

Osisko Metals Sells an Additional 5% Interest in Pine Point to Appian

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MONTREAL, Feb. 22, 2024 - [Osisko Metals Inc.](#) (the "Company" or "Osisko Metals") (TSX-V: OM; OTCQX: OMZNF; FRANKFURT: 0B51) is pleased to announce that it has sold an additional 5% ownership interest in [Pine Point Mining Ltd.](#) ("PPML") to a subsidiary of Appian Natural Resources Fund III LP ("Appian"), a fund advised by Appian Capital Advisory LLP, a London-based private equity group specializing in the acquisition and development of mining assets, for an expected payment of approximately C\$8.33 million (based on certain assumptions and estimates outlined below) of which (i) approximately C\$6.66 million in cash was paid to Osisko Metals in connection with closing of the transaction, and (ii) the remaining amount (if any), estimated to be approximately C\$1.67 million based on certain budget assumptions and estimates of management required to advance the Pine Point Project to a positive FID (as defined below), to be paid as a milestone payment to Osisko Metals upon a positive FID (if at all) (the "Additional Interest Disposition"). PPML is a joint venture entity jointly owned by the Company and Appian, which holds the Pine Point Project. The Additional Interest Disposition is a non-arm's length transaction within the policies of the TSX Venture Exchange (the "Exchange") as Appian is a non-arm's length party of PPML, an affiliate of the Company.

Robert Wares, CEO and Chairman of the Board, commented: *"The sale of the additional five percent interest in Pine Point to Appian will allow the Company to advance the Gaspé Copper project without resorting to an additional equity financing, which in the current market would be excessively dilutive. We thank Appian for their committed interest in the Pine Point Project and look forward to a continued productive joint venture."*

As additional background, the Company and Appian formed a joint venture in respect of PPML on April 6, 2023 pursuant to which, among other things, Appian is entitled to earn up to a 60% ownership interest in PPML by satisfying certain funding obligations in respect of the Pine Point project. See the Company's news release dated April 6, 2023 entitled *"Osisko Metals Announces Successful Closing of Previously-Announced Joint Venture Transaction with Appian"*. Pursuant to the Additional Interest Disposition, the Company and Appian entered into (i) an amending agreement to the investment agreement dated February 21, 2023, and (ii) amendment and restatement of the joint venture company agreement dated April 6, 2023 to, among other things, provide for the following amendments to the joint venture:

- Increase in the target ownership interest by Appian in PPML from 60% to 65% - Appian will commit to funding all cash calls issued by the board of PPML to Appian until Appian has acquired an ownership interest of 65%.
- Board Size and Composition - Prior to the amendments, the board of directors of PPML consisted of four directors (two nominees from Appian and two nominees from Osisko Metals), with Appian having the right to appoint the Chair and the Chair having the casting vote. Pursuant to the amendments and subject to certain exceptions, the default board of directors of PPML shall consist of five directors (three nominees from Appian and two nominees from Osisko Metals). During any period in which Appian holds less than 65% of the shares of PPML and terminated its buyer commitments, the PPML board will consist of four directors, with Appian and Osisko Metals having the right to nominate two directors each, subject to certain exceptions.
- Casting Vote - In exchange for increasing the nominees of Appian to the board of directors of PPML from two to three nominees, the threshold for a casting vote by the Chair has been increased from 60% to 65% in the event Appian holds more than 50% but less than 65% of the shares of PPML and has terminated its buyer commitments.

The increase in Appian's target ownership interest in PPML from 60% to 65% is expected to result in additional proceeds to Osisko Metals of C\$8.33 million, of which (i) approximately C\$6.66 million in cash was paid to Osisko Metals in connection with the closing of the transaction, and (ii) the remaining amount (if any), estimated to be approximately C\$1.67 million, will be paid as a milestone payment to Osisko Metals upon a positive final investment decision on the Pine Point Project ("FID") (which amount represents the estimated increase in the milestone payment on account of the Additional Interest Disposition relative to the initial joint venture target ownership structure, based on the estimated budget of C\$75.3 million to take the Pine Point Project to FID since the commencement of the joint venture). See the Company's news release dated

February 22, 2023 entitled "*Osisko Metals Signs C\$100 Million Investment Agreement with Appian Natural Resources Fund for a Joint Venture on Pine Point*". After giving effect to the Additional Interest Disposition and based on the estimated budget of C\$75.3 million to take the Pine Point Project to FID (and related assumptions therein), the milestone payment upon positive FID to bring Appian's ownership in PPML to 65% is expected to be approximately C\$18.03 million. The final milestone payment will increase or decrease should the actual amount spent to FID differ from the estimated budget of C\$75.3 million. There can be no certainty that the actual costs will be aligned with estimated budget or that any milestone payment will be made to Osisko Metals at all or that positive FID or construction decision on Pine Point Project will be achieved as budgeted or at all.

No other material changes are contemplated to the key terms of the joint venture arrangement between the parties as outlined in the investment agreement dated February 21, 2023 and joint venture company agreement dated April 6, 2023, which are available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile.

The Additional Interest Disposition remains subject to the final approval of the Exchange.

Advisors

Maxit Capital LP acted as financial advisor to Osisko Metals and Bennett Jones LLP acted as legal counsel to Osisko Metals in connection with the Additional Interest Disposition.

About Osisko Metals

[Osisko Metals Inc.](#) is a Canadian exploration and development company creating value in the critical metals space, more specifically copper and zinc. The Company is a joint venture partner with Appian Capital Advisory LLP for the advancement of one of Canada's premier past-producing zinc mining camps, the Pine Point Project, located in the Northwest Territories, for which the 2022 PEA (as defined herein) has indicated an after-tax NPV of C\$602 million and an IRR of 25%, based on long-term zinc price of US\$1.37/lb and the current mineral resource estimates that are amenable to open pit and shallow underground mining. The current mineral resource estimate in the 2022 PEA consists of 15.7Mt grading 5.55% ZnEq of Indicated Mineral Resources and 47.2Mt grading 5.94% ZnEq of Inferred Mineral Resources. Please refer to the technical report entitled "*Preliminary Economic Assessment, Pine Point Project, Hay River, Northwest Territories, Canada*" dated August 26, 2022 (with an effective date of July 30, 2022), which was prepared for Osisko Metals and PPML by representatives of BBA Engineering Inc., HydroRessources Inc., PLR Resources Inc. and WSP Canada Inc. (the "2022 PEA"). Please refer to the full text of the 2022 PEA, a copy of which is available on SEDAR+ (www.sedarplus.ca) under the Osisko Metals' issuer profile, for the assumptions, methodologies, qualifications and limitations described therein. The Pine Point Project is located on the south shore of Great Slave Lake in the Northwest Territories, near infrastructure, with paved highway access, an electrical substation, as well as 100 kilometres of viable haulage roads. In addition, the Company also acquired in July 2023, from Glencore Canada Corporation, a 100% interest in the past-producing Gaspé Copper Mine, located near Murdochville in the Gaspé peninsula of Québec. The Company is currently focused on resource evaluation of the Mount Copper Expansion Project that hosts an Inferred Mineral Resource (in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*) of 456Mt grading 0.31% Cu (see April 28, 2022 news release of Osisko Metals entitled "*Osisko Metals Announces Maiden Resource at Gaspé Copper - Inferred Resource of 456Mt Grading 0.31% Copper*"). Gaspé Copper hosts the largest undeveloped copper resource in Eastern North America, strategically located near existing infrastructure in the mining-friendly province of Québec.

About Appian Capital Advisory LLP

Appian Capital Advisory LLP is the investment advisor to long-term value-focused private capital funds that invest solely in mining and mining-related companies.

Appian is a leading investment advisor in the metals and mining industry, with global experience across South America, North America, Australia and Africa and a successful track record of supporting companies to achieve their development targets, with a global operating portfolio overseeing nearly 7,000 employees.

Appian has a global team of 81 experienced professionals with presences in London, New York, Toronto,

Vancouver, Lima, Belo Horizonte, Montreal, Dubai, Johannesburg and Perth.

For more information please visit www.appiancapitaladvisory.com, or find us on LinkedIn, Instagram or Twitter/X.

For further information on this press release, visit www.osiskometals.com or contact:

Robert Wares, Chairman & CEO of [Osisko Metals Inc.](http://www.osiskometals.com)

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Cautionary Statement on Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation based on expectations, estimates and projections as at the date of this news release. Any statement that involves predictions, expectations, interpretations, beliefs, plans, projections, objectives, assumptions, future events or performance are not statements of historical fact and constitute forward-looking information. This news release may contain forward-looking information pertaining to the Pine Point Project, including, among other things, the results of the 2022 PEA and the IRR, NPV and estimated costs, production, production rate and mine life; the expectation that the Pine Point Project will be a robust operation and profitable at a variety of prices and assumptions; the size of the copper resource located in the Gaspé Copper Mine; the ability to identify additional resources and reserves (if any) and exploit such resources and reserves on an economic basis; the expected high quality of the Pine Point concentrates; the Pine Point Project having the potential for mineral resource expansion and new discoveries; the timing and ability for the Pine Point Project to reach FID or construction decision (if at all); the estimated costs to take the Pine Point Project to reach FID or construction decision; the amount of milestone payments to be received by Osisko Metals in the future (if at all); the impact to the Company of the disposition of ownership interest in the Pine Point Project; the benefit, if any, of the Additional Interest Disposition to Osisko Metals, including the impact of the increase in target ownership by Appian in PPML; the ability to obtain the final approval of the Exchange in a timely manner (if at all); and the ability of the Company to advance Gaspé Copper project without additional equity financing. There can be no certainty on the timing, costs and ability for the joint-venture parties to take the Pine Point Project to reach construction decision or pursue planned exploration and development as presently contemplated.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including, without limitation, assumptions about; favourable equity and debt capital markets; the ability and timing for the parties to fund cash calls to advance the development of the Pine Point Project and pursue planned exploration and development; the total cost required to bring the Pine Point Project to FID (and the assumptions underlying such model); the expected payments (if any) to Osisko Metals (and the assumptions underlying such model); the estimated costs to advance Gaspé Copper project; the ability to obtain additional financing as needed to advance Gaspé Copper project in a manner that is not dilutive or at all; future prices of zinc and lead; the timing and results of exploration and drilling programs; the accuracy of mineral resource estimates; production costs; operating conditions being favourable; political and regulatory stability; the receipt of governmental and third party approvals; licenses and permits being received on favourable terms; sustained labour stability; stability in financial and capital markets; availability of equipment; the economic viability of the Pine Point Project; and positive relations with local groups. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Factors that could cause actual results to differ materially from such forward-looking information are set out in the Company's public documents filed at www.sedarplus.ca. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

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