



A Fresh
Outlook
on Mining.



Doing Things Differently.

Sustainable Development Report 2010



Construction of Green Wall separating Malartic and the mining operations.

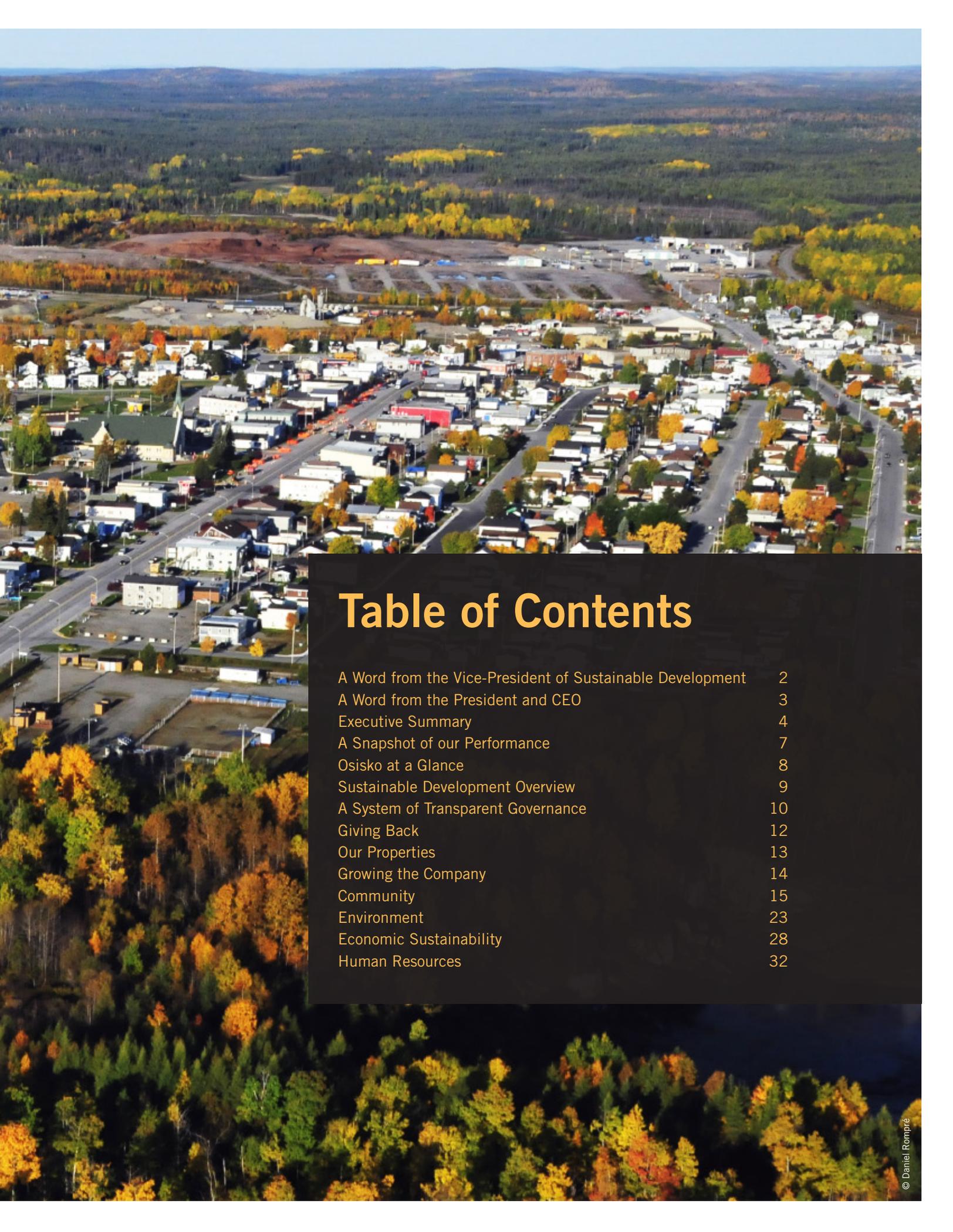


Table of Contents

A Word from the Vice-President of Sustainable Development	2
A Word from the President and CEO	3
Executive Summary	4
A Snapshot of our Performance	7
Osisko at a Glance	8
Sustainable Development Overview	9
A System of Transparent Governance	10
Giving Back	12
Our Properties	13
Growing the Company	14
Community	15
Environment	23
Economic Sustainability	28
Human Resources	32

A Word from the

Vice-President of Sustainable Development



Dear Reader,

As we publish this third Sustainable Development Report, Osisko is entering a new stage of its development. Following a very successful construction period, the Canadian Malartic Project has just recently matured into a gold-producing operation. During 2010, our team has completed work on all mine infrastructures (mill facilities, mining process equipment, etc.), which are now fully powered and functional. Most importantly, our crews of perseverant and diligent employees, consultants and contractors have been successful in creating a site with safe and efficient transport routes, environmentally responsible water circulation networks, state-of-the-art buildings, as well as equipments installed with an array of innovative security features. For realizing this dream, and for having done so with an outstanding health and safety record, Osisko's employees and supporters should be very proud.

The permitting process has been long, rigorous, and filled with unique challenges. Our Corporation was most recently faced with unexpected difficulties during the construction of the Green Wall. We confronted these challenges directly, through immediate adjustments and open, transparent communication; we believe this emphasizes Osisko's capabilities in addition to our willingness to learn and our readiness to compromise. We have succeeded in being granted full operational permissions and have maintained our commitment to stakeholders as an utmost priority throughout.

With these accomplishments comes great pride and satisfaction, but also tremendous responsibility. We are aware that significant challenges lie ahead. First and foremost, we are committed to transitioning from construction to operation and production at Malartic while maintaining our exceptional safety and environmental record. Fulfilling such commitments has entailed having rigid monitoring activities and protocols put into place. As a team, we must acknowledge the importance of adhering to our established standards, as well as applying the necessary effort, time and attentiveness to the attainment of ISO certification at our facilities. We are committed to fulfilling promises of environmental responsibility, minimizing negative impact and, in essence, turning our early public pledges into visible, tangible realities.

Our challenges will extend to the Hammond Reef site this coming year, as well. These hurdles will surely be distinctive, but we believe that the wisdom, professional contacts and confidence we have acquired so far makes us even more prepared to tackle them.

Finally, we wish to extend a profound thank you to all of Osisko's stakeholders. My sincerest gratitude lies with the citizens of Malartic for their enduring support, kindness, and cooperation. Lastly, we extend thanks to our employees – undoubtedly the most valuable resource of all – who bring enthusiasm, tenacity, and smiles to work with them each day. It is this collective of outstanding individuals that will continue to define Osisko's *fresh outlook on mining*.

A handwritten signature in black ink, appearing to read 'Jean-Sébastien David'. The signature is fluid and cursive.

VP Sustainable Development
Jean-Sébastien David

August 2011

A Word from the the President and CEO



At Osisko, the year 2010 represented tremendous growth and excitement as we continued to move towards commercial production. Indeed, it was a pivotal year for us, as we were on the cusp of transitioning from a junior explorer to a mid-tier producer. As an emerging explorer we proved that we have what it takes to plan and execute a mine-build; before long – in mere months – as a mid-tier producer, we will continue to build on the momentum we created in our first few years to ensure that we continue to create long-term value for our community partners and shareholders.

Each year we try to build on the successes of the previous year and we continue to strive for excellence in all aspects of our business, including in the areas of sustainable development, corporate governance and entrepreneurial activity. We are proud of our achievements in the mining sector and of the recognition we have received for our efforts, and we are pleased to report that in 2010 we won two awards that directly relate to sustainable development: the *CIM 2010 Syncrude Award for Excellence in Sustainable Development* and the *2010 Chamber of Commerce Rouyn-Noranda Extra Award*. Both are a testament to our dedication to upholding principles of sustainable development in all of our endeavours.

This past year has also seen us accomplish a great deal in the areas of construction and exploration. At our Canadian Malartic mine, we have made the leap from discovery to production at an unprecedented rate: The property was acquired in 2004, saw its first drill hole in March 2005 and poured its first gold on April 13th, 2011. This rapid advancement, development, financing and construction of our world-class project with a nearly \$1 B construction price tag is a testament to the skill and experience of Osisko's mine building- and operations team.

The construction of the final two institutional buildings in Malartic was also completed during the year. The Town of Malartic can now look forward to the use of *Le Trait-d'Union* Adult Learning Centre and the *CHSLD Saint-Martin*, its new Long-term Health Care Facility. Alongside four other state-of-the-art facilities, these newest additions will provide the Town of Malartic with increased access to first-class education and health care.

The year 2010 also saw us make the major acquisition of the Hammond Reef Project, near Thunder Bay, Ontario. The Hammond Reef Project enhances Osisko's reserve- and resource base and provides the potential to see Osisko become a one million ounce per year gold producer by 2016. Currently the largest exploration drilling program in Canada, Hammond Reef represents a significant development project with potential to become a world-class open-pit gold mine similar in scale to our flagship Canadian Malartic Project. In December, Osisko was also pleased to announce that we signed a Resource Sharing Agreement with the surrounding First Nations groups. We believe that this significant step will result in a mutually beneficial development and operation at Hammond Reef, which will lead to lasting educational, employment, and economic benefits to the community members.

Gold may be the resource upon which our business is based; our employees, however, are our *most valued resource* – as it is only because of their continued dedication that our company is able to thrive. We would like to thank each and every employee who has worked tirelessly to support our vision of building a world-class mining operation. We would also like to proffer our sincere gratitude to the community of Malartic which has graciously accepted us into the community.

We look ahead to the remainder of 2011 with great anticipation. We know, however, that production does not come without challenges. We must stay focused as we enter a new phase in our Company's history and as we continue to work at expanding our reserves. But above all, we must not lose sight of our dedication to putting our sustainable development principles into action every day. It is this dedication that will continue to ensure that Osisko stays committed to having *a fresh outlook on mining*.

A handwritten signature in black ink, appearing to be 'SR', written in a cursive style.

President and CEO
Sean Roosen

August 2011

Executive Summary

The information in this report for the year 2010 (January 1st to December 31st) was gathered from both Osisko's information systems and the company's management. Also included are relevant activities that were underway in early 2011 but which do not affect the 2010 performance indicators. The information herein deals with Osisko's main activities and provides a means for stakeholders to fully understand the contribution that these activities have made towards sustainable development and related issues. The content and quality of the report are based on guidelines set forth by the Global Reporting Initiative (GRI).

Goals stated in 2009	Progress during 2010	Objectives for 2011
Issue 1: Integrating principles of sustainable development into Osisko's business model		
1. Set up a sustainable development strategy	Sent three employees to acquire GRI reporting certification	Continue integration of training program in Malartic
	Submitted Canadian Malartic Closure Plan	Initiate creation of a Sustainable Development Plan for Hammond Reef Project
	Received MSDEP's (Ministry of Sustainable Development, the Environment and Parks) approval in May 2011	
	Implemented training program for proximate First Nations communities and Malartic citizens	
	Hired a senior advisor in sustainable development at Hammond Reef.	
2. Develop a systematic approach for internal and external consultations with stakeholders	Demonstrated leadership and assistance during the reshaping of the Canadian Malartic Project Monitoring Committee	Assess functioning and progress made by Malartic Monitoring Committee
	Ongoing consultation with stakeholders of the Hammond Reef Project for EA study	Improve clarity, content and accessibility of company information through various media forms (particularly web-based)
	Inaugurated the Hammond Reef News Brief in Ontario (similar to 'Osisko Vous-Informe' for Canadian Malartic)	Hire a First Nations Manager at Osisko's Corporate level
		Develop of a First Nations management department
	Fulfill consultations for Hammond Reef Project impact studies	
3. Adapt the sustainable development model to other projects using the lessons learned	Progressed in existing university R&D projects in lab and field	Communicate R&D results at various mining conferences
	Formed new long-term project partnership involving \$ 2,1 M of research support to UQAT	Promote an increased awareness of our R&D objectives/results with Osisko employees
	Implemented successful results into Hammond Reef plans	Implement a monitoring program for exploration activities
4. Diversify carbon offset procedures	Partnered with ÉcoRessources which inaugurated an ongoing analysis of potential projects	Plant 200,000 trees on and around Canadian Malartic property
		Contract an independent auditor
		Plan 2012 forestation activities

Executive Summary

Goals stated in 2009	Progress during 2010	Objectives for 2011
Issue 2: Supporting community development by maximizing regional benefits		
1. Create jobs and favor local purchases	<p>Launched Mineral Processing training program</p> <p>Launched Heavy Equipment training program</p>	<p>Repeat training programs and expand student recruitment</p> <p>Engage local suppliers for Malartic and Green Wall landscaping</p>
2. Facilitate completion of Malartic's industrial park and the arrival of businesses onto the site	Completed all construction at the industrial park site	Implement finishing touches on park access routes and welcome businesses onto the site
3. Continue to improve community infrastructure	<p>Undertook urban improvements on Rue Royale, Rue des Érables and Rue de la Paix</p> <p>Completed and opened CHLSD health-care facility and the Adult Learning Centre, Le Trait-d'Union</p> <p>Constructed Osisko bike path and skate park</p>	<p>Redevelop and landscape the Southern Neighborhood</p> <p>Begin planting and complete installation on and around the Green Wall</p>
4. Share the wealth through FEMO (Fonds Essor Malartic Osisko): review the FEMO mandate and increase its capital	Progressed in FEMO's mission: contributed over \$160 000 in total regional donations	Complete mandate revision in order to optimize local retributions

Executive Summary

Goals stated in 2009

Progress during 2010

Objectives for 2011

Issue 3: Reducing environmental impacts during open pit mining and developing a closure plan with a long-term outlook

1. Keep a record of greenhouse gas emissions; develop further reduction and carbon offset projects	Completed operation emissions inventory Expanded our research into carbon offset possibilities	Develop an updated, multi-faceted strategy for GHG (greenhouse gas) emissions reduction and local offset initiatives
2. Put the Johnson Basin into operation and validate the water budget	Completed Southeast Basin and surrounding dykes Completed Johnson Basin and its spillway Completed all tailings pumping equipment required for operation	Validate the water budget regarding Year 1 of mine operations
3. Implement a work plan for the mining phase with regards to minimization of community impacts	Successfully completed Green Wall construction Urban improvements accomplished on various Malartic streets to reduce traffic flow and enhance surroundings	Vegetate the Green Wall Execute South Malartic landscaping plans
4. Progress in planting projects and implement the Osisko Forest concept	Completed first growing season (research-based) in greenhouse Selected field test locations for second phase of vegetation trials	Initiate field tests with various combinations of revegetation options Plant the first 200, 000 trees of the Osisko Forest Project and plan for 2012's expansion
5. Start preparation work for certification	Three Osisko team members became GRI report-writers Progressed standard operating procedure manual at Canadian Malartic Dedicated additional manpower to ISO	Select external auditor and register for ISO certification
6. Implement the MSDEP's closure recommendations- Review the closure plan every 3 years	Delivered Osisko's responses to MSDEP's questions posed Submitted final Closure Plan	Begin official site closure of East Malartic tailings area Implement Closure Plan on site Initiate Hammond Reef Closure Plan to be submitted 2012

Issue 4: Becoming an employer of choice

1. Adapt an Emergency Response Plan for the mining phase	Drafted and finalized the Emergency Response Plan for mining phase	Implement the Emergency Response Plan and test its effectiveness
--	--	--

A Snapshot of our Performance

	2010	2009
About Us		
Employees	550	138
Awards	3	4
Assets (millions of CAN \$)	1,933.0 ¹	1,338.8
Outstanding shares (millions)	382.1 ¹	336.3
Market capitalization (millions of CAN \$)	5,335 ¹	2,845
Shared Wealth		
Payments to our suppliers (millions of CAN \$)		
– Malartic	26.6	18.2
– Abitibi-Témiscamingue region	260.6	166.7
– Province of Quebec	399.9	271.9
– Other (Canada, USA & international)	64.9	43.1
– Total	464.8	315.0
Salary remuneration (millions of CAN \$)	44.4	13.7
Direct employment ²		
– Malartic residents	212	43
– Residents from the Malartic surroundings	68	19
– Residents from outside the Malartic surroundings	171	76
– Hammond Reef Project	99	N/A
Investment in public infrastructure - Malartic (millions of CAN \$) ³	15	90
Investment in community life (thousands of CAN \$) ⁴	161	175
Ongoing Dialogue with our Stakeholders		
Public consultations (Canadian Malartic)	2	9
Community Meetings (Hammond Reef)	21	N/A
Community Relations Centre in Malartic (# of visits) ⁵	700	2,500
Prioritizing Health, Safety and the Environment		
Loss of life	0	0
Lost-time accidents (Canadian Malartic) ⁶	0 ⁷	0
Lost-time accidents (Hammond Reef) ⁶	4 ⁸	N/A
Notices of violation	13	N/A

1 As of March 31st, 2011

2 Does not take into account subcontractors

3 Approximate amount. Total investments from 2008-2010 = \$ 144.5 M

4 Amount given to FEMO

5 Approximate amount

6 Osisko employees only

7 In 2,221,523 man hours

8 In 201,006 man hours

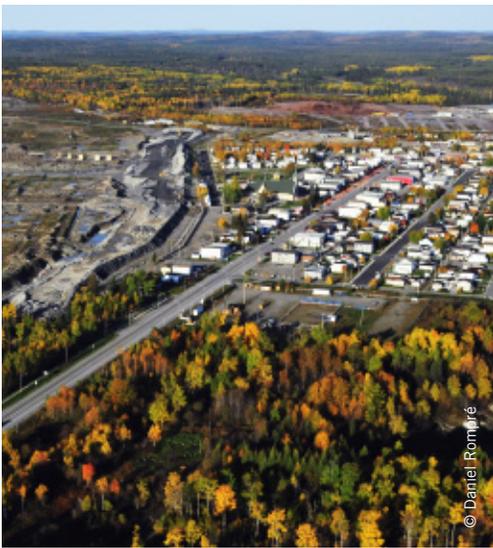


Osisko 'At a Glance'

- Who we are**
- Osisko Mining Corporation is a development-stage gold mining company based in Montreal, Québec, Canada, soon to become a significant mid-tier producer. Osisko has a market capitalization of more than \$5.3 B (CDN).
 - Our company recently completed construction of the Canadian Malartic gold mine in the Abitibi region of Québec after receiving the final authorizations from the Québec Government on August 19th, 2009. Now in operation, Canadian Malartic currently represents the largest open pit gold mine in Canada.
 - The recent 2010 acquisition of the Hammond Reef Project, near Thunder Bay, Ontario, enhances Osisko's reserve- and resource base and provides the potential to see Osisko become a one million ounce per year gold producer by 2016. Currently the largest exploration drilling program in Canada, Hammond Reef represents a significant development project with potential to become a world-class open-pit gold mine similar in scale to our flagship Canadian Malartic Project in Québec.
 - Since 2008, Osisko has completed over C\$1 billion in financings. At the end of December 2010, Osisko had over \$400 million CDN in cash, including all funding necessary to complete construction of the Canadian Malartic mine and its current exploration commitments, making the company one of the best-financed developers in the gold sector.
 - Osisko is included on the S&P/TSX Composite Index (including the S&P/TSX Global Gold Index and the S&P Global Mining Index), the leading indicator of market performance based on Canada's major corporations.

Our philosophy Our focus on sustainable development provides the framework in which our Company operates. At Osisko, sustainable development has been a series of actions, measures, ideas and details that have helped to build our projects as a balance between the economy, the environment, and the social and community components. Our philosophy is reflected in our company's slogan: "A fresh outlook on mining".

Our goal Our goal is to be the next mid-tier producer in Quebec and an influential leader on the Canadian mining scene, while demonstrating environmental stewardship and social responsibility.



Sustainable Development Overview

At the heart of Osisko's values is its dedication to upholding principles that reflect a commitment to sustainable development and "a fresh outlook on mining".

Osisko's Sustainable Development Principles:

- 1 - To act with integrity and respect toward all stakeholders in our projects;
- 2 - To demonstrate environmental stewardship and social responsibility;
- 3 - To communicate frequently, honestly and transparently with our stakeholders, and to take their concerns and suggestions into consideration as we develop our projects;
- 4 - To implement and maintain ethical business practices and transparent systems of corporate governance;
- 5 - To promote positive change in the communities where we operate by contributing to their social, economic and institutional development;
- 6 - To increase economic opportunity for the individuals affected by our activities through various means, such as making community donations, building new infrastructure, providing employment opportunities and local training, and through a 'buy local' policy wherever possible;
- 7 - To demonstrate leadership and seek continual improvement in our health and safety practices;
- 8 - To provide a safe environment and fair compensation to our employees, and to be an equal-opportunity employer;
- 9 - To commit to reconciling mining and development activities with the collective rights of Indigenous Peoples, through the continuous maintenance of relationships that are founded on respect;
- 10 - To continue to strive to better our Company's practices and set higher targets as we navigate new territory, following our commitment to operate with a 'fresh outlook on mining'.

A System of Transparent Governance

Good governance of any corporation is built on integrity, accountability and transparency. To that end, Osisko has implemented a transparent and efficient system of governance structured by a stable Code of Ethics. This system is designed to uphold our principles of sustainability across all levels of our organization.



Mr. Sean Roosen, President and CEO, Honorary President of Québec Exploration 2010



The Osisko Hammond Reef Gold Ltd. team shown here with the NWOPA 2010 Developer of the Year Award.

Recognition of Our Success

2010: Our CEO – Honorary President of Québec Exploration 2010 Convention

Osisko's CEO, President and Company Director, Sean Roosen, was honoured to be named the *Honorary President of Québec Exploration 2010*, a flagship event for mineral exploration in Québec that attracted more than 2,400 participants. Mr. Roosen was chosen because of Osisko's exemplary efforts to bring the Canadian Malartic mine into production.

CIM 2010 Syncrude Award for Excellence in Sustainable Development

Osisko Mining Corporation was granted the 2010 Syncrude Award by The Canadian Institute of Mining, Metallurgy and Petroleum (CIM), recognizing our Company's excellence in sustainable development. This award recognizes extraordinary systems, programs or processes that have far-reaching and positive sustainability effects in all industry sectors across Canada.

Chamber of Commerce Rouyn-Noranda Extra Award 2010

At the 2010 Annual Awards Banquet, the Chamber of Commerce of Rouyn-Noranda presented Osisko with its *2010 Extra Award* for the economic impact of the Canadian Malartic Project in the Abitibi-Témiscamingue region. Osisko was recognized for its dedication to regional economic sustainability.

NWOPA 2010 Developer of the Year Award

At the 2011 NWOPA (Northwestern Ontario Prospectors Association) Awards Gala, Osisko Hammond Reef Gold Ltd. was honoured to be presented with the 2010 Developer of the Year Award. Osisko was recognized for its ambitious drilling campaign at the Hammond Reef Project, where it drilled more than any other company in Canada.

Internal Whistle

Blowing Policy

Amidst all levels of Osisko's corporate structure, we are committed to the highest standards of transparency and accountability. With this in mind, the Corporation has officially launched an Internal Whistle Blowing Policy, implemented as a means of receiving and managing grievances from any employee of the Corporation.

Board of Directors

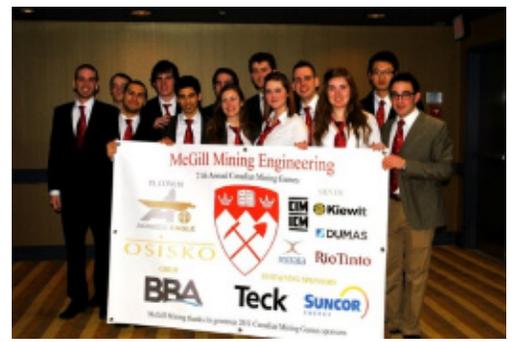
Victor Bradley, CA Chairman of the Board			
Sean Roosen, Eng. T. President and Chief Executive Officer, Director	Robert Wares, P.Geo. Executive Vice-President, Exploration and Resource Development, Director	Norman Storm, B. Comm. Director	William A. MacKinnon, B. Comm., FCA Director
Staph Leavenworth Bakali, B.A., MSc. Director	André J. Douchane, P.Eng. Director	Serge Vézina, P.Eng., Ph.D. Director	Marcel Côté, M.Sc. Economics Director





Official opening of Malartic Community Centre in March 2010, entirely financed and built in 2009 by Osisko at a cost of \$7 M. From left to right, Mr. André Vezeau, Mayor of Malartic, Ms. Anie Lamoureux, School Board Vice-president and Mr. Jean-Sébastien David, Vice-president, Sustainable Development for Osisko Mining Corporation.

© Daniel Rempire



During 2010, Osisko donated over \$50,000 to various Mining and Geology departments at various CEGEPs and Universities in Québec. Scholarships and bursaries in Mining Engineering, Mine Technology, and Geology were awarded and various academic events were financed in order to facilitate students in their pursuit of mining expertise.

Giving Back

Canadian Malartic Charitable Donations and Sponsorships

At Osisko, we strive to apply our Company's visibility and financial success towards the improvement of numerous aspects of Abitibi and Québec society. In addition to founding and supporting FEMO, the Corporation is also devoted to providing a helping hand in the hopes of creating an enriched society for this - and future - generations. We are especially proud of our contributions towards improving the educational opportunities for Québec youths interested in mining and geology studies; increasing the accessibility and the quality of the arts; encouraging active and healthy lifestyles; as well as increasing understanding of the distinct needs in regional First Nations Communities.

Indeed, our cultural heritage, our health, and our pursuit of intellectual challenge will ultimately shape the future of our collective society. Through these and future contributions, Osisko hopes to lead a new generation of socially-conscious mining.



Osisko feels that the performing arts enrich the life of everyone – youth to elderly – and encourage our development as a society. Osisko has proudly sponsored local music festivals and social events in and around Malartic. The company also had the pleasure of being a main sponsor of the production of **Les Filles de Caleb**.



Atikokan Bass Classic Donation

On August 17th, 2010, Osisko was pleased to donate the top \$10,000 prize to the Atikokan Bass Classic fishing tournament, which takes place on Upper and Lower Marmion Lake (The Floodwaters).

Bass Classic chair Jim Johnson said that Osisko has become “the big brother of the Atikokan Bass Classic.” Winners Darwin King and Guy Legarrie were awarded the prize for their 20.04 pound catch. The sponsorship marks the first of many community donations to come with the aim of contributing to the social development and quality of life in Atikokan.



Hockey Beavers and Bucks (Supporting sports teams in the Cree community)

FEMO contributed almost \$15,000 to the Tour de L'Abitibi Biking Event





Canadian Malartic Gold Project

© Daniel Rompré



Hammond Reef Gold Project

© Daniel Rompré

Our Properties

Canadian Malartic Gold Project

10.71 M oz NI 43-101 Proven and Probable Reserves¹

1.18 M oz Out-of-pit Indicated Resource²

0.85 M oz Inferred Resource³

Osisko's flagship property is the 100%-owned Canadian Malartic gold property, located in the heart of Québec's prolific Abitibi Gold Belt, immediately south of the town of Malartic, approximately 20 kilometres west of the town Val-d'Or. The property covers an area of 230 km² with the contiguous Amphi and Cadillac properties.

Osisko acquired a 100% interest in the Canadian Malartic property in November 2004, and initiated a detailed compilation of the extensive historical database in January 2005. Osisko commenced its drilling program on the property in March 2005 and has drilled over 750,000 metres since then. On March 31st, 2011, Osisko increased the gold reserve by 19% to 10.71 million ounces. Details on updated costs, mine plan, production schedules and mine life will be provided in Q3 2011. The first gold bar was poured on April 13th, 2011 and the beginning of commercial production was announced in Q2 2011.

Canadian Malartic's ore body includes 10.7 million ounces of reserves and 9.2 million ounces of estimated recoverable gold. The gold production is expected to total 1.02 M ounces over the first 18 months, with an average of 625,000 ounces per year during the first full five years and an average of 574,000 ounces per year during the 16-year life-of-mine. Canadian Malartic currently represents the biggest open pit gold mine in Canada, and is still growing through ongoing drilling on adjacent mineralized zones (50,000 m planned for 2011).

Hammond Reef Gold Project

6.70 M oz Inferred Resource⁴

The Hammond Reef Gold Project – located near Thunder Bay, Ontario – is a large and growing development project with potential to become a substantial open-pit mine similar in size to the Canadian Malartic operation. Hammond Reef currently hosts a NI 43-101 compliant inferred resource of 6.70 million ounces of gold (259.4 million tonnes at a grade of 0.8 grams per tonne, using 0.3 grams per tonne cut-off), of which 97% lies within 300 metres of surface. Osisko is currently executing a 350,000 metre drilling program on the property in an effort to confirm the resource and move it into the proven and probable category.

A Preliminary Assessment Study was completed in November 2009, outlining an initial 14-year mine life operating at 50,000 tonnes per day. Over the first six years, on average, Hammond Reef is expected to produce 463,000 ounces of gold per year at cash costs of US\$382 per ounce (including royalties, net of silver credits). Over the life of mine, Hammond Reef is expected to produce a total of 5.13 million ounces of gold at an average rate of 369,000 ounces per year and average cash costs of US\$442 per ounce (including royalties, net of silver credits).

In addition to the current resource, Hammond Reef offers exciting exploration potential; recent drilling confirmed continuity of mineralization along strike two kilometers northeast of the existing resource, and a new high-grade extension in step-out drilling was announced by Osisko on August 12th, 2010.

1. NI 43-101 P&P Reserves: 48.7 Mt @ 0.80 g/t Au & 295.0 Mt @ 1.00 g/t Au

2. NI 43-101 Out-of-pit Indicated Resource: 47.6 Mt @ 0.77 g/t Au

3. NI 43-101 Inferred Resource: 33.9 Mt @ 0.78 g/t Au

4. NI 43-101 Inferred Resource: 295.4 Mt @ 0.80 g/t Au

Other Properties

Inside and outside of Malartic, Osisko Mining Corporation has been on the path to growth by acquisition as well as direct exploration.

Exploration on properties located in Quebec, Ontario and Nova Scotia include:

- **Cadillac, QC, Canada**
100% interest

- **East Amphi, QC, Canada**
100% interest

- **Malartic CHL, QC, Canada**
70% option (TSX-V: RZZ)

- **Dunn, QC, Canada**
50% option (TSX-V: MD)

- **Sparton, ON, Canada**
60% option (TSX-V: SRI)

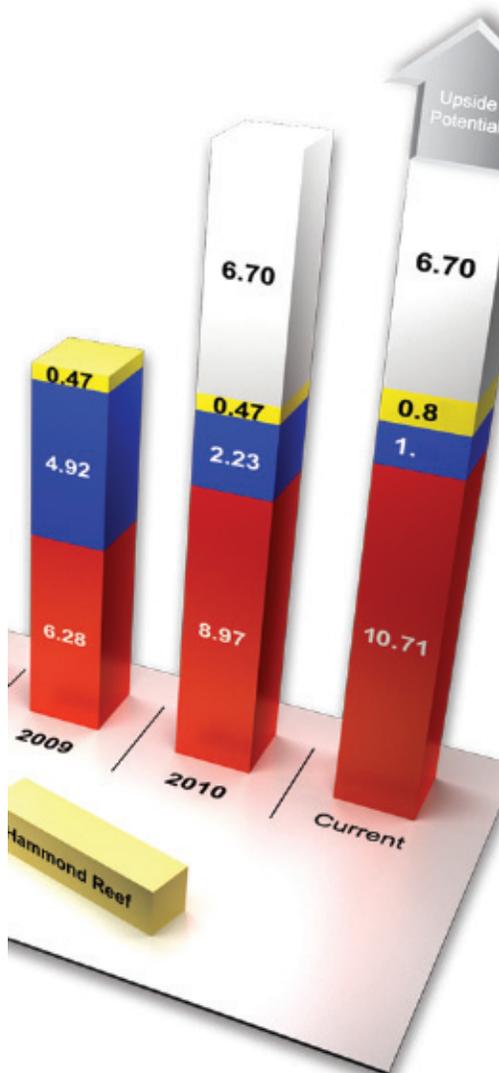
- **Mountjoy, ON, Canada**
50% option (TSX-V: CPS)

- **Goldboro, NS, Canada**
50% option (TSX-V: OX)



Growing the Company

The Hammond Reef and Barnat properties offer significant upside potential for Osisko as the exploration drilling continues and new mineralized zones are identified and reserves are added. The aggressive exploration program planned for these two properties creates the potential for substantial increase in the number of ounces in the ground for Osisko.



Hammond Reef Resource Definition Program
Osisko Hammond Reef Gold Ltd.'s Hammond Reef gold deposit currently represents the biggest drilling project in Canada. Over the next 18 months, we will be continuing our Resource Definition with an aggressive drilling program on the property; our prime objective is to confirm the 'Inferred' Resource and promote it to the 'Measured' and 'Indicated' categories. Concurrently, we will continue to expand our overall Resources following this summer's promising new intersections.

Currently, 97% of the resource lies within 300 metres of the surface, suggesting that a large-scale bulk-tonnage open pit operation may be feasible. In 2010, the Resource Definition program saw approximately 180,000 meters completed with up to 18 rigs on the property; in 2011, we plan to drill at least 180,000 meters to complete our objectives. Moreover, we will initiate a 'condemnation' drill program where approximately 25,000 meters of drilling will be required to ensure that we do not build infrastructure over mineralization.

Resource Expansion at Canadian Malartic
Through the Corporation's continuous and aggressive exploration pursuits, Osisko geologists have confirmed very promising resources situated at the historic Barnat mine site. This discovery has led to an expansion project whereby the Canadian Malartic pit will be enlarged and the mining and milling processes prolonged by three years. Indeed, the Proven and Probable reserves have recently been re-evaluated at 19% higher than last year's estimate – a remarkable 70% increase from the figures reported in Osisko's Feasibility Study three years ago. While these results have been excellent, we are not stopping there! Osisko's drilling campaign will remain ambitious at our flagship site, even as mine production is launched this year. New mineralization is being defined every day and we look forward to reporting our progress.

Community

Achieving our vision of building a world-class mining operation would not have been possible without the support of the Town of Malartic. As we enter into the mining phase of the Project, we remain more committed than ever to listening to the needs and concerns of the community, and we look forward to maintaining the trust we forged in our earlier years.

The Hammond Reef Project also necessitates community communication and consultation efforts, which we initiated from the outset of the acquisition. Throughout the various planning- and implementation stages of the Canadian Malartic Project, we have gained valuable insight which we believe puts us in an even better position to successfully approach the Hammond Reef Project.



2010 At a glance ...on site

ADMINISTRATIVE OFFICE



The Osisko Administration and Mine Services employees welcomed the official opening of their office facility in March of 2010.

ROADS



All roads presently in use, and others required during operation, were completed in June 2010.

120-KV MAIN SUBSTATION



During the summer months, the site was also 'powered-up', not only through the completion of our natural gas pipeline installation, but also through the complete installation of the 120 kV Hydro-Québec transmission line (which started being used on the site in October).

JAN

FEB

MAR

APR

MAY

JUN

...in and around town

WATER SYSTEM UPGRADES MARCH 2010

Osisko undertook extensive municipal water works this year. Upgrades to the potable water system, sewage disposal pipelines, and fire protection infrastructure were realized in the new neighborhood as of March 2010.

ACCESS ROUTE

The construction was finalized early last summer and now the access route is being designed. Osisko must await MTQ's final route proposal prior to putting these finishing touches on the site.

STREET LIGHTS

Down the road, another set of lights and a traffic island were constructed. The street lights have also been replaced with an overall goal to make downtown Malartic a beautiful place for residents and passers-by alike.

REPAIRS AND IMPROVEMENT PROJECTS

Improvement projects realized from May 2010 to September 2010 involved considerable repairs to the rue Royale and des Érables intersection in downtown Malartic. It is with the repaved sidewalks and the traffic control light that Osisko hopes to have created a safer and more aesthetically pleasing spot.

GREEN WALL – WORK BEGAN JUNE 2010

The first steps in Osisko's Green Wall construction began with ground excavations. Indeed, ground was first retrieved and the wall foundation was laid-out progressively from east to west. An immediate priority was to ensure proper drainage via culvert installation and the operation of numerous sumps. The soil was prepared for planting in a preliminary manner. Construction work on the perimeter fence and surrounding infrastructure is in progress (fence, bike-path, alcoves, etc.).



ORE STOCKPILE



This past fall saw tremendous evolution in the mine's processing facilities. In September, the plant space for housing of the gyratory crusher was finalized, as were the crusher stockpile infrastructure and process plant infrastructure.

DYKE A

Construction completed in August.

PROCESS PLANT LEACH TANKS



With all installations accomplished, the processing plant equipment was then put through rigorous trials and testing during October. Once these preliminary tests were completed, extensive leak-testing of the pipelines and tanks could then be carried out in November.

WATER PUMPING INFRASTRUCTURE



Osisko's pledge to operate a virtually closed-water system was already underway by October. The reclaim water pumping infrastructure was set-up in October, which ultimately allows for plant water to be re-circulated for optimal environmental efficiency.

GREEN WALL CONSTRUCTION



Construction of the Green Wall was completed in November. This spring and summer will be dedicated to planting.

DYKE D and E Construction finalized in November

Johnson Basin Spillway completed November

Tailings Pond Pumping Equipment completed November

NEW PLANT OFFICES

Metallurgy and Processing employees moved into their new plant offices in December!

JUL

AUG

SEP

OCT

NOV

DEC

STREET IMPROVEMENTS

Street improvements have gradually been realized since July 2009. Gravel was reposed along the street and new paving was laid down last spring-summer 2010.



BIKE PATH

The bike path preparations have been completed and preparation of the alcoves facing Abitibi, du Parc, Centrale and Hochelaga streets is obvious.



TRAFFIC LIGHTS

Two new traffic lights were installed in the South Neighborhood during November in order to more efficiently and safely handle the traffic flow in between town and the Canadian Malartic site.

20 NEW HOMES

20 new homes were constructed in Malartic (new neighbourhood) by October.



2011 – Official Startup



JAN

FEB

MAR

13
APR



Commissioning and finalizing the installation of all required equipments for mill start-up.



Osisko Mining poured its first gold bar at its flagship Canadian Malartic Mine on April 13th, 2011 and proceeded to commercial production in May 2011.



Le Trait-d'Union

© Osisko



CHSLD Saint-Martin

© Osisko

Relocation one year later!

The creation of the new northern neighbourhood was the result of careful planning and the collaboration of Osisko with both families and Malartic authorities. Dozens of individual and group meetings between Osisko representatives and Malartic residents took place beginning in 2006 through to the completion of the relocation program in 2009.

Today, residents enjoy a neighbourhood benefitting from enhanced curb-side appeal, a safer environment and increased value. Aside from one (1) case of expropriation, our goal of equality and fairness for all citizens was well received. Many residents are continuing to reap the positive benefits of their new, enhanced community.

Consultation with First Nations – Malartic

During 2010, a handful of progressive meetings between Osisko executives and various First Nations representatives took place: open communication with these groups is amongst our highest priorities. We also strongly believe in continually updating these communities regarding current events at the Company and our overall project strategies for the region.

During the year, members of the Osisko Human Resources team met with:

- The Anishinabeg Tribal Council (on several occasions)
- Eagle Village First Nations community
- Temiscaming First Nations community
- Pikogan First Nations community

Our goal is to expand First Nations participation in our Company and we recently held a job fair and several meetings with this objective in mind.

Infrastructure Openings

Le Trait-d'Union

On February 8th, 2010, a press conference was held to highlight the official opening of the \$5 M Adult Learning Centre “Le Trait-d’Union.” At the same time, Osisko and the Government of Québec announced that they would be jointly investing \$7.5 M to train the 465 employees required to operate the Canadian Malartic mine. Osisko’s contribution of \$5.4 M and the Government of Québec’s contribution of \$2.1 M will be spread out over the course of three years and will support training in more than 50 fields. This investment and training plan enables us to respect our ‘hire local’ policy by prioritizing hiring in Malartic.

CHSLD Saint-Martin

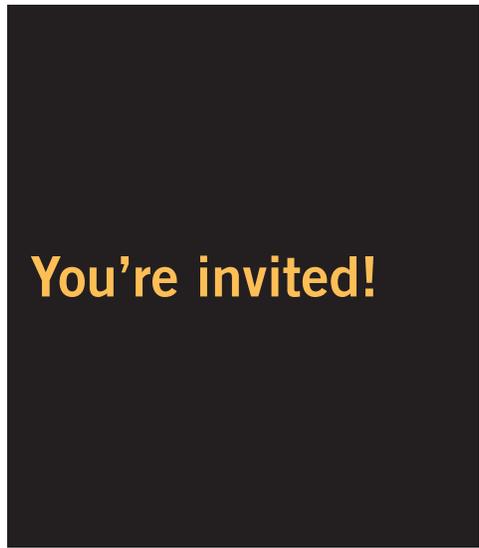
In April 2010, Malartic’s new Long Term Health Care Facility – the CHSLD Saint-Martin – opened its doors. With \$17 M invested, the new building is 65% bigger than the Villa Saint-Martin and is capable of accommodating 60 people, with space for 25 people in the Day Centre. Both Natural lighting and a ventilation system are integrated throughout, and a public cafeteria is available for the comfort of residents and visitors alike. Residents also benefit from spacious accommodations and private balconies. The building conforms to the ‘Milieu de vie’ norms of Long Term Health Care Facilities and features sustainable building materials.

Community ‘snapshot’...

Mr. and Mrs. Langlois were the first residents to be relocated in 2008. In a telephone interview, Mr. Langlois recounted how initially, the idea of leaving behind his old neighbourhood was difficult; now, however, he feels that they “are much better off,” and that they will have “no trouble selling the property in the future.” He said that he and his wife are “very satisfied with [their] treatment during the relocation” and that they are most impressed by the fact that “Osisko worked tirelessly with [them] until [they] were 100% satisfied with [their] house and yard”.



© Dale Coult



March 14th, 2010: Canadian Malartic Open House

Though it was still under construction, Osisko opened the doors of its mining complex to residents of Abitibi-Témiscamingue on March 14th, 2010. Over 1,400 people visited the site and toured the facilities, including the mill and maintenance garage, as well as the CAT 793F (227-tonne) mine haulage trucks and one of two Terex RH340 hydraulic shovels. Providing regular access to the site so people can see how work is progressing is simply an extension of our philosophy of transparency.

September 26th, 2010: Second Open House of the year

Last September 26th, Osisko invited the public to visit its mining complex, which was still under construction in Malartic; 2,400 people responded to Osisko's call!

Attendees were able to see the heavy equipment used to operate the pit, the processing plant and the garage, and they were also able to go to various booths to learn more about the activities of an open pit mine. The astonishing turnout demonstrates beyond any doubt the pride that local residents feel towards the project – a responsible mining project for future generations!





Signing of Impact Benefit Agreement between Osisko and First Nations on December 10th, 2010



The Consultation Process at Hammond Reef

The Environmental Assessment (EA) Study of the Hammond Reef gold mine proposal will adhere to a strict process designed to determine the project's possible effects on the surrounding communities and natural environment. A requisite component of this process is ongoing consultation with stakeholders, such as government agencies, communities and Aboriginal peoples potentially impacted by the project.

A note regarding the Monitoring Committee

In order to maintain open and transparent communication with engaged members of the Malartic community, Osisko held a community meeting in September 2010. During early 2011, Osisko launched a formal appeal to see reform of a seven-member monitoring team. The group of citizens-including a Malartic youth and a First Nations community member- will voice any community concerns that arise related to Osisko's operations. Establishing a lasting liaison between the residents of Malartic and Osisko through the group is deemed essential for mitigating any potential problems. It is with this strong belief in open communication that Osisko will continue to support the independent community group as its Canadian Malartic Project progresses.

Atikokan Chamber of Commerce Annual Tradeshow

Osisko exhibited at the Atikokan Chamber of Commerce annual tradeshow at the Little Falls Community Centre, September 17th-18th, 2010. Approximately 40 exhibitors were present, ranging from automobile vendors to smaller gift, craft and cosmetic home-based business owners. Various Osisko representatives were on hand to answer questions from the community. Having had the chance to speak with residents, we now see that our activities are overwhelmingly supported by the community. Continual communications efforts will be an important part of maintaining this trust.



Hammond Reef News Brief

In 2010, Osisko Hammond Reef Gold Ltd. launched its first installment of the *Hammond Reef News Brief*, a bi-weekly newsletter that provides regional communities with information about our Company's activities and opportunities to give feedback. It appears in several newspapers in greater Northwestern Ontario including *The Atikokan Progress*, *The Fort Frances Times*, *The Ignace Driftwood* and *Thunder Bay's The Chronicle Journal*.

Osisko and First Nations Sign Impact Benefits Agreement

On Friday, December 10th, 2010, Osisko Hammond Reef Gold Ltd. was pleased to announce that the Fort Frances Chiefs Secretariat, Lac Des Mille Lacs First Nation and Osisko Hammond Reef Gold Ltd. signed a Resource Sharing Agreement, creating a commitment by all parties to engage in active consultation and collaboration as part of our continued exploration activities at our Hammond Reef Project. The signing of this Resource Sharing Agreement is the result of a respectful and considered consultation process between the signatories.

The agreement includes a commitment by the signing parties to create several committees to facilitate information gathering, and maintain open and transparent lines of communication. Osisko further agrees to provide employment and training opportunities to members of the participating communities. The communities agree to create operating trusts that will be able to receive training and educational funding from Osisko Hammond Reef Gold Ltd., as well as to accept shares of Osisko Mining Corporation as milestones in exploration and development are reached. We believe that this significant step will result in a mutually beneficial development and operation at Hammond Reef, which will lead to lasting educational, employment, and economic benefits to the community members.

The seven participating First Nations of the Chiefs Secretariat are:

- Couchiching First Nation
- Lac La Croix First Nation
- Mitaanjigamingi First Nation
- Naicatchewenin First Nation
- Nigigoonsiminikaaning First Nation
- Rainy River First Nation
- Seine River First Nation



Osisko-Sponsored Trip to Malartic

A dozen people from the Atikokan region – Mayor Dennis Brown, Town CAO André Morin, AEDC (Atikokan Economic Development Corporation) chair Dave Elder, Atikokan Progress editor Michael McKinnon and eight leaders from the area’s First Nations – were invited to get a first-hand look at our Malartic mine operation November 10-11th, 2010. Invitees were given a project presentation, a helicopter tour, a ground tour of the facilities, and a tour of the new subdivision. During the visit, Mayor Dennis Brown was also able to have a brief meeting with Malartic’s Mayor, André Vezeau. Osisko financed the trip in an effort to help give Northwestern Ontario residents a better sense of what it hopes to accomplish at its Hammond Reef Project.

“This is an important and significant next step in the continued relationship between First Nations. Osisko has proactively engaged in a process of consultation that respects our traditional territories and our Treaty rights, and we are pleased to support their initiative and its continued development.”

– Tammy Ryll, Executive Director of the Fort Frances Chiefs Secretariat



“Today is a good day. It is a historical day not only for our First Nation, but also for the other participating First Nations, surrounding communities, and Osisko, in that we are entering into a mutually respectful and beneficial agreement regarding Industry on our Traditional Lands.”

– Chief White Cloud of the Lac des Mille Lacs First Nation quoting one of her Elders

“The area First Nations are finally participating in the local economy, an opportunity which has not been available to them until having the chance to grow with the Hammond Reef Project. This signing of this agreement will provide a bright future for not only the aboriginal people but for all residents within the Rainy River District.”

– Tony Marinaro, Economic Development Advisor for Pwi-Di-Goo-Zing Ne-Yaa-Zhing Advisory Services

Atikokan - Meet Osisko...

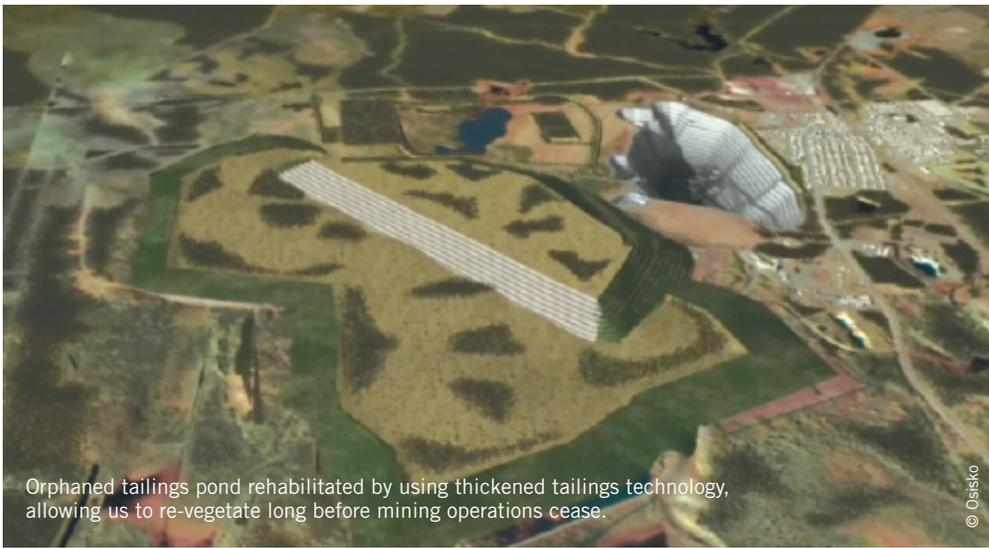
An October 2010 Osisko Executive meeting – with Town staff, Council, the Atikokan Economic Development Corporation and the Atikokan Chamber of Commerce – enabled all in attendance to discuss with more confidence the redevelopment of Atikokan as mining town, and encouraged dialogue about future strategies between all parties.

At the meeting, attendees were able to voice concerns and make suggestions about how to mitigate any issues that may arise now and in the future. Attendees discussed creating a liason committee with Osisko; the Company also explained that it will establish a sustainable economic development fund to allow for diverse economic opportunities in the region.

Environment

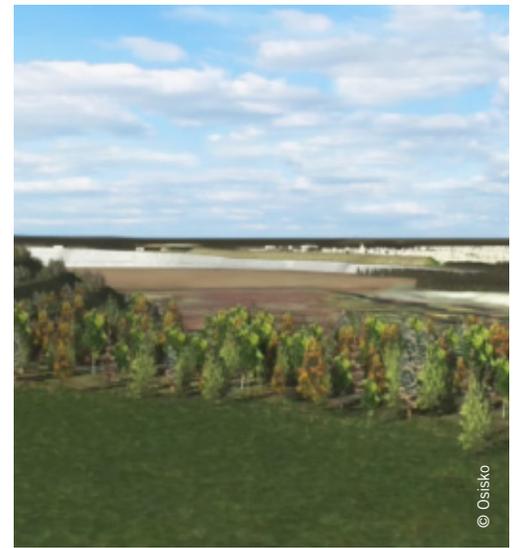
In all mining projects, environmental issues are a major source of concern for local communities and non-government organizations. These legitimate concerns are very much at the heart of Osisko's decision to adopt a sustainable development approach. In fact, Osisko's goal is to become the Canadian benchmark company for environmental conservation in the mining sector.





Orphaned tailings pond rehabilitated by using thickened tailings technology, allowing us to re-vegetate long before mining operations cease.

© Osisko



© Osisko

Research and Development at Canadian Malartic

Osisko-UQAT R&D Project: Aforestation on Osisko's Canadian Malartic Thickened Tailings

The major goal of this ongoing study remains the effective, sustainable, and geographically suitable restoration of Osisko's Canadian Malartic Mine tailings pond. Osisko is striving to re-vegetate and restore the mine site progressively, beginning long before mining operations cease. Although various re-vegetation initiatives have been studied throughout the country, this project is the first which seeks to optimize plant growth on mine tailings. Such a goal requires in-depth research, both through laboratory- and field trials.

As of June 2010, initial greenhouse experiments have been in progress in Amos, Québec. Since then, various combinations of plants and substrates have been monitored. Phase II of the studies is expected to be launched in June 2011, whereby selected species will be planted on the Canadian Malartic mine site for year-long observation. This study is being undertaken under the direction of Ms. Marie Larchevêque, Ph.D., who is currently pursuing her post-doctoral studies in reforestation on thickened tailings.

Thickened Tailings

In order to optimize the Canadian Malartic's revolutionary thickened tailings pond, Osisko and its Polytechnique-UQAT partners have continued to pursue research in this area. Indeed, an exciting transition was fulfilled in 2010, expanding outside the laboratory to on-site trials. Both Osisko and its geotechnical consultants at Golder feel that this initial trial was a rewarding first step which will ultimately contribute to the successful continuation of our field trials this coming spring 2011.

This project successfully coincided with the re-vegetation studies being carried out by NSERC-UQAT, which demonstrates our

gradual realization of the Sustainable Development department's ultimate goal: to restore the Malartic site progressively throughout operations and to create a more beautiful and biodiverse landscape that endures long past Osisko's operations.

The Osisko Forest

As part of our endeavour to reduce Osisko's carbon footprint, we are launching the "Osisko Forest" project. The project consists of a reforestation program on various land lots in the region. The project will involve the landscaping and reforestation of 100 hectares of land each year for nine years. While the "Osisko Forest" concept could be carried out anywhere, Osisko prefers to encourage reforestation in the Vallée-de-l'Or region. During the 2010-2011 season, 200,000 trees were ordered. This first batch will be planted in the fall and monitored throughout this upcoming summer growing season.

The land we will be reforesting includes municipal and crown land, private lots (private land purchased with the collaboration of First Nations groups), as well as certain areas already set to be revegetated on site. Our planting and supply is being



done in partnership with Méritik – a forestry group based in the Abitibi region – whose primary objective is to responsibly manage regional ancestral land of proximate First Nations communities.

Furthermore, in 2011 we will also undertake portions of the reforestation we proposed in the Osisko Canadian Malartic Project Closure Plan. Using a portion of the coniferous trees delivered this season, we will be greening sections of the borrow pit and quarry that had been affected during the construction process. Although operations are just beginning, our 2011 objectives are clear: reduce visual and environmental impacts resulting from the 2009-2010 site construction. At Osisko, we strive towards an optimal and continuous restoration process, including revegetation, reforestation and landscaping initiatives.

A Breath of Fresh Air...

Throughout Osisko's growth as an employer, purchaser and gold-developer, we have always maintained emissions reduction and carbon offset amongst our core objectives. In light of recent prolonged LOM estimates for the Canadian Malartic Project, we have conducted a revised emissions inventory. The study has estimated impacts from equipment and mine energy use expected during the 2011 operational year as outlined in the directives set forth by Québec's MSDEP. In order to best prepare for our future reduction initiatives, we have also conducted detailed analyses of our mobile fleet CO₂ impacts. This comprehensive investigation is our first step in becoming an industrial leader in the field of greenhouse gas reduction. With these results in mind, Osisko's environmental team is actively investigating revolutionary reduction and offset options so as to increase our greenhouse gas savings and improve carbon compensation options at the most local scale possible.



Monitoring Activities Carried out by Environment Department at Malartic

- Sound/noise monitoring (sound levels on and around the site);
- Air quality testing;
- Monitoring of water levels in all basins on site and in the tailings pond and sedimentation pond;
- Groundwater level monitoring;
- Surveillance of the geotechnical stability of dykes around site (piezometer measurements);
- Environmental surveillance (i.e., for spills, best practices, etc.);
- Waste and toxic material management;
- Water-soil-subsoil sampling.

Notices of Violation

In 2010, the Community Relations Centre listened to comments from Malartic residents living in the south neighbourhood regarding the construction of the Green Wall.

Osisko was confronted with 13 notices of violation from the MSDEP during 2010. As the warnings were mainly with regards to nightly noise limits mandated as part of the 2009 Decree, the Corporation launched modification programs with respect to the fleet and drilling equipment. Moreover, Osisko assisted in the additional relocation of 60 residents so as to reduce their exposure. Our hope is that the temporary construction inconveniences will prove worthwhile in the near future, and we especially thank the Malartic community for its continued patience.

Ongoing Improvements

Given recent sound level concerns from nearby community members and the MSDEP, Osisko has reacted promptly in terms of mitigation initiatives. The company is pleased to report a newly operational on-site complaint management system which will allow for timely reaction from Osisko managers and directors at the operations forefront. Osisko remains very optimistic that this new system, as well as our evolving operation sound monitoring plan will limit such inconveniences from being reproduced in 2011.

Waste Management

Oil recycling

As part of Osisko's ongoing efforts towards reducing our environmental footprint, we have succeeded in recycling over 24,000 L of fuel oil for resale in 2010. This action enabled us to decrease waste and limited the risk of unsafe disposal.

Drill Running on ... Peanut Oil?

That's right! In Fall 2010, we operated a barge drilling program on Mitta Lake with a drill that ran on peanut oil in the event that a spill occurred. Although peanut oil was used, in-water floatation containment barriers were used at all times and emergency spills response kits were on site. The drill was contracted from Major Drilling, a North American company that recently opened an office in Thunder Bay due to the increased exploration activities in Northwestern Ontario.

In addition to using peanut oil as an environmentally-friendly alternative to traditional oil, all drill rod grease used as a lubricating agent was biodegradable.



Environmentally-friendly Practices at Hammond Reef

At Hammond Reef, all drilling is conducted under the Mining Act (Ontario) and Fisheries Act (Canada) requirements to ensure that we adhere to the strict environmental laws in place.

Osisko's on-site environment team closely monitors drill activities and equipment operation, and also ensures that the highest standards of soil/water security measures are in practice each and every day. Through constant communication between the environment group and the Health and Safety Manager, we strive to continue upholding a sustainable and secure operation.





Hammond Reef Project main camp

© Osisko



© Osisko

Team Green

To ensure the implementation of the best environmental practices, Osisko has hired a local environmental team to monitor and permit the Hammond Reef Project. The team has implemented an Emergency Spill Response Plan for the project site. In 2010, we also hired a Sustainable Development Manager for Ontario to help facilitate sustainability initiatives.

Waste Oil Recycling

A waste oil station has been installed at the project, which consists of a 5000 L, double-walled tank for all waste oil from diamond drill rigs, trucks, generators and heavy equipment disposal. This oil is later picked up from a certified carrier and transported to a recycling facility in Thunder Bay.

Environmentally-friendly Camp Initiatives

At the Hammond Reef Camp site, we have implemented several “green” initiatives in the hopes of leaving a lasting legacy for future generations, including:

- Using bio-degradable, phosphate-free environmental/septic friendly cleaning products wherever possible;
- Transitioning to biodegradable cutlery for field lunches;
- A recycling program for paper, plastics, tin, batteries and scrap metal;
- A water filtration system on site, which limits plastic water bottle use;
- The installation of a BIODISK, which is a natural, biological process for the treatment of wastewater.

Camp Upgrades

Improvements at the Hammond Reef property include camp expansion, a new kitchen, Air Ambulance Approved Helipads at two locations, Camp Dispatch to monitor people at camp and working in the field, our

new Camp Manager, an upgrade to the geology office, a new Health and Safety office and Environmental office, and current permitting in place for a radio communications tower to allow for radio communication between camp and our Atikokan Office on Goodwin Street.

Hammond Reef Draft Project Description

In December 2010, Osisko submitted a Draft Project Description to the Canadian Environmental Assessment Agency (CEAA) and to the Ministry of Northern Development, Mines and Forestry (MNDMF) with the intention of initiating discussions regarding permitting for the project at both the federal and the provincial levels. Osisko looks forward to further refining the Draft Project Description by means of future consultation with all Aboriginal and community stakeholders.

Hammond Reef Baseline Study

We are currently developing our Baseline Study, which is a study that involves an analysis of existing conditions prior to the implementation of a project. While it is a lengthy process, the Baseline Study is an important phase because it enables us to gather essential information about the flora, fauna and communities in our exploration area and adjacent areas that may be affected by our activities. This field research is being undertaken to ensure the well-being of all life forms in those areas and to comply with the Environmental Assessment process. Baseline study information is continually being collected in the field so that the data reflect conditions at the site over all four seasons. The next step will be the eco-conception of the future mine site and of operations; this conceptual work will be performed throughout 2011 and 2012.

Summary of Baseline Study Research Activity in 2010:

- Work has been carried out in the areas of meteorology, air and noise, hydrogeology, aquatic and terrestrial biology, hydrology, geochemistry and socio-economic impacts;
- Carried out work on the data acquisition of fish habitat;
- Conducted water sampling;
- Researched lake turbidity;
- Completed bird breeding and turtle basking surveys;
- Conducted archeology surveys;
- Carried out fieldwork on the bathymetry of Steep Rock, in addition to on Marmion Reservoir;
- Developed a Draft Project Description to present to the government;
- Carried out part of the geotechnical study;
- Initiated the study of the social setting;
- Initiated the study of alternative roads and pipeline routings;
- Initiated the study of residue storage area options;
- Met with First Nations communities.

Hammond Reef: Looking Ahead

In 2011, we plan to build on existing relationships as we continue to propel the Hammond Reef Project forward. As the biggest drilling project in Canada, we hope to develop a second world-class mine similar in size to our Canadian Malartic operation. Our approach calls for working in tandem with stakeholder communities to develop productive partnerships, collaborate on key initiatives and achieve real progress on shared goals. It is our hope that the Hammond Reef Project continues to garner positive results to promote more prosperous conditions for all surrounding communities.

Economic Sustainability

Osisko is mindful of the role it plays in improving the economies of the regions where it develops its projects. Osisko understands that the regions and municipalities where its projects take place are the company's hosts; as their guest, Osisko must contribute to the enrichment of the host region not only during production, but also after the mine closes.





Our Goals

With respect to social issues, Osisko's goals are clear:

- Maximize economic spin-offs by supporting local employment, directly at our mine sites and indirectly by using local suppliers;
- Promote the well-being of local communities;
- Provide the municipality with lasting municipal infrastructure.

Economic Spin-Offs - Canadian Malartic

We are proud to report that in 2010, we spent 86% of our purchasing budget in Québec, where 50% of it was spent in the Abitibi region, and 6% was spent in Malartic. Of our \$464.84 M total purchasing budget, \$399.90 M was spent in Québec, using the services of 1,177 suppliers. We are proud to have spent \$26.57 M in Malartic alone, and \$234.02 M in the Abitibi region. We look forward to continuing our commitment to invest locally and regionally wherever possible!

Regional Supply of Goods and Services Policy

In addition to hiring regionally wherever possible, we also try to outsource contracts for work to local suppliers. To share our success with local businesses, Osisko has implemented a policy that encourages the regional supply of goods and services.

Economic Spin-Offs - Hammond Reef

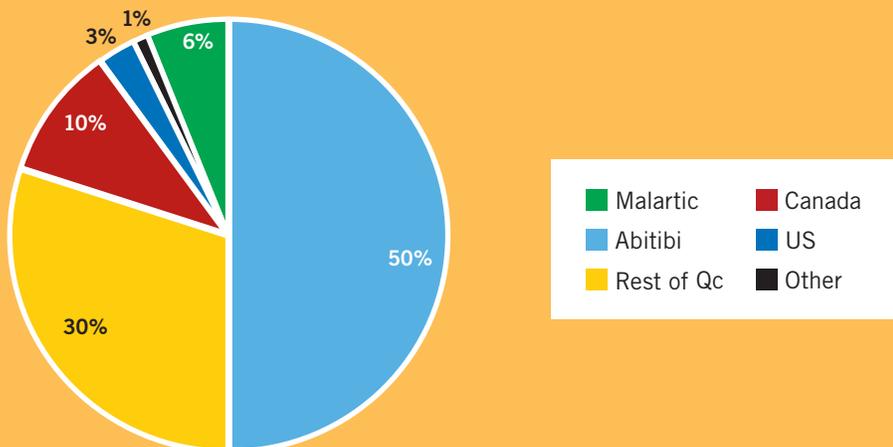
Over the past year, Osisko has invested \$28 M in the Hammond Reef Project. Since July 2010, Osisko has spent \$16 M, which includes \$2 M* spent in Atikokan and \$11 M spent in the region.

These investments have gone towards: drilling to define the outer limits of the resource; outlining the deposit and exploration of new areas; mining camp improvements; expanding core logging facilities in Atikokan; upgrading the 22 km camp road; and renovating the Main St. Public Relations Office, which is set to open soon. Osisko has an estimated budget of \$60-80 M for 2011.

“Atikokan Town Council and our entire community look forward to continuing our strong support for Osisko Hammond Reef Gold Ltd. as it perseveres with its exploration drilling at Hammond Reef, and as it enters the Environmental Assessment phase of the project. The community of Atikokan welcomes the chance to host a major initiative for our region's long-term future as the project will bring much-needed employment, economic investments and social development to our region. The Company has already impressed us with its commitment to sustainable development, health and safety, and community consultation. It has done an excellent job of keeping us informed. We look forward to continuing our good relationship based on mutual respect and open communication as this project provides hope to all our citizens. We are very fortunate to have Osisko doing the necessary work in our area to move this project forward.”

– Mayor of Atikokan, Dennis Brown

2010 Purchasing Budget - Canadian Malartic





“We are proud to
contribute to the
economic vitality of the
Abitibi-Temiscamingue
region.”

OSISKO
CANADIAN MALARTIC

Osisko Mining Corporation and Robert Wares, Executive Vice President, Exploration and Resource Development and Founder of Osisko, announced a joint gift of common shares of the company to McGill University in Montreal. The gift consisted of 250,000 personal shares from Mr. Wares and 250,000 treasury shares from Osisko, worth approximately \$4.1 million. Proceeds from these shares will go to the Department of Earth and Planetary Sciences and will finance two new tenure-track positions in economic geology (faculty scholars), as well as a permanent program of fellowships, scholarships and field trip funding for students enrolled in geological sciences.



FEMO
fonds **essor** malartic **osisko**
2010

Throughout 2010, The FEMO contributed over \$160,000 towards various projects aimed at improving the cultural, social, physical, educational and environmental components of life in and around the Town of Malartic. FEMO's Board of Directors received over fifty projects and has invested in all categories: cultural, sporting, educational, youth and seniors.

A few highlights from FEMO's 2010 donation campaign include:

- Donation to Bambin et Câlin Daycare in Malartic;
- Donation to Malartic Firefighters;
- Academic scholarships for Mining Engineering and Geology students from Malartic (over \$25,000);
- Donation to the Tour de l'Abitibi cycling tournament;
- Contribution to the St. Martin Malartic Golden Age Society.

We thank each and every organization that submits their projects and thus contributes to the vitality and quality of life of all Malartic citizens. With a budget of at least \$150,000 for 2011, Osisko is confident that the region's future will be bright. In 2011, FEMO's administrative board will also be revising the original mandate so as to ensure the best possible development of Malartic!



OSISKO and FEMO are particularly proud of our recent \$5000 contribution to the Abitibi-Temiscamingue Mineralogical Museum in Malartic, where a new earthquake simulator – purchased by FEMO – is a highlight in the ongoing upgrades of two main exhibition rooms. These room enhancements are expected to be completed by fall 2011 (as per statement received by J. Massicotte, Museum Director).



According to Émilie Boucher – a counselor at the Malartic Suicide Prevention Centre – FEMO 2010 donations amounting to \$3,750 have not only contributed to its “enhanced visibility in the milieu”, but also to the population of Malartic benefitting from “greater access to services offered by the organization now, assisting in the ultimate goal of reducing suicide rates throughout the community”.

Human Resources

Osisko Employees: Our Best Resource

Our employees are our most valued resource. Through forward-thinking planning and implementation, we are able to forecast our employee need 12 to 14 months in advance, and to develop strategies to attract and retain the right people to propel us forward. To uphold the underlying principle of sustainable development at all corporate levels, Osisko seeks to attract talented, passionate employees who are principled individuals. That philosophy, we believe, is the key to our rapid success.

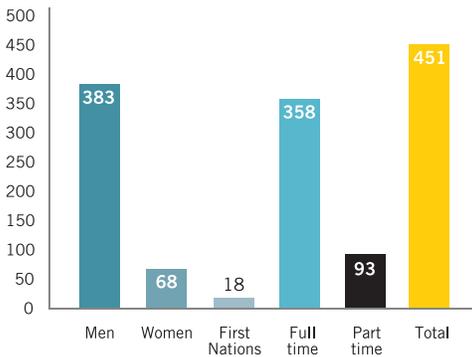




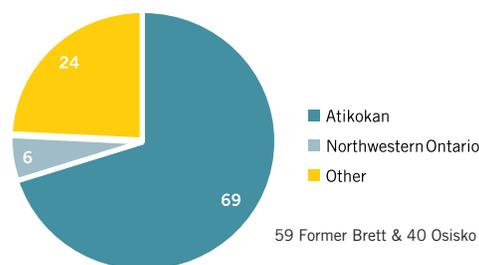
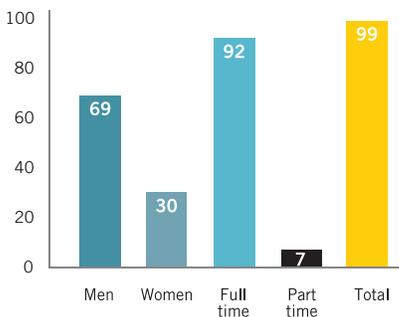
Workforce Composition

As of December 31st, 2010

Canadian Malartic



Hammond Reef



Local Hiring Policy

Through its creation of solid, well-paying jobs, Osisko has become a major contributor to Québec's economy. Our recruiting and training initiatives have the side effect of

maximizing local and regional economic benefits. Wherever possible, we are committed to hiring locally and regionally, even if that means that we need to provide training.

Local Hiring at Canadian Malartic

At our Canadian Malartic mine, 47% of our employees come from the Town of Malartic and 62% are from the Abitibi region. We are proud to be able to offer so much economic opportunity to a community that has been so gracious in hosting our Company.

Training in 2010

In 2010, our employees at Canadian Malartic benefitted from 10,275 hours of training at a cost of \$1,2 M.

Specialized Training

With the goal of promoting continuing education locally and acquiring skilled employees, Osisko facilitated two specialized training programs during 2010 at Canadian Malartic. During the first months of 2010, nine students embarked on a Heavy Machinery Operations course offered jointly by Osisko and the Commission scolaire Harricana. Upon receiving their diplomas from Québec's Ministry of Education, eight students were hired in operations at the Malartic site. From August until December 2010, fifteen Malartic citizens were paid to participate in a Mineral Processing course structured jointly by Osisko and The L'Or-ettes-Bois School Board. Following their successful completion, thirteen of those students were hired to fill various operation jobs at the Canadian Malartic plant and crusher site. These training programs received excellent feedback from the instructors, students, and eventual employee supervisors on site.

Labour Relations Committee

Along with our integrated approach to sustainable development, we believe that

Osisko can also establish "the gold standard" in human resources. Osisko's desire to maintain good employee relations led to the spring 2010 creation of a Labour Relations Committee. Its objectives are to facilitate interaction between management and employees and to efficiently redress employee concerns.

Défi du meilleur employeur au Québec 2010

Osisko's employees have also participated in several confidential job satisfaction surveys, including "Défi du meilleur employeur au Québec 2010," undertaken through the human resources firm Watson Wyatt. For HR, these surveys act as a tool with which to empower and to listen to employees, and to improve sectors that need attention. Our goal is to be continuously recognized for our industry leadership and our focus on employee job satisfaction.

Osisko Employee Appreciation BBQ



On June 23rd in Malartic, and on August 6th in Montreal, Osisko held an Employee Appreciation BBQ. The BBQ was held in order to highlight the participation of Osisko and its employees in the *Défi du Meilleur Employeur 2010* and to celebrate the excellent result achieved. Osisko management donned chef hats and cooked for employees to show their appreciation for the dedication employees have shown all year.



“Pink” Week at Osisko (La Semaine Rose)

On October 29th, 2010, Osisko employees joined forces to support the Canadian Cancer Society by attending a Foreurs de Val-d’Or hockey game at the Centre Air Creebec; for each team goal, \$200 was contributed to the battle against breast cancer. All employees in attendance wore pink to show their support and together raised a total of \$1,358.82 for the cause.

Our Guiding Principles in Dealing with Aboriginal Peoples

- Respect for all Aboriginal peoples;
- A commitment to meeting Canada’s constitutional obligations to consult Aboriginal peoples;
- The development of effective and efficient consultation processes;
- Aboriginal participation in the process of developing the final consultation guidelines.

First Nations Participation at Canadian Malartic

In 2010, Osisko hired 18 First Nations employees. With many First Nations consultation events planned in 2011, we foresee that participation of First Nations peoples will continue to increase even more. Osisko also plans to hire a First Nations Consultant in Malartic to respond to the needs of our First Nations employees.

Spring 2010 Job Fair

We are happy to report that our participation in the spring 2010 job fair at the Algonquin village of Kitigan Zibi Anishinabeg resulted in Osisko hiring our first employee from Kitigan Zibi, plus two more Algonquin employees from Malartic. We are committed to giving these individuals the tools they need to succeed, including French lessons so that they can better interact with other employees.



Cross-cultural Training – Canadian Malartic

In 2010, 17 Algonquin First Nations members received cross-cultural training at the University of Quebec in Abitibi. This training provided these individuals with the necessary language tools to better communicate with their fellow employees and to succeed in their interpersonal relationships at work. The goal was to develop awareness and understanding of the Quebecois cultural framework, and to evaluate and constructively tackle the challenges cross-cultural differences can bring to the workplace.

Local Hiring at Hammond Reef

Of our 99 full- and part-time employees at Hammond Reef, 69.5% are from Atikokan and 6% are from other areas in Northwestern Ontario. As of December 2010, 59 former Brett employees were under payroll alongside 40 new employees who have been hired since our arrival.

Exploration drilling at Hammond Reef has created jobs for local contractors, such as Rainy Lake Tribal Contracting, Eva Lake Mining and Tramin.

We are very proud to be able to contribute the economic vitality of the region!

Job Participation of Aboriginal Peoples – Hammond Reef

With the goal of achieving a constructive, co-operative relationship with the Aboriginal peoples of Ontario – a relationship that is sustained by mutual respect – Osisko hopes that the Hammond Reef Project will create new economic opportunities for Aboriginal Peoples in the region, just as it has in Malartic. In that vein, we plan to set up various initiatives to increase the participation of Aboriginal Peoples in mining, mineral exploration and related activities.



Founded in August 2010, the Corporation Victoire was born out of a social initiative. With sixteen members from diverse backgrounds, the organization is a non-profit that works in partnership with various community stakeholders with the goal of reducing school dropouts in the region of Malartic. The organization’s long-term goal: to diminish the dropout rate by ten percent by 2015. To achieve this, their mission is to valorize, promote and support student retention; commitment, collaboration and leadership are the values that unite these commitments. Osisko is proud to support this initiative by providing various financial- and human resources.



The good practices adopted today by the Health and Safety departments will be perpetuated during the production of the mine.

Safety Milestones 2010

We are continually seeking ways to improve performance in safety to align tactics with corporate sustainability goals. We strive to create a culture of safety at our properties; to that end, our safety performance can be summarized as follows:

Canadian Malartic

2,221,523 man hours in 2010
0 accident with lost time

Hammond Reef

201,006 man hours in Q3 & Q4 2010
Four (4) lost time injuries



“We are proud of our H&S performance and we thank our employees and contractors for their diligence.”

Health and Safety Overview at Canadian Malartic

Osisko established a Health and Safety program to cover all company- and contractors' employees. Regular monitoring of compliance to the program is in force. At the Malartic construction site, some of the distinguishable health and safety features include:

- Four health and safety officers working full-time in order to provide twenty-four hour monitoring and risk management/assessment;
- Two mine operations employees who directly oversee workplace procedures and risk mitigation planning;
- A diligent Health and Safety Committee, who met over twenty times during 2010 in order to address issues such as on-site traffic circulation, and safe work in confined spaces.

With no lost time incidents reported during the past year, we are confident that our practices are paying off! That said, we continue to make H&S a priority and we will continue to aim for an even better performance next year.

Health and Safety at Hammond Reef

Health and safety policies and initiatives are being implemented for the camp and in-town facility, including two emergency Medivac helipads and a new communications radio system for contact between the camp and town. Additionally, employees are receiving extensive H&S training. A monitoring system is being put in place to ensure that our policies are adequate, and an external audit has been held in January 2011.

Our Health and Safety Coordinator at Hammond Reef is responsible for arranging orientation for employees, in addition to being responsible for conducting job site safety compliance inspections with all drill companies and contractors.

Supervisors: Four Modules of Training

At Hammond Reef, we require that all Supervisors undergo four modules of training: Planned Workplace Inspection, Acts and Regulations, Due Diligence and Accident Investigation. Competency in supervision is demonstrated through training, years of experience and management support. We are striving to provide all three competencies in order to enable an excellent Health & Safety record.



A Fresh
Outlook
on Mining.

Head office 1100, av. des Canadiens-de-Montréal, Suite 300, P.O. Box 211, Montreal, Québec, Canada H3B 2S2 | **T** 514.735.7131

Community Centre 864, Royal Street, P.O. Box 2040, Malartic, Québec, Canada J0Y 1Z0 | **T** 819.757.2527

TSX: OSK | Deutsche Boerse: EWX | ir@osisko.com | www.osisko.com