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WE ARE PROUD OF OUR PERFORMANCE IN 2011
A MESSAGE TO OUR STAKEHOLDERS

In 2011, we achieved a major milestone in our short corporate history: the commencement of commercial production at our Canadian Malartic Mine.

We achieved this milestone six years from the initiation of the drilling program in 2005. The rapid execution of this drilling program, the completion of the feasibility study, the raising of over $1 billion to fund our expenditures, the construction and development of the Canadian Malartic Mine could not have been achieved without the cooperation and support of our stakeholders.

We would like to thank all our stakeholders for their contributions, specifically:
- Residents of Malartic who have allowed us to relocate over 20% of the homes in town and five institutions within the community;
- Government authorities and the town of Malartic, who have worked with us to provide the support necessary for such an undertaking;
- Our employees, contractors and service providers who have deployed outstanding efforts efficiently and in a safe manner; and
- Our shareholders and lenders for their confidence and financial support, which allowed us to develop Canadian Malartic.

The contribution of all has led to the successful commissioning of a large scale mining operation that will extract over 10.7 million ounces of gold. Our success has not come without challenges; of note is our continued work to improve the quality of life of Malartic residents through our ongoing efforts to reduce noise and dust levels within the town.

Canadian Malartic will benefit our stakeholders over the next 15-20 years by:
- Creating economic activity for the town of Malartic, the Abitibi-Témiscamingue region and the province of Québec;
- Providing direct employment to more than 700 individuals;
- Generating substantial tax revenues for municipal, provincial and federal governments;
- Providing positive returns to our shareholders and lenders; and
- Creating a better quality of life for the residents by our involvement in improving education, culture, sport and elderly activities in the community.

Our rapid advancement of the Canadian Malartic Mine would not have been possible without an innovative approach to community relations and sustainability. Our four pillars of sustainability are: environment, people, communities and economics. We keep these pillars strong through our focus on reducing environmental impacts, keeping a long term outlook, providing access to our operations, promoting local hiring and local purchasing, and participating financially in the development of our host communities.
Our continued focus on these four pillars (environment, people, communities and economics) led us to the tremendous achievement of having Osisko evolved from an exploration company to a successful mid-tier gold producer. They also form the foundation that ensures the future success of Osisko, as we move to the search for new deposits and development of other projects such as our Hammond Reef Gold Project located near Attikokan, Ontario.

As we continue to grow, our focus has begun to expand by incorporating internationally recognized standards into our business, including the Global Reporting Initiative for sustainable development reporting and the ISO 14001 standard for environmental management systems.

Our performance in 2011 is something we are proud of. We set out specific sustainability targets in our previous report and were able to achieve almost every one. From the completion of our Green Wall at Canadian Malartic, to the development of an Environmental Management Plan at Hammond Reef, we achieved our targets as outlined in the Meeting our Goals and Objectives section of this report.

Over the next few years we will continue to face hard work and challenges. At Canadian Malartic we will continue to ramp up our processing facility and reduce further environmental impacts. The exploration portion of the Hammond Reef Gold Project will come to a close and the feasibility report will be published. We will move forward with environmental permitting for Hammond Reef and into the construction phase of the Project if all outcomes are favourable.

The strong price of gold, the support of our communities and the importance that our stakeholders place on sustainability mean we will continue to keep our four pillars of sustainability in focus and ensure our projects move forward with our sustainable development goals and objectives in mind.

Our 2011 Sustainable Development Report will allow you to gain further insight into our approach and our performance. The Canadian Malartic Mine is an excellent example in how mining can create wealth and generate significant benefits to its stakeholders, while ensuring respect for the environment and the host community. We can assure that the Osisko team is focused on continuing to improve its performance and on being at the forefront of our industry in dealing with our stakeholders. That is our commitment to you!

Sincerely,

Sean Roosen
President and Chief Executive Officer

Hélène Cartier, Eng., LL.B.
Vice-President, Environment and Sustainable Development
OSISKO BY THE NUMBERS FOR 2011

Workforce: 752 employees
Employee wages: $53.4 million
Revenues: $263.4 million
Mine operating costs: $184.0 million
Net earnings: $18.0 million
2011 production
Gold: 200,138 oz.
Silver: 114,130 oz.
Total assets: $2.07 billion
Shareholders equity: $1.65 billion
Sustainable Development Objectives

Our sustainable development objectives are focused on four key pillars: Environment, People, Communities and Economics. We believe that by striving to achieve clear goals for each of these four overarching objectives, our business will grow in a way that provides long term benefits for our shareholders, our employees, our communities and society at large.
OUR APPROACH

Environment: Reducing environmental impacts and keeping a long-term outlook

People: Being an employer of choice

Communities: Supporting community development by maximizing local and regional benefits

Economy: Maximizing the returns to our stakeholders

Osisko Mining Corporation is a Canadian-based, publicly traded, intermediate gold producer headquartered in Montréal, Québec. We also operate offices in Malartic, Toronto, and Atikokan. Osisko is focused on discovering, developing and operating gold deposits located within the Americas. Our products are gold and silver, which are sold on the world-wide market. Our vision is to produce one million ounces of gold per year.

Osisko’s 2011 Sustainable Development Report details our sustainability performance and initiatives for the 2011 calendar year. We are committed to reporting on an annual basis; 2011 is the fourth consecutive year of publication. The most recent previous report was published in fall of 2011. This report is focused on two projects: our Canadian Malartic operating mine in Malartic, Québec and our Hammond Reef advanced exploration project located near Atikokan, Ontario. We determined materiality and prioritized reporting topics through an understanding of which issues are important to our stakeholders, by sharing information we have been tracking and recording, and by following the guidance provided by the Global Reporting Initiative (GRI) checklists.

Contact Us
Hélène Cartier, Eng., LL.B.
Vice-President, Environment and Sustainable Development
514.735.7131
sustainable-dev@osisko.com

Please direct any questions or comments you may have about this report to Ms. Cartier. She is an engineer and a lawyer, responsible for ensuring that all of Osisko’s projects meet our sustainable development principles and follow our commitment to operate with a “Fresh Outlook on Mining”.

1 The Hammond Reef Project is being pursued by our wholly-owned subsidiary, Osisko Hammond Reef Gold Ltd. (OHRG).
Meeting our Goals and Objectives

Objective 1
Reducing environmental impacts and keeping a long-term outlook

GOAL 1
Continuous improvement of our activities to enhance compliance and reduce impacts

PROGRESS DURING 2011
- Initiated installation of noise and air monitoring stations
- Initiated noise mitigation measures
- Installed seismographs in the town of Malartic
- Implemented erosion and sedimentation management plan at Hammond Reef

VISION FOR 2012-2013
- Complete installation of permanent noise and air monitoring stations
- Further develop and implement noise and dust reduction measures
- Further improve environmental compliance

GOAL 2
Minimize fresh water usage and maximize recycling of water

PROGRESS DURING 2011
- Improved water management systems at Canadian Malartic
- Began validation of water balance at Canadian Malartic
- Implemented water recycling program for drillers at Hammond Reef

VISION FOR 2012-2013
- Continue improving water management system
- Complete validation of water balance at Canadian Malartic
- Design and install an effluent treatment station at Canadian Malartic

GOAL 3
Minimize greenhouse gas emissions through reductions and offsets

PROGRESS DURING 2011
- Planted 200,000 trees in the Abitibi region to create the Osisko Forest
- Planted 1,750 trees at Hammond Reef project

VISION FOR 2012-2013
- Continue the growth of the Osisko Forest through ongoing tree planting
- Develop greenhouse gas (GHG) reduction plan

GOAL 4
Invest in research and development at our project sites

PROGRESS DURING 2011
- Initiated vegetation field tests at Canadian Malartic

VISION FOR 2012-2013
- Initiated noise research program
- Funded thickened tailings research project through Université du Québec en Abitibi-Témiscamingue
- Funded various environmental R&D projects

GOAL 5
Continuous improvement of our environmental management systems

PROGRESS DURING 2011
- Developed Environmental Management Plan for Hammond Reef
- Validated implementation of the spill response plan at Canadian Malartic
- Maintained a 24-hour toll free phone line at Canadian Malartic

VISION FOR 2012-2013
- Continue implementation of Environmental Management System
- Plan for ISO 14001 and Global Reporting Initiative (GRI) certification at our Canadian Malartic operations
Objective 2
Being an employer of choice

GOAL 1
Provide a safe work environment for our employees

PROGRESS DURING 2011
Implemented and tested Emergency Response Plan at Canadian Malartic and Hammond Reef
Further developed a “Bonne Entente” committee at Canadian Malartic
Shared information with Canadian Malartic employees about arising challenges and innovations related to dust and noise
The occupational Health & Safety training, program “Action - Prévention”, was presented to all employees

VISION FOR 2012-2013
Develop additional and complementary safety training programs
Enhance our employee benefit plan to include a group Registered Retirement Savings Plan (RRSP)

GOAL 2
Invest in training and education

PROGRESS DURING 2011
Worked with local school board and consultants to optimize employee training at Canadian Malartic
Conducted employee training programs at Canadian Malartic including a vocational school diploma program for operators of heavy and mill equipment
Conducted employee training programs at Hammond Reef with a focus on health and safety
Hired students in each department
Provided 34,350 hours of training for our employees
Provided a cross-cultural training program to educate employees on the unique culture and tradition of First Nations

VISION FOR 2012-2013
Develop and hold relevant employee training programs to improve the skills and competences of our workforce
Hire summer and co-op students to ensure the training of the next generation of miners

GOAL 6
Invest time and money in responsible and progressive closure planning

PROGRESS DURING 2011
Initiated closure of the former East Malartic Tailings Pond area through placement of residues
Initiated closure planning consultation with the Ministry of Northern Development and Mines for Hammond Reef
Canadian Malartic became the first mine in Québec to announce 100% deposit for closure costs over three years, instead of the required 70%

VISION FOR 2012-2013
Conduct progressive re-vegetation of various sectors of the Canadian Malartic site
Complete dismantling of the East Malartic Site
Hold stakeholder consultation and draft a Closure Plan for Hammond Reef

Employees in training
Objective 3
Supporting community development by maximizing local and regional benefits

GOAL 1
Create jobs and favour local purchases

PROGRESS DURING 2011
Hired Menitik Resources, an Aboriginal company in the Abitibi region to lead the Green Wall landscaping and the Osisko Forest planting
Engaged with local suppliers at Canadian Malartic and Hammond Reef
Provided contracts to local Aboriginal economic development corporations at Hammond Reef
Provided relocation support to employees wishing to settle in Malartic
Launched “Les Gens d’Osisko” campaign showcasing 11 different employees and local businesses

VISION FOR 2012-2013
Continue partnership with Menitik Resources, a local Aboriginal company, to plant the Osisko Forest

GOAL 2
Facilitate local business development and maximize indirect economic benefits

PROGRESS DURING 2011
Participated in the development of Malartic’s industrial park, allowing businesses to start moving in
Developed a website at Canadian Malartic for local suppliers to provide them with priority opportunities
Established a partnership with the Malartic Museum of Mineralogy for site tours

VISION FOR 2012-2013
Develop new business opportunities with local and regional suppliers

GOAL 3
Improve public infrastructures in our communities

PROGRESS DURING 2011
Bought 41 houses in Malartic’s South neighbourhood to increase the buffer zone between the mine and the community
Developed a plan to build a park along the Green Wall
Installed sculptures by local artists along the Green Wall
Invested in Malartic community infrastructure – cumulated investments since 2008 amount to $168 million

VISION FOR 2012-2013
Complete construction of park along Green Wall
Complete infrastructure work in the town of Malartic

GOAL 4
Share the wealth with our communities

PROGRESS DURING 2011
Provided $150,000 to support the sustainable fund Fonds Essor Malartic Osisko (FEMO)

VISION FOR 2012-2013
Continue financing FEMO
Continue financing community activities
Objective 4
Maximizing the returns to our stakeholders

GOAL 1
Share information about our projects

PROGRESS DURING 2011

- 2,700 visitors to Canadian Malartic through a partnership with local Museum of Mineralogy site tours
- 2,000 people attended Visitor’s Day at Canadian Malartic held on May 29
- Published 24 bi-weekly community news briefs in local newspapers at Hammond Reef
- Carried out 12 community meetings at Hammond Reef, including two public open house events, two community workshops and eight presentations

VISION FOR 2012-2013

- Maintain ongoing consultation and communication with our stakeholders, which includes publications, mailings, meetings and site tours
- Host a site tour for Atikokan town Council at Hammond Reef

GOAL 2
Develop relationships with local Aboriginal communities

PROGRESS DURING 2011

- Hired a Manager of Aboriginal Affairs
- Met with First Nations Chief and local Council at Canadian Malartic
- Provided monthly Hammond Reef updates to the Fort Frances Chiefs Secretariat
- Visited five First Nation communities local to Hammond Reef and funded the independent facilitation of a Mining 101 course within the communities

VISION FOR 2012-2013

- Fulfill the terms of the Memorandum of Understanding signed with the Métis Nation of Ontario, including six Consultation Committee meetings and four community feasts
- Implement the four committees named in the Resource Sharing Agreement with local First Nation at Hammond Reef
- Host three Elder’s Forums at Hammond Reef

GOAL 3
Facilitate self-directed community involvement

PROGRESS DURING 2011

- Provided $100,000 of funding to the Canadian Malartic Monitoring Committee, which held 12 meetings in 2011

VISION FOR 2012-2013

- Improve sharing of information with the Canadian Malartic Monitoring Committee
- Conduct a survey of public opinion to determine priority socio-economic issues

GOAL 4
Promote innovation through investments in research and development and exhibitions events

PROGRESS DURING 2011

- Exhibitor at several mining conferences including PDAC, Québec Explo and Abitibi Explo
- Participated in several mining forums held in Québec
- Funded a research program at McGill University regarding the geology of Malartic
- Funded the sustainable investment initiative at Concordia University

VISION FOR 2012-2013

- Participate in mining conferences, forums and exhibitions
- Participate in various research and development projects including the Research Institute on Mines and the Environment (IRME-UQAT-ÉPM)
- Participate actively as a member of the Quebec and Ontario mining associations environmental committees
- Begin process to become a member of the Canadian Mining Association
Our shareholders elect directors to form the Board at the annual meeting held in the second quarter of each year. A total of ten directors were recently elected to the Board, including eight independent directors. The Chairman of the Board is not an executive of the Company. The main function of the Board of Directors is to:

- Represent the interest of shareholders in the administration of the Company’s affairs;
- Approve the long-term strategic plan and monitor performance against it;
- Monitor the performances of the Chief Executive Officer and of Senior Management and negotiate their respective remuneration.

Osisko’s Board of Directors is made up of individuals with a diversity of skills and experience. The Board executes some of its mandates through various committees, whose charters are available on Osisko’s website2, including:

1. **Audit Committee:**
   Oversees financial reporting

2. **Governance Committee:**
   Monitors governance and appointment matters

3. **Environment, Health and Safety Committee:**
   Evaluates and implements corporate policies on environment, health and safety, training and corporate social responsibility

4. **Human Resources Committee:**
   Reviews policies, programs and practices on matters of remuneration, succession planning and human resources.

Stakeholders, including employees, are invited to communicate with the Board through their participation at Osisko’s annual meeting or by contacting them through our Corporate Secretary. Shareholders can also propose a resolution for consideration at the Shareholders’ Meeting. Osisko communicates regularly with its shareholders and other stakeholders through timely dissemination of information and reporting of quarterly and annual operating and financial results.

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2 www.osisko.com
2011 Awards

AEMQ 2011 DEVELOPMENT OF THE YEAR AWARD
Osisko led the list of winners recognized by the Québec Mineral Exploration Association (AEMQ) at the Québec Exploration Convention, held from November 21 to November 24, 2011. The award is granted to an individual or a team who has contributed to the development of a mining project into its production phase. The Canadian Malartic Gold Mine was the recipient of the Development of the Year Award.

ERNST & YOUNG 2011 QUÉBEC ENTREPRENEUR OF THE YEAR
Mr. Sean Roosen, President and Chief Executive Officer of Osisko, was named Ernst & Young’s 2011 Québec Entrepreneur of the Year. The Québec Entrepreneur of the Year Award is given annually to entrepreneurs distinguished by their achievements, not only in terms of business success, but also in terms of socio-economic development within the community.

QUÉBEC CONSTRUCTION ASSOCIATION 2011 AWARD FOR CONSTRUCTION OF AN EXTENSIVE WORK SITE
Mr. Luc Lessard, Senior Vice-President and Chief Operating Officer of Osisko received the Construction Association of Québec’s Award for Constructing a Major Work Site at their annual congress which took place from September 15 to September 17, 2011 at the Fairmont-Tremblant Resort Hotel.

2011 EXTRA AWARD FOR CONTRIBUTION TOWARDS ECONOMIC DEVELOPMENT OF ABITIBI-TÉMISCAINGUE
The Rouyn-Noranda Chamber of Commerce awarded Osisko a prize for its economic contribution to the region. In 2011, Osisko has granted the Abitibi-Témiscamingue region: $190 million to subcontractors; $60 million in goods and services and $235,000 in community involvement.

VIOLA R. MACMILLAN AWARD FOR COMPANY OR MINE DEVELOPMENT
The Prospectors and Developers Association of Canada (PDAC) presented an award to Osisko in recognition of its exemplary attention to community concerns and involvement throughout the development of the Canadian Malartic Mine.

TOURIST ATTRACTION PRIZE
Malartic’s Museum of Mineralogy received a prize from the Abitibi-Témiscamingue Tourism Association for increasing their number of visitors by 50% in 2011. This remarkable increase was due in large part to their partnership with Osisko, which allowed the museum to conduct regular tours of the Canadian Malartic Mine. More than 2,700 people visited the Canadian Malartic Mine in 2011.
MINERAL RESOURCES
Canadian Malartic

The Canadian Malartic Mine is Osisko’s flagship asset, a fully operational mine which represents an NI 43-101 compliant 10.7 million ounces of gold reserves. Canadian Malartic is located in Malartic, Québec, a town with a rich mining history commencing in the mid-1930s. The Company acquired the initial claims of Canadian Malartic in 2004, and subsequently continued building on its land package to today owning approximately 5,376.2 hectares in the area.

Osisko invested $11.3 million in exploration on Canadian Malartic, executing drilling programs of 62,558 meters in 2011. Following the completion of an initial resource calculation, the Company initiated a feasibility study and an environmental impact assessment in 2007. These studies were completed the second semester of 2008 and released publicly. Subsequently, the project was the subject of an extensive review by governmental agencies and a public hearing process which lasted over four months. Following the favorable decision by the public hearing board, Bureau des audiences publiques sur l’environnement (BAPE), the Company received the necessary authorizations to begin construction on August 27, 2009.

Undoubtedly, 2011 was a very important year for the Canadian Malartic Project for it began commercial production in the month of May. The Canadian Malartic Mine is a low grade, open pit bulk tonnage operation, with a target production of 600,000 to 700,000 ounces of gold per year. In 2011, 9,095,754 tonnes of ore, 26,177,486 tonnes of waste and 5,144,832 tonnes of overburden were produced.

What was once the dream of three determined and passionate friends: Messrs. John Burzynski, Sean Roosen and Robert Wares, is now a vision shared by numerous Malartic residents, loyal investors and an ever-expanding family of employees. The successful completion of this $1 billion project is a tribute to the efforts of all stakeholders, our host community Malartic and the Abitibi region, governmental authorities, our capital providers, shareholders and lenders, our contractors and suppliers, and our employees.

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3 48.0 million tonnes @ 0.89g/t Au in proven reserve category and 289.7 million tonnes @ 1.00 g/t Au in probable reserve category.
On May 30, 2011, over 1,100 of Osisko’s supporters saw their common dream transformed into reality. An open house was held on May 29 when 2,000 people from all over the province of Québec came to visit the site. The celebrations of the next day included a ceremonial opening blast, gold pour and gala lunch. Numerous guided tours were offered on both days, providing visitors with a unique opportunity to learn about Osisko’s Canadian Malartic Mine. As part of our official opening celebration, the community of Malartic was also invited to attend two presentations of the folk opera “Les Filles de Caleb” at the local arena.


A DREAM TRANSFORMED INTO REALITY

Executed drilling programs of 62,558 m in 2011

Investments of $11.3 million in exploration on Canadian Malartic during that period
FOCUSED ON TOMORROW

Hammond Reef

The Osisko Hammond Reef Gold project (OHRG) is an advanced exploration project near Thunder Bay, Ontario. 2011 was an important year for the OHRG project, as it marked the official start of the Environmental Assessment for the Project.

During 2011, OHRG completed a total of 999 drill holes for 273,471 m of drilling on the Hammond Reef Property. An NI 43-101 compliant, 10.52 million ounces of gold\(^4\) global Inferred Mineral Resources estimate (6.86 million ounces of gold inferred in-pit resource\(^5\)) on the Hammond Reef gold deposit was released on November 7, 2011, and an NI 43-101 compliant report on this resource estimate has been filed on SEDAR on December 20, 2011. Two open pits will be developed to access the ore that will require the draining of a small lake.

The planned project includes an ore processing plant with a projected throughput of 60,000 tonnes per day. The ore processing plant will include crushing, grinding, flotation, cyanidation, carbon-in-pulp gold recovery, elution, electro-winning, smelting using an induction furnace, cyanide destruction and tailings management facility.

It is expected the mine will have an average workforce of 465 persons over the 11 year operating life. Supplies to support the operation of the site (e.g., fuel, explosives, consumables) will be transported along an access road on an as-required basis. Supporting infrastructure will include maintenance facilities, warehouses, water supply plant, an explosives plant, sewage treatment plant, and electrical substation.

Osisko has worked to ensure the town of Atikokan benefits from our experience at Canadian Malartic by inviting Atikokan’s Mayor and Council to visit Canadian Malartic and exchange information with our management team about our community planning approach at Malartic.

\(^4\) 530.6 million tonnes @ 0.62 g/t Au in inferred resource category.
\(^5\) 336.58 million tonnes @ 0.63 g/t Au assuming gold prices of $1,200 per ounce and a strip ratio \{waste/ore\} of 1.25.
Joint Ventures and Exploration Projects

During 2011, Osisko actively pursued joint venture opportunities and continued its exploration work on mineral properties outside of its principal Canadian Malartic and Hammond Reef properties. Projects are located in the provinces of Québec, Ontario, Newfoundland and Nova Scotia. We also have one exploration project in Argentina. A complete list of Osisko’s exploration projects and joint ventures is available in our 2011 Annual Information Form.

Completed 999 drill holes for 273,471 m of drilling in 2011

Expected workforce of 465 persons over the 11 year operating life
At Osisko, we respect the environment. We believe that natural resources development can provide economic benefits without causing significant or long term negative effects to the environment. Our projects are located in different natural settings with unique opportunities and challenges.

Over the years, we have conducted multiple environmental studies at both the Canadian Malartic and Hammond Reef sites to help us understand the natural settings within which our projects are located. Ongoing environmental monitoring and field studies allow us to implement adaptive management strategies that ensure our environmental performance continues to improve.

Our environmental management policy guides our daily practices at our mine and exploration projects. Key principles within our policy include:

- Risk assessment and management
- Compliance with applicable environmental laws and regulations
- Employee training and communication
- Ongoing environmental monitoring
- Participation in research and development programs
- Active stakeholder communications
- Planning for potential emergencies

Our environmental practices have not gone unnoticed by the people in our communities. Osisko is recognized by its stakeholders as being a leader in community relations and progressive environmental practices.

Public Perception of Osisko’s Effort to Respect the Environment (% of respondents)

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<td>Great effort</td>
<td>47%</td>
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<tr>
<td>Some effort</td>
<td>34%</td>
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<tr>
<td>Little effort</td>
<td>11%</td>
</tr>
<tr>
<td>No effort</td>
<td>3%</td>
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<tr>
<td>Don’t know</td>
<td>6%</td>
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Question: Since its establishment, would you say that Osisko has made an effort to respect the environment?

Results from a 2011 public opinion survey of 302 Malartic residents conducted by the CRQP independent research agency.
“Being pro-active in identifying potential environmental impacts is critical. At Osisko, we recognize that environmental management is an integral part of our exploration programs and project evaluation.”
– Robert Kidd, Environmental Coordinator at Hammond Reef

Hammond Reef

In addition to a corporate environmental management policy, Osisko has developed a site-specific environmental management plan (EMP) for its exploration work at Hammond Reef. The EMP identifies potential impacts to the environment that could be caused by exploration activities and outlines specific policies and procedures to manage those impacts. A large part of the EMP is also dedicated to environmental remediation, monitoring and training of project staff and contractors.

EMP POLICIES AND PROCEDURES

To help guide staff, contractors, equipment operators drillers and helpers in their activities to promote sound environmental practices, Osisko has acquired, adopted and developed a number of policies and operation procedures. The policies and procedures are specifically aimed at reducing potential impacts to the following areas of concern:

- Land Disturbance, Forest Clearing, Roads, Construction Trails and Pads
- Surfacewater
- Groundwater
- Fuel/Hazardous Materials
- Waste Management
- Spills
- Wildfire
- Air Quality

STAFF AND CONTRACTOR TRAINING

Osisko provides specific site environmental training for all its field staff and contractors. The training is focused on Health, Safety and Environment policies and procedures, in order to promote the safety of our employees and the environmental well-being of the site.

REMEDIATION WORK

Remediation is integral to environmental management at Hammond Reef. Ongoing remediation work is targeted towards areas within 100 metres of a waterbody or waterway or in any area that is deemed to be a threat of erosion or sedimentation. The remediation techniques employed were specifically developed for the Hammond Reef project by an external consultant.

Before remediation

After remediation
Continuous Improvement

Environmental Compliance at Canadian Malartic

Osisko received 21 notices of non-compliance for its Canadian Malartic operation in 2011, the majority of which were related to blast-induced noise and vibration. We continue to work towards improving our environmental record through ongoing innovation and design improvements.

We reported 79 major spills (larger than 10 litres) at Canadian Malartic in 2011, the majority of which were the result of operating hydraulic machinery. We are committed to documenting spills, and work to understand their cause so that we can minimize occurrences in the future. Employees abide by our spill response procedure which includes the following step-wise approach:

1. Notify your supervisor immediately
2. Ensure your own personal health and safety is protected
3. Stop what you are doing and contain the spill
4. Notify the environmental department
5. Recover the spilled product
6. Put all contaminated materials into an identified spill container
7. Fill out an environmental incident report
8. Implement recommendations

We also require that staff document all spill events by taking photos before, during and after remediation.

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<thead>
<tr>
<th>Non-Compliance</th>
<th>Number of Occurrences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dust</td>
<td>2</td>
</tr>
<tr>
<td>Environmental monitoring</td>
<td>1</td>
</tr>
<tr>
<td>Noise</td>
<td>10</td>
</tr>
<tr>
<td>Late spill reporting</td>
<td>1</td>
</tr>
<tr>
<td>Unauthorized waste rock deposition</td>
<td>2</td>
</tr>
<tr>
<td>Vibration</td>
<td>5</td>
</tr>
</tbody>
</table>

RECORDING AND RESPONDING TO COMMUNITY CONCERNS

One of Osisko’s unique challenges with the Canadian Malartic Mine is that it is located next door to the community of Malartic. Because of this proximity, we created a toll-free phone line available to community members 24 hours a day, 7 days a week. If a resident has a specific concern, there is always someone available to listen and record their issues. Each day, a record of all concerns is provided to our Communications Manager. We always do our best to respond personally within 48 hours of hearing a resident’s concern. Processing of complaints and follow-up include checking environmental data recorded at the time of the complaint and sending a formal letter explaining our path forward.

“At Osisko we strive to learn and practice new ways in which to improve the environmental aspects of mining”
– Christine Baribeau, Environmental Manager at Canadian Malartic
Water

At Osisko we understand that water is a precious resource that should be managed carefully. Our respect for water and our desire to conserve freshwater are the reasons we have invested a significant amount of time and effort into thickened tailings technology.

Thickening tailings means that a greater percentage of water used during ore processing will be captured and recycled, and less freshwater will be withdrawn from the environment.

THICKENED TAILINGS RESEARCH AND MONITORING

- Research partnership with Université du Québec en Abitibi-Témiscamingue (UQAT)
- Structurally sound tailings pond
- Progressive restoration throughout the mine life cycle
- Thickened tailings characterization

Canadian Malartic

At Canadian Malartic, effective on site water management allows us to recycle most of the water that we use every day. Processing of ore requires a great quantity of water; an estimated 25,000 m³ per day circulates through our ore processing facility. However, very little of that water comes from fresh sources; up to 90% of the water we use is recirculated through our systems.
We recognize that our exploration activities at Hammond Reef could affect surface water through erosion and sedimentation, release of drilling fluids and cuttings into aquatic environments, disturbance to fish and fish habitat during sensitive life stages, and water withdrawals, particularly during low water periods. At Hammond Reef, we follow several practices designed to reduce impact on water in and around the site:

- Maintaining a 10 metre natural buffer zone from water bodies and waterways
- Scheduling in-water exploration activities to avoid sensitive fish life stages
- Washing, refueling and servicing machinery away from the water
- Keeping an emergency spill kit on site in case of fluid leaks or spills
- Installing sediment and erosion control measures before starting work
- Reclaiming and vegetating disturbed areas upon completion of work

Water is sourced from the Marmion Reservoir and used for drill operation as well as in our camp for drinking, cooking, washing and sanitary needs. The total water usage at the Hammond Reef camp in 2011 was 5,281 m\(^3\). Water discharge volumes were not recorded at Hammond Reef. Sewage treatment and discharge was completed off site: 280 m\(^3\) of sewage was hauled to Thunder Bay for treatment in the municipal system.

**WATER RECYCLING**

In 2011, Osisko implemented standard water recycling practices for its drilling program at Hammond Reef. By constructing a series of four chambered settling ponds, we were able to routinely recycle 40 to 50% of all fresh water used by our drillers. Recycling of water has positive environmental effects beyond simply conserving resources. With the use of settling ponds Osisko was also able to effectively reduce spills and erosion and minimize the amount of cuttings that enter into the fresh water system on site.
Energy Use

Electricity is very important to Osisko’s business for without a consistent and reliable source of energy we wouldn’t be able to run our operation. We believe that it is important to use energy carefully and reduce greenhouse gas emissions wherever possible. Through conserving, planting, designing and innovating, our vision is to one day be a carbon neutral company. 2011 marked Osisko’s first year as a gold producer, and also the first year we conducted a greenhouse gas emissions inventory.

Canadian Malartic Emissions Inventory 2011

<table>
<thead>
<tr>
<th>Emissions sources</th>
<th>Tonnes of CO₂ equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct sources</td>
<td></td>
</tr>
<tr>
<td>Mobile equipment</td>
<td>74,056.01</td>
</tr>
<tr>
<td>Natural gas combustion by fixed equipment</td>
<td>5,962.32</td>
</tr>
<tr>
<td>Diesel combustion by fixed equipment</td>
<td>2,953.06</td>
</tr>
<tr>
<td>Use of explosives</td>
<td>5.04</td>
</tr>
<tr>
<td>Use of sodium carbonate</td>
<td>1.27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82,976.70</strong></td>
</tr>
<tr>
<td>Indirect sources</td>
<td></td>
</tr>
<tr>
<td>Electricity from Hydro-Québec</td>
<td>888.69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83,865.39</strong></td>
</tr>
</tbody>
</table>

1 Calculation based on site specific data using Quebec’s provincial Ministère du Développement durable, de l’Environnement et des Parcs guidelines
2 Calculations based on Environment Canada 2010 Guidance Tables

Reducing our Carbon Footprint

At Osisko, we find ways to conserve energy whenever possible, but we recognize that it may take a few years of operations before we can identify practical ways to significantly reduce greenhouse gas emissions. For this reason, Osisko chose to start its mining operations with an investment in carbon offsets through the planting of the Osisko Forest.

THE OSISKO FOREST

In 2011 the Osisko Forest project moved from a plan to a tangible realization with the planting of 200,000 young trees near the town of Rivière-Héva (approximately 15 km from Canadian Malartic). The saplings were grown in a greenhouse environment while Osisko’s partners at Menitik Resources and the Lac Simon First Nations prepared the terrain for planting in the fall.

GREEN DESIGN

Canadian Malartic’s plant and mining activities have been designed to maximize the use of efficient and clean energy. The majority of the energy we use is purchased from the provincial electrical grid. In Québec, that means that more than 90% of the electricity we use comes from renewable sources. Osisko uses electric shovels, a cutting edge technology which allows us to reduce our consumption of diesel. Electrical shovels are designed with mechanical efficiencies compared to hydraulic excavators, producing less greenhouse gases than their diesel-powered counterparts. We have also designed the site configuration so as to locate the crushers in a way that minimizes ore haulage by trucks and allows higher reliance on conveyors which use electrical power.
At Osisko we believe it is important to promote biodiversity in the environments where we operate. Promoting biodiversity is about more than simply keeping track of disturbed and rehabilitated lands. It means conserving and creating a variety of environments where a wide range of plants and animals can grow and live.

**Canadian Malartic**

Osisko’s Canadian Malartic Mine is located at a site which has been historically used for mining and mineral processing. The site was orphaned by the previous mining companies that operated at the site until 2002, leaving a negative environmental legacy for the provincial government to manage. Although the ore mined from the site is not acid generating, the previous owners of the site also accepted ore from other mines in Northern Québec, ore that was known to be acid generating.

**Conserving and Creating**

<table>
<thead>
<tr>
<th>Description</th>
<th>Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total land disturbance to date</td>
<td>570</td>
</tr>
<tr>
<td>Green wall vegetation</td>
<td>2</td>
</tr>
<tr>
<td>Vegetation of regional private lands</td>
<td>65</td>
</tr>
</tbody>
</table>

Area calculations rounded to the nearest whole number. No on-site reclamation activities were carried out in 2011.

Before operations at Canadian Malartic began, Osisko formed a partnership with the provincial Department of Natural Resources and Fauna to rehabilitate the existing orphan tailings pond. Rehabilitation activities that took place in 2011 include:

- Reinforcing historic dams to secure and better contain the existing tailings
- Placing new non-acid generating tailings on the existing tailings to prevent acid generation

**Planning for Progressive Reclamation**

Osisko’s advanced planning will allow reclamation to occur at the Canadian Malartic site long before the mine is ready to close. In 2010, Osisko initiated a research project with the Université du Québec en Abitibi-Témiscamingue (UQAT) aimed at forestation of the Malartic tailings.

Research questions for the project include:

- What is the survival rate of plants on thickened tailings?
- Which soil improvement methods can be used on thickened tailings?
- What are the effects of waste and tailings blends on plant growth?

2011 marked the completion of the initial greenhouse test phase of the project and the construction of experimental forestation cells at our planned tailings management facility. Saplings from the greenhouse were planted on site and field tests have begun. Osisko is proud to be at the forefront of thickened tailings technology and innovation. We believe that ongoing investment in research and development will result in efficient, timely, and environmentally sound reclamation of the mine site.
Hammond Reef

As part of Hammond Reef’s environmental management plan, Osisko actively re-vegetated and remediated on-site riparian areas. Our efforts were focused on 100 metre buffer zones surrounding all water bodies, including creeks and streams, lakes and wetlands.

Osisko worked together with an independent consultant to identify areas that would benefit most from reclamation. We sought advice from experts to make sure that our efforts would be appropriate for our site and effective for erosion and sedimentation management. Through the hard work of our staff members, we were able to remediate a total of 57 areas on-site to substantially reduce risks to surface water and ground water on the site.

Hammond Reef Land Disturbance and Reclamation

<table>
<thead>
<tr>
<th>Total land disturbance to date</th>
<th>750 ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-site reclamation area</td>
<td>20 ha</td>
</tr>
<tr>
<td>Trees planted</td>
<td>875 Red Pine, 875 White Spruce</td>
</tr>
<tr>
<td>Organic material applied</td>
<td>1,200 m³</td>
</tr>
<tr>
<td>Coarse organic material applied</td>
<td>650 m³</td>
</tr>
<tr>
<td>Seed mix applied</td>
<td>1,200 kg</td>
</tr>
</tbody>
</table>

Note: Values are approximate

The key techniques we used for our remediation activities comprise:

- **Removing rut**
  Leveling the area to fill depressions and restore a more natural even surface.

- **Flattening disturbed steep slopes**
  Disturbed areas were flattened to a stable angle.

- **Installing water bars**
  Angled ditches were constructed across trails to intercept runoff and divert it towards vegetation where the water could be filtered.

- **Adding organic material**
  “Black muck” organic material was mixed with the mineral soil to furnish nutrients for quick seed germination.

- **Seeding**
  Application of an engineered seed mixture proven effective in Northwestern Ontario.

- **Adding coarse organic material**
  Slash debris, tree limbs and branches were placed over the restoration area to provide stability.

- **Planting trees**
  Over a period of four months, Osisko successfully planted approximately 1,750 Red Pine and White Spruce saplings.

- **Restricting access**
  Signs, logs or large rocks were posted in the area’s nearby trails or roads to restrict access and allow the vegetation to take hold.

“Working with the remediation program has been rewarding because it gave me a chance to learn different remediation processes and techniques as well as having a hand in restoring areas that had been affected by our operation. There is a level of fulfillment when one is able to contribute to the well-being of the natural environment that can so often be taken for granted.”

– Shane Manford, Supervisor, Environmental Technicians at Hammond Reef
2011 WASTE STREAM AT CANADIAN MALARTIC

- Recycled metal: 497.14 tonnes (35%)
- Recycled electrical wire: 60.32 tonnes (4%)
- Waste to landfill: 294.75 tonnes (21%)
- Recycled wood: 508.48 tonnes (36%)
- Recycled paper, cardboard and plastic: 63.61 tonnes (4%)
Osisko Recycles

Osisko has active recycling programs at both the Canadian Malartic and Hammond Reef sites. We recycle materials that are in demand and participate in local waste reduction initiatives. Wire, metal and wood is removed from our waste stream at site for industrial recycling. We also recycle paper, cardboard and plastic in our offices.

Mine Closure Planning

Osisko’s approach to mine closure is to be pro-active and plan for the stable, long-term restoration of its mine sites. We believe that this approach supports a healthy ecosystem, includes the values of our local communities, and provides a positive example for mining in the future.

Many historic mining operations throughout the country have resulted in negative environmental legacies for governments to manage. Provincial mining regulations in Québec and Ontario ensure that mining companies can no longer abandon mines and leave the clean-up costs to the public. All mining companies are now required to develop a plan for the rehabilitation of their mine sites, and must set aside financial assurance that will guarantee the work is completed.

Osisko recently made mining history in Québec with its Canadian Malartic Mine. Even though it is not yet required by law, Osisko has agreed to provide a financial guarantee that will cover 100% of the estimated costs (a total of $46.44 million) for rehabilitating the Canadian Malartic Mine site instead of the 70% currently required by Québec law. On October 12, 2011, Osisko deposited the amount of $22.1 million with the Québec government, representing almost 50% of the financial guarantee of $46.44 million, to cover the entire estimated future cost of rehabilitating the Canadian Malartic Mine site. The balance of the guarantee will be remitted by two subsequent payments to be made in 2012 and 2013. Our closure plan and closure cost estimates are regularly updated to reflect the reality of the Canadian Malartic Mine.

At Hammond Reef, Osisko will also submit a certified Closure Plan, outlining the method, schedule, cost and financial assurance of all rehabilitation to be conducted on the site once closure commences. Osisko’s plan will be prepared based on the specific requirements for Closure Plans including the standards, procedures and minimum requirements for the closure of mine hazards, as outlined in Ontario Mining Act. The project’s proposed closure concept is to allow the pit(s) to be flooded and rehabilitate disturbed land and watercourses, restoring them to their pre-project conditions to the extent feasible.
HUMAN RESOURCES

Osisko believes that a local workforce is mutually beneficial; the best operations planning and execution can be performed by those who are most familiar with the regional history, economics, environment, and resources.

BEING AN EMPLOYER OF CHOICE

Employees of Canadian Malartic’s mechanical maintenance facility
Investing in Local People

“So many people work for Osisko: Aboriginals, youngsters who didn’t have experience; they were sent to school and for training. Seniors were given a second chance.”

Sébastien Leclerc, President of Malartic’s Chamber of Commerce

Canadian Malartic

As part of our commitment to encourage growth and prosperity for the town of Malartic, Osisko offers relocation support to employees wishing to settle in Malartic. We continue our efforts to grow the portion of our local workforce that is from the town of Malartic through investing in training and education.

Hammond Reef

We have taken a similar approach at Hammond Reef and made an effort to build the local workforce by hiring local residents. In 2011, approximately 65% of employees were based in the nearby town of Atikokan and 15% of employees were from local First Nations communities.

LOCAL WORKFORCE AT CANADIAN MALARTIC

- Abitibi-Témiscamingue 48%
- Malartic 37%
- Neighbouring Towns 13%
- Other 2%
Promoting Diversity

At Osisko, we see diversity as more than just a policy. It is an integral part of who we are and how we see our future. Osisko places high value on all its people and in doing so, embraces their many inherent differences. We aim to provide a work environment where all our people have equal access to information, development and opportunity.

Within Osisko, when we speak of diversity, we mean the creation of workplaces where differences of gender, culture, religion, age, ethnicity, physical ability and all other characteristics that make us who we are, are valued and respected. Osisko’s approach is defined as a set of models, actions and mechanisms which we can develop and implement in order to achieve the conditions necessary for intercultural understanding, openness to difference and the integration of our local communities.

Aboriginal Partnerships

At Osisko we actively work with Aboriginal people in our communities to ensure they benefit from our projects. Our strategy for building relationships with Aboriginal people in our communities is based on three pillars: communication, employment and training; and social and economic development.

Osisko’s ongoing partnership with Menitik Resources, a company working for the economic development of the Algonquin people in Québec, proved to be beneficial for both organizations once again in 2011. As a result of our partnership, 21 First Nations employees held positions at Osisko in 2011, four of whom were summer students. In 2011, Osisko paid approximately $700,000 in salaries and contracts to First Nations people. The benefits are not only economic: we know that our First Nations employees are role models in their communities, serving as inspiration for youth to set personal objectives, pursue education and seek out meaningful employment.

As a result of our ongoing efforts and work with Menitik Resources, we expect that the percentage of Aboriginal people in our workforce will continue growing. We understand that cultural differences can be challenging within a team setting and we are committed to making the diversity of our team a positive experience for all. To this end, we have begun to implement a cross-cultural training program to educate our staff about the unique culture and traditions of the First Nations people we are welcoming into our workforce.
Building a Loyal Team

Osisko strives to provide optimal training, remuneration and benefits for the lasting prosperity of its workforce and communities.

To promote the specialized skills required to work on its projects, Osisko offers training programs to its employees. In 2011, we invested 5.25% of our payroll spending into training for our employees.

In 2011 alone Osisko invested $2.5 million in employee training at Canadian Malartic, representing 34,350 hours of training and increased potential for our team. Our focus for training at Canadian Malartic was on increasing the skills and knowledge of labourers in our workforce to become operators of heavy equipment.

At Hammond Reef, Osisko provided employee training in the areas of:
- Fuel handling and the Liquid Fuels Handling Code
- Spill response
- Workplace Hazardous material Information System (WHMIS)
- Transportation of hazardous material
- Water and wastewater sampling
- Erosion and sediment control
- Forest firefighter training
- Emergency First Responder

EMPLOYEE BENEFIT PACKAGES

At Osisko, 75% of our employees are shareholders. We believe this is because our employees work hard and in turn they trust in the success of their Company. We also offer an incentive as part of our employee benefits package where we match 60% of employee share purchases. Other benefits provided to employees include medical, dental and life insurance coverage.

HEALTH AND SAFETY INITIATIVES

Following the construction of the Canadian Malartic Mine, we decided to reemphasize our focus on implementing safety measures at Canadian Malartic. The leadership in the Health and Safety department was strengthened and a training program “Action-Prévention” was provided to all employees and supervisors.

Some of the key actions and highlights of our health and safety initiatives in 2011 included:
- Two of our supervisors were recognized by the Québec Mining Association for having 50,000 hours without a lost-time accident among their teams;
- Hiring of a new doctor to provide medical consulting services throughout our entire operations;
- Canadian Malartic employees received the Regional Award of the CSST (Québec Workers Compensation Board) for demonstrating a sense of innovation when they invented a mechanical arm to move the shovel power cable;
- The Regional Exploration Group was recognized for the development of a saw to cut core which reduces noise without impacting performance; and
- Warehouse employees were recognized for the innovation to prevent falls in moving stock in the mezzanine area.

HEALTH AND SAFETY BY THE NUMBERS

There has been no lost time incident within Osisko’s workforce in 2011. The numbers below include contractors working on our projects.

2011 Health and Safety (including contractors)

<table>
<thead>
<tr>
<th></th>
<th>Canadian Malartic 2011</th>
<th>Canadian Malartic 2010</th>
<th>Hammond Reef 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour Man-hours</td>
<td>2,330,591</td>
<td>2,221,523</td>
<td>522,102</td>
</tr>
<tr>
<td>First Aid/Medical</td>
<td>258</td>
<td>344</td>
<td>84</td>
</tr>
<tr>
<td>Accidents w/ Lost Time</td>
<td>4</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>Days Lost</td>
<td>64</td>
<td>185</td>
<td>49</td>
</tr>
<tr>
<td>Frequency</td>
<td>0.34</td>
<td>1</td>
<td>2.68</td>
</tr>
<tr>
<td>Severity</td>
<td>16</td>
<td>16.8</td>
<td>7</td>
</tr>
<tr>
<td>Temporary Assignment</td>
<td>19</td>
<td>14</td>
<td>48</td>
</tr>
</tbody>
</table>

JOINT HEALTH AND SAFETY COMMITTEE

Osisko has a joint Health and Safety committee at Canadian Malartic composed of twelve members: six managers and six hourly staff members. The joint Health and Safety committee meets monthly to discuss areas of concern and opportunities for improvement. Members of the committee in turn report to the larger Osisko workforce through regular updates.

COMMITTEE “BONNE ENTENTE”

In 2010, Osisko formed a committee within its Canadian Malartic workforce as an information sharing mechanism between hourly staff and managers. The committee is made up of ten members: five managers and five hourly staff members and meets on a monthly basis to discuss any concerns with regards to working conditions, fair compensation and updates on the operations.
The Next Generation of Miners

At Osisko, we believe it is important to invest in the next generation of miners. By providing hands-on experience to university and college students through internships and summer jobs we hope to spark an interest in youth and other parts of the population that may not have previously considered a career in mining. As Canada’s population grows older and many of the experts in mining begin to retire, we know that a potential labour shortage is a real risk to the success of our projects. That’s why we actively provide training and scholarships to build a stronger workforce.

**INTERNSHIPS AND SUMMER STUDENTS**

Our summer student and internship programs have seen more than 50 young people work and learn at our Montreal and Malartic locations in 2011. These positions have included placements in each of Osisko’s departments including engineering, geology, health and safety, community relations, environment and exploration. Our partnerships with Québec universities such as McGill, Concordia and Université Laval have cultivated mutual beneficial relationships as Osisko provides learning experiences and youth learns more about us as a company.

**SCHOLARSHIPS**

In 2011 Osisko provided scholarships to university and CEGEP students from Malartic and high school graduates of Malartic and Abitibi-Témiscamingue regions. We also worked with Université Laval and Université du Québec en Abitibi-Témiscamingue. The total value of our scholarship contributions and educational investments was approximately $120,000. Students were selected based on their academic merit, community involvement and leadership qualities. The scholarships were awarded through institutions and local established organizations, which have been committed to students and higher education in their communities for many years.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Educational Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Le Tremplin High School</td>
<td>$2,500</td>
</tr>
<tr>
<td>Corporation du développement de l’enseignement de la Vallée-de-l’Or</td>
<td>$2,500</td>
</tr>
<tr>
<td>Abitibi-Témiscamingue CEGEP Mineral Technology Department</td>
<td>$2,000</td>
</tr>
<tr>
<td>Université Laval</td>
<td>$80,000</td>
</tr>
<tr>
<td>Université du Québec en Abitibi-Témiscamingue (UQAT)</td>
<td>$20,000&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>École Polytechnique de Montréal</td>
<td>$4,000</td>
</tr>
<tr>
<td>Université du Québec à Montréal (UQAM)</td>
<td>$15,860&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>1</sup> Groundwater research project  
<sup>2</sup> $7,000 scholarship plus $8,860 indirect research fees

**COMMUNITY TRAINING**

At Osisko, we believe in second chances. We understand that life can take you places that you never expected, and we believe that people should be given the opportunity to reach their potential. These are the values that inspired us to create an on-site training program focused on under-educated adults in Malartic.

We proudly supported nine Malartic adults in their work to obtain a professional equipment operations diploma recognized by the provincial Department of Education. The six month training program was uniquely adapted to meet the needs of Osisko’s Canadian Malartic operation, and included hourly compensation for all participants. The program was highly successful, as eight of the nine original participants completed the full program, thereby earning a diploma and securing a permanent job with Osisko.
Question: Does the presence of the Canadian Malartic mine (operated by the Osisko Mining Corporation) raise concerns for you personally?

Results from a 2011 public opinion poll of 1,010 Abitibi-Témiscamingue residents conducted by the CROP independent research agency.
People in Malartic are very supportive of the Canadian Malartic Mine and recognize that Osisko has brought many benefits to their town.

Canadian Malartic

An independent public opinion survey polled 1,101 Abitibi-Témiscamingue residents and asked: Would you say that the presence of the Project has a positive impact, a negative impact, or no impact on the quality of life of the citizens of the town of Malartic?

We know that along with benefits, a mine may negatively impact the environment and surrounding communities. Our research has shown that the main concerns people in Malartic have with the mine relate to noise and dust emissions.

Results from a 2011 public opinion poll of 302 Malartic residents conducted by the CROP independent research agency.
MITIGATING NOISE AND DUST

The very nature of an operational mine will certainly result in generating noise and dust; Osisko is committed to limiting the effect of its mining operations on the Malartic community. For example, we do not proceed with mine blasts on Sunday mornings while community members are attending church services.

One of the conditions of our environmental permits for the Canadian Malartic Mine was to meet specific noise levels. Meeting these noise levels has proven difficult, and in 2011 we received a total of 12 notices of non-compliance for noise and dust.

Over the past year, Osisko has worked with acoustic experts and implemented several mitigation measures to reduce the impact on the Malartic community:
- Advanced noise reduction studies
- Installation of rubber loading box liners in our hauling trucks
- Meteorological monitoring system
- Noise modelling
- Ongoing site-testing and modifications of equipment
- Partnerships with equipment suppliers
- Blast protocols
- Modification of operations, including a reduction of work activities

MONITORING NOISE AT NIGHT

Osisko has developed a proactive strategy to mitigate noise, especially during night time. Three noise monitoring stations were set up at locations selected by government regulators. In 2011 we developed a special night-time noise monitoring program that allows our mine operators to respond to potential noise disturbances as quickly as possible. Throughout the night-time hours, a technician visits the monitoring stations on an hourly basis to measure noise levels.

Through experience, our team works to define specific alarm levels which trigger our noise-reduction action plan. When technicians see the alarm, they immediately communicate with the supervisor at the mine. The supervisor in turn shuts down equipment in an orderly and safe manner in an effort to reduce noise. We are continually working to reduce noise levels in the town of Malartic and improve the quality of life for the residents of the community.

RELOCATING THE SOUTHERN NEIGHBOURHOOD

Osisko has implemented several mitigating measures to reduce the impact on the Malartic community, one of which was a new relocation program which increased the buffer zone between the pit crest and the Malartic residents. The relocation program was consistent with the modified decree issued on April 13, 2011 by the Quebec government for the Canadian Malartic property and the new zoning by-law adopted by the town of Malartic on July 12, 2011, which together increased the noise level parameters under which the mine can operate.

MALARTIC’S GREEN WALL

Throughout our busy start-up period in 2011, members of Osisko’s construction team remained dedicated to enhancing infrastructure and land around Malartic’s Green Wall. Once weather conditions permitted, hydro-seeding and planting of locally-supplied vegetation took place along the Green Wall and amidst the surrounding alcove areas. A total of 36,000 trees and shrubs were planted in 2011. All landscaping assistance was provided by Osisko’s partners at Menitik Resources and the Lac Simon First Nations. The bicycle path was paved and painted during the spring of 2011, making it ready for use throughout the warm summer months.

OSISKO SUPPORTS THE ARTS

On October 1, 2011, the remarkable creations of six Abitibi-based artists were officially unveiled in Southern Malartic. The inaugural celebration began by the exhibit of the East Malartic Headframe Reproduction. Created as a memorial to the 12 men who lost their lives at work during the mine accident of 1947, the monument is also a symbol of future prosperity and hope. This memorial and the six artistic monuments all celebrate Malartic’s mining heritage in distinctive manners.

“For the community of Malartic, Osisko symbolizes a rebirth. People within the community work at Osisko, within their own city; this makes people happy. All mayors would be pleased to host a company like Osisko within their town, especially with the growth and development that result from it.”

- André Vezeau, Mayor of Malartic
CORPORATION VICTOIRE

In 2010, Osisko founded the Corporation Victoire, an independent Malartic-based non-profit organization whose mandate is to reduce the high school dropout rate in the town of Malartic. The organization is made up of local community leaders and Osisko staff members dedicated to encouraging the youth of Malartic. One of the most popular 2011 events was the visit of four former Montréal Alouettes players. The players visited the local high school to deliver a message of perseverance and the importance of staying in school.

At Osisko, we understand that the promise of a well-paying job in the immediate future can sometimes cause youth to lose sight of the long term value an education provides. For this reason, we have implemented a policy stating that all new hires must have earned at least a high school diploma. This policy extends to our contractors and sub-contractors. The exception to this policy is those individuals who have been out of school for ten years or more.

Stakeholder Engagement

As part of the Environmental Assessment (EA) for the Hammond Reef Project, a preliminary stakeholders list was developed based on background research and previous experience. Each identified stakeholder was then contacted directly by phone and email to determine their desired level of involvement in the EA. Our stakeholder list continually grows and evolves based on people’s interest in the project, we publish our contact information in local newspapers regularly to allow additional interested parties to contact us.

As well, on a regular basis, we provide communities and organizations with notification of EA milestones and electronic copies of environmental reports. A detailed distribution list is provided in the Record of Consultation report available on our website (www.osisko.com) and includes organizations and individuals from the following four groups:

- Government (municipal, provincial and federal)
- Non-Government Organizations
- Aboriginal Communities
- Members of the public
Information Sharing

Osisko is committed to engaging and working with stakeholder groups and local community members throughout its project planning process.

We recognize that local knowledge and opinions of community members are important and have the potential to improve our projects.

Throughout our 2011 consultation activities, we have heard many comments and questions from community members. We continue to work to address stakeholder questions and concerns and keep the community updated on our projects.

Canadian Malartic

SITE TOURS

In the spring of 2011, Osisko formed an important partnership with Malartic’s Museum of Mineralogy. The partnership provides the opportunity for the museum to enhance its exhibit with a tour of Osisko’s nearby operating mine. Adding a site tour to their public education program has allowed the museum to generate additional revenue and has increased the number of visitors by half. Osisko in turn is able to increase its information sharing with the public and continues to operate in a transparent manner. Additional site tours were given to municipal leaders and Aboriginal community members from the Atikokan area to provide them with a better understanding of an operating open-pit mine.

MONITORING COMMITTEE

As part of Osisko’s move towards commercial production in 2011, an independent Monitoring Committee was set up to facilitate ongoing communications with the public and ensure the long term well-being of the community of Malartic is represented. Osisko provided $100,000 to fund this committee in 2011. The committee has six members and one coordinator. In 2011, the committee met 12 times. Committee members were able to represent the local community and reached out to community members through:

- Participation in regional mining conferences
- Meetings with local politicians
- Participation in Chamber of Commerce activities
- Meetings with Osisko’s management

In August 2011, the committee held a public meeting to provide an update on Osisko’s operations and discuss quality of life and public health concerns. In November 2011, Osisko provided a formal presentation to the committee about blasting practices.

Hammond Reef

At Hammond Reef, we are preparing for the beginning of operations in the next few years. The Hammond Reef project is currently undergoing an Environmental Assessment (EA), which requires extensive consultation with government, public and Aboriginal communities. Our consultation team regularly meets with people in the area to share information about the project and listen to people’s questions and concerns. The Consultation Plan for the Environmental Assessment includes the following five milestones:

✓ Submission of the Project Description Report (Spring 2011)
✓ Commencement of the Terms of Reference (Fall 2011)
✓ Submission of the Terms of Reference (Winter 2012)
✓ Commencement of the EA report (Summer 2012)
✓ Submission of the EA Report (Winter 2013)

We regularly share information with our community in the following ways:

- Publications
- Meetings
- Workshops
- Open House events
COMMUNITY NEWS BRIEFS

Twenty-four bi-weekly community news briefs were published in local papers and online in 2011. We chose to put a consistent effort into these news briefs because our stakeholders told us the newspaper is the preferred way to communicate with them. The news briefs have shown to be an effective way to address key concerns heard at presentations, meetings and workshops. Information provided to date has included updates on recent project developments and events, background information about Osisko and baseline studies, and general topics of interest to the public.

How would you prefer receiving information about the Hammond Reef Gold Project? (number of respondents)

- Yes: 5
- Somewhat: 10
- Didn’t talk to anyone: 8
- Did not comment: 6

OPEN HOUSE

The Hammond Reef Project Description was accepted by the Canadian Environmental Assessment Agency on April 28, 2011. This milestone marked the beginning of the federal Environmental Assessment process. Osisko hosted an Open House to share the details of the Project Description with the public on June 18, 2011. Two hundred and twenty-one people attended, with a large majority of comment form respondents indicating their questions were answered by project staff. Project description presentations were also provided to several local groups and government bodies.

If you talked with an Osisko representative today, did they answer your questions? (% of respondents)

- Yes: 76%
- Somewhat: 10%
- Didn’t talk to anyone: 6%
- Did not comment: 8%

COMMUNITY WORKSHOPS

Two workshops were held in 2011 to gather specific information from local business owners and service providers. The focus of these workshops was to explain Osisko’s planned approach for conducting the Environmental Assessment and to collect local knowledge about how Osisko’s Hammond Reef Gold Project may affect the existing environment. Questions and discussions at the workshops have also helped focus our ongoing information sharing.
Aboriginal Engagement

Osisko understands that Aboriginal people have constitutionally protected rights, a unique understanding of the environment and a special relationship with the land.

Osisko’s Aboriginal engagement activities are conducted according to the following principles:

- Focus on Aboriginal communities whose proven or asserted rights could potentially be affected by Osisko’s projects;
- Develop engagement processes and methods in cooperation with Aboriginal communities;
- Engage and build relationships early in the project, provide clear and accurate information and seek to address questions and concerns; and
- Acknowledge that Aboriginal communities may require some capacity funding in order to participate in a meaningful manner.

In continuing its efforts to engage in meaningful dialogue with aboriginal communities, Osisko successfully filled the position of Manager, Aboriginal Affairs in August, 2011. This position is aligned with Osisko’s desire to maintain constructive, co-operative and collaborative relationships with Aboriginal people. These relationships are built on mutual respect, transparency and meaningful participation in decision making.

Canadian Malartic

In November 2011, representatives from Canadian Malartic’s management team were pleased to meet with Chief and Council from local First Nations communities in order to engage in discussions on a variety of subjects. Key topics of discussion included:

- Importance of conducting industrial site visits
- Need for academic visits for students and unemployed individuals
- Opportunities for community investment
- Employment opportunities

Hammond Reef

The Hammond Reef Project is in the traditional territory of the Anishinaabe people, and within a traditional harvesting territory of the Métis. Osisko worked with the provincial and federal government to develop a list of Aboriginal communities to which a Duty to Consult may be owed. Ongoing work and engagement will allow further determination of how the project may impact the rights of specific Aboriginal communities.

FORMAL AGREEMENTS

Fort Frances Chiefs Secretariat and Lac des Mille Lacs First Nation

Osisko signed a Resource Sharing Agreement with the seven First Nations communities of the Fort Frances Chiefs Secretariat and the Lac Des Mille Lacs First Nation in 2010.

Métis Nation of Ontario (MNO)

The MNO initially contacted Osisko in June 2010 to express their interest in developing a Memorandum of Understanding (MOU) with Osisko because of their asserted Aboriginal rights to lands, water and natural resources within the area of Hammond Reef.

Our MOU is with four Métis community councils (Kenora, Sunnet Country, Northwest, and Atikokan) and notably provides capacity for community meetings, engagement activities, review of the EA Report and a traditional knowledge study.

SITE VISITS AND CEREMONIES

Osisko has provided tours of the Canadian Malartic Mine and the Hammond Reef exploration site to several First Nations Chiefs, Elders and community members. These visits have been received well and further site tours are anticipated. Some First Nations Elders have also visited Mitta Lake, the lake that will be drained as part of the Project. The Elders performed a pipe and drum ceremony at Mitta Lake.

FIRST NATIONS FIELD MONITORS

Osisko hired two full time employees as First Nations Field Monitors to accompany crews on the summer 2011 baseline field programs. The Monitors were individuals selected by the Fort Frances Chiefs Secretariat and Lac des Mille Lacs First Nation. The presence of First Nations Field Monitors offers a tangible benefit to the communities through employment and training. The Monitors prepared formal presentations about their experience working for Osisko that were given to the Chiefs and Council. These individuals also provided informal information to those in their communities and a level of assurance that the field work was being done in a transparent manner.
Osisko is proud to have created a long-term beneficiary fund whose main goal is to create a lasting improvement in the lives of Malartic residents. Projects supported by FEMO are selected for their capacity to improve the cultural, social, physical, educational and environmental components of life for as many Malartic residents as possible. FEMO is administered by representatives of the community and three new administrators from the Malartic community joined the FEMO committee in 2011, individuals with expertise in community relations, education, and finance.

Throughout 2011, close to $150,000 was distributed to different organizations including:
- Local hockey league
- Summer camp for disabled children
- Malartic’s Museum of Mineralogy Festival
- Festival des Guitares du Monde (free concert for the community)
- Chevaliers de Colomb de Malartic (Meals on Wheels)

**MAJOR DONATIONS**
Additional money was spent on donations and sponsorships in 2011 including the following major items:
- Foreurs de Val-d’Or (local hockey team)
- Le Tremplin High School
- Université Laval
- Université du Québec en Abitibi-Témiscamingue
- Folk opera “Les filles de Caleb”

**GOING FOR GOLD**
In October of 2011, Osisko signed a four-year sponsorship agreement with the national governing body for alpine, para-alpine and ski cross racing. In addition to becoming a gold-level sponsor of Alpine Canada, Osisko committed to supporting Marie-Michèle Gagnon and Dave Duncan in their quest for gold through individual sponsorships.

Osisko’s commitment to community well-being and excellence includes investment in the young people of Malartic. In 2011, we established a downhill skiing program for local students. Every Saturday morning, from December to the end of March, 2011, 40 young skiers made their way from Malartic to the slopes of Mount Video to undergo intensive training. Osisko provided participants with new ski equipment and an Osisko racing helmet identical to those worn by our sponsored athletes. Students not only learned to ski, but also had the opportunity to practice values such as challenging oneself, sense of accomplishment, cooperation, and the achievement of excellence.

**SUPPORTING LOCAL BUSINESS**
Since it has entered the construction phase, Canadian Malartic Mine has had a positive relationship with ASDR Industries Inc. This Malartic-based company currently employs 36 individuals and provides steel fabrication and welding services to the mining industry. Osisko recently signed a 10 year agreement for ASDR to provide haul truck boxes reconstruction and repair services for its fleet of over 20 Caterpillar 240 tonne haul trucks. The contract provides ASDR with a solid foundation to grow the business and provide stable employment to its workforce.
Osisko is a publicly traded company on the Toronto Stock Exchange (TSX:OSK) and the Deutsche Boerse (EWX). The public market allows Osisko to gain access to permanent capital while offering the shareholders a liquid market to allow for conversion of their investment into cash. The Company’s market capitalization was $3.8 billion at the end of 2011.

Osisko has a strong based of institutional and individual shareholders. We estimate to have in excess of 97% shareholders located mainly in Canada, the USA, and Europe. It is estimated that 58% of our shares are held by institutions comprised of mutual funds, public and private pension funds, and specialty funds.

We are extremely proud to have the strong support of our employees and directors.

We are extremely proud to have a strong support from our employees and directors. It is estimated that 75% of our 750 employees are shareholders. Data from regulatory filings indicate that 4.2M shares are held by our directors and officers, one of the highest levels of participation amongst our peers. This strong level of ownership ensures that the interest of our employees is aligned with our shareholders.

Our medium-term capital providers include Caisse de dépôt et placement du Québec, Investissement Québec (formerly SDI), CPPIB Credit Investments Inc. (a subsidiary of the Canada Pension Plan), and a Québec labour fund, Fonds de solidarité FTQ. These capital providers maintain a strong link with us and monitor our sustainability performance. Osisko maintains on-going dialogue with the lenders to ensure that we comply with their high sustainability standards.
Economic Benefits

The on-going activities of our Company generate significant economic benefits to regions where we operate. As a Company, we actively pursue economic development by actively seeking local goods and service providers. Approximately 96% of all of our outlays for operating or capital expenditures is in Canada. Since our inception, we have maintained a “Buy local” policy which ensures that the neighbours to our various sites benefit from our activities. By buying locally, we provide opportunities for other economic entities to develop and maintain skills and products to support other large scale mining developments. We are particularly pleased to see key partners such as BBA Consulting-Engineering, Genivar, Golder, Les industries Blais, Promec, Moreau Électrique, Les industries Fournier, MegLab, Manseau et Perron, and many others participate in other large scale mining developments. For us, this provides a source of pride in their development, but also ensures continued support in our current and future operations.

With the investment cycle being largely completed, we now have the opportunity to generate our final product: gold. Total sales amounted to $293 million including the pre-production period, with the majority of these sales being exported. Our clients are financial institutions, which act as intermediaries to final clients who are central banks, investment funds, private investors, and industrial users.

During this period, we paid $17.5 million to our lenders as interest. Although we generated a profit of $18.0 million we did not distribute any funds to our shareholders; the profits being reinvested in our growth opportunities.

Meanwhile, there was no income or mining duties (mining taxes) paid on our profits because under our tax regimes, taxes are assessed mainly after the recovery of the investments made and the recovery of prior years’ losses. There is significant discussion throughout the world on the taxation of natural resources. Recent modifications to the Québec Mining Duty Regime will result in Osisko contributing significant amounts to Québec and Canadian governments. The table below highlights the estimated payments to be made over the life time of the mine based on various gold price assumptions. The increase in proposed payments from feasibility is due to modifications to the tax regimes, increase price of gold and additional ounces discovery through investments in exploration.

In 2011, we paid $4.1 million to the town of Malartic in municipal and transfer taxes and other services. In addition, $0.2 million was paid to the local school board in school taxes. Osisko Canadian Malartic is the largest tax payer in Malartic. The Company estimates that it will pay over $50 million in taxes to fund the local municipal and school operations.

<table>
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<tr>
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<th>Feasibility Study (US$775/oz.)</th>
<th>US$1,500/oz.</th>
<th>US$1,900/oz.</th>
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<tr>
<td>Taxes and Mining Duties</td>
<td>$354.5M</td>
<td>$3.2B</td>
<td>$4.6B</td>
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<tr>
<td>Mining Duties*</td>
<td>$67.8M</td>
<td>$1.4B</td>
<td>$1.9B</td>
</tr>
</tbody>
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* Increase in mining duties also due to legislative modifications. Additional ounces discovered.
Global Reporting Initiative

Our 2011 Sustainable Development Report marks the first time Osisko has carried out a self-assessment to meet the Level C application of the Global Reporting Initiative. We are proud to self-declare as meeting the requirements of this level, as detailed in the following GRI indicators table.

GRI is a network-based organization. A global network of some 30,000 people, many of them sustainability experts, contributes to its work. GRI’s governance bodies and Secretariat act as a hub, coordinating the activity of its network partners. GRI’s Sustainability Reporting Framework enables all companies and organizations to measure and report their respective sustainability performance. By reporting transparently and with accountability, organizations can increase the trust that stakeholders have in them, and in the global economy.