



Management's Discussion and Analysis

For the three-month period ended

March 31, 2011

OSISKO MINING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The following management discussion and analysis ("MD&A") of the consolidated operations and financial position of Osisko Mining Corporation ("Osisko" or the "Company") for the three-month period ended March 31, 2011, should be read in conjunction with the Company's unaudited interim consolidated financial statements for the three-month period ended March 31, 2011 and the Company's audited consolidated financial statements for the year ended December 31, 2010. The consolidated financial statements for the three months ended March 31, 2011 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including comparative figures. The consolidated financial statements for the year ended December 31, 2010 have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The note 6 to the unaudited interim consolidated financial statements presents the IFRS adjustments made to equity and other comprehensive income following the transition to IFRS.

Management is responsible for the preparation of the unaudited interim consolidated financial statements and other financial information relating to the Company included in this report. All monetary amounts included in this report are expressed in Canadian dollars, the Company's reporting currency, unless otherwise noted.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting. In furtherance of the foregoing, the Board has appointed an Audit Committee composed of three directors, who are independent and not members of management. The 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. On the recommendation of the Audit Committee, the Board of Directors has approved the Company's unaudited interim consolidated financial statements for the three-month period ended March 31, 2011.

The information included in this MD&A is as of May 12, 2011.

First Quarter Highlights

- Initiated commissioning of the process plant with ore feed in mid-March;
- First gold poured at Canadian Malartic on April 13, 2011;
- Invested \$80.9 million in the first quarter of 2011 on the Canadian Malartic mine for a total project cost of \$968.8 million as at March 31, 2011. Project is approximately at 98% completion rate;
- Announced a 19.3% increase of proven and probable gold reserves at the Canadian Malartic property to 10.7 million ounces;
- Exercised the buyout option to purchase 50% of the net smelter royalty held over certain claims at the Canadian Malartic property, for US\$1.5 million;
- Government of Quebec issued a new decree to cover the Canadian Malartic operations;
- Continued intensive drilling programs at various Company projects, with main focus on Hammond Reef;
- Incurred a net loss of \$5.3 million compared to a net loss of \$0.6 million in 2010.

Business and Summary of Activities

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

The Company's activities are currently focused in Northern Quebec, Canada, on the commissioning of its flagship Canadian Malartic mine, which currently has an estimated 10.71 million ounces in proven and probable reserves. The Company holds 230 km² of prospective land in the prolific gold area located within the Malartic-Cadillac area. Quebec is recognized as one of the most advantageous places in the world to conduct mineral activity based on government's support for the industry, the province's favourable tax regime, political stability, electrical power infrastructure and availability of skilled workforce. The Canadian Malartic Project is easily accessible by road, being located near a major highway, and is also serviced by a railway. The greater Malartic area produced some 8.7 million ounces of gold during the period from 1935 to 1983.

The Company acquired in 2010 the Hammond Reef Gold Project, located near Atikokan in Northwestern Ontario, through the acquisition of Brett Resources Inc., which was renamed to Osisko Hammond Reef Gold Ltd.

The Company has applied IFRS effective January 1, 2011 and is reporting its results for the first quarter of 2011 in accordance with IFRS.

Canadian Malartic Project

On November 25, 2008, the Company tabled a positive Feasibility Study (the "Study") for its 100% owned Canadian Malartic Project (the "Project") located in Malartic, Quebec. The Study was compiled based on the proven and probable ore reserves known at the time of 183.3 million tonnes at 1.07 g/t Au (based on 0.36 g/t Au cut-off), for an estimated 6.3 million ounces of gold contained. The study included modeling of an optimized engineered pit using a base case gold price of US\$775 per ounce.

Since then, the Company has been working on advancing the construction of the mine with \$968.8 million spent to date and \$15.6 million committed. The total project cost is forecasted at \$980.9 million, representing a 5% overrun of \$50.0 million.

The Company successfully proceeded with its first gold pour on April 13 and completed its first gold sale on May 4, 2011. Production is ramping up and commercial production is expected to be reached in the second quarter of 2011.

Reserves and Mine Plan

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. On March 31, 2011, Osisko issued an updated ore reserve estimate of 10.71 million ounces at Canadian Malartic. The new proven and probable reserves are 19.3% or 1.74 million ounces higher than the February 2010 update. The new reserve base is calculated at \$1,000 per ounce of gold, which is approximately 33% lower than the current market price. The growth in reserves since the issuance of the feasibility is approximately 70% (of which 13% is related to the increase in the gold price used and 57% relates to the increase in resources) and mine life has been extended to 16 years.

Ongoing drilling continued to define new mineralization in areas such as the Jeffrey and Western Porphyry Zones, which have not been included in the latest reserve update.

The table below shows the new reserve and resource statement for the Canadian Malartic Project:

Reserve and resource estimates using base case US\$1000 engineered pit shell with 0.30 g/t Au (South Barnat) to 0.32 g/t Au (Canadian Malartic) lower cut-off grade

| Category | Tonnes (M) | Grade (g/t Au) | Au (M oz) |
|---------------------------------------|-------------------|-----------------------|------------------|
| Proven Reserves | 48.7 | 0.80 | 1.26 |
| Probable Reserves | 295.0 | 1.00 | 9.45 |
| Proven & Probable Reserves | 343.7 | 0.97 | 10.71 |
| Out-of-pit Indicated Resources | 47.6 | 0.77 | 1.18 |
| Global Inferred Resources | 33.9 | 0.78 | 0.85 |

A revised mine plan was published in April 2011, which includes the following key highlights:

- Recoverable gold has increased by 1.46 million ounces to 9.18 million ounces (at 85.8% recovery) from the previous disclosed figure of 7.72 million ounces (at 86.1% recovery);
- Mine life has increased 31% or 3.8 years to 16.0 years, based on a 55,000 tonnes per day milling rate that will increase to 60,000 tonnes per day in mid-2012;
- Average of 625,000 ounces per year gold production during the first full five years (2012-2016);
- Average of 574,000 ounces per year gold production during the 16-year mine life.

The updated summary of the annual mine production plan at an average of 55,000 to 60,000 tonnes per day (“TPD”) is as follows:

New Annual Mine Production Estimates based on 55,000 TPD to 60,000 TPD Mill Rate

| Period | Ore Mined (000 t) | Waste Mined (000 t) | Strip Ratio | Mill Feed* (000 t) | Grade (g/t Au) | Processed Gold (oz) | Recovery (%) | Recovered Gold (oz) |
|-------------------|-------------------|---------------------|-------------|--------------------|----------------|---------------------|--------------|---------------------|
| 2011 | 11,676 | 27,592 | 2.36 | 13,305 | 0.99 | 423,703 | 84.8 | 359,477 |
| 2012 | 29,494 | 63,649 | 2.16 | 21,050 | 1.15 | 778,379 | 85.1 | 662,137 |
| 2013 | 27,853 | 65,214 | 2.34 | 21,900 | 1.06 | 749,025 | 84.4 | 632,357 |
| 2014 | 26,134 | 56,394 | 2.16 | 21,900 | 1.01 | 707,738 | 83.9 | 593,953 |
| 2015 | 21,793 | 58,021 | 2.66 | 21,900 | 1.01 | 712,033 | 85.4 | 608,378 |
| 2016 | 18,498 | 60,913 | 3.29 | 21,900 | 1.02 | 718,105 | 87.6 | 628,725 |
| 2017 | 23,699 | 55,873 | 2.36 | 21,900 | 0.97 | 682,535 | 85.2 | 581,822 |
| 2018 | 21,843 | 57,507 | 2.63 | 21,900 | 1.03 | 724,880 | 87.5 | 634,386 |
| 2019 | 18,739 | 60,881 | 3.25 | 21,900 | 0.97 | 685,867 | 88.3 | 605,948 |
| 2020 | 19,787 | 60,079 | 3.04 | 21,900 | 0.90 | 632,701 | 87.0 | 550,677 |
| 2021 | 20,331 | 59,391 | 2.92 | 21,900 | 0.91 | 643,088 | 87.3 | 561,212 |
| 2022 | 21,704 | 58,157 | 2.68 | 21,900 | 0.65 | 460,168 | 83.5 | 384,441 |
| 2023 | 18,713 | 39,188 | 2.09 | 21,900 | 0.96 | 675,349 | 87.2 | 588,972 |
| 2024 | 21,473 | 28,816 | 1.34 | 21,900 | 0.96 | 678,610 | 86.1 | 584,183 |
| 2025 | 21,154 | 14,430 | 0.68 | 21,900 | 0.96 | 673,329 | 84.7 | 569,977 |
| 2026 | 18,146 | 10,676 | 0.59 | 21,900 | 0.99 | 697,368 | 84.0 | 585,675 |
| 2027 | 569 | 182 | 0.32 | 2,736 | 0.71 | 62,550 | 82.3 | 51,502 |
| Total/avg. | 341,606 | 776,963 | 2.27 | 343,691 | 0.97 | 10,705,428 | 85.8 | 9,183,822 |

*Mill feed in a given year may include stockpiled ore.

The expansion of the pit will require the relocation of a highway. The Company has been in discussions with representatives of the Town of Malartic and the Quebec Government to confirm the routing and the design of the highway.

The Company’s technical group has initiated optimization and expansion studies to increase the throughput of the Canadian Malartic processing plant. The studies aim to maximize shareholder returns by increasing gold output and reducing cash operating costs.

In March 2011, the Company exercised its right to buy back 50% of a royalty on certain Canadian Malartic claims for US\$1.5 million. The buy-out had been planned in the feasibility study.

Construction, development and mining operations

The construction and development group focused its efforts during the first quarter of 2011 on the following two major items:

- Mining pre-production activities; and
- Process plant final construction work.

As at March 31, 2011, some 17.2 million tonnes of material have been excavated from various mining areas, including 2.1 million tonnes of ore which has been stockpiled.

Total direct investment during the quarter amounted to \$80.9 million. Approximately 105 employees were hired at the Canadian Malartic Project during the first quarter of 2011 for a total of 485 employees.

In February, mining operations were stopped at night due to noise level issues. Production and mine development were negatively affected by this interruption. The following actions were taken to lower the noise level:

- All mobile equipments utilized in the mine were equipped with white noise type backup alarm as well as blue strobe light utilized at night in replacement of the backup alarm;
- Extra quiet retrofit kits were installed on the Caterpillar 793F haul trucks;
- Rubber liners for the Caterpillar 793F haul trucks were ordered to reduce the level of noise when the first bucket is loaded in the truck box;
- Two new wheel dozers were ordered and are expected to be received in August 2011 to replace the one currently used, which will also reduce the noise level at night;
- Several other projects are also implemented on our drill fleet to reduce noise levels.

A number of residents located near the green wall have expressed their interest to sell their home or be relocated. The Company has agreed to accommodate the individuals and has embarked on various initiatives, including the construction of rental units. It is anticipated that these initiatives will increase the buffer zone and provide access to additional gold resources, which are currently included in the inferred category. To date, 25 houses were acquired. The Company intends to develop a park in the area of the acquired homes for the benefit of the residents of Malartic.

On March 31, 2011, the final permit to operate the mine was received.

The Government of Quebec has also issued a modified decree on April 13, 2011, which increases the noise parameters under which the mine can operate.

During the quarter, the Company received seven notices of violation, mainly due to exceeding authorized noise levels.

Commissioning

Following the completion of the construction plant and initial testing phase, the Company initiated the commissioning phase. Following plant testing with water and waste charges, ore was introduced in the mill at the end of February 2011. The Company poured its first doré bar on April 13, 2011, within just six years after the initiation of the drill program in March 2005. The commissioning phase consists of building throughput at the plant up to the 55,000 tonnes per day

design concept, maximizing gold recovery and subsequently focusing on optimization of gold margin.

The Company anticipates reaching commercial production (defined as 60% of designed throughput capacity over a 30-day period) during the second quarter. Plant operation at full capacity is expected in the third quarter.

During April, some 465,000 tonnes of ore were processed, approximately 15,500 tonnes per day for a gold production of 3,500 ounces. The commissioning program includes several normal production shutdowns to allow for the equipment modifications and verifications.

The Company is continuing to progress in its mill running program.

Community Relations

The Company continues to maintain a strong community relations program based on effective communication and support for local initiatives. The revitalized Canadian Malartic Monitoring Group has held a number of meetings and the Company is looking forward to a positive working relationship with the new group members.

The opening ceremonies for Canadian Malartic are scheduled for May 30, 2011. As part of the celebration, the Company has scheduled an open house visit to the site for the residents of the surrounding communities, and has sponsored two representations of a major Quebec folk opera production "Les filles de Caleb". Other festivities will focus on Malartic's rich gold mining history, which has been renewed with the Canadian Malartic Project.

Hammond Reef Gold Project

Hammond Reef is a large and growing development project with potential to become a substantial open-pit mine. Hammond Reef currently hosts a National Instrument 43-101 – *Standards for Disclosure for Mineral Projects* ("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.

A Preliminary Assessment Study (the "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). Using a gold price of US\$990 per ounce the Study shows that Hammond Reef has an after-tax net present value of US\$811 million (using a 5% discount rate) and an internal rate of return of 22.9%.

In addition to the current resource, Hammond Reef offers exciting exploration potential as recent drilling confirmed continuity of mineralization along strike two kilometres northeast of the existing resource. Brett has also identified several parallel structures in the project area that host mineralization similar to the main body.

During the quarter, several public presentations were held mainly with the First Nations and the Atikokan Town Council. A sustainable development manager was also hired for Ontario and will be in charge of the permitting follow-up.

The Company was notified on April 28, 2011 by the Canadian Environmental Assessment Agency of the beginning of a 90-day pre-environmental assessment planning period to determine if a comprehensive study should be commenced. This represents a key milestone in the project permitting process.

Corporate Development

The Company is continuing to seek and evaluate other opportunities to build on its reserve and resource base throughout the Americas. As part of these activities, Osisko acquires and sells certain investments in publicly traded emerging exploration companies. These investments are subject to variation in market value.

During the current quarter, the Company acquired \$1.4 million of securities (including securities received for a fair value of \$0.5 million for the sale of a mining property in 2010) and divested holding for proceeds of \$9.6 million. The unrealized gain on investments for the fair value adjustments recorded on the statement of operations was \$0.6 million, net of a pre-tax gain on sale of securities of \$4.3 million. The pre-tax mark-to-market gain booked to other comprehensive income amounted to \$1.1 million.

Exploration Summary

The Company continues to pursue the discovery of additional ounces to add to its current reserve and resource base, thereby creating value for its shareholders.

Drilling during the first quarter of 2011 has been concentrated on the delineation of the Hammond Reef deposit and the search for new deposits adjacent to identified deposits and extensions to the Canadian Malartic reserves and resources. Approximately 74,874 metres were drilled and are summarized as follows:

| | First Quarter 2011 | |
|-----------------------|--------------------|---------------|
| | No. Holes | Metres |
| Canadian Malartic | - | - |
| South Barnat | 23 | 4,745 |
| Malartic Geotechnical | 7 | 1,655 |
| Malartic CHL | 10 | 1,762 |
| Gouldie | 4 | 608 |
| Western Porphyry | 40 | 9,687 |
| Total Malartic | 84 | 18,457 |
| Hammond Reef | 180 | 56,417 |
| Total Osisko | 264 | 74,874 |

The following table outlines the total exploration and evaluation expenditures made during the quarter, by property, as well as the cumulative investments in each property as at March 31, 2011:

| | Investments in Q1-2011 | Cumulative investments as at March 31, 2011 |
|-----------------------------|-----------------------------------|--|
| | \$ | \$ |
| Canadian Malartic | 1,466,000 | 82,633,000 |
| Hammond Reef ⁽¹⁾ | 13,809,000 | 415,286,000 |
| South Barnat | 5,913,000 | 36,423,000 |
| East Amphi | 668,000 | 11,271,000 |
| Malartic CHL | 398,000 | 4,701,000 |
| Duparquet | 363,000 | 10,591,000 |
| Cadillac | - | 686,000 |
| Dunn | - | 368,000 |
| Mountjoy | 41,000 | 352,000 |
| Goldboro | 5,000 | 2,928,000 |
| Others | 349,000 | 349,000 |
| Total | 23,012,000 | 565,588,000 |

(1) Cumulative amounts include acquisition costs.

The Company continues to seek exploration opportunities within the Americas.

Update on Gold Markets and the Canadian Dollar

Gold prices continued to progress during the quarter to reach new records and passed the US\$1,500 per ounce threshold in April 2011. Concerns over the U.S. debt situation, European debt and political turmoil in the Middle East were the main drivers. Gold traded between US\$1,319 and US\$1,447 (average of US\$1,386) during the quarter. The continued favourable gold markets are positive for the Company as they provide for higher margins as the Company reaches commercial production.

The U.S. dollar continued to weaken against world currencies, including the Canadian dollar which is now trading above parity.

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):

| | 2011 | 2010 | | | | 2009 | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------------|---------|---------|
| | (IFRS) | (IFRS) | | | | (Canadian GAAP) | | |
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash ⁽¹⁾ | 254,442 | 397,939 | 449,215 | 580,893 | 670,593 | 790,187 | 454,136 | 399,438 |
| Working Capital | 180,678 | 282,931 | 385,047 | 560,946 | 638,032 | 760,400 | 427,515 | 369,612 |
| Total Assets | 1,932,692 | 1,958,884 | 1,812,654 | 1,703,882 | 1,361,371 | 1,338,773 | 878,803 | 740,232 |
| Total Debt | 288,338 | 287,886 | 209,284 | 191,346 | 183,946 | 180,069 | 25,729 | 26,078 |
| Shareholders' Equity | 1,594,016 | 1,593,985 | 1,543,996 | 1,457,921 | 1,121,134 | 1,112,302 | 809,734 | 665,456 |
| Profit (Loss) attributable to Osisko shareholders | (5,281) | 3,078 | (10,230) | (10,123) | (551) | (8,384) | (5,747) | (5,816) |
| Profit (Loss) per Share | (0.01) | 0.01 | (0.03) | (0.03) | 0.00 | (0.03) | (0.02) | (0.02) |
| Weighted Average Shares Outstanding (000's) | | | | | | | | |
| - Basic | 381,902 | 381,053 | 374,851 | 348,278 | 336,372 | 309,989 | 269,216 | 259,149 |
| - Diluted | 381,902 | 381,053 | 374,851 | 348,278 | 336,372 | 309,989 | 269,216 | 259,149 |
| Share Price (\$/Share) | | | | | | | | |
| - High | 14.71 | 16.39 | 15.13 | 12.45 | 9.23 | 9.06 | 9.24 | 7.55 |
| - Low | 12.07 | 13.51 | 10.47 | 8.81 | 7.80 | 6.90 | 6.14 | 4.91 |
| - Close | 13.96 | 14.52 | 14.65 | 11.48 | 8.85 | 8.46 | 7.96 | 6.55 |
| Price of Gold (average US\$) | 1,386 | 1,367 | 1,227 | 1,197 | 1,109 | 1,102 | 960 | 922 |
| Closing Exchange Rate ⁽²⁾ (US\$/Can\$) | 0.9718 | 0.9946 | 1.0298 | 1.0606 | 1.0156 | 1.0466 | 1.0722 | 1.1625 |

(1) Includes cash and cash equivalents, restricted cash, short-term investments and cash collateral investments.

(2) Bank of Canada Noon Rate

Statement of Operations

The Company is currently in the commissioning stage and thus did not generate any revenue during the first quarter of 2011 except for interest income on cash resources. During the quarter, Osisko incurred a loss of \$5.3 million (loss per share of \$0.01) compared to a loss of \$0.6 million (loss per share of \$0.00) in 2010.

During the first quarter of 2011, the Company incurred a higher loss compared to 2010 by \$4.7 million mainly as a result of higher operating expenses (increase of \$2.9 million) and a lower foreign exchange gain (decrease of \$1.8 million).

Summary of the results for the three months ended March 31, 2011 and 2010 are as follows:

| (In thousands of dollars) | | 2011 | 2010 | Variance (\$) | Variance (%) ^(*) |
|---------------------------------------|-----|-----------------------|---------------------|------------------|--------------------------------|
| General and administrative | (a) | 5,968 | 4,547 | 1,421 | 31% |
| Exploration and corporate development | (b) | 1,349 | 361 | 988 | 274% |
| Other expenses | (c) | 485 | - | 485 | N/A |
| Operating loss | | (7,802) | (4,908) | | |
| Interest income | (d) | 909 | 649 | 260 | 40% |
| Foreign exchange gain | (e) | 1,048 | 2,895 | (1,847) | (64% |
| Share of loss of associate | | (106) | (198) | 92 | 46% |
| Other gains | (f) | 1,100 | 722 | 378 | 52% |
| Loss before income taxes | | (4,851) | (840) | | |
| Income tax recovery (expense) | (g) | (430) | 289 | (719) | (249%) |
| Loss | | <u>(5,281)</u> | <u>(551)</u> | | |

(*) N/A represents not applicable for variance in percentage that are not meaningful

(a) The 31% increase in general and administrative expenses is due to the increase in personnel hired to support the growth of the Company and to move from a development stage to a production stage company.

(b) Exploration and corporate development expenses increased by \$1.0 million in the first quarter of 2011 compared to 2010 as the Company continues to pursue growth of its reserve and resource base.

(c) Other expenses represent a write-off of assets on an exploration asset.

- (d) Interest income increased during the current quarter as interest rates have been slightly higher compared to last year.
- (e) During the past two years, the Canadian dollar strengthened when compared to the US dollar. As at March 31, 2011, the US to Canadian dollar exchange rate was 0.9718 compared to 0.9946 as at December 31, 2010. As at March 31, 2010, the exchange rate was 1.0156 compared to 1.0466 as at December 31, 2009.
- In 2011 and 2010, the increase in value of the Canadian dollar resulted in a net gain on foreign exchange mainly generated on the long-term debt denominated in US dollars.
- (f) Other gains and losses include mainly gains on marketable securities.
- (g) The realized gain on the sale of marketable securities resulted in an income tax expense during the first quarter of 2011.

Liquidity and Capital Resources

As at March 31, 2011, the Company's cash and cash equivalents, short-term investments and restricted cash amounted to \$254.4 million compared to \$397.9 million as at December 31, 2010, as summarized below:

| (In thousands of dollars) | March 31, 2011 | December 31, 2010 |
|---------------------------|-----------------------|-----------------------|
| Cash and cash equivalents | 222,996 | 358,493 |
| Short-term investments | 9,119 | 17,068 |
| Restricted cash | | |
| Current | 8,265 | 11,176 |
| Non-current | 14,062 | 11,202 |
| | <u>254,442</u> | <u>397,939</u> |

As at March 31, 2011, the majority of the restricted cash is pledged as security against a letter of credit issued to Hydro-Québec for the installation of a new electrical transmission line for the Project, which was completed in 2010. Amounts were also given as a guarantee for the completion of the relocation program of the southern neighborhood of the Town of Malartic and as a security against a letter of credit issued as a deposit for mobile equipment purchases.

As at March 31, 2011, the short-term investments are liquidities held at major Canadian banks with an original term of greater than three months until maturity.

As the Company has yet to generate operating cash flows, Osisko relies on raising capital through equity and debt to fund the exploration, development and corporate administrative activities. The Company maintains an active investor relations program to gain access to capital markets through:

- Presentations to current and prospective shareholders;
- Participation in institutional and retail mining investment conferences;
- Corporate advertising in print and electronic media.

The Company believes that a strong program, positive exploration results and favourable general market conditions reduce its cost of capital.

The following table summarizes the financings completed in 2010 and 2011:

| | | No of Shares/ Units | Price (\$) | Gross Proceeds (000's) | Net Cash Proceeds (000's) |
|---|-----|------------------------|---------------|------------------------------|---------------------------------|
| 2011 | | | | | |
| Exercise of Options | (c) | 220,154 | 6.62 | 1,456 | 1,456 |
| Employee Share Purchase Plan – Employee Portion | | 16,852 | 15.11 | 254 | 254 |
| Total | | 237,006 | | 1,710 | 1,710 |
| 2010 | | | | | |
| Private Placement – Flow-through Shares – October 2010 | (a) | 982,827 | 17.50 | 17,199 | 16,904 |
| Sub-total | | 982,827 | | 17,199 | 16,904 |
| Exercise of Warrants | (b) | 1,100,000 | 7.46 | 8,206 | 8,206 |
| Exercise of Options | (c) | 3,650,556 | 4.32 | 15,784 | 15,784 |
| Employee Share Purchase Plan – Employee Portion | | 49,057 | 10.69 | 524 | 524 |
| Total | | 5,782,440 | | 41,713 | 41,418 |

(a) In 2010, the Company completed a private placement of 982,827 flow-through shares at a price of \$17.50 per share for gross proceeds of \$17.2 million.

(b) During the year 2010, the Company received \$8.2 million from the exercise of 1,100,000 warrants.

(c) During the first quarter of 2011, the Company received \$1,456,000 million from the exercise of 220,154 share options, including 14,322 share options issued in replacement of Brett share options for gross proceeds of \$94,000. During the year 2010, the Company received \$15.8 million from the exercise of 3,650,556 share options, including 1,830,054 share options issued in replacement of Brett share options for gross proceeds of \$6.7 million.

The Company has also negotiated credit facilities and long-term debts during the past two years to fund the development of the Canadian Malartic Project.

The amount of principal of long-term debt payments per calendar year is as follows:

| (In millions of dollars) | CPPIB | SGF⁽¹⁾ | Fonds | CAT |
|--------------------------|--------------|--------------------------|--------------|-------------|
| 2011 (9 months) | 60.0 | - | 3.3 | 7.5 |
| 2012 | 60.0 | - | 5.0 | 14.4 |
| 2013 | 30.0 | - | 5.0 | 15.1 |
| 2014 | - | 75.0 | 5.0 | 13.6 |
| 2015 | - | - | 1.7 | 18.4 |
| 2016 | - | - | - | 1.7 |
| Less: Imputed interest | - | - | - | (5.7) |
| | 150.0 | 75.0 | 20.0 | 65.0 |

⁽¹⁾ If SGF does not exercise its option to convert the debenture into shares.

Cash Flows

Operating Activities

The cash flow shortfall from operating activities amounted to \$20.6 million during the current quarter compared to \$2.9 million in 2010. The shortfall is mainly attributable to the net loss and a negative change in non-cash working capital of \$15.7 million. During the three months ended March 31, 2011, accounts receivable increased by \$13.9 million due to higher sales tax receivable.

Investing Activities

The investing activities of the Company for the three months ended March 31, 2011 and 2010 are summarized as follows:

| (In thousands of dollars) | 2011 | 2010 |
|---|----------------|---------------|
| Property, plant and equipment | 133,770 | 90,910 |
| Net changes in short-term investments | (7,949) | (11,471) |
| Net changes in restricted cash accounts | (51) | (665) |
| Net changes in cash collateral accounts | - | (1,922) |
| Investments | 899 | 24,447 |
| Proceeds on disposal of investments | (9,611) | (3,891) |
| Interest income | (973) | (654) |
| Net cash used in investing | 116,085 | 96,754 |

The Company's investments in property, plant and equipment are concentrated on the development of the Canadian Malartic Project and on exploration costs on various prospective properties.

The investments are held in publicly traded companies.

Financing Activities

During the first quarter of 2011, cash generated from financing activities amounted to \$1.1 million compared to cash used of \$5.9 million in the first quarter of 2010.

Payments on finance leases amounted to \$0.5 million in 2011 compared to \$6.4 million in 2010, as the Company made advances in 2010 to cover payments up to the commercial production of the Project, which in return reduced interest charges.

The exercise of share options during the first quarter of 2011 generated cash inflows of \$1.7 million compared to \$0.4 million in the corresponding period of 2010.

Related Party Transactions

The compensation paid or payable to key management (includes directors and senior executives) for employee services is presented below:

| | Three months ended March 31 | |
|---|------------------------------------|--------------|
| | 2011 | 2010 |
| | \$ | \$ |
| Salaries and short-term employee benefits | 650 | 625 |
| Post-employment benefits | - | - |
| Other long-term benefits | - | - |
| Share-based payments | 1,613 | 1,179 |
| Termination benefits | - | - |
| | 2,263 | 1,804 |

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that effect amounts reported in the financial statements and accompanying notes. There is a full disclosure and description of the Corporation's critical accounting policies in the interim consolidated financial statements for the three months ended March 31, 2011. A disclosure and description of the critical accounting estimates can be found in the 2010 annual report as there were no significant changes in those critical accounting estimates during the first quarter of 2011.

Conversion to International Financial Reporting Standards

In February 2008, the Accounting Standards Board announced that the accounting framework under which the financial statements are prepared for all publicly accountable companies will be replaced by International Financial Reporting Standards starting January 2011. The first set of yearly financial statements under IFRS will be for the year ending December 31, 2011, including comparative information for the year ending December 31, 2010.

The Company prepared its opening balance sheet in accordance with IFRS 1, *First-time Adoption of International Financial Reporting Standards*, as at January 1, 2010, and made the required adjustments to the results for the three months ended March 31, 2010 and the year ended December 31, 2010. The interim consolidated financial statements for the three months ended March 31, 2011 are incorporated by reference in this MD&A and present information relating to the impact of the transition to IFRS, including a complete set of its significant accounting policies. Disclosure requirements under IFRS are significantly greater than those that were required under former Canadian GAAP. As a result, management decided to include its full accounting policies in its first IFRS interim consolidated financial statements to ensure a clear understanding by the readers of the detailed policies.

IFRS 1, *First Time Adoption of IFRS*, offers the possibility to utilize certain exemptions from full retrospective application of IFRS. The Company evaluated the options available and elected to adopt the transition exemption on borrowing costs. This exemption allows the Company to adopt IAS 23, *Borrowing Costs*, prospectively from any date no later than January 1, 2010. The Company has elected January 1, 2010 as transition date to prospectively adopt IAS 23.

The most significant adjustments on the balance sheet as at December 31, 2010 and for the year then ended were the result of differences in the accounting treatment of an acquisition of assets (in the case of Osisko, the acquisition of Brett Resources), impacting both the value of the acquired assets and the deferred tax recognized on the acquisition. Adjustments were also required on the accounting treatment of the flow-through shares, of the warrants held in an associate and of the tax impact on the convertible debenture. Those adjustments also had an impact on the statement of income, but did not have a significant impact on the financial performance of the Company.

The transition from Canadian GAAP to IFRS had no significant impact on the statement of cash flows, except that, under IFRS, cash flows related to interest are classified in a consistent manner as operating, investing or financing activities each period. Under Canadian GAAP, cash flows related to interest received or paid were classified as operating activities.

The reconciliation of equity and comprehensive income as previously reported under Canadian GAAP to IFRS are presented in the next pages.

Reconciliation of equity

| Note | December 31, 2010 | | | March 31, 2010 | | | January 1, 2010 | | |
|---|-------------------|------------------|------------------|------------------|--------------|------------------|------------------|--------------|------------------|
| | Canadian GAAP | Adj. | IFRS | Canadian GAAP | Adj. | IFRS | Canadian GAAP | Adj. | IFRS |
| Assets | | | | | | | | | |
| Current assets | | | | | | | | | |
| Cash and cash equivalents | 358,493 | - | 358,493 | 568,270 | - | 568,270 | 673,777 | - | 673,777 |
| Short-term investments | 17,068 | - | 17,068 | 72,593 | - | 72,593 | 84,064 | - | 84,064 |
| Restricted cash | 11,176 | - | 11,176 | 10,095 | - | 10,095 | 10,760 | - | 10,760 |
| Cash collateral investments | - | - | - | 3,501 | - | 3,501 | 5,452 | - | 5,452 |
| Accounts receivable | (i) 32,789 | (2,058) | 30,731 | 39,628 | (8,027) | 31,601 | 37,759 | (7,610) | 30,149 |
| Mining taxes receivable | (i) - | 2,058 | 2,058 | - | 8,027 | 8,027 | - | 7,610 | 7,610 |
| Other current assets | 7,329 | - | 7,329 | 1,527 | - | 1,527 | 790 | - | 790 |
| | <u>426,855</u> | <u>-</u> | <u>426,855</u> | <u>695,614</u> | <u>-</u> | <u>695,614</u> | <u>812,602</u> | <u>-</u> | <u>812,602</u> |
| Non-current assets | | | | | | | | | |
| Restricted cash | 11,202 | - | 11,202 | 16,134 | - | 16,134 | 16,134 | - | 16,134 |
| Investment in an associate | (ii) - | 2,158 | 2,158 | - | 2,604 | 2,604 | - | 2,802 | 2,802 |
| Other investments | (ii) 38,527 | (2,158) | 40,851 | 28,245 | (2,604) | 29,406 | 5,732 | (2,802) | 6,919 |
| | (iii) - | 4,482 | - | - | 3,765 | - | - | 3,989 | - |
| Property, plant and equipment | (iv) 1,587,682 | (109,864) | 1,477,818 | 617,613 | - | 617,613 | 504,305 | - | 504,305 |
| | <u>2,064,266</u> | <u>(105,382)</u> | <u>1,958,884</u> | <u>1,357,606</u> | <u>3,765</u> | <u>1,361,371</u> | <u>1,338,773</u> | <u>3,989</u> | <u>1,342,762</u> |
| Liabilities | | | | | | | | | |
| Current liabilities | | | | | | | | | |
| Accounts payable and accrued liabilities | (v) 73,311 | 208 | 73,519 | 55,930 | - | 55,930 | 46,047 | 949 | 46,996 |
| Current portion of long-term debt | 70,405 | - | 70,405 | 1,652 | - | 1,652 | 6,155 | - | 6,155 |
| | <u>143,716</u> | <u>208</u> | <u>143,924</u> | <u>57,582</u> | <u>-</u> | <u>57,582</u> | <u>52,202</u> | <u>949</u> | <u>53,151</u> |
| Non-current liabilities | | | | | | | | | |
| Long-term debt | 217,481 | - | 217,481 | 182,294 | - | 182,294 | 173,914 | - | 173,914 |
| Deferred tax liabilities | (iv) 111,294 | (111,294) | - | - | - | - | - | - | - |
| Provisions | 3,494 | - | 3,494 | 361 | - | 361 | 355 | - | 355 |
| | <u>475,985</u> | <u>(111,086)</u> | <u>364,899</u> | <u>240,237</u> | <u>-</u> | <u>240,237</u> | <u>226,471</u> | <u>949</u> | <u>227,420</u> |
| Equity attributable to Osisko shareholders | | | | | | | | | |
| Share capital | (iv) 1,574,257 | 37,118 | 1,606,051 | 1,115,603 | - | 1,113,286 | 1,116,229 | - | 1,111,326 |
| | (v) - | (5,324) | - | - | (2,317) | - | - | (4,903) | - |
| Warrants | 13,166 | - | 13,166 | 5,871 | - | 5,871 | 5,871 | - | 5,871 |
| Contributed surplus | 43,390 | - | 43,390 | 26,787 | - | 26,787 | 24,272 | - | 24,272 |
| Equity component of convertible debenture | (vi) 11,036 | (3,031) | 8,005 | 11,036 | (3,031) | 8,005 | 11,036 | (3,031) | 8,005 |
| Accumulated other comprehensive income | 11,019 | - | 11,019 | 1,868 | - | 1,868 | - | - | - |
| Deficit | (iii) (64,587) | 4,482 | (87,646) | (43,796) | 3,765 | (34,683) | (45,106) | 3,989 | (34,132) |
| | (iv) - | (35,688) | - | - | - | - | - | - | - |
| | (v) - | 5,116 | - | - | 2,317 | - | - | 3,954 | - |
| | (vi) - | 3,031 | - | - | 3,031 | - | - | 3,031 | - |
| | <u>1,588,281</u> | <u>5,704</u> | <u>1,593,985</u> | <u>1,117,369</u> | <u>3,765</u> | <u>1,121,134</u> | <u>1,112,302</u> | <u>3,040</u> | <u>1,115,342</u> |
| | <u>2,064,266</u> | <u>(105,382)</u> | <u>1,958,884</u> | <u>1,357,606</u> | <u>3,765</u> | <u>1,361,371</u> | <u>1,338,773</u> | <u>3,989</u> | <u>1,342,762</u> |

Reconciliation of comprehensive income

| | Year ended December 31, 2010 | | | Three months ended March 31, 2010 | | | |
|--|---------------------------------|---------------------|---------|--------------------------------------|---------------------|---------|---------|
| | Note | Cdn | Adj. | IFRS | Cdn | Adj. | IFRS |
| | | GAAP ⁽¹⁾ | | | GAAP ⁽¹⁾ | | |
| Expenses | | | | | | | |
| General and administrative expenses | | 31,955 | - | 31,955 | 4,547 | - | 4,547 |
| Exploration and corporate development | | 2,473 | - | 2,473 | 361 | - | 361 |
| Other expenses | | 240 | - | 240 | - | - | - |
| Operating loss | | (34,668) | - | (34,668) | (4,908) | - | (4,908) |
| Interest income | | 3,363 | - | 3,363 | 649 | - | 649 |
| Foreign exchange gain | | 2,751 | - | 2,751 | 2,895 | - | 2,895 |
| Share of equity investee loss | | (644) | - | (644) | (198) | - | (198) |
| Other gains (losses) | (iii) | 5,431 | 493 | 9,672 | (3) | (224) | 722 |
| | (v) | | 3,748 | | | 949 | |
| Loss before income taxes | | (23,767) | 4,241 | (19,526) | (1,565) | 725 | (840) |
| Income tax recovery (expense) | (v) | 4,286 | (2,586) | 1,700 | 2,875 | (2,586) | 289 |
| Profit (loss) attributable to Osisko shareholders | | (19,481) | 1,655 | (17,826) | 1,310 | (1,861) | (551) |
| Other comprehensive income | | | | | | | |
| Net gain on available-for-sale financial assets, net of deferred income taxes of \$1,800,000 and \$290,000 | | 10,349 | - | 10,349 | 1,868 | - | 1,868 |
| Net realized loss on available-for-sale financial assets, net of deferred income tax recovery of \$100,000 | | 670 | - | 670 | - | - | - |
| Total comprehensive income (loss) | | (8,462) | 1,655 | (6,807) | 3,178 | (1,861) | 1,317 |
| Profit (loss) per share | | | | | | | |
| Basic and diluted | | (0.05) | - | (0.05) | 0.00 | - | 0.00 |

(1) Certain Canadian GAAP figures have been reclassified to conform with the Company's IFRS financial statement presentation (note vii).

Explanatory notes

- (i) Under IFRS (IAS 1, *Presentation of Financial Statements*), income and mining taxes receivable or payable must be presented on a specific heading on the balance sheet while under Canadian GAAP, they were included within *accounts receivable* or *accounts payable and accrued liabilities*.
- (ii) Under IFRS (IAS 1), investments in associates must be presented on a specific heading on the balance sheet while under Canadian GAAP, all investments were presented under the same heading. As a result, the Company now presents its investment in Bowmore Exploration Limited under *investment in an associate*. Investments other than in associates are presented under *other investments*.
- (iii) Under Canadian GAAP, the warrants held by the Company in an associate were considered to form part of the investment in such associate and, accordingly, were not recorded at fair value. Under IFRS (IAS 39), these warrants are considered stand-alone derivative financial instruments and are recorded at fair value with subsequent changes herein recorded in the statement of income. As a result, the Company increased its other investments and decreased its deficit at the transition date (January 1, 2010) by \$3,989,000 and adjusted its other gains or (losses) on the statement of income by \$493,000 for the year ended December 31, 2010 and by (\$224,000) for the three months ended March 31, 2010.

(iv) In 2010, the Company acquired 100% ownership of Brett Resources in two stages. The transaction was accounted for as an acquisition of assets under Canadian GAAP, which is consistent with IFRS requirements. However, two adjustments were required in relation to this acquisition of assets and are presented below.

→ Under IFRS, the fair value of the shares issued at the transaction dates (and the cash paid) must be used to evaluate the cost of the assets acquired and no adjustments are permitted. In addition, the purchase of additional subsidiary shares once control is obtained must be accounted for as an equity transaction, which affected the second and final acquisition of shares of Brett Resources.

As a result, the following adjustments were made:

| | May 19, 2010 | August 13, 2010 | Net impact as at December 31, 2010 |
|-------------------------------|-------------------------|----------------------------|---|
| Increase (decrease) | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Property, plant and equipment | 25,517 | (24,087) | 1,430 |
| Share capital | 25,517 | 11,601 | 37,118 |
| Retained earnings | - | (35,688) | (35,688) |

→ Under Canadian GAAP, deferred taxes must be calculated in relation to acquired assets and assumed liabilities, whereas under IFRS, when the assets are not acquired in a business combination and, at the time of acquisition, neither accounting profit nor taxable profit are affected, no deferred taxes must be recorded

As a result, the following adjustments were made:

| | May 19, 2010 | August 13, 2010 | Net impact as at December 31, 2010 |
|-------------------------------|-------------------------|----------------------------|---|
| Increase (decrease) | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Property, plant and equipment | (79,071) | (32,223) | (111,294) |
| Deferred tax liabilities | (79,071) | (32,223) | (111,294) |

Summary of adjustments by period:

| | December 31, 2010 | March 31, 2010 | January 1, 2010 |
|-------------------------------|------------------------------|---------------------------|----------------------------|
| Increase (decrease) | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Property, plant and equipment | (109,864) | - | - |
| Deferred tax liabilities | (111,294) | - | - |
| Share capital | 37,118 | - | - |
| Retained earnings | (35,688) | - | - |

- (v) Under Canadian GAAP, when flow-through shares are issued, they are initially recorded in share capital at their issue price. On the date the tax expenses are renounced (by filing the prescribed forms) to the investors, a deferred tax liability is recognized as a cost of issuing the shares (a reduction in share capital). While IFRS does not provide specific guidance on the accounting for flow-through shares, it is generally agreed that the method required by the Securities Exchange and Commission - under US GAAP - is appropriate. As a result, under IFRS, flow-through shares are recognized based on the quoted price of the existing shares on the date of the issue. The difference ("premium") between the amount recognized in share capital and the amount the investors pay for the shares is recognized as a deferred gain which is reversed into earnings as eligible expenditures are made. The tax effect resulting from the renunciation is recorded as a deferred tax expense when eligible expenditures have been made.
- (vi) Under Canadian GAAP, if a compound financial instrument like a convertible debenture can be settled without incurring taxes, there is no temporary difference. The component of a compound financial instrument classified as a liability will normally be different from the tax basis of the instrument. If the liability component were to be settled for its carrying amount, this would otherwise give rise to taxable or deductible amounts that would be included in the determination of taxable income. However, Canadian GAAP recognizes that settlement of the instrument in accordance with its terms, either through settlement on maturity or conversion, might not result in the incidence of tax to the issuer. Therefore, when an entity is able to settle the instrument without the incidence of tax, the tax basis of the liability component is considered to be the same as its carrying amount and there is no temporary difference.

IFRS does not contain any special exemption relating to the recognition of deferred taxes arising on compound financial instruments. Hence, a deferred tax liability is recognized with respect to any temporary difference that arises from the initial recognition of the equity component separately from the debt component. The deferred tax is charged directly to the carrying amount of the equity component. Subsequent changes in the deferred tax liability are recognized through the statement of income.

- (vii) Under IFRS, the Company has elected to present the statement of income by function to be in line with industry practice. Therefore, adjustments to the classification of expenses were made for the year ended December 31, 2010 and the three months ended March 31, 2010.

Outstanding Share Data

As of May 12, 2011, 382,287,864 common shares were issued and outstanding. A total of 13,280,374 share options were outstanding to purchase common shares under the Company's share option plan and 12,500,000 common share purchase warrants were outstanding.

Contractual Obligations and Commitments

The following table presents information on the contractual obligations of the Company as at March 31, 2011 (in millions of dollars):

| | Payments due by period | | | | |
|---------------------------------|------------------------|---------------------|----------------|----------------|------------------|
| | Total | Less than 1 year | 2-3 years | 4-5 years | After 5 years |
| | \$ | \$ | \$ | \$ | \$ |
| Operating leases | 1,376 | 491 | 665 | 220 | - |
| Obligations under finance lease | 70,616 | 11,100 | 29,196 | 30,320 | - |
| Purchase obligations | 68,291 | 68,291 | - | - | - |
| Long-term debt | 245,000 | 64,583 | 100,000 | 80,417 | - |
| Total | 385,283 | 144,465 | 129,861 | 110,957 | - |

Off-balance Sheet Items

The Company does not have any off-balance sheet arrangements other than operating leases for offices 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 contracts and purchase orders for equipment and services. The suppliers may draw on the letters of credit in the event of a default by the Company under the terms of the contracts or the purchase orders. As at March 31, 2011, the outstanding letters of credit had a value of \$20.7 million.

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 Corporation's Annual Information Form which is available upon request from the Corporation or on its profile on www.sedar.com. There have been no material changes to risks and uncertainties since December 31, 2010.

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 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.

The CEO and CFO have evaluated whether there were changes to the ICFR during the quarter ended March 31, 2011 that have materially affected, or are reasonably likely to materially affect, the ICFR. No such significant changes were identified through their evaluation.

Outlook for 2011

During 2011, the Company intends to focus on the ramp up of production at its flagship Canadian Malartic Project and bringing the mine to commercial production in the second quarter of 2011. As per the Canadian Malartic mine production plan, the Company is expected to produce approximately 360,000 ounces of gold in 2011.

The Company will also pursue aggressively the growth of its reserve and resource base through investments in exploration programs around its Canadian Malartic Project, as well as on other targets internationally and in Quebec, Ontario and Nova Scotia.

The Company is also pursuing the acquisition of additional advanced stage projects.

Caution Regarding Forward-Looking Statements

Certain statements contained in this report 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 timing and amount of estimated future production, costs of production, currency fluctuations, capital expenditures, 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 into 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, policies and change in tax benefits and tax rates;
- environmental risks including increased regulatory constraints;
- the ability to complete the relocation program of the southern neighborhood of the Town of Malartic;
- the ability to deviate highway 117 to allow for the mining of the South Barnat deposit;
- the Company's ongoing relations with its employees, its business partners and the community of the Town of Malartic.

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. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. 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 forward-looking statements contained in this report 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 12, 2011

Corporate Information

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Directors and Officers

Victor H. Bradley, Chairman of the Board
Sean Roosen, President, CEO and Director
Robert Wares, Executive Vice President Exploration and Resource Development and Director
Staph Leavenworth Bakali, Director
Marcel Côté, Director
André J. Douchane, Director
William A. MacKinnon, Director
Norman Storm, Director
Serge Vézina, Director
John Burzynski, Vice President Corporate Development
Sergio Cattalani, Vice President Exploration
Bryan A. Coates, Vice President Finance, CFO
Jean-Sébastien David, Vice President Sustainable Development
André Le Bel, Vice President Legal Affairs and Corporate Secretary
Luc Lessard, Senior Vice President and Chief Operating Officer
Elif Lévesque, Vice President and Controller
Robert Mailhot, Vice President Human Resources

Legal Counsel

Lavery, de Billy
Fraser Milner Casgrain

Auditors

PricewaterhouseCoopers, LLP

Transfer Agent

Trust CIBC Mellon

Exchange listings

TSX Exchange - OSK
Deutsche Boerse - EWX