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Management's Discussion and Analysis
Third Quarter Interim report
September 30, 2005

OSISKO EXPLORATION LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

1. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This report, prepared by the officers of Osisko Exploration Ltée (the "Company"), presents an analysis of the results of operations and the financial condition of the Company for the three-month period ended September 30, 2005 as compared with previous quarters. This report, dated November 25, 2005, should be read in conjunction with the Company's unaudited interim financial statements for the period ended September 30, 2005 and the 2004 audited consolidated financial statements, including the related note disclosure.

Management is responsible for the preparation of the unaudited interim financial statements and other financial information relating to the Company included in this report. The interim financial statements do not include all the disclosure required by Canadian generally accepted accounting principles and necessarily include amounts based on estimates and the judgment of management. All monetary amounts included in this report are expressed in Canadian dollars.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting. In furtherance of the foregoing, the Board has appointed an Audit Committee composed of three directors, two of whom are not officers. On the recommendation of the Audit Committee, the Board of Directors has approved the Company's financial statements.

2. CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this document that are not historical facts are regarded as forward-looking statements. These statements may involve risk, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause such differences, without being limited to the following, include: volatility and sensitivity to market metal prices; impact of change in foreign currency exchange rates and interest rates; unexpected variations in geological conditions of a property or erroneous geological data; environmental risks including increased regulatory constraints; unexpected adverse mining conditions; adverse political conditions and changes in government regulations and policies. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this document. The Company disclaims any intention or obligation to update or revise any forward-looking statement, whether or not it should be revised as a result of new information, future events or otherwise.

3. OVERVIEW OF EXPLORATION ACTIVITIES

3.1. SUMMARY

The Company, incorporated under the Canada Business Company's Act, is in the business of acquiring and exploring mineral properties with the objective of discovering and defining economic ore deposits. The Company's corporate objectives are currently focused on acquiring and developing gold properties in Quebec and Brazil, with the medium-term objective of defining gold resources that could be mined by open-pit methods.

As of September 30, 2005, the Company has four active properties in its portfolio (Canadian Malartic, Launay and Watts Lake in Quebec and Castelo dos Sonhos in Brazil).

Summary of Osisko Exploration's mining properties as of September 30, 2005

	Metal	Number of claims/ permits	Interest	Property Status	Book Status	Planned work
Canadian Malartic	Au	105	100%	Active	Mining property	Drilling and compilation
Launay	Au	41	100%	Active	Mining property	Sampling
Watts Lake	PGM-Au	198	100%	Active	Mining property	Sampling
Barry	Au	6	Option	Abandoned	Mining Property	Nil
Payne Bay	Ni-Cu	3	48%	Inactive	Written-off	Nil
Castelo dos Sonhos	Au	13	Option	Active	Mining property	Joint-venture

During the third quarter ended September 30, 2005, the Company carried out exploration work on its Canadian Malartic, Launay and Watts Lake properties. Compilation work and data integration continued on the Canadian Malartic property, and the Phase Two drill program begun in the first quarter was pursued (10 holes completed totalling 2,606 meters). The final four holes of the Phase Two program were completed at the beginning of the fourth quarter (total of 1,049 meters).

Reconnaissance sampling and geological assessment was completed on the Launay and Watts Lake properties in order to evaluate these properties for their gold potential (including platinum-group metals in the case of the newly acquired Watts Lake property).

3.2. CANADIAN MALARTIC

The Canadian Malartic property, acquired with a 100% interest in December 2004, is located in Fournière township in the central Abitibi region of Quebec, immediately south of the town of Malartic. The property includes the former Canadian Malartic Mine which produced 9.9 million tonnes at an average grade of 3.37 g/t Au (1.08 million ounces of gold) between the years 1935 – 1965. Extensive drilling done by Lac Minerals between 1980 and 1987 (over 55,000 meters) outlined extensive near-surface mineralization on the property within five separate zones. These zones are limited to a depth of less than 100 meters and are amenable to open pit mining.

The total cumulative resource for these zones is 8.16 million metric tonnes at an average grade of 1.98 g/t Au, for approximately 520,000 contained ounces of gold. The Company has not verified the classification of these resources under National Instrument 43-101 and therefore the above-quoted figures are reported as unclassified historical resource estimates. Resource estimates prepared under reporting codes other than National Instrument 43-101 should not be relied upon to conform to current standards and definitions. Osisko believes, however, that the resource estimates reported by Lac Minerals are relevant and reliable.

This property represents a significant asset for the Company and will be the focus of the bulk of the Company's exploration and development efforts over the short to medium term. Drilling and compilation work completed to date by the Company has outlined a large porphyry gold-type mineralized system measuring 1200 meters x 350 meters, with true thickness ranging from 40 to 270 meters to a vertical depth of 320 meters from surface. Average grade is currently estimated to lie between 1.0 g/t and 1.3 g/t Au. The system is open to the east, west and to the south. Management is of the opinion that the historic resource estimates are very conservative and that the Canadian Malartic property offers excellent potential to significantly increase the gold resource that could be mined by open-pit methods. The reader

is invited to consult the Company's web site (www.osisko.com) in order to visualize the geological maps of the property.

During the third quarter of 2005, the Company pursued the Phase Two drill program (10 holes completed totalling 2,606 meters) in the eastern and central portion of the deposit in order to test continuity of mineralization along the entire strike length of the deposit (1200 meters) to a depth of 250 to 300 meters. The results of these programs have been disclosed in the Company's press releases and are positive, confirming the porphyry gold nature of the mineralization as well as the economic potential of the property. The final four holes of the Phase Two program were completed at the beginning of the fourth quarter (total of 1,049 meters).

Deferred exploration costs

Property	Costs incurred for the nine-month period ended 30-09-2005 \$	Costs incurred for the nine- month period ended 30-09-2005 \$
QUEBEC		
CAMERON/ESTHER	(-)	0
BELLECHASSE		
Drilling	(-)	99,973
ETCHEMIN		
Compilation	(-)	2,476
MONTAGNE	(-)	0
BARRY		
Drilling	78,181	197,261
Geology / Compilation	6,489	0
Logistics	13,126	0
Administration	4,810	0
Miscellaneous	0	0
TOTAL	102,606	197,261
CANADIAN MALARTIC		
Drilling	484,804	
Geology / Compilation	294,876	
Analyses	68,656	
Logistics	113,587	
Administration	97,812	
Miscellaneous	22,419	
TOTAL	1,082,152	-
LAUNAY (geology)	2,033	-
WATTS LAKE (geology)	32,842	-
BRAZIL		
BARRO ALTO	(-)	0
SANTA CATARINA		
Geology / Compilation / Évaluation	(-)	162,223
PALMA	(-)	87,793
CASTELO DOS SONHOS	0	134,785
TOTAL	1,219,633	684,511

* The brackets (-) indicate that the mining property was written-off.

** The hyphen indicates that the property was not yet in the Company's portfolio.

3.3. LAUNAY

The Launay property, acquired during the second quarter 2005, is located in the Abitibi region approximately 75 km northwest of the Canadian Malartic property. It comprises 41 claims with a total surface area of 1650 hectares. The property was acquired through staking. This grass-roots property offers potential for bulk-tonnage, near-surface gold mineralization. Previous exploration work on the property was limited to surface prospecting and geological mapping, a small IP geophysical survey and limited diamond drilling (5 holes).

Data compiled from public records indicate that the Launay property covers the north and western portion of a granitoid porphyry intrusion that hosts two known showings of stockwork mineralization. Surface grab samples from these showings are reported to have assayed up to 7 g/t gold and 3.0% molybdenum (MoS₂). The porphyry intrusion includes a potassic alteration zone (K-feldspar-magnetite) stretching along its north-western margin over a 5000 by 600 meter area. The presence of a large potassic zone is deemed significant as this type of alteration is commonly associated with porphyry-style gold deposits.

Reconnaissance sampling was completed on this property during the third quarter 2005. Disseminated pyrite mineralization hosted by porphyry was observed and sampled in a number of outcrops. Mineralized samples have been sent to ALS Chemex Laboratories and assay results are pending.

3.4. WATTS LAKE

The Watts Lake property, acquired during the third quarter, is located in northern Quebec, north of the Raglan nickel belt. It comprises 198 claims acquired by staking and covers a total surface area of approximately 8300 hectares. This grass-roots property covers a large layered, partly sheared ultramafic intrusion that offers potential for disseminated gold and PGM mineralization. There is no public record of previous exploration work on this property. Reconnaissance sampling and geological evaluation was completed on this property during the third quarter 2005. Showings of disseminated to brecciated sulfide mineralization were observed and sampled in a number of outcrops and/or angular boulders. Mineralized samples have been sent to ALS Chemex Laboratories and assay results are pending.

3.5. BARRY

During the first quarter of 2005, the Company completed an 800-meter drill program on the Barry property with the objective of testing the near-surface (< 50 m) SW extension of the deposit, as well as the 45 and 48 zones. The results of this program did not meet expectations and the Company elected to abandon the project during the second quarter of 2005. The mining assets relative to this project will be written off the books at the end of the fourth quarter 2005 when final obligations related to the option are met.

3.6. CASTELO DOS SONHOS

The Company signed an agreement in March 2004 with Amazonia Mineração Ltda., giving Osisko the right to acquire a 70% interest in 13 permits (72,000 hectares) of the Castelo dos Sonhos property, located in Para state, northern Brazil. The Company can acquire its interest in consideration for paying \$470,000 cash in staged payments over a two-year period.

The property includes a large zone of hydrothermal alteration (10 km by 10 km) that hosts Au-Cu mineralization. The property was held under option by Barrick Gold Corp. in the mid-1990's, and was subject to over US\$1.5M in exploration work that included soil geochemistry, stream sediment sampling, surveying, geophysical surveying, trenching and approximately 2,000 meters of diamond drilling. This work defined two significant gold-bearing zones: the 5-kilometer long "Esperança Sul" zone and the 2-kilometer long "Esperança Centro" zone. Trenching and drilling on Esperança Sul intersected gold mineralization that assayed up to 2.8 g/t over 20 meters.

The Company completed due diligence and sampling work on the property in 2004 in order to confirm the extent of mineralization. During the second and third quarters of 2005, the Company completed negotiations with Amazonia Mineração Ltda to acquire a 100% interest in the property, and a joint-venture partner is currently being sought in order to further advance exploration on this property. The reader is invited to consult the Company's web site (www.osisko.com) in order to visualize the geological maps of the property and obtain details on historical drill results.

3.7. OUTLOOK FOR THE FOURTH QUARTER OF 2005 AND FIRST QUARTER 2006

The Company will pursue its exploration program on the Canadian Malartic property to the end of 2005 and into 2006. Available funds, as well as funds raised from the exercise of warrants or private placements (see sections five and seven of this report) will allow the Company to continue exploration work, which will include:

- 1) completing the Phase Two drill program on the Canadian Malartic property (adjusted to 3,655 meters, \$550,000 budget) that will test continuity of mineralization along the entire strike length of the deposit (1200 meters) to a depth of 250 to 300 meters;
- 2) start-up of the Phase Three drill program (14,000 meters to be completed in Q1 2006, \$2,100,000 budget) that will consist of definition grid drilling (60 meter grid) on the western third of the property;
- 3) further compilation of the extensive data base on the Canadian Malartic property as well as 3D modeling of the deposit (\$100,000 budget);

The Company intends on focusing its exploration and development efforts on the Canadian Malartic property, with the near-term objective of calculating and defining an inferred gold resource on the property by spring 2006.

4. RESULTS OF OPERATIONS

4.1 SELECTED ANNUAL INFORMATION

Refer to the 2004 annual report on SEDAR website (www.sedar.com).

4.2 SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial data of the Company for the last ten quarters, in accordance with Canadian generally accepted accounting principles.

	2005 (unaudited)			Year ended December 31, 2004				Year ended December 31, 2003 (restated)		
	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$	Q2 \$
Revenues	2,057	2,646	1,192	297	2,587	4,548	5,183	9,009	2,030	173
Net Loss	219,259	401,328	166,697	1,452,256	103,904	317,951	298,352	503,171	120,559	86,219
Basic and Diluted Loss per Share	0.006	0.012	0.005	0.053	0.004	0.012	0.011	0.040	0.009	0.007

During the three-month period ended June 30, 2005, the Company reported a net loss of \$219,259 (\$0.006 per share) compared to a net loss of \$103,904 (\$0.004 per share) for the same period in 2004. The increase in the net loss is principally attributable to an increase in professional fees (\$85,559 in 2005 compared to \$42,412 for the same quarter in 2004) and in promotional expenses (\$115,988 in 2005 compared to \$32,038 in 2004). These increases are mainly related to the high level of promotional and shareholder relation activities for the Canadian Malartic project. These increases were partly offset by a decrease in expenditures for mining property research (\$0 in 2005 compared to \$12,583 for the same period in 2004).

5. LIQUIDITY AND CAPITAL RESOURCES

During the nine-month period ended September 30, 2005, the Company issued 3,450,000 common shares (7,183,995 for the same period in 2004) for a total cash consideration, before share issue costs, of \$1,034,500 (\$1,578,037 in 2004). This amount includes the issuance of 3,400,000 common shares for total proceeds of \$1,020,000 from the exercise of warrants (666,670 shares issued for proceeds of \$130,000 for the same period in 2004). The remaining 50,000 shares were issued, at a par value of \$0.29 and a cash consideration of \$14,500, for the acquisition of a mining exploration property adjoining the Canadian Malartic property (100,000 shares for a cash consideration of \$32,000 for the same period in 2004 for the Barry property). This was done following an agreement signed with Ressources Dianor Inc. during the first quarter 2005. (For more details, see December 29, 2004 press release).

During the nine-month period ended September 30, 2005, there were no shares issued for private placements (4,600,000 for proceeds of \$1,150,000 before share issue costs, for the same period in 2004), nor for exercise of options (430,000 shares for \$52,000 in 2004), conversion of debentures (1,333,335 shares for \$200,000 in 2004), or payment of interest on convertible debentures (53,990 shares for \$14,037 in 2004).

During the nine-month period ended September 30, 2005, the Company incurred \$1,219,633 in exploration expenses, mostly on drilling on the Canadian Malartic property (\$911,755 in 2004) and expended \$219,791 for mining property acquisitions and payments (\$507,581 in 2004).

As of September 30, 2005, the Company's cash or cash equivalent was of \$225,812 (compared to \$99,212 at the same date in 2004). The Company's working capital, as of September 30, 2005, was \$246,923 (-\$331,291 as of December 31, 2004).

As of the date of this report and subsequent to September 30, 2005, Eurasia Holding AG, principal shareholder of the Company, had exercised an additional lot of 1,600,000 warrants for total proceeds of \$480,000 (see section 7). These funds will allow the Company to cover all the exploration costs (see section 3 above) and the corporate expenses until the end of the fourth quarter of fiscal year 2005. The Company will have to raise additional funds, through additional warrant exercises and/or new private placements, in order to carry on exploration work and meet its corporate expenditures into fiscal 2006 (see section 7).

6. RELATED PARTY TRANSACTIONS

During the nine-month period ended September 30, 2005, the Company carried out transactions with either/or:

- 1) a management company in which the Company's president is an employee and general manager, but not a director nor a shareholder;
- 2) other companies in which two other officers / directors are directors and shareholders.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The transactions between the Company and related parties are summarized under note 8 in the financial statements. Since the Company does not have any employees, the three officers/directors of the Company and the vice-president exploration are paid through professional fees charged to the Company by the related companies. The Company incurred professional fees for an amount of \$167,600 during the nine-month period ended September 30, 2005 (\$105,400 in 2004 for the same period) with the Company's officers and directors for services rendered such as management, consulting, promotion, and others.

The Company incurred expenditures with related companies for services rendered such as rent, office administrative services and office expenses for an amount of \$27,562 during the nine-month period ended September 30, 2005 (\$28,806 in 2004) and \$40,206 for promotional expenses (\$21,451 in 2004). The Company did not incur any expenditure with a related company for services rendered for research of mining properties for the same period (\$45,151 in 2004). Finally, the Company transacted, for the acquisition of mining properties and exploration expenses, an amount of \$1,241,427 during the nine-month period ended September 30, 2005 (\$632,319 in 2004) with a related company that manages the Company's exploration programs.

7. SUBSEQUENT EVENTS

Eurasia Holdings AG of Germany, principal shareholder of the Company, exercised an additional lot of 1,600,000 warrants at a price of \$0.30 per share in October 2005, yielding gross proceeds of \$480,000. Eurasia holds 17,612,500 shares of the Company, or 47.5% of issued shares, as a result of this transaction. Funds will be used for general corporate purposes and ongoing drilling on the Canadian Malartic property.

The Company announced, on October 19, 2005 and on November 11, 2005, the arrangement, on a best effort basis, of two private placements for the issuance of a total of 6.3 million units at \$0.65 per unit, for total gross proceeds of \$4,095,000. Each unit shall consist of one common share and a half transferable common share purchase warrant. Each whole warrant will be exercisable into one additional common share of the Company at \$0.80 for a period of two years from the closing date. The reader is invited to read the issued press releases for further details on the private placements, which are expected to close by the end of December 2005. Funds will be used for general corporate purposes and ongoing drilling on the Canadian Malartic property.

8. SIGNIFICANT ACCOUNTING ESTIMATES

Significant accounting estimates used in the preparation of the financial statements include the Company's estimate of the recoverable value of its mining properties and related deferred exploration costs as well as the value of stock-based compensation.

Both of these estimates involve considerable judgement and are, or could be, affected by significant factors that are out of the Company's control. The factors affecting stock-based compensation include estimates of when stock options and compensation warrants might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend upon a variety of factors including the market value of the Company's shares and financial objectives of the stock-based instrument holders. The Company used historical data to determine volatility in accordance with the Black-Scholes model; however, the future volatility is uncertain and the model has its limitations.

The Company's recoverability of its recorded value of its mining properties and associated deferred explorations costs is based on market conditions for metals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is dependent on a number of factors that include environmental, legal and political risks, the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete development and future profitable production or the proceeds of disposition thereof.

9. CHANGES IN ACCOUNTING POLICIES

There were no changes to the accounting policies during 2005. However, there was a reclassification of the financial information. As of the first quarter 2005, the exploration funds are no longer included in the current assets but presented as a separate item under assets. Exploration funds consist of cash and represent the unexpended proceeds of flow-through share financing, reserved for exploration expenditures in Quebec.

Additionally, during the first quarter of 2005, the Company decided to retain the services of Villeneuve & Venne, Chartered Accountants, g.p., as new auditors of the Company for the production of the 2004 and 2005 audited annual financial statements. Villeneuve & Venne have also been mandated to produce the quarterly unaudited financial statements.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, cash held for exploration work, marketable securities, accounts receivable, accounts payable and accrued liabilities, and related party payables. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. Due to their short-term nature, the fair value of these financial instruments approximates their carrying value.

11. OUTSTANDING SHARE DATA

CAPITAL STRUCTURE AS AT SEPTEMBER 30,	2005	2004
COMMON SHARES	35,511,695	27,264,195
SHARES TO BE ISSUED	0	0
OPTIONS	2,715,000	1,535,000
WARRANTS	5,683,750	12,725,000
FULLY DILUTED	43,910,445	41,524,195

The Company is listed on the TSX Venture Exchange (symbol OSK) and on the Frankfurt Deutsche Boerse in Germany (symbol EWX). Eurasia Holding AG, a German private company, is the principal shareholder of the Company and controls 42.3% of the issued shares. Eurasia also holds 5 600 000 of the outstanding warrants, which can be exercised at a price between \$0.30 and \$0.36.

12. RISKS AND UNCERTAINTIES

Financial risk

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. If the current exploration and development programs are successful, additional funds will be required for further exploration and development work in order to define an economic ore body or to bring any such ore body to production. The only source of future funds available to the Company is through the sale of additional equity capital or by borrowing the funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial condition.

Risk on the uncertainty of title

Although the Company has obtained legal titles to its properties or has taken reasonable measures to ensure proper title to its properties, there is no guarantee that the title to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

Risk linked with industry conditions

Mineral exploration and development is extremely competitive and involves a high degree of risk. The Company must compete with a number of other companies that have greater technical financial resources. It involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Many exploration programmes do not result in the discovery of mineralization and any mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Commercial viability of exploiting any deposits encountered depends on a number of factors including infrastructure, governmental regulations, in particular those in relation to price, taxes, royalties, governmental involvement in the project in some cases by way of a carried right, importation and exportation. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered of sufficient quantity, quality, size and grade on any of the Company's exploration properties to justify commercial operations nor that any exploration property will be brought into production.

Risk linked with government regulation

The Company's activities entail compliance with the applicable environmental legislation or review processes and the obtaining of land use and other permits, and similar authorizations of overall mining operations are subject to the constraints contained in such legislation. The Company believes that it is in compliance in all material respects with such existing laws. Changing government regulations may have an adverse effect on the Company

13. ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

Additional information relating to the Company is available through regular filings of press releases and quarterly financial statements that can be found on SEDAR website at www.sedar.com and on the Company's website at www.osisko.com.

November 25, 2005

(Signed) Robert Wares

Robert Wares
President and CEO

(Signed) Sean Roosen

Sean Roosen
Secretary and COO

CORPORATE INFORMATION

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Sean Roosen, Chief Operating Officer, Secretary, Director

Lorne Woods, Investor Relations Manager, Director

Norman Storm, Director*

Titus Gebel, Director*

John Burzinski, Vice-President Exploration

Gaétan Mercier, Treasurer

* Member of the audit committee

Legal Counsel

Lavery DeBilly, Montreal

Auditors

Villeneuve & Venne, g.p., Montreal

Transfer Agent

Trust CIBC Mellon, Montreal

Exchange listings

TSX Venture Exchange - OSK

Deutsche Boerse - EWX

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