O3 MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2020

This management's discussion and analysis (this "MD&A") reflects the assessment by management of the results and financial condition of O3 Mining Inc. ("O3 Mining" or the "Corporation") and should be read in conjunction with the Corporation's audited consolidated financial statements for the years ended December 31, 2020 and 2019 and the notes thereto (the "Financial Statements"). Management is responsible for the preparation of the Financial Statements and this MD&A. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"). This MD&A and the Financial Statements are available electronically on SEDAR (www.sedar.com) under O3 Mining's issuer profile and on O3 Mining's website (www.o3mining.com).

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the *"Risks and Uncertainties"* and the *"Cautionary Note Regarding Forward-Looking Information"* sections at the end of this MD&A.

This MD&A has been prepared as of March 9, 2021. All dollar figures in this MD&A are expressed in Canadian dollars, unless stated otherwise.

DESCRIPTION OF BUSINESS

On July 5, 2019, O3 Mining was formed upon the completion of a spin-out transaction by Osisko Mining Inc. ("Osisko Mining"), which resulted in a reverse takeover of "Chantrell Ventures Corp." (renamed "O3 Mining Inc.") under the policies of the TSX Venture Exchange (the "RTO"). As part of the RTO, the Corporation was continued from British Columbia to Ontario on June 28, 2019. The Corporation is focused on the exploration and development of precious metals resource properties in Canada, currently focused on Québec, and looking for new opportunities to enhance shareholder value.

EXPLORATION STRATEGY

O3 Mining is a mineral exploration company focused on the acquisition, exploration, and development of precious metal resource properties in Canada. O3 Mining's flagship properties are the Alpha Property and the Malartic Property, which includes the Marban Deposit, all located along the Cadillac Break in the Val-d'Or and Malartic areas, as well as additional projects in the Labrador and Abitibi areas of Québec.

O3 Mining's mission is to become a premier gold exploration company in Canada and an emerging consolidator of exploration properties in prospective gold camps in Canada – focused on projects in Québec – with a goal of becoming a multi-million-ounce, high-growth company.

UPDATES DURING THE FISCAL YEAR AND SUBSEQUENT TO THE FISCAL YEAR

COVID-19:

- On May 13, 2020, O3 Mining resumed exploration activities, which were previously suspended on March 23, 2020, on its properties in Val-d'Or, Québec, following an announcement from the Government of Québec easing restrictions previously in place due to the outbreak of the novel coronavirus ("COVID-19"). The Corporation's priority in this resumption is the health and safety of its employees and contractors, their families, and the communities in which O3 Mining operates. The Corporation has developed on-site pre-screening processes and taking other precautionary measures respecting industry standards and guidelines from the public health department to safely resume its operations.

Corporate Development and Acquisitions:

- On February 24, 2021, the Corporation announced the completion of its previously-announced sale of Northern Gold Mining Inc. ("Northern Gold"), a wholly-owned subsidiary of the Corporation, pursuant to which the Corporation sold Northern Gold to Moneta Porcupine Mines Inc. ("Moneta") in exchange for 149,507,273 common shares of Moneta (the "Moneta Transaction"). The Moneta Transaction was completed pursuant to a share purchase agreement dated January 13, 2021, as amended, between the Corporation and Moneta. Northern Gold owns 100% of the Golden Bear assets, including the Garrison gold project ("Garrison Project"), in the Kirkland Lake district of the Timmins gold mining camp in Ontario, Canada. Garrison is located adjacent to the Golden Highway Project where Moneta recently declared a mineral resource estimate of 2,144,200 ounces (oz) of indicated mineral resources and 3,335,300 oz of inferred mineral resources.

- On January 8, 2021, the Corporation announced that it has entered into a definitive property transfer agreement dated December 15, 2020 with Osisko Mining, pursuant to which the Corporation, through its wholly-owned subsidiary, NioGold Mining Corporation ("NioGold"), agreed to transfer all of its rights, titles and interests in its Blondeau Guillet Property located in Belleterre, Québec to Osisko Mining.

- On December 29, 2020, the Corporation announced that it started trading its common shares on the OTCQX, a top-tier public market in the United States, under the ticker symbol "OQMGF". On January 12, 2021, the ticker symbol was changed to "OIIIF" for the common shares of O3 mining trading on the OTCQX. The Corporation continues to trade on the TSX Venture Exchange in Canada, as its primary listing, under the symbol "OIII".

- On November 9, 2020, the Corporation announced that it had completed the purchase of the remaining 50% interest in the Northern Star claims (also known as the Virginia claims) for $200,000 pursuant to the terms of the purchase agreement between the Corporation and 9265-991 Québec Inc. O3 Mining now holds, indirectly, 100% ownership of three claims, totaling 106.5 hectares, consolidating the Malartic Property.

- On August 6, 2020, the Corporation announced that it has engaged Mira Geoscience Ltd. to conduct modelling and exploration targeting over its Alpha Property in Val-d'Or, Québec, using artificial intelligence. O3 Mining seeks to actively minimize exploration risks, mitigate costs and minimize its environmental footprint by using proven cutting-edge technology.

- On July 25, 2020, the Corporation announced that it had partnered with VRIFY Technology Inc. to develop an interactive presentation of its properties in Val-d'Or, Québec, including virtual tours and 3D models of the Marban and Orenada deposits. The interactive content will allow viewers to visit exploration sites, enter underground workings, review 3D renderings of the deposits and learn about the Val-d'Or community, and will be updated regularly alongside drill results.

- On May 14, 2020, O3 Mining announced that it had entered into an option agreement with QMX Gold Corp. to acquire a 100% interest in the Aurbel Mill (the "Mill Option"), a fully-permitted mining facility located 10 kilometres from O3 Mining's Alpha Property. The Mill Option grants O3 Mining an option to acquire the Aurbel Mill, the tailings and all associated permits and liabilities, for a purchase price of $5.0 million (subject to adjustment in certain circumstances) at any time during a six-year term of the Mill Option. The Corporation paid a deposit of $250,000 for the Mill Option and must contribute $87,500 per annum for maintenance costs associated with the Aurbel Mill to maintain the Mill Option during the six-year term of the Mill Option.

- On May 8, 2020, O3 Mining announced that it had sold the Hemlo properties to Hemlo Explorers Inc. (formerly Canadian Orebodies Inc.) ("Hemlo") in exchange for (i) 2.55 million common shares of Hemlo, and (ii) a discovery bonus of $1.0 million, payable in cash or shares at Hemlo's option, if Hemlo publishes a feasibility study in respect of the Hemlo properties containing at least two million ounces of gold categorized as probable mineral reserves, proven mineral reserves or a combination thereof.

- On April 29, 2020, O3 Mining announced that it had sold a package of 24 claims forming part of the Tortigny Property to Kenorland Minerals Ltd. ("Kenorland") in exchange for (i) cash consideration of $900,000, and (ii) a 2% net smelter returns ("NSR") royalty over the 24 claims sold to Kenorland (subject to a 1% buy-back in favour of Kenorland for $1.0 million).

- On April 28, 2020, O3 Mining announced that it had sold a package of 627 claims forming part of the Tortigny Property to Troilus Gold Corp. ("Troilus") in exchange for (i) 1,700,000 common shares of Troilus, and (ii) a 2% NSR royalty over the 627 claims sold to Troilus (subject to a 1% buy-back in favour of Troilus for $1.0 million).

- On April 20, 2020, O3 Mining announced that it had entered into an asset purchase agreement with Blue Thunder Mining Inc. ("Blue Thunder") to sell its Fancamp and Embry properties to Blue Thunder in exchange for (i) 4,514,436 common shares of Blue Thunder, and (ii) a 2% NSR royalty over the Fancamp and Embry properties (subject to a 1% buy-back in favour of Blue Thunder for $750,000). The transaction closed on May 1, 2020.

- On March 17, 2020, O3 Mining announced that it had completed the purchase of the Regcourt Property and the Louvem Property from Monarch Gold Corporation ("Monarch") pursuant to an asset purchase agreement dated March 16, 2020. The Regcourt Property is located at the eastern end of the Val-d'Or gold mining camp, approximately 30 kilometres east of Val-d'Or, Québec, and consists of 88 mining claims near the centre of the western border of Vauquelin Township of Québec. The Louvem Property consists of 12 mining claims and is located five kilometres east of Malartic, Québec. In accordance with the terms of the asset purchase agreement, the Corporation: (i) acquired the Regcourt Property in exchange for 113,637 common shares of the Corporation ("Common Shares"); (ii) acquired a

50% interest in the Louvem Property in exchange for 4,546 Common Shares, subject to a 1% NSR royalty granted to Monarch on the Louvem Property with a 0.5% NSR royalty buy-back for $300,000; and (iii) will acquire the remaining 50% interest in the Louvem Property for cash consideration of $10,000 within two days of the receipt by Monarch of a declaratory judgment in respect of the Louvem Property.

Financings:

- On February 25, 2021, O3 Mining completed its previously-announced "bought deal" brokered private placement of an aggregate of 7,709,300 flow-through shares of the Corporation at a price of $4.54 per share for total proceeds of approximately $35.0 million (including the exercise in full of the underwriters' option).

- On June 19, 2020, O3 Mining completed its previously-announced "bought deal" brokered private placement of: (i) an aggregate of 4,651,200 flow-through units of the Corporation at a price of $4.30 per flow-through unit for aggregate gross proceeds of approximately $20.0 million; and (ii) an aggregate of 8,599,810 units of the Corporation at a price of $2.35 per unit for aggregate gross proceeds of approximately $20.2 million. The total gross proceeds of the offering were approximately $40.2 million. Each flow-through unit and each unit both are comprised of one Common Share and one-half of one Common Share purchase warrant of the Corporation. Each warrant will entitle the holder thereof to purchase one Common Share at an exercise price of $3.25 for a period of 24 months. All securities issued under the private placement were subject to a four-month and one-day hold period.

Overall Performance:

During the year ended December 31, 2020, the Corporation spent approximately $16.9 million on exploration and evaluation activities, mostly on the Alpha Property, East Cadillac Property and Malartic Property, and $4.7 million on general and administration expenses, including salaries and benefits. For the year ended December 31, 2020, the Corporation drilled approximately 32,474 metres on the Alpha Property, 19,816 metres on the East Cadillac Property and 15,973 on the Malartic Property.

On March 2, 2021, the Corporation announced that it is expanding its current drill program in Val-d'Or to include 250,000 metres to be drilled during 2021 and 2022. Drilling will focus on the Malartic and Alpha properties. The completion of the additional 250,000 metres will bring the total program to approximately 350,000 metres on the properties since it started drilling in September 2019.

On February 24, 2021, the Corporation completed the Moneta Transaction, resulting in the sale of Northern Gold to Moneta in exchange for 149,507,273 common shares of Moneta. Northern Gold owns 100% of the Golden Bear assets, including the Garrison Project, in the Kirkland Lake district of the Timmins gold mining camp in Ontario, Canada. The sale of Northern Gold to Moneta follows the publication of positive results from an independent preliminary economic assessment ("PEA") on December 14, 2020 on the Garrison Project prepared by Ausenco Engineering Canada Inc. ("Ausenco") in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The PEA delivered robust economics with an after-tax IRR of 33.0% and an after-tax NPV of $321M at a US$1,450/oz gold price. As a result of the sale of Northern Gold to Moneta, the Corporation's exposure to the Garrison project is indirect as a shareholder of Moneta.

During the year ended December 31, 2020, O3 completed a PEA on the Marban deposit, with the Marban PEA now complete, O3 Mining will begin working on a pre-feasibility study to advance the Marban Deposit towards production as part of a staged development strategy while continuing its aggressive drilling programs aimed to maximize value creation for shareholders.

Marban PEA Highlights*

- **Long-term Gold Price of USD$1,450/oz**
- **Exchange rate of CAD$1.00 = USD$0.74**
- **After-tax net present value ("NPV") (discount rate 5%) of $423 million**
- **After-tax internal rate of return ("IRR") of 25.2%**
- **After-tax payback period 4.0 years**
- **Initial capital of ("CAPEX") of $256 million including mine preproduction, processing, infrastructure (roads, power line relocation, tailings facility, ancillary buildings, and water management)**
- **Life of mine ("LOM") of 15.2 years**
- **Average LOM strip ratio (W:O) of 5.9:1**
- **Total production of 60,356 kt of mill feed yielding 1.8 Moz Au**
- **Average annual gold production of 115,000 oz**
- **Average gold mill head grade of 1.13 g/t in years 1 to 10 (0.97 g/t for LOM)**
- **Average recovery of 93.7%**

- **Measured and indicated mineral resource of 54,151 kt at a 1.10 g/t Au grade**
- **Cash cost of USD$741/oz**
- **All-in sustaining cost ("AISC") of USD$822/oz**

** Cautionary Statement: The reader is advised that the Marban PEA and the Garrison PEA summarized in this MD&A is intended to provide only an initial, high-level review of the project potential and design options. The Marban PEA the Garrison PEA mine plan and economic model include numerous assumptions and the use of inferred mineral resources. Inferred mineral resources are considered to be too speculative to be used in an economic analysis except as allowed for by NI 43-101 for PEA studies. There is no guarantee that inferred mineral resources can be converted to indicated or measured mineral resources, and as such, there is no guarantee the project economics described herein will be achieved.*

On February 4, 2021, O3 announced new drilling results from the three drill rigs operating at the Marban project on its Malartic Property in Val-d'Or, Québec.

Current drilling on the Marban project focuses on expanding mineralization outside of the proposed pit areas outlined in the PEA released on September 8, 2020.

On August 17, 2020, the Corporation announced the commencement of drilling on its Malartic Property situated midway between the towns of Val-d'Or and Malartic, Québec, and 12 kilometres from the Canadian Malartic Mine. One drill has been mobilized to the Malartic Property to expand existing zones along strike and at depth and to explore regional targets. The drilling will focus on the extensions of the Orion 8 (historic production of 22,252 oz Au at 5.82 g/t), Gold Hawk, Malartic H, North Shear and North-North zones located near the Marban Deposit, where the Corporation recently conducted the Marban PEA, the results of which were announced on September 8, 2020, as detailed above. Additionally, regional targets around the Marban Deposit will be tested.

Marban Mineral Resource Estimate

Deposit	Measured			Indicated			Measured & Indicated			Inferred		
	Tonnes (000 t) (9)	Grade (g/t)	Ounces Au (000 oz)(9)	Tonnes (000 t) (9)	Grade (g/t)	Ounces Au (000 oz)(9)	Tonnes (000 t) (9)	Grade (g/t)	Ounces Au (000 oz)(9)	Tonnes (000 t) (9)	Grade (g/t)	Ounces Au (000 oz)(9)
Marban - Pit	65	1.32	3	46,260	1.03	1537	46,325	1.04	1540	6,465	1.09	227
Kierens-Norlartic - Pit	450	1.03	15	6,646	1.15	246	7,096	1.15	261	6,299	1.42	287
Marban Underground	-	-	-	220	7.77	55	220	7.77	55	304	8.73	85
Kierens-Norlartic Underground	-	-	-	510	3.57	59	510	3.57	59	119	3.02	12
Total	**515**	**1.07**	**18**	**53,636**	**1.10**	**1,897**	**54,151**	**1.10**	**1,915**	**13,187**	**1.44**	**611**

Marban Resource Estimate Notes:

(1) *The mineral resource estimate has been prepared by Sue Bird, P.Eng., an independent "qualified person" (within the meaning if NI 43-101).*
(2) *Resources are reported using the 2014 CIM Definition Standards and were estimated in accordance with the CIM 2019 Best Practices Guidelines.*
(3) *Mineral resources that are not mineral reserves, do not have demonstrated economic viability.*
(4) *The open pit mineral resource has been confined by a "reasonable prospects of eventual economic extraction" pit shell generated using the following assumptions: US$1,800/oz. Au at a currency exchange rate of 0.75 US$ per CDN$; 99.95% payable Au; CDN$4.30/oz Au offsite costs (refining, transport and insurance); a 3% NSR royalty; $16/t process and G&A costs; $2.60/t mining costs; grade dependent mill process recoveries; and pit slopes varying from 25 to 50 degree overall depending on geotechnical characteristics.*
(5) *The underground mineral resource reports all material within a continuous 3.5g/t Au gradeshell.*
(6) *Metallurgical recovery is based on the formula: ln(Au)*0.0372+0.9017, maximum 96.7%.*
(7) *The specific gravity of the deposit has been determined by lithology as being between 2.67 and 2.81.*
(8) *Numbers may not add due to rounding.*
(9) *The number of metric tonnes and ounces was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects.*

** Cautionary Statement: The reader is cautioned that, while there are no other known factors or issues that materially affect the mineral resource estimate, there are risks faced by mining projects in the province in terms of environmental, permitting, taxation, socio-economic, marketing, and political factors and additional risk factors as listed in the "Cautionary Note Regarding Forward-Looking Information" section below.*

Orenada Mineral Resource Estimate

		Measured & Indicated			Inferred		
Orenada[(1)(2)]	**Cut-off grade**	**Tonnes (T)[(3)]**	**Grade (g/t)**	**Ounces Au**	**Tonnes (T) [(3)]**	**Grade (g/t)**	**Ounces Au**
Zone 4	**> 0.4 g/t Au (open pit)**	3,563,000	1.54	176,085	865,000	1.39	38,755
	> 2.0 g/t Au (underground)	191,000	3.00	18,437	326,000	3.34	34,955
	Total	3,754,000	1.61	194,522	1,191,000	1.92	73,710
Zone 2	**> 0.4 g/t Au (open pit)**	-	-	-	605,000	1.36	26,363
	> 2.0 g/t Au (underground)	-	-	-	283,000	2.88	26,186
	Total	-	-	-	888,000	1.84	52,549
Total	**> 0.4 g/t Au (open pit)**	3,563,000	1.54	176,085	1,470,000	1.38	65,118
	> 2.0 g/t Au (underground)	191,000	3.00	18,437	609,000	3.12	61,141
	Total	**3,754,000**	**1.61**	**194,522**	**2,079,000**	**1.89**	**126,259**

Orenada Resource Estimate Notes:

(1) *These mineral resources are not mineral reserves, as they do not have demonstrated economic viability.*
(2) *Resources are presented undiluted and in situ for both open pit and underground potential scenarios and are considered to have reasonable prospects for economic extraction.*
(3) *The number of metric tonnes was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects.*

During the year and subsequent to the year, O3 Mining provided several results from the ongoing drilling program. Drill highlights have included the following:

- 5.1 g/t Au over 5.1 metres near the Norlartic Pit at the Marban Property on March 9, 2021.
- 1.2 g/t Au over 28.2 metres and 2.2 g/t Au Over 5.1 metres near surface from the simkar sector at the Alpha Property on February 25, 2021.
- 1.2 g/t Au over 9.7 metres and 2.0 g/t Au over 5.4 metres in a new zone named Golden Bridge Zone at the Marban Property on February 4, 2021.
- 1.5 g/t Au over 6.3 metres near-surface outside of Kierens PEA pit shell at the Marban Property on February 4, 2021.
- 34.8 g/t Au over 1.2 metres near-surface inside the Kierens PEA pit shell at the Marban Property on February 4, 2021.
- 13.5 g/t Au over 1.3 metres and 2.8 g/t Au over 4.3 metres associated with albitized dykes at the Marban Property on February 4, 2021.
- 4.6 g/t Au over 1.2 metres including 9.6 g/t Au over 0.5 metre at Gold Hawk at the Marban Property on February 4, 2021.
- 413.0 g/t Au over 1.2 metres at Simkar at the Alpha Property on December 17, 2020.
- 383.4 g/t Au over 2.0 metres, including 1,510 g/t Au over 0.5 metres at Gold Hawk at the Malartic Property on November 24, 2020.
- 2.9 g/t Au over 14.2 metres, including 18.5 g/t Au over 1.0 metre at the Malartic Property on November 3, 2020.
- 176.0 g/t Au over 0.6 metres, including 9.0 g/t Au over 1.3 metres at Valdora at the Alpha Property on August 27, 2020.
- 17.8 g/t Au over 1.1 metres at the East Cadillac Property on July 30, 2020.
- 46.4 g/t Au over 1.3 metres at the East Cadillac Property on July 7, 2020.
- 9.7 g/t Au over 1.8 metres at the East Cadillac Property on April 9, 2020.
- 13.4 g/t Au over 1.5 metres at the Alpha Property on April 7, 2020.
- 6.4 g/t Au over 7.5 metres at the Alpha Property on March 12, 2020.
- 2.4 g/t Au over 13.5 metres, including 6.9 g/t Au over 1.5 metres at the Alpha Property on February 28, 2020.
- 5.3 g/t Au over 8.6 metres, including 29.0 g/t Au over 1.0 metre at the Alpha Property on February 12, 2020.
- 12.2 g/t Au over 1.0 metre at the Alpha Property on January 7, 2020.

SUMMARY OF MINERAL PROPERTIES

The Corporation's various gold mineral properties in Canada are summarized below:

Continuing Exploration Properties	Location	Subsidiary	Status
Alpha (including Orenada and Akasaba)	Québec	Alexandria Minerals Corporation ("Alexandria")	Owned 100%
Alpha – Epsilon – Golden Valley option	Québec	Alexandria	Earn-in(1)
Sleepy	Québec	Alexandria	Owned 100%(2)
Gwillim	Québec	Alexandria	Owned 100%
Matachewan-Wydee	Ontario	Alexandria	Earn-in
Harricana	Québec	9401-3513 Québec Inc. (formerly Harricana River Mining Corporation Inc.)	Owned 100%
East Cadillac	Québec	Chalice Gold Mines (Québec) Inc. ("CGMQ")	Owned 100%
East Cadillac -Renforth option	Québec	CGMQ	Earn-in(3)
East Cadillac– Globex option	Québec	CGMQ	Earn-in(4)
Kinebik Gold	Québec	CGMQ	Owned 100%
Simkar	Québec	O3 Mining	Owned 100%
Malartic	Québec	NioGold	Owned 100%
Regcourt	Québec	CGMQ	Owned 100%(6)
Louvem	Québec	Alexandria	Owned 50% with an agreement to acquire the remaining 50%(6)
Kan– James Bay	Québec	O3 Mining	Owned 100%
FCI – Corvette Lithium	Québec	O3 Mining	Owned 100%(5)
Éléonore-Opinaca	Québec	O3 Mining	Owned 100%
Launay	Québec	O3 Mining	Owned 100%
Schefferville	Québec	O3 Mining	Owned 100%

Notes:

(1) *O3 Mining has an earn-in right of up to 80% of the property, which is currently owned by Golden Valley Mines Ltd. ("Golden Valley").*
(2) *Probe Metals Inc. ("Probe Metals") has an earn-in right of up to 60% of the property.*
(3) *O3 Mining has an earn-in right of up to 80% of the property, which is currently owned by Renforth Resources Inc. ("Renforth")*
(4) *O3 Mining has an earn-in right of up to 100% of the property, which is currently owned by Globex Mining Enterprise Inc. ("Globex").*
(5) *Subject to a 50% earn-in in favour of Gaia Metals Corp. ("Gaia Metals").*
(6) *Acquired from Monarch on March 16, 2020.*

On February 24, 2021, the Corporation announced the completion of the Moneta Transaction, pursuant to which Northern Gold, a wholly-owned subsidiary of the Corporation, was sold to Moneta. Northern Gold owns 100% of the Golden Bear assets, including the Garrison Project, in the Kirkland Lake district of the Timmins gold mining camp in Ontario, Canada.

MINERAL RESOURCES

The Corporation's mineral resources are summarized below:

CATEGORY	TONNES (MT)	AU GRADE (G/T)	AU (M OZ)
MEASURED			
MARBAN[3]	0.52	1.07	0.02
SIMKAR[6]	0.03	4.71	0.01
	0.55	**1.29**	**0.02**
INDICATED			
MARBAN[3]	53.64	1.10	1.89
ORENADA[4]	3.75	1.61	0.19
AKASABA[5]	3.66	2.16	0.25
SIMKAR[6]	0.21	5.66	0.04
NORDEAU WEST[7]	0.23	4.17	0.03
	61.49	**1.22**	**2.41**
TOTAL M&I			
MARBAN[3]	54.15	1.10	1.91
ORENADA[4]	3.75	1.61	0.19
AKASABA[5]	3.66	2.16	0.25
SIMKAR[6]	0.24	5.53	0.04
NORDEAU WEST[7]	0.23	4.17	0.03
	62.04	**1.22**	**2.43**
TOTAL INFERRED			
MARBAN[3]	13.19	1.44	0.61
ORENADA[4]	2.08	1.89	0.13
AKASABA[5]	1.82	4.92	0.29
SIMKAR[6]	0.10	6.36	0.02
NORDEAU WEST[7]	1.11	4.09	0.15
SLEEPY[8]	1.86	4.70	0.28
	20.16	**2.27**	**1.47**

Mineral Resource Notes:

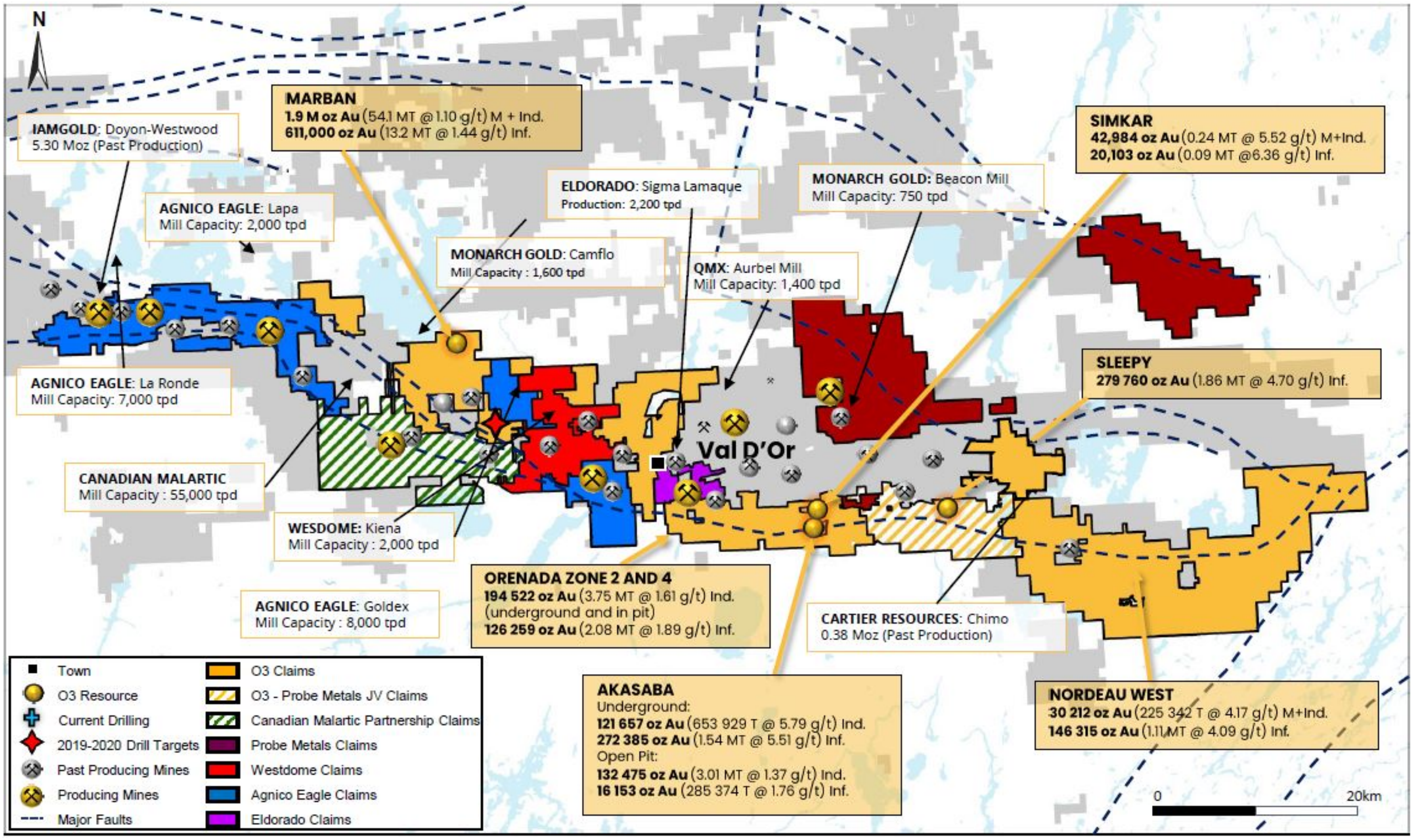
(1) Mineral inventories are not pit-constrained.
(2) Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred mineral resources will ever be upgraded to a higher category. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
(3) Information relating to the Malartic Property is supported by the Marban Resource Estimate.
(4) Information relating to the Alpha Property is supported by the Orenada Resource Estimate.
(5) Information relating to the Alpha Property is supported by the Akasaba Resource Estimate.
(6) Information relating to the Alpha Property is supported by the Simkar Resource Estimate
(7) Information relating to the East Cadillac Property is supported by the East Cadillac Resource Estimate.
(8) Information relating to the Sleepy Property is supported by the Sleepy Lake Resource Estimate.

MINERAL PROPERTY ACTIVITIES

Cadillac Break Group – Alpha, East Cadillac, and Malartic Properties

The Cadillac Break Group is located in the southeastern Abitibi Greenstone Belt of the Archean Superior Province in the Canadian Shield. The properties are located in the Val-d'Or and Malartic municipalities of the Abitibi-Témiscamingue administrative region in the Province of Québec. The properties are easily accessed via all-season public paved roads, public gravel roads, all-terrain vehicle trails, and bush roads. The Cadillac Break Group is located at the boundary between the Abitibi Subprovince and the Pontiac Subprovince, which is marked by the Cadillac-Larder Lake Fault zone and stretches for over 35 kilometres along the break. The Cadillac-Larder Lake Fault zone is a regional-scale strike fault and/or shear zone and is one of the most important structural controls on the gold mineralization in the Abitibi Greenstone Belt, which has produced 100 million ounces of gold since the early 1900s. Discoveries in the region, at depths between 500 and 1,500 metres, show that the Cadillac Break Group is highly under-explored, as most recent drilling has been in the upper 150 metres over the whole package, only locally testing down to 300 metres in depth.

The Corporation holds a 100% interest in all these properties, subject to NSR royalties ranging between 1% to 2.5%, depending on the claim. A portion of these NSR royalties can be purchased for between $200,000 and $1,000,000.



Alpha Property – Cadillac Break Group

The Alpha Property includes several significant gold showings (Bulldog, Epsilon, Pontiac East and West, Mid Canada, Ducros, Hogg, Oramaque, Jolin, Sabourin, Goldora and Valdora) as well as the Orenada Zone 2 and Zone 4 gold deposits. The Alpha Property is located 8 kilometres east of Val-d'Or and 3 kilometres south of the Eldorado South Lamaque Mine. It is also the host of the Akasaba Deposit and Simkar Gold Deposit. The Alpha Property covers more than 7,754 hectares and strides 20 kilometres of the prolific Cadillac Break. The Bulldog showing discovered in late 2018 will be the focus of the upcoming drilling program. The property is subject to a 1% NSR royalty on select claims, and assigned existing royalty buy-back rights on NSR royalties between 1% to 2% on certain other claims in the Val-d'Or area for proceeds of $300,000.

On March 16, 2020, the Corporation purchased the Louvem Property from Monarch. The Louvem Property consists of 12 mining claims and is located five kilometres east of the town of Malartic, in the Abitibi-Témiscamingue region of Québec. In accordance with the terms of the asset purchase agreement, the Corporation: (i) acquired a 50% interest in the Louvem Property in exchange for the issuance of 4,546 Common Shares, subject to a 1% NSR royalty granted to Monarch on the Louvem Property with a 0.5% NSR royalty buy-back for $300,000; and (iii) will acquire the remaining 50% interest in the Louvem Property for cash consideration of $10,000.

i) Epsilon – Golden Valley option

Alexandria entered into an option agreement with Golden Valley dated April 20, 2017, pursuant to which Alexandria may earn 80% in the Epsilon Property, which is within the Alpha Property. O3 Mining may earn 80% in the property by issuing Common Shares to Golden Valley over a four-year period from the date of signing with a total value of $250,000, and by conducting exploration activities totaling $4.0 million over the same four-year period. Upon the 80% earn-in, Golden Valley and O3 Mining will form a joint venture to further explore, and if warranted, develop the property. Once the 80% interest is vested in favour of O3 Mining, Golden Valley will have a 20% free-carried interest. In addition, Golden Valley would retain a 1.5% NSR royalty, of which 0.5% may be purchased by O3 Mining for $1,000,000.

The Common Shares are to be issued and exploration activities completed as follows:

- Upon stock exchange approval, Alexandria to issue treasury shares equal to $25,000 (issued);
- prior to April 20, 2018, Alexandria to issue treasury shares equal to $25,000 and meet expenditure requirement of $250,000 (issued and met);
- prior to April 20, 2019, Alexandria to issue treasury shares or cash equal to $30,000 and meet expenditure requirement of $500,000 (issued and met);
- prior to April 20, 2020, O3 Mining to issue treasury shares or cash equal to $50,000 and meet expenditure requirement of $1,250,000 (issued)(1); and
- prior to June 9, 2021, O3 Mining to issue treasury shares or cash equal to $100,000 and meet expenditure requirement of $2,000,000(1)(2).

Note:

(1) Due to the COVID-19 pandemic and the operation suspension in Québec, the Corporation exercised the force majeure clause in the option agreement on March 23, 2020. As a result, the April 20, 2020 payment was made on June 9, 2020 and the expenditure commitment has been extended to June 9, 2022.

(2) On February 7, 2021, the agreement was amended to provide the Corporation the option to issue common shares to satisfy the expenditure commitment for any part of the $2,000,000. The issuance of the common shares will be considered as expenditures and added to the total amount of expenditures already incurred by the corporation. This amendment is valid under the condition that the Corporation undertakes to allocate at least one drill to the Centremaque property during the 2021 winter and use all reasonable efforts to complete drilling in a minimum of 5,000 metres.

ii) Integra option

In 2012, Alexandria has optioned one claim from the airport area located at the western edge of the Alpha Property to Integra Gold Corp. Alexandria retains a 2% NSR royalty, of which 1% may be re-purchased for $1,000,000.

Exploration Activity

During the year ended December 31, 2020, O3 Mining completed 84 drill holes totaling 32,474 metres of drilling on the Alpha Property, focusing on the Cadillac Fault Corridor and specifically on Bulldog, Pontiac East, Epsilon, Orenada 2 & 4, and Simkar zones. The significant intercepts expanded each one of these zones, which remain open laterally and at depth. Mineralization at the Bulldog zone is composed of three individual zones associated with sheared, carbonatized, and sericitized wackes of the Cadillac formation and porphyric dykes containing 1-3% fine disseminated pyrite. Drilling on a 100 metres spacing, defined mineralization over 500 metres laterally and 500 metres vertically remaining open to the east and at depth. The drilling program initiated at Orenada 2 & 4 zones during the period aims at drilling the prospective corridor down to 800 metres vertical, where historical drilling reached 400 metres in average. Initial results confirmed the continuity of the ore bearing corridor over wide intervals. Significant intervals were also obtained at Pontiac East and Epsilon zones and warrant follow up drilling to be executed during the winter of 2021.

Sleepy Property – Cadillac Break Group

The Sleepy Property is 100% owned by the Corporation. The property comprises 232 individual claims (7,408 hectares). On November 28, 2016, Alexandria entered into a binding agreement with Probe Metals, which sets forth the terms of an exploration earn-in on the property. In order to earn a 60% interest on the Sleepy Property, Probe Metals must: (i) commit $5.0 million in work expenditures over a period of four years; and (ii) issue $300,000 of its common shares upon signing.

Following the completion of the exploration earn-in, O3 Mining and Probe Metals will enter into a joint venture agreement in respect of the property with Probe Metals maintaining a 60% interest and O3 Mining maintaining a 40% interest. Probe Metals can earn an additional 10% interest on the Sleepy Property by: (i) completing a pre-feasibility study (1 million ounces); (ii) incurring an additional $2.0 million in exploration expenditures; and (iii) issuing to O3 Mining an additional 200,000 of its common shares.

Exploration Activity

During the year ended December 31, 2020, Probe Metals continued its work program on the Sleepy Property, which included drilling and geophysics to enhance known mineralization trends and to identify new areas of interest.

Highlights include:

- new, near-surface gold zones discovered on the eastern part of the property;
- new zone discovered 2 kilometres southeast of the Sleepy Deposit grading 4.2 g/t Au over 4.2 metres at 315 metres down-hole;

- second discovery made 300 metres along strike east of the Sleepy Deposit grading 108 g/t Au over 1 metre at 236 metres down-hole;
- third discovery made 900 metres along strike east of the Sleepy Deposit grading 3.7 g/t Au over 8.7 metres at 136 metres down-hole; and
- discoveries are associated with new geophysical targets delineated by induced polarization surveys on the property.

East Cadillac Property – Cadillac Break Group

The East Cadillac Property is located more than 35 kilometres east of the town of Val-d'Or and consists of two earn-in agreements in addition to the ground wholly owned by O3 Mining. The property consists of 370 single claims (18,328 hectares) and nearly 15 kilometres of the eastern extension of the Cadillac Break. The property hosts the Nordeau West Deposit, located 1,500 metres east of the former Chimo Mines held by Ressources Cartier Inc.

i) Globex option

On November 1, 2016, CGMQ entered into an option agreement with Globex on the Nordeau Project. O3 Mining may acquire a 100% interest, except certain claims where Globex has a 60% interest, by making annual option payments totalling $590,000 over four years and funding exploration expenditures of $2.5 million also over a four-year period. Upon exercising the option, O3 Mining will grant a 3% gross metal royalty to Globex. O3 Mining has the right to withdraw, with no minimum expenditure commitment at any time.

Due to the COVID-19 pandemic and the operation suspension in Québec, the Corporation exercised the force majeure clause in the option agreement on March 23, 2020. As the result, the deadline to incur exploration expenditures of $2.5 million, of which $1,150,000 remains, has been postponed until November 1, 2021.

ii) Renforth option

On May 21, 2018, CGMQ entered into a binding agreement with Renforth on the Denain-Pershing Project. O3 Mining may earn an 80% interest in the project by making total option payments of $200,000 and funding exploration expenditures of $1.25 million over a period of three years. The claims are subject to a 3% NSR royalty (including third-party royalties) with a 1% buy-back right for $1,000,000.

Due to the COVID-19 pandemic and the operation suspension in Québec, the Corporation exercised the force majeure clause in the option agreement on March 23, 2020. As the result, the payment date for the option payment of $50,000, which was due May 21, 2020, was paid on June 20, 2020, and the last $50,000 option payment has been postponed until June 20, 2021. The deadline to incur exploration expenditures of $1.25 million, of which $650,000 remains, has been postponed to June 20, 2021.

iii) Pershimex option

A third option agreement was signed in 2017 with Pershimex Resources Inc. (formerly Khalkos Exploration Inc.) on the Forsan Gold project. O3 Mining may earn a 70% interest in the project by making total option payments of $375,000 to and funding exploration expenditures of $1.75 million over a period of five years. During the year ended December 31, 2020, the Corporation withdrew from the option agreement without earning any interest in the project.

iv) Regcourt Property

On March 16, 2020, O3 Mining purchased the Regcourt Property from Monarch. The Regcourt Property is located at the eastern end of the Val-d'Or gold mining camp, approximately 30 kilometres east of Val-d'Or, Québec, and consists of 88 mining claims near the centre of the western border of Vauquelin Township of Québec. In accordance with the asset purchase agreement, the Corporation acquired the Regcourt Property in exchange for the issuance of 113,637 Common Shares.

Exploration Activity

During the year ended December 31, 2020, O3 Mining completed 42 drill holes totaling 19,816 metres of drilling on the East Cadillac Property. Drilling focused on the Cadillac Fault Corridor and specifically on the Nordeau West, Nordeau East, Simon West and North Contact zones. Simon West and North Contact zones returned the more promising results and warrant follow up drilling during the winter. Additionally, two high-grade intercepts were obtained within what seems to be a mineralized corridor located 300 metres north of Nordeau West and Nordeau East zones. These are 46.4 g/t Au over 1.3 metres in drill hole O3EC-20-023 and 16.6 g/t Au over 1.5 metres in drill hole O3EC-20-020. Historic very shallow drilling traced this corridor, which warrants follow up drilling.

Malartic Property – Cadillac Break Group

i) Marban Project

The Marban Project is 100% owned by O3 Mining and is the result of an amalgamation of the former Marban, First Canadian, Norlartic and Gold Hawk claims. The Marban Project is located about 15 kilometres west of the town of Val-d'Or in the Abitibi-Témiscamingue region of Québec, Canada and consist of 30 mining claims and three mining concessions (1,023 hectares).

The Marban Project is located in the Malartic mining camp in the Abitibi gold district of Québec. The Marban Project contains three past-producing mines (Marban, Norlartic and Kierens), which collectively produced 585,000 ounces of gold between 1959 and 1992. The land package owned by O3 Mining in the heart of the Cadillac, Malartic, and Val-d'Or gold mining camps covers 125 square kilometres and is located 15 kilometres from the Canadian Malartic Mine and lies along the same shear structure as Wesdome Gold Mines Ltd.'s Kiena Deposit.

During the year ended December 31, 2020, the Corporation announced the results of the Marban PEA, which demonstrates the potential of O3 Mining to become a major North American gold producer, with a positive after-tax IRR of 25.2% and an after-tax NPV of C$423 million. The Marban PEA supports an 11,000-tonne per day open pit project with production spanning 15.2 years with robust economics at a USD$1,450/oz gold price, attractive cash costs and AISC, low CAPEX and low capital intensity. The first 12 years will target production in excess of 130,000 ounces gold per year peaking at more than 161,000 ounces in the 9th year of production.

The mineral resource is estimated from a drill hole database containing 5,808 drill holes consisting of 271,599 metres of drilling and 288,345 assay intervals. Data prior to 1984 was not used in the interpolation. The Marban Deposit consists of 27 domains and the Kierens-Norlatic Deposit consists of 16 domains with gold grades capped at values between 10g/t Au and 100g/t Au and outlier restriction of gold grades during interpolation at values of 1.5g/t to 50 g/t Au depending on the domain. Blocks were assigned a classification based on the variography and drill hole spacing by domain, with measured blocks requiring three drill holes within 10 metres and indicated blocks requiring two drill holes within 30 metres.

The base case cut-off grade is 0.30 g/t Au based on a cut-off grade mill recovery of 87%, processing and general & administrative costs of $15/tonne and a USD$1,400/oz Au price. The underground resource is within a 3.5 g/t gradeshell. At these cut-offs, the total measured and indicated mineral resource is estimated at 54.1Mt at 1.10 g/t Au for a total of 1.9Moz. 76% of the total resource is considered measured and indicated mineral resources.

The Marban Project is subject to 2% to 3% NSR royalties, most of them allowing buy-back for half of the royalty.

ii) Siscoe East Project

The Siscoe East Property is located in the Vassan Township in the Abitibi-Témiscamingue region of Québec. The Corporation owns a 100% interest in the claims covering the Siscoe East Property. Some claims are subject to a 2% NSR royalty, 50% of which may be repurchased by the Corporation for a total of $2.8 million.

iii) Héva Project

The Héva Property is located 42 kilometres northwest of the town of Val-d'Or, in the Abitibi-Témiscamingue region of Québec. Some of the claims of the Héva Property are subject to a 1.5% NSR royalty, 50% of which may be repurchased by the Corporation for $200,000.

iv) Other projects

Other projects in the Malartic Property include the Camflo West, Malartic Hygrade, Malartic Hygrade-NSM and Malartic H projects. The projects are located to the northeast of the town of Malartic, in the Abitibi-Témiscamingue region of Québec. The projects consist of 139 mining claims and one mining concession (6,263 hectares). The claims under the Camflo West Project are subject to various NSR royalties ranging from 1.5% to 3.0%, certain of which, or portions thereof, can be repurchased by the Corporation for payments ranging from $200,000 to $1.5 million. The claims under the Malartic H Project are 85% owned by the Corporation and the remaining 15% can be purchased by the Corporation for $25,000. On November 9, 2020, O3 Mining completed the acquisition of the remaining 50% interest in the Northern Star claims (also known as the Virginia claims) from 9265-991 Québec Inc. for $200,000.

Exploration Activity

During the year ended December 31, 2020, O3 Mining completed 30 drill holes totaling 15,973 metres of drilling on the Malartic Property. The program started in August and focuses on expanding mineral resource within the area of the Marban Deposit, which was the subject of the Marban PEA. The targeted zones include Marban East Deep, Marbenite Deep, Gold Hawk, Orion #8, Kierens extension, North and North-North, Malartic H, MK and Marban NE zones. Additionally, a compilation of the historic data on Camflo mine has begun to analyze the potential at depth below the last mining level at 1,300 metres and to evaluate existence of similar intrusive plugs in the vicinity of the deposit. Finally, at the property scale, a litho structural modelling study was completed during the fourth quarter of 2020. It will be used to design a grassroots drilling program on the property.

Harricana Property

The Harricana Property is located 9 kilometres northeast of the town of Val-d'Or, on the eastern shore of the Blouin Lake, and hosts the Aurbel Deposit. The Harricana Property is 100%-owned by the Corporation and is comprised of 117 individual claims (3,878 hectares). The property was acquired by O3 Mining on August 23, 2019 as a result of its acquisition of Harricana River Mining Corporation Inc.

Matachewan-Wydee Property

The Matachewan-Wydee project is in the vicinity of the Young Davidson Mine complex approximately 6 kilometres west-northwest of the town of Matachewan, Ontario, and covers a total of 86 claims. The project is 100% owned by O3 Mining and was previously subject to an earn-in in favour of Prosper Gold Corp., which was terminated in February 2021.

Exploration Activity

Prosper Gold Corp. has completed prospecting and surface sampling as well as 2,937 metres of diamond drilling at the Matachewan-Wydee Project during 2019. Further drilling was announced during 2020 but not completed to this date and, as noted above, such earn-in with Prosper Gold Corp. was terminated in February 2021.

Kinebik Property

The Kinebik Project is located in northern Québec, approximately halfway between the towns of Lebel-sur-Quévillon and Matagami. The property covers greater than 30 kilometres of strike along the Casa Berardi Fault which host the Casa Berardi Gold Deposit. The project consists of 348 single cells and is 100% owned by the Corporation. The property was acquired upon the acquisition of CGMQ on July 25, 2019.

James Bay Properties

On October 5, 2016, Osisko Mining entered into an earn-in agreement with Osisko Gold Royalties Ltd ("Osisko GR"), which was amended or amended and restated from time to time (collectively, the "Earn-In Agreements"). O3 Mining assumed such Earn-In Agreements from Osisko Mining on July 5, 2019 in conjunction with the completion of the RTO. During the year ended December 31, 2020, the Earn-In Agreements were terminated, prior to which O3 Mining earned-in a 100% interest in the Kan Property and the FCI Property.

i) Kan Project

The Kan Project is located within the Labrador Trough, approximately 80 kilometres southwest of Kuujuuaq, Québec. It covers approximately 40 kilometres of favorable stratigraphy that includes silicate-carbonate iron formations, thick metal-rich black shales units, gabbros and turbidites. The Kan Project surface was reduced to 300 claims (3,980 hectares). 125 claims are subject to a 2% NSR royalty in favour of Les Ressources Tectonic Inc., 0.5% of which may be purchased for $750,000 at any time by Osisko GR and an additional, 0.5% of which may be purchased for $750,000 by Altius Resources Inc. In addition, Osisko GR holds an NSR royalty over the total number of claims on the production of precious metals for a minimum of a 1.5% NSR royalty and a maximum of a 3.5% NSR royalty and a 2.0% NSR royalty on all other metals provided. However, if there is an existing royalty applicable on any portion of the claims, the royalty percentages shall, as applicable, be adjusted so that the aggregate maximum royalty percentage on such portion shall not exceed a 3.5% NSR royalty at any time.

ii) FCI – Corvette Lithium Project

The FCI – Corvette Lithium Project consists of 28 claims (1,434 hectares) and is located within the James Bay Greenstone Belt in Northern Québec. The FCI – Corvette Lithium Project is subject to a 1.5% to 3.5% NSR royalty.

On August 27, 2018, Osisko Mining entered into a binding agreement with Gaia Metals, which sets forth the terms of an exploration earn-in on the property. Under the exploration earn-in, Gaia Metals must commit $2.25 million in work expenditures over a three-year period to earn a 50% interest on the FCI-Corvette Lithium Project, subject to certain annual work expenditure thresholds, including a guaranteed expenditure threshold of $250,000 in the first year. Following the completion of the exploration earn-in, the FCI – Corvette Lithium Project will be transferred to a new joint venture entity to be owned 50% by O3 Mining and 50% by Gaia Metals. In addition, Gaia Metals may earn a further 25% interest in the joint venture entity (for a total interest of 75%) by electing to fund an additional $2.0 million of project level expenditures, such as a preliminary economic assessment or pre-feasibility study.

On October 21, 2020, O3 Mining obtained a 50% interest in the FCI property upon delivering notice to Osisko GR of completing expenditures aggregating $250,000 on or before August 27, 2019 in accordance with the FCI Earn-In Agreement. On November 20, 2020, as part of the termination of the Earn-In Agreements, the Corporation received the remaining 50% interest in the FCI Property.

Élénore Opinaca Property

The Élénore Opinaca Property was transferred to O3 Mining on July 5, 2019 in conjunction with the completion of the RTO. The Élénore Opinaca Property is 100% owned by the Corporation and is located approximately 320 kilometres north of the town of Matagami in the James Bay area, Northern Québec and is subject to an NSR of 0.5%.

Tortigny Property

The Tortigny Property was transferred to O3 Mining on July 5, 2019 in conjunction with the completion of the RTO. The Tortigny Property is located approximately 100 kilometres north of the town of Chibougamau, Québec. During the year ended December 31, 2020, O3 Mining sold the Tortigny Property in two transactions for aggregate considerations valued at approximately $2.4 million, and a 2% NSR (subject to a 1% buy-back in favour of Troilus and Kenorland, respectively, each for $1.0 million).

Hemlo Properties

The Hemlo Properties were transferred to O3 Mining on completion of the RTO. The Hemlo Properties are located in the Hemlo mining district of Ontario. O3 Mining sold these properties to Hemlo on May 8, 2020 in exchange for (i) 2,550,000 common shares of Hemlo, and (ii) a discovery bonus of $1.0 million, payable in cash or shares at Hemlo's option, if in the future Hemlo publishes a feasibility study in respect of the Hemlo properties containing at least two million ounces of gold.

Launay Property

The Launay Property was transferred to O3 Mining on July 5, 2019 in conjunction with the completion of the RTO. The Launay Property is located in the Abitibi Greenstone Belt, Québec, and it is subject to a 1.5% NSR royalty.

EXPLORATION AND EVALUATION ASSETS EXPENDITURES

The Corporation's expenditures on exploration and evaluation assets for the year ended December 31, 2020, were as follows (in thousands of Canadian dollars):

	December 31, 2019	Acquisitions	Additions	Disposals	Transfer to assets classified as held for sale	Impairment losses	December 31, 2020
Kan - James Bay	$ 233	$ -	$ 3	$ -	$ -	$ -	$ 236
Éléonore – James Bay	212	-	8	-	-	(220)	-
Éléonore JV – James Bay	200	-	39	-	-	(239)	-
Other – James Bay	270	-	102	-	-	(372)	-
FCI - Corvette Lithium	(35)	-	(27)	-	-	-	(62)
Éléonore Opinaca	1,013	-	-	-	-	-	1,013
Tortigny	793	-	126	(919)	-	-	-
Launay	1,000	-	3	-	-	-	1,003
Malartic Block	61,625	200	3,382	-	-	-	65,207
Garrison Block	23,628	-	963	-	(24,591)	-	-
Hemlo	255	-	-	(255)	-	-	-
Alpha	35,822	15	9,022	-	-	-	44,859
Harricana	1,649	-	-	-	-	-	1,649
East Cadillac	10,025	141	3,319	-	-	-	13,485
Total exploration and evaluation assets	**$ 136,690**	**$ 356**	**$ 16,940**	**$ (1,174)**	**$ (24,591)**	**$ (831)**	**$ 127,390**

Significant additions during the year ended December 31, 2020 are described by category in the following table (in thousands of Canadian dollars):

For the year ended December 31, 2020	Kan - James Bay	Éléonore – James Bay	Éléonore JV – James Bay	Other – James Bay	FCI - Corvette Lithium	Malartic Block
Property costs	$ 23	$ 8	$ 39	$ 51	$ (27)	$ 3
Camp costs	-	-	-	-	-	24
Office costs	-	-	-	-	-	17
Project management	-	-	-	-	-	221
Drilling	-	-	-	-	-	2,465
Geochemical survey	-	-	-	-	-	-
Permitting	-	-	-	-	-	8
Geophysical survey	-	-	-	56	-	-
Geology	-	-	-	(5)	-	159
Feasibility study and preliminary economic assessment	-	-	-	-	-	512
Community relations	1	-	-	-	-	2
Environmental	-	-	-	-	-	6
Health and safety	-	-	-	-	-	5
Québec exploration mining duties	(21)	-	-	-	-	(40)
Total additions	**$ 3**	**$ 8**	**$ 39**	**$ 102**	**$ (27)**	**$ 3,382**

For the year ended December 31, 2020	Garrison Block	Alpha	Tortigny	Launay	East Cadillac	Total
Property costs	$ 105	$ 107	$ 125	$ 1	$ 35	**$ 470**
Camp costs	66	121	-	-	15	**226**
Office costs	-	63	-	-	17	**97**
Project management	51	274	-	-	35	**581**
Drilling	1	7,293	1	2	3,104	**12,866**
Geochemical survey	-	-	-	-	-	**-**
Permitting	124	25	-	-	-	**157**
Geophysical survey	39	-	-	-	2	**97**
Geology	-	1,231	-	-	138	**1,523**
Feasibility study and preliminary economic assessment	483	41	-	-	118	**1,154**
Community relations	2	13	-	-	-	**18**
Environmental	76	2	-	-	-	**84**
Health and safety	16	20	-	-	-	**41**
Quebéc exploration mining duties	-	(168)	-	-	(145)	**(374)**
Total additions	**$ 963**	**$ 9,022**	**$ 126**	**$ 3**	**$ 3,319**	**$ 16,940**

During the year ended December 31, 2020, the majority of spending was on the Alpha Property, East Cadillac Property, and Malartic Property. There were some exploration activities on the Garrison Block Properties. The Corporation completed 156 drill holes totaling 68,263 metres on the Alpha, East Cadillac and Malartic properties. Drilling is ongoing and using up to 10 rigs in order to continue the previously announced 250,000 metre drill program.

OUTLOOK

The operational outlook below and described herein reflects the Corporation's current operations.

On March 23, 2020, the Government of Québec mandated all non-essential businesses to suspend operations until further notice, which included O3 Mining's operations at all sites in Québec. In accordance with the directive, workers were demobilized from all sites in Québec on March 24, 2020. At this time, any employees able to perform their duties through teleworking began to do so. On April 13, 2020, the Government of Québec added certain mining operations to the list of essential activities allowed to reopen effective April 15, 2020. However, O3 Mining's operations continued to be suspended as the order from the Government of Québec did not authorize exploration/development stage projects to reopen. On May 13, 2020, the Corporation resumed exploration activities on its properties near Val-d'Or following an announcement from the Government of Québec easing restrictions previously in place due to COVID-19. The Corporation's priority in this resumption is the health and safety of its employees and contractors, their families, and the communities in which the Corporation operates.

The Corporation continues to have a strong cash position of approximately $34.3 million as at December 31, 2020. The Corporation is planning to spend approximately $2.4 million per month on exploration activities on all its properties, and $480,000 per month on general and administration expenses and salaries and benefits, excluding non-cash items, for the 2021 year. The Corporation currently anticipates that it will have a year-end cash position of approximately $32.1 million (excluding investments).

On July 7, 2020, the Department of Finance proposed an extension of the flow-through funds spend period and the look-back rule by a year, including a proposed suspension of the Part XII.6 tax for the same period. However, since exploration activities have resumed on May 13, 2020, the Corporation does not foresee any issue in meeting its flow-through obligations for 2021 unless another forced stoppage takes place during the year.

O3 Mining continues an aggressive exploration program to convert, expand and discover new gold resources on the Alpha and Malartic properties, as well as testing a number of targets identified on these properties with a 250,000 metre drill program using six to 10 drill rigs.

A total of 125,000 metres of drilling has been allocated to Malartic to convert inferred mineral resources to the measured and indicated categories as it moves towards completing a Pre-Feasibility Study, planned for 2022 (see press release on March 2, 2021) Marban has a PEA which outlined open-pit production of 115,000 ounces a year for 15 years (see press release on September 8, 2020).

O3 Mining will continue with step-out drilling and testing new areas within 5 kilometres of the proposed plant site at Malartic with the aim of identifying new mineral resources that can be brought within the mine plan, a strategy the Corporation successfully executed in 2020 (see press releases on November 24, 2020 and November 3, 2020). The Marban PEA was based on a measured and indicated resource of 1.9 million ounces gold contained within 54.2 Mt @ 1.10 g/t Au and a total of 0.6 million ounces gold contained within 13.2 Mt @ 1.44 g/t Au in the Inferred category.

A total of 125,000 meters of drilling has been allocated to Alpha to expand the mineral resource footprint in the Orenada-Bulldog and Akasaba sectors at Alpha where it has an option on the nearby Aurbel mill. Alpha hosts 1.2 million ounces of gold (total Measured and Indicated resource of 500,000 ounces gold contained within 7.7 Mt @ 2.00 g/t Au and 700,000 ounces gold contained within 5.9 Mt @ 3.80 g/t Au in the Inferred category).

O3 Mining aims to continue to discover new mineralized zones at the Simkar and Omega sectors at Alpha and to test targets generated by its exploration team and verified using artificial intelligence by Mira Geoscience Ltd. incorporating drilling and mapping databases, geochemical samples, Induced Polarization (IP), Electromagnetic (EM), magnetic and gravity datasets (see the press release on August 6, 2020). The 2021 program also considers follow-up on significant drill intercepts to prove the continuity of grades and widths with the aim of turning into new deposits at Epsilon, Pontiac East, Omega, Valdora, and El Sol. Finally, the program will test targets across the property to make new discoveries on the four mineralization types: Cadillac Fault, Skarn/porphyry, Anamaque Sill, and Sigma–Lamaque corridor.

Divestment is part of the Corporation's go-forward strategy of monetizing value from its non-core projects, either through sale or partnerships with strategic buyers, who have strong management teams and are well-capitalized, as well as technically and operationally strong. This strategy will allow O3 Mining to focus on its core projects in Val-d'Or, Québec.

INVESTMENTS

The Corporation's assets included a portfolio of investments in public and private companies as at December 31, 2020. Much of this portfolio of investments was transferred from Osisko Mining to O3 Mining on July 5, 2019 in conjunction with the RTO. The Corporation holds investments in various companies within the mining industry for investment and strategic purposes. In some cases, the Corporation may decide to take a more active role in the investee, including providing management personnel, and technical and administrative support, as well as nominating individuals to the investee's board of directors.

Marketable Securities

The following table summarizes information regarding the Corporation's marketable securities as at December 31, 2020 and 2019 (in thousands of Canadian dollars):

As at		**December 31, 2020**		**December 31, 2019**
Balance, beginning of year	**$**	**10,172**	**$**	**-**
Additions		5,276		3,034
Acquisitions		-		10,724
Disposals		(6,092)		(2,582)
Share consideration from disposition of exploration and evaluation assets		2,146		-
Realized gain/(loss)		3,002		(510)
Unrealized gain/(loss)		4,532		(494)
Balance, end of year	**$**	**19,036**	**$**	**10,172**

During the year ended December 31, 2020, the marketable securities were fair valued, and this resulted in an unrealized gain of $4.5 million (2019 – loss of $494,000). The Corporation sold investments during the year ended December 31, 2020 which resulted in a realized gain of $3.0 million (2019 – loss of $510,000).

RESULTS OF OPERATIONS

The following table summarizes the Corporation's Statements of (Income)/Loss and Comprehensive (Income)/Loss for the three and twelve-month periods ended December 31, 2020 and 2019 (in thousands of Canadian dollars):

		Three months ended				**Year ended**		
		December 31, 2020		December 31, 2019		**December 31, 2020**		December 31, 2019
Expenses/(income)								
Compensation expenses	$	1,153	$	959	$	5,018	$	2,443
General and administration expenses		913		883		2,659		1,485
General exploration expenses		-		3		24		34
Exploration and evaluation assets impairment loss		-		-		831		-
Flow-through premium income		(2,064)		(699)		(5,209)		(822)
(Gain)/loss from marketable securities		(119)		(225)		(7,534)		1,004
Loss on disposal of property, plant and equipment		-		7		-		7
Loss/(gain) on disposal of exploration and evaluation assets		18		-		(1,715)		-
Other income		(14)		(34)		(16)		(90)
Operating (income)/loss		**(113)**		**894**		**(5,942)**		**4,061**
Finance income		(84)		(124)		(283)		(284)
Finance costs		17		16		61		25
Net finance income		**(67)**		**(108)**		**(222)**		**(259)**
(Income)/loss before tax		**(180)**		**786**		**(6,164)**		**3,802**
Deferred income tax expense		1,449		643		2,951		338
Current income tax recovery		(564)		-		-		-
(Income)/loss and comprehensive (income)/loss		**705**		**1,429**	**$**	**(3,213)**	**$**	**4,140**

Three-Month Period Ended December 31, 2020 as Compared to Three-Month Period Ended December 31, 2019

Loss and comprehensive loss decreased by $724,000 from a loss of $1.4 million for the three-month period ended December 31, 2019 to a loss of $705,000 for the three-month period ended December 31, 2020. The majority of the income in the period relate to an increase in flow-through premium income of $1.4 million (non-cash income) and recovery of income tax of $546,000. Income was offset by an increase in compensation expenses of $194,000 and an increase in deferred tax expense of $806,000 (non-cash expense).

Compensation expenses increased by $194,000 to $1.2 million for the three-month period ended December 31, 2020, compared with $959,000 for the same period in 2019. The increase was mostly due to an increase in salaries of $161,000 as a result of salaries and benefits paid to employees hired after the fourth quarter of 2019, as well as higher stock-based compensation in the fourth quarter of 2020 due to the increased stock price during the period.

General and administrative expenses increased by $30,000 to $913,000 for the three-month period ended December 31, 2020. The increase relates to an increase in shareholder and regulatory expense of $120,000 and an increase in professional fees of $61,000 offset by a decrease in travel expense of $91,000 and a decrease in office expense of $60,000.

Flow-through premium income was $2.1 million for the three-month period ended December 31, 2020, compared to $699,000 for the same period in 2019. This income was derived from the flow-through offerings, combined with the amount of "Canadian exploration expenditures" that were spent during the period. On the issuance of flow-through shares, a flow-through share premium liability is recognized. Upon the Corporation incurring flow-through eligible expenditures, the Corporation recognizes flow-through premium income and decreases the flow-through premium liability.

During the three-month period ended December 31, 2020, the Corporation maintained a portfolio of securities that were strategically invested in the marketable securities of exploration and development companies. As a result, the Corporation recognized an unrealized gain of $119,000 in the period. The unrealized gain was a result of the Corporation marking to market its investments at period end. The Corporation had a fair market value of $19.0 million in marketable securities as at December 31, 2020, compared to $10.2 million as at December 31, 2019.

Year Ended December 31, 2020 as Compared to Year Ended December 31, 2019

Income and comprehensive income increased by $7.4 million from a loss of $4.1 million for the year ended December 31, 2019 to an income of $3.2 million for the same period in 2020. The majority of the income in the period relate to an increase in gain from marketable securities of $8.5 million (realized and unrealized), an increase in flow-through premium income of $4.4 million (non-cash income) and an increase in gain on disposal of exploration and evaluation assets of $1.7 million. Income was offset by an increase in deferred income tax expense of $2.6 million (non-cash expense), an increase in general and administration expenses of $1.1 million, as well as an increase in compensation expenses of $2.6 million, of which $1.0 million was from stock-based compensation (non-cash expense).

Compensation expenses increased by $2.6 million to $5.0 million for the year ended December 31, 2020, compared with $2.4 million for the same period in 2019. This increase was mostly due to an increase in salaries of $1.6 million as result of salaries and benefits paid to employees hired after the RTO as well as an increase in stock-based compensation of $1.0 million due to vesting of options and restricted share units granted to senior employees, officers, and directors, and the increased stock price during the year.

General and administrative expenses increased by $1.2 million to $2.7 million for the year ended December 31, 2020, compared with $1.5 million for the same period in 2019. The increase relates to an increase in shareholder and regulatory expense of $342,000, an increase in professional fees of $811,000 and an increase in office expense of $72,000 offset by a decrease in travel expense of $51,000.

Flow-through premium income was $5.2 million for the year ended December 31, 2020, compared to $822,000 for the same period in 2019. This income was derived from the flow-through offerings, combined with the amount of "Canadian exploration expenditures" that were spent during 2020. On the issuance of flow-through shares, a flow-through share premium liability is recognized. Upon the Corporation incurring flow-through eligible expenditures, the Corporation recognizes flow-through premium income and decreases the flow-through premium liability.

During the year ended December 31, 2020, the Corporation maintained a portfolio of securities that were strategically invested in the marketable securities of exploration and development companies. As a result, the Corporation recognized an unrealized gain of $4.5 million and realized gain of $3.0 million in the period. The realized gain was from the sale of several investments and the unrealized gain was a result of the Corporation marking to market its investments at the period end. The Corporation had a fair market value of $19.0 million in marketable securities as at December 31, 2020, compared to $10.2 million as at December 31, 2019.

The Corporation recorded a gain from disposition of exploration and evaluation assets totaling $1.7 million for the year ended December 31, 2020 in respect of the exploration and evaluation assets sold during the year.

Cash Flow

The Corporation is dependent upon raising funds in order to fund future exploration programs. See *"Liquidity and Capital Resources"* and *"Risks and Uncertainties"*.

Operating Activities

Cash used in operating activities for the year ended December 31, 2020 totaled $4.0 million, compared to $5.2 million for the same period in 2019. The increased outflows were primarily attributable to general and administration expenses of $2.7 million, and salaries and benefits of $2.1 million for the year ended December 31, 2020.

Financing Activities

Cash provided by financing activities was $37.8 million for the year ended December 31, 2020, compared with $26.6 million for the same period in 2019. This inflow of cash is primarily attributable to $37.8 million raised from private placements.

Investing Activities

Cash used in investing activities for the year ended December 31, 2020 totaled $16.2 million, compared with $4.8 million for the same period in 2019. This outflow is primarily attributable to exploration and evaluation expenditures of $15.9 million, and acquisition of marketable securities of $5.3 million in the year ended December 31, 2020, partially offset by proceeds of $6.1 million from disposition of marketable securities.

In management's view, the Corporation has sufficient financial resources to fund current planned exploration programs and ongoing operating expenses. As at December 31, 2020, the Corporation had a cash balance of $34.3 million, compared to $16.7 million as at December 31, 2019. The Corporation will continue to be dependent on raising equity or other capital as required unless and until it reaches the production stage and generates cash flow from operations. See *"Risks and Uncertainties" and "Cautionary Note Regarding Forward-Looking Information"*.

SUMMARY OF QUARTERLY RESULTS

(in thousands of Canadian dollars)

For the period ended	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**
Financial results:				
Interest income	$ 84	$ 92	$ 29	$ 78
Loss/(income)	$ 705	$ (2,579)	$ (4,140)	$ 2,796
Loss/(earnings) per share*:				
Basic	$ 0.01	$ (0.04)	$ (0.09)	$ 0.06
Diluted	$ 0.01	$ (0.04)	$ (0.08)	$ 0.06
Financial position:				
Working capital (non-IFRS measurement)**	$ 75,916	$ 60,179	$ 62,539	$ 19,987
Exploration and evaluation assets	$ 127,390	$ 145,923	$ 141,865	$ 141,008
Total assets	$ 211,053	$ 212,097	$ 207,374	$ 165,713
Share capital	$ 184,150	$ 184,309	$ 184,407	$ 158,448
Deficit	$ (5,859)	$ (5,151)	$ (7,730)	$ (11,868)
Number of shares issued and outstanding	60,330,966	60,296,508	60,296,508	47,045,498

** Basic and diluted (earnings)/loss per share is calculated based on the weighted-average number of Common Shares outstanding.*

*** Working capital is a non-IFRS measurement with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see section "Non-IFRS Measure".*

(in thousands of Canadian dollars)

For the period ended		December 31, 2019		September 30, 2019		June 30, 2019		March 31, 2019
Financial results:								
Interest income	$	124	$	160	$	-	$	-
Loss	$	1,429	$	2,615	$	70	$	26
Loss per share*:								
Basic	$	0.03	$	0.07	$	0.12	$	0.04
Diluted	$	0.03	$	0.07	$	0.12	$	0.04
Financial position:								
Working capital (non-IFRS measurement)**	$	27,377	$	30,541	$	(37)	$	32
Exploration and evaluation assets	$	136,690	$	131,973	$	-	$	-
Total assets	$	168,044	$	168,162	$	1,439	$	81
Share capital	$	158,325	$	156,538	$	2,827	$	2,827
Deficit	$	(9,072)	$	(7,643)	$	(5,028)	$	(4,958)
Number of shares issued and outstanding		46,927,215		46,174,122		600,249		600,249

** Basic and diluted (earnings)/loss per share is calculated based on the weighted-average number of Common Shares outstanding.*

*** Working capital is a non-IFRS measurement with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see section "Non-IFRS Measure".*

LIQUIDITY AND CAPITAL RESOURCES

The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The duration and impact of the COVID-19 pandemic is unclear at this time and as a result it is not possible for management to estimate the severity of the impact it may have on the financial results and operations of the Corporation in future periods. It is management's assumption that the Corporation will continue to operate as a going concern.

As at December 31, 2020, the Corporation had a cash balance of $34.3 million (December 31, 2019 - $16.7 million) and working capital of $75.9 million (December 31, 2019 - $27.4 million). Cash and working capital increased from December 31, 2019, due to the completion of a private placement financing, the sale of marketable securities and classifying non-current assets as held for sale in the year ended December 31, 2020. The majority of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. On December 16, 2020, the Department of Finance published draft legislation that proposes to extend the flow-through funds spend period and the look-back rule by one year, including suspending the Part XII.6 tax for the same period. Assuming the extension was enacted as of December 31, 2020, the Corporation would be required to spend $14.3 million of flow-through funds by December 31, 2022 (as opposed to December 31, 2021). If the extension is not finalized by the Department of Finance, the dates for the flow-through spend requirements will be moved up by one year (i.e., $14.3 million by December 31, 2021).

The Corporation has no history of revenues from its operating activities. The Corporation is not in commercial production on any of its mineral properties and accordingly does not generate cash from operations. During the year ended December 31, 2020, the Corporation had negative cash flow from operating activities, and the Corporation anticipates it will have negative cash flow from operating activities in future periods.

The Corporation has, in the past, financed its activities by raising capital through equity issuances. Until O3 Mining can generate a positive cash flow, in order to finance its exploration programs, the Corporation will remain reliant on the equity markets for raising capital, in addition to adjusting spending, disposing of assets, and obtaining other non-equity sources of financing.

The Corporation believes it has sufficient cash resources and the ability to raise funds to meet its exploration and administrative overhead expenses and maintain its planned exploration activities for the next 12 months. However, there is no guarantee that the Corporation will be able to maintain sufficient working capital in the future due to market, economic and commodity price fluctuations. See *"Risks and Uncertainties"*.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Corporation has the following commitments as at December 31, 2020 (in thousands of Canadian dollars):

	Total	2021	2022	2023	2024	2025	2026
Office leases	$ 9	$ 9	$ -	$ -	$ -	$ -	$ -
Camp trailers and equipment leases	209	76	76	57	-	-	-
Total	**$ 218**	**$ 85**	**$ 76**	**$ 57**	**$ -**	**$ -**	**$ -**

On December 16, 2020, the Department of Finance published draft legislation that proposes to extend the flow-through funds spend period and the look-back rule by one year, including suspending the Part XII.6 tax for the same period. Based on the draft legislation, as of December 31, 2020, the Corporation would be required to spend the following flow-through funds by December 31, 2022. If the extension is not enacted by the Department of Finance, the date for the flow-through spend requirements will remain at December 31, 2021 (in thousands of Canadian dollars):

Closing Date of Financing	Province	Remaining Flow-through Funds
June 19, 2020	Québec	14,326
Total		**$ 14,326**

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Corporation and other related parties are disclosed below.

During the year ended December 31, 2020, management fees, geological services, rent and administration fees of $1,001,000 (2019 - $1,289,000) were incurred with Osisko Mining, a related company of the Corporation under IFRS by virtue of Osisko Mining having significant influence over the Corporation. Also, Mr. John Burzynski, Chairman of the Board of Directors of the Corporation, serves as Executive Chairman, CEO, and Director of Osisko Mining and Mr. José Vizquerra, President and CEO of O3 Mining, serves as a Director of Osisko Mining. Accounts payable and accrued liabilities to Osisko Mining as at December 31, 2020 were $262,000 (2019 - $362,000).

During the year ended December 31, 2020, claim maintenance fees of $140,000 (2019 - $16,000) were incurred with Osisko GR, a related company of the Corporation under IFRS by virtue of Osisko GR owning or controlling, directly or indirectly, greater than 10% of the issued and outstanding common shares of Osisko Mining, which has significant influence over the Corporation. Also, Mr. John Burzynski, Chairman of the Board of Directors of the Corporation, serve as a Director of Osisko GR. Accounts payable to Osisko GR as at December 31, 2020 were $nil (2019 - $51,000).

The following table summarizes remuneration attributable to key management personnel for the years ended December 31, 2020 and 2019 (in thousands of Canadian dollars):

For the year ended	**December 31, 2020**	**December 31, 2019**
Salaries expense of key management	$ 1,187	$ 319
Directors' fees	480	193
Stock-based compensation	1,597	979
Total	**$ 3,264**	**$ 1,491**

OUTSTANDING SHARE DATA

As at March 9, 2021, the Corporation had the following securities outstanding: (i) 68,040,266 Common Shares; (ii) 4,807,543 stock options to purchase Common Shares at a weighted average exercise price of $2.91 per option; (iii) 11,832,447 warrants to purchase Common Shares outstanding at a weighted average exercise price of $3.77 per warrant; (iv) 580,000 restricted share units (the "RSU"); and (v) 51,440 deferred share units (the "DSU"). On a fully diluted basis, the Corporation would have 85,311,696 Common Shares issued and outstanding, after giving effect to the exercise of the options, warrants, RSUs, and DSUs of the Corporation that are outstanding.
The following table summarizes the options outstanding and exercisable as at December 31, 2020:

Range of exercise prices per share ($)	Options outstanding Weighted-average remaining years of contractual Life	Number of stock options outstanding	Weighted average exercise price ($)	Options exercisable Weighted-average remaining years of contractual life	Number of stock options exercisable	Weighted average exercise price ($)
2.44 to 2.92	3.9	1,743,686	$2.52	3.0	243,685	$2.67
2.93 to 3.20	3.6	2,046,667	$3.07	3.6	1,370,004	$3.07
3.21 to 3.47	1.0	109,149	$3.33	1.0	109,149	$3.33
3.48 to 3.60	1.2	18,041	$3.60	1.2	18,041	$3.60
2.44 to 3.60	**3.7**	**3,917,543**	**$2.83**	**3.3**	**1,740,879**	**$3.04**

The following table summarizes the DSUs and RSUs outstanding as at December 31, 2020:

	Number of DSUs	Number of RSUs
Outstanding at January 1, 2019	**-**	**-**
Granted	-	390,000
Oustanding at December 31, 2019	**-**	**390,000**
Granted	51,440	150,000
Forfeited	-	(50,000)
Oustanding at December 31, 2020	**51,440**	**490,000**

In August 2019, O3 Mining established an RSU plan and a DSU plan. Under these plans, RSUs can be granted to executive officers and key employees and DSUs can be granted to non-executive directors, as part of their long-term compensation package, entitling them to receive payout in cash or Common Shares, or a combination of both. Should the payout be in cash, the cash value of the payout would be determined by multiplying the number of RSUs and DSUs vested at the payout date by the five-day volume weighted average price from closing price of the Common Shares on the day prior to the payout date. Should the payout be in Common Shares, each RSU and DSU represents an entitlement to one Common Share.

The following tables summarize the warrants issued and outstanding as at December 31, 2020:

	Number of warrants		Weighted-average exercise price
Outstanding at January 1, 2019	**-**	**$**	**-**
Issuance of warrants on private placement	5,010,644		4.43
Issuance of warrants on acquisition of Alexandria	477,174		4.15
Issuance of warrants on acquisition of Simkar Property	435,000		4.20
Expired	(477,174)		4.15
Outstanding at December 31, 2019	**5,445,644**	**$**	**4.41**
Issuance of warrants on private placement	6,625,505		3.25
Exercised	(100)		4.46
Outstanding at December 31, 2020	**12,071,049**	**$**	**3.78**

On June 19, 2020, the Corporation completed a private placement of: (i) 4,651,200 flow-through units of the Corporation at a price of $4.30 per flow-through unit for gross proceeds of $20 million; and (ii) 8,599,810 units of the Corporation at a price of $2.35 per unit for gross proceeds of $20.2 million. Each flow-through unit and each unit both are comprised of one Common Share and one-half of one warrant. Each warrant is exercisable into one Common Share until June 19, 2022, at an exercise price of $3.25.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both current and future year.

i) Significant judgments in applying accounting policies

The areas that require management to make significant judgments in applying the Corporation's accounting policies in determining carrying values include:

Novel coronavirus ("COVID-19")

The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Corporation suspended its operations in Québec due to COVID-19 on March 23, 2020 and resumed operations on May 13, 2020. The duration and impact of the COVID-19 pandemic is unclear at this time and as a result it is not possible for management to estimate the severity of the impact it may have on the financial results and operations of the Corporation in future periods. It is management's assumption that the Corporation will continue to operate as a going concern.

On December 16, 2020, the Department of Finance published draft legislation that proposes to extend the flow-through funds spend period and the look-back rule by one year, including suspending the Part XII.6 tax for the same period. Based on the draft legislation, as of December 31, 2020, the Corporation would be required to spend $14,326,000 of flow-through funds by December 31, 2022. If the extension is not enacted by the Department of Finance, the date for the flow-through spend requirements will remain at December 31, 2021.

Non-current assets held for sale

The corporation follows the guidance of IFRS 5, Non-current Assets Held for Sale and Discontinued Operations to assess the accounting of assets that are held for sale. Certain criteria, which requires judgement, needs to be met for a non-current asset to be classified as held for sale. Specific measurement and disclosure are required by the IFRS for non-current assets held for sale.

During the year ended December 31, 2020, the Corporation decided to dispose of its Garrison Project through the sale of its wholly owned subsidiary Northern Gold. Northern Gold owns 100% of the Golden Bear assets, including the Garrison Project, in the Kirkland Lake district of the Timmins gold mining camp in Ontario, Canada. Management identified Moneta as a buyer and on February 24, 2021, O3 Mining completed the sale of Northern Gold in exchange for common shares of Moneta. The Corporation concluded that as at December 31, 2020, the assets and the associated liabilities of the Garrison Project will be disposed of and management determined it to be a disposal group accounted for as held for sale.

Income taxes

The Corporation is subject to income taxes in various jurisdictions. Significant judgment is required in determining the provision for income taxes, due to the complexity of legislation, including the judgments around the use of flow-through share financing. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

ii) Significant accounting estimates and assumptions

The areas that require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Impairment of non-financial assets

The Corporation assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs of disposal and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

Fair value of stock options and warrants

Determining the fair value of stock options and warrants involves estimates of interest rates, expected life of options and warrants, expected forfeiture rate, share price volatility and the application of the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the input of highly subjective assumptions that can materially affect the fair value estimate. Stock options granted vest in accordance with the stock option plan. The valuation of stock-based compensation is subjective and can impact profit and loss significantly.

The following variables are used when determining the value of stock options and warrants using the Black-Scholes valuation model:

- **Risk-free interest rate:** The Corporation uses the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options and warrants. The risk-free interest rate will vary depending on the date of the grant of the stock options and warrants and their expected term.
- **Expected life:** The Corporation uses historical lifespan information of similar stock-based compensation instruments granted by the Corporation to determine expected life.
- **Forfeiture rate:** The Corporation has applied a forfeiture rate in arriving at the fair value of stock-based compensation to be recognized, reflecting historical experience. Historical experience may not be representative of actual forfeiture rates incurred.
- **Volatility:** The Corporation uses historical information on the market price of peer companies to determine the degree of volatility at the date when the stock options are granted. Therefore, depending on when the stock options and warrants were granted and the year of historical information examined, the degree of volatility can be different when calculating the value of different stock options and warrants.

CHANGES IN IFRS ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for accounting years ended beginning on or after December 31, 2020. Please refer to the Financial Statements for information on future accounting pronouncements as well as new accounting standards issued and effective.

CORPORATE GOVERNANCE

Management and the board recognize the value of good corporate governance and the need to adopt best practices. The Corporation is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance.

The board has adopted a board mandate outlining its responsibilities and defining its duties. The board has four committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Sustainable Development Committee. Each committee has a committee charter, which outlines the committee's mandate, procedures for calling a meeting, and provides access to outside resources.

The board has also adopted a code of ethics, which governs the ethical behavior of all employees, management, and directors. Separate trading blackout and disclosure policies are also in place. For more details on the Corporation's corporate governance practices, please refer to O3 Mining's website (www.o3mining.com) and the statement of Corporate Governance contained in the Corporation's management information circular dated May 14, 2020.

The Corporation's directors have expertise in exploration, metallurgy, mining, accounting, legal, banking, financing, and the securities industry. The board and each committee are scheduled to meet at least four times per year.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Corporation's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal controls over financial reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is also responsible for the design of the Corporation's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Corporation's internal controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Corporation; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

NON-IFRS MEASURES

The Corporation has included a non-IFRS measure for "working capital" in this MD&A to supplement its financial statements, which are presented in accordance with IFRS. The Corporation believes that this measure provides investors with an improved ability to evaluate the performance of the Corporation. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore, such measures may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The Corporation determines working capital as follows (in thousands of Canadian dollars):

Reconciliation for the period ended	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Current assets	$ 80,637	$ 63,998	$ 64,585	$ 23,991
Less current liabilities	4,721	3,819	2,046	4,004
Working capital	**$ 75,916**	**$ 60,179**	**$ 62,539**	**$ 19,987**

Reconciliation for the period ended	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Current assets	$ 30,688	$ 35,415	$ 1,439	$ 81
Less current liabilities	3,311	4,874	1,476	49
Working capital	**$ 27,377**	**$ 30,541**	**$ (37)**	**$ 32**

RISKS AND UNCERTAINTIES

The Corporation's business, being the acquisition, exploration, and development of mineral properties in Canada, is speculative and involves a high degree of risk. Certain factors, including but not limited to the ones below, could materially affect the Corporation's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Corporation. See *"Cautionary Note Regarding Forward-Looking Information"*.

COVID-19

In particular, the Corporation wishes to highlight that it continues to face risks related to COVID-19, which could continue to significantly disrupt its operations and may materially and adversely affect its business and financial conditions.

In December 2019, a novel strain of the coronavirus emerged in China and has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown.

The extent to which COVID-19 will continue to impact the Corporation's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Corporation's business including without limitation, employee health, workforce productivity, obligations regarding flow-through shares, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to its drill program and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Corporation's control, which may have a material and adverse effect on the its business, financial condition and results of operations.

There can be no assurance that the Corporation's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks. Further, there can be no assurances that the remaining balance of the gross proceeds from the sale by the Corporation of flow-through shares in 2020 and 2021 (being approximately $55.0 million) will be used by the Corporation to incur "Canadian exploration expenses" that qualify as "flow-through mining expenditures" (as both terms are defined in the *Income Tax Act* (Canada)), and such other applicable Québec provincial obligations will be satisfied by the deadlines, if the COVID-19 pandemic continues and/or the Government of Québec mandates that the Corporation's operations be suspended again.

In addition, the continued spread of COVID-19 could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and the Corporation's future prospects.

Nature of Mineral Exploration and Mining

The Corporation's future is dependent on its exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Corporation's exploration properties may be required to construct mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary or full feasibility studies on the Corporation's projects, or the current or proposed exploration programs on any of the properties in which the Corporation has exploration rights, will result in any profitable commercial mining operations. The Corporation cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves.

Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; precious metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Corporation not receiving an adequate return on its invested capital or suffering material adverse effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

Exploration, Development and Operations

The long-term profitability of the Corporation's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors, including the Corporation's ability to extend the permitted term of exploration granted by the underlying concession contracts. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

Liquidity and Additional Financing

The Corporation's ability to continue its business operations is dependent on management's ability to secure additional financing. The Corporation's only source of liquidity is its cash and cash equivalent balances. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Corporation's obligations.

The advancement, exploration and development of the Corporation's properties, including continuing exploration and development projects, and, if warranted, construction of mining facilities and the commencement of mining operations, will require substantial additional financing. As a result, the Corporation may be required to seek additional sources of equity financing in the near future. While the Corporation has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes and economic downturns. There can be no assurance that the Corporation will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Corporation's objectives or obtained on terms favourable to the Corporation. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the Corporation's properties, or even a loss of property interest, which would have a material adverse effect on the Corporation's business, financial condition and results of operations.

No Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Corporation has not determined whether any of its properties contains economically recoverable reserves of mineralized material and currently has not earned any revenue from its projects; therefore, the Corporation does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Corporation's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Corporation's properties. The Corporation does not expect to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the Corporation's properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it is not, the Corporation may be forced to substantially curtail or cease operations.

Osisko Mining Being a Significant Shareholder

Osisko Mining is a significant shareholder of O3 Mining and will have the ability to significantly influence certain corporate actions of O3 Mining. As of March 9, 2021, Osisko Mining holds 18,277,898 Common Shares, representing approximately 26.9% of the issued and outstanding Common Shares on a basic basis. This level of share ownership allows Osisko Mining to exercise significant influence over all matters requiring approval of the shareholders of O3 Mining, including the election of directors, determination of significant corporate actions, amendments to O3 Mining's articles and by-laws, and the approval of any business combinations, mergers or takeover attempts, in a manner that could conflict with the interests of other shareholders of O3 Mining. In addition to having significant influence over all matters requiring approval of the shareholders of O3 Mining, Osisko Mining may have investment objectives which are different than other shareholders of O3 Mining, and may dispose of Common Shares from time-to-time through the facilities of the TSX Venture Exchange, which could put downward pressure on the price of Common Shares.

Market Liquidity of Investment Portfolio

O3 Mining holds a portfolio of investments in public and private companies. These investments are speculative and involve a high-degree of risk. There is no guarantee that these investments will earn any positive return in the short-term or long-term, and it may not be possible for the Corporation to readily liquidate the portfolio of investments. The portfolio of investments includes companies subject to trading liquidity risk, and O3 Mining may not be able to sell such investments within a reasonable amount of time at a fair price, and any such sale may put downward pressure on the share price of such companies. As such, there can be no assurances that O3 Mining can convert the portfolio of investments into cash quickly or at all.

Market Price of the Common Shares

The Common Shares trade on the TSX Venture Exchange under the symbol "OIII". The market price of securities of many companies, particularly exploration and development stage mining companies, experience wide fluctuations that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that an active market for the Common Shares will be sustained, or that fluctuations in the price of the Common Shares will not occur. The market price of the Common Shares at any given point in time may not accurately reflect the Corporation's long-term value. Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Volatility of Commodity Prices

The development of the Corporation's properties is dependent on the future prices of minerals and metals. In addition, should any of the Corporation's properties eventually enter commercial production, the Corporation's profitability will be significantly affected by changes in the market prices of minerals and metals.

Precious metals prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Corporation's control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of any of the Corporation's exploration projects, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Corporation's properties to be impracticable or uneconomical. As such, the Corporation may determine that it is not economically feasible to commence commercial production at some or all of its properties, which could have a material adverse impact on the Corporation's financial performance and results of operations. In such a circumstance, the Corporation may also curtail or suspend some or all of its exploration activities.

Acquiring Title

The acquisition of title to mineral properties is a very detailed and time-consuming process. The Corporation may not be the registered holder of some or all of the claims and concessions comprising the Alpha Project, the Malartic Block Project or any of the mineral projects of the Corporation. These claims or concessions may currently be registered in the names of other individuals or entities, which may make it difficult for the Corporation to enforce its rights with respect to such claims or concessions. There can be no assurance that proposed or pending transfers will be effected as contemplated. Failure to acquire title to any of the claims or concessions at one or more of the Corporation's projects may have a material adverse impact on the financial condition and results of operation of the Corporation.

Title Matters

Once acquired, title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more claims or concessions at the Corporation's projects will not be challenged or impugned. There may be challenges to any of the Corporation's titles which, if successful, could result in the loss or reduction of the Corporation's interest in such titles. The Corporation's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Corporation may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Uncertainty and Inherent Sample Variability

Although the Corporation believes that the estimated mineral resources and mineral reserves at the Garrison Project, Alpha Project and the Malartic Block Project have been delineated with appropriately spaced drilling, there exists inherent variability between duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. There also may be unknown geological details that have not been identified or correctly appreciated at the current level of delineation. This results in uncertainties that cannot be reasonably eliminated from the estimation process. Some of the resulting variances can have a positive effect and others can have a negative effect on mining and processing operations.

Reliability of Mineral Resources Estimates

Mineral resources are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other relevant issues. There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Corporation's control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data, the nature of the mineralized body and of the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience.

Fluctuations in gold or silver prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties, may require revision of Mineral resource estimates. Should reductions in mineral resources occur, the Corporation may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Mineral resources should not be interpreted as assurances of mine life or of the profitability of current or future operations. Any material reductions in estimates of mineral resources could have a material adverse effect on the Corporation's results of operations and financial condition.

Mineral resources are not mineral reserves and have a greater degree of uncertainty as to their existence and feasibility. There is no assurance that mineral resources will be upgraded to proven or probable mineral reserves.

Uncertainty Relating to Inferred Mineral Resources

Inferred mineral resources are not mineral reserves and do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven and probable mineral reserves as a result of continued exploration.

Term and Extension of Concession Contracts

Non-compliance with concession contracts may lead to their early termination by the relevant mining authorities or other governmental entities. A company whose concession contracts were subject to termination could be prevented from being issued new concessions or from keeping the concessions that it already held. The Corporation is not aware of any cause for termination or any investigation or procedure aimed at the termination of any of its concession contracts.

Governmental Regulation

The mineral exploration and development activities of the Corporation are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although the Corporation's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing the Corporation's operations, or more stringent implementation thereof, could have an adverse impact on the Corporation's business and financial condition.

The Corporation's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of the Corporation's future operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities that could cause operations to cease or be curtailed. Other enforcement actions may include corrective measures requiring capital expenditures, the installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed upon them for violations of applicable laws or regulations.

Permitting

The operations of the Corporation require licenses and permits from various governmental authorities. The Corporation will use its best efforts to obtain all necessary licenses and permits to carry on the activities which it intends to conduct, and it intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that the Corporation will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development, or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the Corporation's properties.

With respect to environmental permitting, the development, construction, exploitation and operation of mines at the Corporation's projects may require the granting of environmental licenses and other environmental permits or concessions by the competent environmental authorities. Required environmental permits, licenses or concessions may take time and/or be difficult to obtain, and may not be issued on the terms required by the Corporation. Operating without the required environmental permits may result in the imposition of fines or penalties as well as criminal charges against the Corporation for violations of applicable laws or regulations.

Surface Rights

The Corporation does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government or third parties will be granted, nor that they will be on reasonable terms if granted. Failure to acquire surface rights may impact the Corporation's ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of the Corporation's future operations.

Dependence on Key Personnel

The Corporation's future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified personnel. The Corporation relies on a limited number of key employees, consultants and members of senior management, and there is no assurance that the Corporation will be able to retain such personnel. The loss of one or more key employees, consultants or members of senior management, if such persons are not replaced, could have a material adverse effect on the Corporation's business, financial condition and prospects.

To operate successfully and manage its potential future growth, the Corporation must attract and retain highly qualified engineering, managerial and financial personnel. The Corporation faces intense competition for qualified personnel in these areas, and there can be no certainty that the Corporation will be able to attract and retain qualified personnel. If the Corporation is unable to hire and retain additional qualified personnel in the future to develop its properties, its business, financial condition and operating results could be adversely affected.

Uninsurable Risks

Mining operations generally involve a high degree of risk. Exploration, development and production operations on mineral properties involve numerous risks, including but not limited to unexpected or unusual geological operating conditions, seismic activity, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, risks relating to the shipment of precious metal concentrates or ore bars, and political and social instability, any of which could result in damage to, or destruction of, the mine and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although the Corporation believes that appropriate precautions to mitigate these risks are being taken, operations are subject to hazards such as equipment failure or failure of structures, which may result in environmental pollution and consequent liability. It is not always possible to obtain insurance against all such risks and the Corporation may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate the Corporation's future profitability and result in increasing costs and a decline in the value of the Common Shares. The Corporation does not maintain insurance against title, political or environmental risks.

While the Corporation may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting the Corporation's business and financial condition.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has been negatively impacted. These factors may impact the ability of the Corporation to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to the Corporation. If increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the value and price of the Common Shares could be adversely affected.

Information Systems Security Threats

The Corporation's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date the Corporation has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Corporation will not incur such losses in the future. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attach, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Competition

The mineral exploration and mining business is competitive in all of its phases. In the search for and acquisition of attractive mineral properties, the Corporation competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources. The Corporation's ability to acquire properties in the future will depend on its ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that the Corporation will continue to be able to compete successfully with its competitors in acquiring such properties or prospects, nor that it will be able to develop any market for the raw materials that may be produced from its properties. Any such inability could have a material adverse effect on the Corporation's business and financial condition.

Option and Joint Venture Agreements

The Corporation has and may continue to enter into option agreements and/or joint ventures as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to the Corporation or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a negative impact on the Corporation. Pursuant to the terms of certain of the Corporation's existing option agreements, the Corporation is required to comply with exploration and community relations obligations, among others, any of which may adversely affect the Corporation's business, financial results and condition.

Under the terms of such option agreements the Corporation may be required to comply with applicable laws, which may require the payment of maintenance fees and corresponding royalties in the event of exploitation/production. The costs of complying with option agreements are difficult to predict with any degree of certainty; however, were the Corporation forced to suspend operations on any of its concessions or pay any material fees, royalties or taxes, it could result in a material adverse effect to the Corporation's business, financial results and condition.

The Corporation may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying concessions.

Mergers and Amalgamations

The ability to realize the benefits of any merger or amalgamation completed by the Corporation will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner. This integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities of the Corporation following completion of any such arrangement, and from operational matters during such a process.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation, and to disclose any interest they may have in any project or opportunity of the Corporation. In addition, each of the directors is required by law to declare his or her interest in and refrain from voting on any matter in which he or she may have a conflict of interest, in accordance with applicable laws.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies, as well as the location of population centres and pools of labour, are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could impact the Corporation's ability to explore its properties, thereby adversely affecting its business and financial condition.

The Outstanding Common Shares Could be Subject to Dilution

The exercise of stock options, warrants, the DSUs and the RSUs already issued by the Corporation and the issuance of additional equity securities in the future could result in dilution in the equity interests of holders of Common Shares.

No Dividends Policy

The Corporation has not declared a dividend since incorporation and does not anticipate doing so in the foreseeable future. Any future determination as to the payment of dividends will be at the discretion of the board and will depend on the availability of profit, operating results, the financial position of the Corporation, future capital requirements and general business and other factors considered relevant by the directors of the Corporation. No assurances in relation to the payment of dividends can be given.

TECHNICAL INFORMATION

Information relating to the Garrison Project is supported by the **Garrison** mineral resource estimate with an effective date of November 25, 2020 (the "Garrison Resource Estimate"), which has been prepared by Moose Mountain Technical Services ("Moose Mountain"), from Cranbrook, British Columbia, and has been reviewed and audited by Ausenco, Toronto, Ontario. The Garrison Resource Estimate was prepared under the direction of Sue Bird, P.Eng., who is a "qualified person" within the meaning of NI 43-101. Mrs. Bird is an employee of Moose Mountain and is considered to be "independent" of the Corporation for purposes of section 1.5 of NI 43-101. Reference should be made to the full text of the technical report, which is being prepared in accordance with NI 43-101 and will be available for review on SEDAR (www.sedar.com) under O3 Mining's issuer profile.

Scientific and technical information in this MD&A relating to the **Marban Project** is supported by the technical report titled *"N.I. 43-101 Technical Report & Preliminary Economic Assessment of the Marban Project, Québec, Canada"* and dated as of October 23, 2020 (effective date of September 3, 2020), which has been prepared by Mr. Tommaso Roberto Raponi, P.Eng. and Mr. Scott Elfen, P.E. of Ausenco Engineering Canada Inc., with the assistance of Moose Mountain Technical Services, Golder Associates Inc. and WSP Canada (the "Marban PEA"). Each of Mr. Raponi and Mr. Elfen is a "qualified person" within the meaning of NI 43-101 and considered to be "independent" of O3 Mining for purposes of Section 1.5 of NI 43-101. Reference should be made to the full text of the Marban PEA, which was prepared in accordance with NI 43-101 and is available electronically on SEDAR (www.sedar.com) under O3 Mining's issuer profile.

Information relating to the **Akasaba Project** is supported by the technical report titled *"NI 43-101 Technical Report on the Akasaba Project, Province of Québec, Canada"* and dated of March 1, 2013 (effective date of January 20, 2013), which has been prepared by Christian D'Amours, B.Sc. P.Geo (OGQ #226) of Geopointcom, from Val-d'Or, Québec, and has been reviewed and audited by Geologica Inc. from Val-d'Or, Québec (the "Akasaba Resource Estimate"). The Akasaba Resource Estimate was prepared under the direction of Alain-Jean Beauregard, P.Geo (OGQ # 227) and Daniel Gaudreault (OIQ # 39834), each of whom is a "qualified person" within the meaning of NI 43-101 and considered to be "independent" of the Corporation for purposes of Section 1.5 of NI 43-101. Reference should be made to the full text of the Akasaba Resource Estimate, which was prepared in accordance with NI 43-101 and is available electronically on SEDAR (www.sedar.com) under Alexandria's issuer profile.

Information relating to the **Sleepy Project** is supported by the technical report titled *"2014 NI 43-101 Technical Report on the Sleepy Lake Property, Province of Québec, Canada"* and dated November 25, 2014 (effective date of September 15, 2014), which has been prepared by Christian D'Amours, B.Sc. P.Geo (OGQ #226) of Geopointcom, from Val-d'Or, Québec, and has been reviewed and audited by Geologica Inc. from Val-d'Or, Québec (the "Sleepy Resource Estimate"). The Sleepy Resource Estimate was prepared under the direction of Alain-Jean Beauregard, P.Geo (OGQ # 227) and Daniel Gaudreault (OIQ # 39834), each of whom is a "qualified person" within the meaning of NI 43-101 and considered to be "independent" of the Corporation for purposes of Section 1.5 of NI 43-101. Reference should be made to the full text of the Sleepy Resource Estimate, which was prepared in accordance with NI 43-101 and is available electronically on SEDAR (www.sedar.com) under Alexandria's issuer profile.

Information relating to the **East Cadillac Gold Project** is supported by the technical report titled *"2019 NI 43-101 Technical Report and Mineral Resource Estimate: East Cadillac Gold Project, Val-d'Or, Québec"* and dated June 7, 2019 (effective date of April 30, 2019), which has been prepared by MRB & Associates, from Val-d'Or, Québec (the "East Cadillac Resource Estimate"). The East Cadillac Resource Estimate was prepared under the direction of Mr. John Langton, P.Geo, and Vincent Jourdain, P.Eng. (MRB & Associates), each of whom is a "qualified person" within the meaning of NI 43-101 and considered to be "independent" of the Corporation for purposes of Section 1.5 of NI 43-101. MRB & Associates is also considered to be "independent" of the Corporation for purposes of Section 1.5 of NI 43-101. Reference should be made to the full text of the

East Cadillac Resource Estimate, which was prepared in accordance with NI 43-101 and is available electronically on SEDAR (www.sedar.com) under Chalice Gold Mines Limited's issuer profile.

Scientific and technical information in this MD&A relating to the **Orenada Project** is supported by the technical report titled *"A Mineral Updated Mineral Resource Estimate for the Orenada Zones 2 and 4 Project, Alpha Group Properties, Latitude 48° 03' North and Longitude 77° 42' West, Province of Québec, Canada"* and dated of July 20, 2018 (effective date of July 6, 2018), which has been prepared by InnovExplo Inc. (the "Orenada Resource Estimate"). InnovExplo is considered to be "independent" of the Corporation for purposes of Section 1.5 of NI 43-101 and is responsible for Whittle pit optimizations reported in the Orenada Resource Estimate. Reference should be made to the full text of the Orenada Resource Estimate, which was prepared in accordance with NI 43-101 and is available electronically on SEDAR (www.sedar.com) under Alexandria's issuer profile.

This MD&A uses the terms measured, indicated, and inferred mineral resources as a relative measure of the level of confidence in the resource estimate. Readers are cautioned that mineral resources are not economic mineral reserves and that the economic viability of mineral resources that are not mineral reserves has not been demonstrated. The estimate of mineral resources may be materially affected by geology, environmental, permitting, legal, title, socio-political, marketing, or other relevant issues. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to an indicated or measured mineral resource category. The mineral resource estimate is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's *"CIM Definition Standards on Mineral Resources and Mineral Reserves"* incorporated by reference into NI 43-101. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for a preliminary economic assessment as defined under NI 43-101. Readers are cautioned not to assume that further work on the stated resources will lead to mineral reserves that can be mined economically.

Mr. Louis Gariepy, P.Geo. B.Sc., Vice President of Exploration of O3 Mining, is a "qualified person" within the meaning of NI 43-101, and has reviewed and approved the scientific and technical information in this MD&A with respect to all of the Corporation's properties located in Québec, including the James Bay Properties, the Malartic Property, the Alpha Property and East Cadillac Property.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain forward-looking statements and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, "forward-looking information"), including, but not limited to, statements relating to the future financial or operating performance of the Corporation, the Corporation's mineral projects, the future price of metals, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production (if any), capital, operating and exploration expenditures, exploration activities, costs and timing of the development of new deposits, costs and timing of future exploration, the ongoing impact of the COVID-19 pandemic, proposed extensions regarding the flow-through funds spend period, the timing and ability of the Corporation to publish further technical reports, including preliminary economic assessments and pre-feasibility studies (if at all), the ability of the Corporation to complete a pre-feasibility study on the Marban Project, use of proceeds from financings, requirements for additional capital, government regulation of mining operations and mineral exploration activities, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage, and transactions. Often, but not always, forward-looking information can be identified by the use of words and phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information reflects the Corporation's beliefs and assumptions based on information available at the time such statements were made. Actual results or events may differ from those predicted in forward-looking information. All of the Corporation's forward-looking information is qualified by (i) the assumptions that are stated or inherent in such forward-looking information, including the assumptions listed below, (ii) the risks described in the section entitled *"Risks and Uncertainties"* in this MD&A, and (iii) the financial statements of the Corporation and other public disclosure of the Corporation, which are available on SEDAR (www.sedar.com) under the O3 Mining's issuer profile.

Although the Corporation believes that the assumptions underlying the forward-looking information contained in this MD&A are reasonable, this list is not exhaustive of the factors that may affect any forward-looking information. The key assumptions that have been made in connection with forward-looking information include the following: the significance of drill results and ongoing exploration activities; the ability of exploration activities (including drill results) to accurately predict mineralization; the predictability of geological modelling; the accuracy of the Corporation's records of its property interests; the global economic climate; metal prices; environmental risks; community and non-governmental actions; that permits required for the Corporation's operations will be obtained on a timely basis in order to permit the Corporation to proceed on schedule with its planned drilling programs; that skilled personnel and contractors will be available as the Corporation's operations continue to grow; that the price of gold will exceed levels that will render the project of the Corporation economical; the relevance of the assumptions, estimates and projections; that the Corporation will be able to operate as expected during the COVID-19 pandemic; and that the Corporation will be able to continue raising the necessary capital to finance its operations and realize on its mineral resource estimates.

Forward-looking information involves known and unknown risks, future events, conditions, uncertainties, and other factors which may cause the actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; public health crises; the actual results of current exploration activities; errors in geological modelling; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations of grade or recovery rates; failure of plant and equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Corporation disclaims any obligation to update any forward-looking information, whether as a result of new information, future events, or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

ADDITIONAL INFORMATION

Additional information regarding the Corporation is available on SEDAR (www.sedar.com) under O3 Mining's issuer profile.