

Osisko Development Corp. – Initiating Coverage



Osisko Development Corp. (TSX.V: ODV)

Did you ever wonder what happened to Barkerville Gold? It was taken into [Osisko Gold Royalties](#), and has now been spun out into another new Osisko company, Osisko Development Corp.

The Cariboo district is highly prospective for gold, so we are initiating coverage to follow Osisko Development Corp., and the Cariboo story as it progresses towards production.

Osisko Development Corp.	TSX.V: ODV
Stage	Development and exploration
Metal	Gold
Market cap	C\$1.06 B @ C\$8.25
Location	B.C. Canada, Sonora and Guerrero, Mexico

Comment

I always liked the Barkerville Gold Cariboo project, and was disappointed when Osisko Gold Royalties took it over, although I did realise, that due to its size, they were more likely to be able to drive the project forward financially.

It was never a good fit for a royalty company, and so it has now been spun out into Osisko Development Corp., a new Osisko vehicle.

In addition to Barkerville's Cariboo property, ODV have two Mexican projects.

Normally the market cap of around C\$1 billion would be too large to initiate coverage of a stock, but I see so much potential here, and I want to follow the Cariboo story through to (hopefully) production.

*Near term production, **C\$325 million in cash and securities**, and a 90,000 metre drill program at Cariboo looks like it will be an exciting year, subject to the company achieving their stated objectives, and the gold price holding of course.*

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Did you ever wonder what happened to **Barkerville Gold**?

Well it was taken into **Osisko Gold Royalties**, and has now been spun out into another new Osisko company, **Osisko Development Corp.**

The Cariboo district is highly prospective for gold, so we are initiating coverage to follow Osisko Development and the Cariboo story as it progresses to production.

A recent news release is posted below, highlighting the potential here with C\$325 million in cash and securities, and

a 90,000 metre drill program running. Early small scale production is planned, so this company should be an exciting one to follow, provided the price of gold remains where it is now or doesn't fall too far, and the company deliver on their stated objectives of course.

Osisko Development Corp. (“**Osisko Development**” or the “**Corporation**”) (**ODV: TSX-V**) is pleased to provide the following update on its 100% owned Cariboo Gold Project in Wells, British Columbia and San Antonio Gold Project in Sonora, Mexico.

Highlights

- The company is well funded with approximately \$325 million in cash and cash equivalents, comprising approximately \$200 million cash and \$125 million in marketable securities.
- At the Cariboo Gold Project, the Corporation is kicking off a new 2-year drill program aimed at resource extension and discovery-oriented exploration. The aim is to complete 90,000 meters of resource conversion drilling by Q3 2021 to support the feasibility study.
- The Corporation has entered the process planning stage of the BC Environmental Process, and is working with leading consultants to ensure that the Cariboo Gold Project can operate as one of the most socially and environmentally acceptable mines in the world.
- Commenced development of mineralized material from the Bonanza Ledge Phase 2, and stockpiling has been initiated at the mill.
- **The Corporation is projecting first gold from our**

Bonanza Ledge Phase 2 project in Q2 2021.

- The Corporation purchased a brand new communiton circuit (grinding circuit) that was designed for a mining project planned at 7,500tpd. This investment represents a major step forward in securing critical equipment for the concentrator, reduces engineering risk and will allow to fast track the construction of the processing facilities once all permits are received.
- A new Sandvik MT720 continuous miner ("*roadheader*") has been delivered on the Cariboo site, assembled and commissioned. The Corporation expects to use this new technology for drift development at the Bonanza Ledge Phase II and Cariboo projects. This equipment is engineered to mechanically cut the hard and abrasive rock mass and is expected to improve the development performance by 25%, and to reduce costs by 50% compared to traditional "drill and blast" development.
- At the San Antonio Gold Project, we have completed the engineering and permitting to process the gold mineralized stockpile via heap leaching.
- 35,000 meters exploration and infill drill program of the Sapuchi, Golfo de Oro and California Projects have been planned. We have established an initial exploration budget of approximately US\$6 million for 2021.
- Engineering and permitting for heap leach mining for the Sapuchi, Golfo de Oro and California Projects is ongoing.

Cariboo Gold Project Update

Osisko Development continues to advance its flagship Cariboo Gold Project while undertaking an intensive exploration program at this highly prospective property. While development advances at Bonanza Ledge Phase II, the Corporation is progressing a feasibility study on the broader Cariboo Gold

Project, which is expected to be released in the second half of 2021.

Production at Bonanza Ledge Phase II is on track to restart in the first quarter of 2021. The main access to the ore zone is continuing in accordance with the original schedule and development plan. Over 2,300 meters have been completed since the start of the project; five ore horizons have been developed and are ready for extraction following permit approval, which is scheduled for the end of the first quarter of 2021. Production is expected to start at an average rate of 600 tonnes per day and ore will be transported to the QR Mill site for processing. Mill facilities have been upgraded in the second half of 2020 and all circuits are presently undergoing the final commissioning phase.

[To read the full news release, please click HERE](#)

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