

Osisko Mining Inc. (OSK-T, \$2.58)

Rating BUY
Target Price \$6.50
Return 152%
Overall Risk Profile Very High

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Osisko Releases Updated Resource Estimate for Osborne-Bell

Event | Osisko Mining announced an updated mineral resource estimate for its 100% owned Osborne-Bell gold deposit. The deposit is located 17 kilometres northwest of the town of Lebel-sur-Quévillon and 112 kilometres west of the Windfall Lake gold deposit (see Figure 1).

Impact – Positive | Osborne-Bell is part of Osisko's Quévillon Project, which consists of a 2,160km² land package hosting approximately thirty known gold showings. The Company acquired the Osborne-Bell project in April of last year for approximately \$1.5 million through a bankruptcy proceeding, and began its 50,000 metre drill program in December. The current resource estimate reflects geological re-modeling of the Osborne-Bell deposit, the re-evaluation of historical drilling results from previous operators, and the inclusion of additional drilling since the project's 2012 mineral resource estimate. It consists of 927 drill holes (279,925 metres) completed by previous operators on the project since 1994, including 50 that were completed after the last resource estimate was published in 2012, and 4 new drill holes completed by Osisko in December of last year. The new estimate comprises:

- Inferred mineral resource of 2,587,000 tonnes with an average grade of 6.13 g/t gold for 510,000 ounces of gold, using a 3.0 g/t cut-off grade.
- This compares to the 2012 resource estimate of 8,463,800 tonnes at 2.0 g/t gold for 546,299 ounces of gold (Indicated) and 8,155,800 tonnes at 4.8 g/t gold for 1,258,990 ounces of gold (Inferred). The 2012 estimate used a lower cut-off grade of 0.5 g/t and 2.5 g/t gold for open-pit and underground zones respectively.

The Company's press release can be found here: [<click here for link>](#). Highlights from the newly released resource estimate are summarized above and presented in Table 1.

Implications | Osisko's acquisition of the Osborne-Bell deposit last year was strategic in nature given its proximity to the proposed mill for the Windfall/Lynx deposit (Figure 1). A long-section through the resource block model shows gold mineralization occurs at surface and has been defined to a depth of 600 metres, suggesting the possibility of a combined, small-scale open-pit/underground operation (Figure 2). Importantly, ore from the deposit could provide initial feed to the mill once constructed while development of the Windfall/Lynx deposit is underway at minimal capital expense. Osisko's current drill program is designed to define and expand on higher-grade zones within the current resource; according to the Company, this estimate only considers mineralized zones potentially minable by underground methods at a lower cut-off grade of 3.0 g/t gold.

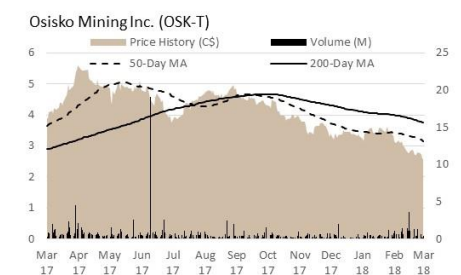
Target Price	\$6.50	52-Week High / Low	\$5.65 / \$2.50
Current Price	\$2.58	Shares O/S	208M (basic) 249M (F/D)
Return (incl. dist'n)	152%	Market Capitalization	\$536.6M
YTD Performance	-24%	Cash and equivalents (Incl. marketable securities)	\$190M
Dividend / Yield	n/a	Debt	\$0M

Haywood Estimates

		2017E	2018E
Revenue	\$M	0	0
Net Income	\$M	(3.1)	(14.6)
EPS	\$/sh	(0.01)	(0.06)
CFPS	\$/sh	0.01	(0.03)

Enterprise Value	\$346.6M
Daily Volume (3 month avg)	533,170
Website	www.osiskomining.com
CEO	John Burzynski
Currency	C\$ unless noted

Price Performance



Source: Capital IQ and Haywood Securities

Please see page 7 for Analyst Certification, pages 7 - 9 for Important Information Rating Structure, Legal Disclaimers, and Notes.



Gold mineralization remains open at depth and Company's current drill program will focus on resource expansion and on upgrading inferred resources to M&I categories. In the meanwhile, we anticipate the release of the Company's maiden resource estimate for Windfall and Lynx expected in May 2018, which will be followed by a Preliminary Economic Assessment (PEA) in June. The Company is also working on a Feasibility Study which it expects to be delivered sometime in H2/18.

Valuation | Our target price of \$6.50 is based on an after tax, 1.0x multiple to our corporate net asset value (NAV_{7%}) of \$5.98 per share. We reach our NAV considering a discounted cash flow (DCF) analysis of the Windfall, Marban, and Garrison projects, an in-situ analysis of the Fox and Lynx deposits, and a in-situ additional upside resource potential at Windfall and elsewhere. We have also assigned of a nominal value for investments and other properties. Osisko Mining trades at 0.43x P/NAV and US\$37/oz vs Select North American peers at 0.56x and US\$53/oz.

Catalysts | 1) Windfall resource update – Q2/18; 2) Preliminary Economic Assessment (PEA) for Windfall – Q2/18; 3) Permits for exploration ramp extension to Lynx – H2/18; 4) Windfall feasibility study – Q1/19.

Investment Thesis

Osisko Mining's objective is to replicate the success it achieved through the delineation and eventual divestment of one of Canada's largest gold mines in 2014, the Canadian Malartic mine. With the Company's primary focus being the Abitibi Belt in Quebec, Osisko has recently ramped-up its exploration and delineation drill program at its Windfall project, where a total of 18 rigs are on site as it continues its 800,000-metre drill program. Given the scope of the project, we believe the full potential of the Windfall will be realized from the proven management team at Osisko with access to the necessary capital to move the project forward through resource delineation towards development and production. The Company currently has \$190 million in cash and marketable securities. In addition, the Company is actively exploring around its highly prospective land package around Windfall; preliminary exploration efforts have already successfully identified several high-grade gold targets including the Black Dog and Fox discoveries (to the south west and west of Windfall respectively), and we see the potential for the Urban Barry project area (Windfall and surrounding mineral leases) to transform into one of the premier gold camps in the Abitibi. The Company is also actively seeking additional M&A opportunities; notably, the Company has actively invested in several junior mining stocks with gold assets in Canada and elsewhere.



Table 1: Osborne-Bell Inferred Mineral Resources

2018 - Osborne-Bell Inferred Mineral Resources			
Cut-off Grade	Tonnes (t)⁽¹⁾	Grade (g/t)	Oz Au⁽¹⁾
> 6.00 g/t	883,000	9.77	277,000
> 5.00 g/t	1,273,000	8.44	346,000
> 4.00 g/t	1,816,000	7.26	424,000
> 3.50 g/t	2,156,000	6.70	465,000
> 3.00 g/t	2,587,000	6.13	510,000
> 2.50 g/t	3,166,000	5.51	560,000

Notes:

(1) Rounded to nearest thousand which may cause apparent discrepancies.

2012 - Osborne-Bell Inferred Mineral Resources					
	Cut-off Grade	Tonnes (t)⁽¹⁾	Grade (g/t)	Oz Au⁽¹⁾	
Indicated	Open Pit	> 0.5 g/t	8,447,900	2.0	544,251
	Underground	> 2.5 g/t	16,000	4.0	2,048
	Total Combined		8,463,800	2.0	546,299
Inferred	Open Pit	> 0.5 g/t	4,997,000	2.7	428,030
	Underground	> 2.5 g/t	3,118,800	8.3	830,959
	Total Combined		8,155,800	4.8	1,258,990

(1) Rounded to nearest thousand which may cause apparent discrepancies.

Source: Osisko Mining Inc.

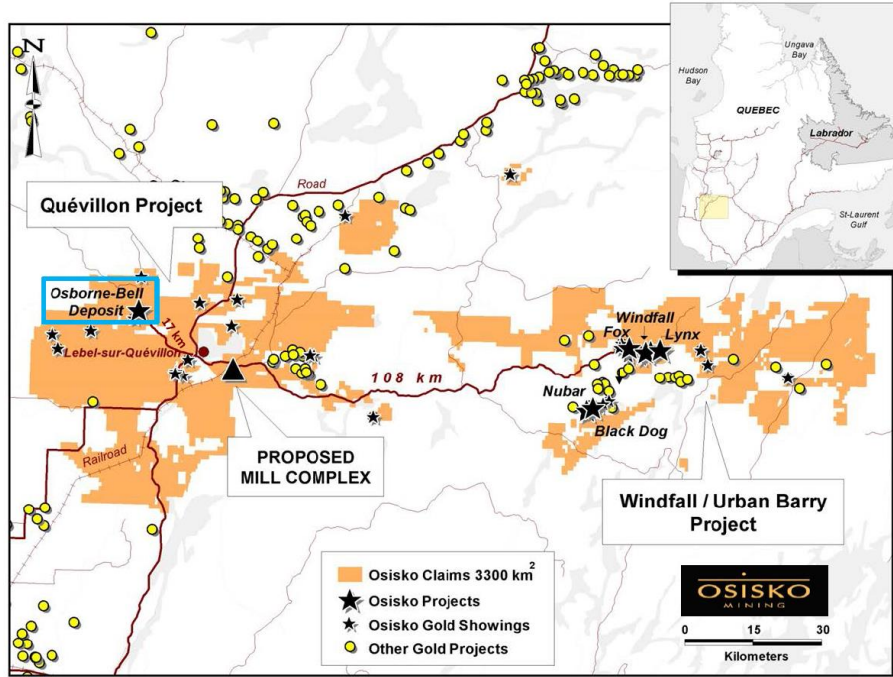
Table 2: Parameters used for 2018 Resource Estimation

Parameters	Unit	Value
Gold Price	US\$/oz	1,300
Exchange Rate	US\$/C\$	1.29
Mill Recovery	%	93
Selling Cost	C\$/t oz	5
Mining Cost	C\$/t mined	80
G&A Cost	C\$/t milled	10
Processing Cost	C\$/t milled	40
Transport	C\$/t milled	18
Calculated Cut-Off Grade	Au g/t	2.96

Source: Osisko Mining Inc.

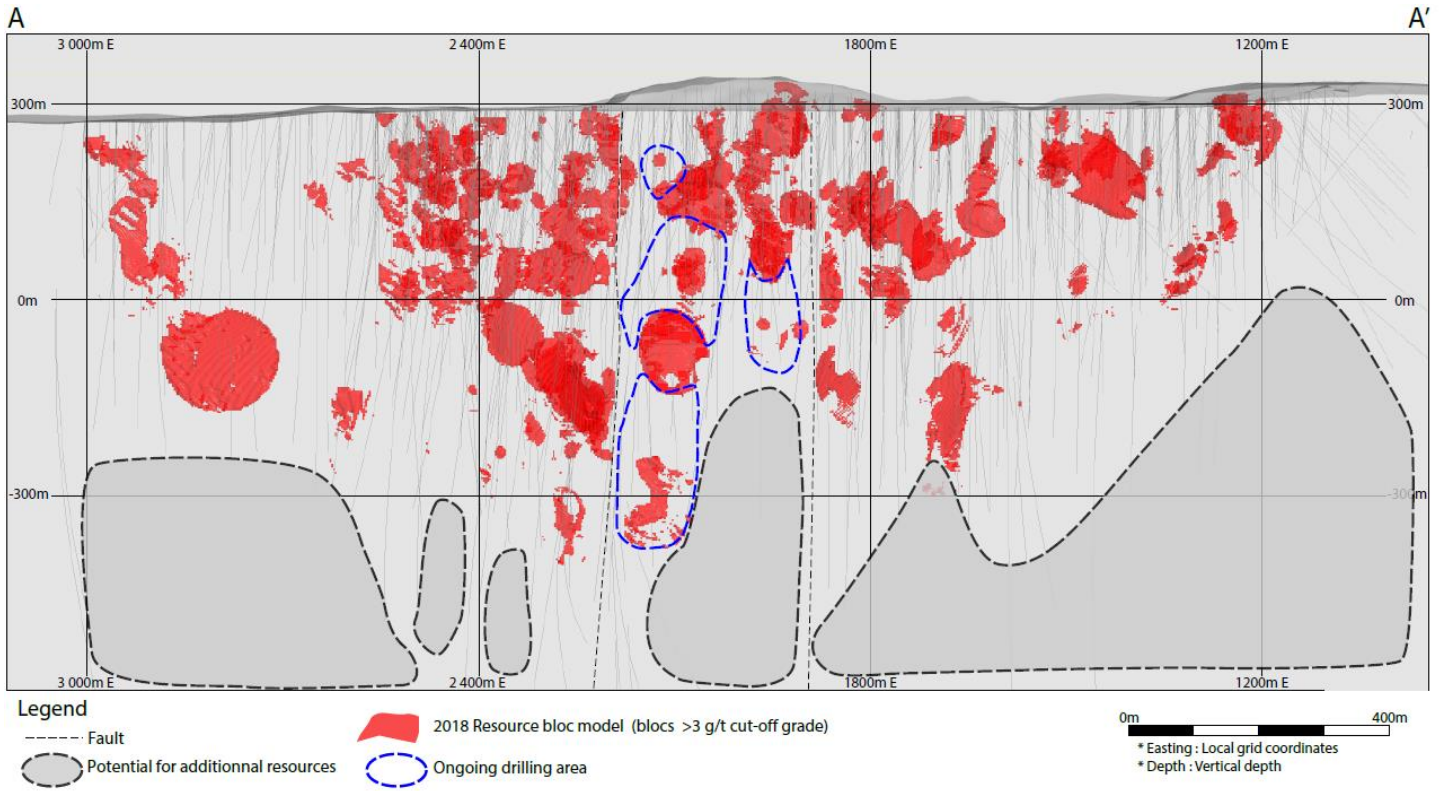


Figure 1: Osborne-Bell Deposit Map Location



Source: Osisko Mining Inc.

Figure 2: Long-section through the Osborne-Bell block model



Source: Osisko Mining Inc.



Osisko Mining Inc. (OSK-T, \$2.58)
Rating: Buy
 Risk: Very High
 Valuation: 1.0x NAV

Target Price (C\$) 6.50
Return (%) 152%
 52 Week High/Low (C\$) \$5.65/\$2.5
 Daily Volume (3-month avg) 533,170

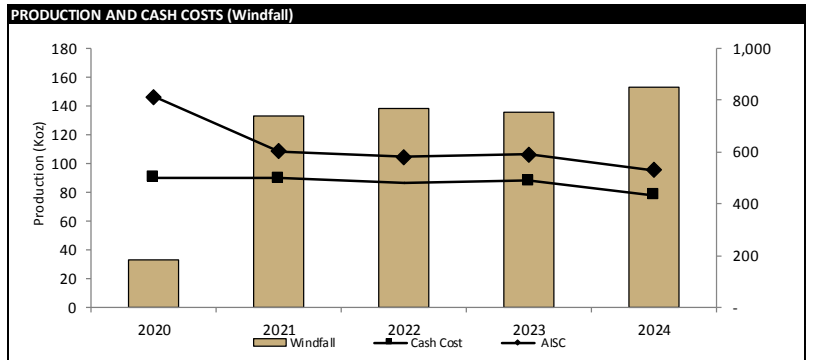
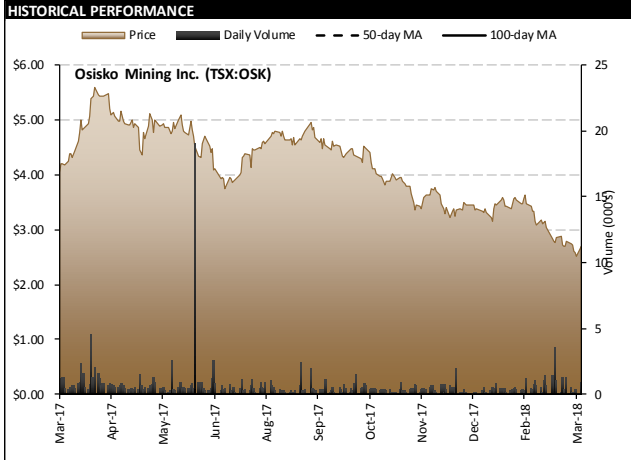
Mkt. Cap, C\$M \$537
 CEO John F. Burzynski
 Company Website
www.osiskomining.com

Capital Structure (as of June 2017)

	Shares	Millions
Shares Outstanding	208.0	
Fully Diluted Shares	249.0	

Ownership (as of June 2017)

	Shares O/S (mln)	% O/S
Osisko Gold Royalties	32.3	15.5%
Tocqueville Asset Management LP	18.5	8.9%
M&G Investment Management Limited	15.1	7.3%
Dundee Resources Limited	11.4	5.5%
Management	9.5	4.6%



TECHNICAL ASSUMPTIONS

	2014A	2015A	2016A	2017E	2018E
Gold (US\$/oz)	\$1,266	\$1,161	\$1,300	\$1,250	\$1,300
Exchange Rate (Cdn\$/US\$)	1.10	1.28	1.32	1.29	1.25

Production Estimates (Windfall)

	2014A	2015A	2016A	2017E	2018E
Gold Production, 000oz	0	0	0	0	0
Cash Costs, US\$/Au sold	\$0	\$0	\$0	\$0	\$0
AISC, US\$/Au sold	\$0	\$0	\$0	\$0	\$0
Capex Spending, US\$/min	\$0	\$1	\$9	\$8	\$8

Resource Estimate* (as of November 2014)

	Tonnes (Mt)	Grade (g/t)	Contained Gold (000 oz)	Mine (Yrs)	EV/oz (US\$/oz)
Windfall Reserves	-	-	-	-	-
Windfall M&I Resources	2.8	8.4	748	-	-
Windfall Inferred Resources	3.5	7.6	860	11	-
Marban Reserves	-	-	-	-	-
Marban M&I Resources	37.1	1.2	1,479	-	-
Marban Inferred Resources	3.6	1.2	133	-	-
Total Reserves & Resources	47.0	3.5	5,225		\$51
Total Haywood Mineable Resource	4.2	9.0	1,215		

*M&I Resources inclusive of Reserves

Financial Summary (\$mln)

Year-end Dec 31	2015A	2016A	2017E	2018E	2019E
Shares Outstanding, mln	58.7	162.0	208.5	230.1	233.5
FD Shares, mln	70.4	190.0	250.2	250.2	250.2
EPS	(0.14)	(0.03)	(0.01)	(0.06)	(0.09)
CF/FOPS	(0.05)	(0.06)	0.01	(0.03)	(0.03)

Income Statement (\$mln)

	2015A	2016A	2017E	2018E	2019E
Revenue	0.0	0.0	0.0	0.0	0.0
Operating Expenses	0.0	0.0	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0	0.0
General & Admin	(2.2)	(3.5)	(6.1)	(6.1)	(6.1)
General Exploration	(0.2)	(0.2)	(0.1)	0.0	0.0
Net Income	(12.6)	(5.2)	(3.1)	(14.6)	(20.0)

Balance Sheet (\$mln)

	2015A	2016A	2017E	2018E	2019E
Cash & Equivalents	56.0	81.3	197.6	136.8	5.6
Debt	0.0	0.0	0.0	40.0	108.0

Cash Flow (\$mln)

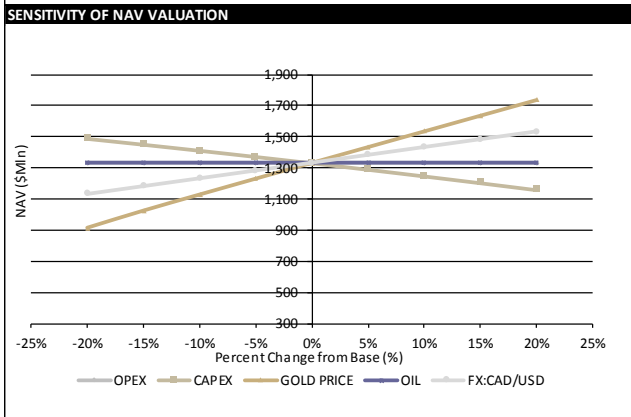
	2015A	2016A	2017E	2018E	2019E
Op. CF (before W/C)	(3.9)	(8.7)	2.5	(6.1)	(6.1)
Financing CF	31.9	91.5	98.7	188.6	257.7
Investing CF	18.8	(54.5)	(34.9)	(234.5)	(374.0)
Change in Cash	45.0	25.3	47.5	(60.8)	(131.2)

NET ASSET VALUE

	(US\$M)	(C\$M)	(C\$/Sh)	Multiple Adj.	(C\$/Sh)
Windfall	\$358	\$464	\$1.96	1.0x	\$1.96
Marban	\$75	\$97	\$0.32	1.0x	\$0.32
Garrison	\$147	\$190	\$0.70	1.0x	\$0.70
Fox In-Situ	\$71	\$91	\$0.44	1.0x	\$0.44
Lynx In-Situ	\$87	\$112	\$0.54	1.0x	\$0.54
Expl. Properties	\$50	\$65	\$0.31	1.0x	\$0.31
Project NAV	\$787	\$1,018	\$4.28		\$4.28
Net Cash, Corp. Adj. (G&A, Options)	\$281	\$363	\$1.70		\$1.70
Total NAV	\$1,068	\$1,381	\$5.98		\$5.98

COMPARABLES

Company	Ticker	Price	MC	EV	Total Resources (Moz)	EV/oz	P/NAV
Balmoral Resources Ltd	TSX:BAR	\$0.42	\$45.0	\$36.9	0.56	\$66	0.43x
Gold Standard Ventures Corp	TSX:GSV	\$2.10	\$410.8	\$385.8	3.59	\$108	0.72x
Marathon Gold Corporation	TSX:MOZ	\$0.90	\$101.6	\$87.7	2.86	\$31	0.52x
Premier Gold Mines Limited	TSX:PG	\$3.05	\$477.3	\$381.1	9.95	\$38	0.70x
Pure Gold Mining Inc.	TSXV:PGM	\$0.54	\$93.3	\$81.4	1.83	\$45	0.53x
Treasury Metals Inc.	TSX:TML	\$0.53	\$50.4	\$51.9	1.56	\$33	0.45x
Selected Company Average						\$53	0.56x
Osisko Mining Inc.	TSX:OSK	\$2.58	\$415.0	\$268.0	7.19	\$37	0.43x



Source: Company Reports, CapitalIQ, Haywood Securities



Risks

Significant Investment Risks

The investment to which this report relates carries various risks, which are reflected in our Overall Risk Rating. We consider the following to be the most significant of these investment risks:

- **Forecast Risk** – Both of Osisko’s primary assets, Windfall and Marban, are non-producing, and while both have undergone considerable exploration over many years, there is no guarantee of when or if either asset will become producing mines. As such, our estimates are based on consideration of the resource estimate and Preliminary Economic Assessment, drill results to date, and our own assumptions generated through discussions with management and analysis of comparable operations. We note that the mine plan outlined in the PEA for Windfall (the Company’s flagship project) is typical of other gold projects in the Abitibi Belt and elsewhere, however, there is potential for this mine plan to change as new information is available and studies are conducted, which could, in turn, affect the project NAV.
- **Political Risk** – Osisko’s focus has increasingly centred on the Abitibi Belt in Quebec, which is considered one of the more politically stable and mining friendly jurisdictions both in Canada and elsewhere. While permits will be required to advance both Windfall and Marban closer to production, we see the risks associated with obtaining these permits as relatively low given the history of mining in the region.
- **Financial Risk** – Osisko does not generate operating cash flow from its core business, and therefore will be reliant on external sources of financing, including future equity financings to fund ongoing operations. We note that the Company currently has approximately \$190 million in cash and investments (as of January 2018), therefore Osisko is well cashed-up to advance its Windfall project towards development. Therefore, we view financial risk as low for the next 2 to 3 years; and as such, we have not included financing assumptions in our valuation. We note that a recent change in focus towards the Windfall project may alter its project portfolio and priorities, including current non-controlling equity interest in other junior exploration companies and other projects beyond its Windfall land holdings.
- **Valuation Risk** – Our valuation assumptions are based on a Discounted Cash Flow (DCF) analysis of the Windfall and Marban projects. Assumptions used in the model for Windfall were derived in part from the Company’s 2015 Preliminary Economic Assessment (PEA) compiled by previous operator Eagle Hill (subsequently acquired by Osisko in 2014), similar projects and operating equivalents within the Abitibi Belt and elsewhere, discussion with Osisko’s management team and Haywood’s commodity price deck. We note that changes in the valuation are subject to market conditions, specifically changes in the gold price (note commodity assumptions are above consensus assumptions) and foreign exchange, as well as other factors.

For further information on our Risk Rating

please visit: <http://haywood.com/what-we-offer/research/research-policy>



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- Haywood Securities, Inc. has reviewed lead projects of Marathon Gold Corp. (MOZ-T), Osisko Mining Corp. (OSK-T), Pure Gold Mining Inc. (PGM-V), Treasury Metals Inc. (TML-T) and a portion of the expenses for this travel may have been reimbursed by the issuer.
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- n/a

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BUY – The analyst believes that the security will outperform other companies in their sector on a risk adjusted basis or for the reasons stated in the research report the analyst believes that the security is deserving of a (continued) BUY rating.

HOLD – The analyst believes that the security is expected to perform in line with other companies in their sector on a risk adjusted basis or for the reasons stated in the research report the analyst believes that the security is deserving of a (continued) HOLD rating.

SELL – Investors are advised to sell the security or hold alternative securities within the sector. Stocks in this category are expected to under-perform other companies on a risk adjusted basis or for the reasons stated in the research report the analyst believes that the security is deserving of a (continued) SELL rating.

TENDER – The analyst is recommending that investors tender to a specific offering for the company's stock.

RESEARCH COMMENT – An analyst comment about an issuer event that does not include a rating or recommendation.

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Overall Risk Rating

Very High Risk: Venture type companies or more established micro, small, mid or large cap companies whose risk profile parameters and/or lack of liquidity warrant such a designation. These companies are only appropriate for investors who have a very high tolerance for risk and volatility and who are capable of incurring temporary or permanent loss of a very significant portion of their investment capital.



High Risk: Typically micro or small cap companies which have an above average investment risk relative to more established or mid to large cap companies. These companies will generally not form part of the broad senior stock market indices and often will have less liquidity than more established mid and large cap companies. These companies are only appropriate for investors who have a high tolerance for risk and volatility and who are capable of incurring a temporary or permanent loss of a significant loss of their investment capital.

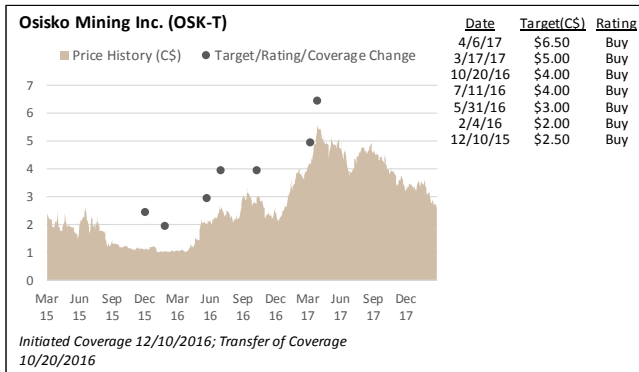
Medium-High Risk: Typically mid to large cap companies that have a medium to high investment risk. These companies will often form part of the broader senior stock market indices or sector specific indices. These companies are only appropriate for investors who have a medium to high tolerance for risk and volatility and who are prepared to accept general stock market risk including the risk of a temporary or permanent loss of some of their investment capital

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Distribution of Ratings (as of March 15, 2018)

	%	#	IB Clients (TTM)
Buy	72.7%	72	96.3%
Hold	11.1%	11	3.7%
Sell	1.0%	1	0.0%
Tender	2.0%	2	0.0%
UR (Buy)	0.0%	0	0.0%
UR (Hold)	0.0%	0	0.0%
UR (Sell)	0.0%	0	0.0%
Dropped (TTM)	13.1%	13	0.0%

Price Chart, Rating and Target Price History (as of March 15, 2018)



B: Buy; H: Hold; S: Sell; T: Tender; UR: Under Review
 Source: Capital IQ and Haywood Securities

Canadian Equity Research

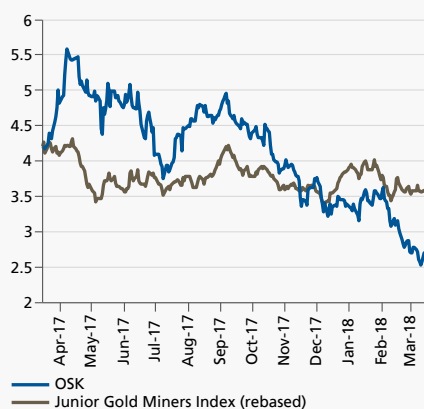
15 March 2018

SPECULATIVE BUY*unchanged***PRICE TARGET** C\$7.00*unchanged*

Price (15-Mar) C\$2.62

Ticker OSK-TSX

52-Week Range (C\$):	2.50 - 5.65
Avg Daily Vol (M) :	0.8
Market Cap (C\$M):	545
Shares Out. (M) :	207.8
EV /oz (C\$):	65.75
Enterprise Value (C\$M):	433
Cash (C\$M):	111.5
Long-Term Debt (C\$M):	0.0
NAV /Shr (C\$):	6.79
NAV /Shr (5%) (C\$):	7.97
P/NAV (x) (C\$):	0.39
Website:	www.osisko.com



Source: FactSet

Priced as of close of business 15 March 2018

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Company Update**Osborne-Bell, an emerging satellite deposit**

Event: Osisko announced a resource estimate for its 100%-owned Osborne-Bell project located outside of Lebel-sur-Quevillon, Quebec. The project is located 112km west of Osisko's flagship Windfall Lake project, and 30km NW of the company's proposed 1,900tpd centralized milling complex (Figure 1).

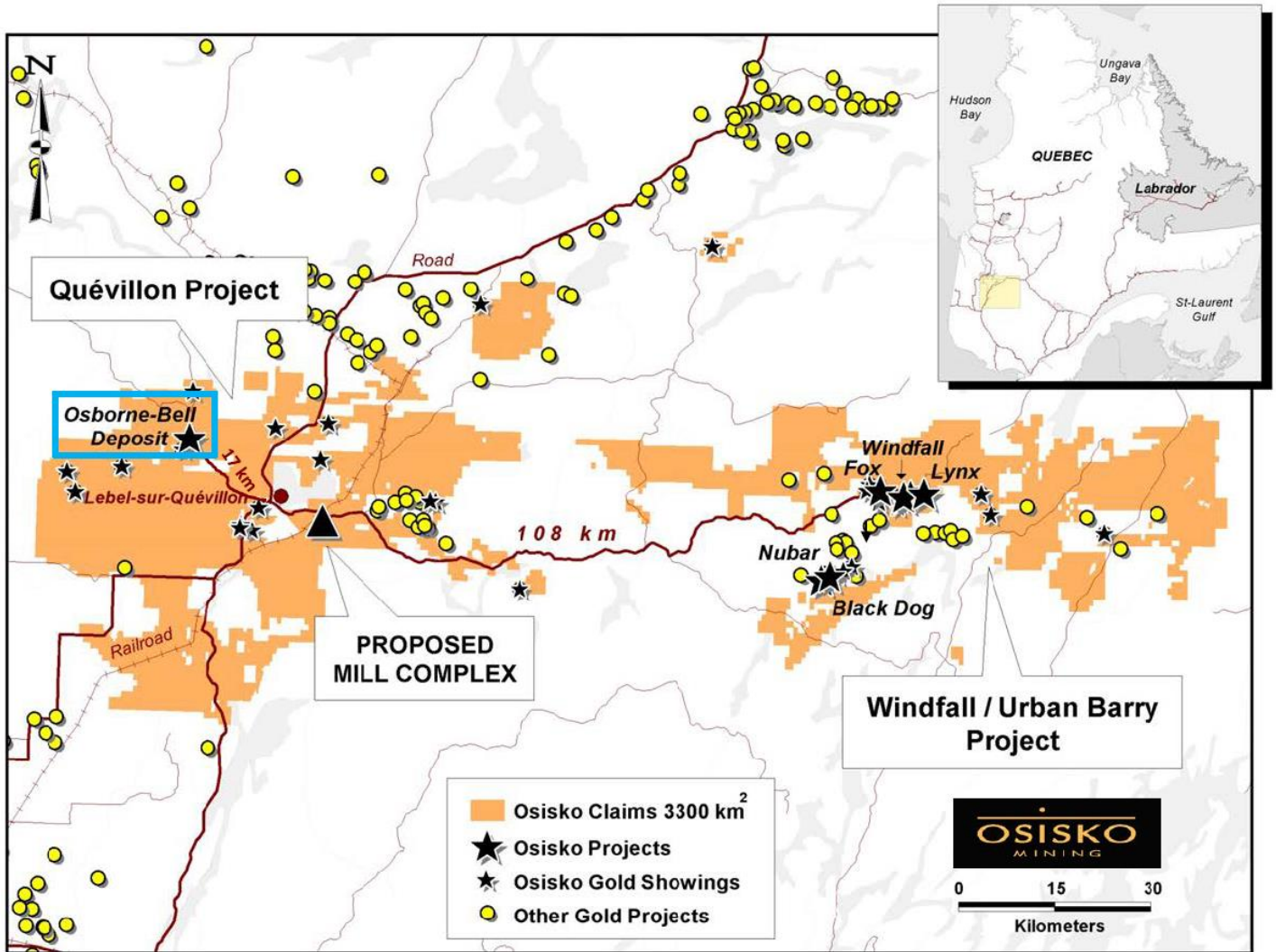
Discussion:

- The announced Osborne-Bell resource estimate outlines a total Inferred resource of 510,000oz grading 6.13g/t Au, assuming 3.0g/t cut-off (Figure 3). The resource comprises 927 drill holes completed by previous project operators (279,925m), including 4 holes completed by Osisko in December 2017. At present, Osisko is conducting a 50,000m definition/extension drill program at Osborne-Bell, with the goal of A) upgrading the current resource to M+I and B) further expanding the project's resource base.
- Osisko acquired the Osborne-Bell project through bankruptcy proceedings (Maudore Minerals) in early 2017. Total considerations for the acquisition consisted of \$1.0M in cash and the issuance of 100,000 shares (~US\$2.25/oz acquisition cost based on current resource). In combination with this acquisition, Osisko also staked a total of 157,000ha of land around the Osborne-Bell project, bringing the total Quevillon Project property holdings to 216,000ha.
- We note that the Osborne-Bell project previously hosted a historical resource base of 1.8Moz, which was calculated in 2012. We view this resource to be more of a marketing level estimate given its low operating cost/higher commodity price assumptions, and lack of grade capping (among other things). In contrast to the historical estimate, Osisko's capped estimate is focused on zones of mineralization for which management believes can be upgraded to M+I, that centered on an underground mining scenario (historical resource 54% open pit).
- Limited drill testing has been conducted to date on the project's satellite targets, with notable intercepts such as 26.3g/t Au over 3.3m intersected in the Comtois NW Zone (12km NE of Osborne-Bell) and 18.40g/t Au over 1.5m within the Hudson Zone (8km north of Osborne-Bell) highlighting the project's local exploration upside (Figure 4).

Impact: Positive. This initial project resource estimate by Osisko provides further support for the company's long-term goal of establishing a multi-feed source, centralized processing facility within the emerging Urban Barry-Quevillon district.

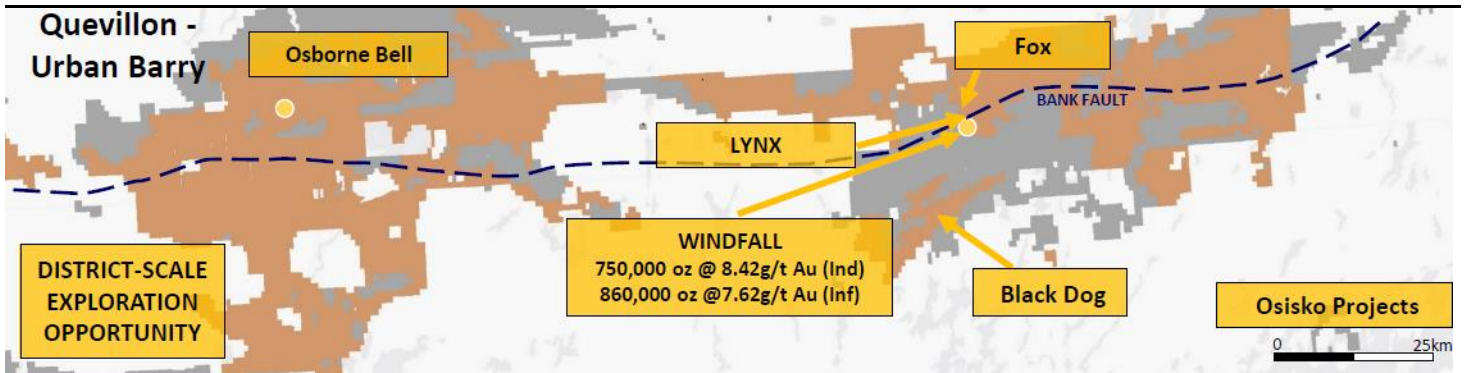
Valuation: We have adjusted our valuation of Osisko to reflect the results of the updated Osborne-Bell project resource. Our consolidated model now projects 581,000oz from Osborne-Bell at a grade of 6.70g/t Au (previously 725,000oz at 8.80g/t Au). This assumes a 3.5g/t Au cut-off and 25% mineralized plunge extension. We have also adjusted our model to reflect Osisko's 2017A financial position and CG's Q1/18 updated forward curve (LT gold: US\$1,499/oz vs. US\$1,433/oz previously). Through these adjustments, we derive an updated Corporate NAV of \$6.79/sh (previously \$6.84/sh). We maintain our \$7.00/sh target price and SPECULATIVE BUY recommendation.

Figure 1: Osborne-Bell project location map. The project benefits from established local infrastructure, which includes road access from a major highway and close proximity to the James Bay powerline



Source: Company Reports

Figure 2: Quevillon–Urban Barry district map, highlighting Osisko’s projects relative to the regional Bank Fault



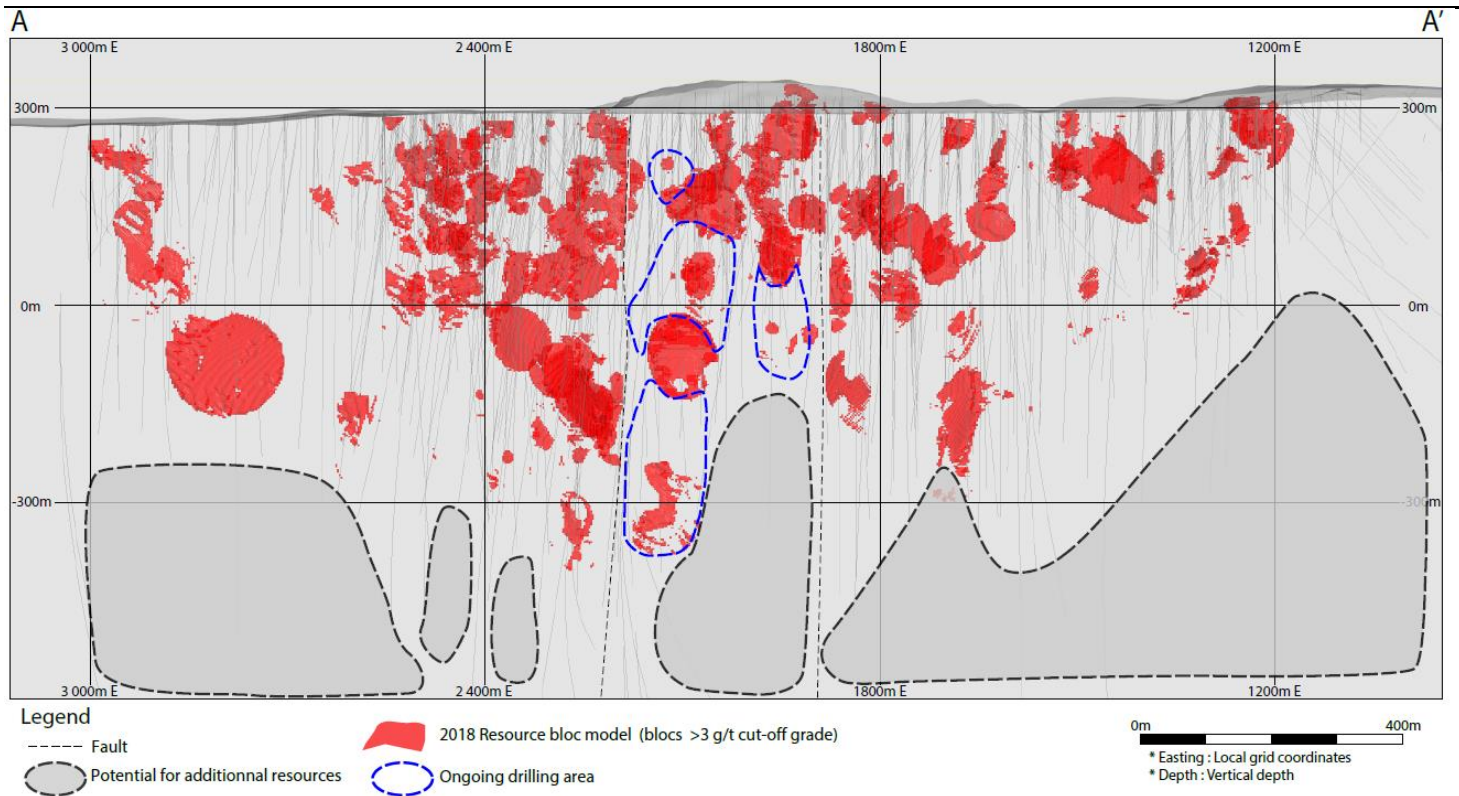
Source: Company Reports

Figure 3: Osborne-Bell – 2018 Inferred mineral resource estimate

Cut-off Grade	Tonnes	Grade (g/t)	Contained Oz Au
>6.00 g/t	883,000	9.77	277,000
> 5.00 g/t	1,273,000	8.44	346,000
> 4.00 g/t	1,816,000	7.26	424,000
> 3.50 g/t	2,156,000	6.70	465,000
> 3.00 g/t	2,587,000	6.13	510,000
> 2.50 g/t	3,166,000	5.51	560,000

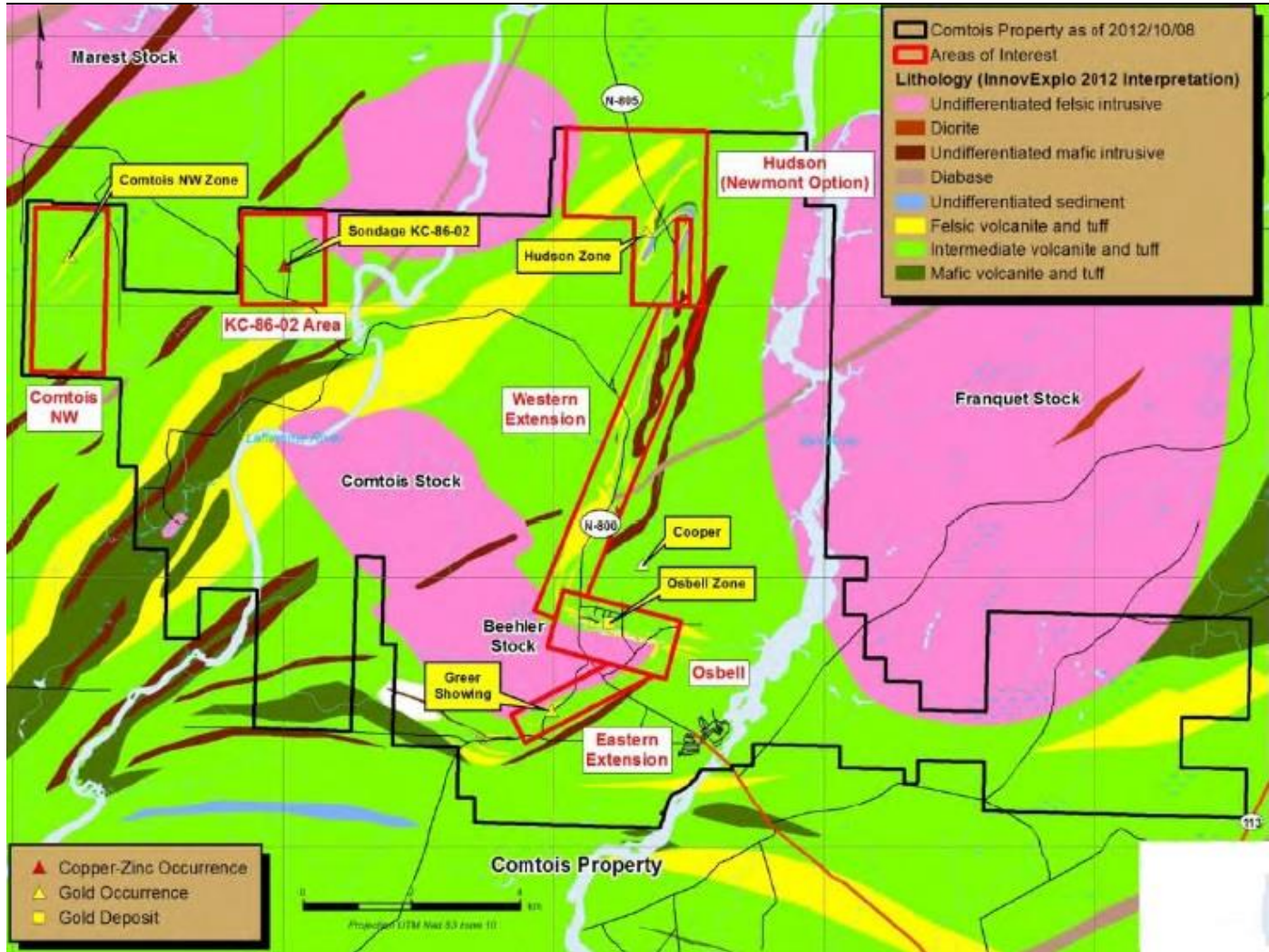
Source: Company Reports
Assumptions: US\$1,300/oz Au, C\$148/t OPEX, 93% recovery
Grade capping: 25-55g/t Au

Figure 4: Osborne-Bell deposit longitudinal section (looking north 195 degrees, 600m thick section)



Source: Company Reports

Figure 5: Local geology and location of mineral occurrences (2012 Technical Report)



Source: Maudore Minerals Ltd. corporate presentation (August 31, 2011)

Figure 6: Osisko Mining Inc. – Investment Summary



Source: Company Reports, FactSet, Bloomberg, Canaccord Genuity estimates

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Investment Recommendation

Date and time of first dissemination: March 15, 2018, 15:51 ET

Date and time of production: March 15, 2018, 15:51 ET

Target Price / Valuation Methodology:

Osisko Mining Inc. - OSK

Our target price is predicated on a C\$1,881M NPV7% valuation of Osisko's Windfall asset plus other non-operating and balance sheet items.

Risks to achieving Target Price / Valuation:

Osisko Mining Inc. - OSK

The typical risks associated with any mining investment include commodity and exchange rate risk, financing, permitting and technical (development/operating) risk. In particular, investors considering an investment in Osisko should consider the risks associated with the early stage nature of the Windfall project and associated reserve definition and engineering challenges. We highlight that although the Windfall project has sufficient exploration/development momentum, there is no guarantee that ongoing drilling will be successful in reaching the resource benchmarks set out in our valuation.

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Global Stock Ratings (as of 03/15/18)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	566	61.06%	40.46%
Hold	242	26.11%	25.62%
Sell	19	2.05%	10.53%
Speculative Buy	100	10.79%	61.00%
	927*	100.0%	

*Total includes stocks that are Under Review

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HOLD: The stock is expected to generate risk-adjusted returns of 0-10% during the next 12 months.

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Osisko Mining Inc.

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Rating: Buy, Risk: Speculative, Target: C\$6.25

OSK C\$2.62, TSX

Osborne-Bell initial resource—positive first step to finding additional ore source

The Desjardins Takeaway: Slightly positive

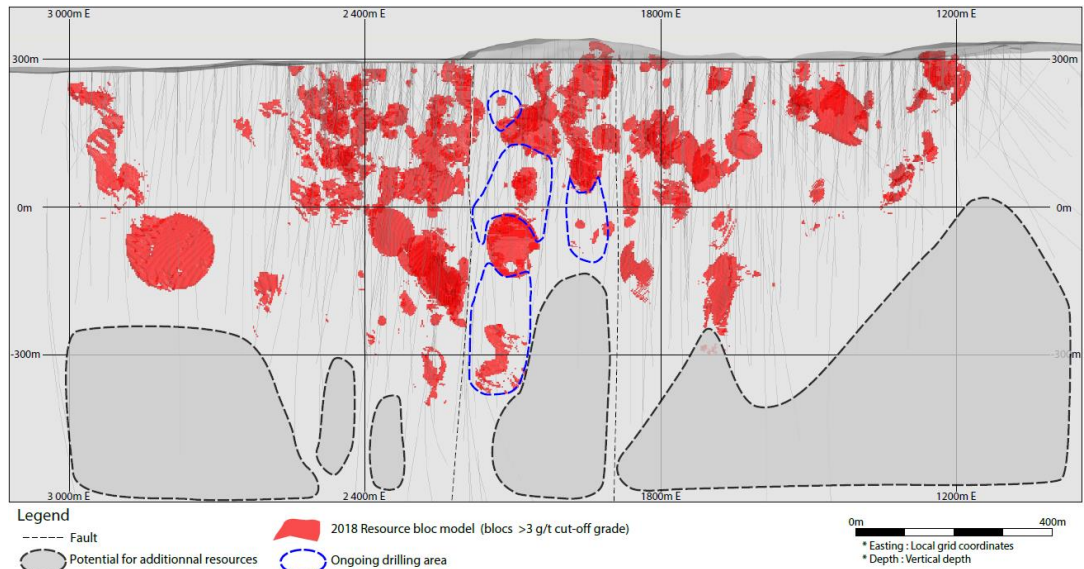
Osisko Mining released a new mineral resource estimate for its Osborne-Bell deposit of 2.59m tonnes grading 6.13g/t for 510koz Au (at a 3.0g/t cut-off). The historical resource by previous owner Maudore Minerals Ltd. considered mostly an open pit scenario and contained a similar amount of gold ounces (~540koz) but at a lower grade of 2.0g/t. The new estimate assumes an underground mining scenario and currently contains inferred material based largely on historical drilling by the prior operator, but also includes four verification holes completed by OSK in December 2017.

Overall, the above resource estimate is a positive first step toward confirming OSK's development plans in the region and brings it closer to finalizing infrastructure placement and a resource extraction strategy. The Osborne-Bell deposit remains open at depth and OSK plans to complete 50,000 metres of new drilling at the site in 2018. For a long-section view clearly depicting the current mineralized zones at Osborne-Bell, please see Exhibit 1.

The Osborne-Bell deposit is very close in proximity (~15km) to the proposed mill site for the Windfall operation, and we believe Osborne-Bell could be a future source of ore for a mill expansion later in Windfall's life-of-mine. Recall that potentially by 2021, OSK intends to start the Windfall-Lynx operation at 1,900tpd, with the proposed mill facility at Lebel-sur-Quévillon (~110km from Windfall), and to truck ore to the mill. Given this initial scenario, OSK has indicated a potential future expansion of the mill, which we model by 2024; this is where the Osborne-Bell deposit assumes importance as an additional ore source given its proximity to the proposed mill site.



Exhibit 1: Long section of Osborne-Bell drill holes and contingent block model



Source: Desjardins Capital Markets, company reports

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Osisko Mining Inc. rating history as of 14-Mar-18

powered by: BlueMatrix



Chart legend: TP: Top Pick, B: Buy, H: Hold, S: Sell, NR: Not Rated, I: Company initiation, T: Transfer of coverage, S: Coverage suspended, DC: Coverage dropped

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Osisko Mining (OSK CN) – Osborne-Bell resource released of 510 Koz at 6.1 g/t

Sentiment Indicator : **positive**

Produced by Rollins, Dan (RBC Dominion Securities Inc.) on Thursday, March 15, 2018, 10:08 AM ET

Disseminated on Thursday, March 15, 2018, 10:12 AM ET

We expect a slight positive reaction from Osisko shares following the release of an Inferred resource on the Osborne-Bell project in Quebec of 510 Koz at 6.1 g/t Au. The deposit is located within proximity of a planned future mill for the company's Windfall-Lynx deposit. The deposit remains open at depth and exploration is expected to continue into 2018 under a 50,000 m drill program. We expect investors to continue to focus on the upcoming resource update at Windfall-Lynx, expected in May and initial economic study in June.

Resource at Osborne-Bell released

- 1 An Inferred resource of 2.6 Mt at 6.13 g/t Au (510 Koz Au) at a 3.0 g/t Au cut-off was released using a \$1,300/oz gold price assumption
 - o The resource estimate was based on historic drilling, which included ~54 drill holes since the last resource estimate was published in 2012, with the deposit remaining open at depth below 500 m

Company Name	Exchange	Ticker	Rating	Risk Qualifier	Price Target	Currency	Price	Price Date
Osisko Mining Inc.	Toronto SE	OSK.TO	Outperform	Speculative Risk	5.75	Canadian Dollar	2.61	15 Mar 2018 10:12:46 ET

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Click here for conflict of interest and other disclosures relating to [Osisko Mining Inc.](#), [Dan Rollins](#) These disclosures are also available by sending a written request to RBC Capital Markets Research Publishing, P.O. Box 50, 200 Bay Street, Royal Bank Plaza, 29th Floor, South Tower, Toronto, Ontario M5J 2W7 or an email to rbcsight@rbccm.com