters		
Parameter	Unit	Input
Mine Site Costs		
Mining Cost – Ore	C\$/t mined	4.00
Mining Cost – Waste	C\$/t mined	4.00
Mine Dewatering Cost ¹	C\$/t mined	0.88
Pre-concentration Cost	C\$/t ore	3.50
Processing Cost ²	C\$/t milled	22.50
G&A Cost ²	C\$/t milled	33.60
Recoveries		
Overall Lead ³	%	87.8%
Overall Zinc ³	%	83.1%
Pre-concentration Mass Pull	%	37.3%
Zinc Concentrate Grade	%	55%
Lead Concentrate Grade	%	55%
Zinc Concentrate Costs		
Transport to Rail	C\$/wmt	27.00
Transport to Smelter	C\$/wmt	178.00
Smelter Cost	C\$/dmt	295.00
Lead Concentrate Costs		
Transport to Rail	C\$/wmt	27.00
Transport to Smelter	C\$/wmt	221.00
Smelter Cost	C\$/dmt	262.00
Metal Prices		
Zinc	US\$/lb	1.10
Lead	US\$/lb	0.90
Exchange Rate (CAD:USD)		1.31

¹ Applied to both ore and waste tonnages

² Costs per tonne milled are based on a 37.27% Pre-concentration Mass Pull

³ Inclusive of ore sorting test program results

Metallurgy

Overall metallurgical recoveries of 83.1% for zinc and 87.8% for lead were estimated from recent preliminary bench scale flotation tests, including dry pre-concentration sulphide mineral sorter test work (full program results to be disclosed in Q2 2019) aimed at reducing haulage and grinding costs.

Hydrogeology

The hydrogeological setting of the Pine Point area is very well established following a 24-year mining history that benefited from real time pumping data collected during Cominco Limited's historical operational period. Osisko Metals understands that the success of the Pine Point Project will rely on developing a mining sequence that is coordinated with a dewatering and water management strategy over the life of mine. The Company does not consider water infiltration to be a material matter. Analyses of historical infiltration rates resulted in an estimated maximum cost of C\$0.88 per tonne mined, that was included in the pit optimization cost base for all zones except N204 which does not incorporate dewatering cost due to the shallow nature of mineralization.

On-going Drill Program

Additional in-fill drilling completed up to the date of this report and not included in the Inferred MRE consists of 714 drill holes totalling 47,264 metres of drilling. The objective of this ongoing program is to upgrade the Inferred Mineral Resource to the Indicated category by decreasing drill spacing to 30 metres from the current average drill spacing of 40 to 60 metres. The Company expects to drill up to 765 additional holes totalling approximately 41,500 metres to meet this objective, however, this will be reviewed and revised pending incorporation of the 714 drill holes into the resource model (Table 4).

Table 4: Pine Point Drill Program Synopsis		
	Number of Drillholes	Metres
Holes in the MRE	317	23,573
Holes drilled after Closing of MRE	714	47,264
Total as of March 19, 2019		70,837

The drill database will be further strengthened by incorporating the recent LIDAR topographic survey and accurate differential GPS surveys of historical drill collars.

Results and details of the Company's on-going drilling are reported in press releases dated: *November 19, 2018, January 29, 2019, February 7, 2019 and March 4, 2019*, respectively.

Province of New Brunswick

The mining claims located in the Province of New Brunswick are located within the BMC, the world's third largest volcanogenic massive sulphide ("VMS") camp that hosted the largest underground zinc mine in the world. Brunswick No. 12 & No. 6 mines produced approximately 150 million tonnes at more than 12% combined zinc + lead when including by-products of copper and silver. The Company owns 64,527 hectares of mineral claims that cover some of the most prospective ground for finding zinc, lead and silver deposits in the BMC (see Figure 2). The most exciting project that has developed over the last year is the Key Anacon Project.

On February 20, 2019, the Company released the maiden MRE for its 100% owned BMC Project incorporating both the Key Anacon and the Gilmour South deposits, (see Figure 3). The geology in this area comprises the Brunswick Horizon extending from the prolific Brunswick No.12 and No. 6 Mines to Gilmour South and extending along the surface trace of the Portage River Anticline to the Key Anacon Project. Osisko Metals has secured all the majority of this favorable stratigraphy that comprises 72 kilometres of the favorable Brunswick Horizon and looks forward to unlocking the potential in the underexplored corridor beneath the Carboniferous cover from Gilmour South to Key Anacon.

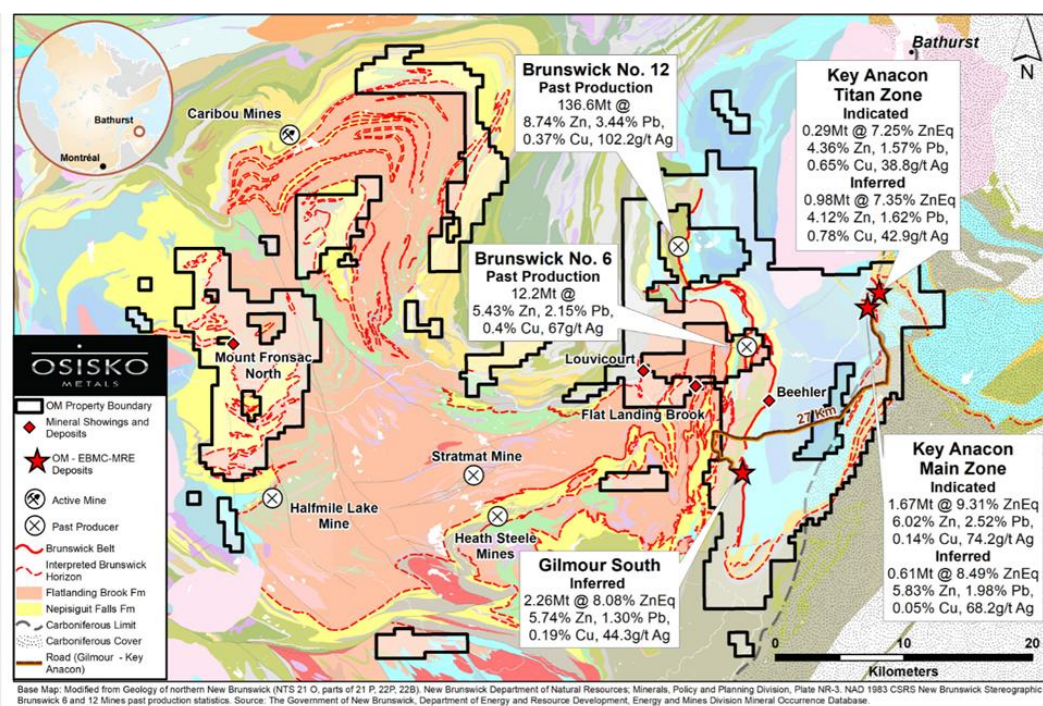


Figure 2: Map of the Bathurst Mining Camp

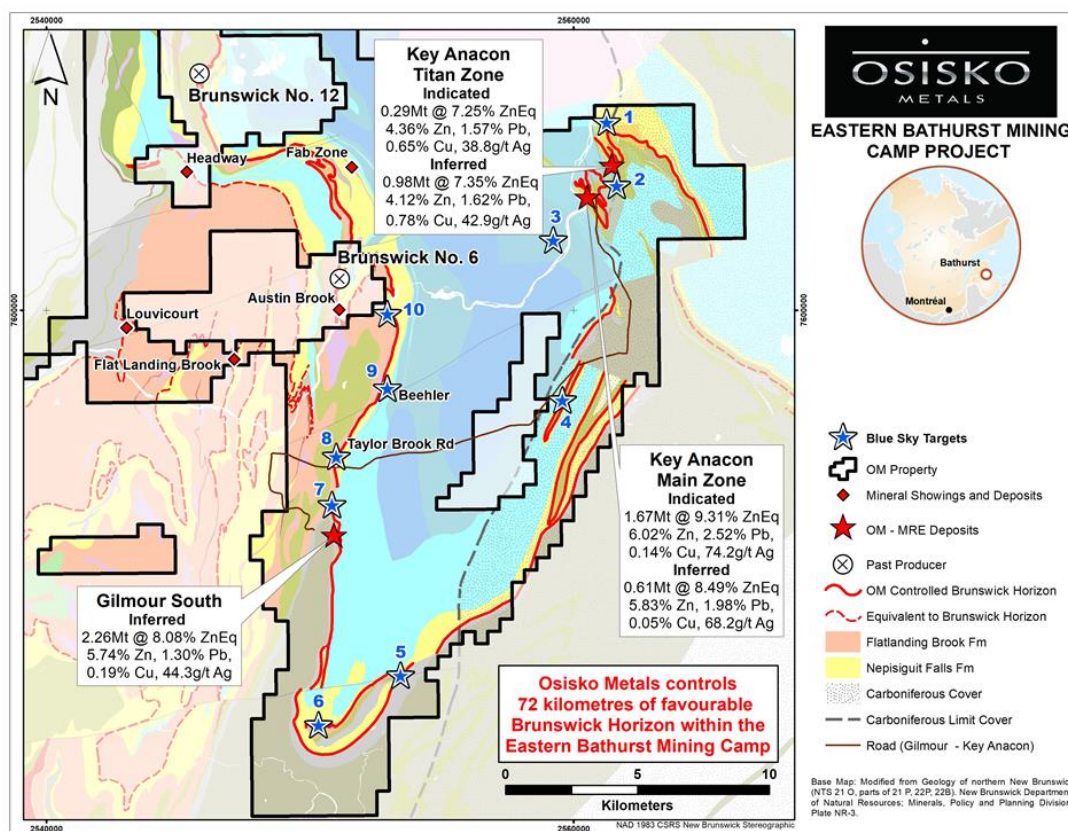


Figure 3: Key Anacon – Gilmour South Area

Highlights from the MRE include:

- Indicated Mineral Resources of 1.96 Mt grading 5.77% zinc, 2.38% lead, 0.22% copper and 68.9g/t silver (9.00% ZnEq) and Inferred Mineral Resources of 3.85 Mt grading 5.34% zinc, 1.49% lead, 0.32% copper and 47.7 g/t silver (7.96% ZnEq) (Tables 5 and 6).
- Resource categories approximately contain Indicated: 249.1 million ("mil") lbs zinc, 102.6 mil lbs lead, 9.3 mil lbs copper, and 4.3 mil oz of silver and Inferred: 453 mil lbs zinc, 126.4 mil lbs lead, 27.0 mil lbs copper, and 5.9 mil oz of silver.
- Significant brownfield exploration potential at the Titan Zone is supported by mineralization in current and historical drill holes that are not included in the MRE, such as KA-01-15B that intersected 13 metres grading 10.03% ZnEq at 1,100 metres vertical depth (See Table 7), over 550 metres below the MRE boundary.

Table 5: Mineral Resource Estimate as Reported by AGP Mining Consultants Inc.											
Mineralized Zones	Resource Category		Grades (@ 5.5 ZnEq cut-off)					In-situ Metal			
		Tonnes	Zn	Pb	Cu	Ag	ZnEq	Zn	Pb	Cu	Ag
		mil	%	%	%	g/t	%	mil lbs.	mil lbs.	mil lbs.	mil oz
Key Anacon Main	Indicated	1.67	6.02	2.52	0.14	74.20	9.31	221.0	92.5	5.1	4.0
Key Anacon Titan		0.29	4.36	1.57	0.65	38.80	7.25	28.2	10.1	4.2	0.4
Total Indicated @ 5.5 ZnEq cut-off		1.96	5.77	2.38	0.22	68.90	9.00	249.1	102.6	9.3	4.3
Key Anacon Main	Inferred	0.61	5.83	1.98	0.05	68.20	8.49	77.7	26.5	0.6	1.3
Key Anacon Titan		0.98	4.12	1.62	0.78	42.90	7.35	89.5	35.2	17	1.4
Gilmour South		2.26	5.74	1.30	0.19	44.30	8.08	286.8	64.8	9.4	3.2
Total Inferred @ 5.5 ZnEq cut-off		3.85	5.34	1.49	0.32	47.70	7.96	453.0	126.4	27.0	5.9

Both Key Anacon's Main and Titan Zones remain open at depth and along strike, indicating significant areas for brownfield exploration upside. Furthermore, at this time, the historical drilling in the Copper Zone adjacent to the Titan Zone and below the Titan Zone MRE boundaries could not be incorporated into the MRE due to the drill spacing between intercepts being too sparse to interpolate (Table 7 and Figure 4). This upside potential, combined of multiple exploration target areas, is supported by existing exploration drill holes which contain several lead and zinc as well as copper mineralized intercepts at the Titan Zone and are located outside the MRE boundaries.

Table 6: Sensitivity to Zinc Equivalent Cut-Off Grade												
Deposit Names	Resource Category	ZnEq Cut-off	Tonnes	Grades (@ 5.5 ZnEq cut-off)					In-situ Metal			
				Zn	Pb	Cu	Ag	ZnEq	Zn	Pb	Cu	Ag
		%	mil	%	%	%	g/t	%	mil lbs.	mil lbs.	mil lbs.	mil oz
Key Anacon Main	Indicated	> 8.0	0.98	7.09	3.09	0.15	94.60	11.15	152.8	66.5	3.2	3.0
		> 7.0	1.23	6.66	2.85	0.14	85.60	10.39	181.1	77.6	3.8	3.4
		> 6.0	1.51	6.25	2.64	0.14	78.00	9.69	207.3	87.5	4.6	3.8
		> 5.5	1.67	6.02	2.52	0.14	74.20	9.31	221.0	92.5	5.1	4.0
		> 5.0	1.85	5.77	2.40	0.14	70.40	8.91	234.7	97.5	5.7	4.2
		> 4.0	2.17	5.37	2.20	0.14	64.10	8.26	256.1	104.8	6.8	4.5
Key Anacon Titan	Indicated	> 8.0	0.08	5.85	2.30	0.59	54.30	9.40	9.9	3.9	1.0	0.1
		> 7.0	0.13	5.31	2.03	0.61	48.90	8.63	14.9	5.7	1.7	0.2
		> 6.0	0.23	4.67	1.71	0.64	41.90	7.69	23.4	8.6	3.2	0.3
		> 5.5	0.29	4.36	1.57	0.65	38.80	7.25	28.2	10.1	4.2	0.4
		> 5.0	0.35	4.11	1.47	0.67	36.60	6.93	31.7	11.3	5.2	0.4
		> 4.0	0.56	3.47	1.23	0.67	31.20	6.01	42.5	15.1	8.2	0.6
Key Anacon Main	Inferred	> 8.0	0.25	7.72	2.73	0.05	99.30	11.46	42.7	15.1	0.3	0.8
		> 7.0	0.33	7.08	2.47	0.05	90.20	10.47	52.1	18.2	0.3	1.0
		> 6.0	0.45	6.42	2.20	0.05	78.70	9.42	64.1	22.0	0.5	1.1
		> 5.5	0.61	5.83	1.98	0.05	68.20	8.49	77.7	26.5	0.6	1.3
		> 5.0	0.81	5.30	1.78	0.04	59.80	7.67	94.5	31.6	0.8	1.6
		> 4.0	1.51	4.29	1.45	0.03	46.80	6.19	142.6	48.3	1.2	2.3
Key Anacon Titan	Inferred	> 8.0	0.28	5.65	2.28	0.68	53.80	9.35	34.7	14.0	4.2	0.5
		> 7.0	0.49	5.10	2.06	0.66	50.90	8.55	54.8	22.1	7.1	0.8
		> 6.0	0.79	4.51	1.78	0.71	45.70	7.76	78.0	30.8	12.2	1.2
		> 5.5	0.98	4.12	1.62	0.78	42.90	7.35	89.5	35.2	17.0	1.4
		> 5.0	1.18	3.87	1.51	0.79	40.80	7.01	100.7	39.4	20.6	1.5
		> 4.0	1.80	3.24	1.24	0.80	36.00	6.12	128.6	49.1	31.9	2.1
Gilmour South	Inferred	> 8.0	0.95	7.13	1.74	0.25	61.50	10.30	149.7	36.6	5.3	1.9
		> 7.0	1.24	6.64	1.63	0.24	58.70	9.64	181.5	44.4	6.6	2.3
		> 6.0	1.89	6.00	1.39	0.20	48.20	8.52	250.4	58.0	8.5	2.9
		> 5.5	2.26	5.74	1.30	0.19	44.30	8.08	285.8	64.8	9.4	3.2
		> 5.0	2.48	5.56	1.26	0.18	42.60	7.83	304.0	68.9	10.0	3.4
		> 4.0	3.22	4.98	1.17	0.17	38.00	7.04	353.5	83.1	11.9	3.9

The Company's objective is to further define and explore for extensions of the current mineral resources through focused drill programs and to carry out regional brownfield exploration in the vicinity of both Key Anacon and Gilmour South (see Figures 4, 5 and 6). See press release dated February 20, 2019, entitled "Osisko Metals releases maiden Mineral Resource Estimate for Eastern Bathurst Mining Camp project" for ZnEq calculation.

Table 7: Key Anacon Titan Zone - Exploration Targets								
Hole Name	From (m)	To (m)	Width (m)	Zn %	Pb %	Cu %	Ag g/t	ZnEq %
Copper Mineralization								
KA9333	596.50	627.00	30.60	0.29	0.12	0.76	7.6	1.84
KA9337	737.00	743.00	6.00	0.50	0.10	2.71	31.4	5.89
KA9338	646.00	650.00	4.00	0.01	0.01	0.99	9.1	1.92
including	680.00	683.30	3.30	0.72	0.12	1.29	16.8	3.37
KA9361	920.00	926.10	6.10	0.28	0.13	3.60	23.0	7.09
KA-01-11	969.73	972.42	2.69	0.13	0.08	2.33	11.6	4.47
and	1008.40	1010.42	2.02	0.46	0.12	1.37	9.3	3.11
Zinc-Lead mineralization								
KA-01-12	825.36	845.51	24.15	4.27	1.15	0.33	38.5	6.32
including	857.84	871.50	13.66	5.49	1.84	0.31	53.4	8.24
KA-01-15B***	1247.20	1256.50	9.30	3.91	1.17	0.40	28.9	5.92
and	1274.00	1287.00	13.00	6.87	2.38	0.38	49.8	10.03
and	1301.20	1325.47	24.70	4.26	1.29	0.21	39.1	6.20

***See press release dated November 13, 2018, entitled "Osisko Metals intersects 13.16% zinc + lead over 8.0 metres in the Titan Zone of the Key Anacon project in Bathurst".

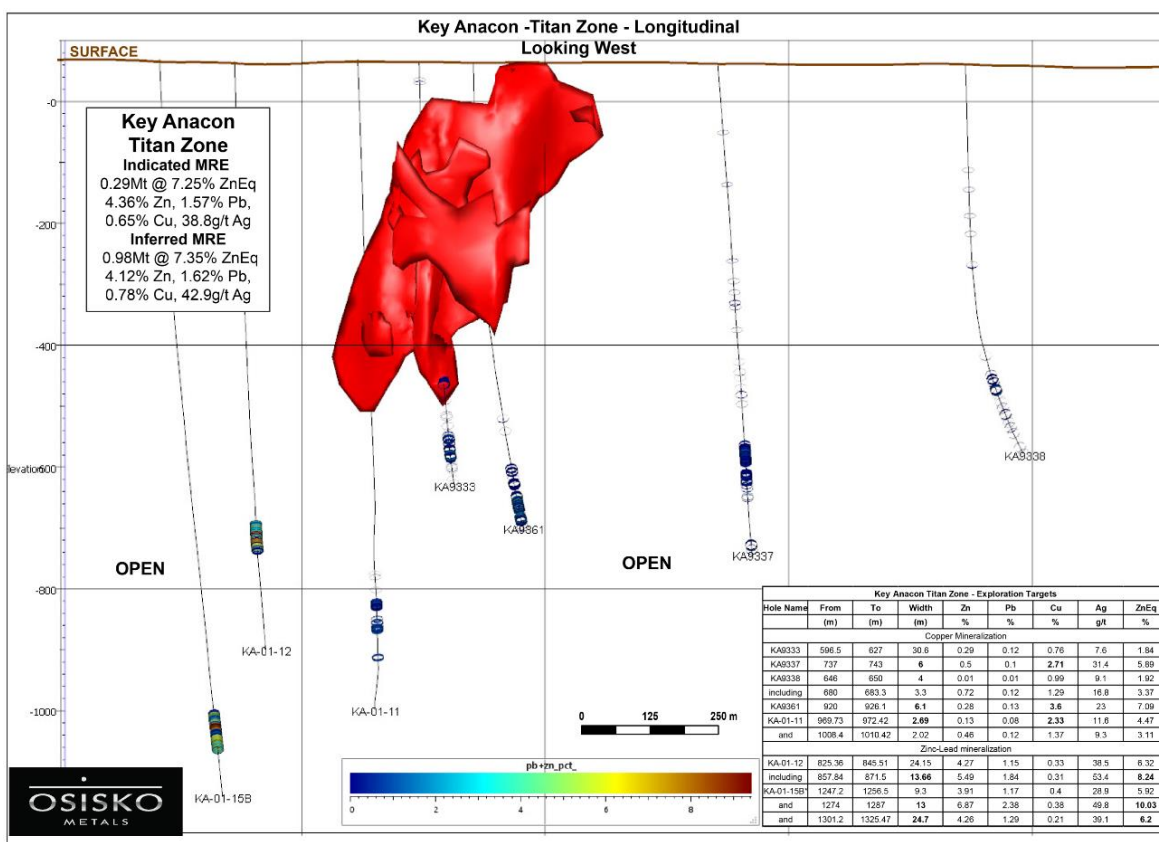


Figure 4: Titan Zone Longitudinal – Exploration Targets

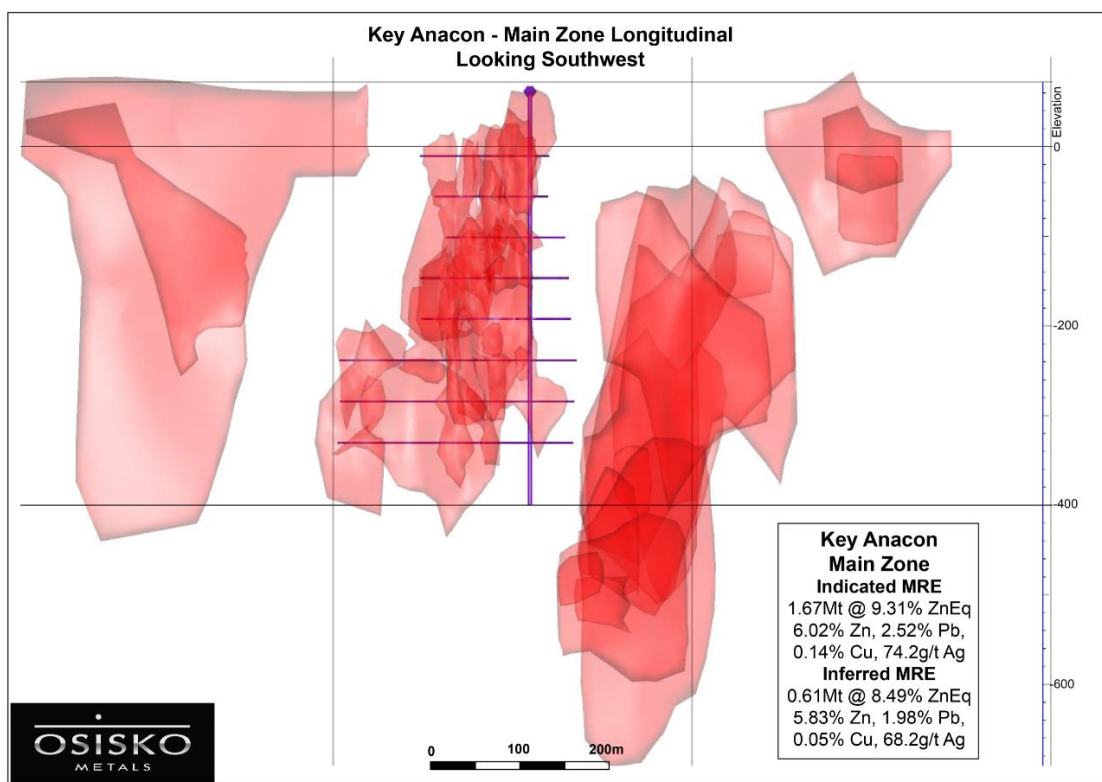


Figure 5: Main Zone Longitudinal

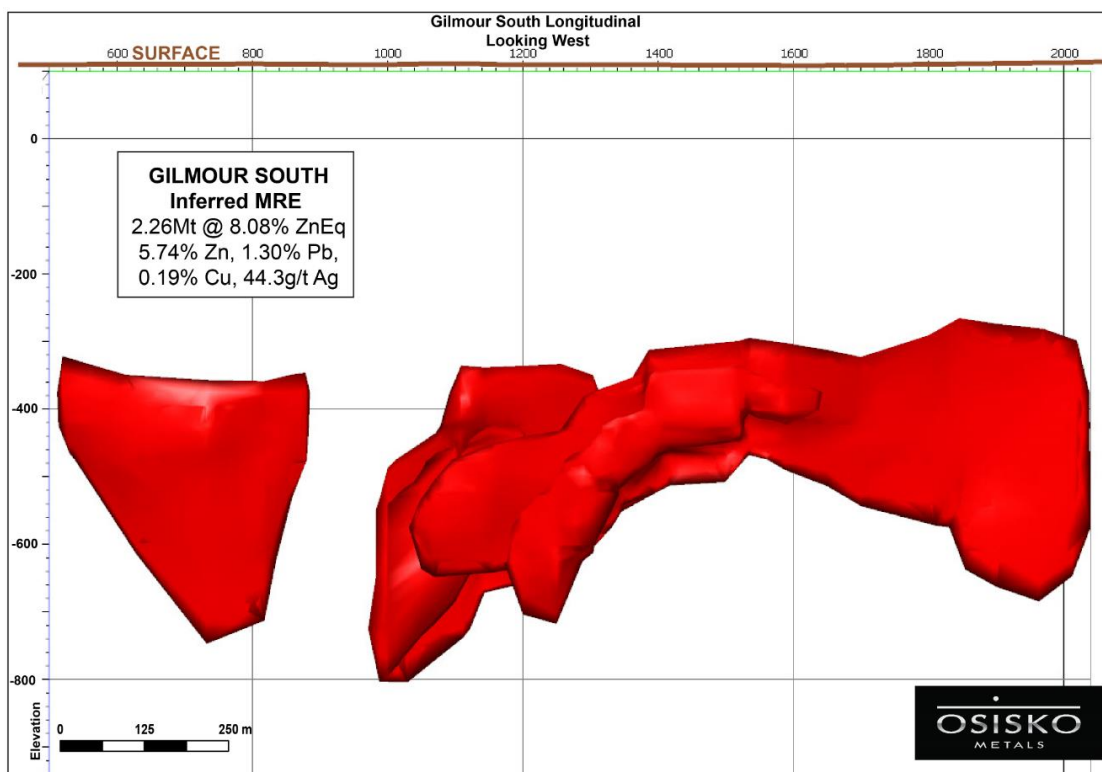


Figure 6: Gilmour Longitudinal

In parallel with the brownfield drill program at Key Anacon and Gilmour South, the Company has completed its innovative geological analysis of the Key Anacon deposit and the BMC yielding an initial ten new greenfield exploration targets located along 72 kilometres of strike length of the Brunswick Horizon that is now 100% owned by the Company in the vicinity of the Key Anacon, Gilmour South, Brunswick No. 6 and No. 12 deposits. All targets are between surface and 200 metres vertical depth (see Figure 3).

Property Descriptions

Key Anacon

The Key Anacon Project is located approximately 20 km south of the town of Bathurst, New Brunswick and 16 km southeast of the former Brunswick No.12 mine. The Key Anacon Project is accessible by paved roads, and the project area is accessible by secondary gravel roads. The Key Anacon Project is partially subject to the OGR Royalty, which is described below under the heading "*The OGR Royalty*".

This project area hosts two known Bathurst-type VMS deposits containing zinc, lead, copper and silver. The Key Anacon Main Zone (the "Main Zone") and Titan Zone (the "Titan Zone") deposits are hosted within the "Brunswick Horizon", a local term used to illustrate that these deposits are situated at the same stratigraphic horizon that hosted the Brunswick No. 12 & No. 6 mines. The Key Anacon Project covers approximately 12 km of Brunswick Horizon that extends an additional 30 km and connects the Key Anacon Project to the Gilmour South deposit that is located on the southern end of the Brunswick Belt. This is a relatively new interpretation that is underexplored. Following the positive drilling results at Key Anacon, the Company is performing a detailed analysis of the BMC.

On December 21, 2017, the Company acquired a 100% undivided interest in the Key Anacon Project pursuant to the definitive purchase agreement dated December 21, 2017 (the "Purchase Agreement") with Hunter Brook Holdings Limited.

As consideration for acquiring the Key Anacon claims and the exclusive rights to explore and develop the Key Anacon Project, the Company paid \$0.8 million in cash (paid on February 22, 2018) and issued \$0.3 million worth of common shares on January 19, 2018 (319,957 common shares were issued).

Additionally, under the Purchase Agreement, the Company agreed to pay by December 21, 2019, \$0.5 million in the equivalent common shares of Osisko Metals valued at the 20-day volume-weighted average price of the Company's common shares on the TSX-V ending on the trading day immediately prior to December 21, 2019, subject to a floor price of not less than \$0.65; and (ii) \$0.5 million in cash upon the Company declaring commercial production.

Gilmour South

This project is located 20 km south-southeast of the Brunswick No. 12 mine. It is subject to the OGR Royalty, which is described below under the heading "*The OGR Royalty*".

In accordance with an option agreement dated March 7, 2017, the Company may acquire a 100% interest in Gilmour South (in addition to the Flat Landing Brook and Louvicourt Projects) in exchange for:

- Cash payments totaling \$216,000 over a period of 5 years following the signing of this agreement. \$21,000 was paid during the year ended December 31, 2017 and \$30,000 was paid during the year ended December 31, 2018; and
- The issuance of 190,000 common shares of the Company over a period of 5 years following the signing of this agreement. 25,000 common shares were issued during the year ended December 31, 2017 and 25,000 common shares were issued during the year ended December 31, 2018.

Mount Fronsac

This project is subject to the OGR Royalty, which is described below under the heading "*The OGR Royalty*". The Mount Fronsac deposit contains a historical, unclassified resource of 1.26 million tonnes grading 7.65% Zn, 2.18% Pb, 0.14% Cu, 40.3 g/t Ag, and 0.40 g/t Au. This high-grade deposit is hosted with approximately 14 million tonnes of low-grade, semi-massive (>60%) to locally massive sulfides that occur in an envelope of quartz-sericite $\pm$ chlorite schist. These deposits are not compliant with NI 43-101.

This deposit has a north-south strike length of 525 metres and a down dip extent of 600 metres. Thickness varies between 2 to 20 metres. The alteration and disseminated mineralization haloes have a maximum thickness of 140 metres and contains up to 50 percent fine to coarse-grained disseminated pyrite. The pyritic envelope is 900 metres long and extends down dip over 1,000 metres. Massive sulfides are found throughout this alteration envelope, but preferentially occur at or near the upper Nepisiguit Falls Formation contact. The significant mineralization and alteration halo that occurs at the same stratigraphic horizon as both the Brunswick No. 12 and No. 6 mines indicates that it is an evolved VMS system hosted within favorable stratigraphy.

In addition to existing claims owned by the Company, the acquisition of this project is composed of the following two transactions:

- i. In accordance with a purchase and sale agreement dated on November 24, 2017, the Company acquired a 100% interest in this project in exchange for 150,000 common shares of the Company, issued on February 28, 2018.
- ii. In accordance with an option agreement signed on June 28, 2017, the Company may acquire a 100% interest in 32 additional claim units of this project in exchange for:
 - Cash payments totaling \$300,000 over a period of 4 years following the signing of this agreement. \$30,000 was paid during the year ended December 31, 2017 and \$45,000 was paid during the year ended December 31, 2018; and
 - Issuance of 200,000 common shares of the Company over a period of 4 years following the signing of this agreement. 33,334 common shares were issued during the year ended December 31, 2017 and 33,334 common shares were issued during the year ended December 31, 2018.

Canadian Continental

In addition to existing claims owned by the Company, in accordance with a purchase and sale agreement dated on December 27, 2017, the Company acquired additional claims in this project in exchange for:

- A cash payment of \$100,000, paid on March 9, 2018;
- The issuance of 1,000,000 common shares of the Company, issued on February 28, 2018; and
- Transaction costs of 50,000 common shares of the Company, issued on February 28, 2018.

This project is partially subject to the OGR Royalty, which is described below under the heading "*The OGR Royalty*".

Other Bathurst Mining Camp Properties

The other BMC properties encompass the Brunswick Belt and surrounding properties and are subject to the OGR Royalty, which is described below under the heading "*The OGR Royalty*".

Other agreements concluded in 2017 on these other properties:

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

On August 1, 2018, the Company concluded an option agreement with Canadian Metals Inc. ("CME"). Pursuant to this option agreement, CME may earn a 50% interest in the Company's Tetagouche, Six Mile Brook and Middle River properties in the BMC by funding an aggregate of \$0.3 million in exploration expenditures over a one-year period as outlined below:

- i. \$0.3 million, in drilling on established targets on or before August 1, 2019; and
- ii. After the earn-in period CME and Osisko Metals shall have a respective 50% ownership of this project.

Osisko Metals will be the project operator during the earn-in period.

Bathurst Summary

Since September 2017, over 49,000 metres (122 drillholes) of drilling has been completed at Key Anacon, Gilmour South and Mount Fronsac. Results of this drilling are contained in news releases located on the Company's website. Remaining results from the 2018 drill program at the Main Zone and Titan Zone are contained in news releases located on the Company's website. Remaining results from the 2018 drill program at the Main zone and Titan zone were reported in press releases dated February 7, 2019 and February 12, 2019. Press releases can be found on the Company's website and have been filed on SEDAR at www.sedar.com. The technical report for the Bathurst MRE (Key Anacon and Gilmour South) will be posted no later than April 5, 2019.

The scientific and technical information contained in this MD&A has been reviewed and approved by Robin Adair, P.Geo. VP Exploration of Osisko Metals, a "Qualified Person" within the meaning of National Instrument 43-101 – Standards for Disclosure of Mineral Projects and is registered as a Professional Geoscientist in New Brunswick, Quebec and the Northwest Territories.

Province of Quebec

Quebec Genex

The Company's Quebec Genex Project includes, among others, its claims at Ascension, Wallace, Kempt and Montauban. On December 5, 2018, the Company concluded an option agreement (the "Montauban Agreement") with DNA Canada Inc. ("DNA") to earn an 80% interest in certain mining claims located in the Montauban and Chavigny regions of Quebec (the "Montauban Project"). Pursuant to the Montauban Agreement, the Company may earn an 80% interest in the Montauban Project by completing the following:

- Funding an aggregate of \$2.5 million in exploration expenditures over three years, in accordance with the following schedule:
 - i. \$0.5 million, before December 5, 2019;
 - ii. \$0.8 million, before December 5, 2020; and
 - iii. \$1.3 million, before December 5, 2021.
- Participating in a financing with DNA in an amount between \$0.2 million and \$0.3 million.

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

Urban-Barry

On March 26, 2018 (the "Effective Date"), the Company concluded the Agreement with OSK to earn a 50% interest in the UB Project, a select package of claims located within OSK's Urban-Barry claim group. Pursuant to the Agreement, the Company may earn a 50% interest in the UB Project by funding an aggregate of \$5.0 million in exploration expenditures over four years, in accordance with the following schedule:

- i. \$0.5 million, before the 1st year anniversary of the Effective Date;
- ii. \$1.0 million, before the 2nd year anniversary of the Effective Date;
- iii. \$1.5 million, before the 3rd year anniversary of the Effective Date; and
- iv. \$2.0 million, before the 4th year anniversary of the Effective Date.

OSK shall retain a 100% interest over any precious metals (gold-silver) discoveries on the claims covered by the Agreement and will be the UB Project's operator during the earn-in period. As at December 31, 2018, the first payment of \$0.5 million has been completed.

Quevillon

On November 12, 2018, the Company entered into the Quevillon Agreement with OSK to earn a 50% interest in the Quevillon Project, a select package of claims located immediately west of OSK's Urban-Barry claim group. Pursuant to the Quevillon Agreement, the Company may earn a 50% interest in the Quevillon Project by funding an aggregate of \$8.0 million in exploration expenditures over four years, in accordance with the following schedule:

- i. \$2.0 million, before November 12, 2019;
- ii. \$2.0 million, before November 12, 2020;
- iii. \$2.0 million, before November 12, 2021; and
- iv. \$2.0 million, before November 12, 2022.

OSK shall retain a 100% interest over any fortuitous precious metals (gold-silver) discoveries on the claims covered by the Quevillon Agreement and will be the Quevillon Project's operator during the earn-in period.

Other Quebec Properties

Most of the other Quebec base metal exploration projects are subject to the OGR Royalty, which is described below under the heading "*The OGR Royalty*".

On August 1, 2018, the Company completed the sale of its Silica East property to CME in exchange for 1,000,000 common shares of CME. The Company recognized a gain on the sale of this property of \$49,300 during the year ended December 31, 2018.

Quebec Genex Exploration Program

The Company has staked twelve grass-roots zinc properties covering a total of 42,000 hectares of mineral claims throughout the province of Quebec. These under-explored zinc targets were staked based on geological research, expert analysis, compilation of surface sediment geochemistry and mineral occurrences found within governmental databases.

These projects are all hosted in classic geological environments for zinc, including stratiform sediment-hosted and its metamorphic equivalents ("SEDEX" and "BALMAT"), VMS and the Mississippi Valley Type ("MVT"). These include properties in the Appalachian fold belt that host showings of MVT mineralization (reported grabs up to 28.8% Zn+Pb) that have seen little or no previous drilling. As well other properties that host metamorphosed SEDEX (BALMAT-type) surface showings (grabs up to 18.2% Zn) and have also never been previously drilled.

Regional exploration has identified new areas as being highly prospective, and they will be priority targets for the Company's first phase of exploration work which will include VTEM/MAG Airborne Geophysics, prospecting, till sampling and drilling.

The OGR Royalty

On October 12, 2017, the Company concluded an agreement with Osisko Gold Royalties Ltd ("OGR") whereby OGR acquired a 1% NSR royalty on nearly all of the Company's portfolio of projects, as at the date of this agreement, within both the BMC and Quebec for a cash consideration of \$5.0 million. The acquired royalty will also apply to areas that the Company may acquire in the future that fall within a one-kilometer distance from the property holdings at that time. OGR may also acquire existing royalty buy-back agreements on current projects and will hold rights of first refusal on any future royalty or metal stream sale from existing or newly acquired properties by the Company.

Selected Annual Financial Information

A summary of selected annual financial information for the years ended December 31, 2018, 2017 and 2016, is outlined below:

	2018	2017	2016
	\$	\$	\$
Cash and cash equivalents	8,453,161	29,053,274	197,365
Investments	11,201,791	8,099,653	76,174
Working capital	12,449,013	31,312,460	(303,634)
Total assets	90,129,396	43,355,707	2,738,785
Total non-current financial liabilities	-	-	-
Investments in E&E assets	27,370,637	2,710,620	144,505
Total revenue	-	-	-
Net loss for the year	4,088,234	2,875,931	985,024
Basic and diluted loss per share	0.04	0.06	0.04
Dividends per share	-	-	-

For the years ended December 31, 2018 and 2017, the Company completed significant financings as discussed under the *"Description of Financing Transactions"* heading below. The financings have had a direct impact on the Company's cash and cash equivalents, investments, working capital and total asset balances for each period.

With the increase in cash and cash equivalents available, the Company increased its investments in E&E assets as discussed above under the *"Mining Assets and Exploration Advancements"* heading and operating expenses for the years ended December 31, 2018 and 2017.

For all periods, the net loss for each year is primarily comprised of operating expenses, such as consulting and compensation costs (including share-based compensation), professional fees, travel and other office administrative costs. The incremental net loss for the years ended December 31, 2018 and 2017 reflects the Company's increase in corporate activity since 2016.

Results of Operations

Three-month period ended December 31, 2018 ("Q4-2018")

Osisko Metals incurred a net loss of \$1.9 million during Q4-2018, compared to a net loss of \$0.7 million for the three-month period ended December 31, 2017 ("Q4-2017").

The operating loss for Q4-2018 was \$1.7 million and decreased by \$2.0 million as compared to Q4-2017. This decrease from Q4-2017 is mainly due a write-off of investments (\$0.9 million), the increased share-based compensation costs (increase of \$1.0 million), in addition to a provision for indemnities in relation with flow-through placements (\$0.6 million), all incurred in Q4-2017. For Q4-2018, these decreases in expenses were partially offset by the increase in cash compensation costs paid to the growing number of employees and consultants of the Company (increase of \$0.7 million), as compared to Q4-2017.

As previously discussed under *"The OGR Royalty"* heading above, the Company concluded an agreement with OGR whereby OGR acquired a 1% NSR royalty on nearly all of the Company's current portfolio of projects for a cash consideration of \$5.0 million. A balance of \$2.5 million was recorded as a gain on the sale of a royalty in Q4-2017.

Year ended December 31, 2018 ("YTD-2018")

The Company incurred a net loss of \$4.1 million for YTD-2018, compared to a net loss of \$2.9 million for the year ended December 31, 2017 ("YTD-2017").

The operating loss for YTD-2018 increased by \$0.2 million as compared to YTD-2017, totaling \$6.2 million at December 31, 2018. Despite consistent results, the breakdown of costs were different. The costs for YTD-2018 were driven by compensation costs (cash and share-based compensation) paid to the growing number of employees and consultants of the Company (increase of \$1.5 million), as compared to YTD-2017. In addition, the impact of incremental corporate activity, as compared to YTD-2017, is reflected across most other categories of operating expenses, including consulting and professional fees, office expenses, travel expenses and investor and shareholder relations. The costs for YTD-2017 were driven by impairment charges on investments (\$0.9 million) and mining properties (\$0.3 million) in addition to a provision for indemnities in relation with flow-through placements (\$0.6 million).

As previously discussed under "*The OGR Royalty*" heading above, the Company concluded an agreement with OGR whereby OGR acquired a 1% NSR royalty on nearly all the Company's current portfolio of projects for a cash consideration of \$5.0 million. A balance of \$2.5 million was recorded as a gain on the sale of a royalty in YTD-2017.

The operating loss was offset by the financial revenues earned and income tax recoveries incurred during YTD-2018. Financial revenues increased by \$0.3 million during YTD-2018, because of higher cash balances on hand throughout this period. Income tax recoveries increased by \$1.5 million during YTD-2018, as compared to YTD-2017 and were impacted primarily by the reversal of the deferred premium on flow-through shares.

Liquidity and Capital Resources

As at December 31, 2018, the Company had working capital of \$12.4 million compared to \$31.3 million as at December 31, 2017. Cash and cash equivalents amounted to \$8.5 million as at December 31, 2018, compared to \$29.1 million as at December 31, 2017.

The decrease of \$20.6 million in the Company's cash position during YTD-2018 is primarily the result of investments made in E&E assets (\$27.4 million) and short-term investments (\$3.3 million). This decrease has been slightly offset by the cash flows provided by financing activities related to the financings described below under the "*Description of Financing Transactions*" heading.

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

OSISKO METALS INCORPORATED
Management's Discussion & Analysis
For the year ended December 31, 2018

Quarterly Information

A summary of selected quarterly financial information for the last eight quarters is outlined below:

(for the three months ended)	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
	\$	\$	\$	\$
Cash and cash equivalents	8,453,161	14,892,143	12,185,911	22,905,121
Working capital	12,449,013	16,530,152	22,854,001	26,637,611
Total assets	90,129,396	87,223,636	73,557,052	76,001,375
Investments in exploration and evaluation assets ⁽ⁱ⁾	5,981,721	12,164,826	3,369,534	5,854,556
Total revenue	-	-	-	-
Net loss for the period	1,945,455	273,106	1,502,255	367,418
Basic and diluted net loss per share ⁽ⁱⁱ⁾	0.016	0.003	0.013	0.004
(for the three months ended)	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
	\$	\$	\$	\$
Cash and cash equivalents	29,053,274	34,326,528	353,661	308,060
Working capital	31,312,460	31,417,970	(675,079)	(464,273)
Total assets	43,355,707	37,918,022	3,755,567	3,181,222
Investments in exploration and evaluation assets ⁽ⁱ⁾	1,758,979	564,573	321,695	65,375
Total revenue	-	-	-	-
Net loss for the period	675,740	1,759,472	361,403	79,316
Basic and diluted net loss per share ⁽ⁱⁱ⁾	0.004	0.041	0.013	0.001

(i) Including the payments of options on properties, on a cash basis, net of government credits.

(ii) Net loss per share is based on each reporting period's weighted average number of shares outstanding, which may differ on a quarter-to-quarter basis. As such, the sum of the quarterly net loss per share amounts may not equal year-to-date net loss per share.

From March 31, 2017 to September 30, 2017, the Company's successive increases in cash (and equivalents), working capital and total assets are consistent with the financing transactions completed during this period and discussed below under the "Description of Financing Transactions" heading, which surpassed the investments made in E&E activities during these same periods. The decrease in cash and working capital in the other periods is primarily the result of Osisko Metals' continued investments in E&E activities.

Over the last eight quarters, there has been a steady increase in the operating loss per quarter due the growing number of employees and consultants at the Company, in addition to the increase in corporate activities. The timing of non-cash expenses (such as share-based compensation) and non-cash income (such as income tax recoveries and gains on the sale of royalties) are the main reasons for significant quarterly variations (increase or decrease) in net loss over the last eight quarters.

Description of Financing Transactions

Significant financing transactions completed over the past two years consisted of the following:

i. Flow-through shares (November 6, 2018)

On November 6, 2018, the Company completed the November 2018 Offering of 9,946,369 common flow-through shares at a price of \$0.75 per share for aggregate gross proceeds of \$7.5 million. In connection with the November 2018 Offering, the Company paid the underwriters a cash commission equal to 5% of the gross proceeds of the offering on eligible issuances.

ii. Flow-through shares (September 12, 2018)

On September 12, 2018, the Company completed the September 2018 Offering of 10,870,000 common flow-through shares at a price of \$0.92 per share for aggregate gross proceeds of \$10.0 million. In connection with the September 2018 Offering, the Company paid the underwriters a cash commission equal to 5% of the gross proceeds of the offering and share issue costs totaled \$0.6 million.

iii. Flow-through shares (September 20, 2017)

On September 20, 2017, the Company completed a private placement of 4,211,000 common flow-through shares at a price of \$1.90 per share for aggregate gross proceeds of \$8.0 million (the "Offering"). In connection with the Offering, the Company paid the underwriters a cash commission equal to 5% of the gross proceeds of the Offering on eligible issuances totaling \$0.5 million.

iv. Flow-through shares (July 18, 2017)

On July 18, 2017, the Company completed a private placement of 3,883,333 common flow-through shares at a price of \$0.90 per share for aggregate gross proceeds of \$3.5 million (the "July 2017 Offering"). In connection with the July 2017 Offering, the Company paid the underwriters a cash commission equal to 5% of the gross proceeds of the offering on eligible issuances totaling \$0.2 million.

v. Private placements (July 18, 2017)

On July 18, 2017, the Company completed two private placements (the "Private Placements") totaling 31,562,500 units of the Company, at a price of \$0.80 per unit for gross proceeds of \$25.3 million. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share of the Company at a price of \$1.00 at any time prior July 18, 2019. Concurrent with the Private Placement, the Company closed a non-brokered private placement of 10,000,000 units having the same characteristics as those mentioned above at a price of \$0.80 per unit for total of \$8.0 million. In connection with these offerings, the Company paid the underwriters a cash commission in an amount equal to 5% of the gross proceeds for a total \$0.9 million.

Outlook

The Company's development strategy is focused on the potential discovery and development of economic mineral deposits, where the benefits of mining them or the sale of them, will ensure the Company's sustainability. Management, while implementing its development strategy, will take into account the context of global market conditions and the stock market.

Related Party Transactions

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

Key management includes directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management for employee services is presented below for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
	\$	\$
Salaries and short-term employee benefits ⁽¹⁾	1,300,293	439,674
Share-based compensation	<u>1,891,010</u>	<u>2,206,387</u>
	<u><u>3,191,303</u></u>	<u><u>2,646,061</u></u>

⁽¹⁾ Including management and consulting fees.

Other related transactions

During the years ended December 31, 2018 and 2017, the Company undertook transactions with certain officers and directors, certain companies controlled by officers and other related companies. OGR is a related party because it has a significant influence on the Company due to the number of shares held and common officers and directors. OSK and Falco Resources Ltd. ("FPC") are related parties because of common officers and directors.

During the year ended December 31, 2018, OSK invoiced an amount of \$840,000 (\$22,087 for the year ended December 31, 2017) in relation to the UB Project, the Quevillon Project and for professional services rendered to Osisko Metals. As at December 31, 2018, \$335,000 (\$25,000 as at December 31, 2017) is included in trade and other payables.

During the year ended December 31, 2018, an amount of \$420,000 (\$84,287 for the year ended December 31, 2017) was invoiced by OGR for professional services and rental of offices, of which \$130,000 (\$14,000 as at December 31, 2017) is included in trade and other payables as at December 31, 2018.

During the year ended December 31, 2018, an amount of \$154,000 (nil for the year ended December 31, 2017) was invoiced by FPC for professional services, of which \$18,000 (nil as at December 31, 2017) is included in trade and other payables as at December 31, 2018.

Contractual Commitments and Obligations

On September 12, 2018, the Company received \$10.0 million following the issuance of flow-through shares for which the Company will renounce tax deductions as at December 31, 2018. As at December 31, 2018, \$9.0 million of this balance remains to be spent.

On November 6, 2018, the Company received \$7.5 million following the issuance of flow-through shares for which the Company will renounce tax deductions as at December 31, 2018. As at December 31, 2018, \$2.2 million of this balance remains to be spent.

As discussed above under the "Mining Assets and Exploration Advancements" heading, the Company has commitments arising from mining property acquisitions.

Off-balance Sheet Items

As of March 26, 2019, the Company has no off-balance sheet arrangements.

Outstanding Share Data

As of March 26, 2019, the Company has 136,294,451 issued and outstanding common shares, 9,170,866 outstanding stock options and 16,961,997 outstanding warrants.

Risk Factors

An investment in the Company's common shares is subject to a number of risks and uncertainties. An investor should carefully consider the risks described below and the other information filed with the Canadian securities regulators (www.sedar.com), before investing in the Company's common shares. If any of the described risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lose a significant proportion of their investment.

The following risk factors may not be a definitive list of all risk factors associated with an investment in Osisko Metals or in connection with the business and operations of Osisko Metals.

Industry Conditions

The exploration for and development of mineral deposits involve significant risks and while the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. All of Osisko Metals' properties are in the exploration stage and Osisko Metals is presently not exploiting any of its properties and its future success will depend on its capacity to generate revenues from an exploited property.

The discovery of mineral deposits depends on a number of factors, including the professional qualification of its personnel in charge of exploration. 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. In the event that Osisko Metals wishes to commercially exploit one of its properties, the exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Osisko Metals not receiving an adequate return on invested capital. Osisko Metals' operations will be subject to all the hazards and risks normally encountered in the exploration and development of mineral deposits. Mining operations generally involve a high degree of risk, including unusual and unexpected geologic formations. There can be no guarantee that sufficient quantities of minerals will be discovered or that one of Osisko Metals' properties will reach the commercial production stage.

Regulatory Matters

Osisko Metals' activities are subject to governmental laws and regulations. These activities can be affected at various levels by governmental regulation governing prospecting and development, price control, taxes, labour standards and occupational health, expropriation, mine safety and other matters. Exploration and commercialization are subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of wastewater and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in significant expenditures. Osisko Metals may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of Osisko Metals' activities and delays in the exploration of properties.

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 Osisko Metals and cause increases in 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.

Competition

Osisko Metals' activities are directed towards the exploration and evaluation of mineral deposits. There is no certainty that the expenditures to be made by Osisko Metals will result in discoveries of commercial quantities of mineral deposits. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. Osisko Metals 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, and Osisko Metals may not be able to successfully raise funds required for any such capital investment.

Osisko Metals' operations are subject to financing risks and additional financing may result in dilution or partial sale of assets

Osisko Metals' operations are subject to financing risks. At the present time, Osisko Metals does not have any producing projects and no sources of revenue. Osisko Metals' ability to explore for and find potential economic projects, and then to bring them into production, is highly dependent upon its ability to raise equity and debt capital in the financial markets. Any projects that Osisko Metals develops will require significant capital expenditures. To obtain such funds, Osisko Metals may sell additional securities including, but not limited to, Osisko Metals common shares or some form of convertible security, the effect of which could result in a substantial dilution of the equity interests of the Osisko Metals Shareholders. Alternatively, Osisko Metals may also sell a part of its interest in an asset in order to raise capital. There is no assurance that Osisko Metals will be able to raise the funds required to continue its exploration programs and finance the development of any potentially economic deposit that is identified on acceptable terms or at all. The failure to obtain the necessary financing could have a material adverse effect.

Economics of developing mineral properties

Mineral exploration and development is speculative and involves a high degree of risk. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable and ultimately developed into producing mines. There is no assurance that any exploration properties will be commercially mineable.

Should any mineral resources exist, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine and to obtain the required environmental approvals and permitting required to commence commercial operations. The decision as to whether a property contains a commercially viable mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (a) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (b) availability and costs of financing; (c) ongoing costs of production; (d) metal prices; (e) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (f) political climate and/or governmental regulation and control. Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits, and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow.

Osisko Metals may be subject to liability or sustain loss for certain risks and hazards against which it does not or cannot economically insure

Mining is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Such risk and hazards might impact Osisko Metals' business. Consequently, many of the foregoing risks and hazards could result in damage to, or destruction of, Osisko Metals' mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities, delay in or inability to receive required regulatory approvals, or costs, monetary losses and potential legal liability and adverse governmental action. Osisko Metals may be subject to liability or sustain loss for certain risks and hazards against which it does not or cannot insure or against which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to Osisko Metals.

Fluctuation in market value of Osisko Metals common shares

The market price of Osisko Metals common shares is affected by many variables not directly related to the corporate performance of Osisko Metals, including the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Osisko Metals common shares in the future cannot be predicted.

Financial Risks

The Company's activities expose it to a variety of financial risks: market risks (including foreign currency risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's performance.

A description of the financial risks are included in the Financial Statements, filed on SEDAR (www.sedar.com).

Internal Control Disclosure

In November 2007, the Canadian Securities Administrators exempted issuers on the TSX-V, such as the Company, from certifying disclosure controls and procedures, as well as internal controls over financial reporting as of December 31, 2007, and thereafter. The Company is required to file basic certificates. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109.

Basis of Presentation of Financial Statements

The Financial Statements have been prepared in accordance with the IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in the Financial Statements are consistent with those of the previous financial year except as stated in the Financial Statements.

The accounting policies, methods of computation and presentation applied to each of the quarterly unaudited condensed interim consolidated financial statements for the period from January 1, 2018 to September 30, 2018, are consistent with those applied by the Company to the financial statements for the year ended December 31, 2018.

The Board has approved the Financial Statements on March 26, 2019.

The significant accounting policies of Osisko Metals, as well as the accounting standards issued but not yet effective, are detailed in the notes to the Financial Statements, filed on SEDAR (www.sedar.com).

Critical Accounting Estimates and Judgments

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 judgment 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 judgments in applying the Company's accounting policies are detailed in the Financial Statements, filed on SEDAR (www.sedar.com).

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 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 in the Financial Statements filed on SEDAR (www.sedar.com).

Additional Information

Additional information relating to the Company has been filed on SEDAR and is available at www.sedar.com.

Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this document that are not historical facts are regarded as forward-looking statements. These statements may involve risk, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Many factors could cause such differences, including: volatility in market metal prices; changes in foreign currency exchange rates and interest rates; unexpected variations in geological conditions of a property or erroneous geological data; environmental risks including increased regulatory constraints; unexpected adverse mining conditions; adverse political conditions, and changes in government regulations and policies. Although Osisko Metals has attempted to identify important factors that could cause actual plans, actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual plans, results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

(Signed) Jeff Hussey

Jeff Hussey
President and Chief Executive Officer

(Signed) Anthony Glavac

Anthony Glavac
Chief Financial Officer

March 26, 2019

Corporate Information

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John Burzynski
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Luc Lessard
Claude Charron
Cathy Singer
Paul Dumas
Jeff Hussey

Officers

Robert Wares, Executive Chairman
Jeff Hussey, President and Chief Executive Officer
Paul Dumas, Executive Vice-President, Finance
Anthony Glavac, Chief Financial Officer
Robin Adair, Vice President, Exploration
Killian Charles, Vice President, Corporate Development
Lili Mance, Corporate Secretary

Legal Counsel

Gowling WLG LLP

Auditors

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.

Transfer Agent

AST Trust Company (Canada)

Exchange listing

TSX Venture Exchange: OM
Frankfurt Stock Exchange: OB5