

Osisko Development Corp.

Ticker: NYSE: ODV



A division of Cashu Group

Fully Permitted, Strategically Financed, Positioned to Outperform

Executive Summary

Rating: BUY

Price Target: \$6.30 (78.5% Upside)

Current Price: \$3.53 (Dec 1, 2025)

Horizon: 12-18 months

Risks: Speculative

Osisko Development is entering a pivotal phase as it transitions from developer to near-term builder of its flagship Cariboo Gold Project. With major permits secured, a significant portion of project financing in place, and early construction and infill drilling well underway, the company has meaningfully reduced its risk profile over the past year. At the same time, gold prices remain near historic highs and institutional demand continues to strengthen, creating a favourable macro backdrop for a large, long-life, low-cost Canadian underground mine.

Despite this progress, Osisko's equity continues to trade at a deep discount to its NAV and to peer developers with comparable scale and jurisdictional quality. We believe that as Cariboo advances through formal construction start, resource conversion, and de-risking milestones, Osisko is positioned for a material valuation re-rating. In our investment case, supported by NAV and comparables analysis, we estimate a 12-month price target of US\$6.30, reflecting the combination of improved funding visibility, project execution momentum, and continued strength in the gold market.

Investment Thesis

- **Rare Tier-1, Shovel-Ready Asset:** Cariboo is one of the few fully permitted, construction-ready gold projects of scale in a Tier-1 jurisdiction, with a 10-year mine life and 190 koz/year production profile at US\$1,150/oz AISC (2025 FS).
- **Project Largely Financed & De-Risked:** A US\$450m project finance facility and sizeable equity raises leave ODV with a strong cash position and clear line of sight to first production, reducing the historic funding overhang.
- **Deep Discount to NAV / Re-Rating Potential:** Even after recent gains, ODV trades at a steep discount to our Cariboo-driven NAV and to developers/producers with similar scale, leaving substantial scope for multiple expansion as construction advances and risk falls.
- **District-Scale and Optionality:** Cariboo's resources and exploration upside, plus the high-grade Tintic Project in Utah and equity holdings in other developers, provide additional torque that is only partly reflected in current valuations.
- **Strategic / M&A Appeal:** A large, permitted Canadian underground project is scarce; we see credible medium-term potential for strategic interest from mid-tier or senior producers looking for de-risked growth in top jurisdictions.

Equity Research Canada

Mining & Resources



Osisko Development is a North American gold development company focused on past-producing mining camps located in mining friendly jurisdictions with district scale potential. Its objective is to become an intermediate gold producer by advancing its fully permitted 100%-owned Cariboo Gold Project, located in central B.C., Canada, the Tintic Project in the historic East Tintic mining district in Utah, U.S.A., and other exploration and development properties. The Company is led by a world-class team, with a proven track record of discovering, funding, developing and operating tier-1 projects globally, including one of Canada's largest gold producing mines, Canadian Malartic.

Valuation	\$6.30
Current price	\$3.53
Market cap	\$830m
Cash on hand	\$401.4m (Sept)

Share Performance (USD\$)



Over the past 12 months, Osisko Development's share price has delivered a strong recovery, rising from the low-\$1 range to approximately \$3.53, representing a 94% gain year-on-year. The stock spent the early part of the year drifting lower and consolidating before beginning a steady upward trend around mid-2025, supported by improving financing visibility and rising gold prices. Momentum accelerated into Q3 and Q4 as the company secured major funding, advanced early works at Cariboo, and benefited from a broader rally in gold equities. While the stock experienced normal volatility during the ascent, the overall trajectory has been decisively positive. It now trades near its 12-month highs, reflecting increased investor confidence and strong sector sentiment.

Gold Market Overview

Gold is supported by strong structural drivers: record central-bank buying, persistent macro uncertainty and a generational shift toward real assets. Central banks have been net buyers for over a decade, recently adding hundreds of tonnes per year as they diversify away from the US dollar, while younger investors are allocating more of their portfolios to bullion and gold ETFs than prior generations. In 2025 gold has traded near or above record levels, and many market observers expect a structurally higher trading range over the medium term. This backdrop is highly favourable for a low-cost, long-life producer such as Cariboo.

Global Central Bank Net Purchases of Gold (2002 - 2024)

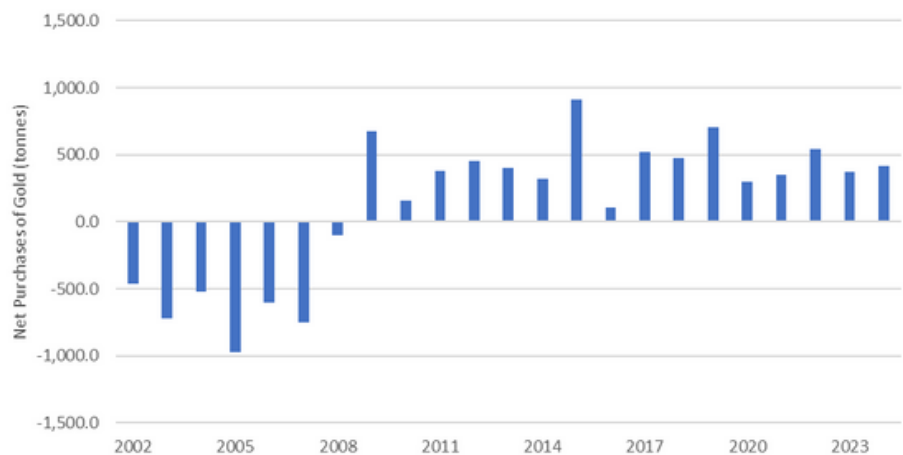


Figure 1: Post the Global Financial Crisis (GFC) central banks have been net buyers of gold (Source: World Gold Council).

Recent Developments

- 2025 Optimised FS Completed: Confirms robust economics: after-tax NPV5% close to US\$1bn at base-case gold, materially higher at spot, with first pour targeted 2027.
- US\$450m Project Facility: Appian Capital facility (US\$100m already drawn) plus >US\$280m of new equity significantly strengthens the balance sheet and funds pre-construction and early build activities.
- Pre-Construction & Infill Drilling: Decline development, camp and plant site works, and a 13,000 m underground infill program at Lowhee are well advanced, aimed at tightening mine design and converting resources to reserves.
- Portfolio Simplification: Sale of the non-core San Antonio project focuses capital and management on Cariboo and Tintic while retaining some upside via equity/contingent consideration.

Investment Positives

- Tier-1 Jurisdiction, Strong Community & First Nations Engagement: Reduces geopolitical and permitting risk versus global peers.
- Low-Cost, High-Margin Profile: Attractive grade and AISC in the lower half of the global cost curve provide resilience at lower gold prices and powerful leverage at higher prices.
- Scale & Growth: 2 Moz in reserves with significant M&I and inferred resources and open mineralisation at depth and along strike support potential mine-life extension and throughput expansion.
- Experienced Team & Sponsorship: Osisko group pedigree and Appian partnership provide technical and financial depth uncommon in single-asset developers.

Key Risks

- Execution & Construction Risk: Underground mine builds are complex; cost overruns or delays could require incremental capital and weigh on sentiment.
- Gold Price Volatility: A sustained fall in gold would compress margins, reduce NAV, and could complicate future funding or M&A.
- Residual Funding / Dilution Risk: Despite major facilities in place, higher-than-planned capex or expansion ambitions could still require additional equity or alternative financing.

Cariboo Gold Project – Strategic Location in Central British Columbia



Figure 2: Source: Osisko Development – Investor Presentation (2025)

Valuation & 12-Month Price Target

We value Osisko via a NAV framework centred on Cariboo's 2025 FS, using:

- Long-term gold price in line with current elevated levels;
- 5% discount rate;
- Cariboo NAV based on reserves with partial credit for resource conversion;
- Conservative value for Tintic and equity holdings, less corporate costs and net debt.

On this basis, we estimate a NAV of US\$7.80–8.00 per share. Applying a 0.8× P/NAV multiple (toward the high end for advanced developers, but below where quality producers trade) yields our 12-month target of US\$6.30.

At US\$6.30, ODV would still trade at a discount to our full NAV and at a reasonable EV/oz versus comparable Tier-1 projects, leaving additional upside if:

- execution is strong,
- exploration/resource conversion extends mine life, or
- a strategic bidder emerges willing to pay closer to 1.0× NAV or more.

Economic Sensitivities to Gold Price (base case in bold)

Cariboo Gold 2025 FS – Economic Sensitivity Analysis, after-tax (base case in bold)				
Gold Price	NPV5%	IRR	Payback	Avg. FCF
(US\$/oz)	(\$ mm)	(%)	(yrs)	(\$ mm per yr)
\$1,800	251	9.9%	5.3	65
\$2,100	610	16.5%	3.5	113
\$2,400	943	22.1%	2.8	158
\$2,700	1,275	27.2%	2.2	204
\$3,000	1,604	31.9%	1.9	250
\$3,300	1,934	36.3%	1.7	296
\$3,600	2,263	40.5%	1.5	342
\$3,900	2,592	44.5%	1.3	388
\$4,200	2,921	48.3%	1.2	433
\$4,500	3,249	51.9%	1.1	479

Table 1: Source: Osisko Development – Investor Presentation (2025)

Catalysts

- Formal construction / FID announcement and updated funding plan.
- Completion of Lowhee infill drilling; updated resource and reserve estimate.
- Ongoing development milestones (decline advances, plant site works, major equipment orders).
- Exploration and Tintic news flow.
- Any signs of strategic interest or partnership discussions.
- Continued strength or further break-out in gold prices.

Conclusion

Osisko Development offers high-quality, leveraged exposure to a strong gold market through a fully permitted, largely financed, near-term mine build in Canada. The combination of robust Cariboo economics, visible catalysts, strategic appeal and a substantial discount to NAV underpins our bullish view.

12-month price target: US\$6.30 per share.

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