



## OSISKO METALS ANNOUNCES SIGNING OF AN OPTION AGREEMENT TO ACQUIRE GASPÉ COPPER MINE FROM GLENCORE CANADA

(Montreal – March 28, 2022) Osisko Metals Incorporated (the “**Company**” or “**Osisko Metals**”) ([TSX-V: OM](#); [OTCQX: OMZNF](#); [FRANKFURT: 0B51](#)) is pleased to announce that it signed, on March 25 2022, a binding term sheet with Glencore Canada Corporation (“**Glencore**” and collectively the “**Parties**”), providing Osisko Metals with an option (the “**Option**”) to acquire a 100% interest in the past-producing Gaspé Copper Mine (“**Gaspé Copper**”) located near Murdochville, Québec for an up-front payment of US\$25 million, to be paid by Osisko Metals by way of a convertible note issued to Glencore upon the successful closing of the transaction, and a cash payment of US\$20 million, payable upon start of commercial production. The Company must also incur drilling costs of C\$5 million before June 30, 2022, to test oxidation levels within the mineralization that surrounds the historical Mount Copper open pit deposit.

### **Gaspé Copper Option Overview**

Assuming exercise of the Option, the acquisition by Osisko Metals of Gaspé Copper could provide the following benefits to the Company:

- Transformational acquisition for the Company, providing shareholder exposure to a significant copper development asset that is located in a safe jurisdiction with an excellent track record of mine permitting, especially for metals critical to global decarbonization objectives;
- Substantial exploration and resource development potential at Gaspé Copper, which includes the past-producing Mount Copper open pit mine, the higher-grade Needle Mountain and E-Zone underground mines, as well as the undeveloped Porphyry Mountain bulk tonnage deposit;
- Drill program to start in April 2022 for the purpose of validating an internal resource model and the oxidation levels of mineralization at the Mount Copper deposit, which is a critical phase of due diligence on the project that will lead to a decision on whether to exercise the Option before June 30 2022, and
- Supportive infrastructure necessary for mine development is already in place, including green hydroelectric power with an electrical substation on the former mine site.

Osisko Metals will host a conference call at 10:00AM ET. Participants are requested to log in 15 minutes prior to the call using the following numbers:

Participant Toll-Free Dial-In Number: 1 (888) 880-5501

Participant Toll Dial-In Number: 1 (438) 800-1833

A digital recording of the conference call will be available for replay two hours after the call's completion until March 31<sup>st</sup> 2022. To access the recording, please use the dial-in number listed below and the following conference ID 3093894.

Toll Free Dial in Number: 1- 800- 770- 2030

Toll Dial in Number: 1- 647- 362- 9199

**Robert Wares, Chairman & CEO, commented:** “Gaspé Copper was a significant copper producer in Eastern Canada for over forty years, and we believe in the potential to unlock value from this asset through drilling and re-evaluation of remaining resources. If our internal model is validated, we expect to close the transaction and release a maiden Inferred Mineral Resource estimate on the Mount Copper deposit this year.”

“The successful closing of this transaction will give Osisko Metals shareholders significant copper exposure and make Glencore a major shareholder of the Company. We welcome the new partnership with Glencore and look forward to other collaborative opportunities that the partnership may bring. In addition to the ongoing development of our Pine Point zinc-lead project, we are convinced that this combination of projects will cement Osisko Metals’ position as one of the premier base metal development companies in Canada. Our combined expertise will allow us to rapidly advance both projects and create shareholder value in safe jurisdictions with a celebrated mining history.”

### **Transaction Overview**

- Glencore has granted Osisko Metals an exclusive Option to acquire 100% of its interest in the past-producing Gaspé Copper mine, subject to the following terms:
  - The Company incurring drilling costs of C\$5 million to test oxidation levels within the mineralization that surrounds the historical Mount Copper open pit deposit;
  - Completion by the Parties of all necessary due diligence inquiries of the other Party, and negotiating any outstanding matters by the Parties, and
  - Provide a letter indicating its intent to exercise the option by **June 30, 2022**.
- The Parties will work toward finalizing and signing a Definitive Agreement and all related documents no later than **May 16, 2022**, which will only become effective upon exercise of the Option.
- Once Osisko Metals has exercised the Option, if at all, and the Definitive Agreement and all related documents are signed by the Parties, then the Parties will have three months (on or before **September 30, 2022**) to close the transaction, including the payment by Osisko Metals to Glencore of the US\$25 million purchase price. The payment will be paid by way of issuance of a convertible note to Glencore.
- The note will be convertible by Glencore into units of Osisko Metals at a price of \$0.40 per unit. Each unit will consist of one share and a half-warrant. Each whole warrant will entitle Glencore to acquire one common share of Osisko Metals at a price of \$0.46 per share for a period of 3 years.

- Glencore will retain a 1% NSR on the Mount Copper sulphide deposit and a 3% NSR on all other mineral products extracted from the property.
- Osisko Metals will incur a total of C\$55 million in exploration and development expenditures, including permitting expenditures, over a period of four years of the date of the Definitive Agreement, with a minimum of C\$20 million to be incurred within the first two years of the date of the Definitive Agreement.
- Glencore will retain a commercially reasonable offtake for 100% of concentrates produced during the renewed life of mine at Gaspé Copper.
- Osisko Metals will pay to Glencore an additional cash consideration of US\$20M upon commencement of commercial production at Gaspé Copper.

The Option and acquisition by Osisko Metals of a 100% interest in Gaspé Copper remain subject to, among other things, the approval of (i) the TSX Venture Exchange, and (ii) the shareholders of Osisko Metals to authorize Glencore to become, upon and only upon conversion of the note, a "control person" of the Company.

### **History of Gaspé Copper Mines**

From the initial discoveries in 1921, Gaspé Copper (formerly subsidiary of Noranda Inc.) mined the porphyry copper/skarn complex and produced copper concentrate continuously from 1955 until the closure of the mine in 1999. Production started with the Needle Mountain open pit then expanded to operating the Mount Copper open pit that was supplemented with feed from the extensive high-grade underground skarn mineralization (B and C Zone deposits) as well as the massive sulfide skarn and manto deposits of the underground E Zone.

During its mine life, a total of 150 million tonnes grading an average of 0.87% Cu with minor gold and silver credits was extracted (Hussey&Bernard, SME Journal, August 1998), making it one of the largest copper operations in Eastern Canada.

### **Location and Infrastructure**

Gaspé Copper is located next to the community of Murdochville, in the Gaspé Peninsula of Eastern Quebec, approximately 825km east of Montreal. All necessary support infrastructure for the potential re-opening of Gaspé Copper is already in place. The former mine site benefits from paved road access with local highway 198 linking Murdochville with the coastal community of Gaspé. Green hydroelectric power with an electrical substation is located on-site.

### **Qualified Person**

Mr. Jeff Hussey, P. Geo., is the Qualified Person and President/COO for Osisko Metals Incorporated. He is responsible for the technical data reported in this news release and he is a Professional Geologist registered in Quebec.

### **About Osisko Metals**

Osisko Metals Incorporated is a Canadian exploration and development company creating value in the base metal space. The Company controls one of Canada's premier past-producing zinc mining camps, the Pine Point Project, located in the Northwest Territories for which the 2020 PEA has indicated an after-tax NPV of \$500M and an IRR of 29.6%. The Pine Point Project PEA is

based on current Mineral Resource Estimates that are amenable to open pit and shallow underground mining and consist of 12.9Mt grading 6.29% ZnEq of Indicated Mineral Resources and 37.6Mt grading 6.80% ZnEq of Inferred Mineral Resources. Please refer to the technical report entitled "Preliminary Economic Assessment, Pine Point Project, Hay River, Northwest Territories, Canada" dated July 30 2020, which has been filed on SEDAR. The Pine Point Project is located on the south shore of Great Slave Lake in the Northwest Territories, near infrastructure, paved highway access, and has an electrical substation as well as 100 kilometres of viable haulage roads already in place.

The current Mineral Resources mentioned in this press release conform to NI43-101 standards and were prepared by independent qualified persons, as defined by NI43-101 guidelines. The abovementioned Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. The quantity and grade of the reported Inferred Mineral Resources are conceptual in nature and are estimated based on limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological grade and/or quality of continuity. Zinc equivalency percentages are calculated using metal prices, forecasted metal recoveries, concentrate grades, transport costs, smelter payable metals and charges (see respective technical reports for details).

**For further information on this press release, visit [www.osiskometals.com](http://www.osiskometals.com) or contact:**

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### **Cautionary Statement Regarding Forward-Looking Information**

*This news release contains "forward-looking information" within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates, projections and interpretations as at the date of this news release. The information in this news release about the Option; the timing and ability of the Company to exercise the option (if at all); the timing and ability of the Company and Glencore to execute the Definitive Agreement (if at all); the results of any exploration work completed by Osisko Metals on Gaspé Copper; the significance (if any) of Gaspé Copper being a past producer and the results of such past production; the ability of Osisko Metals (if at all) to complete the required expenditures during the periods to be specified in the Definitive Agreement; the timing and ability of the Company to obtain regulatory approvals, including the approval of the TSX Venture Exchange, in respect of the Option and the acquisition of Gaspé Copper; and any other information herein that is not a historical fact may be "forward-looking information".*

*Any statement that involves discussions with respect to predictions, expectations, interpretations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "interpreted", "management's view", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating*

*that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on reasonable assumptions and estimates of management of the Company, at the time such assumptions and estimates were made, and involves known and unknown risks, uncertainties or other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to the Option; the ability of the Parties to negotiate and execute the Definitive Agreement; volatility in the trading price of common shares of the Company; risks relating to the ability of the Company to obtain required approvals; ability of Osisko Metals to complete further exploration activities; property interests; the results of exploration activities; risks relating to mining activities; the global economic climate; metal prices; dilution; environmental risks changes in the tax and regulatory regime; community and non-governmental actions; and those risks set out in the Company's public documents filed on SEDAR ([www.sedar.com](http://www.sedar.com)) under Osisko Metals' issuer profile. Although the forward-looking information contained in this news release is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot guarantee shareholders and purchasers of securities of the Company that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither Company nor any other person assumes responsibility for the accuracy and completeness of any such forward looking information. The Company does not undertake, and assumes no obligation, to update or revise any such forward looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.*

***Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.***