Management's Discussion and Analysis

For the three months ended March 31, 2013

The following management discussion and analysis ("MD&A") of the consolidated operations and financial position of Osisko Mining Corporation ("Osisko" or the "Company") and its wholly owned subsidiaries for the three months ended March 31, 2013 should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 2013 and the audited consolidated financial statements for the year ended December 31, 2012. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the Accounting Standards Board. Management is responsible for the preparation of the consolidated financial statements and other financial information relating to the Company included in this report. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting. In furtherance of the foregoing, the Board of Directors has appointed an Audit Committee composed of independent directors and not members of management. The Audit Committee meets with management and the auditors in order to discuss results of operations and the financial condition of the Company prior to making recommendations and submitting the financial statements to the Board of Directors for its consideration and approval for issuance to shareholders. The information included in this MD&A is as of May 9, 2013, the date where the Board of Directors has approved the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2013 following the recommendation of the Audit Committee. All monetary amounts included in this report are expressed in Canadian dollars, the Company's reporting currency, unless otherwise noted. This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "Caution Regarding Forward-Looking Statements" section.

Mr. Luc Lessard, Eng., Senior Vice President and Chief Operating Officer of Osisko, is the Qualified Person who has reviewed this Management's Discussion and Analysis and is responsible for the technical information reported herein, including verification of the data disclosed.

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About Osisko

Osisko, incorporated under the Canada Business Corporations Act, is focused on acquiring, exploring, developing and mining gold properties, with the aim of becoming a leading mid-tier gold producer.

The Company's flagship asset, the Canadian Malartic mine, is located in Malartic, Québec. The Canadian Malartic deposit was acquired in late 2004, with drilling commencing in March 2005. Following an intensive drilling program, a $1 billion capital construction project was completed in early 2011 and first gold pour occurred in April 2011. Canadian Malartic reached commercial production on May 19, 2011. The mine is located adjacent to the town of Malartic.

Osisko has also acquired two advanced exploration projects, Hammond Reef (2010) and Upper Beaver (2012), located in Ontario, Canada. The Company has several exploration projects located in the Americas.

Highlights

- Gold production of 106,047 ounces;
- Sales of $159.4 million;
- Net earnings of $17.4 million ($0.04 per share);
- Operating cash flows of $62.5 million;
- Investment of $65.7 million in mining assets and projects;
- Record gold production of 42,521 ounces in March 2013;
- Reduction of $80.0 million in capital budget for 2013;
- Receipt of new more flexible operating parameters;
- Establishment of an escrow account of $30 million by Kirkland Lake Gold Inc. for the note receivable;
- New mining tax regime announced on May 6, 2013 in the Province of Québec.

Capital Expenditures Update

The recent volatility in the gold price and financial markets has led Osisko to review its rate of discretionary spending in exploration and advancing new projects. As a result, the Company will be decreasing discretionary spending for 2013 by over $80 million, principally on its exploration and development projects.

Canadian Malartic Mine

The Canadian Malartic Mine is a large open pit operation. Following a two-year construction period program, which necessitated an investment of approximately $1 billion, the mine reached commercial production on May 19, 2011.

Similarly to large new mining projects, Canadian Malartic faced challenges during an extended ramp up period as it progresses to its throughput nameplate design capacity of 55,000 tonnes per day at its milling plant. These challenges required modifications to the crushing circuit with the addition of two new large cone crushing units, a second pebble crusher and modifications to the ore conveying system which were completed in 2012. Modifications and optimization work continue towards achieving nameplate capacity by the second half of 2013.

Throughput and production at Canadian Malartic are progressing well. The Canadian Malartic mine generated earnings of $55.0 million during the first quarter of 2013 compared to $72.5 million during the first quarter of 2012.

On May 6, 2013, the Quebec Government announced modifications to its mining tax regime. Under the new regime, which comes into effect in January 1, 2014, mine operators will be required to pay the greater of:

i. Minimum tax of 1% on the first $80 million, and 4% thereafter on mine profit calculated prior to processing; and
ii. Mining tax based on profits of 16% of the first tranche of 35% of operating income, 22% on next tranche of 15%, and 28% on the remaining balance.

The modifications will ensure that the Government receives a minimum compensation from all mining activities, and shares in an increasing portion as the mine benefits from higher profitability levels.

The quarterly mine statistics are as follows:

	2013	2012[1]				
(in $000's)	Q1	Q4	Q3	Q2	Q1	Total
Revenues	159,381	191,080	158,503	157,134	158,658	665,375
Mine operating costs						
Production costs[2]	(80,928)	(94,635)	(77,012)	(88,682)	(69,105)	(329,434)
Royalties	(1,992)	(2,546)	(1,998)	(2,021)	(2,359)	(8,924)
Cash generated from mine operations[3]	**76,461**	**93,899**	**79,493**	**66,431**	**87,194**	**327,017**
Depreciation	(20,982)	(20,058)	(15,318)	(15,635)	(13,909)	(64,920)
Share-based compensation	(494)	(672)	(672)	(812)	(827)	(2,983)
Earnings from mine operations	**54,985**	**73,169**	**63,503**	**49,984**	**72,458**	**259,114**

(1) Balances related to 2012 have been restated to reflect the impact of the adoption of IFRIC 20*, Stripping Costs in the Production Phase of a Surface Mine.* See *"Changes in accounting policies"* section of the MD&A.
(2) Production costs net of non-cash share-based compensation presented separately.
(3) Cash generated from mine operations is a non-IFRS financial performance measure with no standard definition under IFRS. *See "Non-IFRS Financial Performance Measures" section of this MD&A.*

Following the issuance of a new IFRS accounting pronouncement with respect to stripping costs in the production phase of a surface mine, the Company adopted the new interpretation effective January 1, 2013. In accordance with the required practice, Osisko restated its prior periods which had the impact of increasing mine operating earnings in prior quarters of 2012.

The cash flows and earnings generated from the Canadian Malartic mine were lower than the fourth quarter of 2012 due to lower gold sales (15,593 ounces) and the decrease in gold price realized. In addition, mine earnings did not benefit from the entire impact of strong March production as part of these ounces composed the ending inventory balance. During the first quarter of 2013, 106,047 ounces were produced and 95,511 ounces of gold were sold.

Mining operations had a good start in January with 199,000 tonnes of rock moved per day, but were negatively affected in February and March by increased maintenance of the loading equipment which reduced availability. However, an overall increase of 15% was noted in production during the quarter compared to the last quarter of 2012. Approximately 15.9 million tonnes of ore and waste (176,000 tonnes/day) and 1.8 million tonnes of overburden were moved during the first quarter of 2013, compared to 13.9 million tonnes of ore and waste (153,000 tonnes/day) and 2.0 million tonnes of overburden during the first quarter of 2012.

Quarterly mine production is as follows:

	Ore (t)	Waste[1] (t)	Total Mined (t)	Re-handling (t)	Total Moved (t)	Overburden (t)
Q1 2013	**4,090,870**	**10,157,993**	**14,248,863**	**1,626,651**	**15,875,514**	**1,783,318**
Q4 2012	3,553,080	7,846,981	11,400,061	2,121,248	13,521,309	627,476
Q3 2012	4,852,977	9,215,070	14,068,047	1,976,746	16,044,793	1,408,530
Q2 2012	3,234,013	9,545,522	12,779,535	2,460,224	15,239,759	1,739,705
Q1 2012	4,037,282	8,457,681	12,494,963	1,405,929	13,900,982	1,954,030
Total 2012	**15,677,352**	**35,065,254**	**50,742,606**	**7,964,147**	**58,706,753**	**5,729,741**

(1) Including topographic drilling of 1.4 million tonnes in Q1 2013 and 2.5 million tonnes for the year 2012.

On February 13, 2013, the Québec Government approved a new decree which modified the operating parameters of the Canadian Malartic mine. Changes included extending the duration of blasts, increasing the time period during which blasts can be executed, and provided greater access to the northern part of the deposit. The modified parameters will provide greater flexibility in day-to-day operations.

The mine staff continues to work at increasing productivity over the historic mine workings while ensuring worker safety. During the first quarter of 2013, the Company experienced delays in blasting operations with 23% of blasts being postponed due to wind conditions.

During the quarter, approximately 1,510 equipment hours (1.7% of available hours) were lost due to noise and weather constraints. Quarterly statistics are as follows:

	Number of Hours	(%)
Q1 2013	1,510	1.7
Q4 2012	2,840	2.9
Q3 2012	5,830	6.0
Q2 2012	4,510	5.2
Q1 2012	1,660	2.0

Milling

Production in the first quarter of 2013 improved to an average of 48,667 tonnes per operating day compared to 35,728 tonnes per day in the first quarter of 2012. Optimization of operations at the mill as well as the two cone crushers and the new pebble crusher allowed the mill to reach new records in March 2013: production of 42,521 ounces of gold and processing of 1,594,608 tonnes of material (for an average daily production of 51,439 tonnes). In cooperation with the engineering firm BBA, the Canadian Malartic team continues to work on improving the mill throughput as well as drill and blast procedures.

Mill feed for the first quarter of 2013 averaged 0.88 g/t, lower than anticipated due mainly to access constraints to higher grade ore and processing of stockpiled ore, while recoveries continued to exceed feasibility forecasts averaging 88.0%.

Operating statistics at the mill are as follows:

	Total Available Hours	Operating Hours	(%)	Tonnage Produced (t)	Tonnes per Operating Hour	Tonnes per Operating Day [(1)]
Q1 2013	2,160	2,082	96	4,234,001	2,033	48,667
Q4 2012	2,208	2,052	93	4,088,021	1,992	47,535
Q3 2012	2,208	2,071	94	3,756,768	1,814	43,181
Q2 2012	2,184	1,960	90	3,236,281	1,651	38,074
Q1 2012	2,184	1,890	87	2,965,456	1,569	35,728

(1) 2013: In Q1 2013, the mill was shut down for 3 days for maintenance on the conveyor and for SAG mill liner change.

2012: In Q4 2012, the mill was shut down 6 days for scheduled maintenance and the second pebble installation. The throughput at the mill was reduced at 42,000 tonnes per day for a 15-day period during the installation of the second pebble crusher. In Q3 2012, the mill was shut down for a scheduled 5-day period for a liner change (secondary crushers, SAG and ball mills). In Q2 2012, the mill was shut down for a 6-day period following a fire at the mill. In Q1 2012, the mill was shut down for a 7-day period for the installation of the first unit of the secondary crusher and one day for maintenance.

Production statistics are as follows:

	2013	2012				
	Q1	Q4	Q3	Q2	Q1	Total
Tonnes milled (t)	4,234,001	4,088,021	3,756,768	3,236,281	2,965,456	14,046,526
Grade (g/t Au)	0.88	0.87	0.97	0.99	1.05	0.96
Recovery Au (%)	88.0	88.8	88.7	89.2	91.2	89.4
Gold ounces produced (oz)	106,047	101,544	103,753	92,003	91,178	388,478
Gold ounces sold (oz)	95,511	111,104	95,424	95,675	92,400	394,603
Grade (g/t Ag)	0.86	0.78	0.74	0.75	0.77	0.76
Recovery Ag (%)	71.5	69.4	60.5	66.1	73.0	67.1
Silver ounces produced (oz)	83,597	71,227	54,011	51,193	53,842	230,273
Silver ounces sold (oz)	73,683	74,100	49,751	48,880	52,800	225,531

Focus for the remainder of 2013 will be to complete the final stage of the mill ramp up to steady state 55,000 tonnes per day operating level, and to optimize the mining schedule to increase grade throughput and mine production and to reduce operating costs.

Operating Costs

Cash costs per ounce[1] for the first quarter of 2013 stood at $804 compared to $821 in the first quarter of 2012. The improvement over the comparative period in 2012 is mainly the result of increased throughput and gold production, improved efficiencies and reduction in contractors' costs.

It is anticipated that as the operations at Canadian Malartic stabilize and that the operations are further optimized, the operating costs will continue their downward trend.

In 2013, the mine is expected to produce between 485,000 and 510,000 ounces of gold at cash costs per ounce[1] between $780 and $825.

Reserves and Resources

The Company has continued to pursue reserve and resource base growth through intensive drilling campaigns. Ongoing drilling has previously identified the South Barnat deposit and other additional deposits. As of January 1, 2013, the updated ore reserve estimates stood at 10.1 million ounces at the Canadian Malartic mine. The new reserve base is calculated at US$1,475 per ounce of gold.

The table below shows the reserve and resource statement for the Canadian Malartic mine as at January 1, 2013:

Reserve and resource estimates
with a lower cut-off grade of 0.31 to 0.34 g/t Au

Category	Tonnes (M)	Grade (g/t Au)	Au (M oz)
Proven Reserves	48.8	0.89	1.4
Probable Reserves	261.8	1.04	8.7
Proven & Probable Reserves	**310.6**	**1.01**	**10.1**
Measured and Indicated Resources	347.3	1.05	11.7
Inferred Resources	49.6	0.75	1.2

The Company continues to work with Québec's Ministry of Transport and the Town of Malartic on the deviation of a highway to gain access to the higher grade Barnat deposit. It is anticipated that the final layout and the environmental impact study will be completed by the fourth quarter of 2013 and a request for public hearings will be made. It is expected that the Barnat deposit will provide higher ore grade mill feed.

Overview of Development and Exploration

Prior to mid 2009, the Company's efforts were focused solely on the development of its flagship asset, the Canadian Malartic mine. After finalizing the feasibility and environmental impact studies, securing the financing, obtaining the necessary authorizations to initiate construction following a four-month public hearing process and initiating construction, the Company began to focus searching for new assets. The new assets would provide a sustained level of production and future growth. The overall objective is to move Osisko to a leading intermediate gold producer with an annual gold output of one million ounces of gold. The strategy entails creating value at the drill-bit and using the skills of the Osisko engineering and construction teams to develop these projects.

To build on its gold mining asset base, the Company has acquired advanced exploration projects, has entered into exploration agreements, has staked ground, and has invested in various public and private exploration companies with promising gold projects. The focus has been on the Americas, with primary focus in Canada.

The Company has had excellent productivity on current drilling programs and is now at a compilation and assessment phase concerning forward strategy on its projects. Osisko enjoys flexibility on its major projects, a benefit of being the sole owner, and thus can select the rate of execution of its investment programs without concern for compromising ownership rights.

1 Non-IFRS financial performance measures have no standard definition under IFRS. See "*Non-IFRS Financial Performance Measures*" section of this MD&A.

Upper Beaver Project and Kirkland Lake – Larder Camp

On December 28, 2012, Osisko acquired Queenston Mining Inc., a Canadian mineral exploration and development company with a primary focus on its holdings in the historic Kirkland Lake gold camp comprising 230km^2 of exploration lands and the Upper Beaver Project. Queenston Mining Inc. changed its name to Osisko Mining Ltd. on January 16, 2013.

The Upper Beaver Project has the following resources as calculated by SRK Consulting, on November 5, 2012.

Category	Tonnes (000's)	Au (g/t)	Cu (%)	Contained Au (000's ounces)	Contained Cu (000's pounds)
Indicated	6,870	6.62	0.37	1,461	56,006
Inferred	4,570	4.85	0.32	712	32,218

The work at Upper Beaver is focused on drilling deep holes to test extensions of known zones. The Company has completed approximately 29,290 meters of drilling since January 1, 2013. Over the next few months, work will be limited to completion of current holes and compiling information generated during the drilling phase to date.

The shaft collar work has recently been completed. Construction of the head frame and surface facilities will be delayed, as well as the shaft sinking. Osisko project personnel are reviewing opportunities to capture savings due to the recent slowdown in the mining sector. This reassessment period will result in a deferral of approximately $50 million of the planned Upper Beaver outlays of $70 million for 2013.

The Queenston's transaction also provides the Company with a major foothold in a prolific gold camp that has produced in excess of 40 million ounces. Queenston had consolidated the land package over the past 20 years. To date, there have been several satellite deposits identified that could feed a regional mill.

The Company has completed 31,750 meters on various regional targets in the Kirkland Lake - Larder camp. Drilling activities will be reduced to focus on compilation and assessment of the results. The exploration expenditures at Kirkland Lake for 2013 are estimated at the original budget of $20 million.

Hammond Reef Gold Project

Osisko acquired the Hammond Reef gold project located near Atikokan in Northwestern Ontario, through the acquisition of publicly traded Brett Resources Inc. in mid 2010 for $375.0 million. Hammond Reef is a large and growing development project with potential to become a substantial open-pit mine. During the first quarter of 2013, Osisko invested $4.6 million (including working capital) for total of $153.7 million since its acquisition in 2010. In the first quarter of 2013, efforts were focused on the preparation of the feasibility study and the publication of the environmental assessment report.

A new resource estimate for Hammond Reef was released on January 28, 2013. New drilling by Osisko and Brett Resources from January 2010 to July 2011 (approximately 300,000 meters) significantly increased the size of the deposit. Additional drilling subsequent to July 2011 was performed to allow for the upgrade of the entire in-pit deposit to measured and indicated category early 2013. As per the estimate, global measured and indicated resources currently stand at 5.43 million ounces gold at an average grade of 0.86 g/t Au and the global inferred resource stands at 1.75 million ounces gold at an average grade of 0.72 g/t (based on 0.50 g/t Au lower cut-off).

Hammond Reef Global Resource Estimates

Category	Grade (g/t)	Tonnes (M)	Cut-off (g/t)	Oz (M)
Measured	0.90	123.5	0.5	3.59
Indicated	0.78	72.9	0.5	1.83
M+I	0.86	196.4	0.5	5.43
Inferred	0.72	75.7	0.5	1.75

Further, a whittle pit optimized undiluted resource was calculated (US$1,400 whittle pit shell), totaling 5.31 million ounces of gold at an average grade of 0.72 g/t in the measured and indicated category, and 0.28 million ounces of gold at an average grade of 0.65 g/t in the remaining inferred category.

Hammond Reef Undiluted Resource Estimates
within US$1,400 Whittle pit shell

PIT AREA	Category	Grade (g/t)	Tonnes (M)	Cut-off (g/t)	Oz (M)
All	Measured	0.75	175.3	0.32	4.25
All	Indicated	0.61	54.1	0.32	1.06
All	M+I	0.72	229.5	0.32	5.31
All	Inferred	0.65	13.3	0.32	0.28

With the completion of the drilling and metallurgical test work, the engineering and construction group intensified its activities on the feasibility phase. Initial studies were launched and a conceptual design and project parameters were established. The process design criteria have been fixed at 60,000 tonnes per day. A feasibility study report is expected to be completed in 2013.

For the Hammond Reef project, permitting is subject to both approvals from Federal (Canadian Environmental Assessment Agency) and Provincial (Ministry of the Environment, Environmental Approvals Branch) authorities.

(i) The Ontario Minister of Environment provided approval to the Final Amended Terms of Reference for the environmental approval on July 4, 2012 while the Federal Agency had finalized the Environmental Impact Statement Guidelines for the preparation of the Environmental Impact Statement in October of 2011;
(ii) One (single) report will be prepared to meet both federal & provincial requirements;
(iii) A draft Environmental Assessment / Environmental Impact Statement report was submitted on February 15, 2013. The five week comment period ended on April 5, 2013. Comments were received from Aboriginal groups, the public and the government review team and the Company is preparing its responses to the matters raised.

Osisko's engineering and construction group is reviewing various estimates in light of the recent changes in the marketplace and is seeking opportunities to reduce capital costs.

The level of expenditures at Hammond Reef is expected to be reduced by $3.0 million from the original 2013 budget of $10.0 million.

No decision will be made to advance the Hammond Reef project further pending receipt of the final feasibility which is expected later this year.

Guerrero (Mexico)

The Company has been active in Mexico in acquiring prospective ground to conduct grassroots activities. To date, the Company has acquired approximately one million hectares in the prolific Guerrero Gold Belt.

A systematic greenfields exploration program was initiated in late 2011, starting with a high-density stream sediment survey comprising more than: 7,000 stream sediment samples, 3,000 rock samples and 3,500 soil samples. Airborne and ground geophysics cover two target areas. Detailed mapping, geochemistry and geophysics are continuing over 114 anomalous areas resulting from this systematic exploration program.

The follow up work to date has identified 5 large magmatic-hydrothermal systems with coincident anomalous gold, silver and copper values from rock and soil samples. These magmatic hydrothermal targets tend to range in size from a few square kilometers to more than 10 square kilometers in size. Wide spaced, first pass core drilling has been completed on one target to date. Full analytical results are pending.

As per the Company's recent announcement, the Mexico budget will be reduced by approximately half through the rest of 2013. Work will concentrate on completing follow up of all major mineralized systems discovered to date and obtaining required permits in order to drill test these targets.

Erika property (Mexico)

In January 2013, Osisko executed an option agreement with Tarsis Resources Ltd. allowing Osisko to earn a 51% interest in the Erika property located in the Guerrero Gold Belt in exchange for option payments of US$1.0 million and exploration expenditures of US$8.0 million over 4 years. Upon acquiring a 51% interest, Osisko will have the additional option of earning an additional 24% interest in the property during a period of 2 years by funding and delivering a feasibility study.

Famatina (Argentina)

On August 31, 2011, the Company and Energía y Minerales Sociedad Del Estado ("EMSE"), the La Rioja provincial mining corporation, entered into an agreement regarding the development of the Famatina gold project in La Rioja Province, Argentina. The Famatina project area covers a 40 square kilometre zone hosting various gold-enriched epithermal and porphyry targets.

The terms of the agreement included:

- US$500,000 cash payment to EMSE;
- a first-year US$10,000,000 commitment in exploration expenditures during the initial 4 years term of the agreement;
- the Company may earn a 70% interest in the project by completing a feasibility study within the initial term, and said initial term may be extended at the Company's discretion for an additional term of 4 years if required to complete said feasibility study;
- the Company commits to financing 100% of the project's development and construction costs, with repayment of EMSE's portion from 25% of its attributable project cash flows; and
- EMSE will be responsible for gaining all required permits throughout the life of the project.

An addendum to the original contract was signed during the third quarter of 2012 suspending the Company's obligation of investing US$10.0 million in the project until its personnel can access the project and work for a period of two months without any significant protest from the community. The Company does not intend to proceed with the exploration project until social issues are resolved.

Black Hills property (USA)

In March, 2013, Osisko executed an option agreement with Goldfinders LLC to jointly work their property located in the Black Hills of South Dakota, approximately 25 kilometers south of Lead and the former Homestake mine (production between 1878 and 2000 is about 38 million ounces of gold). The property consists of approximately 200 standard lode mineral claims, although additional claims are being considered, and will be included into the agreement. The agreement grants Osisko an option to earn a 100% interest in the property on total expenditures of $6.65 million over 6 years and cash payments of $3.0 million.

Investment in exploration companies

In its search for exploration opportunities within the Americas, the Company's strategy also includes investing in junior mining companies. As at March 31, 2013, Osisko has investments in several junior mining companies, including in Ryan Gold, Bowmore Exploration, Niogold Mining, Braeval Mining, Threegold Resources, Falco Pacific Resource Group, Nighthawk Gold, Pershimco Resources, Orex Exploration and Mistango River Resources.

Sustainability and Community Relations

Osisko maintains an active stakeholder program to secure and retain its social license to operate. The program includes maintaining active dialogue with the various parties including governments, participating in community social and economic development projects, as well as funding various initiatives in health, education and sport.

As at March 31, 2013, Osisko had deposited with the Québec Government a total amount of $34.8 million as a financial guarantee to cover the cost of rehabilitating the Canadian Malartic mine site. The deposits represent 75% of the total guarantee of $46.4 million required to cover the entire future costs of such rehabilitation. The balance of the guarantee ($11.6 million) is expected to be remitted in 2013. Osisko will be the first mining company in Québec to deposit its full financial guarantee at commencement of operations. This full deposit exceeds the legislation currently in force in Québec.

The Company has received 9 notices of non-compliance for its Canadian Malartic operations in the first quarter of 2013. These notices of non-compliance pertain mainly to exceeding noise level parameters, and surpassing limits for pressure and vibrations and NOx emissions during blasting operations. The Company responds to all complaints received through a diligent investigation process and provides the information to the plaintiff, as applicable, and to Québec's Ministry of Environment.

The Company continues to deploy efforts to minimize noise impact of its Canadian Malartic mine with investments in mitigation measures totaling approximately $6.0 million, and ongoing noise reduction research programs.

Mitigation measures have been or are being implemented and include the following items:

- Implementation of a research and development noise reduction plan for mobile equipment;
- Development of a sound prediction system correlating weather conditions and noise dispersion. Recording of data has started and modeling will require at least 6 months of data to establish correlation;
- Installation of insulated walls (containers) along ramp and transport roads.

During the first quarter of 2013, night time work was regularly suspended to comply with noise standards. Various initiatives are still being studied.

A new president for the Monitoring Committee of the Canadian Malartic mine was appointed in April 2013. This appointment was the result of a selection process performed by an independent selection committee. In addition, 6 people were recently appointed as members of the Monitoring Committee in April 2013. The Monitoring Committee is the link between the community and Osisko. The Company also continues to work with the Town Council of the city of Malartic.

At the Hammond Reef and Upper Beaver projects, the Company continues to maintain dialogue with the residents and the Aboriginal People surrounding these projects.

Human Resources

The mining industry is faced with a highly competitive environment to attract and retain qualified human resources. This environment results from strong commodity prices, new projects and lack of hiring and development during the low end of the commodity price cycle. Osisko has initiated several measures to recruit and retain employees. These include implementation of competitive remuneration programs, training and development opportunities, and providing a safe working environment. The Company has also implemented initiatives to promote the training and hiring of First Nations employees.

As at March 31, 2013, the Company employed 816 individuals at the following divisions:

	March 31, 2013	December 31, 2012	December 31, 2011
Canadian Malartic	650	642	558
Hammond Reef	24	25	103
Upper Beaver / Kirkland Lake	59	64	-
Exploration	27	26	43
Corporate Office	56	55	56
	816	**812**	**760**

Modifications to the Company's exploration and advanced projects will result in Osisko reducing its workforce by approximately 6% over the next few months.

The Company's health and safety performance has improved during the past year. Osisko has maintained its efforts to enhance its performance in this area.

In order to align the interest of the employees with those of the shareholders, the Company has a number of equity remuneration programs. Approximately 59% of employees (65% based on admissibility) participate in the Company's share purchase plan. Directors and officers are also required to have minimum direct shareholdings in Osisko.

Gold Market, Energy and Currency

Gold Market

During the first quarter of 2013, the gold price was mostly in a corrective mode and struggled to gain momentum as investors renewed appetite for risk and interest in safe havens declined. Gold quarterly average was US$1,632 per ounce, 5.2% lower than the previous quarter and 3.5% lower on a year-over-year basis. The price of gold closed at US$1,598 and traded between US$1,574 and US$1,694 during the first quarter. The downward trend continued in April with a new low of US$1,322 before regaining part of the losses. The pullback in the gold price coincided with a new record high for the U.S. stock markets.

The 5-year historical price is as follows:

(US$/ounce)	High	Low	Average	Close
2013 (Q1)	1,694	1,574	1,632	1,598
2012	1,792	1,540	1,669	1,658
2011	1,895	1,319	1,572	1,531
2010	1,421	1,058	1,225	1,406
2009	1,212	810	972	1,088

Osisko believes that despite the recent decrease in the gold price, the fundamentals of the gold market remains well in place, namely:

- Strong physical demand in India and China;
- Diversification of central bank currency holdings, particularly in emerging markets;
- Continued effects of the economic problems in developed countries with the European sovereign debt crisis and the expansionary monetary policies;
- High level of government indebtedness;
- Continued geo-political instability.

Global gold mine production continues to be relatively stable. The challenges of new production discoveries, high capital costs and permitting issues lead us to believe that global production will remain stable or decline in the near term.

Energy

Osisko's Canadian Malartic operations benefit from Québec's low-cost reliable hydro-electric power. The utilization of this clean renewable energy source reduces the impact of volatile oil prices on the operations. However, as with other mining operations but to a lesser extent, oil prices have an impact on operating costs. The oil price variation during the past three years is as follows:

(US$/barrel)	High	Low	Average
2013 (Q1)	97.94	90.12	94.30
2012	109.49	77.69	94.10
2011	113.93	75.67	95.05
2010	91.51	68.01	79.60

Currency

The Company is subject to currency fluctuations for its Canadian Malartic operations as about 60% of its costs are denominated in Canadian dollars while the gold produced at Canadian Malartic is sold in US dollars. The exchange rate for the Canadian/US is outlined below:

	High	Low	Average	Close
2013 (Q1)	1.0314	0.9839	1.0083	1.0156
2012	1.0418	0.9710	0.9996	0.9949
2011	1.0604	0.9449	0.9891	1.0170
2010	1.0778	0.9946	1.0299	0.9946

Selected Quarterly Financial Information
(in thousands of dollars, except figures for ounces and amounts per ounce and per share)

	Three months ended March 31,	
	2013[4]	**2012[4,5]**
Gold ounces produced	106,047	91,178
Gold ounces sold	95,511	92,400
Revenues	159,381	158,658
Earnings from mine operations	54,985	72,458
Net earnings	17,416	30,595
Basic and diluted net earnings per share	0.04	0.08
Total assets	2,716,288	2,145,945
Total non-current liabilities	335,968	268,448
Capital expenditures	65,698	71,865
Operating cash flows	62,478	82,879
Operating cash flows per share [1]	0.14	0.21
Average selling price of gold (per ounce sold)		
In CAD	1,645	1,699
In USD [3]	1,627	1,698
Cash costs per ounce [1][2]		
In CAD	804	821
In USD [3]	798	820
Cash margin per ounce [1][2]		
In CAD	841	878
In USD [3]	829	878
Shares outstanding *(in thousands)*		
Basic weighted average	436,502	385,777
Diluted weighted average	436,943	390,420

(1) *"Operating cash flows per share", "cash costs per ounce"* and *"cash margin per ounce"* are non-IFRS financial performance measures with no standard definition under IFRS. See *"Non-IFRS Financial Performance Measures"* section of this MD&A.
(2) Using actual exchange rates at the date of the transactions.
(3) Using the average exchange rate for the period.
(4) Financial information in Canadian dollars and prepared in accordance with IFRS.
(5) Balances related to 2012 have been restated to reflect the impact of the adoption of IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*. See *"Changes in accounting policies"* section of the MD&A.

The average prices of gold and silver in US$ are summarized below:

	Three months ended March 31, 2013		Three months ended March 31, 2012	
	Realized prices per ounce	**Market prices per ounce [i]**	**Realized prices per ounce**	**Market prices per ounce [i]**
Gold	$ 1,627	$ 1,632	$ 1,698	$ 1,691
Silver	$ 30	$30	$ 32	$ 33

(i) Market prices are based on the average London PM fixing for gold and average fixing for silver.

During the first quarter of 2013, earnings from mine operations amounted to $55.0 million, net earnings reached $17.4 million and operating cash flows were $62.5 million, compared respectively to $72.5 million, $30.6 million and $82.9 million during the first quarter of 2012.

Overview of Financial Results

Financial Summary – First quarter of 2013 (compared to first quarter of 2012)

- Net earnings of $17.4 million or $0.04 per basic and diluted share compared to $30.6 million or $0.08 per basic and diluted share in 2012;
- Revenues of $159.4 million in 2013 compared to $158.7 million in 2012;
- Mine operating earnings of $55.0 million in 2013 compared to $72.5 million in 2012;
- Operating cash flows of $62.5 million in 2013 compared to $82.9 million in 2012;
- 95,511 ounces of gold sold at an average price of US$1,627/oz compared to 92,400 ounces of gold sold at an average price of US$1,698/oz in 2012.

During the first quarter of 2013, Osisko generated net earnings of $17.4 million (net earnings per share of 0.04) compared to net earnings of $30.6 million in 2012 (net earnings per share of $0.08). The decrease in net earnings is mainly the result of higher mine operating costs for products sold and a higher depreciation expense.

Excluding specific non-cash items, adjusted net earnings[1] amounted to $36.4 million ($0.08 per share) in 2013 compared to $59.6 million ($0.15 per share) in 2012.

Total precious metal sales amounted to $159.4 million in the first quarter of 2013, comprising of 95,511 ounces of gold and 73,683 ounces of silver, compared to precious metal sales of $158.7 million in the first quarter of 2012, comprising of 92,400 ounces of gold and 52,800 ounces of silver.

The Canadian Malartic mine generated mine operating earnings of $55.0 million in the first quarter of 2013 compared to $72.5 million in the first quarter of 2012. The cash margin[1] reached $841 per ounce in the first quarter of 2013, a decrease of $37 per ounce when compared to $878 per ounce in the comparative period in 2012. The decrease is the result of a decrease of $54 in the average selling price of gold, partially compensated by a decrease of $17 per ounce in the cash costs per ounce[1]. When compared to the previous quarter, the cash margin[1] decreased by $24 per ounce as a result of a 3% decrease in the cash costs per ounce[1] and a 3% decrease in the average selling price.

1 Non-IFRS financial performance measures have no standard definition under IFRS. See "*Non-IFRS Financial Performance Measures*" section of this MD&A.

Statements of Income

The following table presents a summarized Statement of Income for the Company's most recently completed and comparative three-month periods (in thousands of dollars):

		Three months ended March 31, 2013	2012[1] (restated)
Revenues	**(a)**	**159,381**	**158,658**
Mine operating costs			
Production costs	(b)	(81,422)	(69,932)
Royalties	(b)	(1,992)	(2,359)
Depreciation	(b)	(20,982)	(13,909)
Earnings from mine operations		**54,985**	**72,458**
General and administrative expenses	(c)	(7,387)	(7,406)
Exploration and evaluation expenses	(d)	(5,103)	(3,290)
Earnings from operations		**42,495**	**61,762**
Other expenses - net	(e)	(11,814)	(7,230)
Earnings before income and mining taxes		**30,681**	**54,532**
Income and mining tax expense	(f)	(13,265)	(23,937)
Net earnings		**17,416**	**30,595**

(1) Balances related to 2012 have been restated to reflect the impact of the adoption of IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine.* See *"Changes in accounting policies"* section of the MD&A.

(a) Revenues are comprised of the following:

	Three months ended March 31, 2013			Three months ended March 31, 2012		
	Average realized price per ounce ($)	Ounces Sold	Total revenues ($000's)	Average realized price per ounce ($)	Ounces Sold	Total revenues ($000's)
Gold	1,645	95,511	157,154	1,699	92,400	156,945
Silver	30	73,683	2,227	32	52,800	1,713
			159,381			158,658

(b) Production costs amounted to $81.4 million during the first quarter of 2013 compared to $69.9 million in the same period in 2012 due to higher costs of inventory at the beginning of the period. The depreciation expense reached $21.0 million in the first quarter of 2013 compared to $13.9 million in the corresponding period of 2012, mainly due to higher depreciation from higher property, plant and equipment and changes in the estimates of the useful lives of major components of mobile equipment. During the first quarter of 2013, earnings from mine operations represented 34% of sales (production costs were 66% of sales) compared to 46% of sales (production costs were 54% of sales) in 2012. The difference is mainly the result of inventory variations.

(c) General and administrative expenses (G&A) were stable at $7.4 million in the first quarter of 2013 compared to 2012. Salaries were $2.2 million in 2013 compared to $2.8 million in 2012, the decrease resulting mainly from lower restricted and deferred share units expense and higher benefits in 2012 from the exercise of share options. Share-based compensation decreased by $0.5 million to $1.1 million in the first quarter of 2013 due lower weighted average fair values of options granted in 2012. This decrease in fair value is mainly due to lower common share prices in 2012 as well as lower volatility. Higher research and development expenses at Canadian Malartic in the first quarter of 2013 as well as additional G&A expenses following the acquisition of Queenston resulted in an increase of $1.1 million in other general and administrative expenses for a total of $4.1 million.

(d) In the first quarter of 2013, exploration and evaluation expenses include write-offs of mining properties for projects terminated by Osisko of $2.0 million in 2013 compared to $0.6 million in the first quarter of 2012. The write-offs are related to abandoned grassroots projects.

Excluding these write-offs, exploration and evaluation expenses reached $3.1 million in 2013 compared to $2.7 million in 2012 as a result of increased activities in Mexico.

(e) Other net expenses in the first quarter of 2013 include finance costs of $7.9 million, a loss on foreign exchange of $2.3 million and a net loss on financial assets of $2.0 million, partially compensated by interest income of $0.5 million.

In the first quarter of 2012, other net expenses include finance costs of $7.4 million, a net loss on financial assets of $1.8 million, partially offset by and a gain on foreign exchange of $1.6 million and interest income of $0.5 million.

(f) The effective income tax rate for the first quarter of 2013 is 43% compared to 44% in the first quarter of 2012.

Liquidity and Capital Resources

As at March 31, 2013, the Company's cash and cash equivalents, short-term investments and restricted cash amounted to $139.3 million compared to $155.5 million as at December 31, 2012, as summarized below:

(In thousands of dollars)	**March 31, 2013**	**December 31, 2012**
Cash and cash equivalents	100,358	93,229
Short-term investments	-	19,357
Restricted cash		
Current	558	4,563
Non-current	38,362	38,362
	139,278	155,511

Short-term investments were acquired following the acquisition of Queenston as at December 28, 2012 and were converted in cash and cash equivalents during the first quarter of 2013 to increase the flexibility of available liquidities. The Company has also a note receivable in the amount of $30.0 million related to the sale of properties by Queenston prior its acquisition by Osisko. In May 2013, Kirkland Lake Gold Inc. established an escrow account and transferred $30.0 million in cash to guarantee the payment of the note. Once the criteria of the sale are met, the note will be repaid to Osisko from the escrow account.

In October 2012 and 2011, the Company deposited two Québec Government bonds having an aggregate nominal value of $34.8 million ($36.3 million including accrued interest) with the Québec Government, maturing in October 2013 with effective interest rates of 1.13% and 1.14%. Those deposits represent 75% of the total guarantee of $46.4 million required to cover the entire future costs of rehabilitating the Canadian Malartic mine site. The balance of the guarantee ($11.6 million) is expected to be remitted in 2013.

As at December 31, 2012, an amount of $4.0 million of restricted cash was pledged as security against a letter of credit issued to Hydro-Québec for the installation of a new electrical transmission line for the Canadian Malartic mine, which was completed in 2010. The letter of credit was released in the first quarter of 2013. An additional amount of $0.5 million was also given as a guarantee for the completion of the relocation program of the southern neighborhood of the Town of Malartic and is outstanding as at March 31, 2013 and December 31, 2012.

The following table summarizes the financings completed in the year 2012 and the first quarter of 2013:

	No of Shares/ Units	Price ($)	Gross Proceeds ($000's)	Net Cash Proceeds ($000's)
Q1 2013				
Employee Share Purchase Plan – Employee Portion	78,477	7.75	608	608
Total	78,477		608	608
Year 2012				
Exercise of Options	3,862,067	4.44	17,145	17,145
Employee Share Purchase Plan – Employee Portion	234,040	9.02	2,113	2,113
Total	4,096,107		19,258	19,258

The amount of principal of long-term debt payments as at March 31, 2013, per calendar year, is as follows:
(in millions of dollars)

	CPPIB	IQ and CDPQ[1]	FSTQ	CAT Loan	CAT Finance lease	Total
2013 (9 months)	39.3	-	3.7	5.5	23.2	71.7
2014	110.7	75.0	5.0	7.3	29.2	227.2
2015	-	-	1.7	0.6	34.1	36.4
2016	-	-	-	-	15.8	15.8
2017	-	-	-	-	2.9	2.9
2018	-	-	-	-	0.2	0.2
Less: Imputed interest	-	-	-	-	(7.3)	(7.3)
	150.0	75.0	10.4	13.4	98.1	346.9

[1] If Investissement Québec (formerly Société générale de financement) and Caisse de dépôt et placement du Québec do not exercise their option to convert the debentures into shares.

The principal repayments of the CPPIB Credit Investments Inc. ("CPPIB") loan are payable based on cash flows availability. The Company also has an undrawn delay-draw term loan available from CPPIB in the amount of $100 million with a maturity date of December 31, 2013. The CPPIB loans are secured by the properties of the Company.

The following table details the outstanding warrants as at March 31, 2013:

Expiry date	Number of warrants	Exercise price	Potential proceeds
		$	$
September 24, 2014	7,000,000	10.00	70,000,000
December 31, 2015	5,500,000	10.00	55,000,000
November 2, 2013 (assumed from acquisition of Queenston)	2,017,453	10.56	21,304,304
	14,517,453		146,304,304

Cash flows

The following table summarizes the cash flows activities (in thousands of dollars):

	Three months ended March 31, 2013	2012[1]
Cash flows		
Operations	67,072	79,415
Working capital items	(4,594)	3,464
Operating activities	62,478	82,879
Investing activities	(41,933)	(77,392)
Financing activities	(13,416)	(3,696)
Change in cash and cash equivalents	7,129	1,791
Cash and cash equivalents – beginning of period	93,229	100,670
Cash and cash equivalents – end of period	100,358	102,461

(1) Balances related to 2012 have been restated to reflect the impact of the adoption of IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine.* See *"Changes in Accounting Policies"* section of the MD&A.

Operating Activities

Cash flows from operating activities reached $62.5 million for the first quarter of 2013 compared to $82.9 million in the corresponding period of 2012. Excluding the non-cash working capital items, cash flows in 2013 amounted to $67.1 million compared to $79.4 million in 2012.

The decrease of $12.3 million in the cash generated from operating activities, before non-cash working capital items, is mainly the result of the decrease in net earnings of $13.2 million in the first quarter of 2013 compared to the same period in 2012. Although the depreciation expense increased by $7.1 million and the foreign exchange had a negative $3.7 million impact, the deferred income and mining tax expense decreased by $10.7 million, reducing the impact of non-cash adjustments.

Investing Activities

Cash flows used in investing activities amounted to $41.9 million in the first quarter of 2013 compared to $77.4 million in the corresponding period in 2012.

During the first quarter of 2013, investments in property, plant and equipment amounted to $65.7 million and are mainly related to the Canadian Malartic mine. Cash outflows related to investments on property, plant and equipment amounted to $71.9 million in the first quarter of 2012. The investments in 2012 were related to the expansion of the Canadian Malartic mine, the installation of the pre-crush circuit and investments on the Hammond Reef project.

Investing activities in 2013 provided cash inflows of $19.4 million from the sale of short-term investments and $4.0 million from a decrease in restricted cash.

During the first quarter of 2012, Osisko acquired for $6.4 million of investments and received proceeds of $0.5 million from the sale of investments.

Financing Activities

Cash used by financing activities in the first quarter of 2013 amounted to $13.4 million compared to $3.7 million in the first quarter of 2012.

Cash used in 2013 is mainly the result of payments on the finance lease and long-term debt of $8.6 million and interest paid of $5.4 million, partially offset by the issuance of common shares from the employee share purchase plan that generated $0.6 million. In 2012, payments on the finance lease and long-term debt amounted to $6.6 million while interest paid amounted to $5.5 million. Also in the first quarter of 2012, the Company received $8.4 million from the issuance of common shares from share options issued and the employee share purchase plan.

Quarterly Information

The selected quarterly financial information for the past eight financial quarters is outlined below:
(in thousands of dollars, except for amounts per share)

	2013[4]	2012[4,5]				2011[4,6]		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Cash [1]	139,278	155,511	114,874	123,376	143,766	142,033	173,493	175,709
Working capital	68,731	91,951	36,177	71,145	32,395	47,429	103,309	101,544
Total assets	2,716,288	2,687,905	2,246,923	2,179,048	2,145,945	2,069,242	2,000,776	1,951,357
Total long-term debt	335,949	337,412	327,916	330,178	333,467	331,624	306,784	289,379
Shareholders' equity	2,180,064	2,162,018	1,765,295	1,722,515	1,697,776	1,654,068	1,610,718	1,586,585
Revenues	159,381	191,080	158,503	157,134	158,658	128,100	122,879	12,429
Earnings from mine operations	54,985	73,169	63,503	49,984	72,458	39,526	38,292	1,634
Earnings (loss) attributable to Osisko shareholders	17,416	12,866	28,343	18,984	30,595	37,802	9,302	(23,826)
Earnings (loss) per share	0.04	0.03	0.07	0.05	0. 08	0.10	0.02	(0.06)
Cash margin per ounce[2] ($/oz)	841	865	795	735	878	752	763	403
Weighted average shares outstanding (000's)								
- Basic	436,502	391,538	388,153	387,279	385,777	385,427	384,307	382,748
- Diluted	436,943	392,719	390,238	389,024	390,420	389,993	394,528	382,748
Share price ($/Share)								
- High	8.32	10.09	10.62	11.71	12.97	13.55	15.86	15.02
- Low	5.56	7.14	7.15	6.25	9.89	9.18	12.50	12.30
- Close	6.03	8.00	9.74	7.00	11.58	9.84	13.27	14.99
Price of gold (average US$)	1,632	1,722	1,652	1,609	1,691	1,688	1,702	1,506
Closing exchange rate[3] (US$/Can$)	1.0156	0.9949	0.9837	1.0191	0.9991	1.0170	1.0389	0.9643

(1) Includes cash and cash equivalents, restricted cash and short-term investments.
(2) *"Cash margin per ounce"* is a non-IFRS financial performance measure with no standard definition under IFRS. *See "Non-IFRS Financial Performance Measures"* section of this MD&A for the definition of *"Cash margin per ounce".*
(3) Bank of Canada Noon Rate.
(4) Financial information in Canadian dollars and prepared in accordance with IFRS.
(5) Balances related to 2012 have been restated to reflect the impact of the adoption of IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine.* See *"Changes in Accounting Policies"* section of the MD&A.
(6) Balances related to 2011 have not been restated to reflect adoption of IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine.*

Commercial production at Canadian Malartic began in May 2011 and the Company recorded its first sales on the statement of income in the second quarter of 2011. The Company continued to invest in 2011, 2012 and 2013 in exploration and development projects, including the expansion of the Canadian Malartic mine and the Hammond Reef gold project. In December 2012, Osisko acquired Queenston Mining Inc. for $417.5 million.

Outlook

Following the modifications and commissioning of the pre-crushing circuit and the second pebble crushing unit, it is anticipated that mill throughput should be stabilized in 2013. Gold production is estimated between 485,000 - 510,000 ounces for the year. As a result of gaining access to higher grade material in the second half of the year, it is anticipated that gold output will be higher in the second semester. Cash costs per ounce[1] are estimated between $780 and $825, a 9% to 14% reduction in costs from 2012.

Recent volatility in the gold price and financial markets has led Osisko to review its rate of discretionary spending in exploration and advancing new projects. As a result, the Company will be decreasing discretionary spending for 2013 by over $80 million.

The following table details the reduction in discretionary expenditures compared to the original budget:

1 Non-IFRS financial performance measures have no standard definition under IFRS. See "*Non-IFRS Financial Performance Measures*" section of this MD&A.

(In millions of dollars)	Revised budget[(2)]	Original budget	Reduction
Canadian Malartic mine	80.8	98.0	17.2
Upper Beaver project	18.5	70.0	51.5
Hammond Reef	7.0	10.0	3.0
Exploration - capitalized	31.6	42.0	10.4
Capital expenditures	137.9	220.0	82.1
Exploration – expensed through income statement[(1)(3)]	9.3	8.0	(1.3)
Total	147.2	228.0	80.8

(1) Excludes write-off of projects in the first quarter of 2013 for $2.0 million.
(2) Excluding variation in accounts payable and accrued liabilities related to the Canadian Malartic expansion, Hammond Reef, Upper Beaver and Kirkland Lake projects for $9.6 million in the first quarter of 2013.
(3) Exploration – expensed through income statement is higher in revised budget compared to original budget due to some investments in Mexico being expensed in the first quarter of 2013 whereas for budget purposes the total investments were capitalized.

Following the issuance of a new IFRS accounting pronouncement with respect to stripping costs in the production phase of a surface mine, the Company expects to capitalize stripping costs for the remainder of 2013 (for the first quarter of 2013, the amount capitalized was $7.4 million). Capitalized stripping costs are not reflected in the above table. The change in policy has no impact on cash and cash equivalents, however, cash costs per ounce[1] are expected to decrease by about $50 per ounce and capital expenditures are expected to increase by the same amount.

Contractual Obligations and Commitments

The following table presents information on the contractual obligations of the Company as at March 31, 2013:
(in thousands of dollars)

	Payments due by period				
	Total	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	After 5 years
	$	$	$	$	$
Operating leases	2,813	1,268	1,456	89	-
Purchase obligations	19,280	19,280	-	-	-
Obligations under finance lease	105,401	30,445	61,573	13,383	-
Long-term debt	248,846	72,325	176,521	-	-
	376,340	123,318	239,550	13,472	-

Related Party Transactions

The compensation paid or payable to key management for employee services is presented below:
(in thousands of dollars)

	2013	2012
	$	$
Salaries and short-term employee benefits	869	608
Share-based compensation	784	2,000
	1,653	2,608

There were no related-party transactions during the first quarter of 2013.

1 Non-IFRS financial performance measures have no standard definition under IFRS. See "*Non-IFRS Financial Performance Measures*" section of this MD&A.

During the first quarter of 2012, the Company invested $3,000,000 in Braeval Mining Corporation, a mining exploration company of which officers and directors of the Osisko Mining Corporation are also shareholders and/or directors. This investment was accounted for as an investment in an associate.

Off-balance Sheet Items

The Company does not have any off-balance sheet arrangements other than operating leases for office space as well as letters of credit issued to suppliers. Those letters of credit are 100% secured by deposits (presented on the Company's consolidated balance sheet under *restricted cash*) and are issued to suppliers with respect to service contracts. The suppliers may draw on the letters of credit in the event of a default by the Company under the terms of the contracts. As at March 31, 2013, the outstanding letters of credit had a value of $2.1 million.

Outstanding Share Data

As of May 9, 2013, 436,669,709 common shares were issued and outstanding. A total of 19,061,259 common share options were outstanding to purchase common shares under the Company's share option plan and 14,517,453 common share purchase warrants were outstanding.

Risks and Uncertainties

The exploration for, development and mining of mineral deposits involve significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. For additional discussion of risk factors, please refer to the Company's Annual Information Form which is available upon request from the Company or on its profile on www.sedar.com. There have been no material changes to risks and uncertainties since the release of the Annual Information Form.

Disclosure Controls and Internal Controls over Financial Reporting

The Chief Executive Officer (the "CEO"), and the Chief Financial Officer (the "CFO") of the Company are responsible for establishing and maintaining the Company's disclosure controls and procedures ("DCP") including adherence to the Disclosure Policy adopted by the Company. The Disclosure Policy requires all staff to keep senior management fully apprised of all material information affecting the Company so that they may evaluate and discuss this information and determine the appropriateness and timing for public release.

The CEO and the CFO are also responsible for the design of internal controls over financial reporting ("ICFR"). The fundamental issue is ensuring all transactions are properly authorized and identified and entered into a well designed, robust and clearly understood accounting system on a timely basis to minimize risk of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions necessary to present financial statements in accordance with IFRS, unauthorized receipts and expenditures, or the inability to provide assurance that unauthorized acquisitions or dispositions of assets can be detected. Internal control procedures provide for separation of duties for receiving, approving, coding and handling of invoices, entering transactions into the accounts, writing checks and wire requests and also require two signers on all payments.

The CEO and CFO have evaluated whether there were changes to the ICFR during the first quarter ended March 31, 2013 that have materially affected, or are reasonably likely to materially affect, the ICFR. No such significant changes were identified through their evaluation.

The Company's management, including the CEO and CFO, believe that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There is a full disclosure and description of the Company's critical accounting policies in the audited annual consolidated financial statements as well as in the 2012 Annual Report for the year ended December 31, 2012. There were no significant changes in those critical accounting estimates during the first three months of 2013, except for the precision below.

Impairment of assets - property, plant and equipment

Subsequent to quarter end, the market price of gold declined. If metal prices continue to decline, the Company may need to reassess its long-term price assumptions, and a significant decrease in the long-term price assumptions would be an indicator of potential impairment. Also subsequent to quarter end, the trading price of the Company's shares declined such that the Company's carrying value of net assets (of approximately $6/share) exceeded its market capitalization, which is also an indicator of potential impairment. If these potential indicators of impairment exist at the end of the next reporting period, the Company could be required to conduct an impairment assessment.

Changes in accounting policies

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IAS 1, *Presentation of Financial Statements,* ("IAS 1")

The Company has adopted the amendments to IAS 1 effective January 1, 2013. These amendments required the Company to group other comprehensive income items based on whether or not they may be reclassified to net earnings or loss in the future. The Company has reclassified comprehensive income items of the comparative period. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

IFRS 10, *Consolidated Financial Statements*, ("IFRS 10")

IFRS 10 replaces the guidance on control and consolidation in IAS 27, *Consolidated and Separate Financial Statements* and SIC-12, *Consolidation – Special Purpose Entities*. IFRS 10 requires consolidation of an investee only of the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27. The Company assessed its consolidation conclusions on January 1, 2013 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and investees.

IFRS 11, *Joint Arrangements*, ("IFRS 11")

IFRS 11 supersedes IAS 31, *Interests in Joint Ventures* and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, *Investments in Associates and Joint Ventures* ("IAS 28"). The adoption of IFRS 11 did not affect the Company.

IFRS 12, *Disclosure of Interest in Other Entities*, ("IFRS 12")

IFRS 12 establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities. The standard includes disclosure requirements for entities covered under IFRS 10 and IFRS 11. The adoption of IFRS 12 will result in incremental disclosures in the annual consolidated financial statements.

IFRS 13, *Fair Value Measurement*, ("IFRS 13")

IFRS 13 provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adaptation of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January1, 2013.

The Company's finance department is responsible for performing the valuation of financial instruments at each reporting date, including Level 3 fair values. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. The Company added additional disclosures on fair value in Note 11.

IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*, ("IFRIC 20")

IFRIC 20 provides guidance on the accounting for the costs of stripping activities during the production phase of surface mining when two benefits accrue to the entity as a result of the stripping: useable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in the future periods. The Company adopted IFRIC 20 effective January 1, 2013. Upon adoption of IFRIC 20, the Company assessed the stripping asset on the balance sheet as at January 1, 2012 and determined that there are identifiable components of the ore body with which this stripping asset can be associated, and therefore no balance sheet adjustment was recorded at that date. The adoption of IFRIC 20 has resulted in increased capitalization of waste stripping costs and a reduction in mine operating costs in 2012. If the Company had not adopted IFRIC 20, the net earnings and capitalized waste stripping costs for the current and comparative periods would have decreased.

The impact of adopting IFRIC 20 in the prior year consolidated financial statements is presented below:

(a) Adjustments to the consolidated balance sheets:

	As at December 31, 2012 (previously stated) $	Impact of IFRIC 20 $	As at December 31, 2012 (restated) $
Inventories	73,795	(3,314)	70,481
Property, plant and equipment	2,329,773	22,773	2,352,546
Deferred income and mining taxes	(60,426)	(7,095)	(67,521)
Increase in net assets/retained earnings		12,364	

(b) Adjustments to the consolidated statements of income:

	Three months ended March 31, 2012 (previously stated) $	Impact of IFRIC 20 $	Three months ended March 31, 2012 (restated) $
Mine operating costs			
Production costs	(71,910)	1,978	(69,932)
Depreciation	(13,877)	(32)	(13,909)
Income and mining tax expense	(23,227)	(710)	(23,937)
Increase in net earnings		1,236	
Increase in net earnings per share and diluted net earnings per share		0.00	

	Year ended December 31, 2012 (previously stated) $	Impact of IFRIC 20 $	Year ended December 31, 2012 (restated) $
Mine operating costs			
Production costs	(353,827)	21,410	(332,417)
Depreciation	(62,969)	(1,951)	(64,920)
Income and mining tax expense	(72,300)	(7,095)	(79,395)
Increase in net earnings		12,364	
Increase in net earnings per share and diluted net earnings per share		0.03	

(c) Adjustments to the consolidated statements of cash flows:

	Three months ended March 31, 2012 (previously stated) $	Impact of IFRIC 20 $	Three months ended March 31, 2012 (restated) $
Net earnings	29,359	1,236	30,595
Adjusted for the following items:			
Depreciation	14,035	32	14,067
Income and mining tax expense	23,227	710	23,937
Change in non-cash working capital items:			
Increase in inventories	(15,408)	2,185	(13,223)
Net cash flows provided by operating activities		4,163	
Property, plant and equipment	(67,702)	(4,163)	(71,865)
Net cash flows used in investing activities		(4,163)	
Net change in cash and cash equivalents		-	

	Year ended December 31, 2012 (previously stated) $	Impact of IFRIC 20 $	Year ended December 31, 2012 (restated) $
Net earnings	78,424	12,364	90,788
Adjusted for the following items:			
Depreciation	63,603	1,951	65,554
Income and mining tax expense	72,300	7,095	79,395
Change in non-cash working capital item:			
Increase in inventories	(24,780)	3,314	(21,466)
Net cash flows provided by operating activities		24,724	
Property, plant and equipment	(228,840)	(24,724)	(253,564)
Net cash flows used in investing activities		(24,724)	
Net change in cash and cash equivalents		-	

Non-IFRS Financial Performance Measures

The Company has included certain non-IFRS measures including "*cash generated from mine operations", "cash costs per ounce", "operating cash flows per share", "cash margin per once", "adjusted net earnings"* and *"adjusted net earnings per share"* to supplement its consolidated financial statements, which are presented in accordance with IFRS.

The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Cash generated from mine operations

"Cash generated from mine operations" is defined as *"Revenues"* for a certain period less *"Production costs"* (excluding non–cash *"Share-based compensation"*) and *"Royalties"*. *"Cash generated from mine operations"* less *"Depreciation"* and *"Share-based compensation"* results in *"Earnings from mine operations"*. The reconciliation table can be found in page 3 of this MD&A.

Cash costs per ounce

"Cash costs per ounce" is defined as the production costs of one ounce of gold excluding non-cash costs for a certain period. *"Cash costs per ounce*" is obtained from *"Production costs*" and *"Royalties*" less non-cash *"Share-based compensation*" and *"By-product credits (silver sales)*", adjusted for *"Production inventory variation*" for the period, divided by the *"Number of ounces of gold produced*" for the period.

	Three months ended March 31, 2013	2012
Gold ounces produced	106,047	91,178
(in thousands of dollars, except per ounce)		
Production costs	81,422	69,932
Royalties	1,992	2,359
Share-based compensation	(599)	(744)
By-product credit (silver sales)	(2,227)	(1,713)
Inventory variation	4,686	5,058
Total cash costs for the period	85,274	74,892
Cash costs per ounce	804	821

Operating cash flows per share

"Operating cash flows per share" is defined as the *"Cash flows from operating activities"* divided by the *"Weighted average number of common shares outstanding"* for a certain period.

	Three months ended March 31, 2013	2012
Cash flows from operating activities ($000's)	62,478	82,879
Weighted average number of common shares outstanding (000's)	436,502	385,777
Operating cash flows per share	0.14	0.21

Cash margin per ounce

"Cash margin per ounce" is defined as the *"Average selling price of gold per ounce sold*" less *"Cash costs per ounce produced*" for the period.

	Three months ended March 31, 2013	2012
Average selling price of gold (per ounce sold)	1,645	1,699
Cash costs (per ounce produced)	804	821
Cash margin per ounce	841	878

Adjusted net earnings and adjusted net earnings per share

"Adjusted net earnings" is defined as *"Net earnings"* less certain non-cash items: *"Write-off of property, plant and equipment", "Share-based compensation", "Unrealized gain (loss) on investments", "Impairment on available-for-sale assets" and "Deferred income and mining tax expense (recovery)".*

"Adjusted net earnings per share" is obtained from the *"Adjusted net earnings"* divided by the *"Weighted average number of common shares outstanding"* for the period.

	Three months ended March 31, 2013	2012
(in thousands of dollars, except per share)		
Net earnings for the period	17,416	30,595
Adjustments:		
Write-off of property, plant and equipment	2,024	617
Share-based compensation	1,796	2,631
Unrealized loss on investments	1,925	699
Impairment on available-for-sale assets	-	1,094
Deferred income and mining tax expense	13,265	23,937
Adjusted net earnings	36,426	59,573
Weighted average number of common shares outstanding (000's)	436,502	385,777
Adjusted net earnings per share	0.08	0.15

Caution Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of gold and silver, the timely achievement of nameplate capacity, the timing and amount of estimated future production, operating and production costs, currency fluctuations, capital expenditures, expected ore grade, positive output of exploration activities, permitting timelines, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained in this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of gold and silver as well as petroleum products;
- impact of change in foreign currency exchange rates and interest rates;
- the timing of the receipt of regulatory and governmental approvals for the Company's development project and other operations;
- the availability of financing for the Company's development for future projects;
- the Company's estimation of its costs of production, its expected production and its productivity levels;
- power prices;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- engineering and construction timetables and capital costs for the Company's development project;
- market competition;
- the accuracy of the Company's resource estimate (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based;
- change in governments regulations and policies, including change in tax benefits and tax rates;
- environmental risks including increased regulatory constraints;
- the ability to deviate Québec's highway 117 to allow for the mining of the South Barnat deposit in Malartic;
- the Company's ongoing relations with its employees, its business partners and the communities and aboriginal groups related to its exploration and mining activities; and
- the obtaining of the requested precisions and amendments of its Canadian Malartic mine operating permits in a timely manner, further to discussions with the *Ministère du Développement durable, de l'Environnement, de la Faune et des Parcs*.

Additional risk factors are described in more detail in the Company's Annual Information Form filed with the securities commissions or similar authorities in certain of the provinces of Canada. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company also cautions readers not to place undue reliance on these forward looking statements. Moreover, these forward-looking statements may not be suitable for establishing strategic priorities and objectives, future strategies or actions, financial objectives and projections other than those mentioned above. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

(Signed) Sean Roosen
Sean Roosen
President and Chief Executive Officer

(Signed) Bryan A. Coates
Bryan A. Coates
Vice President Finance and Chief Financial Officer

May 9, 2013

Corporate Information

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Marcel Côté, Vice Chair of the Board
Sean Roosen, President, CEO and Director
Staph Leavenworth Bakali, Director
John Burzynski, Vice President Corporate Development and Director
Michele Darling, Director
Joanne Ferstman, Director
William A. MacKinnon, Director
Charles E. Page, Director
Gary Sugar, Director
Serge Vézina, Director
Hélène Cartier, Vice President Environment and Sustainable Development
Sergio Cattalani, Vice President Exploration USA
Anne Charland, Vice President Exploration Canada
Denis Cimon, Vice President Technical Services
Bryan A. Coates, Vice President Finance and Chief Financial Officer
André Le Bel, Vice President Legal Affairs and Corporate Secretary
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Elif Lévesque, Vice President and Controller
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