



# HEIR TO A RICH HISTORY

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2016 SUSTAINABLE DEVELOPMENT REPORT



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# OSISKO BY THE NUMBERS

Total Workforce

**73**  
EMPLOYEES



TSX:  
**OSK**

Share Outstanding  
**162.0M**

Fully Diluted Shares  
**190.0M**

Fully Diluted Cash  
**±\$140M**

Market Capitalization  
**\$395M**

Cash and Investments  
**±\$117M**

## WINDFALL LAKE PROJECT

Mining Claims  
**12,400<sub>ha</sub>**

Total Drilled in 2016  
**106,000<sub>m</sub>**

**\$22.0 M**  
Spent in 2016

**\$2.5 M**  
Spent in 2015-2016

## TO OUR STAKEHOLDERS

Osisko Mining Inc. is pleased to present you with our first annual Sustainable Development Report. Thank you to all the people and organizations that have supported us in our new adventure, including our employees, First Nations, members of the host communities, our entrepreneurs, our financial and government partners and our shareholders.

This 2016 report provides information about our governance, our vision for the future and the current status of our key projects. We also share information on the four components of sustainability: Health and Safety, Society, Environment and Economy.

Osisko's vision is to become a Canadian Mining House. Our objective is to become an intermediate gold producer benefiting all stakeholders. The rich history we have inherited through our work and acquisitions is full of potential and room to grow. Currently, Osisko is exploring in Quebec and Ontario, and has made investments in companies in British Columbia. Osisko is continually looking for new opportunities.

The Windfall Lake Project in the Urban Barry region of Quebec has attracted much of our

focus this year with an impressive result: our exploration team expanded the known mineralization zones, which remain open, and also found new areas such as Lynx and Fox. Our plan is to work hard in the coming years to meet any environmental, social, economic, and technical challenges so that we are able to carry the Windfall Project into the construction and production phases. We will also continue to explore in the Windfall area and in other regions to expand our portfolio.

Osisko intends to build on our assets. We strive to play a leadership role in responsible mining and exploration practices. We invite you to provide your feedback so that we can continue to grow and create wealth for all of our stakeholders.

Sincerely,



**John F. Burzynski**  
President, CEO and Director



**Alexandra Drapack**  
Vice President, Environment Services and Sustainable Development

The following sustainable development report includes information from January, 1st to December, 31 2016.



# WHO IS OSISKO?

Osisko is an exploration and development company with a focus on precious metal resource properties in Canada. Osisko’s vision of sustainability is to create value and opportunities for our shareholders, partners and community stakeholders while adhering to our four components of sustainable practices: **Health and Safety**, **Society**, **Environment** and **Economy**.

Right: Site visit by Osisko’s Board of Directors.



Details of each Director’s background can be found on our website.



Our sustainability objectives are focused on four key components:



**HEALTH & SAFETY**



**SOCIETY**



**ENVIRONMENT**



**ECONOMY**

Our projects currently include properties in Quebec and Ontario and investments in British Columbia.

Osisko’s cornerstone asset is Windfall Lake (100% owned) located within the Urban Barry region of Quebec. In December 2016, our planned drill program was increased to 400,000m, of which a total of 106,000m was completed in 2016. The drill program will continue in 2017 with 21 to 25 drill rigs.

The Marban Project (100% owned) is also in Quebec, further south in the Abitibi Region where infill drilling is

taking place. Our northern Quebec properties include the Kan Projec and 30,000 ha located within the James Bay Agreement Area. Osisko also holds interests and options in a number of properties in northern Ontario, such as the Garrison Project in the Timmins mining camp.

Osisko is well financed including approximately \$80 million in cash and cash equivalents as well as \$60

million in marketable securities. The Osisko Board of Directors is comprised of ten individuals with a variety of competencies and skills.



# OUR HISTORY

Osisko was formed from a rich mix of acquisitions throughout Quebec and Ontario. At the heart of Osisko is the desire to reassemble the key team members and founders of the original Osisko team. This original Osisko group was responsible for the successful discovery, development, building and production at the Canadian Malartic deposit, Canada’s largest producing gold mine.

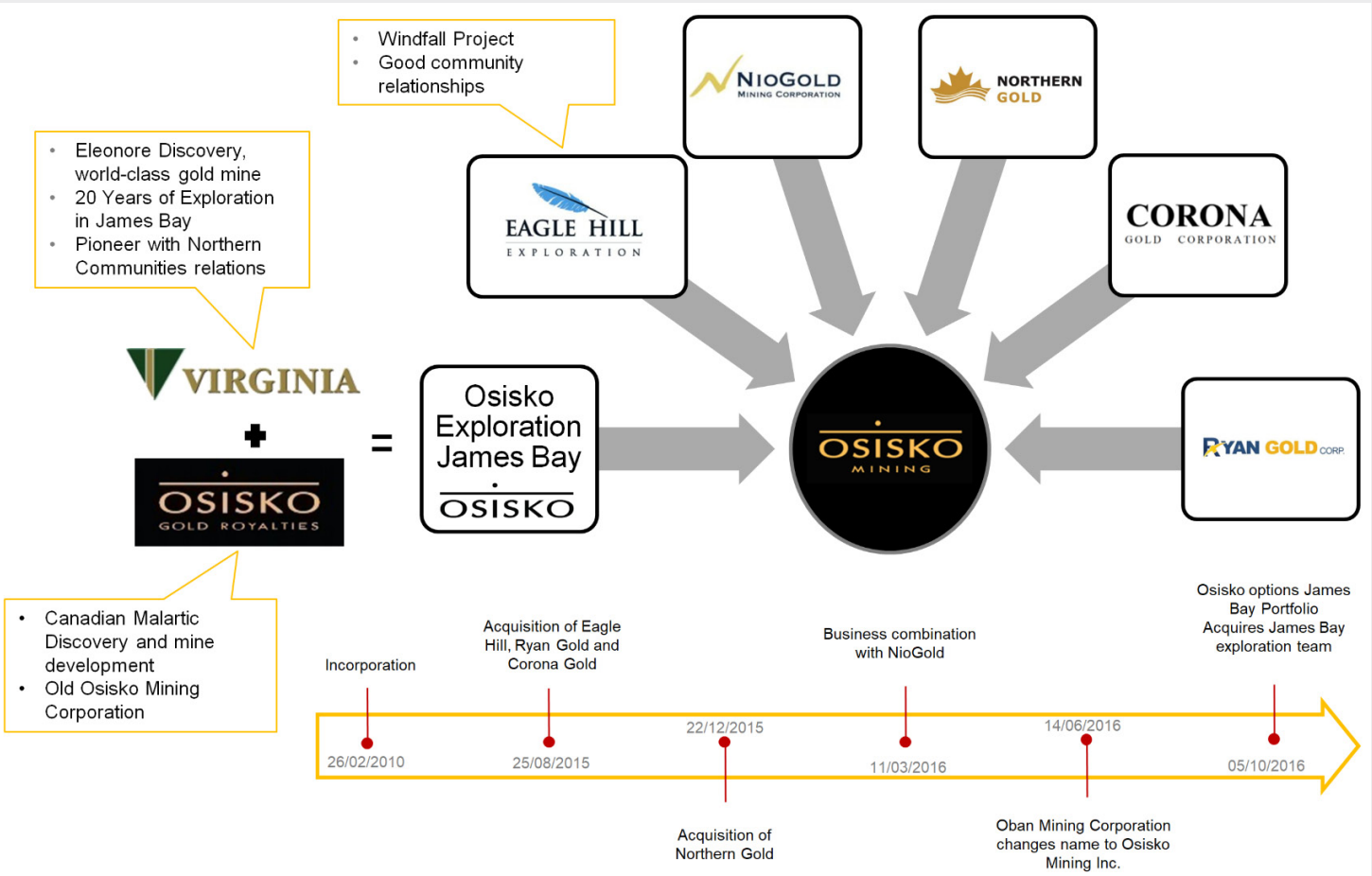
Osisko is the recreation of the original company with the addition of the Virginia Mines team who were responsible for the discovery of the Éléonore project and have more than 20 years expertise on the unexplored territories of Northern Québec.

The goal of Osisko as this new combined team is nothing less than to create a new sustainable Canadian Mining House, with the Windfall Lake gold deposit as its cornerstone asset and its growth focused on developing new mines in Quebec and Ontario.



Consult Management’s Discussion and Analysis 2016 for a complete picture of acquisitions and financing completed in 2016

Below: Osisko’s History of Acquisitions



# VISION AND STRATEGY

Osisko’s vision is to become a Canadian Mining House and an intermediate gold producer. Our strategy of consolidation and development in northern Quebec has created a path towards becoming an intermediate producer in the next 3 years.



Details on Vision and Strategy can be found on our website



# COMMITMENT TO SUSTAINABILITY

Osisko's vision of sustainability is to create value and opportunities for our shareholders, partners and community stakeholders through sustainable practices. Our sustainability objectives focus on four key components: **Health & Safety, Society, Environment** and **Economy**. Osisko is committed to protecting the environment, to the health and safety of our employees and general public, while taking into consideration the concerns of the host communities in which we conduct our activities.

Osisko carries out our exploration activities in a responsible manner by ensuring that:

**Our employees and contractors work in a safe environment**

- We provide appropriate tools, resources and training; and
- We implement emergency action plans.

**Our impact on the environment is minimized**

- Our facilities are designed with approved technologies and use the most efficient techniques;
- We conserve natural resources and consumable goods;
- We minimize the environmental footprint of our activities and emissions; and
- We remediate our exploration sites using progressive rehabilitation measures.

**Our stakeholders benefit from our activities**

- We build long-term positive relationships with our host communities;
- We build long-term relationships with Aboriginal communities who have an interest in our projects;
- We contribute to the socio-economic development of our host communities through investment in community-focused sustainability projects; and
- We create local jobs and promote local purchases.

# GOVERNANCE AND ETHICS



**Osisko's good corporate governance is important to our long-term success and to the protection of our stakeholders' interests.**

Osisko is governed by a Board of Directors who are elected on an individual basis by our shareholders. The Osisko Board of Directors has approved a set of corporate governance guidelines to promote its effective functioning and to set forth a common set of expectations as to how management of its affairs and performance of its responsibilities will take place. We have also adopted a Code of Business Conduct and Ethics that applies to all of our employees, contractors, consultants, officers and directors.

Osisko's Governance Guidelines and Code of Conduct have led to the implementation of corporate policies that guide our Board and management team in conducting our business activities in an appropriate and effective manner, and ensure our governance practices are in line with regulatory requirements.

Osisko has formed the following committees to assist our Board with its overall responsibilities:

- Audit Committee;
- Corporate Governance & Nominating Committee
- Compensation Committee; and
- Health, Safety and Environment & Corporate Social Responsibility Committee



*Detailed policies and committee charters can be found on our website.*



# THE OSISKO TEAM

Osisko seeks the best talent to ensure our success. We strive to attract a high-quality diversified work force, from the field staff to the Board of Directors.

To ensure we attract and retain talented people, Osisko provides:

- Above average compensation compared to our industry;
- Benefits to protect employees and their families;
- Long and short-term incentive programs; and
- Opportunities for growth in responsibilities.

Osisko also encourages employees to participate in training programs. Osisko’s focus on the development of new talent is evident through our provision of student internships and our engagement with local universities.

Osisko’s 2016 workforce included 73 employees, 36% of which were female. All our employees are Canadian, the majority (86%) of whom are from Quebec.



Osisko is always looking for new talent. Employment opportunities are regularly posted on our website.

## OSISKO’S 2016 WORKFORCE

|                    | Male | Female |
|--------------------|------|--------|
| Board of Directors | 10   | 0      |
| Management         | 8    | 1      |
| Employees          | 39   | 25     |





# 2016 AWARDS

Osisko has inherited a rich tradition of sustainable development leadership from its predecessor companies. This year, our team won two majors awards.

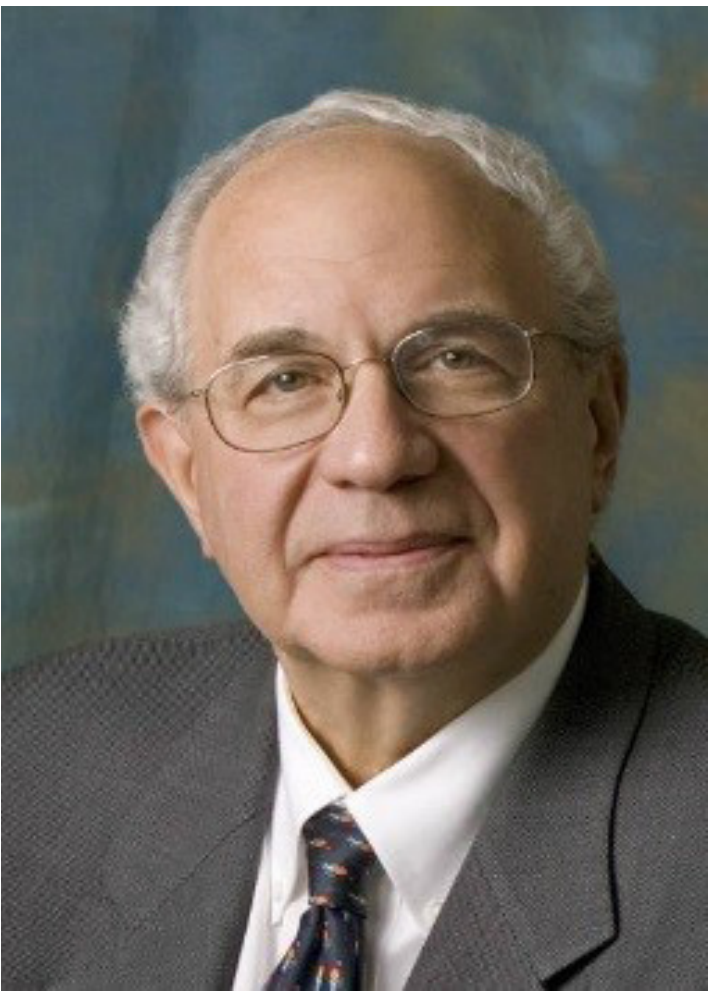
## BEST NORTH AMERICAN EXPLORATION MINING COMPANY OF THE YEAR – OSISKO MINING INC.

Mines & Money held their Awards Gala for the first time in North America at the Royal Ontario Museum in September 2016. Osisko was recognized as the Best North American Exploration Mining Company of the Year.



## MINING JOURNAL’S 2016 LIFETIME ACHIEVEMENT AWARD

Ned Goodman, Osisko’s Co-Chairman, won Mining Journal’s 2016 Lifetime Achievement award. Eleven members of the Mines and Money advisory board voted unanimously for Mr. Goodman due to his stellar achievements. As a company builder, merchant banker and investment advisor, Mr. Goodman has made transformative and enduring contributions to Canada’s minerals industry and capital markets. In June 2016, Mr. Goodman was named a member of the Order of Canada “for his contributions to Canada’s investment industry and for his philanthropic support for higher education, culture and health care.” Mr. Goodman adds these recent awards to a host of other honours including being inducted into the Canadian Mining Hall of Fame in 2012 and named PDAC Developer of the Year in 1989.<sup>1</sup>



<sup>1</sup> <http://www.mining-journal.com/people/tributes/goodman-wins-lifetime-achievement-award/>



# OUR PROJECTS

In 2016, Osisko held mineral claims for 16 properties in Canada. Details regarding each of these projects can be found on our website, and information about the key projects are provided below.



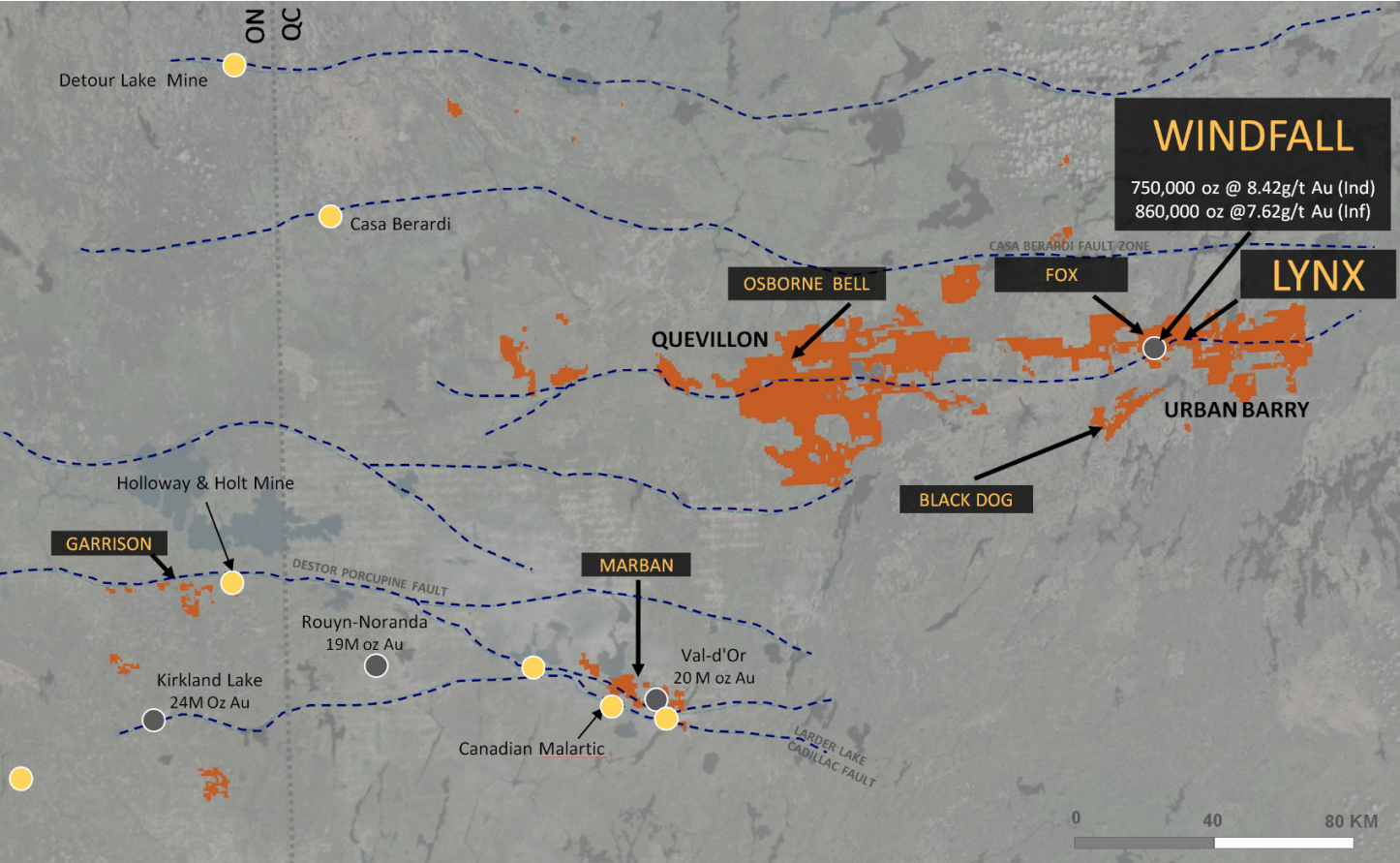
Detailed information on our projects is available on our website.

## OSISKO'S 2016 EXPLORATION PROJECTS

| Project                           | Location                        | Status       | Activity in 2016                    |
|-----------------------------------|---------------------------------|--------------|-------------------------------------|
| Windfall Lake Project             | Urban Barry, Québec             | Owned 100%   | Active drilling                     |
| Urban Green Fields Project        | Urban Barry, Québec             | Owned 100%   | Surveys and drilling                |
| Black Dog Project                 | Urban Barry, Québec             | Owned 100%   | Active drilling                     |
| Catharine Project – Ogima Project | Boston-Skead Gold Belt, Ontario | Under option | Active drilling                     |
| Garrison – Garrcon Project        | Greenstone Belt, Ontario        | Owned 100%   | Active drilling                     |
| Garrison – Buffonta Project       | Greenstone Belt, Ontario        | Owned 100%   | Compilation                         |
| Garrison – Jonpol Project         | Greenstone Belt, Ontario        | Owned 100%   | Active drilling                     |
| Garrison – Gold Pike Project      | Greenstone Belt, Ontario        | Owned 60%    | Compilation                         |
| Swayze Project                    | Greenstone Belt, Ontario        | Owned 100%   | Mapping & sampling                  |
| DeSantis Project                  | Porcupine, Ontario              | Owned 100%   | Compilation                         |
| Marban Block Project              | Abitibi Region, Québec          | Owned 100%   | Infill drilling<br>Core re-sampling |
| Malartic Block Project            | Abitibi Region, Québec          | Owned 100%   | Active drilling                     |
| Siscoe East Project               | Abitibi Region, Québec          | Owned 50%    | None                                |
| Héva Project                      | Abitibi Region, Québec          | Owned 100%   | None                                |
| Kan Project                       | Nunavik, Northern Québec        | Earn-In      | Surveys and drilling                |
| James Bay Portfolio               | James Bay, Northern Québec      | Earn-In      | Surveys and drilling                |



# WINDFALL LAKE PROJECT



In 2015, Osisko acquired the Windfall Lake property through our acquisition of Eagle Hill Exploration Corporation. The Windfall Lake property is 100% owned by Osisko and covers approximately 12,400 hectares. The property consists of 285 contiguous mining claims.

Prior to our acquisition of the property, Eagle Hill Exploration Corporation established an Advanced Exploration Agreement with the Cree First Nation of Waswanipi, the Grand Council

of the Crees, and the Cree Regional Authority regarding exploration and development of the Windfall Lake Gold Project.

On April 28, 2015, Eagle Hill announced the results of the Windfall Lake Preliminary Economic Assessment (PEA).

Osisko’s drill program commenced in October 2015 and continued throughout 2016. The results to date have been very encouraging, providing verification and good correlation with historic drilling performed by previous operators

on the property. The deposit remains open at depth below the Red Dog intrusion, and is also open at both the eastern and western ends. The drill program is planned to continue in 2017 with 21 to 25 drill rigs.

## WINDFALL LAKE MINERAL RESOURCES

|                 | Cut-Off | Tonnes    | Au Grade g/t | Au (troy oz) |
|-----------------|---------|-----------|--------------|--------------|
| Total Indicated | 3.0     | 2,762,000 | 8.42         | 748,000      |
| Total Inferred  | 3.0     | 3,512,000 | 7.62         | 860,000      |

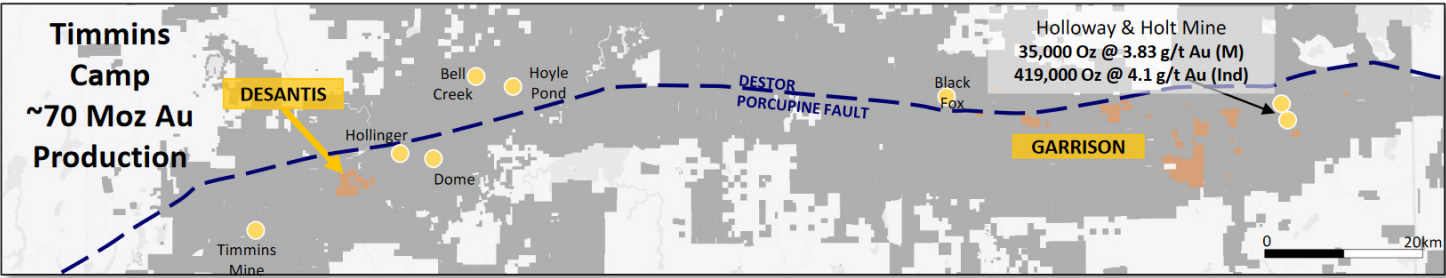
N143-101 SRK Consulting, November 13, 2014

The mineral resource defined by the previous operator at the Windfall Project is sourced from a technical report dated June 10, 2015 entitled “Preliminary Economic Assessment of the Windfall Lake Gold Property, Québec, Canada” with an effective date of April 28, 2015, prepared in accordance with National Instrument 43-101- Standards of Disclosure for Mineral Projects, by Tetra Tech for Eagle Hill Exploration Corp. and is available on SEDAR.





# GARRISON PROJECT



Osisko acquired the Garrison Project in the Timmins Camp in Northeastern Ontario through its acquisition of Northern Gold Mining Inc. which was completed on December 22, 2015.

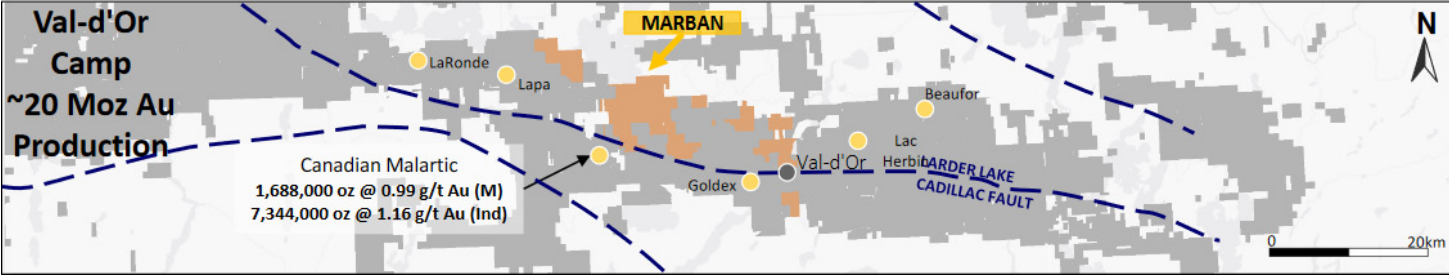
The Garrison Project is located in the prolific Abitibi Greenstone Belt and include the Garrcon Project, the Jonpol Project, the Buffonta Project and the Gold Pike Project.

## GARRISON MINERAL RESOURCES (GARRCON & JONPOL)

|                  |           | Cut-Off         | Tonnes     | Au Grade g/t | Au (troy oz) |
|------------------|-----------|-----------------|------------|--------------|--------------|
| Garrcon          | Measured  | 0.4             | 15,100,000 | 1.07         | 521,000      |
| Garrcon & Jonpol | Indicated | 0.4 / 3.0       | 4,972,000  | 1.40         | 676,000      |
| Garrcon & Jonpol | Inferred  | 0.4 / 1.5 / 3.0 | 7,873,000  | 3.19         | 808,000      |

Both Garrcon and Jonpol have resource estimates that are described in a technical report prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), which was completed by a previous operator Northern Gold Mining Inc. (entitled "Technical Report on the Golden Bear Project - Garrison Property: Larder Lake Mining Division - Garrison Township, Ontario, Canada") with an effective date of December 30, 2013. The Technical Report was prepared by A.C.A. Howe International Limited for Northern Gold Mining Inc. (a wholly-owned subsidiary of Osisko) and is available on Osisko's website at [www.osiskomining.com](http://www.osiskomining.com) and on SEDAR under Northern Gold Mining Inc.'s issuer profile at [www.sedar.com](http://www.sedar.com)

# MARBAN PROJECT



Osisko acquired the Marban Project through the acquisition of Niogold. The Marban Project is located about 15 kilometres west of the town of Val-d'Or in the Abitibi region of Quebec, Canada and consists of 30 mining claims and 3 mining concessions covering 1,023 hectares.

Osisko completed an updated mineral resource estimate at Marban during the period ending on September 30, 2016. This update includes 92,900 metres of infill drilling and historical core re-sampling resulting in a total measured resource of 363,000 oz at an average grade of 1.47 g/tonne.

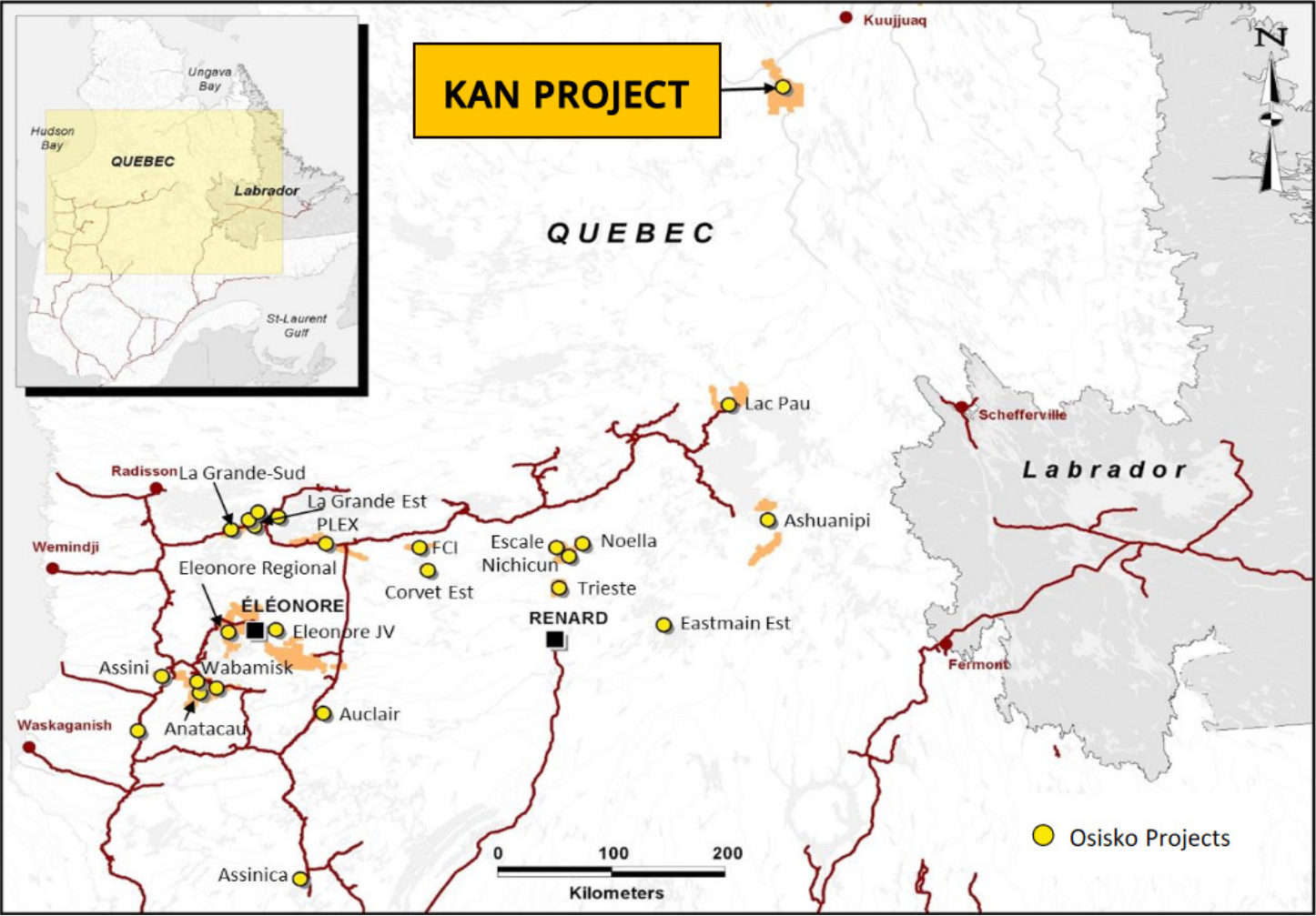
## MARBAN MINERAL RESOURCES

|                 | Tonnes     | Au Grade g/t | Au (troy oz) |
|-----------------|------------|--------------|--------------|
| Total Measured  | 7,700,000  | 1.47         | 363,000      |
| Total Indicated | 29,400,000 | 1.18         | 1,116,000    |
| Total Inferred  | 3,600,000  | 1.15         | 134,000      |

The resources defined at the Marban Project were sourced from a report prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), written by Belzile Solutions Inc. titled "Updated Mineral Resource Technical Report, Marban Block property, Quebec, Canada", dated July 28th, 2016 with an effective date of June 13, 2016 and filed on SEDAR).



# JAMES BAY AND NORTHERN QUÉBEC PROJECTS



In 2016, Osisko finalized an earn-in transaction with Osisko Gold Royalties regarding the James Bay and Northern Quebec projects, including the Kan Project. Under the terms of the agreement Osisko Mining may earn 100% of Osisko Gold Royalties' interest in 28 exploration properties

located in James Bay area, Quebec and the Labrador Trough area upon incurring exploration expenditures totaling \$32 million over the 7-year term of the agreement.







# SUSTAINABLE DEVELOPMENT ACTION PLAN

**As part of our sustainable development strategy, Osisko is committed to:**

- Evaluating each of our activities in terms of the potential impacts and risks for the natural, human and social environments, with the goal of prevention and protection to achieve “zero harm”;
- Striving for continuous improvement by implementing monitoring programs, analyzing statistics, conducting audits and establishing plans to improve performance;
- Ensuring that employees, subcontractors and suppliers of good and services adhere to our vision and standards of sustainability; and
- Ensuring that our Board of Directors monitor the performance of our sustainability objectives and that the necessary resources are available to reach these objectives.



As Osisko grows, we continue to establish new performance indicators. The following indicators will be used to monitor our performance in the four key components reflected in our vision of sustainability. To date, we have identified indicators and developed an action plan for each of our key components, as shown in the tables in the following pages.





## HEALTH & SAFETY

| Objectives  | Goals  | Progress 2016  | Action Plan 2017-2020  |
|---|--|--|--|
| To provide a safe working environment   | Promote a culture of safety within our workforce<br><br>Continuous improvement of management systems | Identified H&S support system at each site<br><br>Site specific H&S manuals completed  | Hire corporate H&S superintendent<br><br>Occupational Health and Safety Management System to be finalized  |
| To ensure our workforce is well trained and ready to respond to potential emergencies | Fully trained workforce with effective emergency response plan                                       | Site safety orientation training provided to all employees, contractors and visitors<br><br>Completion of Ontario Joint H&S Committee Certification Parts 1 & 2 (management/worker)<br><br>On site Risk Assessment training completed<br><br>Site specific emergency plans completed<br><br>Commenced record keeping for H&S employee training | Expand Windfall fire protection equipment and protocol<br><br>Practice emergency drills for identified response teams<br><br>Complete needs assessment for H&S training<br><br>Continue tracking H&S training<br><br>Safety training for all staff |
| To monitor, analyze and audit our safety performance                                  | Reporting and analyses of incident occurrences   | Six site inspections undertaken<br><br>Three months of H&S information collected in 2016<br><br>Lost time frequency rate of 1.54 in Q4 2016  | Ongoing reporting of H&S statistics<br><br>Audits of on site practices to be undertaken<br><br>Analysis of trends and development of correctives actions to reduce incidents   |

## SOCIETY



| Objectives   | Goals   | Progress 2016  | Action Plan 2017-2020   |
|--|---|--|---|
| To design and use technologies that minimize risks to people and the environment             | Promote innovation within our workforce<br><br>Grow our workforce and the knowledge within our Company<br><br>Share our knowledge and experiences within the mining industry  | Student internships (2 at Windfall, 1 at Garrison and 1 at Marban)<br><br>Participation in university lectures and forums<br><br>Member of PDAC, Quebec Mining Association, Quebec Mining Exploration Association  | Continue student recruitment and provide research opportunities for students at our sites<br><br>Participate in mining mentorship programs<br><br>Become member of Ontario Mining Association<br><br>Research on water treatment technologies   |
| To build long term positive relationships with our Aboriginal partners and local communities | Maintain open communication with our Aboriginal and local communities<br><br>Gain knowledge and awareness of community values and concerns and work to address these concerns<br><br>Encourage and promote our local and Aboriginal workforce | Community notification letters sent prior to initiating exploration programs<br><br>Community meetings held in all regions where we have projects<br><br>Traditional Land Use study commenced for Windfall Lake<br><br>Agreements in place with 4 Aboriginal communities in Ontario and 1 in Quebec<br><br>16 employees from Waswanipi and 5 employees from Wahgoshig<br><br>Invitation of tallymen to QMEA conference | Hire Community Liaison Advisor for Windfall<br><br>Maintain notification system and grow stakeholder list<br><br>Compile list of key community concerns<br><br>Attend community events in each project or region<br><br>Host information sessions at key project milestones<br><br>Participate in Kuujuaq Mining Workshop<br><br>Community meetings and presentations to Lac Simon and Obedjiwan FNs<br><br>Identify and support programs for promotion of health, well-being and education in First Nation communities |
| To maintain positive labour relations and high workforce satisfaction                        | Engage with our employees to understand their values<br><br>Promote diversity and equity within our workforce   | Above average compensation compared to our industry<br><br>Benefits to protect employees and their families<br><br>Long and short-term incentive programs  | Undertake annual performance reviews<br><br>Track pay rates by employment category and gender<br><br>Measure workforce turnover rate<br><br>Track workforce training by hours/year and gender   |





## ENVIRONMENT

| Objectives   | Goals  | Progress 2016  | Action Plan 2017-2020   |
|--|--|--|---|
| To evaluate the potential impacts of our projects and activities                                       | Understand the potential effects of our planned activities and identify mitigation measures  | Environmental baseline data collection underway at Windfall Lake and Marban<br><br>Continue to monitor water quality at Windfall and Garrison<br><br>Investment in collaborative Caribou Ungava research project<br><br>Support Association Foriestiere des deux rives (2016-2018)   | Complete EIAs and share findings with our Board, Aboriginal partners and stakeholders<br><br>Identify potential mitigation and/or compensation measures   |
| To conserve our use of water and energy  | Understand the water and energy use for our projects and identify conservation and management measures   | Initial environmental baseline information and mapping undertaken  | Initiate GHG emissions estimation for Windfall project<br><br>Measure water use and report by project for major projects<br><br>Identify water sources and discharge points   |
| To minimize our land disturbance, waste generation and emissions, and to rehabilitate any disturbances | Land use management practices that respect riparian areas and include ongoing rehabilitation efforts<br><br>Solid waste management program that diverts recyclable and reusable materials<br><br>Spill management measures that reduce incidents and overall impacts of spills | Environmental management plans in place by drilling contractors<br><br>Planned exploration activities incorporating setbacks near water bodies<br><br>Developed and implemented Spill Management plan<br><br>Four reportable spills in 2016 (cleaned)<br><br>Erosion and sediment control at Windfall, Garrison and Marban | Measure solid waste shipped to landfill<br><br>Track hazardous waste disposal<br><br>Develop recycling program<br><br>Track areas of land disturbances and remediation<br><br>Update Windfall Lake restoration plan<br><br>Develop remediation plan for Gold Pike project |

## ECONOMY



| Objectives                                      | Goals  | Progress 2016   | Action Plan 2017-2020  |
|---|--|---|--|
| To create jobs and promote economic development | A growing workforce with full time employment and benefits                                 | \$1.59 M dollars in employee taxes and \$390,000 in payments to government  | Track workforce by employment category, gender and whether they are a full time or part time employee  |
| To favour local purchases and contracts         | Thriving local communities that benefit from our activities and support our projects       | 89% of purchases in Quebec and Ontario<br><br>\$326,662 in contracts and purchases from Aboriginal businesses   | Provide targeted opportunities for local and Aboriginal businesses<br><br>Participate in Mining Expositions and conferences<br><br>Register on Société du Plan Nord Business Platform<br><br>Continue to track contracts and purchases by region<br><br>Work with communities to develop a business registry |
| To share the wealth with our communities        | Long term benefits to local communities through regional prosperity and social development | Sponsored PDCA's Student Industry Mineral Exploration program<br><br>Donation to Malartic's "Festival Western"<br><br>Participant in the Goodman Gold Challenge | Identify key areas for sponsorships and donations<br><br>Develop guidelines for sponsorships and donations<br><br>Monitor projects over time to measure social benefits  |





# HEALTH & SAFETY

Osisko is committed to developing and implementing an Occupational Health and Safety Management System (OHSMS). Our health and safety standards are reviewed annually to ensure that the proper controls are in place with additional revisions and modifications made as needed.

All Osisko employees and contractors attend a site orientation and must adhere to legislative standards and to our site specific OHSMS.

Our Health & Safety and Sustainable Development policy, Workplace Violence policy and Workplace Harassment policy work together to provide a safe and

positive environment for our employees. Together, we work as a team to uphold these policies and take the necessary measures to ensure the health, safety and physical well-being of one another.

The table below provides our Health and Safety statistics for 2016. Health and safety incidents are investigated to

determine basic underlying causes and to establish immediate corrective action plans in order to prevent a reoccurrence. Corrective actions are documented and tracked to ensure compliance and closure.

## OSISKO'S HEALTH & SAFETY STATISTICS FOR Q4 2016

|                                 | All employees and contractors | Osisko employees only |
|---------------------------------|-------------------------------|-----------------------|
| Worked Hours                    | 130 200                       | 30 567                |
| First Aid                       | 31                            | 2                     |
| Medical Aid                     | 2                             | 0                     |
| Temporary Work Assignment       | 6                             | 0                     |
| Lost Time                       | 1                             | 0                     |
| Lost Time Injury Frequency Rate | 1.54                          | 0.00                  |

*Note: due to multiple business combinations, the only uniform statistics available are for the period from Oct-Dec 2016.*







## SOCIETY

Our goal as a Canadian Mining House is to promote innovation and education, build relationships with communities through sharing knowledge and maintain high workforce satisfaction.

Osisko is a proud member of several mining industry associations that work to develop best practices and share knowledge. We actively participate in both the Prospectors and Development Association of Canada, Québec Mining Association and the Québec Mineral Exploration Association.



PROSPECTORS &  
DEVELOPERS  
ASSOCIATION  
OF CANADA



## INFORMATION SHARING

Osisko is engaged in ongoing dialogue with host communities by describing the planned activities and listening to community concerns. Osisko is committed to ensuring that our activities are beneficial to Aboriginal and local communities by providing employment, identifying business development opportunities and participating in cultural activities.

Before each exploration campaign notification letters are sent to local municipalities and Aboriginal communities in order to inform them about the planned activities. Maps and contact information are also included so the local representatives know how to reach us if they have questions

or concerns about our projects.

By engaging with our host communities, the Osisko team is continually learning about First Nations culture and their relationship to the land. We appreciate the knowledge of Aboriginal peoples and actively seek their contribution to

minimize the potential impact of exploration activities on the environment, their cultural heritage and their traditional activities. Osisko regularly visits Aboriginal communities to share information, receive feedback and strengthen relationships.

## TRAINING AND INNOVATION

**Workforce training is very important at Osisko, the expertise of our employees is a cornerstone of our success. Training is also essential when welcoming new employees.**

Our employees are encouraged to take training in entrepreneurial, technical, geological and health and safety areas. Osisko also organizes mandatory training on specific aspects of health and safety, such as risk assessment, first aid, safe operating procedures and emergency preparedness.

Osisko invests in future innovation by giving lectures

at local universities in the areas of geology, mining and entrepreneurship. We also sponsor field trips for geology students and provide internships for students pursuing careers in the mining industry. In 2016, Osisko provided financial support for various school activities that promote science and education and supported research projects undertaken by university students.





# BUILDING RELATIONSHIPS

Osisko has active exploration projects in five key areas within Canada: the Urban Barry Region of Quebec, the Abitibi Region of Quebec, the James Bay Region and Nunavut Region in Northern Quebec, and the Timmins Camp in Northeastern Ontario. We have reached out to the communities in all these areas, and have built positive relationships with both First Nations communities and local people. The majority of our efforts have focused on the communities surrounding the Windfall Lake Project in the Urban Barry Region of Quebec, as highlighted in the summary of our 2016 community outreach.

## RELATIONSHIP WITH ABORIGINAL COMMUNITIES



### CREE NATION OF WASWANIFI

Throughout 2016 Osisko shared information about the exploration activities at the Windfall Lake Project with the community of Waswanipi through regular notification of activities, meetings and presentations to the Waswanipi Band Council. Since 2015, approximately fourteen different meetings have taken place with Waswanipi representatives and community members.

One of our key projects with Waswanipi in 2016 was to learn about land use and traditional knowledge relating to the Windfall Lake Project in order to ensure that our drilling activities would not impact any sensitive sites. We worked with an anthropologist to undertake interviews with the tallymen of five traplines potentially affected by the Windfall Lake Project.

The land use project provided an important forum for documenting knowledge, concerns and expectations early on in project development.

These meetings were also an opportunity to explain the nature of the work we have planned and to listen to the concerns of local community members. The main concerns we heard from Waswanipi about the Windfall Lake Project were regarding employment and environmental protection.

Osisko hired several people from the Waswanipi community in 2016 and shared information about our exploration activities and the water quality protection measures in place for the project. A Waswanipi community member participated in some of the environmental baseline data collection for the Windfall Lake Project.

### KUJJUAQ IN NORTHERN QUEBEC NUNAVIKAREA

The Osisko team met with Nunavik representatives in 2016 to address concerns about our Kan Project activities. The Kan Project is located approximately 90 km from the northern village of Kuujuaq. Our meetings included discussions with Nayumivik Landholding Corporation, Nunavik Mineral Exploration Fund, Makivik Corporation and the mayor of Kuujuaq.

The main concerns expressed by the people of Kuujuaq were around environmental protection and economic benefits. Our team explained the

environmental protection measures that we have in place and shared a list of Inuit contractors who work on the project. Routinely including Inuit contractors in our call of tender process is an important aspect of our sustainable development strategy.

### WAHGOSHIG FIRST NATION

Wahgoshig First Nation is an Algonquin community located in Ontario, a few kilometres from the Garrison Project. Prior to our acquisition of the property, Northern Gold established an Exploration Agreement with Wahgoshig First Nation. In 2016, Osisko met with members of Wahgoshig First Nation to introduce our company and provide an update on exploration activities. Five community members were employed as core cutters in 2016. One female community member was elected by her colleagues as the worker health & safety representative for the project and succeeded in obtaining her joint health & safety certification.

### METIS NATION OF ONTARIO

Osisko has sent introductory letters and followed up with Region 3 of the Metis Nation of Ontario (MNO). As the projects progress, more information will be shared with the appropriate MNO communities.







## ABORIGINAL EMPLOYEES

In 2016, Osisko hired First Nations community members to work on our exploration campaigns in Quebec and Ontario. We see this as an important opportunity for First Nations to gain economic benefits from our projects. Working directly with First Nations community members provides a direct communication line to the larger communities on the territory, as these employees can share information about Osisko and the ways we do business.

Osisko is committed to providing stable employment and opportunities for growth to local First Nations. For example, at the Windfall Lake Project, Waswanipi First Nation members are a key component of our workforce, filling the following positions: environmental assistant, general labourer, core cutter, housekeeper, administrative assistant and H&S prevention officer.

## FIRST NATIONS EMPLOYEES AT OSISKO IN 2016

### WINDFALL



12

**Waswanipi Cree  
First Nation  
EMPLOYEES**

### URBAN-BARRY



4

**Waswanipi Cree  
First Nation  
EMPLOYEES**

### GARRISON



5

**Wahgoshig First  
Nation  
EMPLOYEES**



## RELATIONSHIPS WITH LOCAL COMMUNITIES

### TOWN OF LEBEL-SUR-QUÉVILLON

Lebel-sur-Quévillon is the nearest non-aboriginal community to the Windfall Lake Project. Osisko's project manager attended two community information events in 2016 organized by the Société de développement économique de Lebel-sur-Quévillon (April and November 2016). Approximately 60 people were present at each event. The Osisko team also met the Lebel-sur-Quévillon mayor, councillors and management team in 2016 in order to provide an update on the project and share information about our current and future employment, goods and services requirements.

### CITY OF SENNETERRE

In November 2016, Osisko met with Senneterre city officials including members of the regional economic development corporation. Osisko provided an introduction to the Windfall Lake Project and to the regional exploration projects in the area. Senneterre representatives were interested in opportunities for their local businesses and contractors.





# ENVIRONMENT

Osisko's exploration planning includes obtaining regulatory permits with a special focus on minimizing the potential impacts to the land, water, flora and fauna. Any environmental incidents and non-compliance issues are reported to management and the Board of Directors. Exploration activities include routine cleaning and reclamation of drill pads, mechanical trenches, camp sites and other exploration sites as soon as the activities are completed.



# REDUCING OUR ENVIRONMENTAL FOOTPRINT

Our goal is to minimize our environmental footprint wherever possible by using efficient techniques, conserving resources and remediating our exploration sites through progressive rehabilitation.

## 2016 DRILL PADS DISTURBANCE AND REMEDIATION

| Project               | Area disturbed - drill pads (m2) | Area remediated - drill pads (m2) |
|-----------------------|----------------------------------|-----------------------------------|
| Windfall Lake Project | 187,200                          | 177,300                           |
| Garrison Project      | 41,250                           | 26,250                            |

## SPILL MANAGEMENT

Osisko implemented a Spill Management Plan in 2016 to ensure the potential impact of any spill would be minimized. Under our plan, workers must ensure that any spills are treated with great care, and dealt with promptly. A strong emphasis is placed on the avoidance of spills. All 2016 spills were reported to the relevant government agency and affected areas were remediated.

## SPILL MANAGEMENT 2016

| Project               | Spill ≤ 20 L | Spill between 20 and 50 L | Spill Unknown Quantity |
|-----------------------|--------------|---------------------------|------------------------|
| Windfall Lake Project | 2            | 0                         | 1                      |
| Urban Barry Project   | 0            | 1                         | 0                      |
| Garrison Project      | 0            | 0                         | 0                      |
| Marban Project        | 0            | 0                         | 0                      |

# LEARNING ABOUT THE ENVIRONMENT



Osisko undertook several environmental studies in 2016 including project-focused studies and external research initiatives.

## CARIBOU-UNGAVA PHASE II

Osisko supported the Caribou-Ungava research project focused on population dynamics and predator and prey relationships of the animals. The findings of this research project will help us better understand the impacts of various

factors on caribou. Osisko seeks to build long-term relationships with Aboriginal communities in the territory and in 2016 we initiated a new partnership with Caribou Ungava. Osisko will provide in-kind contribution to the research study for five years, including accommodation for researchers in Osisko facilities.



WINDFALL LAKE PROJECT

A detailed environmental assessment is underway at Windfall Lake Project. It will be used to determine the project’s possible effects on the natural environment, and to identify and implement solutions to mitigate potential issues.

Osisko has worked with local scientists and Aboriginal people to study the water and sediment quality, water levels and water flow in Windfall Lake, the surrounding waterways and unnamed lakes. Water quality studies have been conducted at six sample sites since 2015 and will continue in 2017.

Fish studies took place in August 2016 at three lakes and four streams in the Windfall Lake Project area. Sampling showed low diversity and richness of species, consisting of mostly

northern trout and yellow perch in the lakes and suckers, sculpins and burbot in the streams.

Plant and animal studies focused on birds and bats, as well as a vegetation sampling program in the summer of 2016. The vegetation study helped us create a map showing different types of forest and wetlands in the area and identifying the important areas that provide potential moose habitat. Osisko also worked with local trappers (tallymen) to study small mammals in the area.

Osisko plans to continue our existing environmental field programs in 2017, and will begin new baseline studies including additional vegetation and fauna inventories, air quality monitoring program, ambient sound and luminous environment studies, sampling and analysis of geochemistry and studies of the regional surface and groundwater movement and quality.



MARBAN PROJECT

Environmental studies at Marban Project include field work completed in 2012 and 2016. Information has been collected about plants, animals, fish, water, geochemistry, air quality and noise levels. Resulting maps from vegetation studies are used for planning and highlighted the many wetlands in the project area. Further work is underway to evaluate the importance of these wetlands.

Information about what types of birds, bats and small mammals live on the site was collected in 2016. Additional field studies of birds, reptiles and amphibians are planned for 2017. Fish habitat mapping of the Marban Block project area was completed in 2016, including collection of fish tissues for analysis.

The Keriens stream, which runs through the northern portion of the Marban Project site, has been the focus of Osisko’s water quality and movement studies. Three water and sediment quality stations and three hydrology stations on the Keriens stream have been used to collect data seasonally throughout 2016. Additional data was also collected from the Piche river, located to the south of the site.

Geochemistry sampling and analysis is underway to help us plan for the safe management of ore and waste rock. This testing will also predict the suitability of the future waste rock for use as construction material.



Air quality testing was undertaken at two different high volume sampling stations at the northern and southern site borders. The sampling collected information about total particles and metals. Noise measurements focused on noise and vibration along the existing road both within and extending beyond the project site.

Further environmental studies of the Marban Project area are planned for 2017 including groundwater and an ecological risk assessment. Studies of the land and water will continue, and new studies around human health and socio-economics will also be undertaken.





# ECONOMY



## CREATING WEALTH

Osisko is a publicly held company, its shares are posted for trading on the Toronto Stock Exchange (symbol: OSK.TO). The major shareholders include<sup>2</sup>:

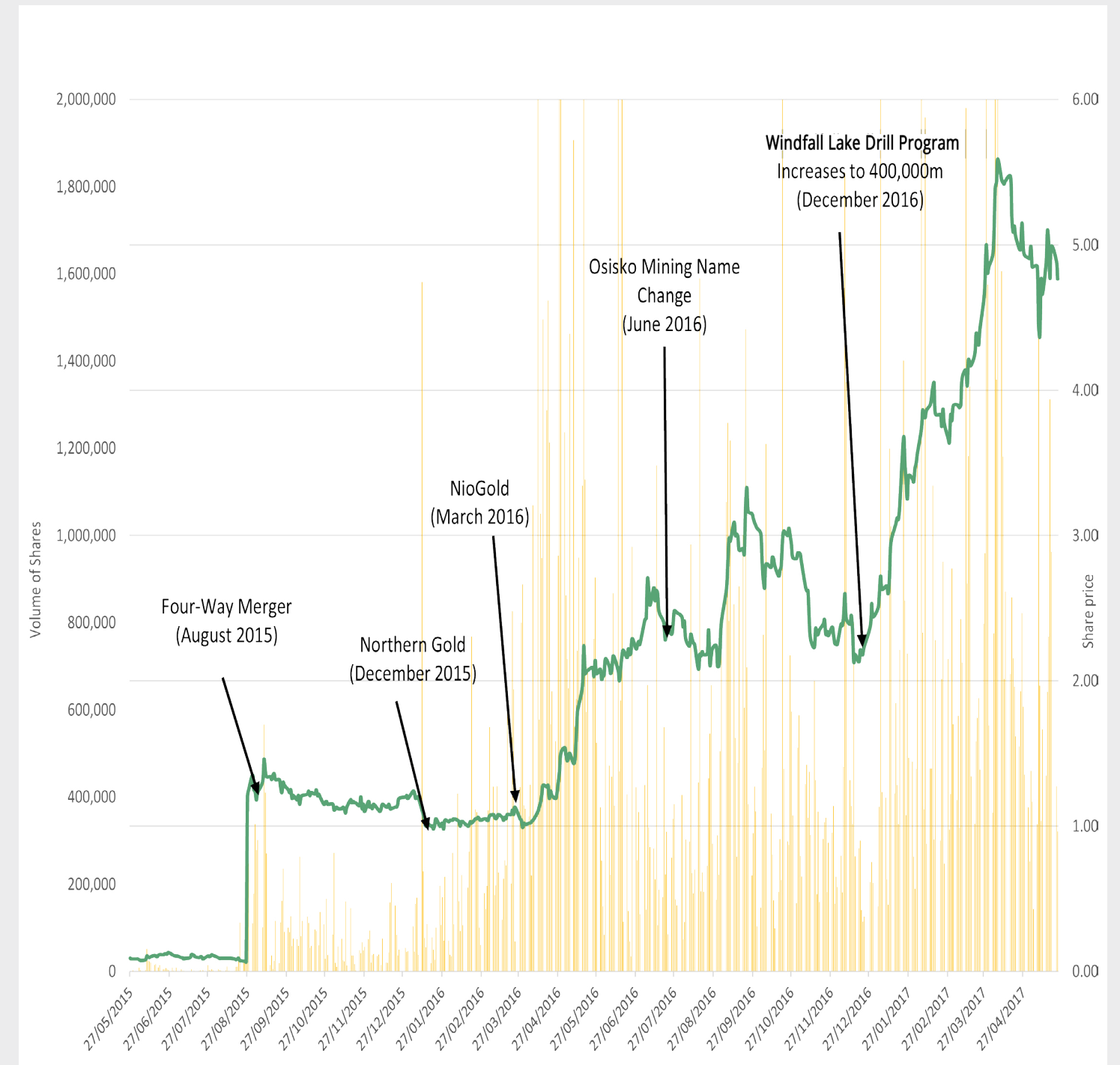
- Osisko Gold Royalties
- Management and Directors
- JP Morgan
- Dundee Corp
- Tocqueville

Osisko has continued to grow in volume and share price since 2015, as shown on the figure opposite.

*For more details such as stock information, warrant information, financial reports, news releases and corporate presentation please visit our website.*



<sup>2</sup>Bloomberg



Volume and Share price



# LOCAL INVESTMENTS

Osisko strives to maximize benefits for our host communities and the local areas where we operate.

By buying locally, we help indirectly develop local expertise and allow businesses to grow. More than 89% of Osisko outlays were made in Québec and Ontario in 2016.

For the fiscal year 2016, we spent over \$326,662 in the purchase of goods and services from First Nations, local suppliers and contractors. We are proud to count among the partners we have worked with:

- Waswanipi Cree First Nation
- Transport MJ Cooper
- Pétronor
- Miyuu Kaa Corporation
- Wahgoshig Resources Limited Partnership
- Asinii Drilling
- NPLH Drilling
- LPL Contracting
- Little Fox Lodge

# PAYMENTS TO GOVERNMENT

Osisko’s investments and activities add wealth to regional, provincial and federal governments.

Our exploration activities generate economic activity through the purchase of goods and services, payment of salaries and wages.

Direct payments are also made by Osisko to the government of Quebec for our mining claims in the province. Our total payments to government in 2016 are provided below.

| 2016 PAYMENTS TO GOVERNMENT  |           |
|--|-----------|
| Employee Taxes   | \$1.59M   |
| Other Taxes<br>(municipal taxes, claims’ payment, net sales taxes) | \$390,000 |

# SHARING WITH OUR COMMUNITIES



Osisko is committed to sharing wealth with our communities by:

- Identifying and establishing a relationship with stakeholders with an interest in our activities;
- Contributing to the socio-economic development of our host communities through investment in community-focused sustainability projects;
- Building long-term relationships with Aboriginal communities with an interest in our projects.

Innovation, technology and science have played a significant role in the development of Osisko. Training of future generations of workers and leaders in the mining sector is important to us.

We contribute to the economic vitality of the regions in which we operate, and support our host communities and their cultural activities.

## SPONSORSHIPS AND DONATIONS

In 2016 Osisko provided donations and sponsorships to several organizations and events related to :

- PDAC – Student Industry Mineral Exploration
- Malartic’s “Festival Western”
- Goodman Gold Challenge

Osisko also offers in-kind services to our neighbours whenever possible. For example, Osisko provides snow clearing, donates lumber and offers meals and accommodation to some of our closest neighbours.



# CONTACT US

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