



**NOTICE OF MEETING**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**for the**

**ANNUAL & SPECIAL MEETING  
OF SHAREHOLDERS AND OPTIONHOLDERS OF  
OSISKO MINING CORPORATION**

**to be held on**

**MAY 30, 2014**

**DATED AS OF MAY 1, 2014**





May 1, 2014

Dear Securityholders of Osisko Mining Corporation:

It is my pleasure to extend to you, on behalf of the board of directors ("**Osisko Board**") of Osisko Mining Corporation ("**Osisko**"), an invitation to attend the annual and special meeting (the "**Meeting**") of the shareholders ("**Osisko Shareholders**") and optionholders ("**Osisko Optionholders**", and together with Osisko Shareholders, "**Osisko Securityholders**") of Osisko to be held at 1:30 p.m. (Eastern Daylight Time) on Friday, May 30, 2014 at Fairmont The Queen Elizabeth (Salon St-François) located at 900 René-Lévesque Boulevard West, Montreal, Québec, Canada, H3B 4A5.

On April 16, 2014, Osisko entered into an arrangement agreement (the "**Arrangement Agreement**") with Agnico Eagle Mines Limited ("**Agnico Eagle**") and Yamana Gold Inc. ("**Yamana**") whereby, subject to the terms and conditions of the Arrangement Agreement, Agnico Eagle and Yamana will jointly acquire 100% of the outstanding common shares of Osisko ("**Osisko Shares**") pursuant to a plan of arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act*. Pursuant to the Arrangement, Osisko Shareholders will be entitled to receive cash, a fraction of a common share of Agnico Eagle, a fraction of a common share of Yamana and one common share ("**New Osisko Shares**") of a newly formed company ("**New Osisko**"), that will own certain assets of Osisko that will be transferred to it as part of the Arrangement, for each Osisko Share held by them. At the Meeting, the Osisko Securityholders will be asked to approve the Arrangement. At the Meeting, (i) Osisko Shareholders (other than Osisko Shareholders holding Out-of-the-Money Osisko Options (as defined in the accompanying management information circular (the "**Circular**"))) will be asked to approve the cash payment to Osisko Optionholders holding Out-of-the-Money Osisko Options (as defined in the Circular) in an aggregate amount not to exceed \$3 million, as contemplated by subsection 3.3(f) of the Plan of Arrangement, and (ii) Osisko Shareholders will also be asked to approve a consolidation of the New Osisko Shares on a 10:1 basis, to be effective immediately following the exchange of Osisko Shares pursuant to the Arrangement.

The Osisko Board, after consulting with its legal and financial advisors, and based in part on the unanimous recommendation of the special committee of the Osisko Board (the "**Special Committee**") comprised of five independent directors and fairness opinions received from BMO Capital Markets and Maxit Capital LP as described in the accompanying Circular, has determined that the Arrangement is in the best interests of Osisko and unanimously recommends that Osisko Securityholders vote **FOR** the Arrangement. The determination of the Special Committee and the Osisko Board is based on various factors described more fully in the accompanying notice of annual and special meeting of Osisko Securityholders (the "**Notice of Meeting**") and Circular.

The accompanying Notice of Meeting and Circular provide a description of the Arrangement and include certain additional information to assist you in considering how to vote on the special resolution that is required to approve the Arrangement. You are urged to read this information carefully and, if you require assistance, to consult your tax, financial, legal or other professional advisors.

Your vote is very important regardless of the number of Osisko Shares you own. If you are a registered Osisko Shareholder (i.e., your name appears on the register of the Osisko Shares maintained by or on behalf of Osisko) or a holder of options of Osisko ("**Osisko Options**") and you are unable to attend the Meeting in person, we encourage you to complete, sign, date and return the accompanying form of proxy, as applicable, so that your Osisko Shares and Osisko Options can be voted at the Meeting (or at any adjournments or postponements thereof) in accordance with your instructions. To be effective, the enclosed form of proxy must be received by our transfer agent, CST Trust Company (according to the instructions on the proxy), not later than 1:30 p.m. (Eastern Daylight Time) on Wednesday, May 28, 2014, or not later than 48 hours (other than a Saturday, Sunday or holiday) immediately

preceding the time of the Meeting (as it may be adjourned or postponed from time to time). The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

We also encourage registered Osisko Shareholders to complete, sign, date and return the enclosed letter of transmittal printed on yellow paper in accordance with the instructions set out therein and in the accompanying Circular, so that if the Arrangement is completed the consideration to which you are entitled can be transferred to you as soon as possible following completion of the Arrangement.

If you hold Osisko Shares through a broker, custodian, nominee or other intermediary, you should follow the instructions provided by your intermediary to ensure your vote is counted at the Meeting and should arrange for your intermediary to complete the necessary steps to ensure that you receive payment for your securities as soon as possible following completion of the Arrangement.

To be effective, the Arrangement must be approved by a special resolution (the "**Arrangement Resolution**") passed at the Meeting by (i) at least 66⅔% of the votes cast on the Arrangement Resolution by the Osisko Shareholders and the Osisko Optionholders, voting as a single class, present in person or by proxy at the Meeting, and (ii) at least 66⅔% of the votes cast on the Arrangement Resolution by the Osisko Shareholders present in person or by proxy at the Meeting. Each of the directors and senior officers of Osisko and certain Osisko Shareholders have entered into voting agreements with Osisko agreeing to support and vote their Osisko Shares in favour of the Arrangement, subject to certain exceptions.

Completion of the Arrangement is dependent on many factors. Subject to obtaining the requisite approvals of the Osisko Securityholders and the Superior Court of Québec, and to satisfying certain other conditions, the Arrangement is expected to close as soon as reasonably practicable following the receipt of the Final Order, which is expected to be obtained on or around June 9, 2014.

**Completion of the Arrangement or approval of the Arrangement Resolution is not conditional upon the approval of any of the Out-of-the-Money Consideration Resolution, New Osisko Resolutions or Annual Resolutions that Osisko Shareholders are being asked to consider.**

If you have any questions or need assistance in your consideration of the Arrangement, with the completion and delivery of your proxy or about submitting your securities and letter of transmittal to the Arrangement, please contact Laurel Hill Advisory Group, our Proxy Solicitation Agent, by telephone at: 1-877-452-7184 (North American Toll Free) or 416-304-0211 (Collect Outside North America); or by email at: [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

On behalf of Osisko, I would like to thank all Osisko Securityholders for their continuing support.

Yours truly,

*"Victor H. Bradley"*

Victor H. Bradley  
Chair



## NOTICE OF ANNUAL AND SPECIAL MEETING

**NOTICE IS HEREBY GIVEN** that in accordance with the varied and amended interim order of the Superior Court of Québec (the "**Court**") rendered April 30, 2014, as may be further varied and amended (the "**Interim Order**"), an annual and special meeting (the "**Meeting**") of shareholders ("**Osisko Shareholders**") and optionholders ("**Osisko Optionholders**"), as applicable, of Osisko Mining Corporation ("**Osisko**") will be held at 1:30 p.m. (Eastern Daylight Time) on Friday, May 30, 2014 at Fairmont The Queen Elizabeth (Salon St-François) located at 900 René-Lévesque Boulevard West, Montreal, Québec, Canada, H3B 4A5, for the following purposes:

- (a) to consider, pursuant to the Interim Order and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") authorizing and approving an arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving Osisko, Agnico Eagle Mines Limited and Yamana Gold Inc. and certain other transactions, all as more particularly described in the accompanying management information circular dated May 1, 2014 (the "**Circular**") of Osisko which accompanies this Notice of Meeting;
- (b) to consider, as required by the policies of the Toronto Stock Exchange, and if deemed advisable, to pass, with or without amendment, an ordinary resolution (excluding for these purposes the votes attached to Osisko Shares held by holders of Out-of-the-Money Osisko Options (as defined in the Circular that accompanies this Notice of Meeting)) to approve the cash payment to the holders of Out-of-the-Money Osisko Options, in an aggregate amount not to exceed \$3 million, as contemplated by subsection 3.3(f) of the Plan of Arrangement, as more particularly described in the accompanying Circular (the "**Out-of-the-Money Consideration Resolution**").
- (c) to consider and, if thought advisable, to pass, with or without amendment, an ordinary resolution to approve an incentive share option plan for New Osisko (as defined in the Circular that accompanies this Notice of Meeting), as more particularly described in the accompanying Circular, provided that the Arrangement Resolution is approved;
- (d) to consider and, if thought advisable, to pass, with or without amendment, an ordinary resolution to approve a shareholder rights plan for New Osisko, as more particularly described in the accompanying Circular, provided that the Arrangement Resolution is approved;
- (e) to consider and, if thought advisable, to pass, with or without amendment, a special resolution approving the New Osisko Share Consolidation (as defined in the Circular that accompanies this Notice of Meeting) on the basis of one post-consolidated New Osisko Share for each 10 pre-consolidation New Osisko Shares, provided that the Arrangement Resolution is approved;
- (f) to receive Osisko's audited consolidated financial statements for the year ended December 31, 2013 and the independent auditors' report thereon;
- (g) to elect Osisko's directors;

- (h) to appoint PricewaterhouseCoopers LLP as Osisko's independent auditors until the close of the next annual meeting of the shareholders of Osisko and to authorize the directors to fix their remuneration;
- (i) to consider and, if deemed advisable, approve an ordinary resolution approving the unallocated rights and entitlements under the Osisko Employee Share Purchase Plan (as defined in the Circular that accompanies this Notice of Meeting);
- (j) to consider and, if deemed advisable, approve an ordinary resolution approving the unallocated rights and entitlements under the Osisko Stock Option Plan (as defined in the Circular that accompanies this Notice of Meeting);
- (k) to consider and, if deemed advisable, adopt an advisory resolution accepting Osisko's approach to executive compensation, the full text of which is reproduced in the accompanying Circular; and
- (l) to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the Circular that accompanies this Notice of Meeting. The full text of the Arrangement Resolution (being item (a)), the Out-of-the-Money Consideration Resolution (being item (b)), the New Osisko Resolutions (being items (c) through (e)) and the Annual Resolutions (being items (f) through (k)) set out above are attached to the Circular as Schedule "A". **Completion of the Arrangement or approval of the Arrangement Resolution is not conditional upon the approval of any of the Out-of-the-Money Consideration Resolution, New Osisko Resolutions or Annual Resolutions that Osisko Shareholders are being asked to consider.**

The record date for determining the Osisko Shareholders and Osisko Optionholders entitled to receive notice of and vote at the Meeting is the close of business on April 14, 2014 (the "**Record Date**"). An Osisko Shareholder or Osisko Optionholder may attend the Meeting in person or may be represented by proxy. Osisko Optionholders will only be asked and entitled to vote on the Arrangement Resolution together as a single class with Osisko Shareholders. Other than the Arrangement Resolution, only Osisko Shareholders will be asked and entitled to vote on the Annual Resolutions set out above and attached to the Circular as Schedule "A". Only Disinterested Osisko Shareholders (as defined in the Circular that accompanies this Notice of Meeting) will be asked and entitled to vote on the Out-of-the-Money Consideration Resolution set out above and attached to the Circular as Schedule "A". Some of the Annual Resolutions being put to Osisko Shareholders at the Meeting are being proposed solely in the event that the Arrangement is not completed for any reason. Osisko Shareholders and Osisko Optionholders who are unable to attend the Meeting or any adjournment thereof in person are requested to complete, date, and sign the accompanying form of proxy, as applicable, and deliver it in accordance with the instructions set out in the applicable form of proxy and in the accompanying Circular.

Osisko Shareholders and Osisko Optionholders who are planning to return the form of proxy are encouraged to review the accompanying Circular carefully before submitting the form of proxy.

If you are a non-registered holder of Osisko Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein.

Pursuant to and in accordance with the Interim Order and the provisions of Section 190 of the CBCA (as modified or supplemented by the Interim Order and any other order of the Court), each registered Osisko Shareholder has been granted the right to dissent in respect of the Arrangement Resolution and the dissent rights are described in the accompanying Circular. To exercise such right, (a) a written notice of dissent to the Arrangement Resolution must be received by Osisko, c/o Stikeman Elliott LLP, c/o Mtre Frédéric Paré, 1155 René-Lévesque Blvd West, Suite 4000, Montreal, Québec H3B 3V2, fax: (514) 397-5429 or by email: [fpare@stikeman.com](mailto:fpare@stikeman.com), by 1:30 p.m. (Eastern Daylight Time) on Wednesday, May 28, 2014, or two business days prior to any adjournment of the Meeting, (b) the

Osisko Shareholder must not have voted in favour of the Arrangement Resolution, and (c) the Osisko Shareholder must have otherwise complied with the provisions of Section 190 of the CBCA, as modified and supplemented by the Interim Order. The right to dissent is described in the Circular and the texts of the Interim Order and Section 190 of the CBCA are set forth in Schedule "E" and Schedule "F", respectively, to the Circular.

Persons who are beneficial owners of Osisko Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only registered holders of Osisko Shares are entitled to dissent. Accordingly, a beneficial owner of Osisko Shares desiring to exercise this right must make arrangements for the Osisko Shares beneficially owned by such person to be registered in his, her or its name prior to the time the written notice of dissent to the Arrangement Resolution is required to be received by Osisko or, alternatively, make arrangements for the registered holder of Osisko Shares to dissent on his, her or its behalf. Holders of securities convertible into or exchangeable for Osisko Shares (including Osisko Options) are not entitled to exercise dissent rights.

Failure to strictly comply with the requirements set forth in Section 190 of the CBCA, as modified and supplemented by the Interim Order, will result in the loss of any right of dissent.

If you have any questions or require any assistance in completing your proxy or voting instruction form, please contact Laurel Hill Advisory Group, our Proxy Solicitation Agent, by telephone at: 1-877-452-7184 (North American Toll Free) or 416-304-0211 (Collect Outside North America); or by email at: [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

DATED at Montreal, Québec this 1<sup>st</sup> day of May, 2014.

**BY ORDER OF THE BOARD OF DIRECTORS**

***(Signed)* Victor H. Bradley, Chair**

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## QUESTIONS AND ANSWERS ABOUT THE ARRANGEMENT

*The following is a summary of certain information contained in or incorporated by reference into this Circular, together with some of the questions that you, as an Osisko Securityholder, may have and answers to those questions. You are urged to read the remainder of this Circular, the form of proxy and the Letter of Transmittal carefully, because the information contained below is of a summary nature, and is qualified in its entirety by the more detailed information contained elsewhere in or incorporated by reference into this Circular, the form of proxy and the Letter of Transmittal and the attached Schedules, all of which are important and should be reviewed carefully. Capitalized terms in this summary have the meanings set out under the heading "Glossary of Terms".*

### **What approvals are required to be given by Osisko Securityholders at the Meeting?**

To become effective, the Arrangement Resolution must be approved, with or without variation, by (i) at least 66⅔% of the votes cast on the Arrangement Resolution by the Osisko Shareholders and the Osisko Optionholders, voting as a single class, present in person or by proxy at the Meeting, and (ii) at least 66⅔% of the votes cast on the Arrangement Resolution by the Osisko Shareholders present in person or by proxy at the Meeting.

At the Meeting, and in accordance with and as required by the policies of the TSX, Disinterested Osisko Shareholders will also be asked to approve, with or without variation, an ordinary resolution approving the payment of the Out-of-the-Money Option Consideration Amount to the holders of Out-of-the-Money Osisko Options, in an aggregate amount not to exceed \$3 million, as contemplated by subsection 3.3(f) of the Plan of Arrangement.

The Supporting Shareholders have entered into the Voting Agreements with Osisko, Yamana and Agnico Eagle in respect of Osisko Shares representing, in the aggregate, approximately 4.5% of the outstanding Osisko Shares, pursuant to which, and subject to certain exceptions, such Supporting Shareholders have agreed to vote their Osisko Shares, inclusive of Osisko Shares which are not locked-up, representing approximately 5.3% of the outstanding Osisko Shares as of the date of their respective Voting Agreements, in favour of the Arrangement Resolution at the Meeting. The Supporting Shareholders also held approximately 66.6% of the outstanding Osisko Options as of the date of their respective Voting Agreements. See *"The Voting Agreements"*.

**Completion of the Arrangement or approval of the Arrangement Resolution is not conditional upon the approval of any of the Out-of-the-Money Consideration Resolution, New Osisko Resolutions or Annual Resolutions that Osisko Shareholders are being asked to consider.**

### **Does the Osisko Board support the Arrangement?**

Yes. The Osisko Board has unanimously determined (i) that the Arrangement is in the best interests of Osisko, (ii) that Osisko should enter into the Arrangement Agreement, and (iii) to recommend that Osisko Securityholders vote **FOR** the Arrangement Resolution.

Prior to entering into the Arrangement Agreement, the Osisko Board established the Special Committee, comprised of five independent directors (Joanne Ferstman (Co-Chair), Gary A. Sugar (Co-Chair), Victor H. Bradley, Marcel Côté and William A. MacKinnon), to review and evaluate the Goldcorp Offer, pursue strategic alternatives to the Goldcorp Offer, oversee and supervise the process carried out by Osisko in negotiating and entering into the Arrangement Agreement and, among other things, review and consider the terms and conditions of the Arrangement to advise the Osisko Board with respect to any recommendation that the Osisko Board should make to Osisko Securityholders. The Special Committee retained Stikeman Elliott LLP as its legal counsel.

The Special Committee determined that the proposed Arrangement with Agnico Eagle and Yamana is in the best interests of Osisko. The Special Committee then recommended that the Osisko Board approve the proposed Arrangement Agreement.

In making its recommendation, the Osisko Board considered a number of factors as described in this Circular under the heading *"The Arrangement – Recommendation of the Osisko Board"*, including the opinions of its

financial advisors, BMO Capital Markets and Maxit Capital, both which determined that, subject to the assumptions, limitations and qualifications contained in their respective opinions, the consideration to be received by Osisko Shareholders pursuant to the Arrangement was fair, from a financial point of view, to Osisko Shareholders as of the date of the Fairness Opinions. See *"The Arrangement – Background to the Arrangement"*.

#### **What will I receive for my Osisko Shares under the Arrangement?**

Pursuant to the Arrangement, in connection with a reorganization of Osisko's capital and the acquisition of Osisko by Acquisitionco, each Osisko Shareholder at the Effective Time will be entitled to receive, for each Osisko Share:

- (a) C\$2.09 in cash;
- (b) 0.07264 of an Agnico Eagle Share;
- (c) 0.26471 of a Yamana Share; and
- (d) one New Osisko Share.

If the Consolidation Resolution is approved, the New Osisko Shares will, immediately following the exchange of Osisko Shares pursuant to the Arrangement, be consolidated on the basis of one post-consolidation New Osisko Share for every 10 pre-consolidation New Osisko Shares, so that Former Osisko Shareholders will end up receiving 0.1 of a New Osisko Share (rather than one New Osisko Share) for each Osisko Share held by them.

#### **What will I receive for my Osisko Options under the Arrangement?**

Under the Arrangement, the vesting of outstanding Osisko Options will be accelerated to ensure that all Osisko Options, at the election of the holders thereof, may be exercised immediately prior to the Effective Time. Each Osisko Share issued, and deemed to be issued, upon the exercise of an Exercised Osisko Option shall be exchanged for the same consideration payable to Osisko Shareholders under the Arrangement. See *"Questions and Answers About the Arrangement – What will I receive for my Osisko Shares under the Arrangement?"*

If the Out-of-the-Money Consideration Resolution is approved, holders of Out-of-the-Money Osisko Options shall receive a cash payment equal to the Individual Out-of-the-Money Amount (being the fair value of such Out-of-the-Money Osisko Option determined using the "Black-Scholes" valuation model), provided that the aggregate Out-of-the-Money Option Consideration Amount shall not exceed \$3 million.

At the Effective Time all remaining outstanding Osisko Options shall be terminated and cancelled without compensation therefor. For greater certainty, any unexercised Out-of-the-Money Osisko Options shall also be terminated and cancelled without any compensation therefor if the Out-of-the-Money Consideration Resolution is not approved at the Meeting.

See *"The Arrangement – Description of the Arrangement"*.

#### **Are the Agnico Eagle Shares listed on a stock exchange?**

Yes. Agnico Eagle Shares are listed for trading on the TSX and the NYSE. Agnico Eagle will apply to list the Agnico Eagle Shares issuable under the Arrangement on the TSX and the NYSE and it is a condition of closing the Arrangement that Agnico Eagle will have obtained conditional approval of the TSX and the approval of the NYSE for such listings.

#### **Are the Yamana Shares listed on a stock exchange?**

Yes. Yamana Shares are listed for trading on the TSX and the NYSE. Yamana will apply to list the Yamana Shares issuable under the Arrangement on the TSX and the NYSE and it is a condition of closing the

Arrangement that Yamana will have obtained conditional approval of the TSX and the approval of the NYSE for such listings.

**Are the New Osisko Shares listed on a stock exchange?**

The New Osisko Shares are not currently listed for trading on any stock exchange. New Osisko will apply to list the New Osisko Shares issuable under the Arrangement on the TSX and it is a condition of closing the Arrangement that New Osisko will have obtained conditional approval of the TSX for such listing.

**When will the Arrangement become effective?**

Osisko, Agnico Eagle and Yamana will implement the Arrangement when all of the conditions to the closing of the Arrangement have been satisfied or waived (where permitted). The Arrangement is subject to a number of conditions, some of which are beyond Osisko's, Agnico Eagle's and Yamana's control, and the exact timing of implementation of the Arrangement cannot be predicted with certainty. It is currently expected that the closing of the Arrangement will take place as soon as reasonably practicable following the receipt of the Final Order, which is expected to be obtained on or around June 9, 2014.

**When can I expect to receive the consideration for my Osisko Shares?**

The Depositary will deliver to you your cash, Agnico Eagle Shares, Yamana Shares and New Osisko Shares as soon as practicable after the completion of the Arrangement and the receipt by the Depositary from you of a properly completed and duly executed Letter of Transmittal (or a manually executed facsimile thereof) and all other relevant documents required by the instructions set out in the Letter of Transmittal, as applicable. If you hold your Osisko Shares through a broker, custodian, nominee or other intermediary your broker, custodian, nominee or other intermediary will surrender your Osisko Shares in exchange for your Arrangement Cash Consideration, Agnico Eagle Share Consideration, Yamana Share Consideration and New Osisko Share Consideration.

**What other conditions must be satisfied to complete the Arrangement?**

In addition to the applicable approvals by Osisko Securityholders at the Meeting, the Arrangement is conditional upon, among other things, the performance, by each of Osisko, Agnico Eagle and Yamana of all obligations under the Arrangement Agreement and the receipt of, among other things, the Final Order from the Court and all other applicable waivers and consents required, including the Competition Approval (which approval was obtained on April 30, 2014), all in accordance with the terms of the Arrangement Agreement. See "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*".

**What will happen if the Arrangement Resolution is not approved or the Arrangement is not completed for any reason?**

The Arrangement Agreement may be terminated if the Arrangement Resolution is not approved or the Arrangement is not completed for any reason. If this occurs, Osisko will continue to carry on its business operations in the normal and usual course. See "*Risk Factors – Risk Factors Related to the Arrangement*". In certain termination circumstances, Osisko will be required to pay to Agnico Eagle and Yamana the Termination Fee or the Expense Fee, in either case payable 50% to Agnico Eagle and 50% to Yamana. See "*The Arrangement Agreement – Termination*" and "*The Arrangement Agreement – Termination Fee and Expense Fee*". If the Arrangement Agreement is not completed for any reason, the Letters of Transmittal and share certificates that have been submitted by Registered Shareholders will be returned to such Registered Shareholders.

**What are the Canadian federal income tax consequences of the Arrangement to Osisko Shareholders?**

For a summary of the principal Canadian federal income tax considerations applicable to Osisko Shareholders in connection with the Arrangement, see "*Principal Canadian Federal Income Tax Considerations*". Such summary is not intended to be legal or tax advice to any particular Osisko Shareholder. Osisko Shareholders should consult their own tax and investment advisors with respect to their particular circumstances.

### **What are the U.S. federal income tax consequences of the Arrangement to Osisko Shareholders?**

For a summary of certain U.S. federal income tax considerations applicable to Osisko Shareholders in connection with the Arrangement, see "*Certain U.S. Federal Income Tax Considerations for U.S. Holders*". Such summary is not intended to be legal or tax advice to any particular Osisko Shareholder. Osisko Shareholders should consult their own tax and investment advisors with respect to their particular circumstances.

### **What other matters are being considered at the Meeting other than the Arrangement Resolution?**

In addition to the Arrangement Resolution being put to Osisko Securityholders for approval at the Meeting, and in accordance with and as required by the policies of the TSX, Disinterested Osisko Shareholders (and only Disinterested Osisko Shareholders) will also be asked to approve, with or without variation, an ordinary resolution approving the payment of the Out-of-the-Money Option Consideration Amount to the holders of Out-of-the-Money Osisko Options, in an aggregate amount not to exceed \$3 million, as contemplated by subsection 3.3(f) of the Plan of Arrangement. Particulars of the subject matter of the Out-of-the-Money Consideration Resolution are described in this Circular under the heading "*Summary of Circular – Effects of the Arrangement – Osisko Optionholders*".

Osisko Shareholders (and only Osisko Shareholders) are also being asked to consider and approve the New Osisko Resolutions (provided the Arrangement Agreement is approved) and Annual Resolutions set out in Schedule "A" to this Circular. Particulars of the subject matter of the New Osisko Resolutions are described in this Circular under the heading "*Information Concerning New Osisko*" and are set out in Schedule "I" to this Circular. Particulars of the subject matter of the Annual Resolutions are set out in Schedule "M" to this Circular.

**Completion of the Arrangement or approval of the Arrangement Resolution is not conditional upon the approval of any of the Out-of-the-Money Consideration Resolution, New Osisko Resolutions or Annual Resolutions that Osisko Shareholders are being asked to consider.**

The New Osisko Resolutions are being put to Osisko Shareholders for approval provided that the Arrangement Resolution is approved. The subject matter in the New Osisko Resolutions will cease to be relevant if the Arrangement Resolution is not approved. The Annual Resolutions are being put to Osisko Shareholders for approval in the event that the Arrangement is not completed for any reason by June 30, 2014. If the Arrangement is completed as anticipated, many of the matters contemplated in the Annual Resolutions may cease to be relevant, as Agnico Eagle and Yamana will, upon consummation of the Arrangement, jointly own directly or indirectly Osisko and Osisko Shareholders will cease to have any direct interest in Osisko.

### **Who can help answer my questions?**

Osisko Securityholders who would like additional copies, without charge, of this Circular or have additional questions about the Arrangement, including the procedures for voting Osisko Shares and Osisko Options, should contact their broker or Laurel Hill Advisory Group ("**Laurel Hill**") as indicated below. In addition, Laurel Hill is available to answer any questions you might have in respect of the information contained in this Circular.

Interested Osisko Securityholders may contact Laurel Hill by telephone at: 1-877-452-7184 (North American Toll Free) or 416-304-0211 (Collect Outside North America); or by email at: [assistance@laurelhill.com](mailto:assistance@laurelhill.com).



## MANAGEMENT INFORMATION CIRCULAR

This Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of Osisko for use at the Meeting of Osisko Securityholders to be held at Fairmont The Queen Elizabeth (Salon St-François) located at 900 René-Lévesque Boulevard West, Montreal, Québec, Canada, H3B 4A5 at 1:30 p.m. (Eastern Daylight Time) on Friday, May 30, 2014 and at any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying notice of annual and special meeting of Osisko Securityholders (the "**Notice of Meeting**").

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for the statements of historical fact contained herein, the information presented in this Circular and the information incorporated by reference herein, constitutes "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian Securities Laws (together, "**forward-looking statements**") concerning the business, operations, plans and financial performance and condition of each of Osisko, Agnico Eagle, Yamana and New Osisko. Often, but not always, forward-looking statements can be identified by words such as "*pro forma*", "plans", "expects", "may", "should", "could", "will", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", or variations including negative variations thereof of such words and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual plans, results, performance or achievements of Osisko, Agnico Eagle, Yamana or New Osisko to differ materially from any future plans, results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the timing, closing or non-completion of the Arrangement, including due to the parties failing to receive, in a timely manner and on satisfactory terms, the necessary Court, securityholder, stock exchange and regulatory approvals or the inability of the parties to satisfy in a timely manner the other conditions to the closing or the conditions precedent, as applicable, of the Arrangement; inability to achieve the benefits or synergies anticipated from the Arrangement; actual net asset values, operating cash flows, free cash flows, production, reserves, and resources, total cash, transaction and sustaining costs, debt levels, and the timing and amounts of capital expenditures of Osisko, Agnico Eagle, Yamana, New Osisko or Canadian Malartic GP differing materially from those anticipated; risks related to international operations; risks related to the holding of royalty interests on mineral properties; risks related to partnership or other joint operations; actual results of current exploration activities; variations in ore reserves, resources, mineral production, grades or recovery rates or optimization efforts and sales; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; uninsured risks; regulatory changes, defects in title; availability or integration of personnel, materials and equipment; performance of facilities, equipment and processes relative to specifications and expectations; unanticipated environmental impacts on operations market prices; production, construction and technological risks related to Osisko and Canadian Malartic GP; capital requirements and operating risks associated with the operations or an expansion of the operations of Osisko and Canadian Malartic GP; fluctuations in gold, silver and other metal prices and currency exchange rates; uncertainty relating to future production, capital expenditures, debt levels and cash resources; inability to successfully complete new development projects, planned expansions or other projects within the timelines anticipated; adverse changes to market, political and general economic conditions or laws, rules and regulations applicable to Osisko, Canadian Malartic GP, Agnico Eagle, Yamana or New Osisko; changes in project parameters; the possibility of project cost overruns or unanticipated costs and expenses; accidents, labour disputes, community and stakeholder protests and other risks of the mining industry; failure of plant, equipment or processes to operate as anticipated; risk of an undiscovered defect in title or other adverse claim; factors discussed under the heading "*Risk Factors*"; and those risks set forth in the Osisko AIF, the Agnico Eagle AIF and the Yamana AIF, which are available on SEDAR at [www.sedar.com](http://www.sedar.com), and in Agnico Eagle's and Yamana's filings with the U.S. Securities and Exchange Commission, which are available on EDGAR at [www.sec.gov](http://www.sec.gov).

Although Osisko has attempted to identify important factors that could cause actual plans, actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-

looking statements will prove to be accurate, as actual plans, results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

In addition, forward-looking and *pro forma* information herein is based on certain assumptions and involves risks related to the consummation or non-consummation of the Arrangement and the business and operations of Osisko, Agnico Eagle, Yamana, New Osisko and Canadian Malartic GP and the royalties and other assets to be held by New Osisko in connection with the Arrangement and the implied value of New Osisko Shares. Forward-looking and *pro forma* information contained herein is based on certain assumptions including that Osisko Securityholders will vote in favour of the Arrangement, that the Court will approve the Arrangement and that all other conditions to the Arrangement are satisfied or waived and that the Arrangement will be completed. Other assumptions include, but are not limited to, the ability of Osisko and Canadian Malartic GP to realize the enhanced growth opportunities currently anticipated for Osisko and Canadian Malartic GP; the ability of Canadian Malartic GP to realize the benefits of Canadian Malartic GP's growth projects; the ability of Osisko and Canadian Malartic GP to meet key production and cost estimates; the value of New Osisko's assets, in particular the Canadian Malartic NSR; the value of the Agnico Eagle Shares; the value of the Yamana Shares; the successful completion of existing or new development projects, planned expansions or other projects within the timelines anticipated and at anticipated production levels; the accuracy of reserve, resource and mineral production estimates, grades, mine life and cash cost and capital expenditure estimates; whether mineral resources can be developed; interest and exchange rates; the price of gold, silver and other metals; competitive conditions in the mining industry; title to mineral properties; financing and funding requirements; general economic, political and market conditions; and changes in laws, rules and regulations applicable to Osisko, Agnico Eagle, Yamana, New Osisko and Canadian Malartic GP.

Although Osisko has attempted to identify important factors that could cause plans, actions, events or results to differ materially from those described in forward-looking statements and forward-looking information in this Circular, and the documents incorporated by reference herein, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate as actual plans, results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information in this Circular, nor in the documents incorporated by reference herein. All of the forward-looking statements made in this Circular, including all documents incorporated by reference herein, are qualified by these cautionary statements.

Certain of the forward-looking statements and forward-looking information and other information contained herein concerning the mining industry and Osisko's general expectations concerning the mining industry, Osisko, Agnico Eagle, Yamana, New Osisko and Canadian Malartic GP are based on estimates prepared by Osisko, Agnico Eagle or Yamana using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which Osisko believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. While Osisko is not aware of any misstatement regarding any industry data presented herein, the mining industry involves risks and uncertainties that are subject to change based on various factors.

Osisko Securityholders are cautioned not to place undue reliance on forward-looking statements and forward-looking information. Osisko undertakes no obligation to update any of the forward-looking statements or forward-looking information in this Circular or incorporated by reference herein, except as required by law.

#### **NOTE TO U.S. SECURITYHOLDERS**

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The New Osisko Shares, the Agnico Eagle Shares and the Yamana Shares to be issued to Osisko Shareholders under the Arrangement have not been and will not be registered under the U.S. Securities Act, and are being issued in reliance on the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act on the basis of the approval of the Court, which will consider, among other things, the fairness of the terms and conditions of the Arrangement to Osisko Shareholders. See *"The Arrangement – Securityholder and Court Approvals – Court Approval"*. The New Osisko Shares, the Agnico Eagle Shares and the Yamana Shares to be issued to Osisko Shareholders under the Arrangement will be freely transferable under U.S. federal securities laws, except that the U.S. Securities Act imposes restrictions on the resale of securities received pursuant to the Arrangement by persons who are, or within the 90 days immediately before such resale were, "affiliates" of the issuer of those securities. See *"Securities Law Matters – U.S. Securities Laws"*.

**Osisko Shareholders resident in the U.S. should be aware that the Arrangement described herein may have tax consequences both in the U.S. and in Canada. Such consequences for Osisko Shareholders may not be described fully herein. For a general discussion of the principal Canadian federal income tax considerations to investors who are resident in the U.S., see *"Principal Canadian Federal Income Tax Considerations – Non-Resident Shareholders"*. For a general discussion of certain U.S. federal income tax considerations to investors who are resident in the U.S., see *"Certain U.S. Federal Income Tax Considerations for U.S. Holders"*. Osisko Shareholders resident in the U.S. are urged to consult their own tax advisors with respect to such Canadian and U.S. federal income tax consequences and the applicability of any federal, state, local, foreign and other tax laws.**

Each of Osisko, Agnico Eagle and Yamana is a "foreign private issuer" within the meaning of Rule 3b-4 under the U.S. Exchange Act. The solicitation of proxies from Osisko Securityholders is not subject to the proxy requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, the solicitation contemplated herein is being made to Osisko Securityholders resident in the U.S. only in accordance with Canadian corporate and securities laws, and this Circular has been prepared in accordance with the disclosure requirements of Canadian securities laws. Osisko Securityholders resident in the U.S. should be aware that, in general, such Canadian disclosure requirements are different from those applicable to proxy statements, prospectuses or registration statements prepared in accordance with U.S. laws. The financial statements of Osisko and Yamana incorporated by reference herein have been prepared in accordance with IFRS, which differs in material ways from U.S. GAAP. The financial statements of Agnico Eagle incorporated by reference herein have been prepared in accordance with U.S. GAAP, which differs in material ways from IFRS.

Information regarding mineral reserve and resource estimates in this Circular or in the documents incorporated by reference herein concerning the properties and operations of Osisko, Agnico Eagle and Yamana has been prepared in accordance with the requirements of securities laws in effect in Canada, which differ in material respects from the requirements of U.S. securities laws applicable to U.S. companies. Osisko, Agnico Eagle and Yamana are required to describe mineral reserves associated with their respective properties utilizing Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") definitions of "proven" or "probable", which categories of reserves are recognized by NI 43-101, but which differ from those definitions in the disclosure requirements promulgated by the SEC and contained in Industry Guide 7. In addition, under NI 43-101 Osisko, Agnico Eagle and Yamana are required to describe mineral resources associated with their respective properties utilizing CIM definitions of "measured", "indicated" or "inferred", which categories of resources are recognized by Canadian regulations but are not defined terms under Industry Guide 7 and are generally not permitted to be used in reports and registration statements of U.S. companies filed with the SEC. Accordingly, information contained in this Circular regarding the mineral deposits of Osisko, Agnico Eagle and Yamana may not be comparable to similar information disclosed by U.S. companies in reports filed with the SEC. U.S. investors are cautioned not to assume that all or any part of measured mineral resources or indicated mineral resources will ever be converted into mineral reserves. "Inferred resources" have an even greater amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. U.S. readers are cautioned not to assume that all or any part of an inferred resource exists, or is economically or legally mineable.

The enforcement by investors of civil liabilities under the U.S. securities laws may be affected adversely by the fact that each of Osisko, Agnico Eagle and Yamana is organized under the laws of a jurisdiction other than the U.S., that

some or all of their respective officers and directors are residents of countries other than the U.S., that some or all of the experts named in this Circular and the documents incorporated by reference herein may be residents of countries other than the U.S., and that all or a substantial portion of the assets of Osisko, Agnico Eagle and Yamana and such persons are located outside the U.S. As a result, it may be difficult or impossible for Osisko Securityholders resident in the U.S. to effect service of process within the U.S. upon Osisko, Agnico Eagle or Yamana, their respective officers and directors or the experts named in this Circular and any documents incorporated by reference herein, or to realize, against them, upon judgments of courts in the U.S. predicated upon civil liabilities under the securities laws of the U.S. In addition, Osisko Securityholders resident in the U.S. should not assume that Canadian courts: (a) would enforce judgments of U.S. courts obtained in actions against such persons predicated upon civil liabilities under the securities laws of the U.S. or "blue sky" laws of any state within the U.S.; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the securities laws of the U.S. or "blue sky" laws of any state within the U.S.

## GENERAL MATTERS

### **Reporting Currencies And Accounting Principles**

Unless otherwise indicated, all references to "\$" or "C\$" in this Circular refer to Canadian dollars and all reference herein to "US\$" in this Circular refer to U.S. dollars. Osisko's financial statements that are included or incorporated by reference herein are reported in Canadian dollars and are prepared in accordance with IFRS. Agnico Eagle's financial statements that are included or incorporated by reference herein are reported in U.S. dollars and are prepared in accordance with U.S. GAAP. Yamana's financial statements that are included or incorporated by reference herein are reported in U.S. dollars and are prepared in accordance with IFRS.

### **Exchange Rate Data**

The following table sets forth the high and low exchange rates for one U.S. dollar expressed in Canadian dollars for each period indicated, the average of the exchange rates for each period indicated and the exchange rate at the end of each such period, based upon the noon buying rates provided by the Bank of Canada:

	Year End December 31		
	2013	2012	2011
	(C\$)	(C\$)	(C\$)
High .....	1.0697	1.0418	1.0604
Low .....	0.9839	0.9710	0.9449
Rate at end of period.....	1.0636	0.9949	1.0170
Average rate for period.....	1.0299	0.9996	0.9891

On April 30, 2014, the noon exchange rate for one U.S. dollar expressed in Canadian dollars as reported by the Bank of Canada, was \$1.0957.

### **Information Contained in this Circular**

The information contained in this Circular is given as at April 30, 2014, except where otherwise noted (including the information pertaining to Yamana in Schedule "K" hereto and under the heading "*Information Concerning Yamana as of April 28, 2014*", which is given as at April 28, 2014) and except that information in documents incorporated by reference is given as of the dates noted therein. No person has been authorized to give any information or to make any representation in connection with the Arrangement and other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by Osisko, Agnico Eagle, Yamana or New Osisko.

This Circular does not constitute the solicitation of an offer to purchase, or the making of an offer to sell, any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation or offer is not authorized or in which the person making such solicitation or offer is not qualified to do so or to any person to whom it is unlawful to make such solicitation or offer.

Information contained in this Circular should not be construed as legal, tax or financial advice and Osisko Securityholders are urged to consult their own professional advisors in connection therewith.

Descriptions in this Circular of the terms of the Arrangement Agreement, the Plan of Arrangement, the Canadian Malartic Royalty Agreement, the Canadian Exploration Properties Royalty Agreement, the Joint Acquisition Agreement and the Canadian Malartic Partnership Agreement are summaries of the terms of those documents and are qualified in their entirety by such terms. Osisko Securityholders should refer to the full text of each of the Arrangement Agreement, the Plan of Arrangement and the Joint Acquisition Agreement for complete details of those documents. The full text of the Arrangement Agreement and the Joint Acquisition Agreement, which are incorporated by reference in this Circular, may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com). The Plan of Arrangement is attached hereto as Schedule "B".

#### **Information Contained in this Circular Regarding Agnico Eagle**

Certain information in this Circular pertaining to Agnico Eagle, including, but not limited to, information pertaining to Agnico Eagle in Schedule "J" hereto and under the heading "*Information Concerning Agnico Eagle as of April 30, 2014*", and the historical management discussion and analysis and the historical financial statements of Agnico Eagle incorporated by reference in this Circular and information relating to Agnico Eagle in the unaudited *pro forma* condensed consolidated financial statements attached as Schedule "L" to this Circular, has been furnished by Agnico Eagle. With respect to this information, the Osisko Board has relied exclusively upon Agnico Eagle, without independent verification by Osisko. Although Osisko does not have any knowledge that would indicate that such information is untrue or incomplete, neither Osisko nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information including any of Agnico Eagle's financial statements, or for the failure by Agnico Eagle to disclose events or information that may affect the completeness or accuracy of such information. For further information regarding Agnico Eagle, please refer to Agnico Eagle's filings with the Securities Authorities which may be obtained under Agnico Eagle's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or EDGAR at [www.sec.gov](http://www.sec.gov). See Schedule "J" – "*Information Concerning Agnico Eagle as of April 30, 2014*".

#### **Information Contained in this Circular Regarding Yamana**

Certain information in this Circular pertaining to Yamana, including, but not limited to, information pertaining to Yamana in Schedule "K" hereto and under the heading "*Information Concerning Yamana as of April 28, 2014*", and the historical management discussion and analysis and the historical financial statements of Yamana incorporated by reference in this Circular and information relating to Yamana in the unaudited *pro forma* condensed consolidated financial statements attached as Schedule "L" to this Circular, has been furnished by Yamana. With respect to this information, the Osisko Board has relied exclusively upon Yamana, without independent verification by Osisko. Although Osisko does not have any knowledge that would indicate that such information is untrue or incomplete, neither Osisko nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information including any of Yamana's financial statements, or for the failure by Yamana to disclose events or information that may affect the completeness or accuracy of such information. For further information regarding Yamana, please refer to Yamana's filings with the Securities Authorities which may be obtained under Yamana's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or EDGAR at [www.sec.gov](http://www.sec.gov). See Schedule "K" – "*Information Concerning Yamana as of April 28, 2014*".

## SUMMARY OF CIRCULAR

*This Summary should be read together with and is qualified in its entirety by the more detailed information and financial data and statements contained elsewhere in this Circular, including the Schedules hereto and documents incorporated into this Circular by reference. Capitalized terms in this Summary have the meanings set out in the Glossary of Terms or as set out in this Summary. The full text of the Arrangement Agreement, which is incorporated by reference in this Circular, may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com) under the filings made by Osisko.*

### **The Meeting**

#### ***Date, Time and Place of Meeting***

The Meeting will be held on Friday, May 30, 2014 at 1:30 p.m. (Eastern Daylight Time) at Fairmont The Queen Elizabeth (Salon St-François) located at 900 René-Lévesque Boulevard West, Montreal, Québec, Canada, H3B 4A5.

#### ***The Record Date***

The record date for determining the Osisko Securityholders entitled to receive notice of and to vote at the Meeting is April 14, 2014. Only Osisko Securityholders of record as of the close of business (Eastern Daylight Time) on the Record Date are entitled to receive notice of and to vote at the Meeting.

### **Purpose of the Meeting**

The purpose of the Meeting is for Osisko Securityholders to consider and vote upon the Arrangement Resolution, the full text of which is set out in Schedule "A" to this Circular under the heading "*Arrangement Resolution*". At the Meeting, and in accordance with and as required by the policies of the TSX, Disinterested Osisko Shareholders are also being asked to consider and approve the Out-of-the-Money Consideration Resolution, approving the payment of the Out-of-the-Money Option Consideration Amount (not to exceed \$3 million) to the holders of the Out-of-the-Money Osisko Options as contemplated by subsection 3.3(f) of the Plan of Arrangement, the full text of which is set out in Schedule "A" to this Circular under the heading "*Out-of-the-Money Consideration Resolution*". At the Meeting, Osisko Shareholders (and only Osisko Shareholders) are also being asked to consider and vote upon the New Osisko Resolutions (as defined herein) provided the Arrangement Agreement is approved, the full text of which is set out in Schedule "A" to this Circular under the heading "*New Osisko Resolutions*" (the "**New Osisko Resolutions**") and to consider and vote upon the Annual Resolutions (as defined herein), the full text of which is set out in Schedule "A" to this Circular under the heading "*Annual Resolutions*" (the "**Annual Resolutions**"). Particulars of the subject matter of the New Osisko Resolutions are described in this Circular under the heading "*Information Concerning New Osisko*" and are set out in Schedule "I" to this Circular. Particulars of the subject matter of the Annual Resolutions are set out in Schedule "M" to this Circular.

**Completion of the Arrangement or approval of the Arrangement Resolution is not conditional upon the approval of any of the Out-of-the-Money Consideration Resolution, New Osisko Resolutions or Annual Resolutions that Osisko Shareholders are being asked to consider.**

The New Osisko Resolutions are being put to Osisko Shareholders for approval provided that the Arrangement Resolution is approved. The subject matter in the New Osisko Resolutions will cease to be relevant if the Arrangement Resolution is not approved. The Annual Resolutions are being put to Osisko Shareholders for approval in the event that the Arrangement is not completed for any reason by June 30, 2014. If the Arrangement is completed as anticipated, many of the matters contemplated in the Annual Resolutions may cease to be relevant, as Agnico Eagle and Yamana will, upon consummation of the Arrangement, jointly own directly or indirectly Osisko and Osisko Shareholders will cease to have any direct interest in Osisko.

**Management of Osisko and the Osisko Board recommend that Osisko Securityholders, as applicable, vote FOR each of the Arrangement Resolution, the Out-of-the-Money Consideration Resolution, the New Osisko Resolutions and the Annual Resolutions, the full text of which are set out in Schedule "A" to this Circular.**

### **Parties to the Arrangement**

Osisko is a corporation incorporated under the CBCA. Osisko's head office and registered office is located at 1100 avenue des Canadiens-de-Montréal, Suite 300, P.O. Box 211, Montreal, Québec, Canada, H3B 2S2. The Osisko Shares are listed for trading on the TSX under the symbol "OSK" and on the Deutsche Börse under the symbol "EWX".

Agnico Eagle is a company incorporated under the OBCA. Agnico Eagle's head office and registered office is located at 145 King Street East, Suite 400, Toronto, Ontario, Canada, M5C 2Y7. The Agnico Eagle Shares are listed for trading on the TSX under the symbol "AEM" and the NYSE under the symbol "AEM".

Yamana is a company continued under the CBCA. Yamana's head office is located at 200 Bay Street, Royal Bank Plaza, North Tower, Suite 2200, Toronto, Ontario, Canada, M5J 2J3 and its registered office is located at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada, M5H 3C2. The Yamana Shares are listed for trading on the TSX under the symbol "YRI" and the NYSE under the symbol "AUY".

See *"Information Concerning Osisko as of April 30, 2014"*, *"Information Concerning Agnico Eagle as of April 30, 2014"*, *"Information Concerning Yamana as of April 28, 2014"* and *"Information Concerning New Osisko as of April 30, 2014"* in this Circular for a description of Osisko, Agnico Eagle, Yamana and New Osisko, respectively, after giving effect to the Arrangement.

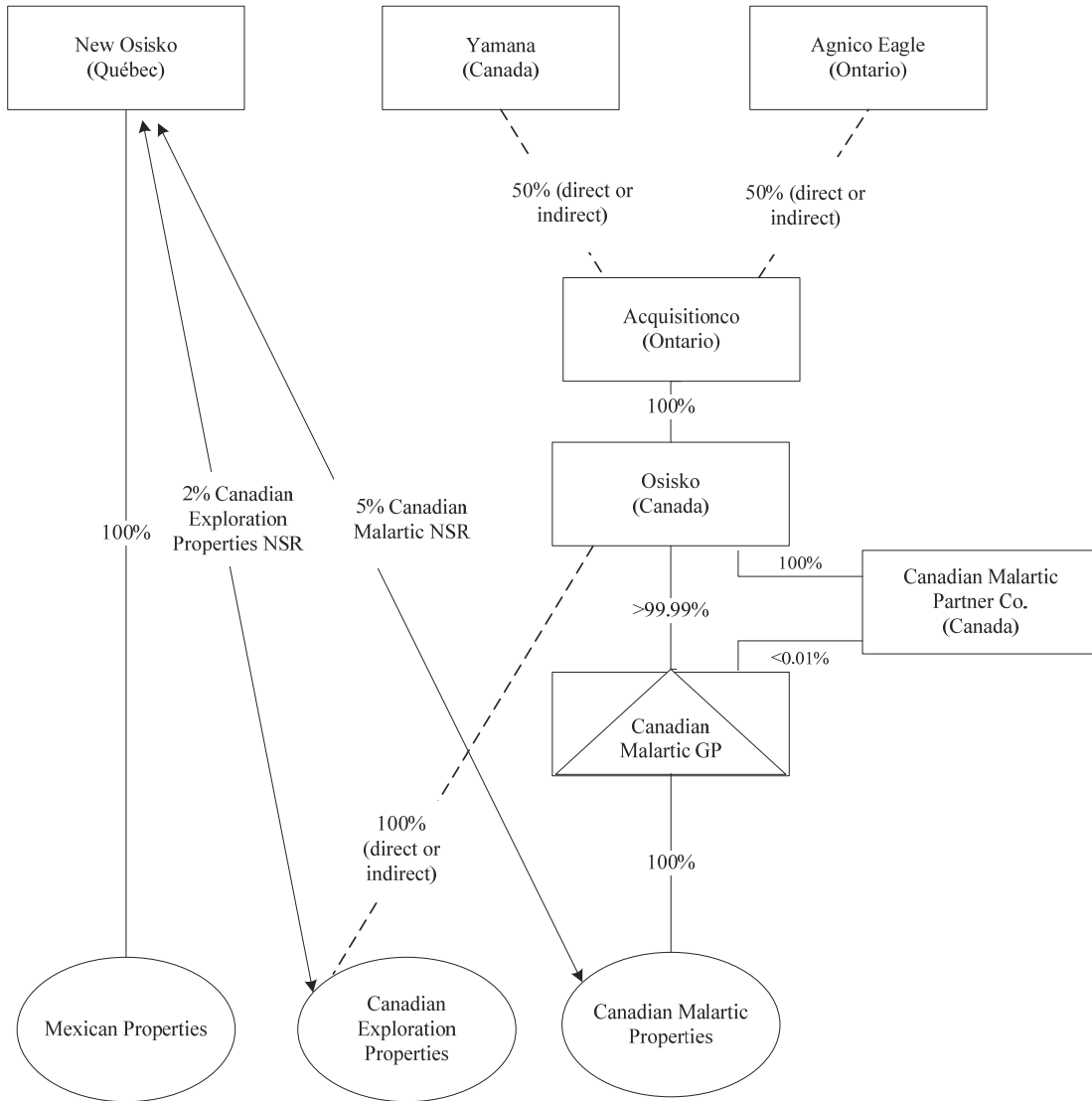
### **Effects of the Arrangement**

Agnico Eagle and Yamana will directly or indirectly form Acquisitionco, a special purpose joint acquisition entity of which Agnico Eagle and Yamana will each directly or indirectly own 50%, which will acquire all of the outstanding Osisko Shares under the Arrangement. Upon the closing of the Arrangement, Agnico Eagle and Yamana will form a joint committee to operate the Canadian Malartic Properties. Agnico Eagle and Yamana will also directly or indirectly continue to jointly explore and potentially develop the Canadian Exploration Properties.

Pursuant to the Arrangement, certain assets of Osisko will be transferred to a newly created company, New Osisko, following which the New Osisko Shares will be distributed to Osisko Shareholders. The following assets of Osisko will be transferred to New Osisko: (i) the Net Cash Amount; (ii) the Canadian Malartic NSR (including the Canadian Malartic Mill Fee Royalty); (iii) the Canadian Exploration Properties NSR; (iv) all legal and beneficial interest of Osisko and the subsidiaries of Osisko in the New Osisko Subsidiaries; (v) certain publicly traded equity investments of Osisko to the extent not disposed of by Osisko prior to the Effective Date, which as of April 16, 2014 had an estimated value of \$14.4 million; (vi) all right, title and interest to the name "Osisko Mining Corporation"; and (vii) the Yukon Properties or a 2% net smelter return royalty thereon (at the election of the Purchaser Parties prior to the Effective Date).

**Corporate Structure**

The following sets forth the ownership structure of Osisko immediately following the completion of the Arrangement:



Upon completion of the Arrangement, Canadian Malartic GP will be 50% owned, directly or indirectly, by Agnico Eagle and 50% owned, directly or indirectly, by Yamana. Upon completion of the Arrangement, the Canadian Exploration Properties will also be 50% owned, directly or indirectly, by Agnico Eagle and 50% owned, directly or indirectly, by Yamana.

**Osisko Shareholders**

Pursuant to the Arrangement, in connection with a reorganization of Osisko's capital and the acquisition of Osisko by Acquisitionco, each Osisko Shareholder at the Effective Time will be entitled to receive, for each Osisko Share:

- (a) C\$2.09 in cash;



- (b) 0.07264 of an Agnico Eagle Share;
- (c) 0.26471 of a Yamana Share; and
- (d) one New Osisko Share.

If the Consolidation Resolution is approved, the New Osisko Shares will, immediately following the exchange of Osisko Shares pursuant to the Arrangement, be consolidated on the basis of one post-consolidation New Osisko Share for every 10 pre-consolidation New Osisko Shares, so that Former Osisko Shareholders will end up receiving 0.1 of a New Osisko Share (rather than one New Osisko Share) for each Osisko Share held by them.

Following the completion of the Arrangement, it is expected that Osisko Shareholders will own approximately 14% of the total number of issued and outstanding Yamana Shares and approximately 17% of the total number of issued and outstanding Agnico Eagle Shares.

### ***Osisko Optionholders***

Under the Arrangement Agreement, Osisko and the Osisko Board have covenanted, subject to applicable Laws, to accelerate the time by which the outstanding Osisko Options may first be exercised, take any action necessary to ensure that all Osisko Options may be exercised immediately prior to the Effective Time and that any unexercised Osisko Option shall terminate and be cancelled in accordance with the Plan of Arrangement. In addition, Osisko shall:

- (a) promptly deliver written notice to each holder of outstanding Osisko Options offering such holder the opportunity to elect (i) to subscribe for all of the Osisko Shares issuable upon exercise of such Osisko Options and pay the relevant exercise price within the period prescribed by the Osisko Board (the "**Prescribed Period**"), such period being at least 30 days in duration (unless otherwise agreed to by the Osisko Optionholder) and in any event to expire one day prior to or as of the Effective Date, or (ii) to accept termination of the Osisko Option pursuant to the Arrangement if no such election is made;
- (b) deliver written notice to each holder of Out-of-the-Money Osisko Options notifying such holder of the cash amount that such Osisko Optionholder will be entitled to receive pursuant to subsection 3.3(f) of the Plan of Arrangement if the Out-of-the-Money Consideration Resolution is approved; and
- (c) issue as fully paid and non-assessable shares, free of pre-emptive rights, Osisko Shares to all holders of Osisko Options who have validly elected to subscribe for Osisko Shares and tendered payment in respect of such Osisko Shares within the Prescribed Period.

Under the Arrangement, each Osisko Share acquired by a Former Osisko Optionholder on the exercise of an Exercised Osisko Option pursuant to subsection 3.3(e) of the Plan of Arrangement shall be, and shall be deemed to be, transferred to Acquisitionco by such Former Osisko Optionholder in exchange for: (i) the Arrangement Cash Consideration, (ii) the Agnico Eagle Share Consideration, (iii) the Yamana Share Consideration, and (iv) a right to receive one New Osisko Share (which New Osisko Share shall be delivered by Acquisitionco to such Former Osisko Optionholders pursuant to subsection 3.3(j) of the Plan of Arrangement).

Under the Arrangement, if the Out-of-the-Money Consideration Resolution is approved, each holder of an Out-of-the-Money Osisko Option shall receive a cash payment equal to the fair value of such Out-of-the-Money Osisko Option determined using the "Black-Scholes" valuation model calculated as of the date of the Arrangement Agreement as per standard industry practice (the "**Individual Out-of-the-Money Amount**"), provided that the aggregate of the Individual Out-of-the-Money Amounts (the "**Out-of-the-Money Option Consideration Amount**") shall not exceed \$3 million. If the Out-of-the-Money Option Consideration Amount would otherwise exceed \$3 million, each Individual Out-of-the-Money Amount shall be proportionately reduced such that the Out-of-the-Money Option Consideration Amount equals \$3 million. **Completion of the Arrangement or approval of the**

**Arrangement Resolution is not conditional upon the approval of the Out-of-the-Money Consideration Resolution or any other resolutions being put before Osisko Shareholders at the Meeting.**

Under the Arrangement, all remaining outstanding Osisko Options shall be terminated without payment or compensation therefor, and neither Osisko, Agnico Eagle, Yamana, New Osisko nor Acquisitionco shall have any further liabilities or obligations to the Former Osisko Optionholders thereof with respect thereto. For greater certainty, any unexercised Out-of-the-Money Osisko Options shall also be terminated and cancelled without any compensation therefor if the Out-of-the-Money Consideration Resolution is not approved at the Meeting.

See "*The Arrangement – Description of the Arrangement*".

**Osisko Securityholder Approval**

The requisite approval for the Arrangement Resolution shall be (i) at least 66⅔% of the votes cast on the Arrangement Resolution by the Osisko Shareholders and the Osisko Optionholders, voting as a single class, present in person or by proxy at the Meeting, and (ii) at least 66⅔% of the votes cast on the Arrangement Resolution by the Osisko Shareholders present in person or by proxy at the Meeting.

The Arrangement Resolution must be passed in order for Osisko to seek the Final Order and implement the Arrangement on the Effective Date. See "*The Arrangement – Securityholder and Court Approvals*".

**The Arrangement**

***Background to the Arrangement***

The Arrangement and the provisions of the Arrangement Agreement are the result of arm's length negotiations conducted between representatives of Osisko, Agnico Eagle and Yamana. A summary of the material events leading up to the negotiation of the Arrangement Agreement and the material meetings, negotiations and discussions between the Parties that preceded the execution and public announcement of the Arrangement Agreement is included in this Circular under the heading "*The Arrangement – Background to the Arrangement*".

***Special Committee***

The Special Committee was formed to, among other things, review and evaluate the Goldcorp Offer, pursue strategic alternatives to the Goldcorp Offer, oversee and supervise the process carried out by Osisko in negotiating and entering into the Arrangement Agreement and to make recommendations to the Osisko Board with respect to any such proposed transaction. After careful consideration, including a thorough review of the Arrangement Agreement and receiving the oral fairness opinions of BMO Capital Markets and Maxit Capital delivered to the Osisko Board (subsequently confirmed in writing), as well as a thorough review of other matters, and consultation with financial and legal advisors, the Special Committee unanimously concluded that the Arrangement is in the best interests of Osisko and recommended that the Osisko Board should approve the Arrangement Agreement and that the Osisko Board recommend that Osisko Securityholders vote in favour of the Arrangement.

See "*The Arrangement – Special Committee*" and "*The Arrangement – Opinions of Financial Advisors*".

***Recommendation of the Osisko Board***

After careful consideration, including a thorough review of the Arrangement Agreement and receiving the oral fairness opinions of BMO Capital Markets and Maxit Capital delivered to the Osisko Board (subsequently confirmed in writing), as well as a thorough review of other matters, including those discussed below, and on the unanimous recommendation of the Special Committee, the Osisko Board unanimously determined that the Arrangement is in the best interests of Osisko. **Accordingly, the Osisko Board unanimously approved the Arrangement and unanimously recommends that Osisko Securityholders vote FOR the Arrangement Resolution.**

See "*The Arrangement – Recommendation of the Osisko Board*".

### *Reasons for the Recommendation*

In the course of the Special Committee's and Osisko Board's evaluation of the Arrangement, the Special Committee and the Osisko Board consulted with senior management, BMO Capital Markets, Maxit Capital and legal counsel and performed financial, technical and legal due diligence with the help of its advisors and experts and considered a number of factors, including, among others, the following:

- The consideration payable to Osisko Shareholders pursuant to the Arrangement with an implied value of \$8.15 per Osisko Share represents an 11% premium to the implied price of the hostile Revised Goldcorp Offer of \$7.34 (based on closing prices of Agnico Eagle, Yamana and Goldcorp on the TSX on April 15, 2014).
- The consideration payable to Osisko Shareholders pursuant to the Arrangement represents a 58% premium to the closing price of the Osisko Shares on the TSX on January 10, 2014, the last trading day prior to the announcement of Goldcorp's intention to make the initial Goldcorp Offer and a 10% premium to the closing price of Osisko Shares on the TSX on the day prior to the announcement of the Arrangement.
- The oral fairness opinions of BMO Capital Markets and Maxit Capital delivered to the Osisko Board (subsequently confirmed in writing) to the effect that, as of the date of the Fairness Opinions, and based upon and subject to the assumptions, limitations and qualifications to be set forth in the written Fairness Opinions, the consideration payable to Osisko Shareholders under the Arrangement was fair, from a financial point of view, to the Osisko Shareholders.
- The Osisko Board, with the assistance of the Special Committee, management and its financial and legal advisors, has pursued a variety of strategic alternatives with a view to the best interests of Osisko and the Osisko Shareholders. The Special Committee and the Osisko Board carefully considered various means of enhancing shareholder value throughout this active and extensive process, including the likelihood of any additional offers emerging from other counterparties that may exceed the value of the Arrangement, and concluded that the Arrangement represents the best alternative currently available to Osisko and the Osisko Shareholders, particularly given the risks, timing and uncertainties of achieving other alternatives.
- Osisko Shareholders, upon completion of the Arrangement and by virtue of their ownership of New Osisko, will, in addition to their ownership interests in Agnico Eagle and Yamana, continue to participate in: (i) the operation of, and potential exploration / expansion opportunities at the Canadian Malartic Properties via the 5% Canadian Malartic NSR; (ii) the ongoing exploration and potential development opportunities relating to the Kirkland Lake Properties, Hammond Reef Properties, Pandora Properties, Wood Pandora Properties and the Yukon Properties (if not part of the New Osisko Assets) via the 2% Canadian Exploration Properties NSR; and (iii) 100% exposure to the Mexican Properties.
- New Osisko will be well capitalized initially with \$155 million in cash and cash flow from the 5% Canadian Malartic NSR to pursue further business opportunities and support exploration activities at the Mexican Properties.
- The consideration payable to Osisko Shareholders pursuant to the Arrangement will provide Osisko Shareholders with certainty of value in respect of the cash portion of such consideration and enhanced liquidity in respect of the Agnico Eagle Shares and Yamana Shares, which are each listed on the TSX and NYSE with both companies having significantly larger market capitalizations and greater trading liquidity than Osisko. Osisko Shareholders that choose to maintain an ownership position in Agnico Eagle and/or Yamana may also benefit from those companies' more diversified asset bases. Immediately upon completion of the Arrangement, the Osisko Shareholders will hold approximately 17% of the total number of issued and outstanding Agnico Eagle Shares and 14% of the total number of issued and outstanding Yamana Shares.
- The Arrangement Resolution must be approved by (i) at least 66⅔% of the votes cast on the Arrangement Resolution by the Osisko Shareholders and the Osisko Optionholders, voting as a single class, present in person or by proxy at the Meeting, and (ii) at least 66⅔% of the votes cast on the Arrangement Resolution by the Osisko Shareholders present in person or by proxy at the Meeting.

- The Arrangement will be subject to a judicial determination of the Court that the Arrangement is fair and reasonable, both procedurally and substantively, to Osisko Securityholders.
- Registered Shareholders who do not vote in favour of the Arrangement will have the right to require a judicial appraisal of their Osisko Shares and obtain "fair value" pursuant to the proper exercise of the Dissent Rights.
- Only a limited number of conditions, beyond securityholder approval, are required for the completion of the Arrangement, which the Osisko Board believes are reasonable under the circumstances.
- The terms of the Arrangement Agreement allow the Osisko Board to maintain the ability to consider and respond to unsolicited *bona fide* written Acquisition Proposals that are or could reasonably be expected to result in a Superior Proposal prior to obtaining approval of the Osisko Securityholders.
- The Supporting Shareholders have entered into the Voting Agreements with Osisko, Yamana and Agnico Eagle in respect of Osisko Shares representing, in the aggregate, approximately 4.5% of the outstanding Osisko Shares, pursuant to which, and subject to certain exceptions, such Supporting Shareholders have agreed to vote their Osisko Shares, inclusive of Osisko Shares which are not locked-up, representing approximately 5.3% of the outstanding Osisko Shares as of the date of their respective Voting Agreements, in favour of the Arrangement Resolution at the Meeting. The Supporting Shareholders also held approximately 66.6% of the outstanding Osisko Options as of the date of their respective Voting Agreements.
- The Special Committee has given lengthy consideration to the business, operations, assets, financial condition, operating results and prospects for Osisko as well as current industry, economic and market conditions and related risks.

See "*The Arrangement – Reasons for the Recommendation*", "*The Arrangement – Special Committee*", "*The Arrangement – Opinions of Financial Advisors*" and the financial statements of Agnico Eagle and Yamana incorporated by reference into this Circular.

### ***Description of the Arrangement***

Commencing at the Effective Time, the following shall occur and shall be deemed to occur, in the following order (unless expressly stated otherwise), without any further authorization, act or formality on the part of any person:

1. the Osisko Shareholder Rights Plan shall be terminated (and all rights thereunder shall expire) and shall be of no further force or effect;
2. Osisko shall transfer its right and interest in and to the Canadian Malartic Assets (excluding, for the avoidance of doubt, the Canadian Malartic NSR, which shall be retained by Osisko and transferred by Osisko to New Osisko as part of the New Osisko Assets pursuant to Step 3 of this description of the Arrangement) to Canadian Malartic GP in consideration for (i) the assumption by Canadian Malartic GP of the Assumed Liabilities; and (ii) an increased partnership interest in Canadian Malartic GP, all in accordance with the terms of the Canadian Malartic Contribution Agreement;
3. Osisko shall transfer to New Osisko all of its entire legal and beneficial right, title and interest in and to the New Osisko Assets in consideration for (i) the issuance by New Osisko to Osisko of that number of fully paid and non-assessable New Osisko Shares equal to the sum of (A) the number of Osisko Shares issued and outstanding immediately prior to the Effective Time, (B) the number of Osisko Shares issuable upon exercise of the Osisko Convertible Securities, and (C) the number of Osisko Shares issuable pursuant to Step 5 of this description of the Arrangement, and (ii) the assumption by New Osisko of the New Osisko Liabilities, all in accordance with the terms of the New Osisko Contribution Agreement;
4. each Osisko Share held by a Dissenting Shareholder shall be, and shall be deemed to be, surrendered to Osisko by the holder thereof, without any further act or formality by or on behalf of the Dissenting Shareholder, free and clear of any Encumbrances, and each such Osisko Share so surrendered shall be

cancelled and thereupon each Dissenting Shareholder shall cease to have any rights as holders of such Osisko Shares other than the rights set out in Article 4 of the Plan of Arrangement (Rights of Dissent) and the name of such Dissenting Shareholder shall be removed from the register of holders of Osisko Shares;

5. each of the Exercised Osisko Options shall be, and shall be deemed to be, exercised and Osisko shall, and shall be deemed to, issue to the holder of such Exercised Osisko Options that number of Osisko Shares issuable pursuant to the terms of such Exercised Osisko Options, and the name of each such holder shall be added to the securities register maintained by or on behalf of Osisko in respect of Osisko Shares showing such holder as the legal and beneficial owner of the Osisko Shares acquired pursuant to the terms of such Exercised Osisko Options;
6. if the Out-of-the-Money Consideration Resolution has been approved by Disinterested Shareholder Approval at the Meeting, each holder of an Out-of-the-Money Osisko Option shall receive a cash payment equal to the Individual Out-of-the-Money Amount, provided that the aggregate Out-of-the-Money Option Consideration Amount shall not exceed \$3 million. If the Out-of-the-Money Option Consideration Amount would otherwise exceed \$3 million, each Individual Out-of-the-Money Amount shall be proportionately reduced such that the Out-of-the-Money Option Consideration Amount equals \$3 million;
7. all remaining outstanding Osisko Options shall be terminated without payment or compensation therefor, and neither Osisko, New Osisko nor Acquisitionco shall have any further liabilities or obligations to the Former Osisko Optionholders thereof with respect thereto;
8. each Osisko Share held by a Non-Resident Shareholder and each Osisko Share acquired on the exercise of an Exercised Osisko Option pursuant to Step 5 of this description of the Arrangement shall be, and shall be deemed to be, transferred to Acquisitionco (free and clear of any Encumbrances) by such Non-Resident Shareholders and Former Osisko Optionholders in exchange for:
  - a. the Arrangement Cash Consideration, the Agnico Eagle Share Consideration and the Yamana Share Consideration; and
  - b. a right to receive one New Osisko Share (which New Osisko Share shall be delivered by Acquisitionco to such Non-Resident Shareholders and Former Osisko Optionholders pursuant to Step 10 of this description of the Arrangement);
9. in the course of a reorganization of Osisko's authorized and issued share capital:
  - a. the articles of Osisko shall be amended to add a class of shares designated as "Class A Shares", having the following rights, privileges, restrictions and conditions attaching thereto:
    - i. Dividends: The holders of the Class A Shares are entitled to receive dividends, if, as and when declared by the Osisko Board out of the assets of Osisko properly applicable to the payment of dividends in such amounts and payable at such times and at such place or places in Canada as the Osisko Board may from time-to-time determine. Subject to the rights of the holders of any other class of shares of Osisko entitled to receive dividends in priority to or rateably with the Class A Shares, the Osisko Board may in its sole discretion declare dividends on the Class A Shares to the exclusion of any other class of shares of Osisko;
    - ii. Voting Rights: The holders of the Class A Shares are entitled to receive notice of and to attend all annual and special meetings of the shareholders of Osisko, and to two votes at all such meetings in respect of each Class A Share held;
    - iii. Participation upon Liquidation, Dissolution or Winding-Up: In the event of the liquidation, dissolution or winding-up of Osisko or other distribution of assets of Osisko among its shareholders for the purpose of winding-up its affairs, the holders of the Class

A Shares shall, subject to the rights of the holders of any other class of shares of Osisko upon such a distribution in priority to the Class A Shares, be entitled to participate ratably in any distribution of the assets of Osisko; and

- iv. Modification of Rights: The rights and restrictions attached to the Class A Shares shall not be modified unless the holders of the Class A Shares consent thereto by separate resolution. Such consent may be obtained in writing signed by the holders of all of the issued and outstanding Class A Shares or by a resolution passed by at least 75% of the votes cast at a separate meeting of the holders of Class A Shares who are present in person or represented by proxy at such meeting;
  - b. each issued and outstanding Osisko Share (including, for the avoidance of doubt, Osisko Shares held by Agnico Eagle, Yamana, Acquisitionco and Yamana Subco) shall be exchanged with Osisko (free and clear of any Encumbrances) for one Class A Share and one New Osisko Share and each such exchanged Osisko Share shall thereupon be cancelled; and
  - c. the stated capital account in respect of the Osisko Shares shall be reduced, in respect of the Osisko Shares exchanged pursuant to Step 9(b) of this description of the Arrangement, by an amount equal to the stated capital of such Osisko Shares immediately prior to Step 9 of this description of the Arrangement, and there shall be added to the stated capital account of the Class A Shares issued pursuant to Step 9(b) of this description of the Arrangement the amount by which (A) the amount the stated capital account of the Osisko Shares is reduced pursuant to this Step 9(c) of this description of the Arrangement exceeds (B) the fair market value of the New Osisko Shares transferred to the former holders of Osisko Shares pursuant to Step 9(b) of this description of the Arrangement;
10. Acquisitionco shall deliver to each Osisko Shareholder whose Osisko Shares were transferred to Acquisitionco pursuant to Step 8 of this description of the Arrangement such number of New Osisko Shares as are deliverable to such Osisko Shareholder pursuant to Step 8 of this description of the Arrangement;
  11. each issued and outstanding Class A Share (other than Class A Shares already held by Acquisitionco) shall be, and shall be deemed to be, transferred to Acquisitionco (free and clear of any Encumbrances) in exchange for the Arrangement Cash Consideration, the Agnico Eagle Share Consideration and the Yamana Share Consideration;
  12. the aggregate stated capital of the Class A Shares shall be reduced to \$1.00;
  13. with respect to each Osisko Share and Class A Share, each Former Osisko Shareholder shall cease to be a registered or beneficial holder of Osisko Shares and Class A Shares and the name of such holder shall be removed from the securities register maintained by or on behalf of Osisko;
  14. each Former Osisko Shareholder that was the registered holder of Osisko Shares or Class A Shares, as applicable, shall, immediately prior to the assignment and transfer of such Osisko Shares or Class A Shares pursuant to the Arrangement, be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign such Osisko Shares to Osisko and such Class A Shares to Acquisitionco;
  15. for greater certainty, each Osisko Convertible Security outstanding immediately prior to the Effective Time shall entitle the Osisko Convertible Holder thereof to receive from Osisko, upon the exercise of such Osisko Convertible Security following the Effective Time in accordance with the terms thereof and upon payment to Osisko of the exercise price that would have been payable upon exercise of such Osisko Convertible Security immediately prior to the Effective Time, the Arrangement Cash Consideration, the Agnico Eagle Share Consideration, the Yamana Share Consideration and one New Osisko Share (or, if the Consolidation Resolution is approved, 0.1 of a New Osisko Share) for each Osisko Share that would have

been issuable upon the exercise of such Osisko Convertible Security prior to the Effective Time (and in lieu of receiving such Osisko Shares);

16. Acquisitionco shall be added to the securities register maintained by or on behalf of Osisko in respect of Class A Shares showing Acquisitionco as the sole legal and beneficial owner of Class A Shares free and clear of all Encumbrances;
17. recipients of New Osisko Shares hereunder shall be added to the securities register maintained by or on behalf of New Osisko in respect of New Osisko Shares as legal and beneficial owners of New Osisko Shares free and clear of all Encumbrances;
18. Yamana Subco shall be wound up, liquidated and dissolved into Yamana pursuant to Section 211 of the CBCA and shall distribute to Yamana all of its assets, and Yamana shall assume all of the liabilities of Yamana Subco; and
19. the Yamana Shares distributed to Yamana pursuant to Step 18 of this description of the Arrangement shall be cancelled for no consideration.

Pursuant to the Funding Agreement, on or immediately prior to the Effective Date, Yamana shall deliver or arrange to be delivered to the Depository, on behalf of Acquisitionco:

- a. cash equal to the aggregate Yamana Cash Consideration payable pursuant to Steps 1 through 19 of this description of the Arrangement and Article 4 of the Plan of Arrangement (Dissent Rights); and
- b. share certificates representing the Yamana Total Share Consideration,

which cash and share certificates shall be held by the Depository as agent and nominee for Former Osisko Shareholders and Osisko Convertible Holders for distribution to such Former Osisko Shareholders in accordance with the provisions of Article 5 of the Plan of Arrangement (Delivery of Consideration) and to Osisko Convertible Holders in accordance with Step 15 of this description of the Arrangement.

Pursuant to the Funding Agreement, on or immediately prior to the Effective Date, Agnico Eagle shall deliver or arrange to be delivered to the Depository, on behalf of Acquisitionco:

- a. cash equal to the aggregate Agnico Eagle Cash Consideration payable pursuant to Steps 1 through 19 of this description of the Arrangement and Article 4 of the Plan of Arrangement (Dissent Rights); and
- b. share certificates representing the Agnico Eagle Total Share Consideration,

which cash and share certificates shall be held by the Depository as agent and nominee for Former Osisko Shareholders and Osisko Convertible Holders for distribution to such Former Osisko Shareholders in accordance with the provisions of Article 5 of the Plan of Arrangement (Delivery of Consideration) and to Osisko Convertible Holders in accordance with Step 15 of this description of the Arrangement.

Former Osisko Shareholders shall be entitled to receive delivery of the Arrangement Cash Consideration, Agnico Eagle Share Consideration, Yamana Share Consideration and New Osisko Shares to which they are entitled pursuant to the Plan of Arrangement (and, in the case of New Osisko Shares, pursuant to the New Osisko Share Consolidation if the Consolidation Resolution is approved) in accordance with the provisions of Article 5 of the Plan of Arrangement (Delivery of Consideration).

New Osisko Shares issued to Osisko pursuant to Step 3 of this description of the Arrangement in respect of Osisko Convertible Holders shall be transferred by Osisko to the Depository as agent and nominee for Osisko for distribution to such Osisko Convertible Holders in accordance with Step 15 of this description of the Arrangement.

Pursuant to the Funding Agreement, on or immediately prior to the Effective Date, Agnico Eagle and Yamana shall each deliver or arrange to be delivered to the Depository, on behalf of Acquisitionco cash equal to 50% of the Out-of-the-Money Option Consideration Amount for distribution to the holders of Out-of-the-Money Osisko Options, if the Out-of-the-Money Consideration Resolution is approved.

In the event an Osisko Convertible Security is not exercised or converted in accordance with its respective terms by an Osisko Convertible Holder prior to its respective expiry time, then:

- a. the cash consideration that such Osisko Convertible Holder would have been entitled to receive upon exercise of the Osisko Convertible Security shall be deemed to be owned by Acquisitionco;
- b. the New Osisko Shares that such Osisko Convertible Holder would have been entitled to receive upon exercise of the Osisko Convertible Security and the certificates representing such New Osisko Shares shall be delivered to New Osisko by the Depository for cancellation;
- c. the Yamana Shares that such Osisko Convertible Holder would have been entitled to receive upon exercise of the Osisko Convertible Security and the certificates representing such Yamana Shares shall be delivered to Yamana by the Depository for cancellation; and
- d. the Agnico Eagle Shares that such Osisko Convertible Holder would have been entitled to receive upon exercise of the Osisko Convertible Security and the certificates representing such Agnico Eagle Shares shall be delivered to Agnico Eagle by the Depository for cancellation.

See the Plan of Arrangement attached as Schedule "B" for additional information.

### **Opinions of Financial Advisors**

The Financial Advisors were retained to render financial advisory services to Osisko and the Osisko Board and provide opinions as to the fairness, from a financial point of view, of the consideration to be received by Osisko Shareholders pursuant to the Arrangement. The Financial Advisors have delivered the Fairness Opinions concluding that, as at the date thereof and subject to the assumptions, limitations and qualifications contained therein, the consideration to be received by the Osisko Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Osisko Shareholders. The full text of the Fairness Opinions, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinions, are attached as Schedule "C" (BMO Fairness Opinion) and Schedule "D" (Maxit Capital Fairness Opinion) to this Circular. The summaries of the Fairness Opinions described in this Circular are qualified in their entirety by reference to the full text of the Fairness Opinions.

The Fairness Opinions are not a recommendation to any Osisko Shareholder as to how to vote or act on any matter relating to the Arrangement. The Fairness Opinions were one of a number of factors taken into consideration by the Osisko Board in making its unanimous determination to recommend that Osisko Securityholders vote in favour of the Arrangement Resolution.

See *"The Arrangement – Opinions of Financial Advisors"* in this Circular, Schedule "C" and Schedule "D".

### **The Arrangement Agreement**

The Arrangement will be effected in accordance with the Arrangement Agreement, the full text of which may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com). A summary of the material terms of the Arrangement Agreement, including a summary of the Termination Fee or Expense Fee that is payable by Osisko to Agnico Eagle and Yamana, as applicable, in the event that the Arrangement is not completed under certain circumstances, is set out under the heading *"The Arrangement Agreement – Termination Fee and Expense Fee "* in this Circular and is subject to and qualified in its entirety by the full text of the Arrangement Agreement, which is incorporated by reference in this Circular.



### **The Canadian Malartic Royalty Agreement**

Pursuant to the Arrangement, the 5% Canadian Malartic NSR, to be created pursuant to the Canadian Malartic Royalty Agreement to be executed between Osisko and Canadian Malartic GP, will be transferred by Osisko to New Osisko as part of the New Osisko Assets. See "*The Canadian Malartic Royalty Agreement*".

### **The Canadian Exploration Properties Royalty Agreement**

Pursuant to the Arrangement, at the Effective Time, New Osisko will acquire the 2% Canadian Exploration Properties NSR, to be created pursuant to the Canadian Exploration Properties Royalty Agreement to be executed between Osisko and New Osisko, from Osisko as part of the New Osisko Assets. See "*The Canadian Exploration Properties Royalty Agreement*".

### **The Joint Acquisition Agreement**

In connection with entering into of the Arrangement Agreement, Agnico Eagle and Yamana entered into the Joint Acquisition Agreement to govern their relationship in connection with the Arrangement. The Joint Acquisition Agreement provides for the agreement to incorporate a special purpose joint acquisition entity (being Acquisitionco) for the purpose of consummating the transactions contemplated by the Arrangement Agreement and includes provisions relating to the funding by Agnico Eagle and Yamana of such entity. The Joint Acquisition Agreement also governs the rights as between Agnico Eagle and Yamana relating to the exercise of the rights granted to Agnico Eagle and Yamana under the Arrangement Agreement regarding the termination thereof. A summary of the key terms of the Joint Acquisition Agreement is included under the heading "*The Joint Acquisition Agreement*".

### **The Canadian Malartic Partnership Agreement**

In accordance with the Canadian Malartic Contribution Agreement, Osisko will, pursuant to the Arrangement, transfer the Canadian Malartic Assets to Canadian Malartic GP. Thereafter, in accordance with the Plan of Arrangement, Acquisitionco will acquire all of the outstanding shares of Osisko such that the partnership interests of Canadian Malartic GP will be controlled directly or indirectly as to 50% by Agnico Eagle and 50% by Yamana. The Canadian Malartic Partnership Agreement will include customary provisions for the management and governance of Canadian Malartic GP and in respect of its business, capital raising and dilution, dispute resolution and restrictions on transfer of partnership interests.

A summary of the key terms of the Canadian Malartic Partnership Agreement is included under the heading "*The Canadian Malartic Partnership Agreement*".

### **Voting Agreements**

The Supporting Shareholders have entered into the Voting Agreements with Osisko, Yamana and Agnico Eagle in respect of Osisko Shares representing, in the aggregate, approximately 4.5% of the outstanding Osisko Shares, pursuant to which, and subject to certain exceptions, such Supporting Shareholders have agreed to vote their Osisko Shares, inclusive of Osisko Shares which are not locked-up, representing approximately 5.3% of the outstanding Osisko Shares as of the date of their respective Voting Agreements, in favour of the Arrangement Resolution at the Meeting. The Supporting Shareholders also held approximately 66.6% of the outstanding Osisko Options as of the date of their respective Voting Agreements.

The Voting Agreements set forth, among other things and subject to certain exceptions, the agreement of the Supporting Shareholders to vote their Osisko Shares in favour of the Arrangement and any other matters related to the Arrangement, to vote against any corporate transaction other than the Arrangement and/or any matter that could reasonably be expected to delay, prevent or frustrate the successful completion of the Arrangement. The Supporting Shareholders' obligations under the Voting Agreements automatically terminate (i) upon the written agreement of Agnico Eagle, Yamana and the Supporting Shareholder, (ii) upon the Arrangement Agreement being terminated in accordance with its terms, or (iii) upon the Effective Date, whichever is the earliest to occur. Additionally, the Voting Agreements may be terminated in certain circumstances either by Agnico Eagle and Yamana or by the

Supporting Shareholder. A summary of the key terms of the Voting Agreements is included under the heading "*The Voting Agreements*".

### **Court Approval of the Arrangement**

The Arrangement requires approval by the Court under Section 192 of the CBCA. On April 30, 2014, Osisko obtained the Interim Order providing for the calling, holding and conducting of the Meeting and other procedural matters and a Notice of Presentation of Motion for Final Order to approve the Arrangement has been filed. Copies of the Interim Order and the Notice of Presentation of Motion for Final Order are attached as Schedule "E" and Schedule "G", respectively, to this Circular.

The Court hearing in respect of the Final Order is expected to take place at 9:00 a.m. (Eastern Daylight Time), on June 9, 2014, or as soon thereafter as counsel for Osisko may be heard, at the Courthouse, 1 Notre-Dame Street East, Montreal, Québec, Canada, H2Y 1B7 subject to the approval of the Arrangement Resolution at the Meeting. At the hearing, the Court will consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. Osisko has been advised by its legal counsel that the Court has broad discretion under the CBCA when making orders with respect to a plan of arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and procedural point of view. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. The Court will be advised prior to the hearing of the application for the Final Order that if the terms and conditions of the Arrangement are approved by the Court, the securities to be issued pursuant to the Arrangement will not be registered under the U.S. Securities Act and will be issued in reliance on the exemption from registration provided by Section 3(a)(10) thereunder and that the Final Order will constitute the basis for such exemption.

Under the terms of the Interim Order, each Osisko Securityholder will have the right to appear and make submissions at the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order may do so but must comply with certain procedural requirements described in the Interim Order and in the Notice of Presentation of Motion for Final Order, including filing an appearance with the Court on or before 4:30 p.m. (Eastern Daylight Time) on June 6, 2014, and all materials on which he, she or it intends to rely at the application and serving same upon Osisko at the address set out below, on or before 4:30 p.m. (Eastern Daylight Time) on June 6, 2014:

Stikeman Elliott LLP  
1155 René-Lévesque Blvd West  
Suite 4000  
Montreal, Québec  
H3B 3V2

Attention: Frédéric Paré  
Facsimile: (514) 397-5429  
Email: fpare@stikeman.com

Osisko Securityholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.

See "*The Arrangement – Securityholder and Court Approvals*".

### **Procedure for Exchange of Securities**

#### ***Letter of Transmittal***

A Letter of Transmittal printed on yellow paper is being mailed, together with this Circular, to each person who was a Registered Shareholder on the Record Date. Each such Registered Shareholder must forward a properly completed and signed Letter of Transmittal, with accompanying Osisko Share certificate(s), if applicable, in order to receive

the cash, Agnico Eagle Shares, Yamana Shares and New Osisko Shares to which such Osisko Shareholder is entitled under the Arrangement (and, in the case of New Osisko Shares, pursuant to the New Osisko Share Consolidation if the Consolidation Resolution is approved). It is recommended that Registered Shareholders complete, sign and return the Letter of Transmittal, with accompanying Osisko Share certificate(s), if applicable, to the Depositary as soon as possible.

Osisko Shareholders whose Osisko Shares are registered in the name of a broker, investment dealer, bank, trust company, trustee or other nominee should contact that nominee for assistance in depositing their Osisko Shares and should follow the instructions of such nominee in order to make their election and deposit their Osisko Shares.

Under the Arrangement Agreement, Osisko and the Osisko Board have covenanted, subject to applicable Laws, to accelerate the time by which the outstanding Osisko Options may first be exercised, take any action necessary to ensure that all Osisko Options may be exercised immediately prior to the Effective Time and that any unexercised Osisko Option shall terminate and be cancelled at the Effective Time in accordance with the Plan of Arrangement.

Under the Arrangement, each Osisko Share acquired on the exercise of an Exercised Osisko Option pursuant to subsection 3.3(e) of the Plan of Arrangement shall be, and shall be deemed to be, transferred to Acquisitionco by the former holder of such Exercised Osisko Option in exchange for: (i) the Arrangement Cash Consideration, (ii) the Agnico Eagle Share Consideration, (iii) the Yamana Share Consideration, and (iv) a right to receive one New Osisko Share (which New Osisko Share shall be delivered by Acquisitionco to such former holders of Exercised Osisko Options pursuant to subsection 3.3(j) of the Plan of Arrangement).

Under the Arrangement, if the Out-of-the-Money Consideration Resolution is approved, each holder of an Out-of-the-Money Osisko Option shall receive a cash payment equal to the Individual Out-of-the-Money Amount, provided that the aggregate Out-of-the-Money Option Consideration Amount shall not exceed \$3 million. If the Out-of-the-Money Option Consideration Amount would otherwise exceed \$3 million, each Individual Out-of-the-Money Amount shall be proportionately reduced such that the Out-of-the-Money Option Consideration Amount equals \$3 million.

Under the Arrangement, all remaining outstanding Osisko Options shall be terminated without payment or compensation therefor, and neither Osisko, Agnico Eagle, Yamana, New Osisko nor Acquisitionco shall have any further liabilities or obligations to the Former Osisko Optionholders thereof with respect thereto. For greater certainty, any unexercised Out-of-the-Money Osisko Options shall also be terminated and cancelled without any compensation therefor if the Out-of-the-Money Consideration Resolution is not approved at the Meeting.

See *"Procedure for Exchange of Securities – Letter of Transmittal"*.

#### ***Cancellation of Rights after Six Years***

To the extent that a Former Osisko Shareholder has not complied with the provisions of the Arrangement described under the heading *"Procedure for Exchange of Securities – Exchange Procedure"* on or before the date that is six years after the Effective Date, then (i) such Former Osisko Shareholder's interest in the cash consideration which such Former Osisko Shareholder was entitled to receive shall be terminated as of such final proscription date and such cash consideration shall be deemed to be owned by Acquisitionco; (ii) the New Osisko Shares which such Former Osisko Shareholder was entitled to receive shall be automatically transferred to New Osisko and the certificates representing such New Osisko Shares shall be delivered to New Osisko by the Depositary for cancellation, and the interest of the Former Osisko Shareholder in such New Osisko Shares to which it was entitled shall be terminated as of such final proscription date; (iii) the Yamana Shares which such Former Osisko Shareholder was entitled to receive shall be automatically transferred to Yamana and the certificates representing such Yamana Shares shall be delivered to Yamana by the Depositary for cancellation, and the interest of the Former Osisko Shareholder in such Yamana Shares to which it was entitled shall be terminated as of such final proscription date; and (iv) the Agnico Eagle Shares which such Former Osisko Shareholder was entitled to receive shall be automatically transferred to Agnico Eagle and the certificates representing such Agnico Eagle Shares shall be delivered to Agnico Eagle by the Depositary for cancellation, and the interest of the Former Osisko Shareholder in such Agnico Eagle Shares to which it was entitled shall be terminated as of such final proscription date.

### ***Fractional Shares***

No fractional Agnico Eagle Shares shall be delivered pursuant to the Plan of Arrangement. The number of Agnico Eagle Shares to be delivered to each Former Osisko Shareholder or Former Osisko Optionholder who acquires Osisko Shares on the exercise of an Exercised Osisko Option (or to a holder of Osisko Convertible Securities upon the conversion of Osisko Convertible Securities after the Effective Time) shall, without additional compensation, be rounded down to the nearest whole Agnico Eagle Share in the event that such person would otherwise be entitled to a fractional Agnico Eagle Share.

No fractional Yamana Shares shall be delivered pursuant to the Plan of Arrangement. The number of Yamana Shares to be delivered to each Former Osisko Shareholder or Former Osisko Optionholder who acquires Osisko Shares on the exercise of an Exercised Osisko Option (or to a holder of Osisko Convertible Securities upon the conversion of Osisko Convertible Securities after the Effective Time) shall, without additional compensation, be rounded down to the nearest whole Yamana Share in the event that such person would otherwise be entitled to a fractional Yamana Share.

No fractional New Osisko Shares shall be delivered pursuant to the Plan of Arrangement or, if the Consolidation Resolution is approved, the New Osisko Share Consolidation. The number of New Osisko Shares to be delivered to each Former Osisko Shareholder or Former Osisko Optionholder who acquires Osisko Shares on the exercise of an Exercised Osisko Option (or to a holder of Osisko Convertible Securities upon the conversion of Osisko Convertible Securities after the Effective Time) shall, without additional compensation, be rounded down to the nearest whole New Osisko Share in the event that such person would otherwise be entitled to a fractional New Osisko Share.

The foregoing information is a summary only. For further details of procedures, see the Plan of Arrangement attached as Schedule "B" to this Circular.

See "*Procedure for Exchange of Securities – Fractional Shares*".

### **Dissent Rights**

Registered Shareholders have Dissent Rights with respect to the Arrangement. Any Registered Shareholder who dissents from the Arrangement Resolution in accordance with Section 190 of the CBCA, as amended by the Plan of Arrangement, the Interim Order and the Final Order, will be entitled to be paid by Osisko the fair value of the Osisko Shares held by the Registered Shareholder, determined as at the point in time immediately before the Arrangement Resolution is approved by the Osisko Securityholders. **The Dissent Rights must be strictly complied with in order for a Registered Shareholder to receive cash representing the fair value of Osisko Shares held.**

To exercise the Dissent Rights a written notice of objection to the Arrangement Resolution must be received by Osisko, c/o Stikeman Elliott LLP, c/o Mtre Frédéric Paré, 1155 René-Lévesque Blvd West, Suite 4000, Montreal, Québec H3B 3V2, fax: (514) 397-5429 and email: fpare@stikeman.com, by 1:30 p.m. (Eastern Daylight Time) on May 16, 2014, or two Business Days prior to any adjournment of the Meeting.

See "*The Arrangement – Dissent Rights*".

### **Income Tax Considerations**

Osisko Securityholders should consult their own tax advisors about the applicable Canadian or U.S. federal, provincial, state and local tax consequences of the Arrangement.

See "*Principal Canadian Federal Income Tax Considerations*" and "*Certain U.S. Federal Income Tax Considerations for U.S. Holders*".

## **Canadian Securities Laws**

**Each Osisko Shareholder is urged to consult such shareholder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the New Osisko Shares, Agnico Eagle Shares and Yamana Shares issuable pursuant to the Arrangement.**

The Osisko Shares are currently listed on the TSX. Following completion of the Arrangement, Osisko will be a wholly-owned subsidiary of Acquisitionco and it is anticipated that the Osisko Shares will be delisted from the TSX and that the Purchaser Parties will apply to the applicable Canadian securities regulators to have Osisko cease to be a reporting issuer.

New Osisko will apply to list the New Osisko Shares issuable under the Arrangement on the TSX. It is a condition of closing that the TSX shall have conditionally approved the listing thereon, subject to official notice of issuance, of the New Osisko Shares to be issued pursuant to the Arrangement as of the Effective Date, with final notice of issuance to be provided as soon as possible thereafter. The listing of the New Osisko Shares is subject to meeting the TSX's minimum listing requirements.

Agnico Eagle and Yamana will apply to list the Agnico Eagle Shares and Yamana Shares, respectively, issuable under the Arrangement on the TSX and the NYSE. It is a condition of closing that the TSX shall have conditionally approved the listing thereon, subject to official notice of issuance, and the NYSE shall have approved the listing thereon, of the Agnico Eagle Shares and Yamana Shares to be issued pursuant to the Arrangement as of the Effective Date, with final notice of issuance to be provided by the TSX as soon as possible thereafter. See *"The Arrangement Agreement – Conditions to the Arrangement Becoming Effective"*.

The issue of Agnico Eagle Shares, Yamana Shares and New Osisko Shares pursuant to the Arrangement will constitute distributions of securities that are exempt from the prospectus requirements of applicable Canadian Securities Laws. Agnico Eagle Shares, Yamana Shares and New Osisko Shares issued pursuant to the Arrangement may be resold in each province and territory of Canada provided that certain conditions are met.

See *"Securities Law Matters – Canadian Securities Laws"*.

## **U.S. Securities Laws**

The New Osisko Shares, the Agnico Eagle Shares and the Yamana Shares to be issued under the Arrangement to Osisko Shareholders have not been and will not be registered under the U.S. Securities Act. Such securities will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) under the U.S. Securities Act. Except with respect to resales of Agnico Eagle Shares issued to Osisko Shareholders under the Arrangement who were affiliates of Agnico Eagle, in the case of Agnico Eagle Shares, Yamana Shares issued to Osisko Shareholders under the Arrangement who were affiliates of Yamana, in the case of Yamana Shares, or New Osisko Shares issued to Osisko Shareholders under the Arrangement who were affiliates of New Osisko, in the case of New Osisko Shares, at the time of such resale, or within the 90 days immediately before such resale, the securities to be issued or distributed pursuant to the Arrangement will not be subject to resale restrictions under the U.S. Securities Act. See *"Securities Law Matters – U.S. Securities Laws"*.

## **Unaudited Pro Forma Financial Information**

The unaudited *pro forma* financial statements of each of Agnico Eagle, Yamana and New Osisko, including their respective *pro forma* consolidated balance sheet and *pro forma* consolidated statement of income (loss) as at and for the year ended December 31, 2013, are set out in Schedule "L" – *"Unaudited Pro Forma Condensed Consolidated Financial Statements of each of Agnico Eagle and Yamana and Unaudited Pro Forma Condensed Consolidated Financial Statements of New Osisko"*.

### **Interests of Certain Persons in the Arrangement**

In considering the recommendation of the Osisko Board, Osisko Securityholders should be aware that members of the Osisko Board and the officers of Osisko have interests in the Arrangement or may receive benefits that may differ from, or be in addition to, the interests of Osisko Shareholders generally.

All benefits received, or to be received, by directors or officers of Osisko as a result of the Arrangement are, and will be, solely in connection with their services as directors or employees of Osisko. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such person for Osisko Shares, nor is it, or will it be, conditional on the person supporting the Arrangement.

See "*Interests of Directors and Officers of Osisko in the Arrangement*".

### **Information Concerning New Osisko**

Provided that the Arrangement Resolution is approved, Osisko Shareholders will be asked to approve the New Osisko Resolutions to approve the New Osisko Stock Option Plan, the New Osisko Shareholder Rights Plan and the New Osisko Share Consolidation.

#### ***New Osisko Stock Option Plan***

The New Osisko Stock Option Plan is designed to advance the interests of New Osisko by encouraging employees, officers, directors and consultants to have equity participation in New Osisko through the acquisition of New Osisko Shares. Under the New Osisko Stock Option Plan, stock options may be granted to employees, officers, directors and consultants of New Osisko and its subsidiaries.

The New Osisko Options granted under the New Osisko Stock Option Plan, shall be exercised within a period of time fixed by the New Osisko Board, not to exceed seven years from the date the option is granted (the "**Option Period**"). The New Osisko Options shall vest and may be exercised during the Option Period in such manner as the New Osisko Board may fix by resolution. The New Osisko Options which have vested may be exercised in whole or in part at any time and from time to time during the Option Period. The aggregate number of New Osisko Shares to be delivered upon the exercise of all New Osisko Options granted under the New Osisko Stock Option Plan shall not exceed the greater of 10% of the issued and outstanding New Osisko Shares at the time of granting of the New Osisko Options (on a non-diluted basis) or such other number as may be approved by the TSX and the New Osisko Shareholders from time to time.

The number of New Osisko Shares subject to a New Osisko Option granted to a participant under the New Osisko Stock Option Plan shall be determined in the resolution of the New Osisko Board and no participant shall be granted a New Osisko Option which exceeds 5% of the issued and outstanding New Osisko Shares at the time of granting of the New Osisko Option.

See "*Information Concerning New Osisko – New Osisko Stock Option Plan*".

#### ***New Osisko Shareholder Rights Plan***

The purpose of the New Osisko Shareholder Rights Plan is to provide the New Osisko Board and New Osisko Shareholders with sufficient time to properly consider any take-over bid made for New Osisko and to allow enough time for competing bids and alternative proposals to emerge. The New Osisko Shareholder Rights Plan also seeks to ensure that all New Osisko Shareholders are treated fairly in any transaction involving a change of control of New Osisko and that all New Osisko Shareholders have an equal opportunity to participate in the benefits of a take-over bid. The New Osisko Shareholder Rights Plan encourages potential acquirers to negotiate the terms of any offer for New Osisko Shares with the New Osisko Board or, alternatively, to make a Permitted Bid (as defined in the Shareholder Rights Plan) without the approval of the New Osisko Board. The New Osisko Shareholder Rights Plan addresses several concerns that are widely believed to be inherent in the provisions of current legislation governing take-over bids in Québec.

See "*Information Concerning New Osisko – New Osisko Shareholder Rights Plan*".

### ***New Osisko Share Consolidation***

In accordance with the Consolidation Resolution, and if the Consolidation Resolution is approved, the issued and outstanding New Osisko Shares will, immediately following the completion of the step in subsection 3.3(o) in the Plan of Arrangement, be consolidated pursuant to the QBCA on the basis that each such New Osisko Share immediately prior to consolidation shall become 0.1 of a New Osisko Share immediately following consolidation. In the event that the New Osisko Share Consolidation would otherwise result in the issuance of a fraction of a New Osisko Share to a holder of New Osisko Shares, no such fractional share will be issued and the number of New Osisko Shares received by the holder will be rounded down to the nearest whole number.

The purpose of the New Osisko Share Consolidation is to provide for a higher post-consolidation share price per New Osisko Share, which may permit investment in New Osisko by a larger base of potential new investors who cannot otherwise invest below a minimum per share value threshold. A larger potential investor pool may also result in a possible increase in trading activity. In addition, the proposed consolidation would align the New Osisko outstanding share capital more closely with other royalty companies.

See "*Information Concerning New Osisko – New Osisko Share Consolidation*".

## GENERAL PROXY INFORMATION

### **Date, Time and Place of Meeting**

The Meeting will be held on Friday, May 30, 2014 at 1:30 p.m. (Eastern Daylight Time) at Fairmont The Queen Elizabeth (Salon St-François) located at 900 René-Lévesque Boulevard West, Montreal, Québec, Canada, H3B 4A5.

### **Purpose of the Meeting**

The purpose of the Meeting is for Osisko Securityholders to consider and vote upon the Arrangement Resolution, the full text of which is set out in Schedule "A" to this Circular. At the Meeting, and in accordance with and as required by the policies of the TSX, Disinterested Osisko Shareholders are also being asked to consider and approve the Out-of-the-Money Consideration Resolution, approving the payment of the Out-of-the-Money Option Consideration Amount (not to exceed \$3 million) to the holders of the Out-of-the-Money Osisko Options as contemplated by subsection 3.3(f) of the Plan of Arrangement, the full text of which is set out in Schedule "A" to this Circular under the heading "*Out-of-the-Money Consideration Resolution*". At the Meeting, Osisko Shareholders (and only Osisko Shareholders) are also being asked to consider and vote upon the New Osisko Resolutions (provided the Arrangement Resolution is approved) and the Annual Resolutions. Particulars of the subject matter of the New Osisko Resolutions are described in this Circular under the heading "*Information Concerning New Osisko*" and are set out in Schedule "I" to this Circular. Particulars of the subject matter of the Annual Resolutions are set out in Schedule "M" to this Circular.

**Completion of the Arrangement or approval of the Arrangement Resolution is not conditional upon the approval of any of the Out-of-the-Money Consideration Resolution, New Osisko Resolutions or Annual Resolutions that Osisko Shareholders are being asked to consider.**

The New Osisko Resolutions are being put to Osisko Shareholders for approval provided that the Arrangement Resolution is approved. The subject matter in the New Osisko Resolutions will cease to be relevant if the Arrangement Resolution is not approved. The Annual Resolutions are being put to Osisko Shareholders for approval in the event that the Arrangement is not completed for any reason by June 30, 2014. If the Arrangement is completed as anticipated, many of the matters contemplated in the Annual Resolutions may cease to be relevant, as Agnico Eagle and Yamana will, upon consummation of the Arrangement, jointly own directly or indirectly Osisko and Osisko Shareholders will cease to have any direct interest in Osisko.

**Management of Osisko and the Osisko Board recommend that Osisko Securityholders, as applicable, vote FOR each of the Arrangement Resolution, the Out-of-the-Money Consideration Resolution, the New Osisko Resolutions and the Annual Resolutions, the full text of which are set out in Schedule "A" to this Circular.**

### **Securityholders Entitled to Vote**

At the Meeting, Osisko Securityholders are entitled to vote on the Arrangement Resolution, Disinterested Osisko Shareholders are entitled to vote on the Out-of-the-Money Consideration Resolution, and Osisko Shareholders are entitled to vote on the New Osisko Resolutions (provided the Arrangement Resolution is Approved) and the Annual Resolutions, either in person or by proxy. The Osisko Board has fixed April 14, 2014 as the Record Date for determining the Osisko Securityholders who are entitled to receive notice of and vote at the Meeting. Only Osisko Securityholders whose names have been entered in the registers of Osisko as at the close of business (5:00 p.m. (Eastern Daylight Time)) on the Record Date will be entitled to receive notice of and vote at the Meeting. No other Osisko Securityholders are entitled to vote at the Meeting.

To the knowledge of the directors and officers of Osisko, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the votes attached to any class of voting securities of Osisko.

**Each Registered Shareholder and, in the case of the Arrangement Resolution only, each Osisko Optionholder, has the right to appoint as proxyholder a person or company other than the persons designated by**



management of Osisko (the "Management Proxyholders") in the enclosed Shareholder Proxy or Optionholder Proxy, as applicable, and to attend and act on the Osisko Securityholder's behalf at the Meeting or any adjournment or postponement thereof, by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed Shareholder Proxy or Optionholder Proxy, as applicable. Osisko Optionholders are not entitled to vote in respect of any of the Out-of-the-Money Consideration Resolution, New Osisko Resolutions or Annual Resolutions.

### **Voting By Registered Shareholders and Osisko Optionholders**

The following instructions are for Registered Shareholders and, in the case of the Arrangement Resolution only, Osisko Optionholders, only. If you are a Non-Registered Shareholder, please read the information under the heading "General Proxy Information – Voting by Non-Registered Shareholders" below and follow your intermediary's instructions on how to vote your Osisko Shares.

#### ***Voting in Person***

Registered Shareholders and, in the case of the Arrangement Resolution only, Osisko Optionholders, who attend the Meeting may vote in person. If you are a Registered Shareholder, to ensure your vote is counted, you should complete and return the enclosed Shareholder Proxy as soon as possible even if you plan to attend the Meeting in person. If you are an Osisko Optionholder, to ensure your vote is counted, you should complete and return the enclosed Optionholder Proxy as soon as possible even if you plan to attend the Meeting in person. Even if you return a proxy, you can still attend the Meeting and vote in person, in which case you will need to instruct the scrutineer at the Meeting to cancel your proxy.

#### ***Voting by Proxy***

If you are a Registered Shareholder or, in the case of the Arrangement Resolution only, an Osisko Optionholder but do not plan to attend the Meeting, you may vote by using a proxy to appoint someone to attend the Meeting as your proxyholder.

#### **What do I need to do now in order to vote at the Meeting?**

You should carefully read and consider the information contained in this Circular. Registered Shareholders and Osisko Optionholders should then complete, sign and date the enclosed Shareholder Proxy or Optionholder Proxy (the "**Proxy**"), as applicable, and return the applicable form in the enclosed return envelope or by facsimile as indicated in the Proxy as soon as possible so that your Osisko Shares and Osisko Options may be represented at the Meeting. Alternatively, Registered Shareholders may vote over the telephone at: 1-888-489-7352 (North American Toll Free); or online at: [www.cstvotemyproxy.com](http://www.cstvotemyproxy.com) using the control number found on the Proxy.

#### **What is a proxy?**

A proxy is a document that authorizes another person to attend the Meeting and cast votes at the Meeting on behalf of a Registered Shareholder or Osisko Optionholder. If you are a Registered Shareholder or an Osisko Optionholder, you can use the Shareholder Proxy or Optionholder Proxy, as applicable, accompanying this Circular. You may also use any other legal form of proxy.

#### **How do I deposit a proxy?**

You can either return a duly completed and executed Shareholder Proxy or Optionholder Proxy, as applicable, to the Transfer Agent not later than 1:30 p.m. (Eastern Daylight Time) on Wednesday, May 28, 2014, or not later than 48 hours (other than a Saturday, Sunday or holiday) immediately preceding the time of the Meeting (as it may be adjourned or postponed from time to time). Alternatively, Registered Shareholders may submit their Shareholder Proxy by fax to: 1-866-781-3111 (North American Toll Free) or 1-416-368-2502 (Outside North America); by

telephone at: 1-888-489-7352; or online at: [www.cstvotemyproxy.com](http://www.cstvotemyproxy.com). The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

#### How will a proxyholder vote?

If you mark on the Shareholder Proxy how you want to vote on a particular issue (by checking **FOR** or **AGAINST** or **WITHHOLD**, as applicable), your proxyholder must vote your Osisko Shares as instructed. If you mark on the Optionholder Proxy how you want to vote on the Arrangement Resolution (by checking **FOR** or **AGAINST**), your proxyholder must vote your Osisko Options as instructed.

**If you do NOT mark on the Proxy how you want to vote on a particular matter, your proxyholder will have the discretion to vote your Osisko Shares or Osisko Options, as applicable, as he or she sees fit. If your proxy does not specify how to vote on the Arrangement Resolution and you have authorized the persons named in the accompanying Proxy (who are officers and/or directors of Osisko) to act as your proxyholder, your Osisko Shares and/or Osisko Options, as applicable, will be voted at the Meeting **FOR** the Arrangement Resolution. If your Proxy does not specify how to vote on the Out-of-the-Money Consideration Resolution, New Osisko Resolutions or the Annual Resolutions and you have authorized the persons named in the accompanying Proxy (who are officers and/or directors of Osisko) to act as your proxyholder, your Osisko Shares will be voted at the Meeting **FOR** each of the Out-of-the-Money Consideration Resolution, New Osisko Resolutions (if the Arrangement Resolution is approved) and the Annual Resolutions.**

If any amendments are proposed to the Arrangement Resolution, or if any other matters properly arise at the Meeting in relation to the Arrangement Resolution, the Out-of-the-Money Consideration Resolution, the New Osisko Resolutions or the Annual Resolutions, your proxyholder will have the discretion to vote your Osisko Shares or Osisko Options, as applicable, as he or she sees fit.

#### Should I send in my proxy now?

Yes. To ensure the Arrangement Resolution, the Out-of-the-Money Consideration Resolution, the New Osisko Resolutions and the Annual Resolutions are passed, you should complete and submit the applicable enclosed Shareholder Proxy or Optionholder Proxy, as applicable, or, if applicable, provide your broker with voting instructions. See *"General Proxy Information – Voting by Registered Shareholders and Osisko Optionholders – Voting by Proxy"*.

#### Can I revoke my proxy after I have voted by proxy?

Yes. A Registered Shareholder or Osisko Optionholder executing the enclosed Shareholder Proxy or Optionholder Proxy, as applicable, has the right to revoke it under the CBCA. A Registered Shareholder or Osisko Optionholder may revoke a proxy by depositing an instrument in writing executed by him or her, or by his or her attorney authorized in writing, at the registered office of Osisko at any time up to and including the last day (other than a Saturday, Sunday or holiday) preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting prior to the Meeting, or any adjournment thereof, or in any other manner permitted by law.

#### Are Osisko Shareholders entitled to dissent rights?

Under the Interim Order, Registered Shareholders are entitled to dissent rights in respect of the Arrangement only if they follow the procedures specified in the CBCA, as modified by the Interim Order. If you wish to exercise dissent rights, you should review the requirements summarized in this Circular carefully and consult with legal counsel. See *"The Arrangement – Dissent Rights"*. In addition to any other restrictions under Section 190 of the CBCA (as modified or supplemented by the Interim Order and any other order of the Court), Non-Registered Shareholders and holders of securities convertible for Osisko Shares (including Osisko Options) are not entitled to exercise dissent rights.

### Who can help answer my questions?

Osisko Securityholders who would like additional copies, without charge, of this Circular or have additional questions about the Arrangement, including the procedures for voting Osisko Shares and Osisko Options, should contact their broker or Laurel Hill as indicated below. In addition, Laurel Hill is available to answer any questions you might have in respect of the information contained in this Circular.

Interested Osisko Securityholders may contact Laurel Hill by telephone at: 1-877-452-7184 (North American Toll Free) or 416-304-0211 (Collect Outside North America); or by email at: [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

### **Voting By Non-Registered Shareholders**

You are a Non-Registered Shareholder (as opposed to a Registered Shareholder) if your Osisko Shares are held on your behalf, or for your account, by an intermediary, such as a broker, custodian, nominee or other intermediary. In accordance with Securities Laws, Osisko has distributed copies of the Notice of Meeting and this Circular to the clearing agencies and intermediaries for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Notice of Meeting and this Circular to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Typically, intermediaries will use a service company to forward such materials to Non-Registered Shareholders. The majority of intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Corporation in Canada and its counterpart in the United States ("**Broadridge**").

Non-Registered Shareholders will receive from an intermediary either voting instruction forms or, less frequently, forms of proxy. The purpose of these forms is to permit Non-Registered Shareholders to direct the voting of the Osisko Shares they beneficially own. Non-Registered Shareholders should follow the procedures set out below, depending on which type of form they receive. Osisko will reimburse intermediaries for permitted reasonable out-of-pocket costs and expenses incurred by them in mailing proxy materials to Non-Registered Shareholders of Osisko. Osisko has elected to pay for the delivery of Meeting materials to "objecting beneficial owners" of Osisko Shares.

#### ***Voting Instruction Form***

In most cases, a Non-Registered Shareholder will receive, as part of the materials for the Meeting, a voting instruction form. If the Non-Registered Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Shareholder's behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. If a Non-Registered Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Shareholder's behalf), the Non-Registered Shareholder must complete, sign and return the voting instruction form in accordance with the directions provided.

Additionally, there are two kinds of Non-Registered Shareholders: (i) those who object to their name being made known to the issuers of securities which they own, known as objecting beneficial owners or "OBOs"; and (ii) those who do not object to their name being made known to the issuers of securities which they own, known as non-objecting beneficial owners or "NOBOs". Osisko may utilize the Broadridge QuickVote™ service to assist Non-Registered Shareholders that are NOBOs with voting their Osisko Shares. NOBOs may be contacted by Laurel Hill to conveniently obtain a vote directly over the telephone.

#### ***Forms of Proxy***

Less frequently, a Non-Registered Shareholder will receive, as part of the materials for the Meeting, forms of proxy that have already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Osisko Shares beneficially owned by the Non-Registered Shareholder but which is otherwise uncompleted. If the Non-Registered Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Shareholder's behalf), the Non-Registered Shareholder must complete a form of proxy and deliver it to the Montreal office of the Transfer Agent, CST Trust Company, which is

located at 2001 University, Suite 1600, Montreal, Québec, Canada H3A 2A6, not later than 1:30 p.m. (Eastern Daylight Time) on Wednesday, May 28, 2014, or not later than 48 hours (other than a Saturday, Sunday or holiday) immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time). The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

Only Registered Shareholders and, in the case of the Arrangement Resolution only, Osisko Optionholders, or the persons they appoint as their proxies are permitted to vote at the Meeting. If a Non-Registered Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Shareholder's behalf), the Non-Registered Shareholder must strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided and return the form of proxy in accordance with the instructions provided by the intermediary.

**Non-Registered Shareholders should follow the instructions on the forms they receive and contact their intermediaries or Laurel Hill by telephone at: 1-877-452-7184 (North American Toll Free) or 416-304-0211 (Collect Outside North America); or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com), if assistance is required.**

### **Solicitation of Proxies**

Whether or not you plan to attend the Meeting, management of Osisko, with the support of the Osisko Board, requests that you fill out your form of proxy or proxies to ensure your votes are cast at the Meeting. This solicitation of your proxy or proxies (your vote) is made on behalf of management.

It is expected that the solicitation of proxies will be made primarily by mail, but proxies may also be solicited personally or by telephone, email, internet, fax or other electronic or other means of communication by directors, officers, employees, agents or other representatives of Osisko. Osisko has retained Laurel Hill Advisory Group (the "**Proxy Solicitation Agent**") to assist in the solicitation of proxies and may also retain other persons as it deems necessary to aid in the solicitation of proxies with respect to the Meeting. Costs related to the Proxy Solicitation Agent and the printing and mailing this Circular in connection with the Meeting, which are expected to be nominal, will be borne by Osisko. Osisko and the Proxy Solicitation Agent entered into an engagement agreement with customary terms and conditions, which provides that the Proxy Solicitation Agent will be paid a fee of approximately \$40,000 plus out-of-pocket expenses.

### **Voting Securities and Principal Holders Thereof**

#### ***Osisko Shares Outstanding***

As at April 30, 2014, Osisko had 440,306,675 Osisko Shares issued and outstanding. Each Osisko Share outstanding on the Record Date carries the right to one vote.

#### ***Principal Shareholders***

To the knowledge of the directors and officers of Osisko, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Osisko Shares (based on information available to Osisko at the date of this Circular).

#### ***Osisko Options Outstanding***

As at April 30, 2014, Osisko had 19,825,665 Osisko Options issued and outstanding.

## THE ARRANGEMENT

### **Background to the Arrangement**

At 6:10 a.m. (Eastern Standard Time) on January 13, 2014, Mr. Chuck Jeannes, Goldcorp's Chief Executive Officer, contacted Mr. Sean Roosen, Osisko's Chief Executive Officer, by telephone informing him that Goldcorp would launch a hostile take-over bid for Osisko. At 6:40 a.m. on January 13, 2014, Goldcorp publicly announced its intention to launch its hostile take-over bid for consideration comprised of 0.146 of a common share of Goldcorp and \$2.26 in cash per Osisko Share, representing a 15% premium to Osisko's unaffected common share price as at January 10, 2014. Osisko subsequently issued a press release acknowledging the Goldcorp announcement. Details of the historic relationship and interactions between Osisko and Goldcorp are set out under the heading "*Background to the Goldcorp Offer*" in the Directors' Circular described below dated January 24, 2014 which was circulated to Osisko Shareholders and filed on SEDAR.

Following Goldcorp's announcement of its intention to make the Goldcorp Offer on January 13, 2014, the Osisko Board was convened to discuss the announcement and resolved to appoint the Special Committee with a mandate to (among other things) review and assess the Goldcorp Offer and make recommendations to the Osisko Board with respect to the Goldcorp Offer and any other alternative transactions. The Special Committee is comprised of Gary A. Sugar (Co-Chair), Joanne Ferstman (Co-Chair), Victor H. Bradley, Marcel Côté and William A. MacKinnon. Later that day, the Special Committee retained external legal counsel.

On January 14, 2014, the Special Committee was convened to discuss, with input from management, Maxit Capital and Osisko's external legal advisors, the process for Osisko's response to the Goldcorp Offer. Following such meeting, the Special Committee met to discuss certain procedural matters and to receive a presentation from its legal counsel regarding the duties of the Special Committee in the context of the Goldcorp Offer and consideration of alternative transactions. Later that day, Osisko issued a news release announcing that it had appointed BMO Capital Markets and Maxit Capital as financial advisors and Bennett Jones LLP and Lavery, de Billy LLP as legal counsel. Osisko also announced that it had appointed the Special Committee and that the Special Committee had appointed Stikeman Elliott LLP to provide legal advice to the Special Committee. Osisko also appointed Skadden, Arps, Slate, Meagher & Flom LLP as U.S. legal counsel.

On January 15, 2014, the Special Committee met again to further discuss, with its legal advisors, the process for Osisko's response to the Goldcorp Offer and to organize plans to complete the tasks required of the Special Committee. On January 16, 2014, representatives of Agnico Eagle first met with Maxit Capital to discuss the possibility of pursuing an alternative transaction with Osisko, and commenced discussions with its and Osisko's financial advisors concerning a possible transaction.

The Special Committee met again on January 16, 2014 to discuss in detail, with the benefit of advice from external legal counsel and Maxit Capital, the terms of the Goldcorp Offer and the issues raised by the Goldcorp Offer, as well as the additional information and work required for the Osisko Board and Special Committee to complete its assessment of the Goldcorp Offer and potential alternative transactions and the timeline for completion of this work. This meeting was followed by an *in camera* session of the Special Committee, during which the members shared their preliminary views on strategies and alternatives available to Osisko consistent with the best interests of Osisko and Osisko's stakeholders.

On January 18, 2014, the Osisko Board received from its advisors, among other things, an analysis of the financial terms of the Goldcorp Offer, possible alternative responses to the Goldcorp Offer, a draft of the Directors' Circular, and related information.

On January 19, 2014, the Special Committee met with its legal advisors and Osisko's financial advisors and undertook a thorough review of the Goldcorp Offer, the Goldcorp Circular, as well as other relevant matters, including matters discussed in the Directors' Circular. After receiving the oral fairness opinion of each of BMO Capital Markets and Maxit Capital as to the financial inadequacy of the Goldcorp Offer, and taking into account the best interests of Osisko and the impact on Osisko's stakeholders and potential alternative transactions, the Special Committee unanimously concluded that the Goldcorp Offer was inadequate from a financial point of view and not in

the best interests of Osisko, and that the Osisko Board should recommend that Osisko Shareholders reject the Goldcorp Offer and not tender their Osisko Shares to the Goldcorp Offer.

Also on January 19, 2014, the Osisko Board met with financial and legal advisors and undertook a thorough review of the Goldcorp Offer, the Goldcorp Circular, as well as other relevant matters discussed in the Directors' Circular, and to receive the report and recommendation of the Special Committee and the oral fairness opinion of each of BMO Capital Markets and Maxit Capital as to the financial inadequacy of the Goldcorp Offer. Based upon a careful consideration of all of the foregoing and consultation with its advisors, and taking into account the best interests of Osisko and the impact on Osisko's stakeholders, the Osisko Board unanimously concluded that the Goldcorp Offer was inadequate from a financial point of view and not in the best interests of Osisko, and that it would recommend that Osisko Shareholders reject the Goldcorp Offer and not tender their Osisko Shares to the Goldcorp Offer.

The Osisko Board approved a press release to be disseminated on January 20, 2014, which outlined its response to the Goldcorp Offer and its recommendation that Osisko Shareholders reject the Goldcorp Offer and not tender their Osisko Shares to the Goldcorp Offer, and the Directors' Circular to be dated January 24, 2014, which was sent to Osisko Shareholders, both of which were filed and are available on SEDAR.

Commencing on January 13, 2014, Osisko and its financial advisors contacted and received incoming expressions of interest from potential strategic and financial counterparties, including separately from each of Agnico Eagle and Yamana. Osisko and its financial advisors assembled an electronic data room, which was made accessible to interested counterparties, and began scheduling site visits to Osisko's properties by those counterparties. Legal counsel prepared forms of confidentiality and standstill agreements to be executed by interested parties prior to giving them access to Osisko's information and properties. Ultimately, Osisko entered into numerous confidentiality agreements with counterparties interested in a potential strategic or financial transaction in response to the Goldcorp Offer and conducted numerous technical meetings, management presentations and site visits to its properties.

On January 17, 2014, Agnico Eagle entered into a confidentiality agreement with Osisko governing the proposed exchange of confidential information between Osisko and Agnico Eagle in connection with examining a potential negotiated transaction. The confidentiality agreement contained customary restrictions on the use and disclosure of confidential information and a two-year standstill.

In the days and weeks that followed throughout January and February 2014, Agnico Eagle and its legal and financial advisors engaged in legal, financial, technical and other due diligence of Osisko and its material assets, including through the Osisko electronic data room and during technical meetings, management presentations and site visits to Osisko. Throughout January and February 2014, representatives of Agnico Eagle and Osisko and their respective advisors held various meetings and calls to discuss a potential transaction between the parties and advance Agnico Eagle's ongoing due diligence review of Osisko.

On January 26, 2014, the Osisko Board met to receive an update from management on the ongoing value enhancement process, the identification of interested counterparties who had executed confidentiality agreements, including Agnico Eagle and Yamana (separately), participated in technical meetings and received presentations from management, and management provided the Osisko Board with information related to several value enhancement alternatives that were being pursued in the interests of Osisko Shareholders.

The Osisko Board was also advised that following management's review with Osisko's outside legal counsel, Osisko believed it had a proper legal basis to take action against Goldcorp for misusing confidential information and otherwise acting in a manner not permitted by the confidentiality agreement between Osisko and Goldcorp.

The Osisko Board accordingly authorized Osisko to commence a legal proceeding against Goldcorp in the Superior Court of Québec, seeking to enjoin Goldcorp from proceeding with the Goldcorp Offer in contravention of its legal obligations to Osisko.

On January 29, 2014, Osisko commenced a legal proceeding against Goldcorp in the Court. Osisko alleged that in making the Goldcorp Offer, Goldcorp misused confidential information and otherwise acted in a manner not permitted by the confidentiality and standstill agreement between the parties; and that Goldcorp acted in bad faith

and contrary to applicable law in actions undertaken prior to launching the Goldcorp Offer. Osisko sought an order enjoining the Goldcorp Offer and other conduct Osisko alleged was in breach of the confidentiality and standstill agreement. In the course of the legal proceeding, the parties exchanged affidavit evidence, relevant documents and undertook cross-examinations of individuals with knowledge of the dealing between the parties, and exchanged written arguments.

On January 29, 2014, Yamana entered into a confidentiality agreement with Osisko governing the proposed exchange of confidential information between Osisko and Yamana in connection with examining a potential negotiated transaction. The confidentiality agreement contained customary restrictions on the use and disclosure of confidential information and a two-year standstill.

In the days and weeks that followed throughout February 2014, Yamana and its legal and financial advisors engaged in legal, financial, technical and other due diligence of Osisko and its material assets, including through the Osisko electronic data room and during technical meetings, management presentations and site visits to Osisko. Throughout February 2014, representatives of Yamana and Osisko and their respective advisors held various meetings and calls to discuss a potential transaction between the parties and advance Yamana's ongoing due diligence review of Osisko.

On February 5, 2014, the Special Committee met to receive a report from legal counsel on the litigation against Goldcorp. The Special Committee was advised that a trial date had been set for March 3 to 5, 2014, and that Goldcorp had undertaken in Court on February 4, 2014 not to apply to cease trade the Osisko Shareholder Rights Plan prior to March 6, 2014. A discussion also took place, and updates were provided, as to the ongoing value enhancement process and the current market reaction to the Goldcorp Offer. Proposed process letters that had been prepared for delivery to counterparties were also reviewed and discussed.

On February 14, 2014, the Special Committee met again to receive an update on the strategic and value enhancement process from management and Osisko's financial advisors, including the results of ongoing discussions being held between representatives of Osisko and each of Agnico Eagle and Yamana. During an *in camera* session of the Special Committee, legal counsel outlined the duties of the committee in the event that an alternative transaction was proposed and issues to consider when comparing such a transaction to the existing Goldcorp Offer.

On February 18, 2014, Goldcorp filed the first Notice of Extension of the Goldcorp Offer to 5:00 p.m. (Eastern Daylight Time) on March 10, 2014. On February 19, 2014, a meeting was held between the respective CEOs of Osisko and Agnico Eagle to continue discussions concerning the potential for pursuing a negotiated alternative to the Goldcorp Offer and concerning the status of Agnico Eagle's due diligence review of Osisko.

Subsequently, on February 21, 2014, Agnico Eagle submitted a non-binding proposal letter to Mr. Sean Roosen, President and Chief Executive Officer of Osisko, expressing its interest in submitting a formal proposal and its desire to engage with a potential partner with a view to pursuing a potential negotiated transaction with Osisko.

On February 28, 2014, the Special Committee met with legal counsel and Osisko's financial advisors to receive updates as to the market activity, the ongoing strategic process, counterparty engagement, and the litigation against Goldcorp. Management provided a brief update on operations at the Canadian Malartic Properties and on management's activities at the annual Global Metals & Mining conference hosted in Hollywood, Florida by BMO Capital Markets. The Special Committee also received a briefing from legal counsel on the court proceeding, the potential for a settlement and the matters likely to be addressed as part of any settlement. The Special Committee authorized counsel to engage in settlement discussions with Goldcorp's counsel.

During the weekend of March 1, 2014, the parties negotiated toward the settlement of Osisko's legal proceeding against Goldcorp.

On March 2, 2014, the Special Committee met with legal and financial advisors to discuss the possible terms of a settlement agreement with Goldcorp and, following a review of the matter, authorized management and legal advisors to continue negotiations. On the morning of March 3, 2014, the parties announced the settlement of the lawsuit.

Pursuant to the settlement agreement, Goldcorp agreed not to take up and pay for Osisko Shares deposited to the Goldcorp Offer prior to April 15, 2014. In return, Osisko agreed to waive the application of its shareholder rights plan to the Goldcorp Offer on the earlier to occur of April 15, 2014, and the date Osisko enters into any third party transaction, to provide Goldcorp access to due diligence materials beginning on the earlier to occur of April 1, 2014 and the date that Osisko entered into any third party transaction, and to terminate the legal proceeding against Goldcorp. The settlement also contemplated that no alternative transaction by Osisko could be closed prior to April 15, 2014. The settlement agreement was approved by the Court and a copy was filed by Osisko on SEDAR on March 6, 2014. Goldcorp was granted access to due diligence materials on April 1, 2014.

On March 10, 2014, Goldcorp filed the second Notice of Extension of the Goldcorp Offer to 5:00 p.m. (Eastern Daylight Time) on March 21, 2014, and on March 21, 2014, Goldcorp filed the third Notice of Extension to the Goldcorp Offer to 5:00 p.m. (Eastern Daylight Time) on April 4, 2014. Also on March 10 and March 21, 2014, Osisko issued a press release reminding Osisko Shareholders that pursuant to the settlement agreement between the parties, Goldcorp was prohibited from taking up and paying for any Osisko Shares deposited to the hostile Goldcorp Offer prior to April 15, 2014 and that, absent intervening events, Osisko Shareholders could expect to receive further extensions from Goldcorp.

Also on March 10, 2014, Agnico Eagle submitted a subsequent non-binding proposal letter to Mr. Roosen of Osisko reiterating its interest in submitting a proposal and its desire to be connected by Osisko with an interested partner to pursue a negotiated transaction involving Osisko.

Throughout February and March, under the supervision of the Special Committee and with the assistance of Osisko's financial advisors, management (i) continued discussions and negotiations with the potential strategic and financial counterparties who had entered into confidentiality agreements with Osisko and (ii) developed and executed a comprehensive value enhancement process, which process was ultimately designed to conclude around the end of March 2014. As part of such discussions, negotiations and value enhancement process, among other things, Mr. Roosen, President and Chief Executive Officer of Osisko, and Mr. Coates, Vice President, Finance and Chief Financial Officer of Osisko, engaged in discussions with potential financial counterparties, including separately with each of Agnico Eagle and Yamana.

On March 19, 2014, Yamana advanced discussions with Osisko and sent to Osisko a draft exclusivity agreement pursuant to which the parties could negotiate a transaction.

Around the same time, Agnico Eagle also separately advanced discussions with Osisko and, on March 21, 2014, received a formal process letter from Osisko's financial advisors concerning, among other things, the process and timing for submitting a proposal for an alternative transaction to Osisko and for completing due diligence and related inquiries. Over the course of the following week, Agnico Eagle continued its due diligence review and held various discussions with its financial and legal advisors and representatives of Osisko.

In connection with the draft exclusivity agreement provided by Yamana, the Special Committee met with management and legal and financial advisors on March 23, 2014 to receive market and value enhancement process updates. The ongoing progress and work of, as well as discussions with, various counterparties including Agnico Eagle and Yamana, that had indicated interest in a joint venture / partnership transaction, as part of the ongoing strategic process were outlined by the financial advisors and the Chief Financial Officer. The potential benefits of a potential transaction with either Agnico Eagle or Yamana, the relevant financial analysis, tax and management issues, as well as the potential market reaction were discussed in detail as was the draft agreement provided by Yamana. During an *in camera* session, the Special Committee discussed a potential transaction with either Agnico Eagle or Yamana, and Yamana's draft exclusivity agreement, with its legal counsel. The Special Committee approved Yamana's exclusivity agreement and Osisko subsequently entered into an agreement with Yamana providing for limited exclusivity between the parties to negotiate a transaction with Yamana for a period ending March 28, 2014.

On March 29, 2014, the Special Committee met with management and Osisko's financial and legal advisors to receive a market and value enhancement process update. The Special Committee also received an update on the potential joint venture/partnership with Yamana and certain other discussions Osisko management was having with Caisse de depot et placement du Québec ("**Caisse**") and CPPIB Credit Investments Inc. ("**CPPIB**").



A meeting of the Special Committee was then held at noon (Eastern Daylight Time) on April 1, 2014 with financial advisors and legal counsel, at which time the status of the potential joint venture / partnership with Yamana and related gold streaming and loan transactions with the Caisse and CPPIB (collectively, the "**Yamana Transaction**") were outlined and discussed by the Special Committee and potential responses to outstanding issues were relayed to management. That meeting was adjourned and a meeting of the Osisko Board was convened immediately following the adjournment, which included the financial and legal advisors.

The Osisko Board meeting was adjourned and the Special Committee resumed their adjourned meeting together with the legal advisors to the Special Committee. The Special Committee engaged in a robust discussion of the merits of the Yamana Transaction. The meeting was then adjourned pending further developments in the negotiations between Osisko and Yamana.

Early in the morning on April 2, 2014, the Special Committee reconvened the adjourned meeting to receive a report on the progress of negotiations on the Yamana Transaction. An agreement in principle having been reached between Osisko and the counterparties to the Yamana Transaction, subject to Yamana and Osisko receiving board approval, the financial advisors made a presentation to the Special Committee, which concluded with each of BMO Capital Markets and Maxit Capital providing their respective oral fairness opinions to the Osisko Board (subsequently confirmed in writing) that, on the basis of the assumptions, limitations and qualifications to be set forth in the written opinions subsequently delivered by them, as of the date of the opinions, the consideration to be received by the Osisko Shareholders pursuant to the Yamana Transaction was fair, from a financial point of view.

Immediately following the meeting of the Special Committee, the adjourned Osisko Board meeting resumed to receive a report and recommendation on the Yamana Transaction from the Special Committee. After reviewing its reasons, the Special Committee provided its unanimous recommendation to the Osisko Board that it approve the Yamana Transaction and recommend that Osisko Shareholders vote in favour of the special resolution to approve an arrangement pursuant to Section 192 of the CBCA (the "**Yamana Arrangement**") to give effect to the Yamana Transaction. In light of the recommendation of the Special Committee and the advice, reports and opinions it had received (including the oral fairness opinions from each of BMO Capital Markets and Maxit Capital delivered to the Osisko Board), and following further discussion, the Osisko Board determined that the Yamana Transaction was in the best interests of Osisko and resolved to recommend that the Osisko Shareholders vote in favour of a special resolution authorizing and approving the Yamana Arrangement. As required under the settlement agreement with Goldcorp dated March 6, 2014, the Osisko Board waived the occurrence of a "Flip-In-Event" under the Osisko Shareholder Rights Plan in response to the Goldcorp Offer, effective immediately upon the public announcement of the Yamana Arrangement (which waiver also applied in respect of any subsequent offers for Osisko).

Following the approval of the Osisko Board, the arrangement agreement governing the parties to the Yamana Arrangement was finalized and executed by the parties and Osisko and Yamana each issued a press release to that effect on April 2, 2014.

On April 3, 2014, Goldcorp filed the fourth Notice of Extension of the Goldcorp Offer to 5:00 p.m. (Eastern Daylight Time) on April 15, 2014. On April 10, 2014, Goldcorp announced the completion of its due diligence of Osisko and that it would proceed with the Revised Goldcorp Offer on the terms set forth in its Notice of Extension and Variation dated April 10, 2014. Also, on April 10, 2014, Osisko announced that the Osisko Board would consider the Revised Goldcorp Offer and reminded Osisko Shareholders to take no action in respect of the Revised Goldcorp Offer until the Osisko Board made a recommendation as to the merits of such offer.

Following the announcement of the proposed Yamana Transaction, on April 11, 2014, Agnico Eagle delivered a confidential letter to Osisko outlining an alternative acquisition proposal (the "**Initial Joint Offer Proposal**"). The terms of the Initial Joint Offer Proposal contemplated the joint acquisition by Agnico Eagle and Yamana of all of the outstanding Osisko Shares pursuant to a plan of arrangement. The Initial Joint Offer Proposal was conditional upon (among other things) each of Agnico Eagle and Yamana being released from the restrictions of their respective confidentiality agreements with Osisko in order to determine if, and how swiftly, they could proceed with a joint offer proposal, the execution of definitive agreements among the parties, approval by Osisko Securityholders and satisfactory confirmatory due diligence investigations by Agnico Eagle.

On the morning of April 12, 2014, the Special Committee, together with its financial and legal advisors, met to consider the Revised Goldcorp Offer and the Initial Joint Offer Proposal. The financial and legal advisors provided preliminary assessments and comments on the Revised Goldcorp Offer and the Initial Joint Offer Proposal. The Special Committee authorized management and Osisko's legal advisors to negotiate a limited release of Agnico Eagle and Yamana from certain restrictions in their respective confidentiality agreements with Osisko in order to allow such parties to pursue the Initial Joint Offer Proposal. That same day, Osisko, Agnico Eagle and Yamana entered into a letter agreement granting each of Agnico Eagle and Yamana with the limited release from their confidentiality agreements in order to pursue discussions concerning a possible joint offer for Osisko.

On April 14, 2014, Agnico Eagle and Yamana jointly submitted a joint offer proposal to Osisko (the "**Joint Offer Proposal**"), outlining their joint proposal to acquire 100% of the Osisko Shares pursuant to a plan of arrangement, in consideration for a combination of cash, Agnico Eagle Shares and Yamana Shares, and New Osisko Shares for the outstanding Osisko Shares.

A meeting of the Special Committee, together with its financial and legal advisors, was held on April 15, 2014 to receive reports on the progress of the discussions among the parties to the Joint Offer Proposal. Special Committee members discussed, and legal advisors provided advice regarding, the obligations and duties of the Special Committee and the directors on the Osisko Board to Osisko and the Osisko Shareholders in the current circumstances, in particular given the Yamana Transaction, the Joint Offer Proposal and related agreements. The Special Committee then adjourned to participate in a meeting of the Osisko Board.

A meeting of the Osisko Board was then convened with financial and legal advisors. During such meeting, an update was provided as to the status of the Joint Offer Proposal, including the terms which were under negotiation among the parties. Osisko's financial and legal advisors then led a detailed discussion regarding the key terms, conditions, implications and considerations of the Joint Offer Proposal, including that New Osisko would be created under the Joint Offer Proposal and the New Osisko Assets would include a 5% Canadian Malartic NSR and a 2% Canadian Exploration Properties NSR, the Mexican Properties and over \$150 million in cash. The financial advisors also provided a preliminary range of values for the consideration to be received by Osisko Shareholders pursuant to the Joint Offer Proposal. Draft copies of the Arrangement Agreement to implement the Joint Offer Proposal were made available to the members of the Osisko Board and reviewed with legal counsel. Following discussion, Osisko's management was advised to continue with the negotiations on the Joint Offer Proposal and the meeting was adjourned. The Special Committee resumed their adjourned meeting together with the legal advisors to discuss the factors to be considered by the Special Committee in its deliberations over the Joint Offer Proposal and that meeting was subsequently adjourned.

The Special Committee reconvened the adjourned meeting during the evening of April 15, 2014 to receive an update on the Joint Offer Proposal. The financial advisors, among other things, commented on the merits of the Joint Offer Proposal compared to the Revised Goldcorp Offer, the nature of the deal protection terms of the Joint Offer Proposal, including a proposed definition of "superior proposal", the process conducted in order to maximize shareholder value and related financial matters. The Special Committee agreed upon its recommendation to the Osisko Board with respect to the Proposed Joint Offer and the reasons for such recommendation, subject to finalization of the terms of the Joint Offer Proposal and receipt of oral fairness opinions from BMO Capital Markets and Maxit Capital.

Immediately following the Special Committee meeting, a meeting of the Osisko Board was held by conference call. The Osisko Board was informed that an agreement in principle had been reached between Osisko, Agnico Eagle and Yamana. The financial advisors then made a presentation to the Osisko Board which concluded with each of BMO Capital Markets and Maxit Capital providing their respective oral fairness opinions to the Osisko Board (subsequently confirmed in writing) that, on the basis of the assumptions, limitations and qualifications to be set forth in the written opinions subsequently delivered by them, as of the date of the opinions, the consideration to be received by the Osisko Shareholders pursuant to the Joint Offer Arrangement (as defined herein), is fair, from a financial point of view. After reviewing its reasons, the Special Committee provided its unanimous recommendation to the Osisko Board that it approve the Joint Offer Arrangement and recommend that Osisko Securityholders vote in favour of the special resolution to approve an arrangement pursuant to Section 192 of the CBCA (the "**Joint Offer Arrangement**"). In light of the recommendation of the Special Committee and the advice, reports and opinions it had received (including the oral fairness opinions from each of BMO Capital Markets and Maxit Capital delivered to

the Osisko Board), and following further discussion, the Osisko Board determined that the Joint Offer Arrangement was in the best interests of Osisko and recommended that the Osisko Securityholders vote in favour of the special resolution authorizing and approving the Joint Offer Arrangement. The Osisko Board also authorized Osisko to (i) enter into the Arrangement Agreement with Agnico Eagle and Yamana and (ii) call and hold a special meeting of Osisko Securityholders to consider a special resolution to approve the Joint Offer Arrangement. The Osisko Board also determined that the Joint Offer Arrangement is superior to the Revised Goldcorp Offer.

Each of Osisko, Agnico Eagle and Yamana and their respective legal and financial advisors held several discussions and negotiations over the course of April 12, 2014 to April 16, 2014, during which time Osisko was also advised that the respective boards of directors of each of Agnico Eagle and Yamana had authorized and approved the Joint Offer Arrangement and the principal documents to be entered into by the Parties relating thereto. Early in the morning of April 16, 2014, the Parties executed and delivered the Arrangement Agreement and the Joint Acquisition Agreement. Osisko also agreed to amend effective as of April 16, 2014 each of Agnico Eagle's and Yamana's confidentiality agreements in order to provide a limited waiver of the existing standstill provisions in order permit the acquisition of up to 5% of any voting securities or securities convertible into or exchangeable for voting securities of Osisko by each of Agnico Eagle and Yamana.

Prior to the opening of financial markets on April 16, 2014, Osisko announced that it had entered into an agreement with Agnico Eagle and Yamana pursuant to which Osisko, Agnico Eagle, Yamana and New Osisko would, subject to certain conditions, implement the Joint Offer Arrangement. Similar announcements were issued by Agnico Eagle and Yamana at the same time. Osisko also announced that the Osisko Board had determined that the Joint Offer Arrangement is superior to the Revised Goldcorp Offer and that Yamana and Osisko had agreed to terminate the arrangement agreement with respect to the Yamana Arrangement.

On April 21, 2014, Goldcorp announced that it would not amend the Revised Goldcorp Offer and, in response, Osisko circulated and filed on SEDAR its Notice of Change to Directors' Circular dated April 21, 2014 to Osisko Shareholders restating the Osisko Board's unanimous recommendation that Osisko Shareholders reject the Revised Goldcorp Offer and not tender their Osisko Shares.

On April 23, 2014, Goldcorp announced that the minimum tender condition under the Revised Goldcorp Offer was not met by the scheduled expiry time of 11:59 p.m. (Eastern Daylight Time) on April 22, 2014 and, accordingly, the Revised Goldcorp Offer expired in accordance with its terms and Goldcorp did not take up any of the Osisko Shares deposited pursuant to such offer. Goldcorp also announced that its previously-announced proposed nominations of candidates for election to the Osisko Board at the Meeting would be withdrawn.

### **Special Committee**

The Special Committee was formed to, among other things, review and evaluate the Goldcorp Offer, pursue strategic alternatives to the Goldcorp Offer, oversee and supervise the process carried out by Osisko in negotiating and entering into the Arrangement Agreement and to make recommendations to the Osisko Board with respect to any such proposed transaction. BMO Capital Markets and Maxit Capital were retained to act as financial advisors to Osisko and to provide the BMO Fairness Opinion and the Maxit Fairness Opinion.

After careful consideration, including a thorough review of the Arrangement Agreement and receiving the oral fairness opinions of BMO Capital Markets and Maxit Capital delivered to the Osisko Board (subsequently confirmed in writing), as well as a thorough review of other matters, including matters discussed below, and taking into account the best interests of Osisko and the impact on Osisko stakeholders and consultation with financial and legal advisors, the Special Committee unanimously concluded that the Arrangement is in the best interests of Osisko. Accordingly, the Special Committee unanimously recommended that the Osisko Board approve the Arrangement and enter into the Arrangement Agreement and that the Osisko Board recommend that Osisko Securityholders vote in favour of the Arrangement.

## **Recommendation of the Osisko Board**

After careful consideration, including a thorough review of the Arrangement Agreement and receiving the oral fairness opinions of BMO Capital Markets and Maxit Capital delivered to the Osisko Board (subsequently confirmed in writing), as well as a thorough review of other matters, including those discussed below, and on the unanimous recommendation of the Special Committee, the Osisko Board unanimously determined that the Arrangement is in the best interests of Osisko. **Accordingly, the Osisko Board unanimously approved the Arrangement and unanimously recommends that Osisko Securityholders vote FOR the Arrangement Resolution.**

## **Reasons for the Recommendation**

In the course of the Special Committee's and Osisko Board's evaluation of the Arrangement, the Special Committee and the Osisko Board consulted with senior management, BMO Capital Markets, Maxit Capital and legal counsel and performed financial, technical and legal due diligence with the help of its advisors and experts and considered a number of factors, including, among others, the following:

- The consideration payable to Osisko Shareholders pursuant to the Arrangement with an implied value of \$8.15 per Osisko Share represents an 11% premium to the implied price of the hostile Revised Goldcorp Offer of \$7.34 (based on closing prices of Agnico Eagle, Yamana and Goldcorp on the TSX on April 15, 2014).
- The consideration payable to Osisko Shareholders pursuant to the Arrangement represents a 58% premium to the closing price of the Osisko Shares on the TSX on January 10, 2014, the last trading day prior to the announcement of Goldcorp's intention to make the initial Goldcorp Offer and a 10% premium to the closing price of Osisko Shares on the TSX on the day prior to the announcement of the Arrangement.
- The oral fairness opinions of BMO Capital Markets and Maxit Capital delivered to the Osisko Board (subsequently confirmed in writing) to the effect that, as of the date of the Fairness Opinions, and based upon and subject to the assumptions, limitations and qualifications to be set forth in the written Fairness Opinions, the consideration payable to Osisko Shareholders under the Arrangement was fair, from a financial point of view, to Osisko.
- The Osisko Board, with the assistance of the Special Committee, management and its financial and legal advisors, has pursued a variety of strategic alternatives with a view to the best interests of Osisko and the Osisko Shareholders. The Special Committee and the Osisko Board carefully considered various means of enhancing shareholder value throughout this active and extensive process, including the likelihood of any additional offers emerging from other counterparties that may exceed the value of the Arrangement, and concluded that the Arrangement represents the best alternative currently available to Osisko and the Osisko Shareholders, particularly given the risks, timing and uncertainties of achieving other alternatives.
- Osisko Shareholders, upon completion of the Arrangement and by virtue of their ownership of New Osisko, will, in addition to their ownership interests in Agnico Eagle and Yamana, continue to participate in: (i) the operation of, and potential exploration / expansion opportunities at the Canadian Malartic Properties via the 5% Canadian Malartic NSR; (ii) the ongoing exploration and potential development opportunities relating to the Kirkland Lake Properties, Hammond Reef Properties, Pandora Properties, Wood Pandora Properties and the Yukon Properties (if not part of the New Osisko Assets) via the 2% Canadian Exploration Properties NSR; and (iii) 100% exposure to the Mexican Properties.
- New Osisko will be well capitalized initially with \$155 million in cash and cash flow from the 5% Canadian Malartic NSR to pursue further business opportunities and support exploration activities at the Mexican Properties.
- The consideration payable to Osisko Shareholders pursuant to the Arrangement will provide Osisko Shareholders with certainty of value in respect of the cash portion of such consideration and enhanced liquidity in respect of the Agnico Eagle Shares and Yamana Shares, which are each listed on the TSX and NYSE with

both companies having significantly larger market capitalizations and greater trading liquidity than Osisko. Osisko Shareholders that choose to maintain an ownership position in Agnico Eagle and/or Yamana may also benefit from those companies' more diversified asset bases. Immediately upon completion of the Arrangement, the Osisko Shareholders will hold approximately 17% of the total number of issued and outstanding Agnico Eagle Shares and 14% of the total number of issued and outstanding Yamana Shares.

- The Arrangement Resolution must be approved by (i) at least 66⅔% of the votes cast on the Arrangement Resolution by the Osisko Shareholders and the Osisko Optionholders, voting as a single class, present in person or by proxy at the Meeting, and (ii) at least 66⅔% of the votes cast on the Arrangement Resolution by the Osisko Shareholders present in person or by proxy at the Meeting.
- The Arrangement will be subject to a judicial determination of the Court that the Arrangement is fair and reasonable, both procedurally and substantively, to Osisko Securityholders.
- Registered Shareholders who do not vote in favour of the Arrangement will have the right to require a judicial appraisal of their Osisko Shares and obtain "fair value" pursuant to the proper exercise of the Dissent Rights.
- Only a limited number of conditions, beyond securityholder approval, are required for the completion of the Arrangement, which the Osisko Board believes are reasonable under the circumstances.
- The terms of the Arrangement Agreement allow the Osisko Board to maintain the ability to consider and respond to unsolicited *bona fide* written Acquisition Proposals that are or could reasonably be expected to result in a Superior Proposal prior to obtaining approval of the Osisko Securityholders.
- The Supporting Shareholders have entered into the Voting Agreements with Osisko, Yamana and Agnico Eagle in respect of Osisko Shares representing, in the aggregate, approximately 4.5% of the outstanding Osisko Shares, pursuant to which, and subject to certain exceptions, such Supporting Shareholders have agreed to vote their Osisko Shares, inclusive of Osisko Shares which are not locked-up, representing approximately 5.3% of the outstanding Osisko Shares as of the date of their respective Voting Agreements, in favour of the Arrangement Resolution at the Meeting. The Supporting Shareholders also held approximately 66.6% of the outstanding Osisko Options as of the date of their respective Voting Agreements.
- The Special Committee has given lengthy consideration to the business, operations, assets, financial condition, operating results and prospects for Osisko as well as current industry, economic and market conditions and related risks.

The Osisko Board's reasons for recommending the Arrangement include certain assumptions relating to forward-looking information, and such information and assumptions are subject to various risks. See "*Cautionary Statement Regarding Forward-Looking Statements*" and "*Risk Factors – Risk Factors Relating to the Arrangement*" in this Circular.

The foregoing summary of the information and factors considered by the Osisko Board is not intended to be exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Arrangement, the Osisko Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weighting to each specific factor considered in reaching its conclusion and recommendation. The full Osisko Board, with the exception of Mr. Leavenworth Bakali, was present at the April 15, 2014 meeting at which the Arrangement was approved and the Osisko Board was unanimous in its recommendation. The Osisko Board's recommendation was made after considering all of the above-noted factors and in light of the Osisko Board's knowledge of the business, financial condition and prospects of Osisko, and was also based on the advice of financial advisors and legal advisors to the Osisko Board and the recommendation of the Special Committee. In addition, individual members of the Osisko Board may have assigned different weightings to different factors.

## **Opinions of Financial Advisors**

The Financial Advisors were retained to render financial advisory services to Osisko and the Osisko Board and provide opinions as to the fairness, from a financial point of view, of the consideration to be received by Osisko Shareholders pursuant to the Arrangement. The Financial Advisors have delivered the Fairness Opinions concluding that, as at the date thereof and subject to the assumptions, limitations and qualifications contained therein, the consideration to be received by the Osisko Shareholders pursuant to the Arrangement was fair, from a financial point of view, to the Osisko Shareholders. The full text of the Fairness Opinions, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinions, are attached as Schedule "C" and Schedule "D" to this Circular. The summaries of the Fairness Opinions described in this Circular are qualified in their entirety by reference to the full text of the Fairness Opinions.

Under the engagement letters with the Financial Advisors, Osisko has agreed to pay a fee to each of the Financial Advisors for their services. A portion of fees payable to each of BMO Capital Markets and Maxit Capital are contingent on the completion of the Arrangement and a portion of such fees are payable to each of BMO Capital Markets and Maxit Capital in respect of the BMO Fairness Opinion and the Maxit Capital Fairness Opinion (irrespective of the substance or conclusions of the Fairness Opinions). Osisko has also agreed to reimburse the Financial Advisors for certain out-of-pocket expenses and to indemnify the Financial Advisors and certain related parties against certain liabilities in connection with their engagements.

The Fairness Opinions are not a recommendation to any Osisko Shareholder as to how to vote or act on any matter relating to the Arrangement. The Fairness Opinions were one of a number of factors taken into consideration by the Osisko Board in making its unanimous determination to recommend that Osisko Securityholders vote in favour of the Arrangement Resolution.

**The Osisko Board urges Osisko Securityholders to read each of the Fairness Opinions carefully and in their entirety. See Schedule "C" and Schedule "D" of this Circular for the BMO Fairness Opinion and Maxit Capital Fairness Opinion, respectively.**

## **Description of Preliminary Steps Prior to the Arrangement**

The following preliminary steps shall occur prior to, and shall be conditions precedent to, the implementation of the Plan of Arrangement:

1. Osisko shall have incorporated Canadian Malartic Partner Co. pursuant to the CBCA;
2. Osisko and Canadian Malartic Partner Co. shall have (i) entered into the Canadian Malartic Partnership Agreement, and (ii) each subscribed for an initial 50% partnership interest in Canadian Malartic GP;
3. Osisko and Canadian Malartic GP shall have entered into the Nominee Agreement to be effective on the occurrence of the transaction described below in Step 2 of the description of the Arrangement under the heading "*The Arrangement – Description of the Arrangement*";
4. Osisko and Canadian Malartic GP shall have entered into the Canadian Malartic Contribution Agreement to be effective on the occurrence of the transaction described below in Step 2 of the description of the Arrangement under the heading "*The Arrangement – Description of the Arrangement*";
5. Agnico Eagle (or a wholly-owned subsidiary thereof) and Yamana (or a wholly-owned subsidiary thereof) shall have incorporated Acquisitionco, with each of Agnico Eagle and Yamana (or such subsidiary or subsidiaries) holding 50% of the issued and outstanding common shares of Acquisitionco;
6. Osisko shall have incorporated New Osisko; and

7. Agnico Eagle (or a wholly-owned subsidiary thereof) and Yamana (or a wholly-owned subsidiary thereof) shall have entered into the Funding Agreement and shall have funded Acquisitionco in accordance with the Funding Agreement and section 3.4 of the Plan of Arrangement.

### **Description of the Arrangement**

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement, a copy of the form of which is attached as Schedule "B" of this Circular.

The purpose of the Arrangement is to allow Agnico Eagle and Yamana to enter into a transaction with Osisko providing for the transfer of a part of the assets of Osisko to New Osisko outside of the ordinary course of business of Osisko, the reorganization of Osisko's capital and distribution of the New Osisko Shares to Osisko Shareholders, and the acquisition by Acquisitionco of all of the shares of Osisko that it does not own.

If approved, the Arrangement will become effective at the Effective Time (which is expected to be at 12:01 a.m. (Eastern Daylight Time) on a date to be determined, which we expect will take place as soon as reasonably practicable following the receipt of the Final Order.

Commencing at the Effective Time, the following shall occur and shall be deemed to occur, in the following order (unless expressly stated otherwise), without any further authorization, act or formality on the part of any person:

1. the Osisko Shareholder Rights Plan shall be terminated (and all rights thereunder shall expire) and shall be of no further force or effect;
2. Osisko shall transfer its right and interest in and to the Canadian Malartic Assets (excluding, for the avoidance of doubt, the Canadian Malartic NSR, which shall be retained by Osisko and transferred by Osisko to New Osisko as part of the New Osisko Assets pursuant to Step 3 of this description of the Arrangement) to Canadian Malartic GP in consideration for (i) the assumption by Canadian Malartic GP of the Assumed Liabilities; and (ii) an increased partnership interest in Canadian Malartic GP, all in accordance with the terms of the Canadian Malartic Contribution Agreement;
3. Osisko shall transfer to New Osisko all of its entire legal and beneficial right, title and interest in and to the New Osisko Assets in consideration for (i) the issuance by New Osisko to Osisko of that number of fully paid and non-assessable New Osisko Shares equal to the sum of (A) the number of Osisko Shares issued and outstanding immediately prior to the Effective Time, (B) the number of Osisko Shares issuable upon exercise of the Osisko Convertible Securities, and (C) the number of Osisko Shares issuable pursuant to Step 5 of this description of the Arrangement, and (ii) the assumption by New Osisko of the New Osisko Liabilities, all in accordance with the terms of the New Osisko Contribution Agreement;
4. each Osisko Share held by a Dissenting Shareholder shall be, and shall be deemed to be, surrendered to Osisko by the holder thereof, without any further act or formality by or on behalf of the Dissenting Shareholder, free and clear of any Encumbrances, and each such Osisko Share so surrendered shall be cancelled and thereupon each Dissenting Shareholder shall cease to have any rights as holders of such Osisko Shares other than the rights set out in Article 4 of the Plan of Arrangement (Rights of Dissent) and the name of such Dissenting Shareholder shall be removed from the register of holders of Osisko Shares;
5. each of the Exercised Osisko Options shall be, and shall be deemed to be, exercised and Osisko shall, and shall be deemed to, issue to the holder of such Exercised Osisko Options that number of Osisko Shares issuable pursuant to the terms of such Exercised Osisko Options, and the name of each such holder shall be added to the securities register maintained by or on behalf of Osisko in respect of Osisko Shares showing such holder as the legal and beneficial owner of the Osisko Shares acquired pursuant to the terms of such Exercised Osisko Options;
6. if the Out-of-the-Money Consideration Resolution has been approved by Disinterested Shareholder Approval at the Meeting, each holder of an Out-of-the-Money Osisko Option shall receive a cash payment

equal to the Individual Out-of-the-Money Amount, provided that the aggregate Out-of-the-Money Option Consideration Amount shall not exceed \$3 million. If the Out-of-the-Money Option Consideration Amount would otherwise exceed \$3 million, each Individual Out-of-the-Money Amount shall be proportionately reduced such that the Out-of-the-Money Option Consideration Amount equals \$3 million;

7. all remaining outstanding Osisko Options shall be terminated without payment or compensation therefor, and neither Osisko, New Osisko nor Acquisitionco shall have any further liabilities or obligations to the Former Osisko Optionholders thereof with respect thereto;
8. each Osisko Share held by a Non-Resident Shareholder and each Osisko Share acquired on the exercise of an Exercised Osisko Option pursuant to Step 5 of this description of the Arrangement shall be, and shall be deemed to be, transferred to Acquisitionco (free and clear of any Encumbrances) by such Non-Resident Shareholders and Former Osisko Optionholders in exchange for:
  - a. the Arrangement Cash Consideration, the Agnico Eagle Share Consideration and the Yamana Share Consideration; and
  - b. a right to receive one New Osisko Share (which New Osisko Share shall be delivered by Acquisitionco to such Non-Resident Shareholders and Former Osisko Optionholders pursuant to Step 10 of this description of the Arrangement);
9. in the course of a reorganization of Osisko's authorized and issued share capital:
  - a. the articles of Osisko shall be amended to add a class of shares designated as "Class A Shares", having the following rights, privileges, restrictions and conditions attaching thereto:
    - i. Dividends: The holders of the Class A Shares are entitled to receive dividends, if, as and when declared by the Osisko Board out of the assets of Osisko properly applicable to the payment of dividends in such amounts and payable at such times and at such place or places in Canada as the Osisko Board may from time-to-time determine. Subject to the rights of the holders of any other class of shares of Osisko entitled to receive dividends in priority to or rateably with the Class A Shares, the Osisko Board may in its sole discretion declare dividends on the Class A Shares to the exclusion of any other class of shares of Osisko;
    - ii. Voting Rights: The holders of the Class A Shares are entitled to receive notice of and to attend all annual and special meetings of the shareholders of Osisko, and to two votes at all such meetings in respect of each Class A Share held;
    - iii. Participation upon Liquidation, Dissolution or Winding-Up: In the event of the liquidation, dissolution or winding-up of Osisko or other distribution of assets of Osisko among its shareholders for the purpose of winding-up its affairs, the holders of the Class A Shares shall, subject to the rights of the holders of any other class of shares of Osisko upon such a distribution in priority to the Class A Shares, be entitled to participate rateably in any distribution of the assets of Osisko; and
    - iv. Modification of Rights: The rights and restrictions attached to the Class A Shares shall not be modified unless the holders of the Class A Shares consent thereto by separate resolution. Such consent may be obtained in writing signed by the holders of all of the issued and outstanding Class A Shares or by a resolution passed by at least 75% of the votes cast at a separate meeting of the holders of Class A Shares who are present in person or represented by proxy at such meeting;
  - b. each issued and outstanding Osisko Share (including, for the avoidance of doubt, Osisko Shares held by Agnico Eagle, Yamana, Acquisitionco and Yamana Subco) shall be exchanged with



Osisko (free and clear of any Encumbrances) for one Class A Share and one New Osisko Share and each such exchanged Osisko Share shall thereupon be cancelled; and

- c. the stated capital account in respect of the Osisko Shares shall be reduced, in respect of the Osisko Shares exchanged pursuant to Step 9(b) of this description of the Arrangement, by an amount equal to the stated capital of such Osisko Shares immediately prior to Step 9 of this description of the Arrangement, and there shall be added to the stated capital account of the Class A Shares issued pursuant to Step 9(b) of this description of the Arrangement the amount by which (A) the amount the stated capital account of the Osisko Shares is reduced pursuant to this Step 9(c) of this description of the Arrangement exceeds (B) the fair market value of the New Osisko Shares transferred to the former holders of Osisko Shares pursuant to Step 9(b) of this description of the Arrangement;
10. Acquisitionco shall deliver to each Osisko Shareholder whose Osisko Shares were transferred to Acquisitionco pursuant to Step 8 of this description of the Arrangement such number of New Osisko Shares as are deliverable to such Osisko Shareholder pursuant to Step 8 of this description of the Arrangement;
11. each issued and outstanding Class A Share (other than Class A Shares already held by Acquisitionco) shall be, and shall be deemed to be, transferred to Acquisitionco (free and clear of any Encumbrances) in exchange for the Arrangement Cash Consideration, the Agnico Eagle Share Consideration and the Yamana Share Consideration;
12. the aggregate stated capital of the Class A Shares shall be reduced to \$1.00;
13. with respect to each Osisko Share and Class A Share, each Former Osisko Shareholder shall cease to be a registered or beneficial holder of Osisko Shares and Class A Shares and the name of such holder shall be removed from the securities register maintained by or on behalf of Osisko;
14. each Former Osisko Shareholder that was the registered holder of Osisko Shares or Class A Shares, as applicable, shall, immediately prior to the assignment and transfer of such Osisko Shares or Class A Shares pursuant to the Arrangement, be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign such Osisko Shares to Osisko and such Class A Shares to Acquisitionco;
15. for greater certainty, each Osisko Convertible Security outstanding immediately prior to the Effective Time shall entitle the Osisko Convertible Holder thereof to receive from Osisko, upon the exercise of such Osisko Convertible Security following the Effective Time in accordance with the terms thereof and upon payment to Osisko of the exercise price that would have been payable upon exercise of such Osisko Convertible Security immediately prior to the Effective Time, the Arrangement Cash Consideration, the Agnico Eagle Share Consideration, the Yamana Share Consideration and one New Osisko Share (or, if the Consolidation Resolution is approved, 0.1 of a New Osisko Share) for each Osisko Share that would have been issuable upon the exercise of such Osisko Convertible Security prior to the Effective Time (and in lieu of receiving such Osisko Shares);
16. Acquisitionco shall be added to the securities register maintained by or on behalf of Osisko in respect of Class A Shares showing Acquisitionco as the sole legal and beneficial owner of Class A Shares free and clear of all Encumbrances;
17. recipients of New Osisko Shares hereunder shall be added to the securities register maintained by or on behalf of New Osisko in respect of New Osisko Shares as legal and beneficial owners of New Osisko Shares free and clear of all Encumbrances;

18. Yamana Subco shall be wound up, liquidated and dissolved into Yamana pursuant to Section 211 of the CBCA and shall distribute to Yamana all of its assets, and Yamana shall assume all of the liabilities of Yamana Subco; and
19. the Yamana Shares distributed to Yamana pursuant to Step 18 of this description of the Arrangement shall be cancelled for no consideration.

Pursuant to the Funding Agreement, on or immediately prior to the Effective Date, Yamana shall deliver or arrange to be delivered to the Depositary, on behalf of Acquisitionco:

- a. cash equal to the aggregate Yamana Cash Consideration payable pursuant to Steps 1 through 19 of this description of the Arrangement and Article 4 of the Plan of Arrangement (Dissent Rights); and
- b. share certificates representing the Yamana Total Share Consideration,

which cash and share certificates shall be held by the Depositary as agent and nominee for Former Osisko Shareholders and Osisko Convertible Holders for distribution to such Former Osisko Shareholders in accordance with the provisions of Article 5 of the Plan of Arrangement (Delivery of Consideration) and to Osisko Convertible Holders in accordance with Step 15 of this description of the Arrangement.

Pursuant to the Funding Agreement, on or immediately prior to the Effective Date, Agnico Eagle shall deliver or arrange to be delivered to the Depositary, on behalf of Acquisitionco:

- a. cash equal to the aggregate Agnico Eagle Cash Consideration payable pursuant to Steps 1 through 19 of this description of the Arrangement and Article 4 of the Plan of Arrangement (Dissent Rights); and
- b. share certificates representing the Agnico Eagle Total Share Consideration,

which cash and share certificates shall be held by the Depositary as agent and nominee for Former Osisko Shareholders and Osisko Convertible Holders for distribution to such Former Osisko Shareholders in accordance with the provisions of Article 5 of the Plan of Arrangement (Delivery of Consideration) and to Osisko Convertible Holders in accordance with Step 15 of this description of the Arrangement.

Former Osisko Shareholders shall be entitled to receive delivery of the Arrangement Cash Consideration, Agnico Eagle Share Consideration, Yamana Share Consideration and New Osisko Shares to which they are entitled pursuant to the Plan of Arrangement (and, in the case of New Osisko Shares, pursuant to the New Osisko Share Consolidation if the Consolidation Resolution is approved) in accordance with the provisions of Article 5 of the Plan of Arrangement (Delivery of Consideration).

New Osisko Shares issued to Osisko pursuant to Step 3 of this description of the Arrangement in respect of Osisko Convertible Holders shall be transferred by Osisko to the Depositary as agent and nominee for Osisko for distribution to such Osisko Convertible Holders in accordance with Step 15 of this description of the Arrangement.

Pursuant to the Funding Agreement, on or immediately prior to the Effective Date, Agnico Eagle and Yamana shall each deliver or arrange to be delivered to the Depositary, on behalf of Acquisitionco cash equal to 50% of the Out-of-the-Money Option Consideration Amount for distribution to the holders of Out-of-the-Money Osisko Options, if the Out-of-the-Money Consideration Resolution is approved.

In the event an Osisko Convertible Security is not exercised or converted in accordance with its respective terms by an Osisko Convertible Holder prior to its respective expiry time, then:

- a. the cash consideration that such Osisko Convertible Holder would have been entitled to receive upon exercise of the Osisko Convertible Security shall be deemed to be owned by Acquisitionco;

- b. the New Osisko Shares that such Osisko Convertible Holder would have been entitled to receive upon exercise of the Osisko Convertible Security and the certificates representing such New Osisko Shares shall be delivered to New Osisko by the Depositary for cancellation;
- c. the Yamana Shares that such Osisko Convertible Holder would have been entitled to receive upon exercise of the Osisko Convertible Security and the certificates representing such Yamana Shares shall be delivered to Yamana by the Depositary for cancellation; and
- d. the Agnico Eagle Shares that such Osisko Convertible Holder would have been entitled to receive upon exercise of the Osisko Convertible Security and the certificates representing such Agnico Eagle Shares shall be delivered to Agnico Eagle by the Depositary for cancellation.

See the Plan of Arrangement attached as Schedule "B" for additional information.

### **Reorganization of Capital**

The reorganization of Osisko's share capital (as contemplated by subsection 3.3(i) of the Plan of Arrangement) (the "**Reorganization of Capital**") is intended to facilitate the distribution of the New Osisko Shares under the Arrangement in a tax efficient manner. As part of the Reorganization of Capital and pursuant to subsection 3.3(i)(ii) of the Plan of Arrangement, each Osisko Shareholder (other than Non-Resident Shareholders and Former Osisko Optionholders whose Osisko Shares are transferred to Acquisitionco pursuant to subsection 3.3(h) of the Plan of Arrangement) will exchange each of their Osisko Shares for one Class A Share and one New Osisko Share. (See Schedule "I" – *Information Concerning New Osisko as of April 30, 2014* for a description of the New Osisko Shares.) Following the Reorganization of Capital, Former Osisko Shareholders who receive Class A Shares will transfer, and be deemed to transfer, each of their Class A Shares to Acquisitionco pursuant to subsection 3.3(k) of the Plan of Arrangement in exchange for the Arrangement Cash Consideration, Agnico Eagle Share Consideration and Yamana Share Consideration.

### ***Share Provisions***

Following the Reorganization of Capital and subject to the requirements of the CBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the rights, privileges, restrictions and conditions attaching to the Class A Shares will be as follows:

#### **Class A Shares**

##### **1. Dividends**

The holders of the Class A Shares shall be entitled to receive dividends, if, as and when declared by the Osisko Board out of the assets of Osisko properly applicable to the payment of dividends in such amounts and payable at such times and at such place or places in Canada as the Osisko Board may from time-to-time determine. Subject to the rights of the holders of any other class of shares of Osisko entitled to receive dividends in priority to or rateably with the Class A Shares, the Osisko Board may in its sole discretion declare dividends on the Class A Shares to the exclusion of any other class of shares of Osisko.

##### **2. Voting Rights**

The holders of the Class A Shares shall be entitled to receive notice of and to attend all annual and special meetings of the shareholders of Osisko, and to two votes at all such meetings in respect of each Class A Share held.

##### **3. Participation upon Liquidation, Dissolution or Winding-Up**

In the event of the liquidation, dissolution or winding-up of Osisko or other distribution of assets of Osisko among its shareholders for the purpose of winding-up its affairs, the holders of the Class A Shares shall,

subject to the rights of the holders of any other class of shares of Osisko upon such a distribution in priority to the Class A Shares, be entitled to participate rateably in any distribution of the assets of Osisko.

#### 4. Modification of Rights

The rights and restrictions attached to the Class A Shares shall not be modified unless the holders of the Class A Shares consent thereto by separate resolution. Such consent may be obtained in writing signed by the holders of all of the issued and outstanding Class A Shares or by a resolution passed by at least 75% of the votes cast at a separate meeting of the holders of Class A Shares who are present in person or represented by proxy at such meeting.

The Osisko Shares currently trade on the TSX. Osisko intends to apply to the TSX to have the Class A Shares substitutionally listed on the TSX. Following completion of the Arrangement, all of the issued and outstanding Class A Shares will be held by Acquisitionco.

### **Securityholder and Court Approvals**

#### ***Osisko Securityholder Approval***

At the Meeting, the Osisko Securityholders will be asked to consider and, if deemed advisable, approve the Arrangement Resolution set forth in Schedule "A" hereto to approve the Arrangement.

The Arrangement Resolution must be approved, with or without variation, by (i) at least 66⅔% of the votes cast on the Arrangement Resolution by the Osisko Shareholders and the Osisko Optionholders, voting as a single class, present in person or by proxy at the Meeting, and (ii) at least 66⅔% of the votes cast on the Arrangement Resolution by the Osisko Shareholders present in person or by proxy at the Meeting.

At the Meeting, and in accordance with and as required by the policies of the TSX, Disinterested Osisko Shareholders are also being asked to consider and approve the Out-of-the-Money Consideration Resolution, approving the payment of the Out-of-the-Money Option Consideration Amount (not to exceed \$3 million) to the holders of the Out-of-the-Money Osisko Options as contemplated by subsection 3.3(f) of the Plan of Arrangement. The Out-of-the-Money Consideration Resolution must be approved, with or without variation, by Disinterested Shareholder Approval. Completion of the Arrangement or approval of the Arrangement Resolution is not conditional upon the approval of the Out-of-the-Money Consideration Resolution or any other resolutions being put before Osisko Shareholders at the Meeting. If Disinterested Shareholder Approval for the Out-of-the-Money Consideration Resolution is not obtained at the Meeting, any unexercised Out-of-the-Money Osisko Options shall be terminated and cancelled without any compensation therefor.

**The Osisko Board and management recommend that Osisko Securityholders, as applicable, VOTE FOR the Arrangement Resolution and the Out-of-the-Money Consideration Resolution. In the absence of instructions to the contrary, the persons whose names appear in the attached form of proxy intend to VOTE FOR the Arrangement Resolution and the Out-of-the-Money Consideration Resolution.**

If the resolution approving the Arrangement does not receive the requisite approval, the Arrangement will not proceed. Reference is made to the section "*Dissent Rights*" in this Circular for information concerning the rights of Registered Shareholders to dissent in respect of the Arrangement Resolution.

#### ***Court Approval***

The Arrangement requires approval by the Court under Section 192 of the CBCA. On April 30, 2014, Osisko obtained the Interim Order providing for the calling, holding and conducting of the Meeting and other procedural matters and a Notice of Presentation of Motion for Final Order to approve the Arrangement has been filed. Copies of the Interim Order and the Notice of Presentation of Motion for Final Order are attached as Schedule "E" and Schedule "G", respectively, to this Circular.

The Court hearing in respect of the Final Order is expected to take place at 9:00 a.m. (Eastern Daylight Time), on June 9, 2014, or as soon thereafter as counsel for Osisko may be heard, at the Courthouse, 1 Notre-Dame Street East, Montreal, Québec, subject to the approval of the Arrangement Resolution at the Meeting. At the hearing, the Court will consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. Osisko has been advised by its legal counsel that the Court has broad discretion under the CBCA when making orders with respect to a plan of arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and procedural point of view. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. The Court will be advised prior to the hearing of the application for the Final Order that if the terms and conditions of the Arrangement are approved by the Court, the securities to be issued pursuant to the Arrangement will not be registered under the U.S. Securities Act and will be issued in reliance on the exemption from registration provided by Section 3(a)(10) thereunder and that the Final Order will constitute the basis for such exemption.

Under the terms of the Interim Order, each Osisko Securityholder will have the right to appear and make submissions at the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order may do so but must comply with certain procedural requirements described in the Interim Order and in the Notice of Presentation of Motion for Final Order, including filing an appearance with the Court on or before 4:30 p.m. (Eastern Daylight Time) on June 6, 2014, and all materials on which he, she or it intends to rely at the application and serving same upon Osisko at the address set out below, on or before 4:30 p.m. (Eastern Daylight Time) on June 6, 2014:

Stikeman Elliott LLP  
1155 René-Lévesque Blvd West  
Suite 4000  
Montreal, Québec  
H3B 3V2

Attention: Frédéric Paré  
Facsimile: (514) 397-5429  
Email: fpare@stikeman.com

Osisko Securityholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.

### **Dissent Rights**

If you are a Registered Shareholder, you are entitled to dissent from the Arrangement Resolution in the manner provided in Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement.

**The following description of the rights of Registered Shareholders to dissent from the Arrangement Resolution is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of their Osisko Shares. A Registered Shareholder's failure to follow exactly the procedures set forth in the Plan of Arrangement and the Interim Order will result in the loss of such Registered Shareholder's Dissent Rights. If you are a Registered Shareholder and wish to dissent, you should obtain your own legal advice and carefully read the Plan of Arrangement, the provisions of Section 190 of the CBCA and the Interim Order which are attached to this Circular as Schedule "B", Schedule "F" and Schedule "E", respectively. In addition to any other restrictions under Section 190 of the CBCA (as modified or supplemented by the Interim Order and any other order of the Court), holders of securities convertible for Osisko Shares (including Osisko Options) are not entitled to exercise dissent rights.**

A Registered Shareholder may exercise the Dissent Rights only in respect of all of the Osisko Shares that are registered in that Shareholder's name. In many cases, Osisko Shares beneficially owned by a Non-Registered Shareholder are registered either:

- (a) in the name of an intermediary; or

- (b) in the name of a clearing agency (such as CDS or similar entities) of which an intermediary is a participant.

Accordingly, a Non-Registered Shareholder will not be entitled to exercise the Dissent Rights directly unless the Osisko Shares are re-registered in the Non-Registered Shareholder's name.

A Non-Registered Shareholder who wishes to exercise the Dissent Rights should contact the intermediary with whom the Non-Registered Shareholder deals in respect of its Osisko Shares and either:

- (a) instruct the intermediary to exercise the Dissent Right on the Non-Registered Shareholder's behalf (which, if the Osisko Shares are registered in the name of CDS or other clearing agency, would require that the Osisko Shares first be re-registered in the name of the intermediary); or
- (b) instruct the intermediary to re-register the Osisko Shares in the name of the beneficial Osisko Shareholder, in which case, further to the registration of the Osisko Shares in the name of the Non-Registered Shareholder, the newly Registered Shareholder would be able to exercise the Dissent Rights directly. In this regard, the beneficial Osisko Shareholder will have to demonstrate that such Person beneficially owned the Osisko Shares in respect of which the Dissent Rights are being exercised, on the Record Date established for the Meeting.

Any Dissenting Shareholder will be entitled, in the event that the Arrangement becomes effective, to be paid the fair value of the Dissenting Shares held by such Dissenting Shareholder, determined as at the close of business on the day immediately preceding the Meeting, and will not be entitled to any other payment or consideration. There can be no assurance that a Dissenting Shareholder will receive consideration for its Dissenting Shares of equal value to the consideration that such Dissenting Shareholder would have received upon completion of the Arrangement.

A Registered Shareholder who wishes to dissent must ensure that a written objection to the Arrangement Resolution (a "**Dissent Notice**") is received by Osisko c/o Stikeman Elliott LLP, c/o Mtre Frédéric Paré, 1155 René-Lévesque Blvd West, Suite 4000, Montreal, Québec, H3B 3V2, fax: (514) 397-5429 and email: fpare@stikeman.com, by 1:30 p.m. (Eastern Daylight Time) on May 28, 2014, or two Business Days prior to any adjournment of the Meeting. The filing of a Dissent Notice does not deprive a Registered Shareholder of the right to vote; however, a Registered Shareholder who has submitted a Dissent Notice and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Shareholder with respect to Osisko Shares voted in favour of the Arrangement Resolution. If such Dissenting Shareholder votes in favour of the Arrangement Resolution in respect of a portion of the Osisko Shares registered in his, her or its name and held by same on behalf of any one beneficial owner, such vote approving the Arrangement Resolution will be deemed to apply to the entirety of Osisko Shares held by such Dissenting Shareholder in the name of that beneficial owner, given that Section 190 of the CBCA provides there is no right of partial dissent. A vote against the Arrangement Resolution will not constitute a Dissent Notice.

It is a condition to the Arrangement that Osisko Shareholders holding no more than 10% of the Osisko Shares shall have exercised Dissent Rights that have not been withdrawn as at the Effective Date.

An application may be made to the Court by Osisko or by a Dissenting Shareholder to fix the fair value of the Dissenting Shareholder's Osisko Shares. If such an application to the Court is made by either Osisko or a Dissenting Shareholder, Osisko must, unless the Court otherwise orders, send to each Dissenting Shareholder a written offer to pay such person an amount considered by Osisko to be the fair value of the Osisko Shares, held by such Dissenting Shareholders. The offer, unless the Court otherwise orders, will be sent to each Dissenting Shareholder at least 10 days before the date on which the application is returnable, if Osisko is the applicant, or within 10 days after Osisko is served with notice of the application, if a Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined.

In such circumstances, a Dissenting Shareholder may make an agreement with Osisko for the purchase of its Osisko Shares in the amount of the consideration (or otherwise) payable under the Arrangement at any time before the Court pronounces an order fixing the fair value of the Osisko Shares. A Dissenting Shareholder is not required to

give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application and appraisal. On the application, the Court will make an order fixing the fair value of the Osisko Shares of all Dissenting Shareholders who are parties to the application, giving judgment in that amount against Osisko and in favour of each of those Dissenting Shareholders, and fixing the time within which Osisko must pay that amount payable to the Dissenting Shareholders. The Court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder calculated from the date on which the Dissenting Shareholder ceases to have any rights as an Osisko Shareholder until the date of payment.

On the Arrangement becoming effective, or upon the making of an agreement between Osisko and the Dissenting Shareholder as to the payment to be made to the Dissenting Shareholder, or the pronouncement of a Court order, whichever first occurs, the Dissenting Shareholder will cease to have any rights as an Osisko Shareholder other than the right to be paid the fair value of the Osisko Shares held by such Dissenting Shareholder in the amount agreed to between Osisko and the Dissenting Shareholder or in the amount of the judgment, as the case may be. Until one of these events occurs, the Osisko Shareholder may withdraw its dissent, or if the Arrangement has not yet become effective, Osisko may rescind the Arrangement Resolution and the dissent and appraisal proceedings in respect of that Dissenting Shareholder will be discontinued.

Osisko shall not make a payment to a Dissenting Shareholder if there are reasonable grounds for believing that Osisko is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of Osisko would thereby be less than the aggregate of its liabilities. In such event, Osisko shall notify each Dissenting Shareholder that it is lawfully unable to pay Dissenting Shareholders for their Osisko Shares in which case the Dissenting Shareholder may, by written notice to Osisko within 30 days after receipt of such notice, withdraw its written objection, in which case such Osisko Shareholder shall, in accordance with the Interim Order, be deemed to have participated in the Arrangement as an Osisko Shareholder. If the Dissenting Shareholder does not withdraw its written objection, it retains its status as a claimant against Osisko to be paid as soon as Osisko is lawfully entitled to do so or, in a liquidation, to generally be ranked subordinate to creditors but prior to its common shareholders.

All Osisko Shares held by Registered Shareholders who exercise their Dissent Rights will, if the holders are ultimately entitled to be paid the fair value thereof, be deemed to be transferred to Osisko and thereupon cancelled in consideration for a claim against Osisko for the fair value of such Osisko Shares which fair value, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted. If such Osisko Shareholders ultimately are not entitled, for any reason, to be paid fair value for such Osisko Shares, they shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Osisko Shares.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Shareholders who seek payment of the fair value of their Osisko Shares. Section 190 of the CBCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. **Accordingly, each Osisko Shareholder who is considering exercising Dissent Rights should carefully consider and comply with the provisions of that section, the full text of which is set out in Schedule "F" to this Circular, as modified by the Interim Order, and consult their own legal advisors.**

## THE ARRANGEMENT AGREEMENT

The Arrangement will be carried out pursuant to the Arrangement Agreement and the Plan of Arrangement. The following is a summary of the principal terms of the Arrangement Agreement and the Plan of Arrangement. **This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, the full text of which may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com), and to the Plan of Arrangement, the full text of which is attached as Schedule "B" to this Circular. Osisko Shareholders are encouraged to read each of the Arrangement Agreement and the Plan of Arrangement in their entirety.**

On April 16, 2014, Osisko, Agnico Eagle and Yamana entered into the Arrangement Agreement, pursuant to which the Parties agreed that, subject to the terms and conditions set forth in the Arrangement Agreement, Agnico Eagle and Yamana will jointly directly or indirectly acquire 100% of the Osisko Shares in exchange for the Arrangement

Consideration. The terms of the Arrangement Agreement are the result of arm's length negotiation between Osisko, Agnico Eagle and Yamana and their respective advisors.

The Arrangement Agreement and the summary of its material terms and conditions in this Circular have been included to provide information about the terms and conditions of the Arrangement Agreement. They are not intended to provide any other public disclosure of factual information about Osisko, Agnico Eagle, Yamana or any of their respective subsidiaries or affiliates. The representations, warranties, covenants and conditions precedent contained in the Arrangement Agreement are made by Osisko, Agnico Eagle or Yamana, as applicable, only for the purposes of the Arrangement Agreement and were qualified and subject to certain limitations and exceptions agreed to by the Parties in connection with negotiating its terms, including as provided in the Disclosure Letter. In particular, in your review of the representations and warranties contained in the Arrangement Agreement and described in this summary, it is important to bear in mind that the representations and warranties were made solely for the benefit of the Parties and were negotiated for the purpose of allocating contractual risk between the Parties rather than to establish matters as facts. The representations and warranties may also be subject to a contractual standard of materiality (including a Material Adverse Effect) different from those generally applicable to securityholders and to the public disclosure to Osisko Shareholders and in some cases may be qualified by disclosures made by one party to the other, which are not necessarily reflected in the Arrangement Agreement. Moreover, information concerning the subject matter of the representations and warranties, which do not purport to be accurate as of the date of this Circular, may have changed since the date of the Arrangement Agreement, and subsequent developments or new information qualifying a representation or warranty may have been included in this Circular.

For the foregoing reasons, the representations, warranties, covenants and conditions precedent or any descriptions of them should not be read alone or relied upon as characterizations of factual information. Instead, such provisions or descriptions should be read only in conjunction with the other information provided elsewhere in this Circular or incorporated by reference herein.

### **Representations and Warranties**

The Arrangement Agreement contains customary representations and warranties of Osisko relating to, among other things: organization; capitalization; authority; directors' approvals; ownership of material subsidiaries; no defaults; absence of changes; employment agreements; financial matters; books and records; litigation; ownership of material mineral properties; mineral resources and mineral reserves; operational matters; insurance; environmental matters; tax matters; pension and employee benefits; regulatory reporting; compliance with Laws; no option on assets; certain contracts; investment company status; business practices; U.S. antitrust matters; and broker fees.

In addition, the Arrangement Agreement contains customary representations and warranties of each of Agnico Eagle and Yamana relating to, among other things: organization; capitalization; authority; no defaults; absence of changes; title to material mineral properties; financial matters; tax matters; litigation; mineral resources and mineral reserves; operational matters; environmental matters; regulatory reporting status; compliance with Laws; no cease trade; foreign private issuer status; investment company status; the issuance of Agnico Eagle Shares comprising the Agnico Eagle Total Share Consideration or the issuance of Yamana Shares comprising the Yamana Total Share Consideration, as applicable; Canadian corporate status; *Investment Canada Act* status; regulatory reporting; business practices; ownership of Osisko Shares; certain securities Law matters; and matters relating to the Agnico Eagle Cash Consideration or Yamana Cash Consideration, as applicable.

The representations and warranties in the Arrangement Agreement expire on the earlier of the Effective Time and the date on which the Arrangement Agreement is terminated in accordance with its terms.

### **Conditions to the Arrangement Becoming Effective**

#### ***Mutual Conditions***

The Arrangement Agreement provides that the respective obligations of the Parties to complete the transactions contemplated in the Arrangement Agreement are subject to the fulfillment of each of the following conditions on or



before the Effective Date, each of which is for the mutual benefit of the Parties and may be waived in writing by a Party at any time:

- (a) the Interim Order and the Final Order shall have each been obtained in form and substance satisfactory to the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been approved by the Osisko Shareholders and Osisko Optionholders at the Meeting in accordance with the Interim Order;
- (c) there shall not be in force any Law and no Regulatory Authority shall have issued any order or decree restraining or prohibiting the completion of the transactions contemplated in the Arrangement Agreement;
- (d) (i) the TSX shall have conditionally approved the listing thereon, subject to official notice of issuance, and the NYSE shall have approved the listing thereon, of Agnico Eagle Shares and Yamana Shares to be issued pursuant to the Arrangement as of the Effective Date, with final notice of issuance to be provided by the TSX as soon as possible thereafter, (ii) the TSX shall have conditionally approved the listing thereon, subject to official notice of issuance, of New Osisko Shares to be issued pursuant to the Arrangement as of the Effective Date, with final notice of issuance to be provided as soon as possible thereafter, and (iii) the TSX and NYSE shall have, if required, accepted notice for filing of all transactions of Osisko, Agnico Eagle and Yamana contemplated in the Arrangement Agreement or necessary to complete the Arrangement, subject only to compliance with the usual requirements of the TSX and NYSE;
- (e) the issuance of Agnico Eagle Shares, Yamana Shares and New Osisko Shares pursuant to the Arrangement shall be exempt from registration requirements under the U.S. Securities Act pursuant to Section 3(a)(10) thereof and the registration and qualification requirements of all applicable state securities Laws, and, Agnico Eagle Shares, Yamana Shares and New Osisko Shares issuable pursuant to the Arrangement shall not be subject to resale restrictions in the U.S. under the U.S. Securities Act (other than as may be prescribed by Rule 144 and Rule 145 under the U.S. Securities Act);
- (f) there shall not be threatened in writing or pending any suit, action or proceeding by any Regulatory Authority challenging the Arrangement Agreement or the transactions contemplated thereby, that would reasonably be expected to result in a judgment, order or decree delaying, restraining or prohibiting the Arrangement, prohibiting or imposing material limitations on the ownership of the Osisko Properties (or any of the Purchaser Parties' direct or indirect ownership of Osisko on or following the Effective Date) or compelling any of the Purchaser Parties to dispose of or hold separate any material portion of the business or assets of Osisko (or any equity interest in Osisko);
- (g) the Competition Approval shall have been obtained on terms and conditions satisfactory to each of Agnico Eagle and Yamana, acting reasonably; and
- (h) the Arrangement Agreement shall not have been terminated in accordance with its terms.

#### ***Osisko Conditions***

The obligations of Osisko to complete the transactions contemplated by the Arrangement Agreement are subject to the fulfillment of the following conditions on or before the Effective Date or such other time as specified below, each of which is for the benefit of Osisko and New Osisko and may be waived, in whole or in part, by Osisko and New Osisko in writing at any time:

- (a) each of Agnico Eagle and Yamana shall have carried out each of the preliminary steps required of it under section 3.2 of the Plan of Arrangement;
- (b) the representations and warranties made by Agnico Eagle and Yamana in the Arrangement Agreement that are qualified by Material Adverse Effect shall be true and correct and the representations and warranties made by Agnico Eagle and Yamana in the Arrangement Agreement that are not so qualified shall be true and correct in all material respects, in each case as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by the Arrangement Agreement), and in either case, except where any failures or breaches of representations and warranties would not, either individually or in the aggregate, have a Material Adverse Effect on either Agnico Eagle or Yamana, and each of Agnico Eagle and Yamana shall have provided to Osisko and New Osisko the certificate of two senior officers of each of the Purchaser Parties certifying such accuracy on the Effective Date;
- (c) subject to the notice and cure provisions contained in section 10.4 of the Arrangement Agreement, each of the Purchaser Parties shall have complied in all material respects with its covenants under the Arrangement Agreement, and each of the Purchaser Parties shall have provided to Osisko and New Osisko the certificate of two senior officers of each of the Purchaser Parties certifying that each of the Purchaser Parties has so complied with its covenants in the Arrangement Agreement;
- (d) from the date of the Arrangement Agreement and up to and including the Effective Date, there shall have been no change, effect, event, circumstance, fact or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect on either Agnico Eagle or Yamana;
- (e) the directors of each of Agnico Eagle and Yamana shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Agnico Eagle and Yamana to permit the consummation of the Arrangement;
- (f) Agnico Eagle shall have deposited with the Depository the aggregate Agnico Eagle Cash Consideration and the aggregate Agnico Eagle Share Consideration deliverable pursuant to the Plan of Arrangement;
- (g) Yamana shall have deposited with the Depository the aggregate Yamana Cash Consideration and the aggregate Yamana Share Consideration deliverable pursuant to the Plan of Arrangement;
- (h) the Canadian Exploration Properties NSR shall have been granted over each of the Canadian Exploration Properties;
- (i) the Canadian Malartic Mill Fee Royalty shall have been granted to New Osisko; and
- (j) the Purchaser Parties shall have delivered the Director Releases.

Neither Osisko nor New Osisko may rely on the failure to satisfy any of the above conditions if the condition was not satisfied solely as a result of a material default by Osisko or New Osisko in complying with its obligations under the Arrangement Agreement.

***Agnico Eagle and Yamana Conditions***

The obligations of each of Agnico Eagle and Yamana to complete the transactions contemplated by the Arrangement Agreement are subject to the fulfillment of the following conditions on or before the Effective Date or such other time as specified below, each of which is for the benefit of each of Agnico Eagle and Yamana and may be waived, in whole or in part, by the Purchaser Parties in writing at any time:

- (a) Osisko shall have carried out each of the preliminary steps required of it under section 3.2 of the Plan of Arrangement;
- (b) the representations and warranties made by Osisko in the Arrangement Agreement that are qualified by Material Adverse Effect shall be true and correct and the representations and warranties made by Osisko in the Arrangement Agreement that are not so qualified shall be true and correct in all material respects, in each case as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by the Arrangement Agreement), and in either case, except where any failures or breaches of representations and warranties would not, either individually or in the aggregate, have a Material Adverse Effect on Osisko, and each of Osisko and New Osisko shall have provided to each of the Purchaser Parties the certificate of two senior officers of each of Osisko and New Osisko certifying such accuracy on the Effective Date;
- (c) subject to the notice and cure provisions contained in section 10.4 of the Arrangement Agreement, Osisko shall have complied in all material respects with its covenants under the Arrangement Agreement, and Osisko shall have provided to each of the Purchaser Parties the certificate of two senior officers of Osisko certifying that Osisko has so complied with its covenants in the Arrangement Agreement;
- (d) from the date of the Arrangement Agreement and up to and including the Effective Date, there shall have been no change, effect, event, circumstance, fact or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect on Osisko;
- (e) the board of directors of each of the Purchaser Parties shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by the Purchaser Parties to permit the consummation of the Arrangement;
- (f) Osisko Shareholders holding no more than 10% of the outstanding Osisko Shares shall have exercised their Dissent Rights (and not withdrawn such exercise) and each of the Purchaser Parties shall have received a certificate dated the day immediately preceding the Effective Date of two officers of Osisko to such effect;
- (g) the Voting Agreements shall not have been terminated;
- (h) Osisko shall have obtained, on terms satisfactory to each of the Purchaser Parties, acting reasonably, the consents required to the transfer to New Osisko of the New Osisko Assets;
- (i) the Osisko Board and the board of directors of New Osisko shall (i) have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by Osisko and New Osisko, to permit the consummation of the Arrangement, and (ii) the Osisko Board shall not have effected a Change in Recommendation or approved or recommended any Acquisition Proposal; and
- (j) all loans made by Osisko or any subsidiary to an officer or director of Osisko shall have been repaid in full.

Neither of the Purchaser Parties may rely on the failure to satisfy any of the above conditions if the condition was not satisfied solely as a result of a material default by any of the Purchaser Parties in complying with its obligations under the Arrangement Agreement.

## Covenants

### *Osisko and New Osisko Covenants*

Subject to the terms of the Arrangement Agreement, Osisko has agreed to certain customary negative and affirmative covenants relating to the operation of its business and the Arrangement, including, among other things: carry out the terms of the Interim Order and convene the Meeting in accordance therewith; conduct its business in the ordinary course of business consistent with past practice (subject to certain conditions); not take any action that could reasonably be expected to interfere or be inconsistent with the completion of the Arrangement of the transactions contemplated in the Arrangement Agreement; and use commercially reasonable efforts to take all action and to do all things necessary, proper or advisable to consummate and make effective as promptly as is practicable the transactions contemplated in the Arrangement Agreement. Osisko has agreed to certain restrictions on its activities, including, among other things, limitations on its ability to dispose of any business or assets which, in each case, are individually or in the aggregate material; limitations on its ability to grant or enter into any agreement with respect to any royalty or similar arrangement; limitations on its ability to satisfy or settle certain claims or disputes; limitations on entering into new commitments of a capital nature or incurring new contingent liabilities, subject to certain exceptions; and limitations on its ability to enter into or renew or modify certain material contracts, arrangements or commitments, subject to certain exceptions.

Osisko has also covenanted in favour of each of Agnico Eagle and Yamana that it will:

- (a) as soon as reasonably practicable and in any event no later than April 30, 2014, prepare, file and diligently pursue an application for the Interim Order (which Interim Order was obtained on April 30, 2014);
- (b) take all necessary action prior to the Effective Date to (i) render the Osisko Shareholder Rights Plan inapplicable to the Arrangement and the other transactions contemplated by the Arrangement Agreement, and (ii) ensure that (A) none of the Purchaser Parties nor any of its affiliates is an "Acquiring Person" or an affiliate or associate (within the meaning of the CBCA) of an "Acquiring Person" or person acting jointly or in concert with an "Acquiring Person" or any associate (within the meaning of the CBCA) or affiliate thereof, (B) none of a "Stock Acquisition Date", "Separation Time" or "Flip-in Event" shall occur by reason of the approval, execution or delivery of the Arrangement Agreement, the Voting Agreements, the announcement or consummation of the Arrangement or the consummation of any other transaction contemplated by the Arrangement Agreement, and (C) the application of any of the relevant provisions of the Osisko Shareholder Rights Plan to the Arrangement or any of the transactions contemplated by the Arrangement Agreement shall be waived or the "SRP Rights" shall be redeemed or terminated immediately prior to the Effective Date (where all capitalized terms in parentheses used have the respective meanings ascribed to them in the Osisko Shareholder Rights Plan);
- (c) subject to applicable Laws, accelerate the time by which the outstanding Osisko Options may first be exercised, make any required amendments to the Osisko Stock Option Plan or the Osisko Options outstanding thereunder and take any further action necessary to ensure that all Osisko Options may be exercised immediately prior to the Effective Time and that any unexercised Osisko Option shall terminate and be cancelled at the Effective Time in accordance with the Plan of Arrangement. In addition, Osisko shall:
  - (i) promptly deliver written notice to each holder of outstanding Osisko Options offering such holder the opportunity to elect (A) to subscribe for all of the Osisko Shares issuable upon exercise of such Osisko Options and payment of the relevant exercise price within the Prescribed Period, such period being at least 30 days in duration (unless otherwise agreed to by the Osisko Optionholder) and in any event to expire one day prior to or as of the Effective Date, or (b) to accept termination of the Osisko Option pursuant to the Arrangement if no such election is made;

- (ii) deliver written notice to each holder of Out-of-the-Money Osisko Options notifying such holder of the cash amount that such holder will be entitled to receive pursuant to the Plan of Arrangement if the Out-of-the-Money Consideration Resolution is approved; and
- (iii) issue as fully paid and non-assessable shares, free of pre-emptive rights, Osisko Shares to all holders of Osisko Options who have validly elected to subscribe for Osisko Shares and tendered payment in respect of such Osisko Shares within the Prescribed Period;
- (d) as soon as reasonably practicable following the date of execution of the Arrangement Agreement and in any event no later than the Effective Time, (i) incorporate Canadian Malartic Partner Co. pursuant to the CBCA; (ii) subscribe, and cause Canadian Malartic Partner Co. to also subscribe, for an initial 50% partnership interest in Canadian Malartic GP; and (iii) enter into the Canadian Malartic Partnership Agreement with Canadian Malartic Partner Co.;
- (e) use its commercially reasonable efforts to cause certain employees and consultants of Osisko to accept, effective at the Effective Time, offers of employment with New Osisko on substantially similar terms to their employment with Osisko; and
- (f) use its commercially reasonable efforts to cause to be delivered to each of the Purchaser Parties on the Effective Date resignations, effective upon acceptance by each of the Purchaser Parties, of the directors of Osisko and each Osisko Subsidiary other than New Osisko.

In addition, Osisko has agreed that, upon request by the Purchaser Parties, Osisko shall, subject to applicable Laws, effect such reorganizations of its business, operations and assets (excluding New Osisko Assets) or such other transactions as the Purchaser Parties may request, acting reasonably (each, a "**Pre-Acquisition Reorganization**"). The Purchaser Parties have agreed that upon notice by Osisko to them, Osisko shall, subject to applicable Laws, effect such reorganization of the New Osisko Assets as the Purchaser Parties may require acting reasonably. Osisko shall cooperate with the Purchaser Parties and their advisors in order to determine the nature of the Pre-Acquisition Reorganizations that might be undertaken and the manner in which they might most effectively be undertaken; provided that any Pre-Acquisition Reorganization: (A) is not prejudicial to Osisko, New Osisko, the Osisko Shareholders or the holders of New Osisko Shares in any material respect; (B) does not result in any material breach by Osisko or New Osisko of its constating documents, any existing contract or commitment or any Law; (C) does not reduce the consideration due to the Osisko Shareholders pursuant to the transactions contemplated by the Arrangement Agreement or reduce the value of New Osisko to the Osisko Shareholders; (D) does not require Osisko to obtain the prior approval of the Osisko Shareholders other than at the Meeting; (E) would not impede or materially delay the completion of the Arrangement; and (F) would not result in any adverse Tax or other consequences to any Osisko, New Osisko, Osisko Shareholders or holders of New Osisko Shares. The Purchaser Parties shall provide written notice to Osisko of any proposed Pre-Acquisition Reorganization at least ten Business Days prior to the Effective Date.

New Osisko has agreed to provide, prior to the Effective Time, an indemnity in favour of each of the Purchaser Parties and Osisko (substantially on the terms provided in Schedule J to the Arrangement Agreement), to indemnify and save harmless each of the Purchaser Parties and Osisko from all losses suffered or incurred by any of the Purchaser Parties or Osisko as a result of or arising directly out of or in connection with an Indemnified Liability, provided that New Osisko shall have no liability in respect of any claim or proceeding for which a Purchaser Party or Osisko may be entitled to indemnification (a "**Claim**") unless a Purchaser Party or Osisko, as applicable, shall have delivered a notice in respect of such Claim within one year following the Effective Date.

### ***Agnico Eagle and Yamana Covenants***

Subject to the terms of the Arrangement Agreement, each of Agnico Eagle and Yamana has agreed to certain customary negative and affirmative covenants relating to the operation of its business and the Arrangement, including, among other things, to: prepare and file with the applicable Regulatory Authorities (including the TSX and NYSE) all necessary applications required in order to permit the issue and listing of Agnico Eagle Shares and Yamana Shares pursuant to the Arrangement; not make changes to its capital structure; not take any action that could reasonably be expected to interfere with or be inconsistent with the completion of the Arrangement or the

transactions contemplated by the Arrangement Agreement; and use commercially reasonable efforts to take all action and to do all things necessary, proper or advisable to consummate and make effective as promptly as is practicable the transactions contemplated in the Arrangement Agreement.

Each of the Purchaser Parties has also covenanted in favour of Osisko that, among other things:

- (a) on the Effective Date, each of the Purchaser Parties will deliver to New Osisko a covenant that it will not, during the Standstill Period (defined below) without the consent of New Osisko: (i) offer to acquire or agree to acquire, directly or indirectly, by purchase or otherwise, more than 5% of any voting securities or securities convertible into or exchangeable for voting securities (with notice to be provided to New Osisko when 1% of any voting securities or securities convertible into or exchangeable for voting securities have been acquired, and for each additional 1% acquired thereafter), or direct or indirect rights or options to acquire any voting securities, of New Osisko; (ii) make, or in any way participate in, any solicitation of proxies to vote, or seek to advise or influence any other person with respect to the voting of any voting securities of New Osisko; (iii) otherwise seek to control or influence the management, directors or corporate policies of New Osisko or to obtain representation on New Osisko's board of directors; (iv) engage in any discussions or negotiations, enter into any agreement or submit any proposal or offer (with or without conditions) in connection with any business combination or other acquisition transaction or extraordinary transaction involving New Osisko; or (v) enter into any discussions or arrangements with any third party with respect to any of the foregoing; or make any public announcement of any intention to do or take any of the foregoing. The "**Standstill Period**" shall be the period commencing on the Effective Date and ending on the earlier of (i) the fifth anniversary of the Effective Date, or (ii) the date upon which New Osisko shall have approved or entered into, or announced the approval or entering into of, an agreement, transaction or series of related transactions with a person other than such Purchaser Party, a person under common control with such Purchaser Party or a person acting jointly or in concert with the foregoing (a "**Third Party**") having as its object the acquisition, directly or indirectly, of not less than 20% of the outstanding voting or equity securities of New Osisko or assets of New Osisko or its subsidiaries (or both) representing not less than 20% of the net asset value or contribution to earnings of New Osisko and its subsidiaries on a consolidated basis;
- (b) prior to the Effective Date, Osisko may, at its expense, take all action deemed appropriate or necessary, for the placement of run-off insurance for a period of up to six years after the Effective Date for Osisko's current and former directors and officers, provided that the cost of such policies shall not exceed 400% of Osisko's current annual aggregate premium for directors' and officers' liability insurance currently maintained by Osisko. If such insurance is not available for that cost, Osisko may purchase that amount of insurance which can be purchased for up to 400% of Osisko's current annual aggregate premium for directors' and officers' liability insurance currently maintained by Osisko;
- (c) the Purchaser Parties shall, on a joint and several basis, honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of Osisko and the Osisko Subsidiaries, with such rights to survive the completion of the Arrangement and continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date;
- (d) that each of the Purchaser Parties shall, and after the Effective Time will cause Osisko and any successor to Osisko, to honour and comply in all material respects with the terms of all existing change of control agreements and employment and severance obligations of Osisko and Osisko subsidiaries and all pension and other employee compensation and benefit obligations of Osisko and Osisko subsidiaries; and
- (e) the Purchaser Parties shall indemnify Osisko and New Osisko and their respective representatives from and against any and all liabilities, losses, damages, claims, costs, expenses, interest awards,

judgments and penalties suffered or incurred by any of them in connection with or as a result of any Pre-Acquisition Reorganization.

### ***Mutual Covenants***

The Parties have agreed to, among other things, and as soon as reasonably practicable after the date of the Arrangement Agreement, make all necessary filings, applications and submissions with applicable Regulatory Authorities under all applicable Laws in respect of the transactions contemplated by the Arrangement Agreement. In addition, each Party has agreed to use its commercially reasonable efforts to obtain all consents, approvals, authorizations or waivers required to be obtained by it from Regulatory Authorities in respect of the transactions contemplated by the Arrangement Agreement, including but not limited to the Competition Approval.

### **Non-Solicitation and Right to Match**

#### ***Non-Solicitation***

Except as otherwise required in order to comply with the terms of the Goldcorp Settlement Agreement, Osisko has agreed that, except as otherwise permitted in the Arrangement Agreement or to the extent each of Agnico Eagle and Yamana has consented in writing, it shall not, directly or indirectly, through any officer, director, employee, representative, advisor or agent of Osisko or an Osisko Subsidiary:

- (a) make, solicit, initiate, facilitate, encourage or promote (including by way of furnishing information, permitting any visit to facilities or properties of Osisko or an Osisko Subsidiary or entering into any form of agreement, arrangement or understanding) an Acquisition Proposal;
- (b) participate, directly or indirectly, in any discussions or negotiations regarding, or furnish to any person any information or otherwise co-operate with, respond to, assist or participate in, any Acquisition Proposal;
- (c) remain neutral with respect to, or agree to, approve or recommend, or propose publicly to agree to, approve or recommend any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal until six Business Days following formal commencement of such Acquisition Proposal shall not be considered a violation of this subsection (c));
- (d) make or propose publicly to make a Change in Recommendation (except in respect of a change in recommendation because of a Material Adverse Effect in respect of either Agnico Eagle or Yamana);
- (e) accept, enter into, or propose publicly to accept or enter into, any agreement, understanding or arrangement related to any Acquisition Proposal; or
- (f) make any public announcement or take any other action inconsistent with, or that would reasonably be likely to be regarded as detracting from, the recommendation of the directors of Osisko to approve the transactions contemplated in the Arrangement Agreement,

provided, however, that, notwithstanding the foregoing, the Osisko Board and on the direction of any of the directors of Osisko, any officer, employee, representative, agent or advisor of Osisko may, prior to the approval of the Arrangement by Osisko Shareholders, participate in discussions or negotiations with, or respond to enquiries from any person that has made an Acquisition Proposal (that was not solicited after the date of the Arrangement Agreement) that the directors of Osisko have determined in good faith after consultation with Osisko's financial advisors and outside legal counsel, constitutes or could reasonably be expected to result in a Superior Proposal, but only if the Acquisition Proposal did not result from a breach of the non-solicitation obligations contained in the Arrangement Agreement by Osisko.

Except as otherwise provided in the Arrangement Agreement, Osisko shall, and shall cause the officers, directors, employees, consultants, representatives and agents of Osisko and each Osisko Subsidiary to, immediately terminate and cease any discussions or negotiations on behalf of Osisko with any parties (other than the Purchaser Parties) with respect to any proposal that constitutes, or could reasonably be expected to result in, an Acquisition Proposal. Osisko has agreed not to release any third party from any confidentiality agreement relating to a potential Acquisition Proposal to which such third party is a party. Osisko has further agreed not to release any third party from any standstill agreement or provision to which such third party is a party and to take all required action to enforce such standstill agreements. Osisko shall, as soon as possible, but in any event within five days of the date of the Arrangement Agreement, request the return or destruction of all material, non-public information provided to any third party that has entered into a confidentiality agreement with Osisko in connection with an Acquisition Proposal, to the extent that such material non-public information has not previously been returned or destroyed, and shall use all commercially reasonable efforts to ensure that such requests are honoured.

Osisko shall promptly notify the Purchaser Parties and, in any event, within 24 hours of the receipt by any director or officer of Osisko of any Acquisition Proposal, or any amendment to an Acquisition Proposal, or any request for non-public information relating to Osisko or an Osisko Subsidiary in connection with any potential Acquisition Proposal or for access to the properties, books or records of Osisko or an Osisko Subsidiary by any person that Osisko reasonably believes could make, or has made, any Acquisition Proposal, Osisko shall notify the Purchaser Parties thereof, at first orally and then, as soon as possible thereafter, in writing. Such written notice shall include the identity of the person(s) making such proposal and all material terms and conditions of the Acquisition Proposal and provide such other details of the Acquisition Proposal, inquiry or contact as the Purchaser Parties may reasonably request. Osisko shall provide copies of all letters, agreements and other documentation exchanged by or on behalf of Osisko and the third party. Osisko shall keep the Purchaser Parties reasonably informed by way of further notices of the status, including any change to the material terms, of any such Acquisition Proposal.

If, prior to the approval of the Arrangement by Osisko Shareholders, Osisko receives a request for material non-public information from a person who is considering making or has made a *bona fide* written Acquisition Proposal (the existence and content of which have been disclosed to the Purchaser Parties), that did not result from a breach of the non-solicitation obligations contained in the Arrangement Agreement, and the Osisko Board determines that such proposal could, if consummated in accordance with its terms, reasonably be expected to result in a Superior Proposal or does constitute a Superior Proposal then, provided Osisko has complied with the notice requirements set out above, and only in such case, the Osisko Board may, subject to the execution of a confidentiality and standstill agreement on terms that are not more favourable to the person making or considering making the Acquisition Proposal than those set forth in the confidentiality agreements between Osisko and Agnico Eagle and between Osisko and Yamana, provide such person with access to confidential and/or non-public information regarding Osisko; provided, however, that the Purchaser Parties are provided with a list of or a copy of the information, if any, provided to such person that was not previously provided to the Purchaser Parties and the Purchaser Parties are immediately provided with access to similar information.

#### ***Right to Match and Superior Proposal Determination***

Subject to the Right to Match of the Purchaser Parties as described below, Osisko and the Osisko Board may make a Change in Recommendation or terminate the Arrangement Agreement only if:

- (a) the Arrangement Resolution has not yet been approved by Osisko Securityholders;
- (b) Osisko has complied with its obligations under Article 6 of the Arrangement Agreement with respect to the Superior Proposal, including by providing the Purchaser Parties with all documentation required to be delivered under Article 6 of the Arrangement Agreement and a copy of the Superior Proposal (including any draft agreement to be entered into by Osisko which governs the Superior Proposal);
- (c) the Osisko Board has determined that the Acquisition Proposal constitutes a Superior Proposal, and of the intention of the Osisko Board to authorize Osisko to enter into such definitive agreement, undertaking or arrangement, or make a Change in Recommendation, and such written determination and written notice have been provided as soon as possible to the Purchaser Parties;



- (d) a period expiring at 5:00 p.m. (Toronto time) on the fifth business day (the "**Response Period**") after the later of (x) the date on which the Purchaser Parties received written notice from Osisko that it has resolved, subject only to compliance with subsection 6.2(a) of the Arrangement Agreement, to accept, or enter into a definitive agreement, undertaking or arrangement or make a Change in Recommendation in respect of, a Superior Proposal and setting out the information required under the notice to be given under paragraph (c) above, and (y) the date the Purchaser Parties received a copy of the Superior Proposal, has elapsed;
- (e) the Osisko Board has considered any amendment to the terms of the Arrangement Agreement proposed in writing by the Purchaser Parties (or on their behalf) before the end of the Response Period (as contemplated below) and determined in good faith (after consultation with its financial advisors and outside legal counsel), that the Superior Proposal remains a Superior Proposal (as assessed against the Arrangement Agreement, together with the written amendments, if any, proposed by the Purchaser Parties before the end of the Response Period); and
- (f) subject to the Purchaser Parties not being in breach of or having failed to perform any of their representations, warranties, covenants or agreements set forth in the Arrangement Agreement, where such breach or failure would render any of the Purchaser Parties incapable of consummating the Arrangement, Osisko has paid (or caused to be paid) to the Purchaser Parties the Termination Fee in accordance with section 6.3 of the Arrangement Agreement.

During the Response Period, the Purchaser Parties will have the opportunity, but not the obligation, to offer in writing to amend the terms of the Arrangement Agreement and the Arrangement (the "**Right to Match**"). The Osisko Board shall review any offer by the Purchaser Parties to amend the terms of the Arrangement Agreement and the Arrangement in order to determine whether the offer of the Purchaser Parties to so amend the terms of the Arrangement Agreement (including an amendment that would change the respective participations of the Purchaser Parties in the Arrangement or an amendment which would terminate the obligations of one of the Purchaser Parties under the Arrangement Agreement) would, upon acceptance by Osisko, result in the Acquisition Proposal, for which notice has been provided to the Purchaser Parties, not being a Superior Proposal. If the directors of Osisko so determine, Osisko shall enter into an amended agreement with the Purchaser Parties reflecting the amended proposal of the Purchaser Parties and will thereafter, if requested in writing by the Purchaser Parties, as promptly as possible (but in any event within five Business Days) after receipt of such request by the Purchaser Parties, reaffirm its recommendation of the Arrangement as amended. If the Osisko Board does not so determine, then Osisko may terminate the Arrangement Agreement in accordance with its terms in order to enter into a definitive agreement in respect of such Superior Proposal, provided that in no event shall the Osisko Board take any action prior to the end of the Response Period that may obligate Osisko or any other person to seek to interfere with the completion of the Arrangement, or impose any "break-up", "hello" or other fees or options or rights to acquire assets or securities, or any other obligations that would survive completion of the Arrangement, on Osisko or any of the Osisko Subsidiaries, property or assets.

Each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of the above and shall initiate a new Response Period.

Where at any time before the Meeting, Osisko has provided the Purchaser Parties with written notice of an Acquisition Proposal, an Acquisition Proposal has been publicly disclosed or announced, and the Response Period has not elapsed, then, subject to applicable Laws, Osisko may, or, at the Purchaser Parties' request will, postpone or adjourn the Meeting to a date acceptable to the Purchaser Parties and Osisko, each acting reasonably, which shall not be less than two and not more than five Business Days after the end of the relevant Response Period and shall, in the event that the Purchaser Parties and Osisko amend the terms of the Arrangement pursuant to the Right to Match, ensure that the details of such amended agreement are communicated to the Osisko Shareholders prior to the resumption of the adjourned Meeting.

Nothing in the Arrangement Agreement shall prevent the Osisko Board from responding through a directors' circular or otherwise as required by applicable Securities Laws to an Acquisition Proposal that it determines is not a Superior Proposal or from withdrawing, modifying or changing its recommendation as a result of the Purchaser Parties having suffered a Material Adverse Effect. Further, nothing in the Arrangement Agreement shall prevent the Osisko

Board from making any disclosure to the Osisko Shareholders if the Osisko Board, acting in good faith and upon the advice of its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Osisko Board. The Purchaser Parties and their respective counsel shall be given a reasonable opportunity to review and comment on the form and content of any such directors' circular, recognizing that whether or not such comments are appropriate will be determined by Osisko, acting reasonably.

### **Termination**

The Arrangement Agreement may be terminated at any time prior to the Effective Date:

- (a) by the mutual written consent, duly authorized by the board of directors of each of the Parties;
- (b) either
  - (i) by the Purchaser Parties, acting jointly, if any of the conditions set out under the heading "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective – Mutual Conditions*" or under the heading "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective – Agnico Eagle and Yamana Conditions*" is not satisfied or waived in accordance with those sections and such condition is incapable of being satisfied by the Completion Deadline, provided that the Purchaser Parties are in material compliance with the terms and conditions of the Arrangement Agreement;
  - (ii) by Osisko if any of the conditions set out under the heading "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective – Mutual Conditions*" or under the heading "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective – Osisko Conditions*" is not satisfied or waived in accordance with those sections and such condition is incapable of being satisfied by the Completion Deadline, provided that Osisko is in material compliance with the terms and conditions of the Arrangement Agreement;
- (c) by the Purchaser Parties if an Acquisition Proposal in respect of Osisko has been made or proposed and the directors of Osisko: (i) make a Change in Recommendation, or (ii) except as permitted under subsection 6.1(a)(iii) of the Arrangement Agreement, shall have failed, after being requested by the Purchaser Parties in writing in accordance with the Right to Match, to reaffirm its approval or recommendation of the Arrangement and the transactions contemplated in the Arrangement Agreement as promptly as possible (but in any event within six Business Days) after receipt of such written request from the Purchaser Parties, or (iii) approves, recommends, endorses, accepts or authorizes Osisko to enter into any agreement in respect of an Acquisition Proposal (other than a confidentiality agreement that complies with subsection 6.1(d) of the Arrangement Agreement);
- (d) by the Purchaser Parties or by Osisko if the necessary approval of the Osisko Shareholders and Osisko Optionholders shall not have been obtained at the Meeting;
- (e) by either the Purchaser Parties or Osisko if the Arrangement shall not have been completed by the Completion Deadline provided however, if the Arrangement has not been completed by such date because the Meeting has not been held due to the fault of Osisko (the parties acknowledging that Osisko is not at fault in the event that the Meeting has not been held due to an order of a Regulatory Authority), then Osisko shall not be entitled to terminate the Arrangement Agreement;
- (f) by the Purchaser Parties if the directors of Osisko shall have made a Change in Recommendation;
- (g) by Osisko if Osisko proposes to enter into a definitive agreement with respect to a Superior Proposal in compliance with sections 6.1 and 6.2 of the Arrangement Agreement, provided that concurrently with such termination, Osisko pays the Termination Fee to the Purchaser Parties;

- (h) by either the Purchaser Parties or Osisko if any Law makes the completion of the Arrangement illegal or otherwise prohibited;
- (i) at any time by the Purchaser Parties if Osisko shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the Arrangement Agreement, which breach or failure has, or would reasonably be expected to have, a Material Adverse Effect on Osisko; or
- (j) by the Purchaser Parties if any person shall have acquired 20% or more of the Osisko Shares,

provided that any termination by a Party in accordance with paragraphs (b) to (j) above shall be made by such Party delivering written notice thereof to the other Party prior to the Effective Date and specifying therein in reasonable detail the matter or matters giving rise to such termination right.

### **Termination Fee and Expense Fee**

In the event that:

- (a) the Arrangement Agreement is terminated by the Purchaser Parties pursuant to paragraphs (c) or (f) of the section above titled "*Termination*" (except in respect of a Change in Recommendation because of a Material Adverse Effect in respect of either Agnico Eagle or Yamana); or
- (b) an Acquisition Proposal is publicly announced, proposed, offered or made to the Osisko Shareholders or any person shall have publicly announced an intention to make a *bona fide* Acquisition Proposal in respect of Osisko and:
  - (i) after such Acquisition Proposal shall have been made known, made or announced, the Osisko Shareholders do not approve the Arrangement or vote upon the Arrangement Resolution; or
  - (ii) the Arrangement Agreement is terminated by the Purchaser Parties pursuant to paragraph (e) of the section above titled "*Termination*",

and in the case of either (i) or (ii) such Acquisition Proposal or an amended version thereof relating to Osisko is consummated or effected as applicable within 12 months of the date the first Acquisition Proposal is publicly announced, proposed, offered or made; provided that, for the purposes of this paragraph (b) above, (A) all references to "20%" in the definition of "Acquisition Proposal" shall be deemed to be references to "50%"; and (B) the unsolicited take-over bid commenced by Goldcorp on January 14, 2014, as amended on April 10, 2014, shall not constitute an "Acquisition Proposal" unless the terms of such take-over bid are further amended to increase the consideration payable to Osisko Shareholders thereunder;

- (c) the Arrangement Agreement is terminated by Osisko pursuant to paragraph (g) of the section above titled "*Termination*"; or
- (d) the Arrangement Agreement is terminated by the Purchaser Parties pursuant to paragraph (j) of the section above titled "*Termination*",

then Osisko shall pay to the Purchaser Parties (x) in the circumstances set forth in paragraph (a) or (c) above, at the time of the termination of the Arrangement Agreement or, in the circumstances set forth in paragraph (b) above, within five days following the completion of such Acquisition Proposal, as consideration for the Purchaser Parties' disposition of rights under the Arrangement Agreement, an amount in cash equal to \$195,000,000 (the "**Termination Fee**"), or (y) in the circumstances set forth in paragraph (d) above, at the time of the termination of the Arrangement Agreement an amount in cash equal to \$20,000,000 (the "**Expense Fee**"), in either case payable 50% to Agnico Eagle and 50% to Yamana, as full and final reimbursement of the Purchaser Parties' fees, costs and

expenses incurred in connection with the Arrangement, in immediately available funds. Osisko shall not be obligated to make more than one payment pursuant to the foregoing provision.

### **Amendment and Waivers**

The Arrangement Agreement may, at any time and from time to time before or after the holding of the Meeting be amended by mutual written agreement of the Parties without, subject to applicable Law, further notice to or authorization on the part of the Osisko Securityholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of any of the Parties;
- (b) waive any inaccuracies in or modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement;
- (c) waive compliance with or modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of any of the Parties; and
- (d) waive compliance with or modify any condition contained in the Arrangement Agreement,

provided, however, that notwithstanding the foregoing, following the Meeting, the consideration payable under the Arrangement Agreement to the Osisko Shareholders shall not be amended without the approval of the Osisko Shareholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

The Arrangement Agreement may not be amended except by an instrument signed by each of the Parties. No extension in writing shall be effective unless in writing and signed by each of the Parties entitled to the benefit of the obligation, agreement or condition so waived, and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

### **THE CANADIAN MALARTIC ROYALTY AGREEMENT**

Pursuant to the Arrangement, the 5% Canadian Malartic NSR, to be created pursuant to the Canadian Malartic Royalty Agreement to be executed between Osisko and Canadian Malartic GP, will be transferred by Osisko to New Osisko as part of the New Osisko Assets. The Canadian Malartic Royalty Agreement is expected to include provisions that are typical for a royalty agreement, including with respect to the calculation of royalty payments, property inspection and audit rights. Canadian Malartic GP's obligations pursuant to the Canadian Malartic Mill Fee Royalty will also be set out in the Canadian Malartic Royalty Agreement.

### **THE CANADIAN EXPLORATION PROPERTIES ROYALTY AGREEMENT**

Pursuant to the Arrangement, at the Effective Time, New Osisko will acquire the 2% Canadian Exploration Properties NSR, to be created pursuant to the Canadian Exploration Properties Royalty Agreement to be executed between Osisko and New Osisko, from Osisko as part of the New Osisko Assets. The Canadian Exploration Properties Royalty Agreement is expected to include provisions that are typical for a royalty agreement, including with respect to the calculation of royalty payments, property inspection and audit rights.

### **THE JOINT ACQUISITION AGREEMENT**

#### **Description of the Joint Acquisition Agreement**

The Joint Acquisition Agreement includes provisions that outline each of the Purchaser Parties rights and obligations in the event that there is a right to terminate the Arrangement Agreement pursuant to the terms thereof (including because of a failure of a condition to be satisfied or covenant to be performed) and one Purchaser Party would elect to terminate the Arrangement Agreement or if Osisko proposes to accept or recommend a "Superior

Proposal" from a third party to acquire assets or equity of Osisko in accordance with the terms of the Arrangement Agreement and one Purchaser Party does not wish to exercise the Purchaser Parties' Right to Match in accordance with the Arrangement Agreement.

The Joint Acquisition Agreement terminates (other than certain provisions that survive any such termination) upon the earliest of (i) the Effective Time, (ii) the termination of the Arrangement Agreement in accordance with its terms, (iii) if a Purchaser Party materially breaches any of its obligations under the Joint Acquisition Agreement (which breach is not cured within 5 Business Days following notice thereof), (iv) termination of the Joint Acquisition Agreement in connection with the withdrawal of a Purchaser Party (as discussed below), (v) termination of the agreement failing the resolution of a dispute between the Purchaser Parties in accordance with the dispute resolution provisions contained in the Joint Acquisition Agreement, and (vi) the written agreement of the Purchaser Parties.

If a Purchaser Party determines in good faith that there is a right to terminate the Arrangement Agreement pursuant to its terms and such Purchaser Party would elect to terminate the Arrangement Agreement, such Purchaser Party must notify the other and, if the other Purchaser Party desires to consummate the transactions contemplated by the Arrangement Agreement without any involvement by the withdrawing Purchaser Party, then the withdrawing Purchaser Party may withdraw from the transaction provided that it must cooperate in such reasonable arrangements requested by the continuing Purchaser Party to permit the Purchaser and the continuing Purchaser Party to proceed with the Arrangement.

If Osisko proposes to accept or recommend a Superior Proposal from a third party in accordance with the terms of the Arrangement Agreement and one Purchaser Party does not wish to exercise any Right to Match such proposal contained in the Arrangement Agreement, such non-matching Purchaser Party must notify the other and, if the other Purchaser Party desires to exercise its Right to Match, then the non-matching Purchaser Party may withdraw from the transaction provided that it must cooperate in such reasonable arrangements requested by the matching Purchaser Party to permit the Purchaser and the matching Purchaser Party to proceed with the Arrangement.

If the Joint Acquisition Agreement is terminated in accordance with the foregoing provisions and there is a continuing or matching Purchaser Party, that surviving Purchaser Party will pay to the withdrawing or non-matching Purchaser Party, an amount equal to \$10 million as reimbursement for expenses incurred by the withdrawing or non-matching Purchaser Party within 10 business days of (i) the consummation of the Arrangement by the surviving Purchaser Party or, (ii) if the Arrangement is not consummated by the surviving Purchaser Party, receipt by such surviving Purchaser Party of any breakup fee, termination fee, expense reimbursement or other amount in connection therewith, provided in either case that the withdrawing or non-matching Purchaser Party was not in material breach of the Joint Acquisition Agreement. In the case of clause (ii), if the amount received by the surviving Purchaser Party is less than \$20 million, the reimbursement amount owing to the non-surviving Purchaser Party shall be reduced to 50% of the actual amount received by the surviving Purchaser Party.

If the Joint Acquisition Agreement is terminated as a result of a material breach of the agreement by a Purchaser Party which remains uncured, and the non-breaching Purchaser Party desires to consummate the transactions contemplated by the Arrangement Agreement without the breaching Purchaser Party, then the breaching Purchaser Party must cooperate in such reasonable arrangements requested by the non-breaching Purchaser Party to permit the non-breaching Purchaser Party to proceed with the Arrangement.

The Joint Acquisition Agreement contains various representations and warranties by each of the Purchaser Parties customary for a transaction of this nature. The Purchaser Parties agree to cooperate with each other in causing the Purchaser to make all necessary filings, applications and submissions with governmental authorities under all applicable laws in respect of the transactions contemplated in the Arrangement Agreement. Each Purchaser Party also agrees to use its reasonable best efforts to obtain all consents, approvals, authorizations or waivers required to be obtained by it or the Purchaser from governmental authorities in respect of the transactions contemplated in the Arrangement Agreement.

Each of the Purchaser Parties has also agreed that, during the term of the Joint Acquisition Agreement, it will work exclusively with the other in pursuing the acquisition of Osisko and it will not, and will not permit its affiliates or representatives, to enter into any agreement, arrangement or understanding relating to such a transaction with any

person other than the other Purchaser Party and its affiliates, or solicit, knowingly facilitate, initiate or encourage such a transaction (other than the Arrangement) or participate in any discussions with any person other than the other Purchaser Party or its affiliates that could reasonably be expected to lead to such agreement, arrangement or understanding regarding such a transaction or the provision of any debt or equity financing relating to any such transaction.

## THE CANADIAN MALARTIC PARTNERSHIP AGREEMENT

Osisko will, as soon as reasonably practicable after the date of execution of the Arrangement Agreement, and in any event no later than the Effective Time, incorporate Canadian Malartic Partner Co. pursuant to the CBCA as a wholly-owned subsidiary of Osisko. Thereafter, Osisko and Canadian Malartic Partner Co. will enter into the Canadian Malartic Partnership Agreement and will each subscribe for an initial 50% partnership interest in Canadian Malartic GP. In accordance with the Canadian Malartic Contribution Agreement, Osisko will, pursuant to the Arrangement, transfer the Canadian Malartic Assets to Canadian Malartic GP. Thereafter, in accordance with the Plan of Arrangement, Acquisitionco will acquire all of the outstanding shares of Osisko such that the partnership interests of Canadian Malartic GP will be controlled directly or indirectly as to 50% by Agnico Eagle and 50% by Yamana. The Canadian Malartic Partnership Agreement will include customary provisions for the management and governance of Canadian Malartic GP and in respect of its business, capital raising and dilution, dispute resolution and restrictions on transfer of partnership interests.

Agnico Eagle and Yamana shall agree on the form of the Canadian Malartic Partnership Agreement not later than five days prior to the Effective Date provided that if it not so agreed, Osisko will form Canadian Malartic GP on such terms as it deems appropriate, acting reasonably. In such case, the Canadian Malartic Partnership Agreement will subsequently be amended and restated to reflect the revised terms mutually agreed to by Agnico Eagle and Yamana.

## THE VOTING AGREEMENTS

**The following description of certain provisions of the Voting Agreements is a summary only. The summary of certain provisions of the Voting Agreements below and in this Circular is not comprehensive and is qualified in its entirety by reference to the full text of the form of Voting Agreement, which is attached as Schedule H to the Arrangement Agreement, the full text of which may be viewed under Osisko's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com). This summary may not contain all of the information about the Voting Agreements that is important to Osisko Securityholders. Osisko Securityholders are encouraged to read carefully the form of Voting Agreement in its entirety.**

The Supporting Shareholders have entered into the Voting Agreements with Osisko, Yamana and Agnico Eagle in respect of Osisko Shares representing, in the aggregate, approximately 4.5% of the outstanding Osisko Shares, pursuant to which, and subject to certain exceptions, such Supporting Shareholders have agreed to vote their Osisko Shares, inclusive of Osisko Shares which are not locked-up, representing approximately 5.3% of the outstanding Osisko Shares as of the date of their respective Voting Agreements, in favour of the Arrangement Resolution at the Meeting. The Supporting Shareholders also held approximately 66.6% of the outstanding Osisko Options as of the date of their respective Voting Agreements. See "*The Voting Agreements*". In addition, Supporting Shareholders have agreed, subject to the terms and conditions of the Voting Agreements, among other things:

- (a) to immediately terminate any existing discussions or negotiations with any parties (other than Agnico Eagle and Yamana and their representatives) with respect to any proposal that constitutes, or which could reasonably be expected to constitute, an Acquisition Proposal, whether or not initiated by Osisko and not to, directly or indirectly, (i) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing information or entering into any form of written or oral agreement, arrangement or understanding or waiving any confidentiality or standstill obligations) any inquiries, offers or proposals regarding an Acquisition Proposal or otherwise knowingly cooperate in any way with, or knowingly assist with or participate in any way in any effort or attempt by any person (other than Agnico Eagle and

- Yamana) to make an Acquisition Proposal, or (ii) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal;
- (b) to attend the Meeting and vote or cause to be voted all of the Osisko Shares (including any shares issued upon the exercise of the Osisko Options and warrants or acquired by the Supporting Shareholder on or following the date on which the Supporting Shareholder entered into the Voting Agreement and prior to the Record Date) (the "**Subject Securities**") in favour of the Arrangement and all matters related thereto, as contemplated by the Arrangement Agreement;
  - (c) vote or cause to be voted (in person or by proxy) any Subject Securities against, and in the case of clause (i) below, not tender or cause to be tendered any Subject Securities to:
    - (i) any corporate transaction, such as a merger, amalgamation, arrangement, rights offering, reorganization, recapitalization or liquidation or take-over bid or similar transaction involving Osisko or the Osisko Shares other than the Arrangement;
    - (ii) other than the Arrangement, a sale or transfer of a material amount of assets of Osisko or any of its subsidiaries or the issuance of any securities of Osisko; or
    - (iii) any action that is reasonably likely to impede, interfere with, delay, postpone, or adversely affect in any material respect the Arrangement including, without limitation, any Acquisition Proposal;
  - (d) not, without the prior written consent of Agnico Eagle and Yamana, and subject to certain exceptions in the case of one Supporting Shareholder, sell, transfer, assign, pledge, or otherwise dispose of, or enter into any agreement or understanding relating to the sale, transfer, assignment or other disposition of the Subject Securities (other than as contemplated under the applicable Voting Agreement) or permit any affiliate of the Supporting Shareholder to do any of the foregoing; provided that the Supporting Shareholder may pledge shares issued upon the exercise of Osisko Options as security for a loan to the Supporting Shareholder to fund the aggregate Osisko Option exercise price if the lender agrees to vote the shares so pledged in accordance with the terms of the Voting Agreement;
  - (e) not, except as required pursuant to the Voting Agreement, grant or agree to grant any proxy or other right to vote the Subject Securities or enter into any voting trust or pooling agreement or arrangement or enter into or subject any of such Subject Securities to any other agreement, arrangement, understanding or commitment, formal or informal, with respect to or relating to the voting or tendering thereof or revoke any proxy granted pursuant to the Voting Agreement;
  - (f) not exercise any rights of dissent or appraisal in respect of any resolution approving the Arrangement or any aspect thereof or matter related thereto, and not exercise any other securityholder rights or remedies available at common law or pursuant to applicable corporate law or other legislation or take any action that is reasonably likely to in any manner delay, hinder, prevent, interfere with or challenge the Arrangement; and
  - (g) not do indirectly that which it may not do directly in respect of the restrictions on its rights with respect to the Supporting Shareholder's Subject Securities pursuant to the Voting Agreement by the sale of a direct or indirect holding company or the granting of a proxy on the shares of any direct or indirect holding company and which would have, indirectly, an effect prohibited by the Voting Agreement.

The obligations under the Voting Agreements of the Supporting Shareholder shall automatically terminate (i) upon the mutual written agreement of the Supporting Shareholder, Agnico Eagle and Yamana; (ii) upon the termination of the Arrangement Agreement in accordance with its terms; or (iii) on the Effective Date, whichever is the earliest to occur. Additionally, the Voting Agreements may be terminated by notice in writing:

- (a) by Agnico Eagle and Yamana if the Supporting Shareholder breaches or is in default of any of its covenants or obligations under the Voting Agreement and such breach or such default has or may have an adverse effect on the consummation of the Arrangement or if any of the representations or warranties of the Supporting Shareholder under the Voting Agreement shall have been at the date of the Voting Agreement, or subsequently become, untrue or incorrect in any material respect; provided that Agnico Eagle and Yamana have notified the Supporting Shareholder in writing of any of the foregoing events and the same has not been cured within 15 business days of the date such notice was received by the Supporting Shareholder;
- (b) by the Supporting Shareholder if Agnico Eagle or Yamana breaches or is in default of any of its covenants or obligations under the Voting Agreement or the Arrangement Agreement and such breach or such default has or may have an adverse effect on the consummation of the Arrangement or if any of the representations or warranties of Agnico Eagle or Yamana under the Voting Agreement shall have been at the date of the Voting Agreement, or subsequently become, untrue or incorrect in any material respect; provided that the Supporting Shareholder has notified Agnico Eagle and Yamana in writing of any of the foregoing events and the same has not been cured within 15 business days of the date such notice was received by Agnico Eagle and Yamana; or
- (c) by the Supporting Shareholder if the Effective Date has not occurred by July 31, 2014.

## **PROCEDURE FOR EXCHANGE OF SECURITIES**

### **Letter of Transmittal**

A Letter of Transmittal printed on yellow paper is being mailed, together with this Circular, to each person who was a Registered Shareholder on the Record Date. Each such Registered Shareholder must forward a properly completed and signed Letter of Transmittal, with accompanying Osisko Share certificate(s), if applicable, in order to receive the cash, Agnico Eagle Shares, Yamana Shares and New Osisko Shares to which such Osisko Shareholder is entitled under the Arrangement. It is recommended that Registered Shareholders complete, sign and return the Letter of Transmittal, with accompanying Osisko Share certificate(s), if applicable, to the Depository as soon as possible.

Osisko Shareholders whose Osisko Shares are registered in the name of a broker, investment dealer, bank, trust company, trustee or other nominee should contact that nominee for assistance in depositing their Osisko Shares and should follow the instructions of such nominee in order to make their election and deposit their Osisko Shares.

See "*Exchange Procedure*" below.

### **Exchange Procedure**

#### ***Registered Shareholders***

In order to receive the cash, Agnico Eagle Shares, Yamana Shares and New Osisko Shares to which a Registered Shareholder is entitled if the Arrangement Resolution is passed and the Arrangement is completed, a Registered Shareholder must complete, sign, date and return the enclosed Letter of Transmittal in accordance with the instructions set out therein and in this Circular. The Letter of Transmittal is also available from the Depository, Laurel Hill, by telephone at: 1-877-452-7184 (North American Toll Free) or 416-304-0211 (Collect Outside North America); or by email at: [assistance@laurelhill.com](mailto:assistance@laurelhill.com); or under Osisko's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

On or immediately prior to the Effective Date, Agnico Eagle and Yamana will deposit with the Depository the aggregate amount of the Arrangement Cash Consideration and certificates representing the aggregate Agnico Eagle Share Consideration and aggregate Yamana Share Consideration payable pursuant to the Arrangement. The Depository will act as the agent of Registered Shareholders who have deposited Osisko Shares pursuant to the Arrangement for the purpose of receiving the Arrangement Consideration and transmitting a cheque representing the Arrangement Cash Consideration payable to and certificates representing the Agnico Eagle Shares, Yamana Shares and New Osisko Shares issuable to such persons, and receipt of the Arrangement Cash Consideration, Agnico Eagle



Shares, Yamana Shares and New Osisko Shares by the Depository will be deemed to constitute receipt of payment by Registered Shareholders depositing Osisko Shares.

Upon surrender to the Depository of the certificate(s) that immediately prior to the Effective Time represented Osisko Shares, and a duly completed Letter of Transmittal and such other documents as the Depository may require, a Former Osisko Shareholder (other than a Dissenting Shareholder) will be entitled to receive in exchange therefor, and as soon as practicable after the Effective Time the Depository will deliver to such Former Osisko Shareholder, (a) certificates representing the number of Agnico Eagle Shares, Yamana Shares and New Osisko Shares which such Former Osisko Shareholder is entitled to receive under the Arrangement (and, in the case of New Osisko Shares, pursuant to the New Osisko Share Consolidation if the Consolidation Resolution is approved), and (b) a cheque in the amount of the Arrangement Cash Consideration such Former Osisko Shareholder is entitled to receive under the Arrangement.

In the event of a transfer of ownership of Osisko Shares which is not registered in the transfer records of Osisko, a certificate representing the proper number of Osisko Shares shall be delivered to a transferee if the certificate formerly representing such Osisko Shares is presented to the Depository at its offices, accompanied by the foregoing documents together with all other documents required to evidence and effect such transfer.

Until surrendered, each certificate that immediately prior to the Effective Time represented Osisko Shares will be deemed at any time after the Effective Time to, subject to certain exceptions, represent only the right to receive upon surrender (a) the certificates representing the Agnico Eagle Share Consideration, Yamana Share Consideration and the New Osisko Shares to which the holder is entitled, (b) the Arrangement Cash Consideration to which the holder is entitled, and (c) any dividends or distributions with a record date on or after the Effective Date theretofore paid or payable with respect to the Agnico Eagle Share Consideration or the Yamana Share Consideration.

The Letter of Transmittal contains complete instructions on how to exchange the certificate(s) representing Osisko Shares and how Osisko Shareholders will receive the Arrangement Cash Consideration, Agnico Eagle Share Consideration, Yamana Share Consideration and New Osisko Shares payable to them under the Arrangement (and, in the case of New Osisko Shares, pursuant to the New Osisko Share Consolidation if the Consolidation Resolution is approved). Osisko Shareholders should return properly completed documents, including the Letter of Transmittal, to Laurel Hill Advisory Group, attention: Corporate Actions. Shareholders with questions regarding the deposit of Osisko Shares should contact the Depository, Laurel Hill, by telephone at: 1-877-452-7184 (North American Toll Free) or 416-304-0211 (Collect Outside North America); or by email at: [assistance@laurelhill.com](mailto:assistance@laurelhill.com). Further information with respect to the Depository is set forth in the Letter of Transmittal. In order for Osisko Shareholders to receive the consideration payable to them under the Arrangement as soon as possible after the closing of the Arrangement, Registered Shareholders should submit their Osisko Shares and the Letter of Transmittal.

Registered Shareholders will not actually receive their cash, Agnico Eagle Shares, Yamana Shares and New Osisko Shares until the Arrangement is completed and they have returned their properly completed documents, including the Letter of Transmittal and certificates representing their Osisko Shares, to the Depository.

In the event any certificate which immediately before the Effective Time represented one or more outstanding Osisko Shares in respect of which the holder was entitled to receive cash, Agnico Eagle Shares, Yamana Shares and New Osisko Shares pursuant to the Arrangement, is lost, stolen or destroyed, upon the making of an affidavit by the holder claiming such certificate to be lost, stolen or destroyed, the Depository will deliver in exchange for such lost, stolen or destroyed certificate, the Arrangement Cash Consideration and certificates representing the Agnico Eagle Shares, Yamana Shares and New Osisko Shares to which such Registered Shareholder is entitled pursuant to the Arrangement (and, in the case of New Osisko Shares, pursuant to the New Osisko Share Consolidation if the Consolidation Resolution is approved). When authorizing such delivery of the cash, Agnico Eagle Shares, Yamana Shares and New Osisko Shares which such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such cash, Agnico Eagle Shares, Yamana Shares and New Osisko Shares are to be delivered shall, as a condition precedent to the delivery of such cash, Agnico Eagle Shares, Yamana Shares and New Osisko Shares, give a bond satisfactory to Osisko and the Depository in such amount as Osisko may direct, or otherwise indemnify Osisko and the Depository in a manner satisfactory to Osisko and the Depository, against any claim that may be made against Osisko or the Depository with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles of Osisko.

Where a certificate representing Osisko Shares has been destroyed, lost or stolen, the Registered Shareholder of that certificate should immediately contact the Depository by telephone at: 1-877-452-7184 (North American Toll Free) or 416-304-0211 (Collect Outside North America); or by email at: [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

### ***Non-Registered Shareholders***

The exchange of Osisko Shares for the Arrangement Cash Consideration, Agnico Eagle Share Consideration, Yamana Share Consideration and New Osisko Share Consideration in respect of Non-Registered Shareholders is expected to be made with the Non-Registered Shareholder's broker, securities dealer, trust, corporation or other intermediary account through the procedures in place for such purposes between CDS and such intermediaries. Non-Registered Shareholders should contact their intermediary if they have any questions regarding this process and to arrange for their intermediary to complete the necessary steps to ensure that you receive payment for your securities as soon as possible following completion of the Arrangement.

### ***Optionholders***

Under the Arrangement Agreement, Osisko and the Osisko Board have covenanted, subject to applicable Laws, to accelerate the time by which the outstanding Osisko Options may first be exercised, take any action necessary to ensure that all Osisko Options may be exercised immediately prior to the Effective Time and that any unexercised Osisko Options shall terminate and be cancelled in accordance with the Plan of Arrangement.

Under the Arrangement, each Osisko Share acquired on the exercise of an Exercised Osisko Option pursuant to subsection 3.3(e) of the Plan of Arrangement shall be, and shall be deemed to be, transferred to Acquisitionco by the former holder of such Exercised Osisko Option in exchange for: (i) the Arrangement Cash Consideration, (ii) the Agnico Eagle Share Consideration, (iii) the Yamana Share Consideration, and (iv) a right to receive one New Osisko Share (which New Osisko Share shall be delivered by Acquisitionco to such former holders of Exercised Osisko Options pursuant to subsection 3.3(j) of the Plan of Arrangement).

Under the Arrangement, if the Out-of-the-Money Consideration Resolution is approved, each holder of an Out-of-the-Money Osisko Option shall receive a cash payment equal to the Individual Out-of-the-Money Amount, provided that the aggregate Out-of-the-Money Option Consideration Amount shall not exceed \$3 million. If the Out-of-the-Money Option Consideration Amount would otherwise exceed \$3 million, each Individual Out-of-the-Money Amount shall be proportionately reduced such that the Out-of-the-Money Option Consideration Amount equals \$3 million.

Under the Arrangement, all remaining outstanding Osisko Options shall be terminated without payment or compensation therefor, and neither Osisko, Agnico Eagle, Yamana, New Osisko nor Acquisitionco shall have any further liabilities or obligations to the Former Osisko Optionholders thereof with respect thereto. For greater certainty, any unexercised Out-of-the-Money Osisko Options shall also be terminated and cancelled without any compensation therefor if the Out-of-the-Money Consideration Resolution is not approved at the Meeting.

See "*The Arrangement – Description of the Arrangement*".

### **Cancellation of Rights after Six Years**

To the extent that a Former Osisko Shareholder has not complied with the provisions of the Arrangement described under the heading "*Procedure for Exchange of Securities – Exchange Procedure*" on or before the date that is six years after the Effective Date (the "**Final Proscription Date**"), then (i) such Former Osisko Shareholder's interest in the cash consideration which such Former Osisko Shareholder was entitled to receive shall be terminated as of such Final Proscription Date and such cash consideration shall be deemed to be owned by Acquisitionco; (ii) the New Osisko Shares which such Former Osisko Shareholder was entitled to receive shall be automatically transferred to New Osisko and the certificates representing such New Osisko Shares shall be delivered to New Osisko by the Depository for cancellation, and the interest of the Former Osisko Shareholder in such New Osisko Shares to which it was entitled shall be terminated as of such Final Proscription Date; (iii) the Yamana Shares which such Former Osisko Shareholder was entitled to receive shall be automatically transferred to Yamana and the certificates

representing such Yamana Shares shall be delivered to Yamana by the Depositary for cancellation, and the interest of the Former Osisko Shareholder in such Yamana Shares to which it was entitled shall be terminated as of such Final Proscription Date; and (iv) the Agnico Eagle Shares which such Former Osisko Shareholder was entitled to receive shall be automatically transferred to Agnico Eagle and the certificates representing such Agnico Eagle Shares shall be delivered to Agnico Eagle by the Depositary for cancellation, and the interest of the Former Osisko Shareholder in such Agnico Eagle Shares to which it was entitled shall be terminated as of such Final Proscription Date.

### **Fractional Shares**

No fractional Agnico Eagle Shares shall be delivered pursuant to the Plan of Arrangement. The number of Agnico Eagle Shares to be delivered to each Former Osisko Shareholder or Former Osisko Optionholder who acquires Osisko Shares on the exercise of an Exercised Osisko Option (or to a holder of Osisko Convertible Securities upon the conversion of Osisko Convertible Securities after the Effective Time) shall, without additional compensation, be rounded down to the nearest whole Agnico Eagle Share in the event that such person would otherwise be entitled to a fractional Agnico Eagle Share.

No fractional Yamana Shares shall be delivered pursuant to the Plan of Arrangement. The number of Yamana Shares to be delivered to each Former Osisko Shareholder or Former Osisko Optionholder who acquires Osisko Shares on the exercise of an Exercised Osisko Option (or to a holder of Osisko Convertible Securities upon the conversion of Osisko Convertible Securities after the Effective Time) shall, without additional compensation, be rounded down to the nearest whole Yamana Share in the event that such person would otherwise be entitled to a fractional Yamana Share.

No fractional New Osisko Shares shall be delivered pursuant to the Plan of Arrangement or, if the Consolidation Resolution is approved, the New Osisko Share Consolidation. The number of New Osisko Shares to be delivered to each Former Osisko Shareholder or Former Osisko Optionholder who acquires Osisko Shares on the exercise of an Exercised Osisko Option (or to a holder of Osisko Convertible Securities upon the conversion of Osisko Convertible Securities after the Effective Time) shall, without additional compensation, be rounded down to the nearest whole New Osisko Share in the event that such person would otherwise be entitled to a fractional New Osisko Share.

The foregoing information is a summary only. For further details of procedures, see the Plan of Arrangement attached as Schedule "B" to this Circular.

### **Withholding Rights**

Osisko and the Depositary shall be entitled to deduct and withhold from any consideration, dividend or other distribution otherwise payable to any holder of Osisko Shares, Osisko Options, Agnico Eagle Shares, Yamana Shares or New Osisko Shares, such amounts as Osisko or the Depositary determines, acting reasonably, are required or permitted to be deducted and withheld with respect to such payment under Canadian or U.S. tax laws or any other applicable law. To the extent that the withheld amount may be reduced, Osisko and the Depositary, as the case may be, acting reasonably, shall withhold on such lower amount. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing agency.

## **SECURITIES LAW MATTERS**

The following is a brief summary of the Canadian and U.S. securities law considerations applying to the transactions contemplated herein not discussed elsewhere in this Circular.

## **Canadian Securities Laws**

Each Osisko Shareholder is urged to consult such shareholder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the New Osisko Shares, Agnico Eagle Shares and Yamana Shares issuable pursuant to the Arrangement.

### ***Listing and Resale of New Osisko Shares, Agnico Eagle Shares and Yamana Shares***

Osisko is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec. The Osisko Shares are currently listed on the TSX. Following completion of the Arrangement, Osisko will be a wholly-owned subsidiary of Acquisitionco and it is anticipated that the Class A Shares held by Acquisitionco will be delisted from the TSX and that the Purchaser Parties will apply to the applicable Canadian securities regulators to have Osisko cease to be a reporting issuer and have the Osisko Shares delisted from the TSX.

New Osisko will apply to list the New Osisko Shares issuable under the Arrangement on the TSX. It is a condition of closing that the TSX shall have conditionally approved the listing thereon, subject to official notice of issuance, of the New Osisko Shares to be issued pursuant to the Arrangement as of the Effective Date, with final notice of issuance to be provided as soon as possible thereafter. The listing of the New Osisko Shares is subject to meeting the TSX's minimum listing requirements. New Osisko does not currently intend to apply to list the New Osisko Shares on any U.S. stock exchange. See *"Risk Factors – Risk Factors Related to the Operations of New Osisko"*.

Agnico Eagle and Yamana will each apply to list the Agnico Eagle Shares and Yamana Shares, respectively, issuable under the Arrangement on the TSX. It is a condition of closing that the TSX shall have conditionally approved the listing thereon, subject to official notice of issuance, of the Agnico Eagle Shares and Yamana Shares to be issued pursuant to the Arrangement as of the Effective Date, with final notice of issuance to be provided by the TSX as soon as possible thereafter. (See *"The Arrangement Agreement – Conditions to the Arrangement Becoming Effective"*.) Conditional listing approval for the issuance of the Agnico Eagle Shares and the Yamana Shares issuable under the Arrangement has not yet been obtained. Agnico Eagle and Yamana will also apply to list the Agnico Eagle Shares and Yamana Shares, respectively, issuable under the Arrangement on the NYSE. See *"Securities Law Matters – U.S. Securities Laws – Stock Exchange Approvals"* below.

The issuances of New Osisko Shares, Agnico Eagle Shares and Yamana Shares pursuant to the Arrangement will constitute distributions of securities that are exempt from the prospectus requirements of applicable Canadian Securities Laws. New Osisko Shares, Agnico Eagle Shares and Yamana Shares issued pursuant to the Arrangement may be resold in each province and territory of Canada, provided: (i) that (A) in the case of the New Osisko Shares, New Osisko, (B) in the case of the Yamana Shares, Yamana, and (C) in the case of the Agnico Eagle Shares, Agnico Eagle, is a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade; (ii) the trade is not a "control distribution" as defined in National Instrument 45-102 – *Resale of Securities*; (iii) no unusual effort is made to prepare the market or create a demand for those securities; (iv) no extraordinary commission or consideration is paid in respect of that trade; and (v) if the selling security holder is an "insider" or "officer" of, in the case of the New Osisko Shares, New Osisko, in the case of the Agnico Eagle Shares, Agnico Eagle and in the case of the Yamana Shares, Yamana (as such terms are defined by applicable Canadian Securities Laws), the insider or officer has no reasonable grounds to believe that New Osisko, Agnico Eagle or Yamana, as applicable, is in default of applicable Canadian Securities Laws.

### ***Multilateral Instrument 61-101***

As a reporting issuer in Ontario and Québec, Osisko is subject to MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure the protection and fair treatment of minority shareholders.

### **Business Combination**

The securities regulatory authorities in the Provinces of Ontario and Québec have adopted MI 61-101 which regulates transactions which raise the potential for conflicts of interest, including issuer bids, insider bids, related party transactions and business combinations. The Arrangement does not constitute an issuer bid, an insider bid or a

related party transaction. In assessing whether the Arrangement could be considered to be a "business combination" for the purposes of MI 61-101, Osisko reviewed all benefits or payments which related parties of Osisko are entitled to receive, directly or indirectly, as a consequence of the Arrangement to determine whether any constituted a "collateral benefit". For these purposes, the only related parties of Osisko that are entitled to receive a benefit, directly or indirectly, as a consequence the Arrangement are certain officers of Osisko. In connection with the Arrangement, certain officers of Osisko will be entitled to receive change of control and other payments in connection with their employment with Osisko.

Under the terms of their respective Employment Agreements, each officer of Osisko listed below is entitled to the payments set forth besides his or her name if he or she ceases to be employed by Osisko for any reason (including voluntary resignation) within six months following a change of control (assuming the change of control occurs on the date of this Circular).

Compensation <sup>(1)</sup>	Cash Severance		Unvested Equity acceleration			Benefits <sup>(7)</sup>	TOTAL <sup>(8)</sup>
	Base salary <sup>(2)</sup>	Annual Incentive <sup>(3)</sup>	Osisko Stock Options <sup>(4)</sup>	Osisko Shares <sup>(5)</sup>	RSUs <sup>(6)</sup>		
<b>Sean Roosen</b> President and Chief Executive Officer	2,370,000	2,193,600	2,727,320	2,520	3,892,030	78,200	11,263,670
<b>Bryan A. Coates</b> Vice President, Finance and Chief Financial Officer	1,530,000	1,416,300	1,760,704	2,520	2,448,415	81,500	7,239,439
<b>Robert Wares</b> Senior Vice President, Exploration and Resource Development	1,470,000	336,600	712,088	0	1,658,705	79,400	4,256,793
<b>Luc Lessard</b> Senior Vice President and Chief Operating Officer	1,530,000	1,416,300	1,760,704	2,520	2,448,415	81,500	7,239,439
<b>John F. Burzynski</b> Vice President, Corporate Development	1,380,000	1,277,400	1,588,176	0	2,245,100	81,200	6,571,876
<b>Denis Cimon</b> Vice President, Technical Services	420,000	186,900	724,880	1,005	941,215	43,200	2,317,200
<b>André Le Bel</b> Vice President, Legal Affairs and Corporate Secretary	382,500	170,250	660,264	2,520	887,050	48,450	2,151,034
<b>Elif Lévesque</b> Vice President and Controller	345,000	153,600	595,648	502	793,635	43,650	1,932,035
<b>Robert Mailhot</b> Vice President, Human Resources	375,000	166,950	647,472	1,311	862,715	43,200	2,096,648
<b>Ruben Wallin</b> Vice President, Environment and Sustainable Development	337,500	50,100	621,986	0	463,935	42,900	1,516,421

**Notes:**

- (1) Mr. Roosen, Mr. Coates, Mr. Wares, Mr. Burzynski and Mr. Lessard are entitled to a 36-month severance based on their annual base salary plus all bonuses paid or declared in the last 12 months; they are also entitled to the acceleration of all unvested equity and the maintaining of benefits for a term of 36 months. Mr. Wallin, Mr. Le Bel, Mr. Cimon, Ms. Lévesque and Mr. Mailhot are entitled to a 18-month severance based on their annual base salary plus all bonuses paid or declared in the last 12 months (the aggregate which is multiplied by a factor of 1.5); they are also entitled to the acceleration of all unvested equity and the maintaining of benefits for a term of 18 months.
- (2) As at the date of this Circular, the respective annual base salary of the officers listed in the table are as follows: Mr. Roosen: \$790,000, Mr. Coates: \$510,000, Mr. Wares: \$490,000, Mr. Burzynski: \$460,000, Mr. Lessard: \$510,000, Mr. Wallin: \$225,000, Mr. Le Bel: \$255,000, Mr. Cimon: \$280,000, Ms. Elif Lévesque: \$230,000 and Mr. Robert Mailhot: \$250,000.

- (3) For Mr. Roosen, Mr. Coates, Mr. Wares, Mr. Burzynski and Mr. Lessard, amounts reflect three times the sum of all bonuses paid or declared in the last 12 months to each officer based on the assessment of achievements with respect to the corporate objectives. For Mr. Wallin, Mr. Le Bel, Mr. Cimon, Ms. Lévesque and Mr. Mailhot, amounts reflect one-and-a-half times the sum of all bonuses paid or declared in the last 12 months to each officer based on the assessment of achievements with respect to the corporate objectives.
- (4) These amounts reflect the aggregate dollar value that would be realized by multiplying the number of unvested in the money Osisko Options (the vesting of which would be accelerated as a result of such termination following a change of control) by the difference between \$7.81, being the implied price on April 30, 2014 and the respective exercise price of such Options.
- (5) These amounts reflect, for each officer listed participating in the Osisko Employee Share Purchase Plan, the value of Osisko's contribution towards the issuance of Osisko Shares that may be realized as the result of a termination following a change of control.
- (6) These amounts reflect the aggregate dollar value that would be realized by multiplying the number of RSUs (the vesting of all of which would be accelerated as a result of such termination following a change of control, irrespective of any performance vesting conditions) by \$7.85 being the closing price of the Osisko Shares on the April 30, 2014.
- (7) These amounts represent the dollar value of the insurance, medical outplacement and other benefits of the officers which would be continued for a term of 36 months for Mr. Roosen, Mr. Coates, Mr. Wares, Mr. Burzynski and Mr. Lessard and 18 months for Mr. Wallin, Mr. Le Bel, Mr. Cimon, Ms. Lévesque and Mr. Mailhot; insurance benefits include group insurance but exclude long term disability and accidental death and dismemberment benefits.
- (8) As at the date of this Circular, if the Out-of-the-Money Consideration Resolution is approved, the respective Individual Out-of-the-Money Option Consideration Amount anticipated to be paid under the Arrangement to each of the officers listed in the table are as follows: Mr. Roosen: \$288,150, Mr. Coates: \$217,760, Mr. Wares \$217,760, Mr. Burzynski: \$217,760, Mr. Lessard: \$399,100, Mr. Wallin: \$0, Mr. Le Bel: \$58,760, Mr. Cimon: \$58,760, Ms. Elif Lévesque: \$57,280 and Mr. Robert Mailhot: \$57,600.

Following disclosure by each of the directors and officers to the Osisko Board of the number of Osisko Shares and Osisko Options held by them and the benefits or payments that they expect to receive pursuant to the Arrangement, the Osisko Board has determined that the aforementioned benefits or payments fall within an exception to the definition of "collateral benefit" for the purposes of MI 61-101, since the benefits are received solely in connection with the related parties' services as employees of Osisko or of any affiliated entities of Osisko, are not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related parties for their Osisko Shares, and are not conditional on the related parties supporting the Arrangement in any manner, and at the time of the entering into of the Arrangement Agreement, none of the related parties entitled to receive the benefits exercised control or direction over, or beneficially owned, more than 1% of the outstanding Osisko Shares, as calculated in accordance with MI 61-101. Accordingly, such benefits are not "collateral benefits" for the purposes of MI 61-101 and the Arrangement does not constitute a "business combination" for the purposes of MI 61-101.

## **U.S. Securities Laws**

**The following discussion is only a general overview of certain requirements of U.S. Securities Laws that may be applicable to Osisko Securityholders. All holders of such securities are urged to obtain legal advice to ensure that their resale of such securities complies with applicable U.S. Securities Laws. Further information applicable to the holders of such securities resident in the U.S. is disclosed in this Circular under the heading "Note to U.S. Securityholders".**

### ***Exemption from U.S. Registration***

The New Osisko Shares, the Agnico Eagle Shares and the Yamana Shares to be issued under the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the U.S. and will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act and exemptions provided in respect of the securities laws of states of the U.S. in which U.S. Shareholders reside. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security that is issued in exchange for outstanding securities and other property where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. Accordingly, the Final Order of the Court will, if granted, constitute the basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the securities to be issued under the Arrangement.

### ***Resale of New Osisko Shares, Agnico Eagle Shares and Yamana Shares Received Under the Arrangement***

Osisko Shareholders who, after completion of the Arrangement, are not "affiliates" (as defined in Rule 144 under the U.S. Securities Act) of New Osisko and were not, at any time within the 90 days immediately before a resale of any

New Osisko Shares received under the Arrangement, an "affiliate" of New Osisko, may resell such New Osisko Shares within or outside the U.S. without restriction under the U.S. Securities Act. Osisko Shareholders who, after completion of the Arrangement, are not "affiliates" of Agnico Eagle and were not, at any time within the 90 days immediately before a resale of any Agnico Eagle Shares received under the Arrangement, an "affiliate" of Agnico Eagle, may resell such Agnico Eagle Shares within or outside the U.S. without restriction under the U.S. Securities Act. Osisko Shareholders who, after completion of the Arrangement, are not "affiliates" of Yamana and were not, at any time within the 90 days immediately before a resale of any Yamana Shares received under the Arrangement, an "affiliate" of Yamana, may resell such Yamana Shares within or outside the U.S. without restriction under the U.S. Securities Act.

Any Osisko Shareholder who, after consummation of the Arrangement is (i) an "affiliate" of New Osisko or was, at any time during the 90 days immediately before the resale of any New Osisko Shares received under the Arrangement, an "affiliate" of New Osisko, (ii) an "affiliate" of Agnico Eagle or was, at any time during the 90 days immediately before the resale of any Agnico Eagle Shares received under the Arrangement, an "affiliate" of Agnico Eagle, or (iii) an "affiliate" of Yamana or was, at any time during the 90 days immediately before the resale of any Yamana Shares received under the Arrangement, an "affiliate" of Yamana, may not resell such New Osisko Shares, Agnico Eagle Shares or Yamana Shares, as applicable, unless such shares are registered under the U.S. Securities Act or an exemption from registration, such as the exemptions contained in Rule 144 and Rule 904 of Regulation S under the U.S. Securities Act, is available.

As defined in Rule 144 under the U.S. Securities Act, an "affiliate" of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer and may include certain officers and directors of such issuer as well as principal shareholders of such issuer. "Control" means the possession, direct or indirect, of the power to direct or cause direction of the management and policies of an issuer, whether through the ownership of voting securities, by contract or otherwise.

#### Affiliates – Rule 144

In general, under Rule 144, persons that are affiliates of New Osisko, Agnico Eagle or Yamana after consummation of the Arrangement or were affiliates of New Osisko, Agnico Eagle or Yamana within the 90 days immediately before the resale of the New Osisko Shares, Agnico Eagle Shares or Yamana Shares received under the Arrangement, as applicable, will be entitled to sell such shares that they receive under the Arrangement in the U.S., provided that the number of such shares sold, together with all other shares of the same class sold for their account during any three-month period, does not exceed the greater of one percent of the then outstanding securities of such class or, if such shares are listed on a U.S. securities exchange and/or reported through the automated quotation system of a U.S. registered securities association, the average weekly trading volume of such shares during the four calendar week period preceding the date of sale, subject to aggregation rules, specified restrictions on manner of sale, reporting requirements, and the availability of current public information about the relevant issuer. Persons that are affiliates of New Osisko, Agnico Eagle or Yamana, respectively, after the Arrangement will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be affiliates of New Osisko, Agnico Eagle or Yamana, respectively, and for 90 days thereafter.

#### Affiliates – Regulation S

In general, pursuant to Rule 904 of Regulation S under the U.S. Securities Act, persons who are affiliates of New Osisko, Agnico Eagle or Yamana solely by virtue of their status as an officer or director of such company may sell New Osisko Shares, Agnico Eagle Shares or Yamana Shares, respectively, outside the U.S. in an "offshore transaction" (which would include a sale through the TSX, if applicable) if neither the seller nor any person acting on its behalf engages in "directed selling efforts" in the U.S. and no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker's commission. For purposes of Regulation S, "directed selling efforts" means, "any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the U.S. for any of the securities being offered" in the sale transaction. Certain additional restrictions are applicable to a holder of New Osisko Shares, Agnico Eagle Shares or Yamana Shares who is an affiliate of New Osisko, Agnico Eagle or Yamana, as the case may be, after the Arrangement other than by virtue of his or her status as an officer or director of New Osisko, Agnico Eagle or Yamana, as the case may be.

### ***Stock Exchange Approvals***

Agnico Eagle Shares currently trade on the NYSE under the symbol "AEM". Agnico Eagle will apply to list the Agnico Eagle Shares issuable in connection with the Arrangement on the NYSE and it is a condition of closing the Arrangement that Agnico Eagle will have obtained approval for such supplemental listing.

Yamana Shares currently trade on the NYSE under the symbol "AUY". Yamana will apply to list the Yamana Shares issuable in connection with the Arrangement on the NYSE and it is a condition of closing the Arrangement that Yamana will have obtained approval for such supplemental listing.

The New Osisko Shares are not currently listed for trading on any stock exchange. New Osisko will apply to list the New Osisko Shares issuable under the Arrangement on the TSX and it is a condition of closing the Arrangement that New Osisko will have obtained conditional approval of the TSX for such listing. The New Osisko Shares will not be listed on any U.S. stock exchange.

## **REGULATORY MATTERS**

### **Competition Act (Canada)**

Part IX of the Competition Act requires that parties to certain classes of transactions provide prescribed information to the Commissioner where the applicable thresholds set out in Sections 109 and 110 of the Competition Act are exceeded and no exemption applies ("**Notifiable Transactions**"). Subject to certain limited exceptions, a Notifiable Transaction cannot be completed until the parties to the transaction have each submitted the information prescribed pursuant to subsection 114(1) of the Competition Act (a "**Notification**") to the Commissioner and the applicable waiting period has expired or has been terminated early by the Commissioner. The Act prescribes an initial waiting period of 30 days from when the parties have both filed their respective Notification. At the end of that period, the parties are permitted to complete their Notifiable Transaction unless, prior to the expiration of the waiting period, the Commissioner issues a supplementary information request (a "**SIR**") to the parties, in which case the parties cannot complete their transaction until 30 days after the day on which the parties comply with the SIR, unless, before closing, the Competition Tribunal, upon the application of the Commissioner, issues a temporary order prohibiting closing in order to facilitate the Commissioner's continued review of the transaction or litigation before the Competition Tribunal.

Alternatively to, or in addition to, filing a Notification, a party to a Notifiable Transaction may apply to the Commissioner for an advance ruling certificate (an "**Advance Ruling Certificate**") or, in the event that the Commissioner is not prepared to issue an Advance Ruling Certificate, a No-Action Letter. If the Commissioner issues an Advance Ruling Certificate, the parties are exempt from having to file a Notification; if the Commissioner issues a No-Action Letter, upon the request of the parties, the Commissioner can waive the parties' requirement to submit a Notification where the parties have supplied substantially similar information as would have been supplied with their Notification (a "**Waiver**"). The filing of a request for an Advance Ruling Certificate or, in the alternative, a No-Action Letter and Waiver does not start a statutory waiting period and, unless the parties have also filed a Notification, the parties cannot complete their transaction until the Commissioner has completed his review and issued the requested clearance.

The Commissioner may challenge a merger before the Competition Tribunal at any time before, or within one year following, its completion where the merger prevents or lessens, or is likely to prevent or lessen, competition substantially (a "**Competition Challenge**"). If the Competition Tribunal agrees with the Commissioner, the Tribunal can issue an order prohibiting the transaction, provided that the transaction has not been completed by such time, or it can order the divestiture of shares or assets where the transaction already has been completed; the Competition Tribunal cannot issue an order, however, where the parties have been able to establish the elements of the statutory efficiencies defense. The Commissioner is precluded from bringing a Competition Challenge on substantially the same information that an Advance Ruling Certificate was issued, provided that the Notifiable Transaction was completed within one year after the Advance Ruling Certificate was issued. No such prohibition on bringing a Competition Challenge applies to the issuance of a No-Action Letter.



The transactions contemplated by the Arrangement Agreement constitute a Notifiable Transaction. On April 24, 2014, Agnico Eagle and Yamana filed their submission requesting that the Commissioner issue an Advance Ruling Certificate or a No-Action Letter in lieu thereof (together with a Waiver). On that same day, the Commissioner advised the parties that the transactions contemplated by the Arrangement Agreement had been designated "non-complex" for review purposes and that the "service standard" period by which a response could be expected would end on May 8, 2014. On April 30, 2014, the Commissioner issued an Advance Ruling Certificate in respect of the transactions contemplated under the Arrangement Agreement. The completion of the Arrangement is conditional upon, among other things, Competition Approval and this satisfies the condition to obtain Competition Approval under the Arrangement.

## PRINCIPAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date of this Circular, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to Osisko Shareholders who dispose of their Osisko Shares pursuant to the Arrangement and receive cash, Agnico Eagle Shares, Yamana Shares and New Osisko Shares. This summary is applicable to Osisko Shareholders (other than partnerships) who at all relevant times, for purposes of the Tax Act, (i) hold their Osisko Shares (and, in conjunction with and following the Arrangement, their New Osisko Shares, Agnico Eagle Shares and Yamana Shares) as capital property, and (ii) deal at arm's length and are not "affiliated" (within the meaning of the Tax Act) with Osisko, New Osisko, Agnico Eagle, Yamana and Acquisitionco (each such person, a "**Holder**"). Generally, Osisko Shares, New Osisko Shares, Agnico Eagle Shares and Yamana Shares will be considered to be capital property to the holder thereof provided that they are not held in the course of carrying on a business of buying and selling securities and have not been acquired in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Osisko Shareholders who might not otherwise be considered to hold their Osisko Shares, New Osisko Shares, Agnico Eagle Shares or Yamana Shares as capital property may, in certain circumstances, be entitled to have their Osisko Shares, New Osisko Shares, Agnico Eagle Shares and Yamana Shares, and any other "Canadian security" (as defined in the Tax Act), owned by such holders in the taxation year in which the election is made, and in all subsequent taxation years, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Osisko Shareholders should consult their own tax advisors regarding the potential application and consequences of this election in their particular circumstances.

This summary does not apply to a Holder: (i) that is a "financial institution" (as defined in the Tax Act for the purposes of the mark-to-market rules), (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act), (iii) that is a "specified financial institution" (as defined in the Tax Act), (iv) that has made a "functional currency" election under section 261 of the Tax Act, (v) that has received Osisko Shares upon exercise of a stock option prior to the Effective Time, or that will receive Osisko Shares upon exercise of an Exercised Osisko Option pursuant to the Arrangement, or (vi) that has entered into, or enters into, a "derivative forward agreement" (as defined in the Tax Act) with respect to its Osisko Shares, New Osisko Shares, Agnico Eagle Shares or Yamana Shares. This summary also does not address the tax considerations applicable to holders of Osisko Convertible Securities. Such holders should consult their own legal and tax advisors.

This summary is based upon the provisions of the Tax Act and regulations thereunder in force on the date of this Circular and the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") publicly available prior to the date of this Circular. This summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Circular (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted in their current form. There can be no assurance that any of the Proposed Amendments will be implemented in their current form or at all. Except for the Proposed Amendments, this summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the administrative or assessing practices and policies of the CRA. In addition, this summary does not take into account other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed in this Circular.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to a Holder in respect of the transactions described herein. The income or other tax consequences will vary**

depending on the particular circumstances of the Holder, including the province or provinces in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice or representations to any particular Holder. Moreover, no advance income tax ruling has been applied for or obtained from the CRA to confirm the tax consequences of any of the transactions described herein. Holders should consult their own legal and tax advisors for advice with respect to the tax consequences of the transactions described in this Circular based on their particular circumstances.

### **Resident Shareholders**

The following portion of this summary is generally applicable to a Holder who at all relevant times, for purposes of the Tax Act, is or is deemed to be resident in Canada (a "**Resident Holder**"). The following portion of this summary, other than the portion under the heading "*Principal Canadian Federal Income Tax Considerations – Resident Shareholders – Dissenting Shareholders*", applies to Resident Holders that are not Dissenting Shareholders.

#### ***Exchange of Osisko Shares for Class A Shares and New Osisko Shares***

Pursuant to the Arrangement, Resident Holders will exchange their Osisko Shares (other than Osisko Shares acquired pursuant to the Arrangement upon the exercise of Exercised Osisko Options) for Class A Shares of Osisko and New Osisko Shares, following which they will transfer their Class A Shares to Acquisitionco in consideration for cash, Agnico Eagle Shares and Yamana Shares. The following portion of this summary describes the principal Canadian federal income tax considerations generally applicable to a Resident Holder, other than a Dissenting Shareholder, on the exchange of Osisko Shares for Class A Shares and New Osisko Shares.

On the exchange of Osisko Shares for Class A Shares and New Osisko Shares pursuant to the Arrangement, a Resident Holder will be deemed to have received a taxable dividend on its Osisko Shares so exchanged equal to the amount, if any, by which (i) the fair market value of the New Osisko Shares received by the Resident Holder on the exchange, exceeds (ii) the paid-up capital for tax purposes of such Osisko Shares immediately prior to the exchange. The estimated paid-up capital of the Osisko Shares at the date of this Circular is \$4.02 per share. Based on the estimated paid-up capital of the Osisko Shares at the date of this Circular and the anticipated value of the New Osisko Shares immediately after the Effective Time, Osisko does not anticipate that any deemed dividend will arise on the exchange of Osisko Shares for Class A Shares and New Osisko Shares pursuant to the Arrangement.

On the exchange of Osisko Shares for Class A Shares and New Osisko Shares pursuant to the Arrangement, a Resident Holder will be deemed (i) to have acquired the New Osisko Shares acquired by it pursuant to the Arrangement at a cost equal to the fair market value of such New Osisko Shares at the time of the exchange, and (ii) to have acquired the Class A Shares acquired by it pursuant to the Arrangement at a cost equal to the amount, if any, by which the adjusted cost base to such Resident Holder of its Osisko Shares immediately prior to the Effective Time exceeds the fair market value, at the time of the exchange, of the New Osisko Shares received by such Resident Holder pursuant to the Arrangement.

#### **Capital Gain / Loss**

On the exchange of Osisko Shares for Class A Shares and New Osisko Shares pursuant to the Arrangement, a Resident Holder will be deemed to have disposed of its Osisko Shares for proceeds of disposition equal to the amount by which (i) the greater of the adjusted cost base of such Osisko Shares immediately before the Effective Time and the fair market value of the New Osisko Shares received by the Resident Holder on the exchange, exceeds (ii) the amount of any taxable dividend deemed to be received by the Resident Holder on such Osisko Shares as described above. As noted above, Osisko does not anticipate that any deemed dividend will arise on the exchange of Osisko Shares for Class A Shares and New Osisko Shares pursuant to the Arrangement, in which case a Resident Holder will be deemed to have disposed of its Osisko Shares for proceeds of disposition equal to the greater of the adjusted cost base of such Osisko Shares immediately before the Effective Time and the fair market value of the New Osisko Shares received by the Resident Holder on the exchange.

A Resident Holder will realize a capital gain (or capital loss) to the extent that the deemed proceeds of disposition of its Osisko Shares exceed (or are less than) the adjusted cost base of such Osisko Shares immediately before the Effective Time. Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years, or carried forward and deducted in any subsequent taxation year, against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of an Osisko Share may be reduced by the amount of dividends received by it on such Osisko Share to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Osisko Shares, directly or indirectly, through a partnership or a trust. Such Resident Holders should consult their own tax advisors.

Resident Holders that are "Canadian-controlled private corporations" (as defined in the Tax Act) will be liable for an additional refundable 6 $\frac{2}{3}$ % tax in respect of taxable capital gains realized on the disposition of their Osisko Shares.

Capital gains realized by a Resident Holder that is an individual or a trust on the disposition of Osisko Shares may increase the Resident Holder's liability for alternative minimum tax.

#### ***Transfer of Class A Shares to Acquisitionco***

Pursuant to the Arrangement, following the exchange of Osisko Shares for Class A Shares and New Osisko Shares as described above, Resident Holders who receive Class A Shares will transfer their Class A Shares to Acquisitionco in consideration for cash, Agnico Eagle Shares and Yamana Shares. The following portion of this summary describes the principal Canadian federal income tax considerations generally applicable to a Resident Holder, other than a Dissenting Shareholder, on the transfer of Class A Shares to Acquisitionco for cash, Agnico Eagle Shares and Yamana Shares.

#### **Capital Gain / Loss**

On the transfer of Class A Shares to Acquisitionco pursuant to the Arrangement, a Resident Holder will be deemed to have disposed of its Class A Shares for proceeds of disposition equal to the aggregate of the amount of cash and the fair market value of the Agnico Eagle Shares and Yamana Shares received by the Resident Holder for such Class A Shares.

A Resident Holder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition of its Class A Shares, as described above, exceed (or are less than) the adjusted cost base of such Class A Shares, as described above under "*Principal Canadian Federal Income Tax Considerations – Resident Shareholders – Exchange of Osisko Shares for Class A Shares and New Osisko Shares*". Generally, one-half of any capital gain realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year as a taxable capital gain, and one-half of any capital loss realized by a Resident Holder in a taxation year must be deducted as an allowable capital loss from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years, or carried forward and deducted in any subsequent taxation year, against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of its Class A Shares may be reduced by the amount of dividends received by it on its Osisko Shares for which such Class A Shares were exchanged pursuant to the Arrangement, to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that

receives and disposes of Class A Shares, directly or indirectly, through a partnership or a trust. Such Resident Holders should consult their own tax advisors.

Resident Holders that are "Canadian-controlled private corporations" (as defined in the Tax Act) will be liable for an additional refundable 6 $\frac{2}{3}$ % tax in respect of taxable capital gains realized on the disposition of their Class A Shares.

Capital gains realized by a Resident Holder that is an individual (including certain trusts) on the disposition of Class A Shares may increase the Resident Holder's liability for alternative minimum tax.

Upon the exchange of Class A Shares for cash, Agnico Eagle Shares and Yamana Shares pursuant to the Arrangement, a Resident Holder will be deemed to have acquired the Agnico Eagle Shares and Yamana Shares acquired by it pursuant to the Arrangement at a cost equal to the fair market value of such Agnico Eagle Shares and Yamana Shares at the time of the exchange. A Resident Holder's cost of the Agnico Eagle Shares or Yamana Shares, as applicable, acquired pursuant to the Arrangement will be averaged with the adjusted cost base of all other Agnico Eagle Shares or Yamana Shares, as applicable, owned by the Resident Holder as capital property immediately before that acquisition, for the purpose of determining the adjusted cost base to the Resident Holder of its Agnico Eagle Shares or Yamana Shares, as applicable, immediately following such acquisition.

### ***Consolidation of New Osisko Shares***

Pursuant to the New Osisko Share Consolidation, if the Consolidation Resolution is approved, the New Osisko Shares received by Former Osisko Shareholders will be consolidated. Based on the CRA's administrative position, a Resident Holder should not be considered to have disposed of its New Osisko Shares as a result of the consolidation of New Osisko Shares, and the aggregate cost to a Resident Holder of its New Osisko Shares immediately following the consolidation should be equal to the aggregate cost to such Resident Holder of its New Osisko Shares immediately prior to the consolidation.

### ***Taxation of New Osisko Shares, Agnico Eagle Shares and Yamana Shares***

#### **Taxation of Dividends**

A Resident Holder that receives New Osisko Shares, Agnico Eagle Shares and Yamana Shares pursuant to the Arrangement will be required to include in computing its income for a taxation year any dividends received by it in the year on such shares.

In the case of a Resident Holder that is an individual, the amount of any such dividend will be subject to the normal dividend gross-up and tax credit rules generally applicable to dividends received from a corporation resident in Canada, including the enhanced gross-up and dividend tax credit if such dividends are designated as "eligible dividends" by New Osisko, Agnico Eagle or Yamana, as applicable. Taxable dividends received by a Resident Holder that is an individual or a trust may increase such Resident Holder's liability for alternative minimum tax.

In the case of a Resident Holder that is a corporation, the amount of any taxable dividend included in the Resident Holder's income for the taxation year generally will be deductible in computing the Resident Holder's taxable income. A Resident Holder that is a "private corporation" (as defined in the Tax Act) or any other corporation resident in Canada controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable to pay a refundable tax of 33 $\frac{1}{3}$ % on any taxable dividend to the extent such dividend is deductible in computing the Resident Holder's taxable income for the year.

#### **Disposition of Shares**

On the disposition or deemed disposition by a Resident Holder of its New Osisko Shares, Agnico Eagle Shares or Yamana Shares acquired pursuant to the Arrangement, the Resident Holder will realize a capital gain (or capital loss) equal to the amount by which the Resident Holder's proceeds of disposition exceed (or are less than) the

aggregate of the adjusted cost base to the Resident Holder of the shares disposed of and any reasonable costs of disposition.

Generally, one-half of any capital gain realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year as a taxable capital gain, and one-half of any capital loss realized by a Resident Holder in a taxation year must be deducted as an allowable capital loss from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years, or carried forward and deducted in any subsequent taxation year, against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a New Osisko Share, Agnico Eagle Share or Yamana Share, as applicable, may be reduced by the amount of dividends received by it on such share (and, in the case of the New Osisko Shares, on any Osisko Share for which such New Osisko Share was exchanged pursuant to the Arrangement), to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns such shares, directly or indirectly, through a partnership or a trust. Such Resident Holders should consult their own tax advisors.

Resident Holders that are "Canadian-controlled private corporations" (as defined in the Tax Act) will be liable for an additional refundable 6 $\frac{2}{3}$ % tax in respect of taxable capital gains realized on a disposition of their New Osisko Shares, Agnico Eagle Shares or Yamana Shares, as applicable.

Capital gains realized by a Resident Holder that is an individual (including certain trusts) on the disposition of New Osisko Shares, Agnico Eagle Shares or Yamana Shares may increase the Resident Holder's liability for alternative minimum tax.

### ***Dissenting Shareholders***

The following portion of this summary applies to Resident Holders that are Dissenting Shareholders.

A Dissenting Shareholder that properly exercises Dissent Rights in respect of its Osisko Shares will be entitled to be paid the fair value of such Osisko Shares by Osisko. See *"The Arrangement – Dissent Rights"*. Such Dissenting Shareholder should be deemed to have received a taxable dividend equal to the amount by which the amount received (other than that portion that is in respect of interest, if any, awarded by the Court) exceeds the paid-up capital for tax purposes of the Osisko Shares held by such Dissenting Shareholder at that time.

In the case of a Dissenting Shareholder that is an individual, the amount of any such deemed taxable dividend will be subject to the normal dividend gross-up and tax credit rules generally applicable to dividends received from a corporation resident in Canada, including the enhanced gross-up and dividend tax credit if such dividends are designated as "eligible dividends" by Osisko. Taxable dividends received by a Dissenting Shareholder that is an individual or a trust may increase such Dissenting Shareholder's liability for alternative minimum tax.

In the case of a Dissenting Shareholder that is a corporation, the amount of any such deemed taxable dividend will generally be included in the Dissenting Shareholder's income for the taxation year in which such dividend is deemed to be received and generally will be deductible in computing the Dissenting Shareholder's taxable income. A Dissenting Shareholder that is a "private corporation" (as defined in the Tax Act) or any other corporation resident in Canada controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable to pay a refundable tax of 33 $\frac{1}{3}$ % on any such deemed taxable dividend to the extent such deemed dividend is deductible in computing the Dissenting Shareholder's taxable income for the year.

In the case of a Dissenting Shareholder that is a corporation, the amount of any such deemed taxable dividend may, in some circumstances, instead be treated as proceeds of disposition of such Dissenting Shareholder's Osisko Shares

pursuant to subsection 55(2) of the Tax Act, and not as a dividend. Dissenting Shareholders that are corporations should consult their legal or tax advisors.

Interest, if any, awarded to a Dissenting Shareholder by the Court will be included in the Dissenting Shareholder's income for the purposes of the Tax Act.

For purposes of determining a Dissenting Shareholder's capital gain (or capital loss), the Dissenting Shareholder's proceeds of disposition will be equal to the amount received less the amount of any deemed taxable dividend, as described above, and interest, if any, awarded by the Court. Any such capital gain or capital loss will be subject to the same tax treatment as described above under the heading "*Principal Canadian Federal Income Tax Considerations – Resident Shareholders – Exchange of Osisko Shares for Class A Shares and New Osisko Shares – Capital Gain / Loss*".

Under the Plan of Arrangement, Osisko Shareholders who fail to properly exercise, or who withdraw, their Dissent Rights will be treated as if they participated in the Arrangement on the same basis as non-dissenting Osisko Shareholders. The principal Canadian federal income tax considerations generally applicable to such Osisko Shareholders who are Resident Holders in connection with their Osisko Shares will be the same as those described above in connection with Resident Holders who do not exercise Dissent Rights.

### **Non-Resident Shareholders**

The following portion of this summary is generally applicable to a Holder who at all relevant times, for purposes of the Tax Act, (i) is neither a resident nor deemed to be a resident of Canada, (ii) does not use or hold and is not deemed to use or hold its Osisko Shares (and any New Osisko Shares, Agnico Eagle Shares or Yamana Shares) in, or in the course of carrying on, a business in Canada, (iii) is not a person who carries on an insurance business in Canada and elsewhere, and (iv) is neither a "specified shareholder" (as defined in the Tax Act) of Osisko, New Osisko, Agnico Eagle or Yamana nor a person who does not deal at arm's length for purposes of the Tax Act with a "specified shareholder" of Osisko, New Osisko, Agnico Eagle or Yamana (a "**Non-Resident Holder**"). The following portion of this summary, other than the portion under the heading "*Principal Canadian Federal Income Tax Considerations – Non-Resident Shareholders – Dissenting Shareholders*", applies to Non-Resident Holders that are not Dissenting Shareholders.

#### ***Transfer of Osisko Shares to Acquisitionco***

Pursuant to the Arrangement, Resident Holders will transfer their Osisko Shares to Acquisitionco in consideration for cash, Agnico Eagle Shares, Yamana Shares and New Osisko Shares. A Non-Resident Holder will not be subject to Canadian tax in respect of any gain realized on the disposition of its Osisko Shares pursuant to the Arrangement unless the Osisko Shares constitute "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

An Osisko Share will generally only be "taxable Canadian property" of a Non-Resident Holder if, at any time during the 60-month period immediately preceding the disposition of such Osisko Share, (i) the Non-Resident Holder, either alone or together with persons with whom the Non-Resident Holder did not deal at arm's length or with any partnership in which the Non-Resident Holder or persons with whom the Non-Resident Holder did not deal at arm's length held a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class of Osisko, and (ii) more than 50% of the fair market value of the Osisko Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act) and options in respect of, interests in, or civil law rights in, any such properties. An Osisko Share may be deemed to be "taxable Canadian property" in certain other circumstances.

Even if the Osisko Shares are "taxable Canadian property" to a Non-Resident Holder, such Non-Resident Holder may be exempt from Canadian tax on the disposition of such Osisko Shares by virtue of an applicable income tax treaty or convention to which Canada is a signatory. Non-Resident Holders whose Osisko Shares constitute "taxable Canadian property" should consult their own tax advisors in this regard.

If the Osisko Shares are "taxable Canadian property" to a Non-Resident Holder and such Non-Resident Holder is not exempt from Canadian tax in respect of the disposition of such Osisko Shares pursuant to an applicable income tax treaty or convention, the Non-Resident Holder's capital gain, if any, from the disposition of its Osisko Shares pursuant to the Arrangement will be calculated in the same manner as described above with respect to Resident Holders under the heading "*Principal Canadian Federal Income Tax Considerations – Resident Shareholders – Exchange of Osisko Shares for Class A Shares and New Osisko Shares – Capital Gain / Loss*", and one-half of any such capital gain will be included in the Non-Resident Holder's income as a taxable capital gain.

If the Osisko Shares are "taxable Canadian property" to a Non-Resident Holder, the Non-Resident Holder may in certain circumstances be required to file a Canadian tax return reporting the disposition of its Osisko Shares pursuant to the Arrangement even if no gain is realized by the Non-Resident Holder on the disposition or the gain is otherwise exempt from Canadian tax under the provisions of an applicable income tax treaty or convention.

### ***Consolidation of New Osisko Shares***

Pursuant to the New Osisko Share Consolidation, if the Consolidation Resolution is approved, the New Osisko Shares received by Former Osisko Shareholders will be consolidated. Based on the CRA's administrative position, a Non-Resident Holder should not be considered to have disposed of its New Osisko Shares as a result of the consolidation of New Osisko Shares, and the aggregate cost to a Non-Resident Holder of its New Osisko Shares immediately following the consolidation should be equal to the aggregate cost to such Non-Resident Holder of its New Osisko Shares immediately prior to the consolidation.

### ***Taxation of New Osisko Shares, Agnico Eagle Shares and Yamana Shares***

#### Withholding on Taxable Dividends

A Non-Resident Holder that receives Agnico Eagle Shares, Yamana Shares and New Osisko Shares pursuant to the Arrangement will be subject to Canadian withholding tax on the amount of any taxable dividends received by it on such shares. Under the Tax Act, the rate of withholding is 25% of the gross amount of the dividend. The withholding rate may be reduced pursuant to the provisions of an applicable income tax treaty or convention to which Canada is a party. Under the Canada – US Tax Treaty the withholding rate on any such dividend beneficially owned by a Non-Resident Holder that is a resident of the United States for purposes of the Canada – US Tax Treaty and fully entitled to the benefits of such treaty is generally reduced to 15%, and to 5% if such Non-Resident Holder is a corporation that beneficially owns at least 10% of the voting stock of the dividend payor.

Non-Resident Holders who wish to claim a reduced treaty withholding rate on any dividends paid on Agnico Eagle Shares or Yamana Shares received by them pursuant to the Arrangement will be required to submit two duly completed and signed copies of CRA form NR301 – "Declaration of Eligibility for Benefits Under a Tax Treaty for a Non-Resident Taxpayer" (or form NR302 or NR303, if applicable) to the Depositary in order to obtain a lower withholding tax rate under a tax treaty. Blank copies of form NR301 will be included with the Letter of Transmittal. Non-Resident Holders should consult their own tax advisors to determine their entitlement to relief under any applicable income tax treaty or convention and for assistance in completing their required form, if any.

#### Disposition of Shares

A Non-Resident Holder will not be subject to Canadian tax in respect of any capital gain realized on the disposition of its Agnico Eagle Shares, Yamana Shares or New Osisko Shares, as applicable, acquired pursuant to the Arrangement unless such shares constitute "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention. Provided that, at the time of disposition, the Agnico Eagle Shares, Yamana Shares or New Osisko Shares, as applicable, are listed on a designated stock exchange, the considerations applicable to determining whether a Non-Resident Holder's Agnico Eagle Shares, Yamana Shares or New Osisko Shares, as applicable, constitute "taxable Canadian property", and the resultant Canadian income tax consequences, are similar to those discussed above with respect to a Non-Resident Holder's Osisko Shares under the heading "*Principal*

### ***Dissenting Shareholders***

The following portion of this summary applies to Non-Resident Holders that are Dissenting Shareholders.

A Dissenting Shareholder that properly exercises Dissent Rights in respect of its Osisko Shares will be entitled to be paid the fair value of such Osisko Shares by Osisko. See *"The Arrangement – Dissent Rights"*. Such Dissenting Shareholder should be deemed to have received a taxable dividend equal to the amount by which the amount received (other than that portion that is in respect of interest, if any, awarded by the Court) exceeds the paid-up capital for tax purposes of the Osisko Shares held by such Dissenting Shareholder at that time. A Dissenting Shareholder will be subject to Canadian withholding tax on the amount of any taxable dividend deemed to be received by such Dissenting Shareholder. Under the Tax Act, the rate of withholding is 25% of the gross amount of the dividend. The withholding rate may be reduced pursuant to the provisions of an applicable income tax treaty or convention to which Canada is a party. Under the Canada–US Tax Treaty the withholding rate on any such dividend beneficially owned by a Non-Resident Holder who is a resident of the United States for purposes of the Canada–US Tax Treaty and fully entitled to the benefits of such treaty is generally reduced to 15%.

Interest, if any, awarded by the Court to a Dissenting Shareholder should not be subject to Canadian withholding under the Tax Act.

For purposes of determining a Dissenting Shareholder's capital gain, if any, on the Osisko Shares, the Dissenting Shareholder's proceeds of disposition will be equal to the amount received less the amount of any deemed taxable dividend, as described above, and interest, if any, awarded by the Court. A Dissenting Shareholder will be subject to Canadian federal income tax in respect of any such capital gain in the same manner, and to the extent, described above under the heading *"Principal Canadian Federal Income Tax Considerations – Non-Resident Shareholders – Transfer of Osisko Shares to Acquisitionco"*.

Under the Plan of Arrangement, Osisko Shareholders who fail to properly exercise, or who withdraw, their Dissent Rights will be treated as if they participated in the Arrangement on the same basis as non-dissenting Osisko Shareholders. The principal Canadian federal income tax considerations generally applicable to such Osisko Shareholders who are Non-Resident Holders in connection with their Osisko Shares will be the same as those described above in connection with Non-Resident Holders who do not exercise Dissent Rights.

### **Eligibility for Investment**

Based on the provisions of the Tax Act and the regulations thereunder in force on the date of this Circular:

1. the Class A Shares received by Osisko Shareholders pursuant to the Arrangement will be "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan and a tax-free savings account ("TFSA") (collectively, "Registered Plans") provided that, at the particular time, (i) such shares are listed on a designated stock exchange, or (ii) Osisko is a "public corporation" (within the meaning of the Tax Act);
2. the New Osisko Shares received by Osisko Shareholders pursuant to the Arrangement will be "qualified investments" under the Tax Act for Registered Plans provided that, at the particular time, (i) such shares are listed on a designated stock exchange, or (ii) New Osisko is a "public corporation" (within the meaning of the Tax Act);
3. the Agnico Eagle Shares received by Osisko Shareholders pursuant to the Arrangement will be "qualified investments" under the Tax Act for Registered Plans provided that, at the particular time, (i) such shares are listed on a designated stock exchange, or (ii) Agnico Eagle is a "public corporation" (within the meaning of the Tax Act); and



4. the Yamana Shares received by Osisko Shareholders pursuant to the Arrangement will be "qualified investments" under the Tax Act for Registered Plans provided that, at the particular time, (i) such shares are listed on a designated stock exchange, or (ii) Yamana is a "public corporation" (within the meaning of the Tax Act).

Notwithstanding the foregoing, a holder of Class A Shares, New Osisko Shares, Agnico Eagle Shares or Yamana Shares, as applicable, will be subject to a penalty tax if such shares are held in a RRSP, RRIF or TFSA, as the case may be, and are a "prohibited investment" for such RRSP, RRIF or TFSA under the Tax Act. The Class A Shares, New Osisko Shares, Agnico Eagle Shares and Yamana Shares, as applicable, will not be a prohibited investment for a RRSP, RRIF or TFSA held by a particular holder or annuitant provided the holder or annuitant (i) in the case of the Class A Shares, deals at arm's length with Osisko for the purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in Osisko, (ii) in the case of the New Osisko Shares, deals at arm's length with New Osisko for the purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in New Osisko, (iii) in the case of the Agnico Eagle Shares, deals at arm's length with Agnico Eagle for the purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in Agnico Eagle, or (iv) in the case of the Yamana Shares, deals at arm's length with Yamana for the purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in Yamana. In addition, the Class A Shares, New Osisko Shares, Agnico Eagle Shares and Yamana Shares, as applicable, will generally not be a prohibited investment if such shares are "excluded property" as defined in the Tax Act. Osisko Shareholders should consult their own tax advisors as to whether the Class A Shares, New Osisko Shares, Agnico Eagle Shares or Yamana Shares will be a prohibited investment in their particular circumstances.

#### **CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR U.S. HOLDERS**

**TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS CIRCULAR IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING BY US (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

The following discussion summarizes certain U.S. federal income tax consequences generally applicable to U.S. Holders (as defined below) of Osisko Shares relating to (i) the exchange of Osisko Shares for the Arrangement Cash Consideration, the Agnico Eagle Share Consideration, the Yamana Share Consideration and New Osisko Share Consideration pursuant to the Arrangement (the "**Exchange**"), (ii) the consolidation of New Osisko Shares pursuant to the New Osisko Share Consolidation, if the Consolidation Resolution is approved, and (iii) the ownership and disposition of New Osisko Shares, Agnico Eagle Shares and Yamana Shares received pursuant to the Arrangement. This discussion does not address the U.S. federal income tax consequences of (i) any conversion into Osisko Shares, New Osisko Shares, Agnico Eagle Shares, Yamana Shares or cash of any notes, debentures or other debt instruments, (ii) any vesting, conversion, assumption, disposition, exercise, exchange, or other transaction involving any rights to acquire Osisko Shares, New Osisko Shares, Agnico Eagle Shares or Yamana Shares, including Osisko Options and Osisko Convertible Securities, and (iii) any transaction, other than the Arrangement, in which Osisko Shares, New Osisko Shares, Agnico Eagle Shares, Yamana Shares or cash are acquired. It applies only to U.S. Holders that (x) hold the Osisko Shares, New Osisko Shares, Agnico Eagle Shares and Yamana Shares as "capital assets" (generally, assets held for investment purposes) and (y) are Non-Residents.

This discussion is for general information purposes only and does not purport to be a complete analysis of all potential U.S. federal income tax considerations that may be relevant to particular holders in light of their particular circumstances, nor does it deal with persons subject to special treatment under the Internal Revenue Code of 1986, as amended (the "**Code**"), such as brokers, dealers or traders in securities or currencies, banks, thrifts and other financial institutions, persons that elect to use a mark-to-market method of accounting for their securities holdings or Osisko Shares, New Osisko Shares, Agnico Eagle Shares or Yamana Shares, insurance companies, mutual funds,

tax-exempt organizations (including private foundations), real estate investment trusts, regulated investment companies, qualified retirement plans, individual retirement accounts and other tax-deferred accounts, passive foreign investment companies, controlled foreign corporations, persons liable for alternative minimum tax, persons that hold an interest in an entity that holds Osisko Shares, New Osisko Shares, Agnico Eagle Shares or Yamana Shares, persons that will own, or will have owned, directly, indirectly or constructively 10% or more (by vote or value) of Osisko's, Agnico Eagle's or Yamana's shares for U.S. federal income tax purposes, persons that hold Osisko Shares, New Osisko Shares, Agnico Eagle Shares or Yamana Shares as part of a hedging, integration, conversion or constructive sale transaction or a straddle, persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar, certain former citizens or long-term residents of the United States, persons that acquired Osisko Shares, New Osisko Shares, Agnico Eagle Shares or Yamana Shares through the exercise of employee stock options or otherwise in a compensation transaction, or entities classified as partnerships for U.S. federal income tax purposes.

In addition, this discussion does not address any aspect of U.S. state, local or non-U.S. taxation, U.S. federal estate or gift taxation or the 3.8% tax imposed on certain net investment income. Each Osisko Shareholder should consult its tax advisor as to the U.S. federal, state, local, non-U.S. and any other tax consequences of the Exchange, the New Osisko Share Consolidation (if approved) and the ownership and disposition of the New Osisko Shares, Agnico Eagle Shares and Yamana Shares received pursuant to the Arrangement. This discussion is based on the Code, its legislative history, U.S. Treasury Regulations, Internal Revenue Service ("IRS") rulings and published court decisions, all as in effect as of the date hereof, and any of which may be repealed, revoked or modified (possibly with retroactive effect) so as to result in U.S. federal income tax consequences different from those discussed below. No rulings have been or will be sought from the IRS, and Osisko has not received any legal opinion, regarding any of the tax consequences discussed herein. Accordingly, no assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax considerations set forth below.

As used herein, a "U.S. Holder" is a beneficial owner of Osisko Shares, New Osisko Shares, Agnico Eagle Shares or Yamana Shares, as applicable, that, for U.S. federal income tax purposes, is (i) a citizen or individual resident of the United States, (ii) a corporation (or other entity that is classified as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States or any State thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source, or (iv) a trust (A) if a U.S. court can exercise primary supervision over the trusts administration and one or more U.S. persons are authorized to control all substantial decisions of the trust, or (B) that has validly elected to be treated as a U.S. person for U.S. federal income tax purposes.

The tax treatment of a partner in a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) may depend on both the partnership's and the partner's status and the activities of the partnership. Partnerships that are beneficial owners of Osisko Shares, New Osisko Shares, Agnico Eagle Shares or Yamana Shares, and partners in such partnerships, should consult their tax advisors regarding the U.S. federal, state, local and non-U.S. tax considerations applicable to them relating to the Exchange, New Osisko Share Consolidation (if approved) and the ownership and disposition of any Agnico Eagle Shares and Yamana Shares received pursuant to the Arrangement.

**This discussion is of a general nature only. It is not intended to constitute, and should not be construed to constitute, legal or tax advice to any particular holder. U.S. Holders should consult their tax advisors as to the tax considerations applicable to them in their particular circumstances.**

### **U.S. Federal Income Tax Consequences Relating to the Exchange**

Pursuant to the Exchange, U.S. Holders that are Non-Residents will transfer each of their Osisko Shares to Acquisitionco in exchange for the Arrangement Cash Consideration, Agnico Eagle Share Consideration, Yamana Share Consideration and New Osisko Share Consideration. Osisko believes that the Exchange should be treated as a taxable transaction for U.S. federal income tax purposes.

### ***Receipt of the Arrangement Consideration in Exchange for Osisko Shares***

A U.S. Holder that exchanges its Osisko Shares pursuant to the Arrangement should recognize gain or loss in an amount equal to the difference, if any, between (a) the fair market value of the New Osisko Shares, Agnico Eagle Shares and Yamana Shares (determined as of the Effective Date) and the U.S. dollar value of the Canadian dollars received in exchange for Osisko Shares pursuant to the Arrangement and (b) the U.S. Holder's adjusted tax basis in the Osisko Shares exchanged therefor. U.S. Holders of Osisko Shares must calculate gain or loss separately for each block of Osisko Shares exchanged (that is, Osisko Shares acquired at the same cost in a single transaction).

Cash consideration paid in Canadian dollars pursuant to the Arrangement (including any amounts withheld to pay Canadian withholding taxes) will be taken into account in determining the taxable gain or loss recognized by a U.S. Holder of Osisko Shares in a U.S. dollar amount calculated by reference to the exchange rate between the U.S. dollar and the Canadian dollar in effect on the date of receipt by the U.S. Holder, regardless of whether the Canadian dollars so received are in fact converted into U.S. dollars. The Canadian dollars received by a U.S. Holder will have a tax basis equal to their U.S. dollar value on the date of receipt. If the Canadian dollars are converted into U.S. dollars on the date of receipt, the U.S. Holder generally should not be required to recognize foreign currency gain or loss. A U.S. Holder may have foreign currency exchange gain or loss if the Canadian dollars are converted into U.S. dollars after the date of receipt. In general, foreign currency exchange gain or loss will be treated as U.S.-source ordinary gain or loss for foreign tax credit purposes.

Subject to the passive foreign investment company ("PFIC") rules discussed below, gain or loss on the disposition of Osisko Shares will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder held the Osisko Shares for more than one year. Long-term capital gains recognized by U.S. Holders that are not corporations generally are eligible for reduced rates of U.S. federal income taxation. The deductibility of capital losses is subject to limitations under the Code.

A U.S. Holder's adjusted tax basis in an Osisko Share generally will equal its cost to the U.S. Holder. In the case of an Osisko Share purchased for foreign currency, the cost of the Osisko Share to a U.S. Holder will be the U.S. dollar value of the foreign currency purchase price on the date of purchase. In the case of an Osisko Share that is traded on an established securities market, a cash basis U.S. Holder (and, if it so elects, an accrual basis U.S. Holder) determines the U.S. dollar value of the cost of such Osisko Share by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

A U.S. Holder's initial aggregate tax basis in the New Osisko Shares, Agnico Eagle Shares and Yamana Shares received pursuant to the Arrangement will be equal to the fair market value of such shares (determined as of the Effective Date), and the U.S. Holder's holding period in the New Osisko Shares, Agnico Eagle Shares and Yamana Shares received would begin on the day after the Effective Date.

### ***Dissenting Shareholders***

A U.S. Holder that exercises Dissent Rights in the Arrangement and is paid cash in exchange for all of such U.S. Holder's Dissenting Shares generally will recognize gain or loss in an amount equal to the difference, if any, between (i) the U.S. dollar value of the Canadian dollars received by such U.S. Holder in exchange for its Dissenting Shares (other than amounts, if any, that are or are deemed to be interest for U.S. federal income tax purposes, which amounts will be taxed as ordinary income) and (ii) the U.S. Holder's adjusted tax basis in the Dissenting Shares. Subject to the PFIC rules discussed below, such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the Dissenting Shareholder held the Dissenting Shares for more than one year. Long-term capital gains recognized by U.S. Holders that are not corporations generally are eligible for reduced rates of U.S. federal income taxation. The deductibility of capital losses is subject to limitations under the Code.

Cash consideration paid in Canadian dollars to a U.S. Holder that exercises Dissent Rights (including any amounts withheld to pay Canadian withholding taxes) will be taken into account as described above under the heading "*Certain U.S. Federal Income Tax Considerations for U.S. Holders – U.S. Federal Income Tax Consequences Relating to the Exchange – Receipt of the Arrangement Consideration in Exchange for Osisko Shares*".

### *PFIC Rules and PFIC Status of Osisko*

Certain adverse consequences could apply to a U.S. Holder if Osisko is treated as a PFIC for any taxable year during which the U.S. Holder holds Osisko Shares. A non-U.S. corporation will be considered a PFIC for any taxable year in which, after applying certain look through rules, (1) 75% or more of its gross income is "passive income" or (2) 50% or more of the average quarterly value of its assets produce (or are held for the production of) "passive income". For this purpose, "passive income" generally includes, among other things, interest, dividends, rents, royalties, certain gains from the sale of stock and securities and certain gains from commodities transactions. Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all (85% or more) of a foreign corporation's commodities are stock in trade or inventory, depreciable property used in a trade or business, or supplies regularly used or consumed in the ordinary course of a trade or business.

Based on the nature of its income, assets and activities, Osisko does not believe that it was a PFIC in its 2011, 2012 and 2013 taxable years and does not expect that it will be a PFIC for the current taxable year. However, Osisko believes that it may have been a PFIC in its 2010 taxable year and prior taxable years. The determination as to whether a non-U.S. corporation is a PFIC for any taxable year is based on the application of complex U.S. federal income tax rules, including the active commodities exclusion, which are subject to differing interpretations, depends on the composition of the corporation's income, expenses and assets from time to time and the nature of its activities, and is not determinable until after the end of such taxable year. Moreover, Osisko has not requested or received an opinion from its U.S. tax counsel as to whether it was a PFIC in past taxable years or will be determined to be a PFIC in the current taxable year. Because of the above described uncertainties, there can be no assurance that the IRS would not challenge the determination made by Osisko concerning its PFIC status or that Osisko would not be a PFIC for any taxable year. If Osisko is classified as a PFIC in any year during which a U.S. Holder owns Osisko Shares, certain adverse tax consequences could apply to such U.S. Holder. These rules would apply to a U.S. Holder that held Osisko Shares during any year in which Osisko was a PFIC, even if Osisko were not a PFIC in the year in which the U.S. Holder exchanged the Osisko Shares pursuant to the Arrangement, unless certain elections were made.

If Osisko is classified as a PFIC in any year in which a U.S. Holder held Osisko Shares, and the U.S. Holder has not made any of the elections described below, the U.S. Holder would be required to report any gain on the disposition of Osisko Shares pursuant to the Exchange as ordinary income, rather than as capital gain, and to compute the tax liability on the gain as if such item had been earned ratably over each day in the U.S. Holder's holding period (or a portion thereof) for the Osisko Shares. The amounts allocated to the taxable year during which the gain is realized is made, and to any taxable years in such U.S. Holder's holding period that are before the first taxable year in which Osisko was treated as a PFIC with respect to the U.S. Holder, would be included in the U.S. Holder's gross income as ordinary income for the taxable year of the gain. The amount allocated to each other taxable year would be taxed as ordinary income in the taxable year during which the gain is realized at the highest tax rate in effect for the U.S. Holder in that other taxable year and would be subject to an interest charge as if the income tax liabilities had been due with respect to each such prior year.

The adverse tax consequences described above may be mitigated if a U.S. Holder has made a timely "qualified electing fund" election (a "**QEF election**") with respect to its interest in Osisko. In order for a U.S. Holder to have made a timely QEF election, the U.S. Holder would have had to elect to treat Osisko as a "qualified electing fund" (a "**QEF**") with respect to such U.S. Holder in the first year in which it held Osisko Shares while Osisko was a PFIC, unless the U.S. Holder elected to recognize gain (which would be taxed under the PFIC rules discussed above) as if such Osisko Shares were sold for fair market value as of the first day in the first year that the QEF election applies to such Osisko Shares. If a U.S. Holder made a timely QEF election with respect to Osisko, the electing U.S. Holder would have been required in each taxable year that Osisko is considered a PFIC to include in gross income (i) as ordinary income, the U.S. Holder's pro rata share of the ordinary earnings of Osisko and (ii) as capital gain, the U.S. Holder's pro rata share of the net capital gain (if any) of Osisko, whether or not the ordinary earnings or net capital gain are distributed. An electing U.S. Holder's basis in its Osisko Shares would be adjusted to reflect any such income or loss amounts.

Alternatively, if Osisko is classified as a PFIC in any year in which a U.S. Holder held Osisko Shares, a U.S. Holder could also avoid certain of the rules described above by making a mark-to-market election (instead of a QEF

election), provided the Osisko Shares are treated as regularly traded on a qualified exchange or other market within the meaning of the applicable Treasury regulations.

U.S. Holders should consult their tax advisors regarding the tax consequences that would arise if Osisko were treated as a PFIC for any year, any applicable information reporting requirements and the availability and consequences of any elections that may help mitigate the tax consequences to a U.S. Holder if Osisko were a PFIC.

### **U.S. Federal Income Tax Consequences Relating to the New Osisko Share Consolidation**

In general, U.S. Holders will not recognize any additional gain or loss upon the New Osisko Share Consolidation. If the Consolidation Resolution is approved, the aggregate tax basis of a U.S. Holder's New Osisko Shares after the New Osisko Share Consolidation will equal the aggregate tax basis of that U.S. Holder's New Osisko Shares immediately before the New Osisko Share Consolidation. The holding period of a U.S. Holder's New Osisko Shares after the New Osisko Share Consolidation will generally include the holding period of that U.S. Holder's New Osisko Shares before the New Osisko Share Consolidation.

### **U.S. Federal Income Tax Consequences Arising from the Ownership and Disposition of New Osisko Shares, Agnico Eagle Shares and Yamana Shares Received Pursuant to the Arrangement**

#### ***Distributions on New Osisko Shares, Agnico Eagle Shares or Yamana Shares***

In general, subject to the PFIC rules discussed above and the discussion of New Osisko's, Agnico Eagle's and Yamana's PFIC status below, the gross amount of any distributions made to a U.S. Holder with respect to a New Osisko Share, Agnico Eagle Share or Yamana Share (including amounts withheld to pay Canadian withholding taxes) will constitute a dividend for U.S. federal income tax purposes to the extent paid out of New Osisko's, Agnico Eagle's or Yamana's, as the case may be, current or accumulated earnings and profits, as determined under U.S. federal income tax principles. A distribution in excess of New Osisko's, Agnico Eagle's or Yamana's current and accumulated earnings and profits will be treated first as a non-taxable return of capital to the extent of the U.S. Holder's tax basis in the New Osisko Shares, Agnico Eagle Shares or Yamana Shares, as the case may be, on which the distribution is paid and thereafter as gain from the sale or exchange of the New Osisko Shares, Agnico Eagle Shares or Yamana Shares, which will be taxable according to rules discussed below under the heading "*Certain U.S. Federal Income Tax Considerations for U.S. Holders – U.S. Federal Income Tax Consequences Arising from the Ownership and Disposition of New Osisko Shares, Agnico Eagle Shares and Yamana Shares Received Pursuant to the Arrangement – Sales or Other Dispositions of New Osisko Shares, Agnico Eagle Shares or Yamana Shares*".

However, neither New Osisko, Agnico Eagle nor Yamana may maintain calculations of their earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by New Osisko, Agnico Eagle or Yamana with respect to the New Osisko Shares, Agnico Eagle Shares or Yamana Shares, as the case may be, will constitute ordinary dividend income.

The amount of any dividend paid to a U.S. Holder in Canadian dollars (including amounts withheld to pay Canadian withholding taxes) will be includible in income in a U.S. dollar value amount by reference to the exchange rate between the U.S. dollar and the Canadian dollar in effect on the date of receipt of such dividend by the U.S. Holder, regardless of whether the Canadian dollars so received are in fact converted into U.S. dollars. The Canadian dollars received by a U.S. Holder will have a tax basis equal to their U.S. dollar value on the date of receipt. If the Canadian dollars are converted into U.S. dollars on the date of receipt, the U.S. Holder generally should not be required to recognize foreign currency gain or loss. A U.S. Holder may have foreign currency exchange gain or loss if the Canadian dollars are converted into U.S. dollars after the date of receipt. In general, foreign currency exchange gain or loss will be treated as U.S. source ordinary gain or loss for foreign tax credit purposes.

Provided that each of New Osisko, Agnico Eagle and Yamana is not a PFIC, distributions to certain non-corporate U.S. Holders on New Osisko Shares, Agnico Eagle Shares or Yamana Shares, as the case may be, that are treated as dividends may be taxed at preferential rates, provided applicable holding period requirements are met and certain other conditions are satisfied. Such dividends will not be eligible for the "dividends received" deduction ordinarily allowed to corporate shareholders with respect to dividends received from U.S. corporations.

A distribution on the New Osisko Shares, Agnico Eagle Shares or Yamana Shares generally will be foreign-source income for U.S. foreign tax credit purposes, and should generally constitute "passive category income". A U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any Canadian withholding taxes imposed on dividends received on the New Osisko Shares, Agnico Eagle Shares or Yamana Shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign income tax withheld may instead deduct the taxes withheld, but only for a year in which the holder elects to do so for all creditable foreign income taxes. The foreign tax credit rules are complex, and U.S. Holders should consult their tax advisors regarding the availability of the foreign tax credit based on their particular circumstances.

#### ***Sales or Other Dispositions of New Osisko Shares, Agnico Eagle Shares or Yamana Shares***

Generally, a U.S. Holder will recognize gain or loss on any sale or other disposition of New Osisko Shares, Agnico Eagle Shares or Yamana Shares received pursuant to the Arrangement equal to the difference between the amount realized by the U.S. Holder on the sale or other disposition and the U.S. Holder's adjusted tax basis in the New Osisko Shares, Agnico Eagle Shares or Yamana Shares, as the case may be. Subject to the PFIC rules discussed above and the discussion of New Osisko's, Agnico Eagle's and Yamana's PFIC status below, gain or loss on the sale or other disposition of New Osisko Shares, Agnico Eagle Shares or Yamana Shares will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder held the New Osisko Shares, Agnico Eagle Shares or Yamana Shares, as the case may be, for more than one year. Long-term capital gains recognized by U.S. Holders that are not corporations generally are eligible for reduced rates of U.S. federal income taxation. The deductibility of capital losses is subject to limitations under the Code.

#### ***PFIC Status of New Osisko, Agnico Eagle and Yamana***

Certain adverse consequences could apply to a U.S. Holder if New Osisko, Agnico Eagle or Yamana is treated as a PFIC during any taxable year in which the U.S. Holder holds New Osisko Shares, Agnico Eagle Shares or Yamana Shares, respectively.

Although New Osisko will be incorporated prior to the implementation of the Plan of Arrangement, it will not hold any assets or conduct any activities until Osisko transfers the New Osisko Assets to New Osisko pursuant to the Arrangement. Accordingly, New Osisko will not make a determination of its PFIC status for the current taxable year or any future taxable year until after the Effective Time. Agnico Eagle has stated publicly that it does not expect to be a PFIC for the taxable year ending December 31, 2013, or thereafter. Based on the nature of its income, assets and activities, Yamana does not believe that it was a PFIC for the taxable year ended December 31, 2013 and does not expect that it will be a PFIC for the current taxable year. The determination of whether New Osisko, Agnico Eagle or Yamana is a PFIC is based on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and will depend on the composition of the relevant corporation's income, expenses and assets from time to time and the nature of its activities. PFIC classification is factual in nature, and generally cannot be determined until the close of the taxable year in question. Consequently, there can be no assurances regarding the PFIC status of New Osisko, Agnico Eagle or Yamana for its current or any future taxable year.

If New Osisko, Agnico Eagle or Yamana is a PFIC in any taxable year, a U.S. Holder that does not make a QEF election or mark-to-market election would be required to report any gain on the disposition of New Osisko Shares, Agnico Eagle Shares and Yamana Shares, as the case may be, and to compute the tax liability on the gain and any "Excess Distribution" (as defined herein) received in respect of such shares in the same manner as any gain on the disposition of Osisko Shares pursuant to the Exchange, as described under the heading "*Certain U.S. Federal Income Tax Considerations for U.S. Holders – U.S. Federal Income Tax Consequences Relating to the Exchange – PFIC Rules and PFIC Status of Osisko*". For purposes of these rules, gifts, exchanges pursuant to corporate reorganizations and use of New Osisko Shares, Agnico Eagle Shares or Yamana Shares as security for a loan may be treated as a taxable disposition of such shares. An "**Excess Distribution**" is the amount by which distributions during a taxable year in respect of a New Osisko Share, Agnico Eagle Share or Yamana Share, as the case may be, exceed 125% of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the applicable shares).

Certain additional adverse tax rules will also apply to a U.S. Holder for any taxable year in which any of New Osisko, Agnico Eagle or Yamana is treated as a PFIC with respect to such U.S. Holder and any of its subsidiaries is

also treated as a PFIC (a "**Subsidiary PFIC**"). In such a case, the U.S. Holder will generally be deemed to own its proportionate interest (by value) in any Subsidiary PFIC and be subject to the PFIC rules described above with respect to the Subsidiary PFIC. A QEF election made with respect to New Osisko, Agnico Eagle or Yamana will not apply to any Subsidiary PFIC; a QEF election must be made separately for each Subsidiary PFIC (in which case the treatment described above would apply to such Subsidiary PFIC). If a U.S. Holder makes a timely QEF election with respect to a Subsidiary PFIC, it would be required in each taxable year to include in gross income its pro rata share of the ordinary earnings and net capital gain of such Subsidiary PFIC, but may not receive a distribution of such income. Such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge (which would not be deductible if the U.S. Holder were an individual). A U.S. Holder will not be permitted to make a mark-to-market election with respect to a Subsidiary PFIC.

If New Osisko, Agnico Eagle or Yamana determines that it, and any subsidiary in which it owns, directly or indirectly, 50% or more of such subsidiary's total aggregate voting power, is likely a PFIC in any taxable year, New Osisko, Agnico Eagle or Yamana, as the case may be, may or may not make available to U.S. Holders the information necessary for U.S. Holders to make a QEF election with respect to New Osisko, Agnico Eagle or Yamana, as applicable, and any such subsidiary, for the taxable year.

During any taxable year in which New Osisko, Agnico Eagle, Yamana or any Subsidiary PFIC is treated as a PFIC with respect to a U.S. Holder, that U.S. Holder must file IRS Form 8621.

U.S. Holders should consult their tax advisors regarding the consequences of owning and disposing of stock of a PFIC, including the potential availability of a mark-to-market election, the advisability of making a protective QEF election in case New Osisko, Agnico Eagle or Yamana is classified as a PFIC in any taxable year and the applicability of annual filing requirements.

#### ***Foreign Asset Reporting***

Certain U.S. Holders who are individuals are required to report information relating to an interest in the New Osisko Shares, Agnico Eagle Shares and Yamana Shares received pursuant to the Arrangement, subject to certain exceptions (including an exception for shares held in accounts maintained by financial institutions), by attaching a completed IRS Form 8938, Statement of Specified Foreign Financial Assets, with its tax return for each year in which it held an interest in the New Osisko Shares, Agnico Eagle Shares or Yamana Shares, as the case may be. U.S. Holders should consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of the New Osisko Shares, Agnico Eagle Shares and Yamana Shares received pursuant to the Arrangement.

**THE PRECEDING DISCUSSION OF U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT LEGAL OR TAX ADVICE. EACH SHAREHOLDER IS ENCOURAGED TO CONSULT ITS TAX ADVISOR AS TO PARTICULAR TAX CONSEQUENCES TO THEM RELATING TO THE ARRANGEMENT AND TO THE CONSEQUENCES OF OWNING AND DISPOSING OF NEW OSISKO SHARES, AGNICO EAGLE SHARES AND YAMANA SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. TAX LAWS, AND OF ANY PROPOSED CHANGES IN APPLICABLE LAWS.**

#### **NOTICE TO NON-CANADIAN OSISKO SHAREHOLDERS**

It is strongly recommended that all Osisko Shareholders who are not Resident Holders consult their own legal and tax advisors with respect to the income tax consequences applicable in their place of residency of the disposition of their Osisko Shares, Agnico Eagle Shares, Yamana Shares or New Osisko Shares.

## INTERESTS OF DIRECTORS AND OFFICERS OF OSISKO IN THE ARRANGEMENT

In considering the recommendation of the Osisko Board, Osisko Securityholders should be aware that members of the Osisko Board and the executive officers of Osisko have interests in the Arrangement or may receive benefits that may differ from, or be in addition to, the interests of Osisko Securityholders generally.

All benefits received, or to be received, by directors or executive officers of Osisko as a result of the Arrangement are, and will be, solely in connection with their services as directors or employees of Osisko. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such person for Osisko Shares, nor is it, or will it be, conditional on the person supporting the Arrangement.

Osisko has entered into certain employment agreements (the "**Employment Agreements**") with certain Osisko officers, which include change of control and termination provisions. See "*Statement of Executive Compensation – Termination and Change of Control Benefits*" in Schedule "M" to this Circular. In addition, the Osisko DSU Plan and the Osisko RSU Plan include change of control provisions. Osisko also maintains the Osisko Employee Share Purchase Plan and the Osisko Stock Option Plan for its directors, officers, and employees that include change of control provisions. The disclosure in Schedule "M" to this Circular generally describes the material effects under the Employment Agreements, the Osisko DSU Plan, the Osisko RSU Plan, the Osisko Employee Share Purchase Plan and the Osisko Stock Option Plan, in each case based on information as at December 31, 2013, as they relate to payments and other benefits that may become due to directors and officers of Osisko, as applicable, in the event the Arrangement is completed.

The actual amounts or benefits to which Osisko's directors, officers and other employees may receive pursuant to Osisko's various plans and programs that provide for change of control entitlements may be materially higher than the amounts estimated as of December 31, 2013 in Schedule "M" to this Circular.

## RISK FACTORS

### **Risk Factors Relating to the Arrangement**

The following risk factors relating to the Arrangement should be considered by Osisko Securityholders in evaluating whether to vote to approve the Arrangement Resolution. These risk factors should be considered in conjunction with the risks described in the Osisko AIF, Agnico Eagle AIF and Yamana AIF, incorporated by reference in this Circular, which are filed on SEDAR, together with the other information contained in or incorporated by reference into this Circular.

Certain additional risk factors relating to Agnico Eagle, Yamana and the Arrangement are also set out in Schedule "J" – "*Information Concerning Agnico Eagle as of April 30, 2014*" and Schedule "K" – "*Information Concerning Yamana as of April 28, 2014*".

### ***Level of Shareholder Approval Required.***

The Arrangement requires that the Arrangement Resolution be approved by not less than two-thirds of the votes cast by Osisko Shareholders and Osisko Optionholders, voting as a single class, and by not less than two-thirds of the votes cast by Osisko Shareholders, in each case, present in person or represented by proxy at the Meeting. There can be no certainty, nor can Osisko provide any assurance, that the requisite Osisko Securityholder approval of the Arrangement Resolution will be obtained. If such approval is not obtained and the Arrangement is not completed, the market price of Osisko Shares may decline to the extent that the current market price reflects a market assumption that the Arrangement will be completed. If the Arrangement is not completed and the Osisko Board decides to seek another merger or arrangement, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the Arrangement Consideration to be paid pursuant to the Arrangement.



***The Arrangement Agreement may be terminated in certain circumstances, including in the event of a change having a Material Adverse Effect on Osisko.***

Each of Agnico Eagle and Yamana has the right to terminate the Arrangement Agreement and the Arrangement in certain circumstances. Accordingly, there is no certainty, nor can Osisko provide any assurance, that the Arrangement Agreement will not be terminated by either Agnico Eagle or Yamana before the completion of the Arrangement. For example, Agnico Eagle and Yamana have the right, in certain circumstances, to terminate the Arrangement Agreement if changes occur that have a Material Adverse Effect on Osisko.

Although a Material Adverse Effect excludes certain events that are beyond the control of Osisko (such as, but not limited to, changes in general to economic, political, financial or capital market conditions and changes affecting the worldwide gold mining industry generally), there is no assurance that a change having a Material Adverse Effect on Osisko will not occur before the Effective Date, in which case Agnico Eagle or Yamana could elect to terminate the Arrangement Agreement and the Arrangement would not proceed.

In addition, each of Agnico Eagle and Yamana has the right to terminate the Arrangement Agreement if any person acquires 20% or more of the issued and outstanding Osisko Shares. See *"The Arrangement Agreement – Termination Fee and Expense Fee"*.

***Because the market price of the Agnico Eagle Shares and Yamana Shares will fluctuate and the Agnico Eagle Share Consideration and Yamana Share Consideration issuable pursuant to the Arrangement is fixed, Osisko Shareholders cannot be certain of the market value of the Agnico Eagle Shares and Yamana Shares they may receive for their Osisko Shares under the Arrangement.***

The number of Agnico Eagle Shares and Yamana Shares comprising the Agnico Eagle Share Consideration and Yamana Share Consideration, respectively, will not increase or decrease due to fluctuations in the market price of Agnico Eagle Shares, Yamana Shares or Osisko Shares. The market price of Agnico Eagle Shares, Yamana Shares or Osisko Shares could each fluctuate significantly prior to the Effective Date in response to various factors and events, including, without limitation, any differences between Agnico Eagle's, Yamana's and Osisko's actual financial or operating results and those expected by investors and analysts, changes in analysts' projections or recommendations, fluctuations in the prices of silver and gold, changes in general economic or market conditions, and broad market fluctuations. As a result of such fluctuations, historical market prices are not indicative of future market prices or the market value of the Agnico Eagle Shares and Yamana Shares that holders of Osisko Shares are expected to receive on the Effective Date. There can be no assurance that the value of the cash, Agnico Eagle Shares, Yamana Shares and New Osisko Shares which the holders of Osisko Shares are expected to receive on the Effective Date will equal or exceed the market value of the Osisko Shares held by such Osisko Shareholders prior to the Effective Date. In addition, the trading price of the Agnico Eagle Shares, Yamana Shares or the New Osisko Shares may decline following the completion of the Arrangement.

***There can be no certainty that all conditions precedent to the Arrangement will be satisfied. Failure to complete the Arrangement could negatively impact the market price of the Osisko Shares.***

The Arrangement is subject to certain conditions that are outside the control of Osisko, Agnico Eagle and Yamana including, without limitation, the receipt of the Final Order, the receipt of Competition Act Approval, Environmental Approvals and other regulatory approvals. Each of Osisko, Agnico Eagle and Yamana has the right, in certain circumstances, to terminate the Arrangement Agreement if certain mutual conditions and other conditions for its benefit under the Arrangement Agreement are not satisfied or waived in accordance with the Arrangement Agreement and such conditions are incapable of being satisfied by the Completion Date. There can be no assurance that these conditions will be satisfied or, if satisfied, when they will be satisfied. If the Arrangement is not completed, the market price of the Osisko Shares may decline.

If the Arrangement is not completed and the Osisko Board decides to seek another merger or business combination, there can be no assurance that it will be able to find a party willing to pay consideration for the Osisko Shares that is equivalent to, or more attractive than, the Arrangement Consideration payable pursuant to the Arrangement.

Certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by Osisko even if the Arrangement is not completed.

***The Termination Payment and Termination Fee provided under the Arrangement Agreement if the Arrangement Agreement is terminated in certain circumstances may discourage other parties from attempting to acquire Osisko.***

Under the Arrangement Agreement, Osisko is required to pay a Termination Payment of \$195 million or a Termination Fee of \$20 million in the event the Arrangement Agreement is terminated in certain circumstances. The Termination Payment and Termination Fee may discourage other parties from attempting to acquire the Osisko Shares, even if those parties would otherwise be willing to offer greater value than that offered under the Arrangement. See "*The Arrangement Agreement – Termination Fee and Expense Fee*".

***The unaudited pro forma condensed consolidated financial statements of each of New Osisko, Agnico Eagle and Yamana are presented for illustrative purposes only and may not be an indication of New Osisko's, Agnico Eagle's and Yamana's respective financial condition or results of operations following the Arrangement.***

The unaudited *pro forma* condensed consolidated financial statements contained in this Circular are presented for illustrative purposes only as of their respective dates and may not be an indication of the financial condition or results of operations of New Osisko, Agnico Eagle and Yamana, respectively, following the Arrangement for several reasons. For example, the unaudited *pro forma* condensed consolidated financial statements have been derived from the respective historical financial statements of Osisko, Agnico Eagle and Yamana and certain adjustments and assumptions made as of the dates indicated therein and have been made to give effect to the Arrangement and the other respective relevant transactions. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy.

***Directors and officers of Osisko may have interests in the Arrangement that are different from those of Osisko Securityholders generally.***

Certain officers and directors of Osisko may have interests in the Arrangement that may be different from, or in addition to, the interests of Osisko Securityholders generally including, but not limited to, those interests discussed under the heading "*Interests of Directors and Officers of Osisko in the Arrangement*". The Osisko Board retained its own independent legal counsel and financial advisor in respect of the Arrangement. In addition, the Osisko Board established the Special Committee to evaluate the Arrangement and advise the full Osisko Board on whether the Arrangement is in the best interests of Osisko. The Special Committee and the Osisko Board each recommended in favour of the Arrangement. Nevertheless, Osisko Securityholders should consider these interests in connection with their vote on the Arrangement Resolution, including whether these interests may have influenced Osisko's executive officers and directors to recommend or support the Arrangement.

***Uncertainty relating to the trading of New Osisko Shares.***

There can be no assurance regarding the market price of the New Osisko Shares following the Arrangement. The market stability and trading liquidity of the New Osisko Shares may decrease (as compared to the Osisko Shares) as a result of the Arrangement.

### **Risk Factors Related to the Operations of Osisko**

Following the completion of the Arrangement, Agnico Eagle, Yamana and New Osisko will face many of the risks that Osisko currently faces with respect to its business and affairs. A description of certain other risk factors (incorporated by reference into this Circular) applicable to Osisko is contained under the heading "*Risk Factors*" in the Osisko AIF, incorporated by reference into this Circular, and in Osisko's other filings with Securities Authorities.

### **Risk Factors Related to the Operations of Agnico Eagle**

Following the completion of the Arrangement, Osisko, Canadian Malartic GP and Yamana will face many of the risks that Agnico Eagle currently faces with respect to its business and affairs. A description of certain other risk factors (incorporated by reference into this Circular) applicable to Agnico Eagle is contained under the heading "*Risk Factors*" in the Agnico Eagle AIF, incorporated by reference into this Circular, and in Agnico Eagle's other filings with Securities Authorities.

### **Risk Factors Related to the Operations of Yamana**

Following the completion of the Arrangement, Osisko, Canadian Malartic GP and Agnico Eagle will face many of the risks that Yamana currently faces with respect to its business and affairs. A description of certain other risk factors (incorporated by reference into this Circular) applicable to Yamana is contained under the heading "*Risk Factors*" in the Yamana AIF, incorporated by reference into this Circular, and in Yamana's other filings with Securities Authorities.

### **Risk Factors Related to the Operations of New Osisko**

Following the completion of the Arrangement, New Osisko will face many of the risks that Osisko currently faces with respect to its business and affairs. A description of certain risk factors applicable to New Osisko is contained under the heading "*Risk Factors*" in Schedule "I" – *Information Concerning New Osisko as of April 30, 2014*.

## **INFORMATION CONCERNING OSISKO**

Information concerning Osisko is set out in Schedule "H" – *Information Concerning Osisko as of April 30, 2014*.

## **INFORMATION CONCERNING NEW OSISKO**

Provided that the Arrangement Resolution is approved, Osisko Shareholders will be asked to approve the New Osisko Resolutions to approve the New Osisko Stock Option Plan, the New Osisko Shareholder Rights Plan and the New Osisko Share Consolidation.

Completion of the Arrangement or approval of the Arrangement Resolution is not conditional upon the approval of any of the Out-of-the-Money Consideration Resolution, New Osisko Resolutions or Annual Resolutions that Osisko Shareholders are being asked to consider.

### ***New Osisko Stock Option Plan***

The New Osisko Stock Option Plan is designed to advance the interests of New Osisko by encouraging employees, officers, directors and consultants to have equity participation in New Osisko through the acquisition of New Osisko Shares. Under the New Osisko Stock Option Plan, stock options may be granted to employees, officers, directors and consultants of New Osisko and its subsidiaries.

The New Osisko Options granted under the New Osisko Stock Option Plan, shall be exercised within a period of time fixed by the New Osisko Board, not to exceed seven years from the date the option is granted (the "**Option Period**"). The New Osisko Options shall vest and may be exercised during the Option Period in such manner as the New Osisko Board may fix by resolution. The New Osisko Options which have vested may be exercised in whole or in part at any time and from time to time during the Option Period. The aggregate number of New Osisko Shares to be delivered upon the exercise of all New Osisko Options granted under the New Osisko Stock Option Plan shall not exceed the greater of 10% of the issued and outstanding New Osisko Shares at the time of granting of the New Osisko Options (on a non-diluted basis) or such other number as may be approved by the TSX and the New Osisko Shareholders from time to time.

The number of New Osisko Shares subject to a New Osisko Option granted to a participant under the New Osisko Stock Option Plan shall be determined in the resolution of the New Osisko Board and no participant shall be granted a New Osisko Option which exceeds 5% of the issued and outstanding New Osisko Shares at the time of granting of the New Osisko Option.

#### ***New Osisko Shareholder Rights Plan***

The purpose of the New Osisko Shareholder Rights Plan is to provide the New Osisko Board and New Osisko Shareholders with sufficient time to properly consider any take-over bid made for New Osisko and to allow enough time for competing bids and alternative proposals to emerge. The New Osisko Shareholder Rights Plan also seeks to ensure that all New Osisko Shareholders are treated fairly in any transaction involving a change of control of New Osisko and that all New Osisko Shareholders have an equal opportunity to participate in the benefits of a take-over bid. The New Osisko Shareholder Rights Plan encourages potential acquirers to negotiate the terms of any offer for New Osisko Shares with the New Osisko Board or, alternatively, to make a Permitted Bid (as defined in the Shareholder Rights Plan) without the approval of the New Osisko Board. The New Osisko Shareholder Rights Plan addresses several concerns that are widely believed to be inherent in the provisions of current legislation governing take-over bids in Québec.

#### ***New Osisko Share Consolidation***

In accordance with the Consolidation Resolution, and if the Consolidation Resolution is approved, the issued and outstanding New Osisko Shares will, immediately following the completion of the step in subsection 3.3(o) in the Plan of Arrangement, be consolidated pursuant to the QBCA on the basis that each such New Osisko Share immediately prior to consolidation shall become 0.1 of a New Osisko Share immediately following consolidation. In the event that the New Osisko Share Consolidation would otherwise result in the issuance of a fraction of a New Osisko Share to a holder of New Osisko Shares, no such fractional share will be issued and the number of New Osisko Shares received by the holder will be rounded down to the nearest whole number.

The purpose of the New Osisko Share Consolidation is to provide for a higher post-consolidation share price per New Osisko Share, which may permit investment in New Osisko by a larger base of potential new investors who cannot otherwise invest below a minimum per share value threshold. A larger potential investor pool may also result in a possible increase in trading activity. In addition, the proposed consolidation would align the New Osisko outstanding share capital more closely with other royalty companies.

Information concerning New Osisko is set out in Schedule "I" – *Information Concerning New Osisko as of April 30, 2014*.

### **INFORMATION CONCERNING AGNICO EAGLE**

Information concerning Agnico Eagle is set out in Schedule "J" – *Information Concerning Agnico Eagle as of April 30, 2014*.

### **INFORMATION CONCERNING YAMANA**

Information concerning Yamana is set out in Schedule "K" – *Information Concerning Yamana as of April 28, 2014*.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of Osisko, after reasonable enquiry, no informed person of Osisko, or any associate or affiliate of any informed person, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect Osisko since the commencement of Osisko's most recently completed fiscal year.

## **MANAGEMENT CONTRACTS**

No management functions of Osisko or any subsidiaries are performed to any substantial degree by a person other than the directors or officers of Osisko.

## **AUDITORS**

Osisko's auditors are PricewaterhouseCoopers, LLP, 1250, boulevard René-Lévesque Ouest, bureau 2800, Montréal QC H3B 2G4.

## **LEGAL MATTERS**

Certain Canadian legal matters in connection with the Arrangement as they pertain to Osisko will be passed upon by Bennett Jones LLP. Certain Canadian legal matters in connection with the Arrangement as they pertain to Agnico Eagle will be passed upon by Davies Ward Phillips & Vineberg LLP. Certain Canadian legal matters in connection with the Arrangement as they pertain to Yamana will be passed upon by Norton Rose Fulbright Canada LLP. Certain U.S. legal matters in connection with the Arrangement as they pertain to Osisko will be passed upon by Skadden, Arps, Slate, Meagher & Flom LLP. Certain U.S. legal matters in connection with the Arrangement as they pertain to Yamana will be passed upon by Paul, Weiss, Rifkind, Wharton & Garrison LLP.

### **ADDITIONAL INFORMATION**

Additional information relating to Osisko is available on SEDAR at [www.sedar.com](http://www.sedar.com). Osisko Shareholders may contact Osisko at 1100, Avenue des Canadiens-de-Montréal, Suite 300, Montreal, Québec, Canada, H3B 2S2 to request copies of Osisko's financial statements and management's discussion and analysis.

Financial information is provided in Osisko's financial statements and management's discussion and analysis for its most recently completed financial year, which are filed on SEDAR.

### **OTHER MATTERS**

Management of Osisko is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

### **DIRECTORS' APPROVAL**

The contents and the sending of the Notice of Meeting and this Circular have been approved by the Osisko Board.  
DATED: May 1, 2014

ON BEHALF OF THE BOARD OF DIRECTORS OF OSISKO MINING CORPORATION

*"Victor H. Bradley"*

VICTOR H. BRADLEY  
Chair

## GLOSSARY OF TERMS

In this Circular and the Summary, the following capitalized words and terms shall have the following meanings:

**"Acquisition Proposal"** means any inquiry, proposal or offer made on or after the date hereof to Osisko or Osisko Shareholders from any person or group of persons "acting jointly or in concert" (within the meaning of the Securities Act) other than the Purchaser Parties in respect of (in one transaction or a series of transactions): (a) a merger, reorganization, share exchange consolidation, business combination, arrangement, recapitalization dissolution, liquidation or similar transaction involving Osisko; (b) the direct or indirect acquisition by any person (including by any asset acquisition, joint venture or similar transaction) of more than 20% of the fair market value of the assets of Osisko and the Osisko Subsidiaries, on a consolidated basis; (c) the direct or indirect acquisition by any person of more than 20% of the voting power of the outstanding Osisko Shares, including any take-over bid, tender offer or exchange offer that, if consummated, would result in any person beneficially owning Osisko Shares with 20% or more of the voting power of the outstanding Osisko Shares; and (d) any combination of the foregoing, in each case of the subclauses (a) through (c) whether in a single transaction or a series of related transactions.

**"Acquisitionco"** means a corporation to be incorporated pursuant to the OBCA and all successors thereto, of which Agnico Eagle (or a wholly-owned subsidiary thereof) and Yamana (or a wholly-owned subsidiary thereof) will each hold 50% of the issued and outstanding common shares at the Effective Time.

**"Advance Ruling Certificate"** means an advance ruling certificate issued by the Commissioner pursuant to section 102 of the Competition Act with respect to the transactions contemplated by the Arrangement Agreement.

**"affiliate"** has the meaning ascribed to such term in the Securities Act, unless stated otherwise.

**"Agnico Eagle"** means Agnico Eagle Mines Limited, a corporation existing under the OBCA, and all successors thereto.

**"Agnico Eagle AIF"** means the annual information form of Agnico Eagle dated March 21, 2014 for the fiscal year ended December 31, 2013, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) under Agnico Eagle's profile.

**"Agnico Eagle Shares"** means the common shares in the capital of Agnico Eagle.

**"Agnico Eagle Cash Consideration"** means \$1.045 per Osisko Share or Class A Share, as applicable.

**"Agnico Eagle Share Consideration"** means 0.07264 of an Agnico Eagle Share per Osisko Share or Class A Share, as applicable.

**"Agnico Eagle Total Share Consideration"** means the aggregate number of Agnico Eagle Shares deliverable pursuant to section 3.3 of the Plan of Arrangement and subsection 4.1(b) of the Plan of Arrangement, including, for the avoidance of doubt, the Agnico Eagle Shares issuable upon exercise of the Osisko Convertible Securities.

**"allowable capital loss"** has the meaning ascribed to such term in this Circular under the heading *"Principal Canadian Federal Income Tax Considerations – Resident Shareholders – Exchange of Osisko Shares for Class A Shares and New Osisko Shares – Capital Gain / Loss"*.

**"Annual Resolutions"** has the meaning ascribed to such term in this Circular under the heading *"Summary of Circular – Purpose of the Meeting"*.

**"Arrangement"** means an arrangement under the provisions of Section 192 of the CBCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith, herewith or made at the direction of the Court in the Final Order.

**"Arrangement Agreement"** means the arrangement agreement dated April 16, 2014 between Osisko, Agnico Eagle and Yamana including all schedules attached thereto, and as the same may be further amended, supplemented or

otherwise modified from time to time in accordance with the terms thereof, the full text of which may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com).

**"Arrangement Cash Consideration"** means \$2.09 per Osisko Share or Class A Share, as applicable (being the sum of the Agnico Eagle Cash Consideration and the Yamana Cash Consideration).

**"Arrangement Consideration"** means the aggregate (i) Arrangement Cash Consideration, (ii) Agnico Eagle Share Consideration, (iii) Yamana Share Consideration, and (iv) New Osisko Share Consideration.

**"Arrangement Resolution"** means the special resolution of the Osisko Shareholders and Osisko Optionholders voting as a single class and the special resolution of the Osisko Shareholders voting at the Meeting, in person or by proxy, approving the Arrangement, the Plan of Arrangement and the Arrangement Agreement, substantially in the form set out in Schedule "A".

**"Articles of Arrangement"** means the articles of arrangement in respect of the Arrangement required under Section 192(6) of the CBCA to be filed with the Director after the Final Order has been granted, giving effect to the Arrangement.

**"associate"** has the meaning ascribed to such term in the Securities Act, unless stated otherwise.

**"Assumed Liabilities"** has the meaning given to such term in the Canadian Malartic Contribution Agreement.

**"BMO Capital Markets"** means BMO Nesbitt Burns Inc., a financial advisor to Osisko.

**"BMO Fairness Opinion"** means the fairness opinion of BMO Capital Markets dated April 15, 2014, a copy of which is attached as Schedule "C" to this Circular.

**"Broadridge"** has the meaning ascribed to such term in this Circular under the heading *"General Proxy Information – Voting By Non-Registered Shareholders"*.

**"Business Day"** means any day, other than a Saturday, a Sunday or a statutory holiday in Toronto, Ontario or Montreal, Québec.

**"Caisse"** means Caisse de dépôt et placement du Québec.

**"Caisse Debenture"** means the Senior Unsecured Convertible Debenture dated December 10, 2013 between Osisko and Caisse de dépôt et du placement du Québec.

**"Canada–US Tax Treaty"** means the *Canada-United States Tax Convention* (1980), as amended.

**"Canadian Exploration Properties"** means, collectively, (i) the Kirkland Lake Properties, (ii) the Hammond Reef Properties, (iii) the Pandora Properties, (iv) the Wood Pandora Properties, and (v) the Yukon Properties (if and to the extent not part of the New Osisko Assets).

**"Canadian Exploration Properties NSR"** means the 2% net smelter return royalty on the Canadian Exploration Properties to be granted to New Osisko as part of the Arrangement, as evidenced by the Canadian Exploration Properties Royalty Agreement.

**"Canadian Exploration Properties Royalty Agreement"** means the definitive royalty agreement to be entered into between Osisko (or one or more affiliates thereof) and New Osisko providing for the Canadian Exploration Properties NSR.

**"Canadian Malartic Assets"** has the meaning ascribed to such term in the Arrangement Agreement.



"**Canadian Malartic Contribution Agreement**" means the contribution agreement to be entered into between Osisko and Canadian Malartic GP in respect of the transfer of the Canadian Malartic Assets by Osisko to Canadian Malartic GP, in the form agreed to by the Parties.

"**Canadian Malartic GP**" means the general partnership to be formed by Osisko and Canadian Malartic Partner Co. in accordance with the terms and conditions of the Canadian Malartic Partnership Agreement.

"**Canadian Malartic Mill Fee Royalty**" means a milling fee royalty equal to \$0.40 per tonne payable to New Osisko in respect of any ore milled at the Canadian Malartic Properties after the seventh anniversary of the Effective Date that is not from the Canadian Malartic Properties.

"**Canadian Malartic NSR**" means the 5% net smelter return royalty on the Canadian Malartic Properties to be retained by Osisko on the transfer of the Canadian Malartic Properties to Canadian Malartic GP and subsequently assigned to New Osisko as part of the Arrangement, as evidenced by the Canadian Malartic Royalty Agreement.

"**Canadian Malartic Partner Co.**" means a wholly-owned subsidiary of Osisko, a corporation existing under the laws of Canada.

"**Canadian Malartic Partnership Agreement**" means the partnership agreement to be entered into between Osisko and Canadian Malartic Partner Co., in the form agreed to by the Parties, as the same may be further amended, supplemented, restated or otherwise modified from time to time.

"**Canadian Malartic Properties**" means the properties identified on Schedule E to the Arrangement Agreement, but for greater certainty does not include the Canadian Malartic NSR.

"**Canadian Malartic Royalty Agreement**" means the definitive royalty agreement to be entered into between Canadian Malartic GP and Osisko providing for the Canadian Malartic NSR and the Canadian Malartic Mill Royalty Fee.

"**Canadian Securities Authorities**" means the TSX and the appropriate securities commissions or other similar securities regulatory authorities of the provinces and territories of Canada as applicable.

"**Canadian Securities Laws**" means applicable Canadian provincial securities laws.

"**CBCA**" means the *Canada Business Corporations Act*, R.C.S. 1985, c. C-44 and the regulations made thereunder.

"**CDS**" means CDS Clearing and Depository Services Inc. or its nominee, which at the date hereof is CDS & Co.

"**Certificate of Arrangement**" means the certificate of arrangement issued by the Director pursuant to Subsection 192(7) of the CBCA in respect of the Articles of Arrangement.

"**Change in Recommendation**" means any withdrawal, modification or change, or public proposal or public statement of intent to withdraw, modify or change in any manner adverse to the Purchaser Parties the unanimous recommendation of the Osisko Board to vote in favour of the Arrangement Resolution (except in respect of a Change in Recommendation because of a Material Adverse Effect in respect of either Agnico Eagle or Yamana), except as expressly permitted by section 6.1 (Covenant Regarding Non-Solicitation) and section 6.2 (Notice of Superior Proposal Determination) of the Arrangement Agreement.

"**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum.

"**Circular**" means this management information circular for the Meeting, including all schedules hereto, and all amendments and supplements hereto.

"**Claim**" has the meaning ascribed to such term in this Circular under the heading "*The Arrangement Agreement – Covenants*".

"**Class A Shares**" means the Class A shares of Osisko to be created pursuant to subsection 3.3(i) of the Plan of Arrangement.

"**Code**" has the meaning ascribed to such term in this Circular under the heading "*Certain U.S. Federal Income Tax Considerations for U.S. Holders*".

"**Commissioner**" means the Commissioner of Competition appointed under subsection 7(1) of the Competition Act, or his or her designee.

"**Competition Act**" means the *Competition Act* (Canada) R.S.C. 1985, c. C-34, and the regulations thereunder, all as amended from time to time.

"**Competition Approval**" means: (a) that the Commissioner shall have issued (and not rescinded) an Advance Ruling Certificate; or (b) that: (i) the waiting period under section 123 of the Competition Act shall have expired or the notification requirement shall have been waived pursuant to section 113(c) of the Competition Act; and (ii) the Commissioner shall have issued to the Purchaser Parties (and not rescinded) a No-Action Letter with respect to the transactions contemplated by this Agreement, and the form of and any terms and conditions attached to any such No-Action Letter are acceptable to each of the Purchaser Parties and Osisko, acting reasonably.

"**Competition Challenge**" has the meaning ascribed to such term in this Circular under the heading "*Regulatory Matters – Competition Act (Canada)*".

"**Completion Deadline**" has the meaning ascribed to such term in the Arrangement Agreement.

"**Competition Tribunal**" means the Competition Tribunal as established by subsection 3(1) of the *Competition Tribunal Act* (Canada).

"**Consolidation Resolution**" means the special resolution of the holders of New Osisko Shares approving the New Osisko Share Consolidation.

"**Court**" means the Superior Court of Québec.

"**CPPIB**" means CPPIB Credit Investments Inc.

"**CRA**" means the Canada Revenue Agency.

"**Depository**" means any trust company, corporation, bank or financial institution agreed to, in writing by the parties for the purposes of, among other things, exchanging certificates representing Osisko Shares for the Arrangement Cash Consideration, Agnico Eagle Share Consideration, Yamana Share Consideration and New Osisko Share Consideration.

"**designated stock exchange**" has the meaning ascribed to such term in the Tax Act.

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA.

"**Director Releases**" means the legally binding and enforceable unconditional release (including comprehensive indemnification provisions) in favour of each Director of Osisko and each Osisko Subsidiary (and such director's, heirs, executors, personal representatives and assigns) from any and all obligations or liabilities of any nature whatsoever he or she may have relating in any manner whatsoever to such Director's relationship with Osisko and the Osisko Subsidiaries, as described in section 8.13 (Resignations and Director & Officer Releases) of the Arrangement Agreement.

"**Directors' Circular**" means the directors' circular of Osisko dated January 24, 2014 recommending rejection of the Goldcorp Offer.

**"Disclosure Letter"** means the disclosure letter dated April 16, 2014 executed by Osisko and delivered to Agnico Eagle and Yamana in connection with the execution of the Arrangement Agreement.

**"Disinterested Osisko Shareholders"** means all of the Osisko Shareholders present in person or represented by proxy at the Meeting, excluding Osisko Shareholders who are holders of Out-of-the-Money Osisko Options.

**"Disinterested Shareholder Approval"** means the approval by a simple majority of the votes cast by Disinterested Osisko Shareholders present in person or represented by proxy at the Meeting.

**"Dissent Notice"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement – Dissent Rights"*.

**"Dissent Procedures"** means the procedures to be taken by an Osisko Shareholder in exercising Dissent Rights.

**"Dissent Rights"** means the right to dissent to the Arrangement provided under Section 190 of the CBCA, as set out in Schedule "F" to this Circular, as modified by the Plan of Arrangement, the Interim Order and the Final Order.

**"Dissenting Shareholders"** means Registered Shareholders who have duly and validly exercised their Dissent Rights in strict compliance with the Dissent Procedures and whose Dissent Rights have not terminated.

**"Dissenting Shares"** means the Osisko Shares held by Dissenting Shareholders.

**"DSUs"** means the deferred share units granted under the Osisko DSU Plan.

**"EDGAR"** means the system for Electronic Data Gathering, Analysis and Retrieval maintained by the SEC.

**"Effective Date"** means the date shown on the certificate of arrangement issued under the CBCA giving effect to the Arrangement.

**"Effective Time"** means 12:01 a.m., or such other time as may be specified in writing by Osisko with the consent of Agnico Eagle and Yamana, on the Effective Date.

**"Employment Agreements"** has the meaning ascribed to such term in this Circular under the heading *"Interests of Directors and Officers of Osisko in the Arrangement"*.

**"Encumbrance"** means any mortgage, hypothec, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing.

**"Environmental Approvals"** means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by any Regulatory Authority pursuant to any environmental law.

**"Excess Distribution"** has the meaning ascribed to such term in this Circular under the heading *"Certain U.S. Federal Income Tax Considerations for U.S. Holders – U.S. Federal Income Tax Consequences Arising from the Ownership and Disposition of New Osisko Shares, Agnico Eagle Shares and Yamana Shares Received Pursuant to the Arrangement – PFIC Status of New Osisko, Agnico Eagle and Yamana"*.

**"Exchange"** has the meaning ascribed to such term in this Circular under the heading *"Certain U.S. Federal Income Tax Considerations for U.S. Holders"*.

**"Excluded Assets"** means those assets identified as "Excluded Assets" in the Canadian Malartic Contribution Agreement.

**"Exercised Osisko Option"** means an Osisko Option for which an Osisko Optionholder has executed an applicable exercise form and in respect of which the Osisko Optionholder has, prior to the Effective Time, paid to Osisko the aggregate of the exercise price of such Osisko Option.

**"Expense Fee"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement Agreement – Termination Fee and Expense Fee"*.

**"Fairness Opinions"** means, collectively, the BMO Fairness Opinion and the Maxit Capital Fairness Opinion.

**"FEMO"** means Fonds Essor Malartic Osisko.

**"FEMO Shares"** means the 300,000 Osisko Shares issuable to the sustainable fund, FEMO.

**"Final Order"** means the final order of the Court pursuant to Section 192 of the CBCA approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal.

**"Final Proscription Date"** has the meaning ascribed to such term in this Circular under the heading *"Procedure for Exchange of Securities – Cancellation of Rights after Six Years"*.

**"Financial Advisors"** means BMO Capital Markets and Maxit Capital.

**"Former Osisko Optionholders"** means the holders of Osisko Options immediately prior to the Effective Time.

**"Former Osisko Shareholders"** means the holders of Osisko Shares immediately prior to the Effective Time.

**"FSTQ Convertible Loan"** means the convertible loan agreement entered into on May 9, 2008 between Fonds de solidarité des travailleurs du Québec (F.T.Q.) and Osisko.

**"Funding Agreement"** means the agreement to be entered between Yamana (or a wholly-owned subsidiary thereof) and Agnico Eagle (or a wholly-owned subsidiary thereof) with respect to the funding of Acquisitionco with the aggregate Arrangement Cash Consideration, Agnico Eagle Shares and Yamana Shares to be delivered to the Depositary on behalf of Acquisitionco in accordance with section 3.4 of the Plan of Arrangement.

**"GNC"** means the Governance and Nomination Committee of New Osisko.

**"Goldcorp"** means Goldcorp Inc.

**"Goldcorp Circular"** means the take-over bid circular of Goldcorp relating to the Goldcorp Offer dated January 14, 2014, as amended from time to time.

**"Goldcorp Offer"** means the offer by Goldcorp to acquire all of the outstanding Osisko Shares, together with the associated rights under Osisko's shareholder rights plan, announced by Goldcorp on January 14, 2014 and made pursuant to the Goldcorp Circular as extended or changed or varied from time to time.

**"Goldcorp Settlement Agreement"** means the agreement made between Goldcorp and Osisko in relation to proceedings before courts in the Province of Québec, dated March 3, 2014.

**"Governmental Entity"** means any applicable (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, whether domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

**"Hammond Reef Properties"** means the properties identified on Schedule E to the Arrangement Agreement.

**"Holder"** has the meaning ascribed to such term in this Circular under the heading *"Principal Canadian Federal Income Tax Considerations"*.

**"IFRS"** means International Financial Reporting Standards adopted by the International Accounting Standards Board, as updated and amended from time to time.

**"Indemnified Liability"** means a New Osisko Liability and any other liability or obligation accruing or becoming payable by Osisko that was incurred or accrued prior to the Effective Time and that relates principally to a project or a property interest (including the operations or activities in connection therewith) of Osisko (prior to the Effective Time) relating to the New Osisko Assets, but for greater certainty does not include any liability or obligation with respect to Taxes.

**"Individual Out-of-the-Money Amount"** has the meaning ascribed to such term in this Circular under the heading *"Summary of Circular – Effect of the Arrangement – Osisko Optionholders"*.

**"Industry Guide 7"** means the Securities and Exchange Commission's Industry Guide 7 – *Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations*.

**"Initial Joint Offer Proposal"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement – Background to the Arrangement"*.

**"Interim Order"** means the varied and amended interim order of the Court rendered April 30, 2014, as may be further varied and amended, providing for, among other things, the calling and holding of the Meeting, attached as Schedule "E" to this Circular.

**"IRS"** means the U.S. Internal Revenue Service.

**"Joint Acquisition Agreement"** means the joint acquisition agreement dated April 16, 2014 between Agnico Eagle and Yamana including all schedules attached thereto, as the same may be further amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the full text of which (excluding the schedule(s) thereto) may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com).

**"Joint Offer Arrangement"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement – Background to the Arrangement"*.

**"Joint Offer Proposal"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement – Background to the Arrangement"*.

**"Kirkland Lake Properties"** means the properties identified on Schedule E to the Arrangement Agreement.

**"Laurel Hill"** means Laurel Hill Advisory Group.

**"Law"** or **"Laws"** means any applicable laws, including international, national, provincial, territorial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, policies or other requirements of any Regulatory Authority having the force of law.

**"Letter of Transmittal"** means a letter of transmittal on yellow paper, a form of which accompanies this Circular, to be completed by Osisko Shareholders in connection with the Arrangement.

**"Management Proxyholder"** has the meaning ascribed to such term in this Circular under the heading *"General Proxy Information – Securityholders Entitled to Vote"*.

**"Material Adverse Change"** means, in respect of any person, any one or more changes, events or occurrences, and **"Material Adverse Effect"** means, in respect of any person, an effect which, in either case, either individually or in

the aggregate, is, or would reasonably be expected to be, material and adverse to the business, operations, results of operations, production, assets, capital, property, obligations (whether absolute, accrued, conditional or otherwise), liabilities or financial condition of that person and its subsidiaries, taken as a whole, other than any change, event, occurrence or effect: (i) affecting the worldwide gold mining industry in general; (ii) in or relating to general political, economic, financial or capital market conditions generally (including any reduction in market indices); (iii) in or relating to, U.S. GAAP, IFRS or regulatory accounting requirements; (iv) in or relating to any change in Laws or any interpretation, application or non-application thereof by any Regulatory Authority; (v) relating to change in the market trading price of shares of such person arising from the announcement of the execution of this Agreement or the transactions contemplated hereby, or any change event or occurrence excluded from this definition under other prongs; or (vi) resulting from changes in the price of gold, *provided, however*, that such effect referred to in clause (i) to (v) and (vi) above does not have a disproportionate effect on that person and its subsidiaries (taken as a whole) compared to other companies of similar size operating in the mining industry.

**"Maxit Capital"** means Maxit Capital LP, a financial advisor to Osisko.

**"Maxit Fairness Opinion"** means the fairness opinion of Maxit Capital dated April 15, 2014, a copy of which is attached as Schedule "D" to this Circular.

**"Meeting"** means the special meeting of the Osisko Securityholders, including any adjournment or postponement thereof, to be held in accordance with the Interim Order to consider the Arrangement Resolution which meeting may be held at the same time and place as the annual meeting of Osisko Shareholders.

**"Mexican Properties"** means all infrastructure, equipment, permits, and rights related to the exploration of minerals at the Mexican project, including but not limited to, mining and surface rights, as described in Schedule C of the Arrangement Agreement.

**"MI 61-101"** means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

**"Misrepresentation"** has the meaning ascribed thereto under applicable Securities Laws.

**"Net Cash Amount"** means \$155,000,000.

**"New Osisko"** means Osisko Gold Royalties Ltd, a company existing under the QBCA, and all successors thereto.

**"New Osisko Audit Committee"** means the audit committee of New Osisko.

**"New Osisko Assets"** means: (i) the Net Cash Amount; (ii) the Canadian Malartic NSR (including the Canadian Malartic Mill Fee Royalty); (iii) the Canadian Exploration Properties NSR; (iv) all legal and beneficial interest of Osisko and the subsidiaries of Osisko in the New Osisko Subsidiaries; (v) certain publicly traded equity investments of Osisko to the extent not disposed of by Osisko prior to the Effective Date, which as of April 16, 2014 had an estimated value of \$14.4 million; (vi) all right, title and interest to the name "Osisko Mining Corporation"; and (vii) the Yukon Properties or a 2% net smelter return royalty thereon (at the election of the Purchaser Parties prior to the Effective Date).

**"New Osisko Board"** means the board of directors of New Osisko, as the same is constituted from time to time.

**"New Osisko Compensation Committee"** means the compensation committee of New Osisko.

**"New Osisko Contribution Agreement"** means the agreement between the Osisko and New Osisko in a form agreeable to Agnico Eagle and Yamana, acting reasonably, by which the New Osisko Assets are transferred to, and the New Osisko Liabilities are assumed by, New Osisko.

**"New Osisko DSU Plan"** means the deferred share unit plan intended to be implemented by the New Osisko Board.

"**New Osisko DSUs**" means the deferred share units granted under the New Osisko DSU Plan.

"**New Osisko Liabilities**" means all of the liabilities of Osisko and its affiliates, contingent or otherwise, which pertain to the New Osisko Assets but excluding any liability or obligation with respect to Taxes for periods prior to the Effective Date.

"**New Osisko Options**" means the options to purchase common shares of New Osisko granted under the New Osisko Stock Option Plan.

"**New Osisko Preferred Shares**" has the meaning ascribed to such term in Schedule "I" to this Circular under the heading "*Description of Securities Distributed – New Osisko Preferred Shares*".

"**New Osisko Resolutions**" has the meaning ascribed to such term in this Circular under the heading "*Summary of Circular – Purpose of the Meeting*".

"**New Osisko RSU Plan**" means the restricted share unit plan intended to be implemented by the New Osisko Board.

"**New Osisko RSUs**" means the restricted share units granted under the New Osisko RSU Plan.

"**New Osisko Share Consideration**" means one New Osisko Share per Osisko Share.

"**New Osisko Share Consolidation**" means the consolidation of the issued and outstanding New Osisko Shares, to be effective immediately following the completion of the step in subsection 3.3(o) of the Plan of Arrangement if the Consolidation Resolution is approved, pursuant to the *Business Corporations Act* (Québec) on the basis that each such New Osisko Share immediately prior to consolidation shall become 0.1 of a New Osisko Share immediately following consolidation.

"**New Osisko Stock Option Plan**" means the stock option plan of New Osisko proposed to be adopted at the Meeting, subject to regulatory approval, as set out in this Circular under the heading "*Information Concerning New Osisko – New Osisko Stock Option Plan*" and in Schedule "I" – *Information Concerning New Osisko as of April 30, 2014* to this Circular under the heading "*Options and Other Rights to Purchase Securities of New Osisko – Stock Option Plan*".

"**New Osisko Shares**" means common shares in the capital of New Osisko.

"**New Osisko Shareholder Rights Plan**" means the shareholder rights plan of New Osisko proposed to be adopted at the Meeting, subject to regulatory approval, as set out in this Circular under the heading "*Information Concerning New Osisko – New Osisko Shareholder Rights Plan*" and in Schedule "I" – *Information Concerning New Osisko as of April 30, 2014* to this Circular under the heading "*Proposed New Osisko Shareholder Rights Plan*".

"**New Osisko Subsidiaries**" means those subsidiaries of Osisko identified as New Osisko Subsidiaries in Schedule I to the Arrangement Agreement.

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* or Regulation 43-101 respecting Standards of Disclosure for Mineral Projects in the Province of Québec.

"**No-Action Letter**" means a written letter from the Commissioner confirming that the Commissioner does not, at that time, intend to make an application for an order under section 92 of the Competition Act.

"**NOBOs**" means Non-Registered Shareholders who do not object to their name being made known to the issuer of securities.

"**Nominee Agreement**" means the agreement to be entered into between Osisko and Canadian Malartic GP pursuant to which, effective as of the transfer of the Canadian Malartic Assets from Osisko to Canadian Malartic GP as

contemplated in subsection 3.3(b) of the Plan of Arrangement, Osisko shall hold title to the Canadian Malartic Properties and all assets and property relating thereto as agent and nominee for Canadian Malartic GP.

"**Non-Registered Shareholder**" means a non-registered holder of Osisko Shares.

"**Non-Resident**" means a "non-resident" within the meaning of the Tax Act.

"**Non-Resident Holder**" has the meaning ascribed to such term in this Circular under the heading "*Principal Canadian Federal Income Tax Considerations – Non-Resident Shareholders*".

"**Non-Resident Shareholder**" means an Osisko Shareholder that is (i) a Non-Resident, or (ii) a partnership of which a Non-Resident is a member.

"**Notice of Meeting**" has the meaning ascribed to such term in this Circular under the heading "*Management Information Circular*".

"**Notice of Presentation of Motion for Final Order**" means the Notice of Presentation of Motion for Final Order substantially in the form set out in Schedule "G" to this Circular.

"**Notifiable Transaction**" has the meaning ascribed to such term in this Circular under the heading "*Regulatory Matters – Competition Act (Canada)*".

"**Notification**" means a notification under Part IX of the Competition Act.

"**NYSE**" means the New York Stock Exchange.

"**OBCA**" means *Business Corporations Act* (Ontario).

"**OBOs**" means Non-Registered Shareholders who object to their name being made known to the issuer of securities.

"**Optionholder Proxy**" means the form of proxy (on blue paper) delivered to Osisko Optionholders.

"**Option Period**" has the meaning ascribed to such term in this Circular under the heading "*Summary of Circular – Information Concerning New Osisko – New Osisko Stock Option Plan*".

"**Osisko**" means Osisko Mining Corporation, a company existing under the CBCA, and all successors thereto.

"**Osisko AIF**" means the annual information form of Osisko dated March 24, 2014 for the fiscal year ended December 31, 2013, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) under Osisko's profile.

"**Osisko Board**" means the board of directors of Osisko, as the same is constituted from time to time.

"**Osisko Convertible Holder**" means a holder of an Osisko Convertible Security.

"**Osisko Convertible Securities**" means, collectively, the Osisko Warrants, the Caisse Debenture, the FSTQ Convertible Loan and the Ressources Québec Debenture and "**Osisko Convertible Security**" means any one of them.

"**Osisko DSU Plan**" means Osisko's deferred share unit plan effective as of August 11, 2011, as amended, supplemented or modified as of the date hereof.

"**Osisko Employee Share Purchase Plan**" means the employee share purchase plan adopted by the Osisko Board on April 7, 2008 and ratified by Osisko Shareholders on May 8, 2008, as amended by the Osisko Board on June 8, 2009, April 3, 2011 and April 27, 2011, as ratified by Osisko Shareholders on May 12, 2011, and as further amended by the Osisko Board on May 9, 2013.



**"Osisko Optionholders"** means the holders of Osisko Options.

**"Osisko Options"** means the outstanding options to purchase common shares of Osisko granted under the Osisko Stock Option Plan or otherwise issued by Osisko.

**"Osisko Properties"** means the interests of Osisko and each Osisko Subsidiary in all material properties of Osisko, including those described in Schedule E to the Arrangement Agreement (which, for greater certainty, includes the Canadian Malartic Properties, the Canadian Exploration Properties and the Mexican Properties).

**"Osisko RSU Plan"** means Osisko's restricted share unit plan effective as of August 11, 2011, as amended, supplemented or modified as of the date hereof.

**"Osisko Securities"** means, collectively, the Osisko Shares and Osisko Options.

**"Osisko Securityholder Approval"** means the requisite approval for the Arrangement Resolution, which shall be (i) 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by the Osisko Shareholders and the Osisko Optionholders, voting as a single class, present in person or by proxy at the Meeting, and (ii) 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by the Osisko Shareholders present in person or by proxy at the Meeting.

**"Osisko Securityholders"** means, collectively, the Osisko Shareholders and the Osisko Optionholders and **"Osisko Securityholder"** means any one of them.

**"Osisko Shareholder Rights Plan"** means the shareholders rights plan agreement dated as of May 17, 2010, between Osisko and CST Trust Company (as successor to CIBC Mellon Trust Company), as rights agent, as approved by Osisko Shareholders on June 30, 2010 and subsequently reapproved by Osisko Shareholders on May 9, 2013.

**"Osisko Shareholders"** means the holders of Osisko Shares and **"Osisko Shareholder"** means any one of them.

**"Osisko Shares"** means the issued and outstanding common shares of Osisko.

**"Osisko Stock Option Plan"** means Osisko's stock option plan adopted by the Osisko Board on April 7, 2008 and ratified by Osisko Shareholders on May 8, 2008, as amended by the Osisko Board on April 3, 2011 and April 27, 2011, as ratified by Osisko Shareholders on May 12, 2011.

**"Osisko Subsidiaries"** means, collectively, the material subsidiaries of Osisko which are Osisko Hammond Reef Gold Ltd. (British Columbia), Osisko Mining Ltd. (Canada) and Compania Minera Osisko Mexico, S.A. de C.V. and **"Osisko Subsidiary"** means any one of them.

**"Osisko Warrant Agreement"** means the common share purchase warrant agreement dated as of September 24, 2009 entered into between Corporation and CPPIB Investments Inc., amended as of June 29, 2013 and further amended as of December 10, 2013.

**"Osisko Warrants"** means the 12,500,000 common share purchase warrants evidenced by the Osisko Warrant Agreement, each currently exercisable to purchase one Osisko Share at a price of \$6.25.

**"Out-of-the-Money Consideration Resolution"** means a resolution of Disinterested Osisko Shareholders to be considered at the Meeting approving the payment of the Out-of-the-Money Option Consideration Amount to holders of Out-of-the-Money Osisko Options provided for in subsection 3.3(f) of the Plan of Arrangement.

**"Out-of-the-Money Osisko Option"** means an Osisko Option having an exercise price equal to or greater than \$8.15.

**"Out-of-the-Money Option Consideration Amount"** has the meaning ascribed to such term in this Circular under the heading *"Summary of Circular – Effects of the Arrangement – Osisko Optionholders"*.

**"Pandora Properties"** means the properties identified on Schedule E to the Arrangement Agreement.

**"Parties"** means Osisko, Agnico Eagle and Yamana and **"Party"** means any of them.

**"Person"** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

**"PFIC"** has the meaning ascribed to such term in this Circular under the heading *"Certain U.S. Federal Income Tax Considerations for U.S. Holders – U.S. Federal Income Tax Consequences Relating to the Exchange – Receipt of the Arrangement Consideration in Exchange for Osisko Shares"*.

**"Plan of Arrangement"** means the plan of arrangement in respect of the Arrangement attached as Schedule "B" to this Circular, and any amendments or variations thereto made in accordance with the Arrangement Agreement or the Plan of Arrangement or at the direction of the Court.

**"Pre-Acquisition Reorganization"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement Agreement – Covenants – Osisko and New Osisko Covenants"*.

**"Prescribed Period"** has the meaning ascribed to such term in this Circular under the heading *"Summary of Circular – Effects of the Arrangement – Osisko Optionholders"*.

**"Proposed Amendments"** has the meaning ascribed to such term in this Circular under the heading *"Principal Canadian Federal Income Tax Considerations"*.

**"Proposed Joint Offer"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement – Background to the Arrangement"*.

**"Proxy"** has the meaning ascribed to such term in this Circular under the heading *"General Proxy Information – Voting By Registered Shareholders and Osisko Optionholders – Voting by Proxy – What do I need to do now in order to vote at the Meeting?"*.

**"Proxy Solicitation Agent"** has the meaning ascribed to such term in this Circular under the heading *"General Proxy Information – Solicitation of Proxies"*.

**"public corporation"** has the meaning ascribed to such term in the Tax Act.

**"Purchaser Parties"** means, collectively, Agnico Eagle and Yamana and **"Purchaser Party"** means either one of them.

**"QBCA"** means the *Business Corporations Act* (Québec), CQLR, c. S-31.1 and the regulations made thereunder.

**"QEF"** has the meaning ascribed to such term in this Circular under the heading *"Certain U.S. Federal Income Tax Considerations for U.S. Holders – U.S. Federal Income Tax Consequences Relating to the Exchange – PFIC Rules and PFIC Status of Osisko"*.

**"QEF election"** has the meaning ascribed to such term in this Circular under the heading *"Certain U.S. Federal Income Tax Considerations for U.S. Holders – U.S. Federal Income Tax Consequences Relating to the Exchange – PFIC Rules and PFIC Status of Osisko"*.

**"Record Date"** means April 14, 2014.

**"Registered Plans"** has the meaning ascribed to such term in this Circular under the heading *"Principal Canadian Federal Income Tax Considerations – Eligibility for Investment"*.

**"Registered Shareholder"** means a registered holder of Osisko Shares as recorded in the shareholder register of Osisko maintained by CST Trust Company.

**"Regulatory Authority"** has the meaning ascribed to such term in the Arrangement Agreement.

**"Reorganization of Capital"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement – Reorganization of Capital"*.

**"Representatives"** means, in respect of a person, its subsidiaries and its Affiliates and its and their directors, officers, employees, agents and representatives (including any financial, legal or other advisors).

**"Resident Holder"** has the meaning ascribed to such term in this Circular under the heading *"Principal Canadian Federal Income Tax Considerations – Resident Shareholders"*.

**"Resource Shares"** means the 1,670,250 Osisko Shares issuable pursuant to the Resource Sharing Agreement.

**"Resource Sharing Agreement"** means the agreement dated December 10, 2010 between Osisko, Osisko Hammand Reef Gold Ltd, the Rainy River District First Nations and the Lac des Mille Lacs First Nation.

**"Response Period"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement Agreement – Non-Solicitation and Right to Match – Right to Match and Superior Proposal Determination"*.

**"Ressources Québec Debenture"** means the Senior Unsecured Convertible Debenture dated December 10, 2013 between Osisko and Ressources Québec Inc.

**"Revised Goldcorp Offer"** means the Goldcorp Offer as extended and varied by the Notice of Extension and Variation by Goldcorp dated April 10, 2014.

**"Right to Match"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement Agreement – Non-Solicitation and Right to Match – Right to Match and Superior Proposal Determination"*.

**"RRIF"** has the meaning ascribed to such term in this Circular under the heading *"Principal Canadian Federal Income Tax Considerations – Eligibility for Investment"*.

**"RRSP"** has the meaning ascribed to such term in this Circular under the heading *"Principal Canadian Federal Income Tax Considerations – Eligibility for Investment"*.

**"RSUs"** means the restricted share units granted under the Osisko RSU Plan.

**"SEC"** means the U.S. Securities and Exchange Commission.

**"Securities Act"** means the *Securities Act* (Québec) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time.

**"Securities Authorities"** means all applicable securities regulatory authorities, including the applicable securities commission or similar regulatory authorities in each of the provinces and territories of Canada and the SEC.

**"Securities Laws"** means Canadian Securities Laws and U.S. Securities Laws and all other applicable securities Laws and applicable stock exchange rules and listing standards of the Stock Exchanges.

**"Shareholder Proxy"** means the form of proxy (on white paper) delivered to Osisko Shareholders.

"**SIR**" has the meaning ascribed to such term in this Circular under the heading *"Regulatory Matters – Competition Act (Canada)"*.

"**Special Committee**" means the special committee of the Osisko Board.

"**Standstill Period**" has the meaning ascribed to such term in this Circular under the heading *"The Arrangement Agreement – Covenants – Agnico Eagle and Yamana Covenants "*.

"**Stock Exchanges**" means, collectively, the TSX and NYSE.

"**Subject Securities**" has the meaning ascribed to such term in this Circular under the heading *"The Voting Agreements"*.

"**subsidiary**" means, with respect to a person, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such person and shall include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a subsidiary.

"**Subsidiary PFIC**" has the meaning ascribed to such term in this Circular under the heading *"Certain U.S. Federal Income Tax Considerations for U.S. Holders – U.S. Federal Income Tax Consequences Arising from the Ownership and Disposition of New Osisko Shares, Agnico Eagle Shares and Yamana Shares Received Pursuant to the Arrangement – PFIC Status of New Osisko, Agnico Eagle and Yamana"*.

"**Superior Proposal**" means a *bona fide* Acquisition Proposal that is made in writing after the date of the Arrangement Agreement, substituting "50%" for each reference to "20%" contained in the definition of Acquisition Proposal, provided that: (a) the proposal did not result from a contravention of Article 6 (Amendments) of the Arrangement Agreement; (b) the Osisko Board has determined in good faith (after consultation with its outside legal counsel and financial advisors) that the proposal is reasonably capable of completion without undue delay taking into account all legal, financial, regulatory and other aspects of such transaction and the party making such transaction, and would, if consummated in accordance with its terms (but not assuming away any risk of non-completion) result in a transaction that is more favourable to Osisko and the Osisko Shareholders than the transactions contemplated by the Arrangement Agreement; (c) the Osisko Board has determined in good faith that the proposal is fully funded or in respect of which adequate arrangements (in compliance with applicable Securities Laws) have been made to ensure that the required funds will be available to effect payment in full for the common shares or assets as the case may be; and (d) the proposal would not be subject to any due diligence and/or access condition.

"**Supporting Shareholder**" means the Osisko Shareholders who are party to the Voting Agreements.

"**Tax**" and "**Taxes**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any tax, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, mining taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, license taxes, withholding taxes, health taxes, payroll taxes, employment taxes, Canada or Québec Pension Plan premiums, excise, severance, social security, workers' compensation, employment insurance or compensation taxes, mandatory pension and other social fund taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, harmonized sales tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, and any instalments in respect thereof, together with any interest, fines and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, fines, additional taxes and additions to tax imposed on such entity with respect to the foregoing and including an amount in respect of the foregoing as a transferee, successor, guarantor or surety or in a similar capacity under a contract, arrangement, agreement, understanding or commitment (whether

written or oral) or by operation of law and any liability for the payment of any taxes described herein as a result of being a member of an affiliated, consolidated, combined or unitary group for any period as a result of any tax sharing or tax allocation agreement, arrangement or understanding.

**"taxable capital gain"** has the meaning ascribed to such term in this Circular under the heading *"Principal Canadian Federal Income Tax Considerations – Resident Shareholders – Exchange of Osisko Shares for Class A Shares and New Osisko Shares – Capital Gain / Loss"*.

**"Tax Act"** means the *Income Tax Act* (Canada) and the regulations thereunder, as may be amended from time to time.

**"Termination Fee"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement Agreement – Termination Fee and Expense Fee"*.

**"Third Party"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement Agreement – Covenants – Agnico Eagle and Yamana Covenants"*.

**"TFSA"** has the meaning ascribed to such term in this Circular under the heading *"Principal Canadian Federal Income Tax Considerations – Eligibility for Investment"*.

**"TSX"** means the Toronto Stock Exchange.

**"US-Canada Convention"** means the Canada-U.S. Convention with Respect to Taxes on Income and on Capital.

**"U.S. Exchange Act"** means the *United States Securities Exchange Act of 1934*, as the same has been, and hereafter from time to time, may be amended.

**"U.S. GAAP"** means United States generally accepted accounting principles or interpretations thereof.

**"U.S. Holder"** has the meaning ascribed to such term in this Circular under the heading *"Certain U.S. Federal Income Tax Considerations for U.S. Holders"*.

**"U.S. Securities Act"** means the *United States Securities Act of 1933* as the same has been, and hereinafter from time to time may be, amended.

**"U.S. Securities Laws"** means all applicable securities legislation in the U.S., including without limitation, the U.S. Securities Act and the U.S. Exchange Act, and the rules and regulations promulgated thereunder, including judicial and administrative interpretations thereof, and the securities laws of the states of the U.S.

**"U.S. Securityholders"** means those Osisko Securityholders that are in the U.S.

**"Voting Agreements"** means the lock-up agreements (including all amendments thereto) between Osisko, Yamana and the Supporting Shareholders setting forth the terms and conditions upon which they have agreed to vote their Osisko Securities in favour of the Arrangement Resolution.

**"Waiver"** has the meaning ascribed to such term in this Circular under the heading *"Regulatory Matters – Competition Act (Canada)"*.

**"Wood Pandora Properties"** means the properties identified on Schedule E to the Arrangement Agreement.

**"Yamana"** means Yamana Gold Inc., a company existing under the laws of Canada, and all successors thereto.

**"Yamana AIF"** means the annual information form of Yamana dated March 28, 2014 for the fiscal year ended December 31, 2013, which is available under Yamana's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**"Yamana Arrangement"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement – Background to the Arrangement"*.

**"Yamana Cash Consideration"** means \$1.045 per Corporation Common Share or Class A Share, as applicable.

**"Yamana Shareholders"** means, at any time, the holders of Yamana Shares.

**"Yamana Share Consideration"** means 0.26471 of a Yamana Share per Corporation Common Share or Class A Share, as applicable.

**"Yamana Shares"** means the common shares in the capital of Yamana.

**"Yamana Subco"** means a wholly-owned subsidiary of Yamana incorporated under the CBCA, which at the Effective Date shall hold Osisko Shares.

**"Yamana Total Share Consideration"** means the aggregate number of Yamana Common Shares issuable pursuant to section 3.3 of the Plan of Arrangement and subsection 4.1(b) of the Plan of Arrangement, including, for the avoidance of doubt, the Yamana Shares issuable upon exercise of the Osisko Convertible Securities.

**"Yamana Transaction"** has the meaning ascribed to such term in this Circular under the heading *"The Arrangement – Background to the Arrangement"*.

**"Yukon Properties"** means the properties identified on Schedule E to the Arrangement Agreement.

**CONSENT OF BMO NESBITT BURNS INC.**

To: The Directors of Osisko Mining Corporation

We have read the management information circular of Osisko Mining Corporation ("**Osisko**") dated May 1, 2014 (the "**Circular**") relating to the annual and special meeting of shareholders and optionholders of Osisko to approve, among other things, an arrangement under the *Canada Business Corporations Act* involving Osisko, pursuant to which Agnico Eagle Mines Limited and Yamana Gold Inc. will directly or indirectly acquire all of the issued and outstanding shares of Osisko. We consent to the inclusion in the Circular of our fairness opinion dated April 15, 2014, a summary of our fairness opinion and references to our firm name and our fairness opinion in the Circular.

*"BMO Nesbitt Burns Inc."*

Toronto, Ontario

May 1, 2014

## CONSENT OF MAXIT CAPITAL LP

To: The Directors of Osisko Mining Corporation

We have read the management information circular of Osisko Mining Corporation ("**Osisko**") dated May 1, 2014 (the "**Circular**") relating to the annual and special meeting of shareholders and optionholders of Osisko to approve, among other things, an arrangement under the *Canada Business Corporations Act* involving Osisko, pursuant to which Agnico Eagle Mines Limited and Yamana Gold Inc. will directly or indirectly acquire all of the issued and outstanding shares of Osisko. We consent to the inclusion in the Circular of our fairness opinion dated April 15, 2014, a summary of our fairness opinion and references to our firm name and our fairness opinion in the Circular.

*"Maxit Capital LP"*

Toronto, Ontario

May 1, 2014



## SCHEDULE "A"

### RESOLUTIONS TO BE APPROVED AT THE MEETING

#### ARRANGEMENT RESOLUTION (OSISKO SECURITYHOLDERS)

##### RESOLUTION 1 – ARRANGEMENT RESOLUTION

BE IT RESOLVED BY SPECIAL RESOLUTION THAT:

1. The arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving Osisko Mining Corporation (the "**Corporation**" or "**Osisko**"), pursuant to the arrangement agreement (the "**Arrangement Agreement**") between Osisko, Agnico Eagle Mines Limited and Yamana Gold Inc. dated April 16, 2014, all as more particularly described and set forth in the management information circular of Osisko dated May 1, 2014 (the "**Circular**"), accompanying the notice of this meeting (as the Arrangement may be modified, amended or supplemented in accordance with its terms) is hereby authorized, approved and adopted.
2. The plan of arrangement of Osisko, as it has been or may be modified, amended or supplemented in accordance with the Arrangement Agreement and its terms, involving Osisko (the "**Plan of Arrangement**"), the full text of which is set out as Schedule "A" to the Arrangement Agreement, is hereby authorized, approved and adopted.
3. The Arrangement Agreement and related transactions, the actions of the directors of Osisko in approving the Arrangement, and the actions of the officers or directors of Osisko in executing and delivering the Arrangement Agreement, and any modifications, amendments or supplements thereto, are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the Osisko Shareholders and the Osisko Optionholders (as those terms are defined in the Circular) or that the Arrangement has been approved by the Superior Court of Québec (the "**Court**"), the directors of Osisko are hereby authorized and empowered, at his or her discretion, without further notice to or approval of the Osisko Shareholders: (a) to amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement; and (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.
5. Any officer or director of Osisko is hereby authorized and directed for and on behalf of Osisko to make an application to the Court for an order approving the Arrangement and to execute, under the corporate seal of Osisko or otherwise, and to deliver or cause to be delivered, for filing with the Director under the CBCA, articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.
6. Any officer or director of Osisko is hereby authorized and directed for and on behalf of Osisko to execute or cause to be executed, under the corporate seal of Osisko or otherwise, and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person's opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such other document or instrument or the doing of any other such act or thing.

## **OUT-OF-THE-MONEY CONSIDERATION RESOLUTION**

### **RESOLUTION 2 – OUT-OF-THE-MONEY CONSIDERATION RESOLUTION**

BE IT RESOLVED BY ORDINARY RESOLUTION OF THE DISINTERESTED OSISKO SHAREHOLDERS THAT:

1. In accordance with and as required by the policies of the Toronto Stock Exchange, the cash payment to the holders of Out-of-the-Money Osisko Options (as that term is defined in the Circular), in an aggregate amount not to exceed \$3 million, as contemplated by subsection 3.3(f) of the Plan of Arrangement set out in Schedule "B" – *Plan of Arrangement under Section 192 of the Canada Business Corporations Act* to this Circular, is hereby authorized, approved and adopted.
2. Any director or officer of Osisko be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director or officer may, in his or her discretion, determine to be necessary or desirable in order to give full effect to the intent and purpose of this resolution.

## **NEW OSISKO RESOLUTIONS (OSISKO SHAREHOLDERS)**

### **RESOLUTION 3 – NEW OSISKO STOCK OPTION PLAN ADOPTION**

BE IT RESOLVED BY ORDINARY RESOLUTION THAT:

1. The stock option plan of Osisko Gold Royalties Ltd ("**New Osisko**"), as set out in Schedule "I" – *Information Concerning New Osisko as of April 30, 2014* to this Circular under the heading "*New Osisko Stock Option Plan*", is hereby authorized, approved and adopted.
2. Any director or officer of New Osisko is hereby authorized and directed to do such things and to sign, execute and deliver all documents that such director and/or officer may, in his or her discretion, determine to be necessary or desirable in order to give full effect to the purpose of this resolution.

### **RESOLUTION 4 – NEW OSISKO SHAREHOLDER RIGHTS PLAN ADOPTION**

BE IT RESOLVED BY ORDINARY RESOLUTION THAT:

1. The shareholder rights plan of New Osisko, as set out in Schedule "I" – *Information Concerning New Osisko as of April 30, 2014* to this Circular under the heading "*New Osisko Shareholder Rights Plan*", is hereby authorized, approved and adopted.
2. Any director or officer of New Osisko is hereby authorized and directed to do such things and to sign, execute and deliver all documents that such director and/or officer may, in his or her discretion, determine to be necessary or desirable in order to give full effect to the purpose of this resolution.

### **RESOLUTION 5 – NEW OSISKO SHARE CONSOLIDATION**

BE IT RESOLVED BY SPECIAL RESOLUTION THAT:

1. The consolidation of all of the issued and outstanding common shares of New Osisko (the "**New Osisko Shares**"), on the basis of one post-consolidation New Osisko Share for every 10 pre-consolidation New Osisko Shares, be and is hereby approved to take effect immediately following the completion of the step in subsection 3.3(o) of the Plan of Arrangement, and, for greater certainty:
  - (i) each Former Osisko Shareholder (as defined in the Circular) that is, pursuant to the Arrangement, entitled to receive one New Osisko Share in exchange for each Osisko

Share (as defined in the Circular) or Class A Share (as defined in the Circular), as applicable, shall instead receive, upon completion of the Arrangement, 0.1 of a New Osisko Share for each such Osisko Share or Class A Share, as applicable; and

- (ii) each Osisko Convertible Holder (as defined in the Circular) that is, pursuant to the Arrangement, entitled to receive, upon exercise or conversion of an Osisko Convertible Security (as defined in the Circular) following the Effective Time (as defined in the Circular), one New Osisko Share for each Osisko Share that would have been issuable upon the exercise of such Osisko Convertible Security prior to the Effective Time (and in lieu of receiving such Osisko Share), shall instead be entitled to receive, upon exercise or conversion of such Osisko Convertible Security following the Effective Time, 0.1 of a New Osisko Share for each such Osisko Share.
2. In the event that the consolidation of the New Osisko Shares would otherwise result in the issuance of a fractional New Osisko Share to a holder of New Osisko Shares, no fractional New Osisko Share shall be issued to such holder and such fraction will be rounded down to the nearest whole number without any additional payment to such holder.
3. Any director or officer of New Osisko is hereby authorized to do all things and to sign any document which such officer or director, in his or her sole discretion, may deem necessary or useful in order to give effect to this special resolution, including the filing of all appropriate documents with the Toronto Stock Exchange so as to obtain its approval for such consolidation.
4. Notwithstanding the foregoing, the directors of New Osisko are hereby authorized, without further approval of or notice to the shareholders of New Osisko, to revoke or otherwise not give effect to this special resolution at any time before Certificate of Arrangement is issued in respect of the Arrangement.

#### **ANNUAL RESOLUTIONS (OSISKO SHAREHOLDERS)**

##### **RESOLUTION 6 – ELECTION OF DIRECTORS**

BE IT RESOLVED BY ORDINARY RESOLUTION THAT:

1. A total of 11 nominees will be proposed as directors for election by the Osisko Shareholders at the annual meeting of Osisko Shareholders (and Osisko Optionholders) for the current year, as set out in the Circular.
2. If elected, each director will hold office until the next annual meeting of Osisko Shareholders or until such person's successor is elected or appointed.
3. Osisko Shareholders can vote for all of these proposed directors, vote for some of them and withhold for others, or withhold for all of them.

##### **RESOLUTION 7 – APPOINTMENT OF AUDITORS RESOLUTION**

BE IT RESOLVED BY ORDINARY RESOLUTION THAT PricewaterhouseCoopers LLP be appointed as independent auditors of Osisko for the fiscal year ending December 31, 2014 and that the directors of Osisko be authorized to establish the remuneration of such auditors.

##### **RESOLUTION 8 – OSISKO EMPLOYEE SHARE PURCHASE PLAN RESOLUTION**

BE IT RESOLVED BY ORDINARY RESOLUTION THAT:

1. All unallocated rights or other entitlements under the Osisko Employee Share Purchase Plan be and are hereby approved.

2. Osisko has the ability to continue granting rights or other entitlements under the Osisko Employee Share Purchase Plan until May 30, 2017, which is the date that is three years from the date of the annual meeting of Osisko Shareholders (and Osisko Optionholders) for the current year at which Osisko Shareholder approval is being sought.
3. Any director or officer of Osisko be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in his or her discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.

#### **RESOLUTION 9 – OSISKO STOCK OPTION PLAN RESOLUTION**

BE IT RESOLVED BY ORDINARY RESOLUTION THAT:

1. All unallocated options under the Osisko Stock Option Plan be and are hereby approved.
2. Osisko has the ability to continue granting options under Osisko Stock Option Plan until May 30, 2017, which is the date that is three years from the date of the annual meeting of Osisko Shareholders (and Osisko Optionholders) for the current year at which Osisko Shareholder approval is being sought.
3. Any director or officer of Osisko be and is hereby authorized, for and on behalf of Osisko, to do such things and to sign, execute and deliver all documents that such director or officer may, in his or her discretion, determine to be necessary or useful in order to give full effect to the intent and purpose of this resolution.

#### **RESOLUTION 10 – ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION APPROACH**

BE IT RESOLVED, AS AN ADVISORY RESOLUTION THAT:

1. On an advisory basis and not to diminish the role and responsibilities of the board of directors of Osisko, the Osisko Shareholders accept the approach to executive compensation disclosed in Osisko's Circular dated May 1, 2014 delivered in advance of the annual and special meeting of shareholders of Osisko on May 30, 2014.
2. As this in an advisory vote, the board of directors of Osisko and the Human Resources Committee will not be bound by the results of the vote. However, the board of directors of Osisko will take the results into account, together with feedback received from shareholders, when considering its approach to executive compensation in the future.
3. Results of the vote will be disclosed in the report of voting results.

## SCHEDULE "B"

### PLAN OF ARRANGEMENT UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*

#### ARTICLE 1 INTERPRETATION

##### 1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings hereinafter set forth:

"**Acquisitionco**" means a corporation to be incorporated pursuant to the OBCA;

"**Agnico Eagle**" means Agnico Eagle Mines Limited, a corporation existing under the OBCA;

"**Agnico Eagle Common Shares**" means the common shares in the capital of Agnico Eagle;

"**Agnico Eagle Cash Consideration**" means \$1.045 per Corporation Common Share or Class A Share, as applicable;

"**Agnico Eagle Share Consideration**" means 0.07264 of an Agnico Eagle Common Share per Corporation Common Share or Class A Share, as applicable;

"**Agnico Eagle Total Share Consideration**" means the aggregate number of Agnico Eagle Common Shares deliverable pursuant to Section 3.3 and Section 4.1(b), including, for the avoidance of doubt, the Agnico Eagle Common Shares issuable upon exercise of the Corporation Convertible Securities;

"**Arrangement**" means an arrangement under the provisions of Section 192 of the CBCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Article 6, the Arrangement Agreement or made at the direction of the Court in the Final Order;

"**Arrangement Agreement**" means the arrangement agreement dated April 16, 2014 between Corporation, Yamana and Agnico Eagle, as it may be amended, amended and restated or supplemented from time to time in accordance with its terms;

"**Arrangement Resolution**" means the special resolution of Corporation Shareholders approving the Arrangement, substantially in the form set out on Schedule B to the Arrangement Agreement;

"**Assumed Liabilities**" has the meaning given to such term in the Canadian Malartic Contribution Agreement;

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday in Toronto, Ontario or Montreal, Québec;

"**Caisse Debenture**" means the Senior Unsecured Convertible Debenture dated December 10, 2013 between Osisko and Caisse de dépôt et du placement du Québec;

"**Canadian Malartic Assets**" has the meaning given to such term in the Canadian Malartic Contribution Agreement;

"**Canadian Malartic Contribution Agreement**" means the contribution agreement to be entered into between Corporation and Canadian Malartic GP in respect of the transfer of the Canadian Malartic Assets by Corporation to Canadian Malartic GP, in the form agreed to by the Parties;

"**Canadian Malartic GP**" means the general partnership to be formed between Corporation and Canadian Malartic Partner Co. pursuant to the Canadian Malartic Partnership Agreement;

"**Canadian Malartic NSR**" has the meaning given to such term in the Arrangement Agreement;

"**Canadian Malartic Partner Co.**" means a wholly-owned subsidiary of Corporation to be incorporated pursuant to the CBCA;

"**Canadian Malartic Partnership Agreement**" means the partnership agreement to be entered into between Corporation and Canadian Malartic Partner Co., in the form agreed to by the Parties;

"**Canadian Malartic Property**" has the meaning given to such term in the Canadian Malartic Contribution Agreement;

"**CBCA**" means the *Canada Business Corporations Act* and the regulations made thereunder;

"**Class A Shares**" means the Class A common shares of Corporation to be created pursuant to Section 3.3(i) hereof;

"**Corporation**" means Osisko Mining Corporation, a corporation existing under the CBCA;

"**Corporation Common Shares**" means common shares in the capital of Corporation;

"**Corporation Convertible Holder**" means a holder of a Corporation Convertible Security;

"**Corporation Convertible Securities**" means collectively, the Corporation Warrants, the Caisse Debenture, the FSTQ Convertible Loan and the Ressources Québec Debenture and "**Corporation Convertible Security**" means any one of them;

"**Corporation Optionholders**" means the holders of Corporation Options;

"**Corporation Options**" means all options to purchase Corporation Common Shares outstanding immediately prior to the Effective Time and issued pursuant to the Corporation Stock Option Plan or otherwise;

"**Corporation Rights Plan**" means the shareholder rights plan agreement dated as of May 17, 2010 between Corporation and CIBC Mellon Trust Company, as rights agent, as approved by Corporation Shareholders on June 30, 2010 and subsequently reapproved by Corporation Shareholders on May 9, 2013;

"**Corporation Shareholders**" means the holders of Corporation Common Shares;

"**Corporation Stock Option Plan**" means the Corporation's stock option plan, originally approved by the Corporation Shareholders on May 8, 2008;

"**Corporation Warrant Agreement**" means the common share purchase warrant agreement dated as of September 24, 2009 entered into between Corporation and CPPIB Investments Inc., amended as of June 29, 2013 and further amended as of December 10, 2013;

"**Corporation Warrants**" means the common share purchase warrants evidenced by the Corporation Warrant Agreement, each currently exercisable to purchase one Corporation Common Share at a price of \$6.25;

"**Court**" means the Superior Court of Québec in the City of Montreal;

"**Depositary**" has the meaning given to such term in the Arrangement Agreement;

"**Director**" means the Director appointed pursuant to section 260 of the CBCA;

**"Dissent Rights"** has the meaning set out in Section 4.1;

**"Dissenting Shareholder"** means a Corporation Shareholder who has duly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of Corporation Common Shares in respect of which Dissent Rights are validly exercised by such Corporation Shareholder;

**"Effective Date"** means the date shown on the certificate of arrangement issued under the CBCA giving effect to the Arrangement;

**"Effective Time"** means 12:01 a.m., or such other time as may be specified in writing by Corporation with the consent of Agnico Eagle and Yamana, on the Effective Date;

**"Encumbrance"** means any mortgage, hypothec, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

**"Exercised Corporation Option"** means a Corporation Option for which a Corporation Optionholder has executed an applicable exercise form and in respect of which the Corporation Optionholder has, prior to the Effective Time, paid to Corporation the aggregate of the exercise price of such Corporation Option;

**"Final Order"** means the order of the Court pursuant to Section 192 of the CBCA approving the Arrangement, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

**"Former Corporation Optionholders"** means the holders of Corporation Options immediately prior to the Effective Time;

**"Former Corporation Shareholders"** means the holders of Corporation Common Shares immediately prior to the Effective Time together with holders of the Exercised Corporation Options who receive Corporation Common Shares pursuant to Section 3.3(e);

**"FSTQ Convertible Loan"** means the convertible loan agreement entered into on May 9, 2008 between Fonds de solidarité des travailleurs du Québec (F.T.Q.) and the Corporation;

**"Funding Agreement"** means the agreement to be entered between Yamana (or a wholly-owned subsidiary thereof) and Agnico Eagle (or a wholly-owned subsidiary thereof) with respect to the funding of Aquisitionco with the aggregate Transaction Consideration to be delivered to the Depositary on behalf of Acquisitionco in accordance with Section 3.4;

**"Governmental Entity"** means any applicable (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, whether domestic or foreign, (b) any subdivision, agency, commission, board or authority of any of the foregoing, or (c) any quasi governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

**"holders"** means, when used with reference to the Corporation Common Shares, the holders of Corporation Common Shares shown from time to time in the register maintained by or on behalf of Corporation in respect of the Corporation Common Shares;

**"Individual Out-of-the-Money Amount"** has the meaning given to such term in Section 3.3(f);

**"Interim Order"** has the meaning given to such term in the Arrangement Agreement;

**"Laws"** means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, instruments, policies, notices, directions and judgments or other requirements of any Governmental Entity;

"**Letter of Transmittal**" means the letter of transmittal sent by Corporation to holders of Corporation Common Shares for use in connection with the Arrangement, providing for the delivery of certificates representing Corporation Common Shares to the Depositary;

"**Meeting**" has the meaning given to such term in the Arrangement Agreement;

"**New Osisko**" has the meaning given to such term in the Arrangement Agreement;

"**New Osisko Assets**" has the meaning given to such term in the Arrangement Agreement;

"**New Osisko Common Shares**" means common shares in the capital of New Osisko;

"**New Osisko Contribution Agreement**" means the agreement between the Corporation and New Osisko in a form agreeable to Agnico Eagle and Yamana, acting reasonably, by which the New Osisko Assets are transferred to, and the New Osisko Liabilities are assumed by, New Osisko;

"**New Osisko Liabilities**" has the meaning given to such term in the Arrangement Agreement;

"**Nominee Agreement**" means the agreement between Corporation and Canadian Malartic GP pursuant to which, effective as of the transfer of the Canadian Malartic Assets from Corporation to Canadian Malartic GP as contemplated in Section 3.3(b), Corporation shall hold title to the Canadian Malartic Property as agent and nominee for Canadian Malartic GP;

"**Non-Resident**" means a "non-resident" within the meaning of the Tax Act;

"**Non-Resident Shareholder**" means a Corporation Shareholder that is (i) a Non-Resident, or (ii) a partnership of which a Non-Resident is a member;

"**OBCA**" means *Business Corporations Act* (Ontario);

"**Out-of-the-Money Consideration Resolution**" means a resolution of Corporation Shareholders considered at the Meeting approving the payment to holders of Out-of-the-Money Corporation Options provided for in section 3.3(f) of this Plan of Arrangement;

"**Out-of-the-Money Corporation Option**" means a Corporation Option having an exercise price equal to or greater than \$8.15;

"**Out-of-the-Money Option Consideration Amount**" has the meaning given to such term in Section 3.3(f);

"**Parties**" means Agnico Eagle, Yamana and the Corporation, and "**Party**" means any of them;

"**person**" means an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrative legal representative, Governmental Entity or any other entity, whether or not having legal status;

"**Plan of Arrangement**" means this plan of arrangement and any amendments or variations thereto made in accordance with Article 6, the Arrangement Agreement or made at the direction of the Court in the Final Order;

"**Ressources Québec Debenture**" means the Senior Unsecured Convertible Debenture dated December 10, 2013 between Corporation and Ressources Québec Inc.;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as may be amended from time to time;



**"Transaction Cash Consideration"** means \$2.09 per Corporation Common Share or Class A Share, as applicable (being the sum of the Agnico Eagle Cash Consideration and the Yamana Cash Consideration);

**"Transaction Consideration"** means, collectively:

- (a) the Transaction Cash Consideration;
- (b) the Yamana Share Consideration; and
- (c) the Agnico Eagle Share Consideration;

**"Yamana"** means Yamana Gold Inc., a corporation existing under the CBCA;

**"Yamana Common Shares"** means the common shares in the capital of Yamana;

**"Yamana Cash Consideration"** means \$1.045 per Corporation Common Share or Class A Share, as applicable;

**"Yamana Share Consideration"** means 0.26471 of a Yamana Common Share per Corporation Common Share or Class A Share, as applicable;

**"Yamana Subco"** means a wholly-owned subsidiary of Yamana incorporated under the CBCA, which at the Effective Date shall hold Corporation Common Shares; and

**"Yamana Total Share Consideration"** means the aggregate number of Yamana Common Shares issuable pursuant to Section 3.3 and Section 4.1(b), including, for the avoidance of doubt, the Yamana Common Shares issuable upon exercise of the Corporation Convertible Securities.

## **1.2 Construction**

In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires:

- (a) references to "herein", "hereby", "hereunder", "hereof" and similar expressions are references to this Plan of Arrangement and not to any particular Section, Article or clause to this Plan of Arrangement;
- (b) references to an "Article", "Section", or "subsection" are references to an Article, Section, or subsection of this Plan of Arrangement;
- (c) words importing the singular shall include the plural and vice versa, and words importing gender shall include all genders;
- (d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (e) if the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day;
- (f) a period of Business Days is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. (Montreal time) on the last day of the period if the period is a Business Day or at 4:30 p.m. on the next Business Day if the last day of the period does not fall on a Business Day;

- (g) references to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislation provision substituted therefor and all regulations, rules and interpretations issued thereunder or pursuant thereto;
- (h) references to any agreement or document shall be to such agreement or document (together with the schedules and exhibits attached thereto), as it may have been or may hereafter be amended, modified, supplemented, waived or restated from time to time; and
- (i) wherever the term "includes" or "including" is used, it shall be deemed to mean "includes, without limitation" or "including, without limitation", respectively.

### **1.3 Currency**

Unless otherwise indicated, all dollar amounts referred to in this Plan of Arrangement are expressed in Canadian dollars.

### **1.4 Time**

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time (Montreal, Quebec) unless otherwise stipulated herein.

## **ARTICLE 2 BINDING EFFECT**

### **2.1 Binding Effect**

This Plan of Arrangement shall become effective at the Effective Time and, at and after the Effective Time, shall be binding on: (a) Corporation; (b) Yamana; (c) Agnico Eagle; (d) Acquisitionco; (e) New Osisko; (f) Canadian Malartic GP; (g) the Corporation Shareholders (including all Dissenting Shareholders) and beneficial owners of Corporation Common Shares; (h) the Corporation Optionholders; (i) the Depositary; and (j) the registrar and transfer agent in respect of the Corporation Common Shares, in each case without any further authorization, act or formality on the part of any person, except as expressly provided herein.

## **ARTICLE 3 THE ARRANGEMENT**

### **3.1 Arrangement Agreement**

This Plan of Arrangement is made pursuant to the provisions of the Arrangement Agreement and constitutes an arrangement as referred to in section 192 of the CBCA.

### **3.2 Preliminary Steps Prior to the Arrangement**

The following preliminary steps shall occur prior to, and shall be conditions precedent to, the implementation of the Plan of Arrangement:

- (a) Corporation shall have incorporated Canadian Malartic Partner Co. pursuant to the CBCA;
- (b) Corporation and Corporation Malartic Partner Co. shall have (i) entered into the Canadian Malartic Partnership Agreement, and (ii) each subscribed for an initial 50% partnership interest in Canadian Malartic GP;
- (c) Corporation and Canadian Malartic GP shall have entered into the Nominee Agreement to be effective on the occurrence of the transaction described in Section 3.3(b) hereof;

- (d) Corporation and Canadian Malartic GP shall have entered into the Canadian Malartic Contribution Agreement to be effective on the occurrence of the transaction described in Section 3.3(b) hereof;
- (e) Yamana (or a wholly-owned subsidiary thereof) and Agnico Eagle (or a wholly-owned subsidiary thereof) shall have incorporated Acquisitionco, with each of Agnico Eagle and Yamana (or such subsidiary or subsidiaries) holding 50% of the issued and outstanding common shares of Acquisitionco;
- (f) Corporation shall have incorporated New Osisko; and
- (g) Yamana (or a wholly-owned subsidiary thereof) and Agnico Eagle (or a wholly-owned subsidiary thereof) shall have entered into the Funding Agreement and shall have funded Acquisitionco in accordance with the Funding Agreement and Section 3.4 hereof.

### **3.3 The Arrangement**

Commencing at the Effective Time, the following shall occur and shall be deemed to occur, in the following order (unless expressly stated otherwise), without any further authorization, act or formality on the part of any person:

- (a) the Corporation Rights Plan shall be terminated (and all rights thereunder shall expire) and shall be of no further force or effect;
- (b) Corporation shall transfer its right and interest in and to the Canadian Malartic Assets (excluding, for the avoidance of doubt, the Canadian Malartic NSR, which shall be retained by Corporation and transferred by Corporation to New Osisko as part of the New Osisko Assets pursuant to Section 3.3(c)) to Canadian Malartic GP in consideration for (i) the assumption by Canadian Malartic GP of the Assumed Liabilities; and (ii) an increased partnership interest in Canadian Malartic GP, all in accordance with the terms of the Canadian Malartic Contribution Agreement;
- (c) Corporation shall transfer to New Osisko all of its entire legal and beneficial right, title and interest in and to the New Osisko Assets in consideration for (i) the issuance by New Osisko to Corporation of that number of fully paid and non-assessable New Osisko Common Shares equal to the sum of (A) the number of Corporation Common Shares issued and outstanding immediately prior to the Effective Time, (B) the number of Corporation Common Shares issuable upon exercise of the Corporation Convertible Securities, and (C) the number of Corporation Common Shares issuable pursuant to Section 3.3(e), and (ii) the assumption by New Osisko of the New Osisko Liabilities, all in accordance with the terms of the New Osisko Contribution Agreement;
- (d) each Corporation Common Share held by a Dissenting Shareholder shall be, and shall be deemed to be, surrendered to Corporation by the holder thereof, without any further act or formality by or on behalf of the Dissenting Shareholder, free and clear of any Encumbrances, and each such Corporation Common Share so surrendered shall be cancelled and thereupon each Dissenting Shareholder shall cease to have any rights as holders of such Corporation Common Shares other than the rights set out in Article 4 hereof and the name of such Dissenting Shareholder shall be removed from the register of holders of Corporation Common Shares;
- (e) each of the Exercised Corporation Options shall be, and shall be deemed to be, exercised and Corporation shall, and shall be deemed to, issue to the holder of such Exercised Corporation Options that number of Corporation Common Shares issuable pursuant to the terms of such Exercised Corporation Options, and the name of each such holder shall be added to the securities register maintained by or on behalf of Corporation in respect of Corporation Common Shares showing such holder as the legal and beneficial owner of the Corporation Common Shares acquired pursuant to the terms of such Exercised Corporation Options;

- (f) if the Out-of-the-Money Consideration Resolution has been approved at the Meeting by a simple majority of the votes cast by Corporation Shareholders present in person or represented by proxy at the Meeting (excluding Corporation Shares held by holders of Out-of-the-Money Corporation Options), each holder of an Out-of-the-Money Corporation Option shall receive a cash payment equal to the fair value of such Out-of-the-Money Corporation Option determined using the "Black-Scholes" valuation model calculated as of the date of the Arrangement Agreement as per standard industry practice (the "**Individual Out-of-the-Money Amount**"), provided that the aggregate of the Individual Out-of-the-Money Amounts (the "**Out-of-the-Money Option Consideration Amount**") shall not exceed \$3 million. If the Out-of-the-Money Option Consideration Amount would otherwise exceed \$3 million, each Individual Out-of-the-Money Amount shall be proportionately reduced such that the Out-of-the-Money Option Consideration Amount equals \$3 million;
- (g) all remaining outstanding Corporation Options shall be terminated without payment or compensation therefor, and neither Corporation, New Osisko nor Acquisitionco shall have any further liabilities or obligations to the Former Corporation Optionholders thereof with respect thereto;
- (h) each Corporation Common Share held by a Non-Resident Shareholder and each Corporation Common Share acquired on the exercise of an Exercised Corporation Option pursuant to Section 3.3(e) shall be, and shall be deemed to be, transferred to Acquisitionco (free and clear of any Encumbrances) by such Non-Resident Shareholders and Former Corporation Optionholders in exchange for:
  - (i) the Transaction Consideration, and
  - (ii) a right to receive one New Osisko Common Share (which New Osisko Common Share shall be delivered by Acquisitionco to such Non-Resident Shareholders and Former Corporation Optionholders pursuant to Section 3.3(j));
- (i) in the course of a reorganization of Corporation's authorized and issued share capital:
  - (i) the articles of Corporation shall be amended to add a class of shares designated as "Class A Shares", having the following rights, privileges, restrictions and conditions attaching thereto:
    - (A) Dividends: The holders of the Class A Shares are entitled to receive dividends, if, as and when declared by the board of directors of Corporation out of the assets of Corporation properly applicable to the payment of dividends in such amounts and payable at such times and at such place or places in Canada as the board of directors of Corporation may from time-to-time determine. Subject to the rights of the holders of any other class of shares of Corporation entitled to receive dividends in priority to or rateably with the Class A shares, the board of directors of Corporation may in its sole discretion declare dividends on the Class A Shares to the exclusion of any other class of shares of Corporation;
    - (B) Voting Rights: The holders of the Class A Shares are entitled to receive notice of and to attend all annual and special meetings of the shareholders of Corporation, and to two votes at all such meetings in respect of each Class A Share held;
    - (C) Participation upon Liquidation, Dissolution or Winding-Up: In the event of the liquidation, dissolution or winding-up of Corporation or other distribution of assets of Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Class A Shares shall, subject to the rights of the

holders of any other class of shares of Corporation upon such a distribution in priority to the Class A Shares, be entitled to participate ratably in any distribution of the assets of Corporation; and

- (D) Modification of Rights: The rights and restrictions attached to the Class A Shares shall not be modified unless the holders of the Class A Shares consent thereto by separate resolution. Such consent may be obtained in writing signed by the holders of all of the issued and outstanding Class A Shares or by a resolution passed by at least 75% of the votes cast at a separate meeting of the holders of Class A Shares who are present in person or represented by proxy at such meeting;
- (ii) each issued and outstanding Corporation Common Share (including, for the avoidance of doubt, Corporation Common Shares held by Acquisitionco, Yamana, Yamana Subco and Agnico Eagle) shall be exchanged with Corporation (free and clear of any Encumbrances) for one Class A Share and one New Osisko Common Share and each such exchanged Corporation Common Share shall thereupon be cancelled; and
- (iii) the stated capital account in respect of the Corporation Common Shares shall be reduced, in respect of the Corporation Common Shares exchanged pursuant to Section 3.3(i)(ii), by an amount equal to the stated capital of such Corporation Common Shares immediately prior to the step in Section 3.3(i), and there shall be added to the stated capital account of the Class A Shares issued pursuant to Section 3.3(i)(ii) the amount by which (A) the amount the stated capital account of the Corporation Common Shares is reduced pursuant to this Section 3.3(i)(iii) exceeds (B) the fair market value of the New Osisko Common Shares transferred to former holders of Corporation Common Shares pursuant to Section 3.3(i)(ii);
- (j) Acquisitionco shall deliver to each Corporation Shareholder whose Corporation Common Shares were transferred to Acquisitionco pursuant to Section 3.3(h) such number of New Osisko Common Shares as are deliverable to such Corporation Shareholder pursuant to Section 3.3(h);
- (k) each issued and outstanding Class A Share (other than Class A Shares already held by Acquisitionco) shall be, and shall be deemed to be, transferred to Acquisitionco (free and clear of any Encumbrances) in exchange for the Transaction Consideration;
- (l) the aggregate stated capital of the Class A Shares shall be reduced to \$1.00;
- (m) with respect to each Corporation Common Share and Class A Share, each Former Corporation Shareholder shall cease to be a registered or beneficial holder of Corporation Common Shares and Class A Shares and the name of such holder shall be removed from the securities register maintained by or on behalf of Corporation;
- (n) each Former Corporation Shareholder that was the registered holder of Corporation Common Shares or Class A Shares, as applicable, shall, immediately prior to the assignment and transfer of such Corporation Common Shares or Class A Shares pursuant to this Section 3.3, be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign such Corporation Common Shares to Corporation and such Class A Shares to Acquisitionco;
- (o) for greater certainty, each Corporation Convertible Security outstanding immediately prior to the Effective Time shall entitle the Corporation Convertible Holder thereof to receive from Corporation, upon the exercise of such Corporation Convertible Security following the Effective Time in accordance with the terms thereof and upon payment to Corporation of the exercise price that would have been payable upon exercise of such Corporation Convertible Security

immediately prior to the Effective Time, the Transaction Consideration and one New Osisko Common Share for each Corporation Common Share that would have been issuable upon the exercise of such Corporation Convertible Security prior to the Effective Time (and in lieu of receiving such Corporation Common Shares);

- (p) Acquisitionco shall be added to the securities register maintained by or on behalf of Corporation in respect of Class A Shares showing Acquisitionco as the sole legal and beneficial owner of Class A Shares free and clear of all Encumbrances;
- (q) recipients of New Osisko Common Shares hereunder shall be added to the securities register maintained by or on behalf of New Osisko in respect of New Osisko Common Shares as legal and beneficial owners of New Osisko Common Shares free and clear of all Encumbrances;
- (r) Yamana Subco shall be wound up, liquidated and dissolved into Yamana pursuant to Section 211 of the CBCA and shall distribute to Yamana all of its assets, and Yamana shall assume all of the liabilities of Yamana Subco; and
- (s) the Yamana Common Shares distributed to Yamana pursuant to Section 3.3(r) shall be cancelled for no consideration.

### **3.4 Delivery of Transaction Consideration to Depositary**

- (a) Pursuant to the Funding Agreement, on or immediately prior to the Effective Date, Yamana shall deliver or arrange to be delivered to the Depositary, on behalf of Acquisitionco:
  - (i) cash equal to the aggregate Yamana Cash Consideration payable pursuant to Section 3.3 and Section 4.1(b); and
  - (ii) share certificates representing the Yamana Total Share Consideration,which cash and share certificates shall be held by the Depositary as agent and nominee for Former Corporation Shareholders and Corporation Convertible Holders for distribution to such Former Corporation Shareholders in accordance with the provisions of Article 5 and to Corporation Convertible Holders in accordance with Section 3.3(o).
- (b) Pursuant to the Funding Agreement, on or immediately prior to the Effective Date, Agnico Eagle shall deliver or arrange to be delivered to the Depositary, on behalf of Acquisitionco:
  - (i) cash equal to the aggregate Agnico Eagle Cash Consideration payable pursuant to Section 3.3 and Section 4.1(b); and
  - (ii) share certificates representing the Agnico Eagle Total Share Consideration,which cash and share certificates shall be held by the Depositary as agent and nominee for Former Corporation Shareholders and Corporation Convertible Holders for distribution to such Former Corporation Shareholders in accordance with the provisions of Article 5 and to Corporation Convertible Holders in accordance with Section 3.3(o).
- (c) Former Corporation Shareholders shall be entitled to receive delivery of the Transaction Consideration and New Osisko Common Shares to which they are entitled pursuant to Section 3.3 hereof in accordance with the provisions of Article 5.
- (d) New Osisko Common Shares issued to the Corporation pursuant to Section 3.3(c) in respect of Corporation Convertible Holders shall be transferred by Corporation to the Depositary as agent

and nominee for Corporation for distribution to such Corporation Convertible Holders in accordance with Section 3.3(o).

- (e) Pursuant to the Funding Agreement, on or immediately prior to the Effective Date, Yamana and Agnico Eagle shall each deliver or arrange to be delivered to the Depository, on behalf of Acquisitionco cash equal to 50% of the Out-of-the-Money Option Consideration Amount for distribution to the holders of Out-of-the-Money Corporation Options if the Out-of-the-Money Consideration Resolution is approved.
- (f) In the event a Corporation Convertible Security is not exercised or converted in accordance with its respective terms by a Corporation Convertible Holder prior to its respective expiry time, then:
  - (i) the cash consideration that such Corporation Convertible Holder would have been entitled to receive upon exercise of the Corporation Convertible Security shall be deemed to be owned by Acquisitionco;
  - (ii) the New Osisko Common Shares that such Corporation Convertible Holder would have been entitled to receive upon exercise of the Corporation Convertible Security and the certificates representing such New Osisko Common Shares shall be delivered to New Osisko by the Depository for cancellation;
  - (iii) the Yamana Common Shares that such Corporation Convertible Holder would have been entitled to receive upon exercise of the Corporation Convertible Security and the certificates representing such Yamana Common Shares shall be delivered to Yamana by the Depository for cancellation; and
  - (iv) the Agnico Eagle Common Shares that such Corporation Convertible Holder would have been entitled to receive upon exercise of the Corporation Convertible Security and the certificates representing such Agnico Eagle Common Shares shall be delivered to Agnico Eagle by the Depository for cancellation.

### **3.5 No Fractional Shares**

- (a) No fractional New Osisko Common Shares shall be issued to Former Corporation Shareholders or Corporation Convertible Holders in connection with this Plan of Arrangement. The number of New Osisko Common Shares to be delivered to Former Corporation Shareholders and Corporation Convertible Holders shall, without additional compensation, be rounded down to the nearest whole New Osisko Common Share in the event that a Former Corporation Shareholder or Corporation Convertible Holder is entitled to a fractional New Osisko Common Share.
- (b) No fractional Yamana Common Shares shall be delivered to Former Corporation Shareholders or Corporation Convertible Holders in connection with this Plan of Arrangement. The number of Yamana Common Shares to be delivered to Former Corporation Shareholders and Corporation Convertible Holders shall, without additional compensation, be rounded down to the nearest whole Yamana Common Share in the event that a Former Corporation Shareholder or Corporation Convertible Holder is entitled to a fractional Yamana Common Share.
- (c) No fractional Agnico Eagle Common Shares shall be delivered to Former Corporation Shareholders or Corporation Convertible Holders in connection with this Plan of Arrangement. The number of Agnico Eagle Common Shares to be delivered to Former Corporation Shareholders and Corporation Convertible Holders shall, without additional compensation, be rounded down to the nearest whole Agnico Eagle Common Share in the event that a Former Corporation Shareholder or Corporation Convertible Holder is entitled to a fractional Agnico Eagle Common Share.

### **3.6 Entitlement to Cash Consideration**

In any case where the aggregate cash consideration payable to a particular Former Corporation Shareholder or Corporation Convertible Holders under the Arrangement would, but for this provision, include a fraction of a cent, the consideration payable shall be rounded down to the nearest whole cent.

### **3.7 Transfers Free and Clear**

Any transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Encumbrances.

## **ARTICLE 4 RIGHTS OF DISSENT**

### **4.1 Rights of Dissent**

A holder of Corporation Common Shares immediately prior to the Effective Time may exercise rights of dissent ("**Dissent Rights**") in accordance with the procedures set out in Section 190 of the CBCA, as modified by this Article 4, the Interim Order and the Final Order, with respect to such Corporation Common Shares in connection with the Arrangement, provided that notwithstanding Section 190(5) of the CBCA, the written objection to the Arrangement Resolution contemplated by Section 190(5) of the CBCA must be received by Corporation by 5:00 pm (Montreal time) on the second Business Day immediately prior to the date of the Meeting. Each Dissenting Shareholder who is:

- (a) ultimately entitled to be paid fair value for such holder's Corporation Common Shares, which fair value, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be determined as of the close of business on the day before the Final Order becomes effective, shall be deemed to have transferred such holder's Corporation Common Shares to Corporation as of the Effective Time as set out in Section 3.3 hereof, and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholder not exercised Dissent Rights in respect of such Corporation Common Shares; or
- (b) ultimately not entitled, for any reason, to be paid such fair value for such Corporation Common Shares, shall be deemed to have participated in the Arrangement with respect to such Corporation Common Shares, as of the Effective Time, on the same basis as a holder of Corporation Common Shares to which Section 3.3 hereof applies.

### **4.2 Recognition of Dissenting Shareholders**

- (a) In no circumstances shall Corporation, Acquisitionco or any other person be required to recognize a Dissenting Shareholder as the holder of any Corporation Common Share in respect of which Dissent Rights have been validly exercised at and after the Effective Time, and the names of such Dissenting Shareholders shall be removed from the register of Corporation Common Shares maintained by or on behalf of Corporation as provided in Section 3.3.
- (b) In addition to any other restrictions under Section 190 of the CBCA, (i) holders of securities convertible for Corporation Common Shares (including the Corporation Options); and (ii) Corporation Shareholders who voted (or have instructed a proxyholder to vote) in favour of the Arrangement Resolution, shall not be entitled to exercise Dissent Rights.



**ARTICLE 5**  
**DELIVERY OF CONSIDERATION**

**5.1 Exchange of Certificates for Consideration**

Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented one or more outstanding Corporation Common Shares that were exchanged in accordance with Section 3.3, together with the Letter of Transmittal and such other documents and instruments as would have been required to effect the transfer of the Corporation Common Shares or Class A Shares, as applicable, formerly represented by such certificate under the CBCA and the by-laws of Corporation and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, a certificate representing the New Osisko Common Shares, a certificate representing the Yamana Common Shares, a certificate representing the Agnico Eagle Common Shares and a cheque for the cash consideration to which such holder is entitled to receive in accordance with Section 3.3.

**5.2 Lost Certificates**

In the event any certificate that immediately prior to the Effective Time represented one or more outstanding Corporation Common Shares that were exchanged or transferred pursuant to the Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed and upon such person otherwise complying with the provisions of Section 5.1, such person shall be entitled to receive, in accordance with the provisions of this Article 5, the consideration to which such person is entitled pursuant to Section 5.1, less any amount required to be withheld pursuant to Section 5.4; provided that, as a condition precedent to any such issuance or payment, such person shall have provided a bond satisfactory to Corporation, in such amount as Corporation may direct, or otherwise indemnify Corporation and the Depositary in a manner satisfactory to Corporation and the Depositary against any claim that may be made against Corporation or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

**5.3 Extinction of Rights**

- (a) To the extent that a Former Corporation Shareholder that was otherwise entitled to receive the Transaction Consideration shall not have complied with the provisions of Section 5.1 or Section 5.2 hereof on or before the date which is six years after the Effective Date (the "**final proscription date**"), then:
- (i) such Former Corporation Shareholder's interest in the cash consideration which such Former Corporation Shareholder was entitled to receive shall be terminated as of such final proscription date and such cash consideration shall be deemed to be owned by Acquisitionco;
  - (ii) the New Osisko Common Shares which such Former Corporation Shareholder was entitled to receive shall be automatically transferred to New Osisko and the certificates representing such New Osisko Common Shares shall be delivered to New Osisko by the Depositary for cancellation, and the interest of the Former Corporation Shareholder in such New Osisko Common Shares to which it was entitled shall be terminated as of such final proscription date;
  - (iii) the Yamana Common Shares which such Former Corporation Shareholder was entitled to receive shall be automatically transferred to Yamana and the certificates representing such Yamana Common Shares shall be delivered to Yamana by the Depositary for cancellation, and the interest of the Former Corporation Shareholder in such Yamana Common Shares to which it was entitled shall be terminated as of such final proscription date; and

- (iv) the Agnico Eagle Common Shares which such Former Corporation Shareholder was entitled to receive shall be automatically transferred to Agnico Eagle and the certificates representing such Agnico Eagle Common Shares shall be delivered to Agnico Eagle by the Depositary for cancellation, and the interest of the Former Corporation Shareholder in such Agnico Eagle Common Shares to which it was entitled shall be terminated as of such final proscription date.

#### **5.4 Withholding Rights**

The Corporation and the Depositary shall be entitled to deduct and withhold from any consideration, dividend or other distribution otherwise payable to any holder of Corporation Common Shares, Corporation Options, New Osisko Common Shares, Yamana Common Shares or Agnico Eagle Common Shares, such amounts as Corporation or the Depositary determines, acting reasonably, are required or permitted to be deducted and withheld with respect to such payment under Canadian or United States tax laws or any other applicable law. To the extent that the withheld amount may be reduced, Corporation and the Depositary, as the case may be, acting reasonably, shall withhold on such lower amount. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing agency.

#### **5.5 Interest**

Under no circumstances shall interest accrue or be paid by Corporation or the Depositary to persons depositing certificates pursuant to Section 5.1, regardless of any delay making any payment contemplated by this Article 5.

#### **5.6 Distributions with Respect to Unsurrendered Certificates.**

No dividend or other distribution declared or made after the Effective Time with respect to New Osisko Common Shares, Yamana Common Shares or Agnico Eagle Common Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate which, immediately prior to the Effective Time, represented outstanding Corporation Common Shares unless and until the holder of such certificate shall have complied with the provisions of Section 5.1 or Section 5.2. Subject to applicable law and to Section 5.4 hereof, at the time of such compliance, there shall, in addition to the delivery of a certificate representing the New Osisko Common Shares, Yamana Common Shares or Agnico Eagle Common Shares, as the case may be, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such New Osisko Common Shares, Yamana Common Shares or Agnico Eagle Common Shares, as the case may be.

### **ARTICLE 6** **AMENDMENTS**

#### **6.1 Amendments to Plan of Arrangement**

- (a) Corporation, Yamana and Agnico Eagle may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) agreed to in writing by Corporation, Yamana and Agnico Eagle, (iii) filed with the Court and, if made following the Meeting, approved by the Court, and (iv) communicated to Corporation Shareholders if and as required by the Court.
- (b) Any amendment, modification or supplement to the Plan of Arrangement may be proposed by Corporation at any time prior to the Meeting (provided that Yamana and Agnico Eagle shall have consented thereto in writing) with or without any other prior notice or communication, and, if so proposed and approved at the Meeting in the manner required by the Interim Order, shall become part of this Plan of Arrangement for all purposes.

- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Meeting shall be effective only if (i) it is consented to by each of Yamana, Agnico Eagle and Corporation, and (ii) if required by the Court, it is approved by the Corporation Shareholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time by the mutual consent of Corporation, Yamana and Agnico Eagle, provided that it concerns a matter that in the opinion of Corporation, Yamana and Agnico Eagle, each acting reasonably, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interests of any person that, immediately prior to the Effective Time, was a holder of Corporation Common Shares or Corporation Options.
- (e) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the provisions of the Arrangement Agreement.

**ARTICLE 7**  
**FURTHER ASSURANCES**

Notwithstanding that the transactions contemplated in this Plan of Arrangement shall occur and be deemed to occur in the order set out in Section 3.3 and shall become effective without any further act or formality, each of Corporation, New Osisko, Yamana and Agnico Eagle shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

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## SCHEDULE "C"

### FAIRNESS OPINION OF BMO CAPITAL MARKETS



**BMO Nesbitt Burns Inc.**  
100 King Street West  
Toronto, ON M5X 1H3

April 15, 2014

The Board of Directors  
Osisko Mining Corporation  
1100, Avenue des Canadiens-de-Montréal  
Bureau 300  
Montréal, Québec  
H3B 2S2

To the Board of Directors:

BMO Nesbitt Burns Inc. ("BMO Capital Markets" or "we" or "us") understands that Osisko Mining Corporation (the "Company"), Yamana Gold Inc. ("Yamana") and Agnico Eagle Mines Limited ("Agnico Eagle" and together with Yamana, the "Acquirors") propose to enter into an arrangement agreement to be dated as of April 16, 2014 (the "Arrangement Agreement") pursuant to which, among other things, each holder of outstanding common shares in the Company (each a "Share") will be entitled to receive, in exchange for each Share held, (i) C\$2.09 in cash; (ii) 0.07264 common shares of Agnico Eagle; (iii) 0.26471 common shares of Yamana; and (iv) 1 common share in a newly incorporated company ("SpinCo") (collectively, the "Consideration"). SpinCo will hold (a) C\$155 million in cash; (b) a 5% net smelter royalty on the Company's Canadian Malartic property and a \$0.40 per tonne milling fee royalty in respect of ore milled at the Company's Canadian Malartic property; (c) a 2% net smelter royalty on the Company's Kirkland Lake, Hammond Reef, Pandora, Wood Pandora and the Yukon properties; (d) all assets and liabilities of the Company in the Guerrero camp; and (e) the Company's publicly traded equity investments.

We also understand that the transactions contemplated by the Arrangement Agreement are proposed to be effected by way of an arrangement under the *Canada Business Corporations Act* (the "Arrangement"). The terms and conditions of the Arrangement will be summarized in the Company's management information circular (the "Circular") to be mailed to holders of Shares (the "Shareholders") and holders of options of the Company (together with the Shareholders, the "Securityholders") in connection with a special meeting of the Securityholders to be held to consider and, if deemed advisable, approve the Arrangement.

We have been retained to provide financial advice to the Company, including our opinion (the "Opinion") to the board of directors of the Company (the "Board of Directors") as to the fairness,

from a financial point of view, of the Consideration to be received by the Shareholders pursuant to the Arrangement.

### ***Engagement of BMO Capital Markets***

The Company initially contacted BMO Capital Markets regarding a potential advisory assignment in January 2014. BMO Capital Markets was formally engaged by the Company pursuant to an agreement dated as of January 14, 2014 (the "Engagement Agreement"). Under the terms of the Engagement Agreement, BMO Capital Markets has agreed to provide the Company and the Board of Directors with various advisory services, including in connection with the Arrangement and the provision of the Opinion.

BMO Capital Markets will receive a fee for rendering the Opinion. We will also receive certain fees for our advisory services under the Engagement Agreement, a substantial portion of which is contingent upon a change of control transaction involving the Company or certain other events. The Company has also agreed to reimburse us for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities that might arise out of our engagement.

### ***Credentials of BMO Capital Markets***

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions.

The Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

### ***Independence of BMO Capital Markets***

Neither BMO Capital Markets, nor any of our affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of the Company, the Acquirors, or any of their respective associates or affiliates (collectively, the "Interested Parties").

BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than acting as financial advisor to the Company and the Board of Directors pursuant to the Engagement Agreement. In addition, Bank of Montreal ("BMO"), of which BMO Capital

Markets is a wholly-owned subsidiary, acted as a lender and co-documentation agent to Agnico Eagle in connection with its current unsecured revolving bank credit facility.

There are no other understandings, agreements or commitments between BMO Capital Markets and any of the Interested Parties with respect to any current or future business dealings which would be material to the Opinion. BMO Capital Markets may in the ordinary course of business provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

BMO Capital Markets and certain of our affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Parties or the Arrangement. In addition, BMO, or one or more affiliates of BMO, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

### *Scope of Review*

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. a draft of the Arrangement Agreement dated April 15, 2014 and the draft schedules thereto, including a form of the net smelter return royalty agreement that the parties to the Arrangement Agreement have agreed to work together in good faith to finalize (the "NSR Agreement");
2. the take-over bid circular filed by Goldcorp Inc. on January 14, 2014 and subsequent notices of variation thereto in connection with the offer by Goldcorp Inc. to purchase all the Shares of the Company;
3. certain publicly available information relating to the business, operations, financial condition and trading history of the Company and the Acquirors and other selected public companies we considered relevant;
4. certain internal financial, operating, corporate and other information prepared or provided by or on behalf of the Company and Agnico Eagle relating to the business, operations and financial condition of the Company and Agnico Eagle;

5. internal management forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of the Company;
6. discussions with management of the Company and the Acquirors relating to the Company's and the Acquirors' current respective business, plans, financial condition and prospects;
7. public information with respect to selected precedent transactions we considered relevant;
8. historical commodity prices and the impact of various commodity pricing assumptions on the business, prospects and financial forecasts of the Company;
9. various reports published by equity research analysts and industry sources we considered relevant;
10. a letter of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by senior officers of the Company; and
11. such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

### ***Assumptions and Limitations***

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of the Company or otherwise obtained by us in connection with our engagement (the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, and have not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information. We have assumed that forecasts, projections, estimates and budgets provided to us and used in our analyses were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the Company, having regard to the Company's business, plans, financial condition and prospects.

Senior officers of the Company have represented to BMO Capital Markets in a letter of representation delivered as of the date hereof, among other things, that: (i) the Information provided to BMO Capital Markets orally by, or in the presence of, an officer or employee of, the Company, or in writing by the Company or any of its subsidiaries (as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*) or any of its or their representatives in connection BMO Capital Markets' engagement was, at the date the Information was provided to BMO Capital Markets, and is, as of the date hereof, complete, true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the *Securities Act* (Ontario)); and (ii) since the dates on which the Information was provided to BMO Capital Markets, except as disclosed to BMO Capital Markets, there has been



no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries.

In preparing the Opinion, we have assumed that the executed Arrangement Agreement and NSR Agreement will not differ in any material respect from the drafts that we reviewed, and that the Arrangement will be consummated in accordance with the terms and conditions of the Arrangement Agreement without waiver of, or amendment to, any term or condition that is in any way material to our analyses.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the condition and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of the Company and its representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control or that of any party involved in the Arrangement.

The Opinion is provided to the Board of Directors for its exclusive use only in considering the Arrangement and may not be used or relied upon by any other person or for any other purpose without our prior written consent. The Opinion does not constitute a recommendation as to how any Shareholder should vote or act on any matter relating to the Arrangement. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the Company, the Acquirors or of any of their respective affiliates, or of SpinCo, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the securities of the Company, the Acquirors or SpinCo may trade at any time. BMO Capital Markets was not engaged to review any legal, tax or regulatory aspects of the Arrangement and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the Company and its legal and tax advisors with respect to such matters.

The Opinion is rendered as of the date hereof and BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing, if we learn that any of the information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, BMO Capital Markets reserves the right to change or withdraw the Opinion.

***Conclusion***

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair from a financial point of view to the Shareholders.

Yours truly,

*BMO Nesbitt Burns Inc.*

**BMO Nesbitt Burns Inc.**

## SCHEDULE "D"

### FAIRNESS OPINION OF MAXIT CAPITAL LP

# Maxit Capital LP

181 Bay Street, Suite 830  
Toronto, ON, M5J 2T3

April 15, 2014

The Board of Directors  
Osisko Mining Corporation  
1100, av. des Canadiens-de-Montréal  
Suite 300, P.O. Box 211  
Montreal, QC, H3B 2S2

To the Board of Directors:

Maxit Capital LP ("Maxit Capital", "we" or "us") understands that Yamana Gold Inc. ("Yamana") and Agnico Eagle Mines Limited ("Agnico Eagle" or together with Yamana, the "Acquirors") and Osisko Mining Corporation ("Osisko" or the "Company") propose to effect a transaction (the "Transaction"), by way of a plan of arrangement, whereby:

- Yamana and Agnico Eagle will jointly acquire 100% of Osisko's issued and outstanding common shares (the "Shares") and the holders of the Shares (the "Shareholders") shall be entitled to receive, in exchange for each common share held, consideration (the "Consideration") comprised of the following:
  - a. C\$2.09 in cash, to be funded equally by the Acquirors;
  - b. 0.26471 of a Yamana common share;
  - c. 0.07264 of a Agnico Eagle common share; and
  - d. one (1) new Osisko ("Spinco") common share.
- Certain assets and liabilities of Osisko will be transferred to Spinco as follows:
  - a. a 5% net smelter royalty ("NSR") on the Canadian Malartic property;
  - b. C\$155 million in cash;
  - c. a 2% NSR on certain other existing properties of Osisko, including the Kirkland Lake properties, the Hammond Reef property, and the Pandora and Wood-Pandora properties;
  - d. all assets and liabilities of Osisko in its Guerrero camp; and
  - e. other investments and items.

The terms and conditions of the Transaction are more fully described in the arrangement agreement dated April 16, 2014 (the "Arrangement Agreement"). We also understand that the Company's board of directors (the "Board of Directors") has appointed a special committee (the "Special Committee") to consider the implications of the Transaction and to make recommendations to the Board of Directors concerning the Transaction.

#### **Engagement of Maxit Capital**

By letter agreement dated January 13, 2014 (the "Engagement Agreement"), the Company retained Maxit Capital to act as its financial advisor in connection with the hostile bid announced by Goldcorp Inc.

("Goldcorp") on January 13, 2014 and any alternative transaction. Pursuant to the Engagement Agreement, the Special Committee and Board of Directors has requested that we prepare and deliver to it our written opinion (the "Opinion") as to the adequacy, from a financial point of view, of the Consideration to be received by the Shareholders, pursuant to the Transaction, other than the Acquirors and its affiliates.

Maxit Capital will be paid a fee for rendering of this Opinion and will be paid an additional fee that is contingent upon the completion of the Transaction or any alternative transaction. The Company has also agreed to reimburse Maxit Capital for its reasonable out-of-pocket expenses and to indemnify Maxit Capital in respect of certain liabilities that might arise out of our engagement.

### **Credentials of Maxit Capital**

Maxit Capital is an independent advisory firm with expertise in mergers and acquisitions. The Opinion expressed herein is the opinion of Maxit Capital and the form and content herein have been approved for release by its managing partners, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

### **Independence of Maxit Capital**

Neither Maxit Capital, nor any of our affiliates, is an insider, associate or affiliate (as those terms are defined in the Securities Act (Ontario) or the rules made thereunder) of the Company, the Acquirors, or any of their respective associates or affiliates (collectively, the "Interested Parties").

Maxit Capital has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than acting as financial advisor to the Company and the Board of Directors pursuant to the Engagement Agreement.

There are no other understandings, agreements or commitments between Maxit Capital and any of the Interested Parties with respect to any current or future business dealings which would be material to the Opinion. Maxit Capital may in the ordinary course of business provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

### **Scope of Review**

In connection with rendering our Opinion, we have reviewed and relied upon, among other things, the following:

- i. the take-over bid circular published by Goldcorp on January 14, 2014;
- ii. the notice of extension and variation published by Goldcorp dated April 10, 2014;
- iii. the draft Arrangement Agreement dated April 15, 2014 relating to the Transaction and the schedules thereto;
- iv. the annual reports, including the comparative audited financial statements and management's discussion and analysis, of each of the Company and the Acquirors, for the fiscal years ended December 31, 2011, 2012 and 2013;
- v. the annual information forms of each of the Company and the Acquirors for the fiscal years ended December 31, 2011, 2012 and 2013;
- vi. the interim reports, including the comparative unaudited financial statement and management's discussion and analysis, of each of the Company and the Acquirors, for the quarters ended March 31, 2013, June 30, 2013 and September 30, 2013;
- vii. certain internal financial, operational, corporate and other information prepared or provided by the management of the Company and the Acquirors, including internal operating and financial budgets and projections;
- viii. select public market trading statistics and relevant financial information of the Company, the Acquirors and other public entities;

- ix. select financial statistics and relevant financial information with respect to relevant precedent transactions;
- x. select technical reports on the Company and the Acquirors' assets, select reports published by equity research analysts and industry sources regarding the Company, the Acquirors and other comparable public entities;
- xi. a certificate addressed to us, dated as of the date hereof, from two senior officers of the Company as to the completeness and accuracy of the Information (as defined below); and
- xii. such other information, analyses, investigations, and discussions as we considered necessary or appropriate in the circumstances.

Maxit Capital has also participated in discussions regarding the Transaction and related matters with Bennett Jones LLP, legal counsel to the Company and Stikeman Elliott LLP, legal counsel to the Special Committee.

In addition, we have participated in discussions with members of the senior management of the Company and the Acquirors regarding their respective businesses, operations, financial condition, prospects and related matters. We also participated in discussions with members of Norton Rose Fulbright Canada LLP and Canaccord Genuity Corp. (advisors to Yamana) as well as Davies Ward Phillips & Vineberg LLP, TD Securities Inc. and Bank of America Merrill Lynch (advisors to Agnico Eagle).

### **Assumptions and Limitations**

Our Opinion is subject to the assumptions, qualifications and limitations set forth below. We have not been asked to prepare and have not prepared a formal valuation or appraisal of any of the assets or securities of the Company, the Acquirors or any of their respective affiliates and our Opinion should not be construed as such.

With your permission, we have relied upon, and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company or its affiliates or advisors or otherwise obtained by us pursuant to our engagement, and our Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. We have not met separately with the independent auditors of the Company or the Acquirors in connection with preparing this Opinion and with your permission, we have assumed the accuracy and fair presentation of, and relied upon, the audited financial statements of the Company and the Acquirors and the reports of the auditors thereon and the interim unaudited financial statements of the Company and the Acquirors.

With respect to the historical financial data, operating and financial forecasts and budgets provided to us concerning the Company and relied upon in our financial analyses, we have assumed that they have been reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgments of management of the Company, having regard to the Company's business, plans, financial condition and prospects.

The Company has represented to us, in a certificate of two senior officers of the Company dated the date hereof, among other things, that the information, data and other material (financial or otherwise) provided to us by or on behalf of the Company, including the written information and discussions concerning the Company referred to above under the heading "Scope of Review" (collectively, the "Information"), are complete and correct at the date the Information was provided to us and that, since the date on which the Information was provided to us, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its affiliates and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Transaction or the sufficiency of this letter for your purposes. Our Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company and the Acquirors as they are reflected in the Information and as they were represented to us in our discussions with management of the Company and its affiliates and advisors. In our analyses and in connection with the preparation of our Opinion, we made numerous assumptions with respect to industry performance, general business, markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Transaction.

The Opinion is being provided to the Board of Directors for its exclusive use only in considering the Transaction and may not be published, disclosed to any other person, relied upon by any other person, or used for any other purpose, without the prior written consent of Maxit Capital. Our Opinion is not intended to be and does not constitute a recommendation to any shareholder of the Company with respect to the Transaction.

Maxit Capital believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry out such could lead to undue emphasis on any particular factor or analysis.

The Opinion is given as of the date hereof and, although we reserve the right to change or withdraw the Opinion if we learn that any of the information that we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Opinion, to advise any person of any change that may come to our attention or to update the Opinion after the date of this Opinion.

## **Opinion**

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion, as of the date hereof, that the Consideration to be received pursuant to the Transaction is fair, from a financial point of view, to Shareholders other than the Acquirors and its affiliates.

Yours very truly,

A handwritten signature in black ink that reads "Maxit Capital LP". The signature is written in a cursive, slightly slanted style.

Maxit Capital LP

**SCHEDULE "E"**

**INTERIM ORDER**

**CANADA**

**SUPERIOR COURT**  
**(Commercial Division)**

**PROVINCE OF QUÉBEC**  
**DISTRICT OF MONTRÉAL**

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**Montréal, April 30, 2014**

**Present: The Honourable Mark Schrager, J.S.C.**

**No: 500-11-046576-142**

**In the matter of the arrangement proposed by OSISKO MINING CORPORATION under Sections 192 and 248 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "CBCA"):**

**OSISKO MINING CORPORATION;**

**Petitioner**

-and-

**HOLDERS OF COMMON SHARES** of OSISKO MINING CORPORATION;

-and-

**HOLDERS OF OPTIONS** to acquire common shares of OSISKO MINING CORPORATION;

-and-

**YAMANA GOLD INC;**

-and-

**AGNICO EAGLE MINES LIMITED;**

-and-

**THE DIRECTOR APPOINTED UNDER SECTION 260 OF THE CBCA** (the "Director")

**Impleaded Parties**

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**AMENDED AND VARIED INTERIM ORDER**

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- [1] **GIVEN** the *Motion for Interim and Final Order with respect to an arrangement* pursuant to Section 192 of the CBCA by Osisko Mining Corporation (the "**Petitioner**" or "**Osisko**") dated April 11, 2014;
- [2] **GIVEN** the interim order rendered by this Court on April 14, 2014;
- [3] **GIVEN** Osisko's *Amended Motion for Interim and Final Order with respect to an arrangement* pursuant to Section 192 of the CBCA dated April 29, 2014, the exhibits, and the affidavit of Mr. Bryan Coates filed in support thereof (the "**Motion**");
- [4] **GIVEN** that this Court is satisfied that the Director appointed pursuant to the CBCA (the "**Director**") has been duly served with the Motion and has confirmed in writing that he would not appear or be heard on the Motion;
- [5] **GIVEN** the provisions of the CBCA;
- [6] **GIVEN** the representations of counsel for the Petitioner;
- [7] **GIVEN** that this Court is satisfied, at the present time, that the proposed transaction is an "arrangement" within the meaning of Section 192(1) of the CBCA;
- [8] **GIVEN** that this Court is satisfied, at the present time, that it is not practicable for the Petitioner to effect the arrangement proposed under any other provision of the CBCA;
- [9] **GIVEN** that this Court is satisfied, at the present time, that the Petitioner meets the requirements set out in Subsections 192(2)(a) and (b) of the CBCA and that the Petitioner is not insolvent;
- [10] **GIVEN** that this Court is satisfied, at the present time, that the arrangement is put forward in good faith and, in all likelihood, for a valid business purpose;
- [11] **GIVEN** that for the purposes of this Order, the following terms shall have the meanings ascribed to them from the draft Management Information Circular filed as **Exhibit R-13** (the "**Information Circular**") as follows:
- (a) "**Agnico Eagle**" means Agnico Eagle Mines Limited, a corporation existing under the OBCA, and all successors thereto;
  - (b) "**Agnico Eagle Shares**" means the common shares in the capital of Agnico Eagle;
  - (c) "**Arrangement**" means an arrangement under the provisions of Section 192 of the CBCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith, herewith or made at the direction of the Court in the Final Order;
  - (d) "**Arrangement Agreement**" means the arrangement agreement dated April 16, 2014 between Osisko, Agnico Eagle and Yamana including all schedules attached thereto, and as the same may be further amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the full text of which is filed as **Exhibit R-16** and may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com);
  - (e) "**Arrangement Resolution**" means the special resolution of the Osisko Shareholders and Osisko Optionholders voting as a single class and the special resolution of the Osisko Shareholders voting at the Meeting, in person or by proxy, approving the Arrangement, the Plan of Arrangement and the Arrangement Agreement, substantially in the form set out in Schedule "A" of the Information Circular;



- (f) **"Business Day"** means any day, other than a Saturday, a Sunday or a statutory holiday in Toronto, Ontario or Montréal, Québec;
- (g) **"Certificate of Arrangement"** means the certificate of arrangement issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement;
- (h) **"Dissent Procedures"** means the procedures to be taken by an Osisko Shareholder in exercising Dissent Rights;
- (i) **"Dissent Rights"** means the right to dissent to the Arrangement provided under Section 190 of the CBCA, as set out in Schedule "F" of the Information Circular, as modified by the Plan of Arrangement, the Interim Order and the Final Order;
- (j) **"Dissenting Shareholders"** means Registered Shareholders who have duly and validly exercised their Dissent Rights in strict compliance with the Dissent Procedures and whose Dissent Rights have not terminated;
- (k) **"Effective Date"** means the date shown on the certificate of arrangement issued under the CBCA giving effect to the Arrangement;
- (l) **"Final Order"** means the final order of the Court pursuant to Section 192 of the CBCA approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (m) **"Interim Order"** means the requested amended and varied interim order of this Court providing for, among other things, the calling and holding of the Meeting, that is to be attached as Schedule "E" to the Information Circular;
- (n) **"Meeting"** means the special meeting of the Osisko Securityholders, including any adjournment or postponement thereof, to be held in accordance with the Interim Order to consider the Arrangement Resolution which meeting may be held at the same time and place as the annual meeting of Osisko Shareholders;
- (o) **"New Osisko Shares"** means the common shares in the capital of New Osisko;
- (p) **"Notice of Meeting"** means the notice of annual and special meeting of Osisko Securityholders filed as **Exhibit R-12**;
- (q) **"Osisko Board"** means the board of directors of Osisko, as the same is constituted from time to time;
- (r) **"Osisko Optionholders"** means the holders of Osisko Options;
- (s) **"Osisko Options"** means the outstanding options to purchase common shares of Osisko granted under the Osisko Stock Option Plan or otherwise issued by Osisko;
- (t) **"Osisko Securityholders"** means, collectively, the Osisko Shareholders and the Osisko Optionholders and **"Osisko Securityholder"** means any one of them;
- (u) **"Osisko Shareholders"** means the holders of Osisko Shares and **"Osisko Shareholder"** means any one of them;
- (v) **"Osisko Shares"** means the issued and outstanding common shares of Osisko;

- (w) **"Osisko Stock Option Plan"** means Osisko's stock option plan adopted by the Osisko Board on April 7, 2008 and ratified by Osisko Shareholders on May 8, 2008, as amended by the Osisko Board on April 3, 2011 and April 27, 2011, as ratified by Osisko Shareholders on May 12, 2011;
- (x) **"Osisko Warrant Agreement"** means the common share purchase warrant agreement dated as of September 24, 2009 entered into between Corporation and CPPIB Investments Inc., amended as of June 29, 2013 and further amended as of December 10, 2013;
- (y) **"Osisko Warrants"** means the 12,500,000 common share purchase warrants evidenced by the Osisko Warrant Agreement, each currently exercisable to purchase one Osisko Share at a price of \$6.25;
- (z) **"Person"** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (aa) **"Plan of Arrangement"** means the plan of arrangement in respect of the Arrangement attached as Schedule "B" to the Information Circular, and any amendments or variations thereto made in accordance with the Arrangement Agreement or the Plan of Arrangement or at the direction of this Court;
- (bb) **"Record Date"** means April 14, 2014;
- (cc) **"Registered Shareholder"** means a registered holder of Osisko Shares as recorded in the shareholder register of Osisko maintained by CST Trust Company;
- (dd) **"Yamana"** means Yamana Gold Inc., a company existing under the laws of Canada, and all successors thereto; and
- (ee) **"Yamana Shares"** means the common shares in the capital of Yamana;

[12] **GIVEN** that the Court has been advised that the Petitioner will be seeking an exemption from registration under section 3(a)(10) of the U.S. Securities Act of 1933, as amended for issuance of the Agnico Eagle Shares, Yamana Shares, and the New Osisko Shares;

**FOR THESE REASONS, THE COURT:**

- [13] **GRANTS** the Interim Order sought in the Motion;
- [14] **VARIES** and **AMENDS** the interim order rendered on April 14, 2014 by replacing it with the present Interim Order;
- [15] **DISPENSES** the Petitioner from describing at length the names of the Osisko Securityholders in the description of the Impleaded Parties;
- [16] **ORDERS** that all Osisko Securityholders and any transferees of such securities in the Petitioner be deemed as Impleaded Parties to the present proceedings, and be bound by the terms of any order rendered herein;
- [17] **DISPENSES** the Petitioner from serving or notifying the Motion with respect to the Interim Order, except to the CBCA Director;

***As to the calling of the Meeting***

- [18] **ORDERS** the Petitioner may call, hold and conduct the Meeting on May 30, 2014, commencing at 1:30 p.m. (Eastern Daylight Time) at Fairmont Queen Elizabeth, 900 René-Lévesque Blvd West, Montréal, Québec or at such other venue within two kilometres of the head office of Petitioner to be designated by Petitioner prior to the sending of the Notice Materials to Osisko Securityholders and included therewith, at which time the Osisko Securityholders will be asked, among other things, to consider and, if thought appropriate, to pass, with or without variation, the Arrangement Resolution substantially in the form set forth in Schedule "B" of the Arrangement Agreement to, among other things, authorize, approve and adopt the Arrangement, and to transact such other business as may properly come before the Meeting;
- [19] **ORDERS** that the Meeting be called, held and conducted in accordance with the Notice of Meeting, the articles and by-laws of Osisko, the CBCA, the terms of this Interim Order, any further Order of this Court, and the rulings and directions of the Chair of the Meeting, provided that to the extent there is any inconsistency between this Interim Order and the terms, restrictions and conditions of the articles and by-laws of the Petitioner or the CBCA, this Interim Order shall govern;

***As to the proxy and solicitation of proxies***

- [20] **AUTHORIZES** the Petitioner to use proxies at the Meeting; and further **AUTHORIZES** the Petitioner, in accordance with the terms of the Arrangement Agreement, to solicit proxies on behalf of its management, directly or through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine; and further **AUTHORIZES** the Petitioner to waive, in its discretion, the time limits for the deposit of proxies by the Osisko Securityholders if it considers it advisable to do so;

***As to the Notice of Meeting***

- [21] **ORDERS** that the Petitioner shall give notice of the Meeting by mailing or delivering, in the manner hereinafter described and to the Persons hereinafter specified, a copy of this Interim Order, together with the following documents, with such amendments or revisions thereto as the Petitioner may deem to be necessary or desirable, including to reflect or describe amendments, modifications, and/or supplements to the Plan of Arrangement permitted by paragraph 35 below, provided that such amendments are not inconsistent with the terms of this Interim Order (collectively, the "**Notice Materials**"):
- (a) a letter to the Osisko Securityholders from the Chair of the Osisko Board, substantially in the same form as the draft contained in **Exhibit R-11**;
  - (b) a Notice of Meeting, substantially in the same form as the draft contained in **Exhibit R-12**;
  - (c) the Information Circular of Osisko together with its annexes substantially in the same form as the draft contained in **Exhibit R-13**;
  - (d) forms of proxy for Osisko Shareholders and Osisko Optionholders substantially in the same form as the drafts contained in **Exhibit R-14**; and
  - (e) a letter of transmittal for Osisko Shareholders substantially in the same form as the draft contained in **Exhibit R-15**;
  - (f) a notice substantially in the form of the draft included as Schedule "G" in the Information Circular filed as **Exhibit R-13** providing, among other things, the date, time and room

where the Motion for a Final Order will be heard, and that a copy of the Motion can be found on the Petitioner's website;

[22] **ORDERS** that the Notice Materials shall be sent:

- (a) to the registered Osisko Shareholders by mailing the same to such Persons in accordance with the CBCA and the Petitioner's by-laws at least twenty-one (21) days prior to the date of the Meeting;
- (b) to the non-registered Osisko Shareholders, in compliance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;
- (c) to the Osisko Optionholders by mail or hand delivery at least twenty-one (21) days prior to the date of the Meeting;
- (d) to the Petitioner's directors and auditors, by delivering same at least twenty-one (21) days prior to the date of the Meeting in person or by recognized courier service; and
- (e) to the Director appointed pursuant to the CBCA, by delivering same at least twenty-one (21) days prior to the date of the Meeting in person or by recognized courier service;

[23] **ORDERS** that a copy of the Motion and Notice Materials be posted on the Petitioner's website ([www.osisko.com](http://www.osisko.com)) at the same time the Notice Materials are mailed;

[24] **ORDERS** that the Petitioner may make such additions, amendments or revisions to the Notice Materials as it determines to be appropriate (the "**Additional Materials**") and are not inconsistent with the terms of this Interim Order, which shall be distributed to the Persons entitled to receive the Notice Materials pursuant to this Interim Order by the method and in the time determined by Petitioner to be most practicable in the circumstances;

***As to the Record Date for notice and voting***

[25] **DECLARES** that the Record Date for the determination of Osisko Securityholders entitled to receive the Notice Materials and to attend and be heard at the Meeting and vote on the Arrangement Resolution shall be the close of business (5:00 p.m. Eastern Daylight Time) on April 14, 2014;

***As to the Notice of Meeting and service of the Motion***

[26] **DECLARES** that the mailing or delivery of the Notice Materials and any Additional Materials in accordance with this Interim Order as set out above constitutes good and sufficient notice of the Meeting upon all Persons, and that no other form of service of the Notice Materials and any Additional Materials or any portion thereof, or of the Motion need be made, or notice given or other material served in respect of the Meeting to any Persons;

[27] **ORDERS** that the Notice Materials and any Additional Materials shall be deemed, for the purposes of the present proceedings, to have been received and served upon:

- (a) in the case of distribution by mail, three (3) Business Days after delivery thereof to the post office;
- (b) in the case of delivery in person or by courier, upon receipt thereof at the intended recipient's address; and
- (c) in the case of delivery by facsimile transmission or by email, on the day of transmission;

- [28] **DECLARES** that the accidental failure or omission to give notice of the Meeting to, or the non-receipt of such notice by, one or more of the Persons specified in the Interim Order shall not invalidate any resolution passed at the Meeting or the proceedings herein, and shall not constitute a breach of the Interim Order or defect in the calling of the Meeting, provided that if any such failure or omission is brought to the attention of the Petitioner, it shall use reasonable efforts to rectify such failure or omission by the method and in the time it determines to be most reasonably practicable in the circumstances;
- [29] **AUTHORIZES** the Petitioner, in the event of interruption of postal services, in addition or as an alternative to the methods of delivery specified above, to communicate notice of the Meeting to Osisko Securityholders by advertising the Meeting in La Presse (French version), Le Devoir (French version) and the National Post (National Edition, English version);

***As to the Meeting and Vote on the Arrangement Resolution***

- [30] **ORDERS** that in respect of the vote on the Arrangement Resolution or any matter determined by the Chair of the Meeting to be related to the Arrangement, each registered holder of Osisko Shares and Osisko Options shall be entitled to cast one vote in respect of each such Osisko Share and Osisko Option held;
- [31] **ORDERS** that, on the basis that each registered holder of Osisko Shares be entitled to cast one vote in respect of each such Osisko Share for the purpose of the vote on the Arrangement Resolution, the quorum for the Meeting is fixed at two (2) persons present in person or by proxy, holding or representing by proxy twenty five percent (25%) of the voting Osisko Shares;
- [32] **ORDERS** that the only Persons entitled to attend, be heard or vote at the Meeting (as it may be adjourned or postponed) shall be the registered holders of Osisko Shares and the holders of Osisko Options at the close of business (5:00 p.m. Eastern Daylight Time) on the Record Date (April 14, 2014), and their proxy holders, and the only Persons entitled to attend and be heard at the Meeting (as it may be adjourned or postponed) shall be such Persons and the officers, directors, auditors and advisors of the Petitioner, Agnico Eagle, and Yamana, provided however that such other Persons having the permission of the Chair of the Meeting shall also be entitled to attend and be heard at the Meeting;
- [33] **ORDERS** that for the purpose of the vote on the Arrangement Resolution, or any other vote taken by ballot at the Meeting, any spoiled ballots, illegible ballots or defective ballots shall be deemed not to be votes cast by Osisko Securityholders and further **ORDERS** that proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution;
- [34] **AUTHORIZES** the Petitioner, if it deems it advisable, to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present) without the necessity of first convening the Meeting or first obtaining any vote of Osisko Securityholders respecting the adjournment or postponement; **ORDERS** that notice of any such adjournment or postponement shall be given by press release, newspaper advertisement or by mail, as determined to be the most appropriate method of communication by the Petitioner; further **ORDERS** that any adjournment or postponement of the Meeting will not change the Record Date for Osisko Securityholders entitled to notice of, and to vote at, the Meeting and further **ORDERS** that any subsequent reconvening of the Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent reconvening of the Meeting;
- [35] **AUTHORIZES** the Petitioner to amend, modify and/or supplement the Plan of Arrangement at any time and from time to time, provided that any such amendment, modification and/or supplement is not adverse to the economic interest of any Osisko Securityholder and that:

- (a) any such amendment, modification and/or supplement made before or at the Meeting, shall be communicated in writing, including by way of press release, to the Osisko Securityholders and to the Director appointed pursuant to the CBCA as soon as possible and in any event prior to or at the Meeting;
- (b) any such amendment, modification and/or supplement made after the Meeting and before the hearing of the Motion for the Final Order shall be approved by this Court and subject to such terms and conditions this Court may deem appropriate and required in the circumstances; and
- (c) any such amendment, modification and/or supplement made after the Final Order hearing shall be approved by this Court and subject to such terms and conditions this Court may deem appropriate and required in the circumstances, unless it is non-material and concerns a matter which is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement;

[36] **ORDERS** that any vote cast in favour of the Arrangement Resolution as submitted at the Meeting shall be a vote in favour of the Arrangement Resolution as so amended, modified or supplemented, and any proxy allowing the holder to vote in favour of the Arrangement Resolution shall entitle the holder to vote in favour of the Arrangement Resolution with respect to the Arrangement as so amended, modified or supplemented;

[37] **DECLARES** that, to be effective, the Arrangement Resolution must be approved, with or without variation, by (i) at least 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by the Osisko Shareholders and the Osisko Optionholders, voting as a single class, present in person or by proxy at the Meeting, and (ii) at least 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by the Osisko Shareholders present in person or by proxy at the Meeting, and further **ORDERS** that such vote shall be sufficient to authorize and direct the Petitioner to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what has been disclosed to the Osisko Securityholders in the Notice Materials;

***As to the Dissent Rights***

[38] **ORDERS** that any Registered Shareholder who wishes to dissent may exercise a right of dissent as per Article 4 of the Plan of Arrangement and as described in the Information Circular in connection with the Arrangement as follows:

- (a) the written notice of its intention to exercise its Dissent Right (the "**Notice of Dissent**"), in the form required by Section 190 of the CBCA, must be received by Osisko, c/o Stikeman Elliott LLP, c/o Mtre Frédéric Paré, 1155 René-Lévesque Blvd West, Suite 4000, Montréal, Québec, H3B 3V2, by fax: (514) 397-5429 and email: fpare@stikeman.com, no later than 1:30 p.m. (Eastern Daylight Time) on Wednesday, May 28, 2014, or two Business Days prior to any adjournment of the Meeting;
- (b) the Registered Shareholder must not have voted in favour of the Arrangement Resolution; and
- (c) the Registered Shareholder must have otherwise strictly complied with the provisions of Section 190 of the CBCA, as modified and supplemented by this Interim Order and the Plan of Arrangement respecting the exercise of Dissent Rights;

[39] **ORDERS** that in no circumstances shall Petitioner, Agnico Eagle, Yamana or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Osisko Shares in respect of which such rights are sought to be exercised;

- [40] **DECLARES** that a Dissenting Shareholder who has submitted a Notice of Dissent and who, in person or represented by proxy at the Meeting, votes in favour of the Arrangement Resolution shall no longer be considered as having exercised its Dissent Rights with respect to the Osisko Shares voted in favour of the Arrangement Resolution;
- [41] **DECLARES** that a vote against the Arrangement Resolution or an abstention shall not constitute a Notice of Dissent;
- [42] **ORDERS** that a Dissenting Shareholder wishing to apply to a Court to fix a fair value for Osisko Shares in respect of which Dissent Rights have been duly exercised must apply to the Superior Court of Québec and that for the purposes of the Arrangement contemplated in these proceedings, the "Court" referred to in Section 190 of the CBCA means the Superior Court of Québec;

***As to the presentation of the Motion for Final Order***

- [43] **ORDERS** that subject to the approval by the Osisko Securityholders of the Arrangement Resolution in the manner set forth in this Interim Order, Petitioner may apply for this Court to sanction the Arrangement by way of a final judgment (the "**Motion for a Final Order**");
- [44] **ORDERS** that the Motion for a Final Order be presented on June 9, 2014, before the Superior Court of Québec, sitting in the Commercial Division in and for the district of Montréal at the Montréal Courthouse, located at 1 Notre-Dame Street East in Montréal, Québec, Room 16.12 at 9 a.m or so soon thereafter as counsel may be heard, or at any other date this Court may see fit;
- [45] **ORDERS** that the mailing or delivery of the Notice Materials constitutes good and sufficient service of the Motion and good and sufficient notice of presentation of the Motion for a Final Order to all Persons, whether those Persons reside within Québec or in another jurisdiction;
- [46] **ORDERS** that the only Persons entitled to appear and be heard at the hearing of the Motion for a Final Order shall be the Petitioner, Agnico Eagle, Yamana and any Person that:
- (a) files an appearance with this Court's registry and serve same on the Petitioner's counsel, Stikeman Elliott LLP, c/o Mtre Frédéric Paré, 1155 René-Lévesque Blvd West, Suite 4000, Montréal, Québec, H3B 3V2, by fax: (514) 397-5429 and email: fpare@stikeman.com, with a copy to Agnico Eagle's counsel (Davies Ward Phillips & Vineberg LLP, c/o: Mtre Louis-Martin O'Neill, 1501 McGill College, 26th Floor, Montréal, Québec, H3A 3N9, by fax (514) 841-6499 and email: lnoneill@dwpv.com) and Yamana's counsel (Norton Rose Fulbright LLP, c/o Mtre Julie Himo, 1, Place Ville Marie, bureau 2500, Montréal, Québec H3B 1R1, by fax (514) 286-5474 and email: julie.himo@nortonrosefulbright.com) no later than 4:30 p.m. (Eastern Daylight Time) on June 6, 2014; and
  - (b) if such appearance is with a view to contesting the Motion for a Final Order, serves on Stikeman Elliott LLP, c/o Mtre Frédéric Paré, with a copy to Davies Ward Phillips & Vineberg LLP, c/o: Mtre Louis-Martin O'Neill, and Norton Rose Fulbright LLP, c/o Mtre Julie Himo (at the above address, facsimile number, and email address), no later than 4:30 p.m. (Eastern Daylight Time) on June 6, 2014, a written contestation supported as to the facts alleged by affidavit(s), and exhibit(s), if any;
- [47] **AUTHORIZES** Petitioner, Agnico Eagle, and Yamana to file any further evidence they deem appropriate, by way of supplementary affidavits or otherwise, in connection with the Motion for a Final Order;

**Miscellaneous**

- [48] **DECLARES** that Petitioner shall be entitled to seek leave to vary this Interim Order upon such terms and such notice as this Court deems just;
- [49] **REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada, the Federal Court of Canada and any judicial, regulatory or administrative body of the United States of America or of any other nation or state, to assist Petitioner and its agent in carrying out the terms of this Order;
- [50] **ORDERS** provisional execution of this Interim Order notwithstanding any appeal therefrom and without the necessity of furnishing any security and without necessity of serving the Interim Order; and
- [51] **THE WHOLE** without costs.

(signed) "Mark Schrager"

The Honourable Mark Schrager, J.S.C.



## **SCHEDULE "F"**

### **CANADA BUSINESS CORPORATIONS ACT – SECTION 190**

#### **Right to dissent**

**190.** (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

#### **Further right**

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

#### **If one class of shares**

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

#### **Payment for shares**

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

#### **No partial dissent**

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

#### **Objection**

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

#### **Notice of resolution**

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but

such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

### **Demand for payment**

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

### **Share certificate**

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

### **Forfeiture**

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

### **Endorsing certificate**

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

### **Suspension of rights**

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

### **Offer to pay**

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

#### **Same terms**

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

#### **Payment**

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

#### **Corporation may apply to court**

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

#### **Shareholder application to court**

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

#### **Venue**

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

#### **No security for costs**

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

#### **Parties**

- (19) On an application to a court under subsection (15) or (16),
- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
  - (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

#### **Powers of court**

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

## **Appraisers**

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

## **Final order**

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

## **Interest**

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

## **Notice that subsection (26) applies**

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

## **Effect where subsection (26) applies**

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

## **Limitation**

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

R.S., 1985, c. C-44, s. 190;  
1994, c. 24, s. 23;  
2001, c. 14, ss. 94, 134(F), 135(E);  
2011, c. 21, s. 60(F).

## SCHEDULE "G"

### NOTICE OF PRESENTATION OF MOTION FOR FINAL ORDER

**TAKE NOTICE** that Osisko Mining Corporation filed an *amended motion for interim and final orders respecting an arrangement* (the "**Amended Motion**") before the Superior Court of Québec (Commercial Division), sitting in the District of Montréal.

The Amended Motion for an interim order was presented and the varied and amended Interim Order (as defined herein) was issued by the Superior Court of Québec (Commercial Division) (the "**Court**") on April 30, 2014 (the "**Interim Order**").

The Amended Motion will be presented, for adjudication, on the final order contained therein (the "**Final Order**") to the Court, sitting in the District of Montréal, on June 9, 2014, in room 16.12 of the Montréal Courthouse, located at 1, Notre-Dame Street East, Montréal Québec, Canada, H2Y 1B7, at 9:00 a.m., or as soon thereafter as counsel may be heard.

Pursuant to the Interim Order issued by the Court, if you wish to make representations before the Court, you will be required to appear by filing an Appearance form at the office of the Clerk of the Court of the District of Montréal no later than 4:30 p.m. (Eastern Daylight Time) on June 6, 2014, and to serve a copy of the said Appearance form within the same time limit on counsels, at the following coordinates:

**STIKEMAN ELLIOTT LLP**

c/o Mtre Frédéric Paré  
1115 René-Lévesque Boulevard West, Suite 400  
Montréal, Québec H3B 3V2  
By fax: (514) 397-5429  
By email: [fpare@stikeman.com](mailto:fpare@stikeman.com)

**DAVIES WARD PHILLIPS & VINEBERG LLP**

c/o Mtre Louis-Martin O'Neill  
1501 McGill College, 26th Floor  
Montréal, Québec H3A 3N9  
By fax: (514) 841-6499  
By email: [lmoneill@dwpv.com](mailto:lmoneill@dwpv.com)

**NORTON ROSE FULBRIGHT CANADA LLP**

c/o Mtre Julie Himo  
1, Place Ville Marie, bureau 2500  
Montréal, Québec H3B 1R1  
By fax: (514) 286-5474  
By email: [Julie.himo@nortonrosefulbright.com](mailto:Julie.himo@nortonrosefulbright.com)

If you wish to contest the issuance by the Court of the Final Order, you will be required, pursuant to the Interim Order, to prepare a written contestation containing the reasons why the Court should not issue the Final Order. This written contestation must be supported as to the facts by affidavit(s) and exhibit(s), if any, and must be filed with the office of the Clerk of the Court of the District of Montréal no later than 4:30 p.m. (Eastern Daylight Time) on June 6, 2014, and served within the same time limit on the above-mentioned counsels, at the above-mentioned coordinates.

**TAKE FURTHER NOTICE** that if you do not file a written contestation and/or an appearance within the above mentioned time limits, you will not be entitled to contest the Amended Motion for Final Order or make representations before the Court and a judgment could be granted thereon without further notice of extension.

If you wish to make representations or contest the issuance by the Court of the Final Order, it is important that you take action within the time limits indicated, either by retained the services of an attorney who will represent you and act in your name, or by doing so yourself in accordance with the formalities provided by law.

**PLEASE ACT ACCORDINGLY.**

MONTRÉAL, ■, 2014

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**STIKEMAN ELLIOTT LLP**  
Counsel for the Petitioner, Osisko Mining Corporation

## SCHEDULE "H"

### INFORMATION CONCERNING OSISKO AS OF APRIL 30, 2014

The following information about Osisko should be read in conjunction with the information described in this Schedule "H" under the heading *"Information Concerning Osisko as of April 30, 2014 – Documents Incorporated by Reference"* and the information concerning Osisko appearing elsewhere in the Circular. Capitalized terms used but not otherwise defined in this Schedule "H" shall have the meaning ascribed to them in the Circular.

#### **Annual and Special Matters**

Particulars of the subject matter of the Annual Resolutions to be voted on by Osisko Shareholders at the Meeting are set out in Schedule "A" to this Circular. A Statement of Executive Compensation and a Statement of Corporate Governance Practices are also included Schedule "M" to this Circular.

The Annual Resolutions are being put to Osisko Shareholders for approval in the event that the Arrangement is not completed for any reason by June 30, 2014. If the Arrangement is completed as anticipated, many of the matters contemplated in the Annual Resolutions may cease to be relevant, as Agnico Eagle and Yamana will, upon consummation of the Arrangement, jointly own directly or indirectly Osisko and Osisko Shareholders will cease to have any direct interest in Osisko.

At the Meeting, and in accordance with and as required by the policies of the TSX, Disinterested Osisko Shareholders are also being asked to consider and approve the Out-of-the-Money Consideration Resolution, approving the payment of the Out-of-the-Money Option Consideration Amount (not to exceed \$3 million) to the holders of the Out-of-the-Money Options as contemplated by subsection 3.3(f) of the Plan of Arrangement.

**Completion of the Arrangement or approval of the Arrangement Resolution is not conditional upon the approval of any of the Out-of-the-Money Consideration Resolution, New Osisko Resolutions or Annual Resolutions that Osisko Shareholders are being asked to consider. Management of Osisko and the Osisko Board recommend that Osisko Securityholders, as applicable, vote FOR each of the Arrangement Resolution, the Out-of-the-Money Consideration Resolution, the New Osisko Resolutions and the Annual Resolutions, the full text of which are set out in Schedule "A" to this Circular.**

#### **General**

Osisko was incorporated under the CBCA on February 18, 1982 under the name "Ormico Exploration Ltée". Osisko subsequently amended its articles on September 24, 1998, to change its corporate name to "Osisko Exploration Ltée". On the same date, Osisko also consolidated its common shares on the basis of one new common share for each two issued common shares and amended its articles in order to change the location of its registered office from Québec to Montreal. On June 21, 2007, Osisko completed a two-for-one stock-split whereby each shareholder received one additional share for every share owned as of the record date. Outstanding warrants and options were adjusted accordingly. Osisko amended its articles on May 15, 2008 to change its corporate name to "Osisko Mining Corporation" and, on September 27, 2013, to provide for the appointment by the Osisko Board of additional directors in accordance with subsection 106(8) of the Act, which may not exceed one third of the number of directors elected at the previous annual meeting of shareholders.

Osisko is a Canadian company focused on acquiring, exploring, developing and mining gold properties in the Americas, with the aim of becoming a leading mid-tier gold producer. Osisko's operations, development projects and exploration activities are mostly concentrated on its wholly-owned Canadian Malartic Mine, its advanced stage Upper Beaver and Hammond Reef Projects, and its Kirkland Lake and Mexico exploration properties. Its flagship asset is the Canadian Malartic gold mine located in the Abitibi mining district. Osisko is also pursuing exploration on a number of properties, including the Hammond Reef Gold project in Northern Ontario, which is the principal asset of Osisko Hammond Reef Gold Ltd., a wholly-owned subsidiary of Osisko. Hammond Reef Gold project is a development project with potential to become a major open-pit mine. Osisko is also the owner of the advanced stage

Hammon Reef project in Northern Ontario, which is the principal asset of Hammond Reef Gold Ltd., a wholly-owned subsidiary of Osisko.

Osisko's head and registered office is located at 1100 avenue des Canadiens-de-Montréal, Suite 300, P.O. Box 211, Montreal, Québec H3B 2S2. The transfer agent and registrar for the Osisko Shares is CST Trust Company, which is located at 2001 University, Suite 1600, Montreal, Québec, Canada H3A 2A6. PricewaterhouseCoopers LLP are the auditors of Osisko, located at 1250 René-Lévesque Boulevard West, Suite 2800, Montreal, Québec, Canada H3B 2G4. Osisko is a reporting issuer or the equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec.

### **Documents Incorporated by Reference**

The following documents listed below and filed by Osisko with the Securities Authorities are specifically incorporated by reference into, and form an integral part of, this Circular:

- (a) the annual information form of Osisko dated March 24, 2014 for the year ended December 31, 2013 ("**Osisko AIF**");
- (b) the audited consolidated annual financial statements of Osisko as at and for the year ended December 31, 2013, together with the notes thereto and the auditors' report thereon;
- (c) management's discussion and analysis of the operating results and financial condition of Osisko for the years ended December 31, 2013;
- (d) the Arrangement Agreement; and
- (e) the material change report of Osisko dated April 25, 2014 announcing the Arrangement.

Any document of the type referred to above in (a) through (e) and any other document of the type referred to in section 11.1 of Form 44-101F1 – *Short Form Prospectus* filed by Osisko with the Canadian Securities Authorities under Osisko's profile on SEDAR at [www.sedar.com](http://www.sedar.com) after the date of this Circular and before the Meeting are deemed to be incorporated by reference into this Circular.

Any statement contained in this Circular or in any other document incorporated by reference in this Circular shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is deemed to be incorporated by reference in this Circular modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Circular except as so modified or superseded.

### **Description of the Share Capital**

The authorized capital stock of Osisko is composed of an unlimited number of Osisko Shares without nominal or par value. As of April 30, 2014, there were:

- 440,306,675 Osisko Shares outstanding;
- 12,500,000 Osisko Warrants outstanding;
- 19,825,665 Osisko Options outstanding;



- 6,000,000 Osisko Shares issuable pursuant to the Caisse Debenture;
- 6,000,000 Osisko Shares issuable pursuant to the Ressources Québec Debenture;
- 837,521 Osisko Shares issuable pursuant to the FSTQ Convertible Loan;
- 300,000 Osisko Shares issuable to FEMO; and
- 1,670,250 Osisko Shares issuable pursuant to the Resource Sharing Agreement,

which, if exercised in each case, would amount to a fully diluted position of 479,288,822 Osisko Shares.

The Osisko Options outstanding include 42,501 replacement options related to the acquisition of Brett Resources Inc. and 1,979,805 replacement options related to the acquisition of Queenston Mining Inc.

#### *Osisko Warrants*

<b>Expiry Date</b>	<b>Number of Warrants</b>	<b>Exercise Price (\$)</b>
September 2017	12,500,000	6.25

#### *Osisko Options*

<b>Expiry Date</b>	<b>Number of Options</b>	<b>Exercise Price (\$)</b>
May 2014	52,000	5.20
May 2014	2,000	5.61
May 2014 (QRO)	168,025	6.38
May 2014	50,000	5.88
May 2014 (QRO)	9,165	7.32
June 2014	150,000	6.72
September 2014 (QRO)	9,165	7.32
October 2014 (QRO)	9,330	7.32
October 2014 (QRO)	15,275	9.07
November 2014	2,197,800	7.80
November 2014 (QRO)	18,330	7.32
November 2014 (QRO)	18,330	9.07
January 2015 (BRO)	42,501	6.59
January 2015 (QRO)	201,630	8.99
February 2015	59,000	8.70
April 2015 (QRO)	274,950	7.32
April 2015 (QRO)	274,950	9.07
May 2015	30,000	10.56
June 2015	116,000	11.87
July 2015	4,400,834	11.12
November 2015	70,000	14.08
December 2015	40,000	14.98

<u>Expiry Date</u>	<u>Number of Options</u>	<u>Exercise Price (\$)</u>
January 2016 (QRO)	226,070	9.07
February 2016	95,000	13.69
May 2016	205,000	12.98
August 2016	1,882,100	13.75
September 2016	125,000	14.55
March 2017 (QRO)	128,310	7.32
June 2017	3,272,100	8.06
August 2017	378,700	9.69
November 2017	13,400	9.82
May 2018	5,089,500	4.53
July 2018	201,200	4.28
	19,825,665	

Each Osisko Share entitles its holder as of the Record Date to a single vote at the Meeting on the Arrangement Resolution.

#### **Price Range and Trading Volumes of the Osisko Shares**

Osisko Shares are listed on the TSX under the symbol "OSK".

The following table sets forth the price range and trading volume for the Osisko Shares on the TSX for the periods listed below:

<u>Date</u>	<u>Open (\$)</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Close (\$)</u>	<u>Volume</u>
April 2014 .....	6.93	8.07	6.83	7.85	506,323,639
March 2014.....	7.25	7.96	6.77	6.88	58,508,100
February 2014.....	6.66	7.15	6.45	7.05	64,277,196
January 2014.....	4.77	6.89	4.76	6.68	177,147,712
December 2013.....	4.24	4.83	3.82	4.71	45,844,772
November 2013 .....	5.04	5.05	3.95	4.33	45,900,488
October 2013 .....	5.08	5.82	4.87	5.09	67,049,292
September 2013 .....	5.3	5.77	4.66	5.21	82,020,960
August 2013 .....	4.33	5.83	3.88	5.23	59,110,436
July 2013 .....	3.59	4.53	3.31	4.28	48,198,520
June 2013.....	4.47	4.84	2.98	3.48	56,498,352
May 2013.....	4.12	4.87	3.80	4.46	87,576,920
April 2013 .....	6.05	6.06	3.40	4.25	83,057,464
March 2013.....	5.91	6.40	5.56	6.03	35,685,244
February 2013.....	7.00	7.09	5.68	5.97	44,631,768

January 2013.....	8.18	8.32	6.53	6.91	50,494,172
December 2012.....	8.10	8.11	7.14	8.00	26,508,604
November 2012.....	9.74	9.94	7.82	8.10	37,179,056
October 2012.....	9.85	10.09	8.99	9.81	31,019,712
September 2012.....	9.54	10.62	9.08	9.74	35,980,188
August 2012.....	8.62	9.94	8.47	9.57	40,284,952
July 2012.....	7.21	8.85	7.16	8.57	48,373,716
June 2012.....	7.77	9.14	6.75	7.00	56,181,160
May 2012.....	10.12	10.23	6.25	7.71	81,238,824
April 2012.....	11.5	11.71	9.46	10.17	30,372,748
March 2012.....	12.49	12.97	10.42	11.58	52,855,008
February 2012.....	12.10	12.78	11.36	12.54	39,165,604
January 2012.....	9.98	12.24	9.89	11.96	39,040,924

The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85. The closing price of the Osisko Shares on the TSX on April 15, 2014, the last trading day prior to the announcement of the Arrangement, was \$7.42.

#### **Intentions with Respect to the Arrangement**

Each director and officer of Osisko has advised the Corporation that each such person intends to vote all of the Osisko Shares (including any Osisko Shares issued upon the exercise of any Osisko Options) held by him or her in favour of the Arrangement Resolution and has entered into a Voting Agreement with Osisko and Yamana. See "*The Voting Agreements*" in this Circular.

#### **Material Changes in the Affairs of Osisko**

To the knowledge of the directors and officers of Osisko and except as publicly disclosed or otherwise described in this Circular, there are no plans or proposals for material changes in the affairs of Osisko.

#### **Dividend Policy**

Osisko has not declared or paid any cash dividends on any of its issued shares since inception. Once adopted, as applicable, Osisko's dividend policy will be reviewed from time to time by the Osisko Board in the context of Osisko's earnings, financial condition, capital requirements and other relevant factors. Osisko's lending agreements restrict its ability to pay dividends.

#### **Indebtedness of Directors and Officers**

None of Osisko's directors, executive officers or employees or former directors, executive officers or employees is indebted to Osisko.

#### **Expenses**

The estimated fees, costs and expenses of Osisko in connection with the Arrangement, including, without limitation, fees of the financial advisors, filing fees and legal fees and printing and mailing costs are not expected to exceed approximately \$42,500,000.

**Risk Factors**

The business and operations of Osisko are subject to risks. In addition to considering the other information in this Circular, Osisko Shareholders should consider carefully the factors set forth in the Osisko AIF.

**Available Information**

Osisko files reports and other information with Canadian Securities Authorities. These reports and information are available to the public free of charge on SEDAR at [www.sedar.com](http://www.sedar.com).

**SCHEDULE "I"**

**INFORMATION CONCERNING NEW OSISKO AS OF APRIL 30, 2014**

## INFORMATION CONCERNING NEW OSISKO

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*The following is a summary of New Osisko, its business and operations, which should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular. The information contained in this Schedule, unless otherwise indicated, is given as of April 30, 2014.*

*All capitalized terms used in this Schedule and not defined herein have the meaning ascribed to such terms in the "Glossary of Terms" or elsewhere in the Circular. Unless otherwise indicated herein, references to "Cdn\$" or "Canadian dollars" are to Canadian dollars, references to "US\$" or "U.S. dollars" are to United States dollars. See "General Matters – Exchange Rate Data" in the Circular. See also in the Circular "Cautionary Note Regarding Forward-Looking Statements".*

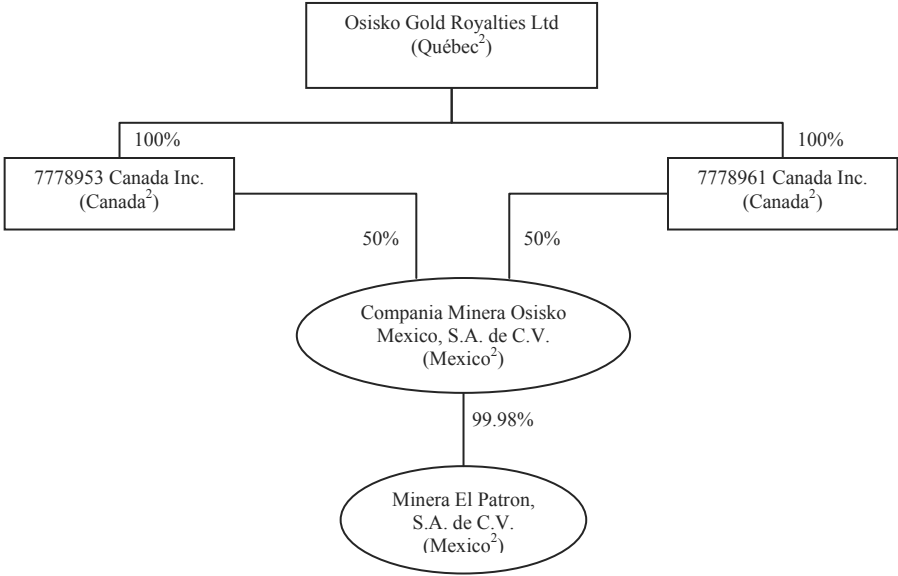
**CORPORATE STRUCTURE**

New Osisko was incorporated on April 29, 2014 under the name "Osisko Gold Royalties Ltd" pursuant to the QBCA, as a wholly-owned subsidiary of Osisko. Prior to the Effective Time, New Osisko will not be a reporting issuer and its common shares (the New Osisko Shares) will not be listed or quoted for trading on any stock exchange. New Osisko will apply to have the New Osisko Shares listed for trading on the TSX. Listing is subject to New Osisko fulfilling all the requirements of the TSX; however, there can be no assurances as to if, or when, such listing will occur. Upon completion of the Arrangement, it is anticipated that New Osisko will become a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec. See in this Schedule I, "General Development of New Osisko's Business", "Description of Securities Distributed – Listing of New Osisko Shares" and "Risks Associated with New Osisko".

New Osisko's head office will be located at 1100 avenue des Canadiens-de-Montréal, Suite 300, P.O. Box 211, Montreal, Québec H3B 2S2. New Osisko's registered and records office will be located at 1100 avenue des Canadiens-de-Montréal, Suite 300, P.O. Box 211, Montreal, Québec H3B 2S2.

**Intercorporate Relationships**

On completion of the Arrangement, the material subsidiaries controlled by New Osisko, the jurisdictions of incorporation of those subsidiaries and the percentage of voting securities held, directly or indirectly, by New Osisko, will be as follows:



<sup>1</sup> This chart does not include all subsidiaries or affiliates of New Osisko.  
<sup>2</sup> Jurisdiction of incorporation.

## GENERAL DEVELOPMENT OF NEW OSISKO'S BUSINESS

### Business of New Osisko

At the Effective Time, and in accordance with the terms of the Arrangement, Osisko shall transfer to New Osisko all of its entire legal and beneficial right, title and interest in and to the New Osisko Assets in consideration for (i) the issuance by New Osisko to Osisko of that number of fully paid and non-assessable New Osisko Shares equal to the sum of (A) the number of Osisko Shares issued and outstanding immediately prior to the Effective Time, (B) the number of Osisko Shares issuable upon exercise of the Osisko Convertible Securities, and (C) the number of Osisko Shares issuable pursuant to Section 3.3(e) of the Plan of Arrangement, and (ii) the assumption by New Osisko of the New Osisko Liabilities, all in accordance with the terms of the New Osisko Contribution Agreement. The New Osisko Assets that will be contributed pursuant to the New Osisko Contribution Agreement include the following:

1. the Net Cash Amount, being \$155,000,000;
2. the Canadian Malartic NSR, including the Canadian Malartic Mill Fee Royalty;
3. the Canadian Exploration Properties NSR;
4. all legal and beneficial interest of Osisko and the subsidiaries of Osisko in the New Osisko Subsidiaries;
5. the publicly traded equity investments of Osisko to the extent not disposed of by Osisko prior to the Effective Date, which as of April 16, 2014 had an estimated value of \$14.4 million;
6. all right, title and interest to the name "Osisko Mining Corporation"; and
7. if so elected by Agnico Eagle and Yamana prior to the Effective Date, the Yukon Properties or a 2% NSR royalty thereon.

The New Osisko Liabilities are all of the liabilities of Osisko and its affiliates, contingent or otherwise, which pertain to the New Osisko Assets but excluding any liability or obligation with respect to Taxes for periods prior to the Effective Date.

Upon completion of the Arrangement, New Osisko's primary business focus will be the acquiring and managing of precious metals royalties and similar interests. Upon completion of the Arrangement, New Osisko will have interests in royalties, including the Canadian Malartic NSR and the Canadian Exploration Properties NSR, and will also have an interest in exploration stage properties. New Osisko will finance future exploration and development through internal cash resources, equity financing, by way of joint venture, option agreements or other means. See in this Schedule I, "*Material Properties – The Canadian Malartic Properties*".

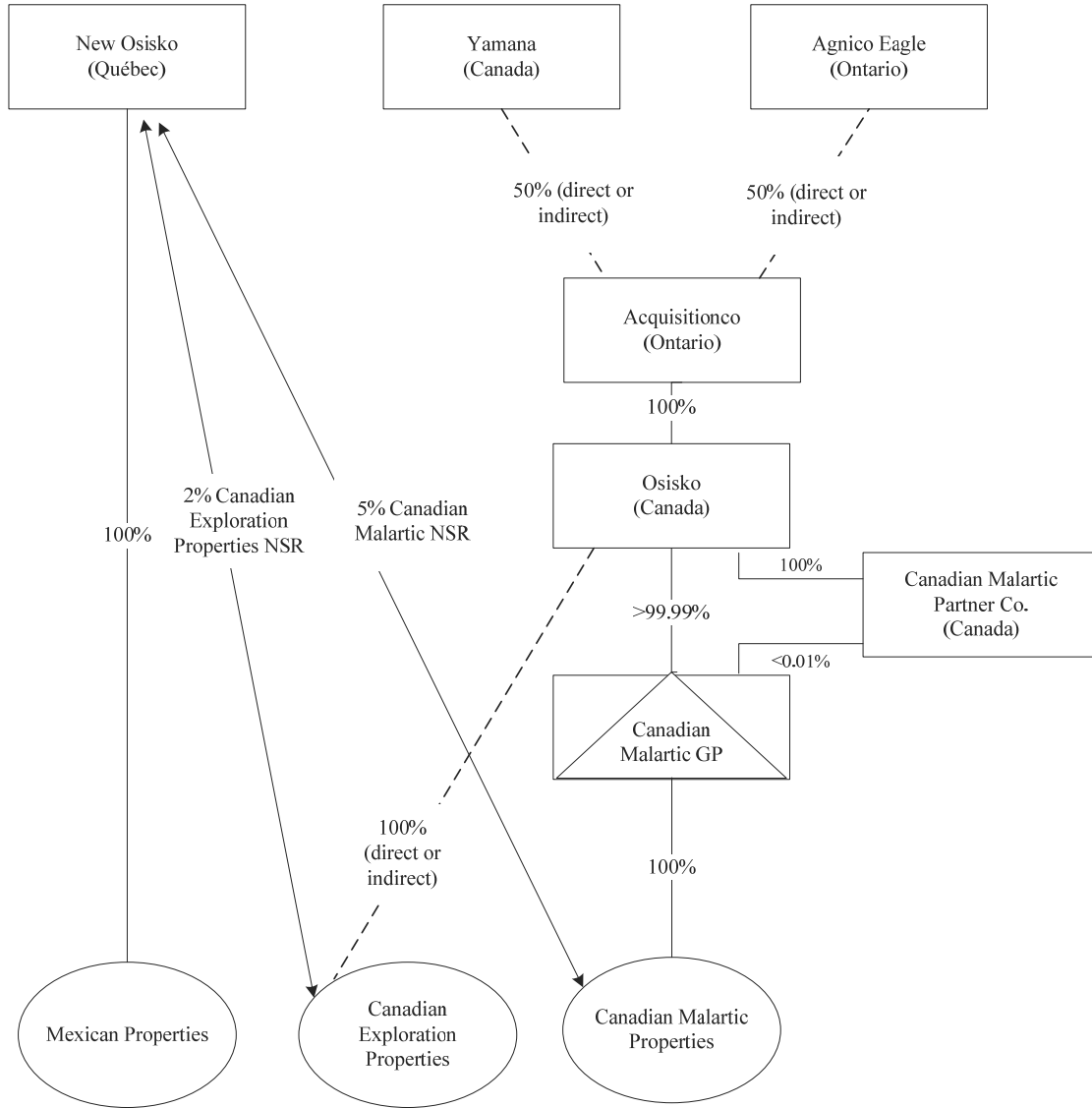
Upon completion of the Arrangement, the Osisko Shareholders will together hold in aggregate 100% of the then issued New Osisko Shares, and New Osisko will retain certain directors and some members of Osisko's current management team.

Completion of the Arrangement or approval of the Arrangement Resolution is not conditional upon the approval of any of the Out-of-the-Money Consideration Resolution, New Osisko Resolutions or Annual Resolutions that Osisko Shareholders are being asked to consider. See in the Circular, "*The Arrangement*".

See in this Schedule I, "*Available Funds and Principal Purposes*", "*Description of Securities Distributed – Listing of New Osisko Shares*", "*Consolidated Capitalization*" and "*Promoters*".

**New Osisko Assets**

Under the terms of the Arrangement, the New Osisko Assets are to be acquired by New Osisko pursuant to the New Osisko Contribution Agreement to be entered into between Osisko and New Osisko on the Effective Date. A depiction of the principal property and royalty interests of New Osisko are shown in the following diagram.



For more information on the New Osisko Assets, see "Business of New Osisko" in this Schedule I. Also see "The Canadian Malartic Royalty Agreement", "The Canadian Malartic Partnership Agreement", and "The Canadian Exploration Properties Royalty Agreement". For further information regarding the Canadian Malartic Properties, see "Material Properties – The Canadian Malartic Properties" in this Schedule I.

**MATERIAL PROPERTIES – THE CANADIAN MALARTIC PROPERTIES**

Upon the completion of the Arrangement, New Osisko will have a material royalty interest in the Canadian Malartic Properties. Pursuant to the terms of the Canadian Malartic Royalty Agreement, a 5% NSR royalty will be granted in respect of the Canadian Malartic Properties (the Canadian Malartic NSR) which royalty interest will be held by New Osisko following the Effective Time.

Part of the following disclosure relating to the Canadian Malartic Properties has been derived from:

1. an independent technical report (herein referred to as the "**Canadian Malartic Report**") on the Canadian Malartic Properties entitled "Feasibility Study – Canadian Malartic project (Malartic, Québec)" dated December 2008 compiled by BBA Inc. ("**BBA**"), with the collaboration of MICON International Limited ("**MICON**"), Belzile Solutions Inc. ("**Belzile Solutions**"), G Mining Services Inc. ("**G Mining**"), Genivar Limited Partnership ("**Genivar**"), Golder Associates Limited ("**Golder**") and the Osisko technical group. Messrs. David Runnels, Eng. (BBA), B. Terrence Hennessey, P. Geo. (MICON), Elzéar Belzile, Eng. (Belzile Solutions), Louis-Pierre Gignac, Eng. (G Mining), André-Martin Bouchard (Genivar) and Michel R. Julien, Eng., Ph.D. (Golder) are "qualified persons" within the meaning of NI 43-101, and are independent of Osisko. The Canadian Malartic Report is available for inspection during regular business hours at the corporate head office of Osisko and may also be reviewed under Osisko's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com); and
2. an independent technical report (herein referred to as the "**Canadian Malartic Updated Report**") on the Canadian Malartic Properties entitled "Updated resource and reserve estimates for the Canadian Malartic project (Malartic, Québec)" dated May, 2011 by Belzile Solutions, G Mining. Messrs. Elzéar Belzile, Eng. (Belzile Solutions) and Louis-Pierre Gignac, Eng. (G Mining) are "qualified persons" within the meaning of NI 43-101 and are independent of Osisko. The Canadian Malartic Updated Report is available for inspection during regular business hours at the corporate head office of Osisko and may also be reviewed under Osisko's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Unless otherwise indicated, technical information which has been disclosed since the release of the Canadian Malartic Updated Report has been prepared under the supervision of Robert Wares, Hon. D.Sc., P. Geo. and Senior Vice President, Exploration and Resource Development of Osisko, Luc Lessard, Ing., Senior Vice President and Chief Operating Officer of Osisko, and Donald Gervais, P. Geo, Technical Services Director at the Canadian Malartic Mine, who are "qualified persons" within the meaning of NI 43-101.

### **Property Location and Description**

The Canadian Malartic Properties are located in the Abitibi region of north-western Québec. They lie entirely within Fournière Township, immediately south of the town of Malartic, about 25 km west of Val-d'Or, Québec and about 550 km northwest of Montréal, Québec. The Canadian Malartic Properties also cover the southern portion of the town of Malartic itself.

### **Mining Titles**

The Canadian Malartic Properties include the Canadian Malartic titles, the East Amphi property and a 70% interest in the CHL joint venture property. It is comprised of 214 contiguous mining titles, including 149 Map Designated Units (MDC), 13 CLD, 46 claims (CL), one (1) Mining Concession (CM), and five (5) Mining Leases (BM), covering a total of 8,806.32 ha.

Titles to the Canadian Malartic Properties include 109 MDC's, one (1) CL, one (1) MC and four (4) ML's covering a total of approximately 5, 287 ha. During 2009, Osisko was granted two surface leases covering 1,856 ha for its tailings and milling plant. On November 25, 2009, the MRN granted Osisko a ML having a total area of approximately 189 ha. In addition, two (2) ML, together representing approximately 12 ha, were granted by the MRN during the second quarter of 2011 regarding the southern portion of the town of Malartic, which was subject of the relocation program. More recently, on February 18, 2014, the MRN granted Osisko a new ML having a total area of approximately 66 ha for the exploitation of the Goultie zone (accordingly, three (3) MDC's have been reduced). Application for another ML related to the South Barnat deposit is currently under review by the MRN (accordingly, six (6) MDC's have been suspended).

The East Amphi property is comprised of 30 MDC, 45 CL, 13 CLD, and one (1) ML.

The Malartic CHL joint venture property is held by Osisko (70%) and Abitibi Royalties Inc. (30%), as per the Malartic CHL Prospect Mining Option Agreement between Golden Valley Mines Ltd. and Osisko, dated as of February 10, 2006 and amended as of February 19, 2007, and the Transfer, Assignment and Assumption Agreement between Golden Valley Mines Ltd., Abitibi Royalties Inc. and Osisko, dated as of March 31, 2011. The CHL joint venture property is comprised of 10 MDCs.

Exploration rights immediately north of the Canadian Malartic Properties are owned by Niogold Mining Corp. Rights to the east are owned by 9265-9911 Québec inc. and NSR Resources. Rights to the south and southeast of the Canadian Malartic Properties are owned by an individual prospector and C2C Inc.

A map of the Canadian Malartic Properties is attached as Appendix "1" to this Schedule I.

#### Rights and Obligations Associated with Mining Titles

A ML entitles the holder to mine and remove minerals from the land forming part of such ML. A mining lease is granted for an initial term of 20 years and is renewable up to three times, each for a 10-year term. The holder of a mining lease shall pay an annual rent which is prescribed by mining regulations.

A claim (CL, CLD or MDC) provides the owner with a two-year exclusive right to explore the designated territory for any mineral substances with certain exceptions. After the two-year period, claims can be renewed for an additional two-year term on certain conditions including that sufficient assessment work is done. A claim provides a right of access, though not surface rights, to a designated parcel of land on which exploration work may be undertaken. Access to land that has been granted, alienated or leased by the Crown for non-mining purposes requires the permission of the current surface rights-holder. Additionally, claims that lie within town boundaries or lands identified as state reserves may be subject to further conditions and obligations concerning the work to be performed on the claim. Expiration dates for the various mining titles of the Canadian Malartic Properties vary between February 10, 2015 and February 18, 2034. Incurred exploration expenditures on the Canadian Malartic Properties currently exceed the minimum expenditures required to maintain the claims in good standing.

A MC provides the owner with mining rights and some surface rights limited to those necessary for mining activities. There is no obligation or work requirement needed to maintain the concession other than the payment of an annual fee based on the size of the concession.

On December 10, 2013, the Québec Government adopted a new mining legislation including requirements for public hearings on mining projects in excess of 2,500 tonnes per day, formation of monitoring committees to promote local benefits and increase disclosure on mining taxes paid and extraction rates from deposits. The new legislation is not expected to have a negative impact on activities conducted on the Canadian Malartic Properties.

#### Surface Rights

Due to the relocation of Malartic residents, Osisko is sometimes the owner of the surface rights over portions of its MC and its ML's. Otherwise, surface rights required for mining activities were granted to Osisko in the relevant CM or BM by the Crown. Osisko is also the lessee of four (4) surface leases granted by the Ministère des Ressources Naturelles for industrial purpose (mill and tailings), related to the Canadian Malartic mine and the East Amphi property, and holds other surface rights in the Town of Malartic for the purpose of environmental measuring stations (weather, noise and air quality):

Surface Lease (granted by Ministère des Ressources Naturelles, for industrial purpose)

<i>Type</i>	<i>Lot Description</i>	<i>File No.</i>	<i>Description</i>	<i>Modifications</i>	<i>Surface (Ha)</i>	<i>Term</i>	<i>Registration</i>	<i>Lease Renewal</i>
Surface Lease	Fournière Township, Rang IX, Lot 24 to 29 parts; Fournière Township, Rang VIII, Lots 24 and 25 and others	822597 00 000	Surface used for industrial purposes (re: Canadian Malartic mill)	Designation modified May 10, 2010; Modification of the lease term to 5 years on March 17, 2011, excluding the Orica plant	418.4	5 years	03/17/2011	Renewable at the term of lease
Surface Lease	Fournière Township, Bloc 10; Fournière Township, Bloc 11 and others	823099 00 000	Surface used for industrial purposes (re: Canadian Malartic tailings)	Modification of the lease term to 5 years on August 31, 2011	1,400	5 years	08/31/2011	Renewable at the term of lease
Surface Lease	Fournière Township, Bloc 26, Lot 6; Fournière Township, Rang X, Lot 21, Parcel 1	820083 00 000	Surface used for industrial purposes (re: East Amphi tailings)	Nil	3	1 year	12/03/2008	Annually
Surface Lease	Malartic Township, Rang I, Lot 23, Parcel 1	819694 00 000	Surface used for industrial purposes (East Anphi)	Modification of the lease term to 5 years on October 12, 2011	0.3361	5 years	10/12/2011	Renewable at the term of lease

Surface Rights (for environmental measuring stations)

<i>Type</i>	<i>Localisation</i>	<i>Description</i>	<i>Surface (m<sup>2</sup>)</i>	<i>Term</i>	<i>Rent</i>	<i>Expiration</i>	<i>Lease Renewal</i>	<i>Landlord/Owner of the subsoil</i>
Lease	Malartic Golf	Weather Station	96	Five (5) years	\$3,000/year	03/30/2016	Renewable at the term of lease	9107-7792 Québec Inc. (Malartic Golf Club)
Superficies	Lot 4 063 452	Air Quality Station	35.3	N/A	N/A	N/A	N/A	Town of Malartic
Superficies	Lot 5 058 920	Air Quality Station	38.2	N/A	N/A	N/A	N/A	Town of Malartic
Lease	Malartic Hospital	Noise Measuring Station	9.3	Five (5) years	\$1/year	01/30/2017	Renewable at the term of lease (with consent of CSSS)	CSSS de la Vallée-de-l'Or
Surface Right	Lot 5 200 835	Noise Measuring Station	262.9	N/A	N/A	N/A	N/A	N/A

Type	Localisation	Description	Surface (m <sup>2</sup> )	Term	Rent	Expiration	Lease Renewal	Landlord/Owner of the subsoil
Superficies	Lot 5 202 403	Noise Measuring Station	12.1	N/A	N/A	N/A	N/A	Town of Malartic
Superficies	Lot 3 001 156	Noise Measuring Station	13	N/A	N/A	N/A	N/A	Town of Malartic

### Agreements and Encumbrances

The Canadian Malartic Properties were acquired by Osisko in stages from 2004 to 2011. Several mining titles of the Canadian Malartic Properties were map-staked by Osisko or its appointed intermediaries, and are not subject to any encumbrances. Others were purchased outright from independent parties, without royalties or other obligations. The mining titles that are subject to agreements and encumbrances are presented in the following table:

Mining Rights*	Agreements and Encumbrances						
CL 3490181, CL 3490151, CL 3263051, CL 3263011, CL 3263012, CL 3263351, CL 3263002 (converted)	<p>Mining rights registered in the Public Register in the name of Osisko for an interest of 85%.</p> <p>Under an Option Agreement entered into between R. Currie-Mills, Paul Boyd and Long Lac Resources Limited, on May 1, 1983 (the "<b>1983 Option Agreement</b>"), R. Currie-Mills and Paul Boyd (collectively, the "<b>Optionors</b>") grant to Long Lac Resources Limited ("<b>Lac</b>") an option to acquire an interest of 85% in the claims* on or before April 30, 1986. If Lac determines to place a mine on the claims into commercial production, Lac shall pay a royalty of 15% of Net Profits (as defined in the 1983 Option Agreement) to the Optionors from revenues received from the sale of ore or products from the claims after recouping out of certain expenses. The 1983 Option Agreement also provides for a right of first refusal to the benefit of both the Optionors and Lac should any one of them desire to sell, transfer, assign or otherwise dispose of their interest in the claims.</p> <p>*The list of claims attached to the 1983 Option Agreement refers to CL 3263352 instead of 3263012.</p> <p>The Net Smelter Royalty Agreement entered into between Barrick Gold Corporation and McWatters Mining Inc., on April 3, 2003 (the "<b>2003 NSR Agreement</b>") refers to a Purchase Agreement dated February 21, 2003 whereby McWatters Mining Inc. ("<b>McWatters</b>") purchased from Barrick Gold Corporation ("<b>Barrick</b>") certain mining rights composing the East Malartic Properties (which include the claims), and provides for the payment by McWatters to Barrick of a net smelter royalty (the "<b>Barrick Royalty</b>"), at a variable rate, on all Products (as defined in the Agreement) mined or otherwise recovered from the East Malartic Properties. The 2003 NSR Agreement also provides for (i) a "Buy Out Option" granted in favour of McWatters to purchase one-half of Barrick's right to be paid the Barrick Royalty, and (ii) a right of first refusal in favour of McWatters should Barrick desire to sell, transfer or assign all or any of its rights in the Barrick Royalty to a third party.</p> <p>According to an Agreement of Sale entered into between Raymond Chabot Inc., acting as trustee to the proposal of McWatters Mining Inc. and Richmond Mines Inc. as of September 1, 2004 (the "<b>2004 Richmond Agreement of Sale</b>"), the Barrick Royalty corresponds to 2-3% NSR depending on the gold price.</p> <p>Also, Schedule 1.1 (nn) of the Asset Purchase Agreement entered into between Richmond Mines Inc. and Osisko Exploration Ltée on June 29, 2007 (the "<b>2007 Osisko Agreement (Richmont)</b>") refers to the Barrick Royalty and the Net Profits as follows:</p> <p>"For every ounce of gold produced from the Radium-Nord property, a royalty based on the gold price and is payable quarterly to Barrick Gold as follow:</p> <table> <tr> <td>Gold price (US\$/oz)</td> <td>Royalties (CAN\$/oz Au produced)</td> </tr> <tr> <td>&lt;\$350</td> <td>2% NSR</td> </tr> <tr> <td>&gt;\$350</td> <td>3% NSR</td> </tr> </table> <p>Additionally, a 15% NPI (Net Profit Interest) amount is payable on a monthly basis to the Currie-Mills estate."</p> <p>Under a Royalty Deed and Assignment entered into between Barrick Gold Corporation and RGLD Gold Canada, Inc. as of October 1, 2008 (the "<b>2008 Barrick Royalty Assignment Agreement</b>"), Barrick conveys and assigns to RGLD Gold Canada, Inc. all its right, title and interest in and to the Barrick Royalty and the 2003 NSR Agreement.</p>	Gold price (US\$/oz)	Royalties (CAN\$/oz Au produced)	<\$350	2% NSR	>\$350	3% NSR
Gold price (US\$/oz)	Royalties (CAN\$/oz Au produced)						
<\$350	2% NSR						
>\$350	3% NSR						

Mining Rights*	Agreements and Encumbrances
	According to a letter dated March 28, 2011 addressed by Osisko to RGLD Gold Canada, Inc., Osisko purchased back half of the Barrick Royalty for US\$1.5 million and, as a result, said claims are now subject to a sliding 1% - 1.5% NSR payable to RGLD Gold Canada, Inc. (now known as RG Exchangeco Inc.)
MC 226 CL 3941621 and CL 3941633, CL 3941634, CL 3941635, CL 3950771, CL 3950772 (converted)	Mining rights 100% owned by Osisko.  The mining rights were subject to a sliding 2% - 3% NSR payable to a wholly-owned subsidiary of Royal Gold, Inc. The royalty rate is tied to the price of gold, with the higher rate taking effect if the gold price is greater than US\$350/oz. According to a letter dated March 28, 2011 addressed by Osisko to RGLD Gold Canada, Inc., Osisko purchased back half of the Barrick Royalty for US\$1.5 million and, as a result, said mining rights are now subject to a sliding 1% - 1.5% NSR payable to RGLD Gold Canada, Inc. (now known as RG Exchangeco Inc.)
CL 5144234, CL 5144235 CL 5144236, CL 5144237 CL 5144238, CL 5144239 (converted)	Mining rights 100% owned by Osisko.  Pursuant to <i>Convention formelle d'option d'achat</i> entered into between Ressources Dianor Inc. and Mike Lavoie on March 20, 1997 (the " <b>1997 Lavoie Royalty Agreement</b> ") and an Agreement of Sale entered into between Ressources Dianor Inc. and Osisko Exploration Ltd. as of March 29, 2005 (the " <b>2005 Osisko Agreement of Sale (Dianor)</b> "), the claims are subject to a 2% NSR payable to Mike Lavoie, and the entire royalty may be purchased back by Osisko for \$2,000,000.
MDC 72271	Mining rights 100% owned by Osisko.  Under a Purchase and Sale Agreement entered into between Golden Valley Mines Ltd. and Osisko Exploration Ltd. as of February 10, 2006 (the " <b>2006 Osisko Purchase Agreement (Golden Valley)</b> "), Osisko agreed to grant to Golden Valley Mines Ltd. a royalty equal to 2% of the Net Smelter Returns (as defined in the 2006 Osisko Purchase Agreement (Golden Valley)) derived from the claim, which royalty was transferred to Abitibi Royalties Inc. under a Transfer, Assignment and Assumption Agreement entered into between Golden Valley Mines Ltd., Abitibi Royalties Inc. and Osisko Mining Corporation on March 31, 2011 (the " <b>2011 Abitibi Assumption Agreement</b> ").
MDC 2000854, MDC 2000855 MDC 2000856, MDC 2000857 MDC 2000858, MDC 2000859, MDC 2001055	Mining rights 100% owned by Osisko.  The claims were subject to a 2.5% Gross Overriding Metal Royalty. On July 12, 2011, Osisko purchased back a 1% royalty interest from Géoconseils Jack Stoch Limitée in consideration of the issuance of 460,000 common shares of Osisko. Franco-Nevada Corporation purchased the remaining 1.5% from Géoconseils Jack Stoch Limitée. The claims are therefore subject to a 1.5% Gross Overriding Metal Royalty payable to Franco-Nevada Corporation.
CL 3887321, CL 3887331, CL 3924261, CL 3924271, CL 3924281	Mining rights registered in the Public Register in the name of Osisko for an interest of 100%.  The 2003 NSR Agreement refers to a Purchase Agreement dated February 21, 2003 whereby McWatters purchased from Barrick certain mining rights composing the East Malartic Properties (which include the claims), and provides for the payment by McWatters to Barrick of the Barrick Royalty, at a variable rate, on all Products (as defined in the Agreement) mined or otherwise recovered from the East Malartic Properties. The 2003 NSR Agreement also provides for (i) a "Buy Out option" granted in favour of McWatters to purchase one-half of Barrick's right to be paid the Barrick Royalty, and (ii) a right of first refusal in favour of McWatters should Barrick desire to sell, transfer or assign all or any of its rights in the Barrick Royalty to a third party.  According to the 2004 Richmond Agreement of Sale, the Barrick Royalty in respect of the claims corresponds to 2-3% NSR depending on the gold price.  Also, Schedule 1.1 (nn) of the 2007 Osisko Agreement (Richmont) refers to the Barrick Royalty and the Reservoir Block (composed of CL3887321, C3887331, CL3924261, CL3924271 and CL3924281) as follows:  " Radium-Nord Block  For every ounce of gold produced from the Radium-Nord property, a royalty based on the gold price and is payable quarterly to Barrick Gold as follow:  Gold price (US\$/oz)    Royalties (CAN\$/oz Au produced) <\$350                            2% NSR >\$350                            3% NSR [...]



Mining Rights*	Agreements and Encumbrances
	<p>Reservoir Block</p> <p>For every ounce of gold produced from the reservoir property, a royalty based on the gold price is payable quarterly to Barrick Gold under terms similar to those of the Radium-Nord block."</p> <p>Under the <b>2008 Barrick Royalty Assignment Agreement</b>, Barrick conveys and assigns to RGLD Gold Canada, Inc. all its right, title and interest in and to the Barrick Royalty and the <b>2003 NSR Agreement</b>.</p> <p>According to a letter dated March 28, 2011 addressed by Osisko to RGLD Gold Canada, Inc., Osisko purchased back half of the Barrick Royalty for US\$1.5 million and, as a result, said claims are now subject to a sliding 1% - 1.5% NSR payable to RGLD Gold Canada, Inc. (now known as RG Exchangeco Inc.)</p>
<p>CL 3665043, CL 3665044, CL 3665053, CL 3665201, CL 3665202, CL 3665211, CL 3718281, CL 3718282, CL 3718293, CL 5086943, CL 5086944, CL 5086945, CL 5098746, CL 5098747, BM 848, CLD P139010, CLD P139020, CLD P139030, CLD P139040, CLD P139050, CLD P139060, CLD P139070, CLD P139080, CLD P139090, CLD P139100, CLD P139110, CLD P139120, CLD P139130</p>	<p>Mining rights registered in the Public Register in the name of Osisko for an interest of 100%.</p> <p>Under a Memorandum of Agreement entered into between McWatters Mining Inc. and Richmond Mines Inc., on December 5, 2003 (the "<b>2003 Richmond Agreement</b>"), Richmond Mines Inc. ("<b>Richmont</b>") undertook to pay to McWatters a royalty equal to 2% of the Net Smelter Returns (as defined in the Agreement) (the "<b>McWatters Royalty</b>") after 300,000 ounces of gold have been produced from ores mines and removed from the properties. Richmond may purchase McWatters' rights and interest in the McWatters Royalty in consideration of the payment to McWatters of an aggregate amount of \$1,500,000.</p> <p>Under an Agreement of Purchase and Sale entered into between Raymond Chabot Inc. and Globex Mining Enterprises Inc. as of April 20, 2007 (the "<b>2007 McWatters Royalty Sale Agreement</b>"), Globex Mining Enterprises Inc. acquired the McWatters Royalty.</p> <p>Under the 2007 Osisko Agreement (Richmont), a royalty of 2% of Net Smelter Return (as defined in the 2007 Osisko Agreement (Richmont)) (the "<b>NSR Royalty</b>") derived from the mining rights (the "<b>NSR Mining Rights</b>") is payable by Osisko (formerly known as Osisko Exploration Ltée) to Richmont. Osisko shall be relieved from liability to pay the NSR Royalty upon (i) the sale, assignment or disposition of the NSR Mining Rights, subject to certain conditions, or (ii) the cessation of commercial production from the NSR Mining Rights. The 2007 Osisko Agreement (Richmont) also provides for Osisko's right of first refusal to purchase Richmont's right, title and interest in the NSR Royalty subject to conditions therein set forth. Also, Schedule 1.1 (nn) of the 2007 Osisko Agreement (Richmont) refers to the McWatters Royalty as follows:</p> <p>" a 2% NSR (Net Smelter Return) royalty is payable to McWatters Mining Inc. after 300,000 ounces of gold have been produced the East Amphi block of the East Amphi Property. The determination of the amount of royalties to be paid is based on the gold price and the amount of gold produced on a quarterly basis. This royalty was purchased by Globex Mining in April 2007."</p>
<p>CL 3351761, CL 3351762, CL 3351763, CL 3351764, CL 3351771, CL 3351772, CL 3351773, CL 3351774, CL 3351781, CL 3351782, CL 3351783, CL 3351784</p>	<p>Mining rights registered in the Public Register in the name of Osisko for an interest of 100%.</p> <p>The Agreement entered into between CSA Minerals Corp. and Oroplata Limited as of January 16, 1986, as amended from 1986 to 1992 (the "<b>Fourax II Option Agreement</b>") contains an option to purchase the claims granted by CSA Minerals Corp. ("<b>CSA</b>") to Oroplata Limited ("<b>Oroplata</b>") subject to certain conditions. In the event that Oroplata exercises its option to purchase and complies with the conditions set out in the Fourax II Option Agreement, CSA is entitled to a royalty (the "<b>CSA Royalty</b>") corresponding to 3% in kind of all bullion or other metals produced or 3% of any Net Smelter Returns (as defined in the Fourax II Option Agreement). Oroplata is granted the option to buy 2% NSR of CSA's 3% for \$500,000, in which case CSA's remaining 1% NSR shall have an escalation factor based on the price of gold whereby CSA's 1% NSR may increase to a maximum of 3% if the average monthly gold price were to increase.</p> <p>Under the 2003 Richmond Agreement, Richmont undertook to pay the McWatters Royalty equal to 2% of the Net Smelter Returns (as defined in the Agreement) after 300,000 ounces of gold have been produced from ores mines and removed from the properties. Richmont may purchase McWatters' rights and interest in the McWatters Royalty in consideration of the payment to McWatters of an aggregate amount of \$1,500,000.</p> <p>Under the 2007 McWatters Royalty Sale Agreement, Globex Mining Enterprises Inc. acquired the McWatters Royalty.</p> <p>Under the 2007 Osisko Agreement (Richmont), a royalty of 2% of Net Smelter Return (as defined in the 2007 Osisko Agreement (Richmont)) (the "<b>NSR Royalty</b>") derived from the mining rights (the "<b>NSR Mining Rights</b>") is payable by Osisko (formerly known as Osisko Exploration Ltée) to Richmont. Osisko shall be relieved from liability to pay the NSR Royalty upon (i) the sale, assignment or disposition of the NSR Mining Rights, subject to certain conditions, or (ii) the cessation of commercial production from the NSR Mining Rights. The 2007 Osisko Agreement (Richmont) also provides for Osisko's right of first refusal to purchase Richmont's right, title and interest in the NSR Royalty subject to conditions therein set forth.</p>

Mining Rights*	Agreements and Encumbrances
	<p>Also, Schedule 1.1 (nn) of the 2007 Osisko Agreement (Richmont) refers to the McWatters Royalty as follows:</p> <p>" a 2% NSR (Net Smelter Return) royalty is payable to McWatters Mining Inc. after 300,000 ounces of gold have been produced from Fourax block of the East Amphi Property. The determination of the amount of royalties to be paid is based on the gold price and the amount of gold produced on a quarterly basis. This royalty was purchased by Globex Mining in April 2007 and is superceded by the following third party royalty:</p> <p>To the knowledge of the Parties, for every ounce of gold produced from the Fourax block, a 3% NSR may be payable quarterly to Royal Oak Mines Inc. based on the prevailing price of gold."</p> <p>In addition, Schedule 7.1 of the 2007 Osisko Agreement (Richmont) mentions that the mining rights (which composes the Fourax property) are subject to a "Third Party Royalty" which means: " [...] a royalty equal to three percent (3%) of the net smelter returns of the Fourax Property as set forth in a certain agreement entered into by CSA Minerals Corp. and Oroplata Limited on the 16<sup>th</sup> day of January 1986, as amended in a Letter of Agreement between Oroplata Limited and Royal Oak Mines Inc. on August 25, 1992.", and that "In the event that, as a result of any claim by any person or company such that Osisko would be required to make a payment on account of the Third Party Royalty, Osisko shall be entitled to reduce the amounts payable to Richmond on account of the Royalty on a dollar for dollar basis, for each dollar paid on account of the Third Party Royalty."</p>
<p>MDC 48540, MDC 48541, MDC 48542, MDC 48543, MDC 1106043, CL 5114367, CL 5114368, CL 5114369, CL 5114373, CL 5114374, CL 5114375, CL 5114376, MDC 1106031, MDC 1106032, MDC 1106033, MDC 1106034, MDC 1106035, MDC 1106036, MDC 106037, MDC 1106038, MDC 106039, CL 5182646, CL 5182647, CL 5182648</p>	<p>Mining rights registered in the Public Register in the name of Osisko for an interest of 100%.</p> <p>Under the 2007 Osisko Agreement (Richmont), a royalty of 2% of Net Smelter Return (as defined in the 2007 Osisko Agreement (Richmont)) (the "<b>NSR Royalty</b>") derived from the mining rights (the "<b>NSR Mining Rights</b>") is payable by Osisko (formerly known as Osisko Exploration Ltée) to Richmond. Osisko shall be relieved from liability to pay the NSR Royalty upon (i) the sale, assignment or disposition of the NSR Mining Rights, subject to certain conditions, or (ii) the cessation of commercial production from the NSR Mining Rights.</p> <p>The 2007 Osisko Agreement (Richmont) also provides for Osisko's right of first refusal to purchase Richmond's right, title and interest in the NSR Royalty subject to conditions therein set forth.</p>

\*Certain titles listed above may have been replaced in part or in whole by a ML for exploitation purpose. However, each encumbrance continues to apply to the mining titles as identified and defined at the time of the relevant agreement.

### Environmental Exposures Related to Past Activities

Osisko is not aware of any environmental liabilities, obligations or responsibilities associated with the Canadian Malartic Properties, other than the adherence to the regulations of the MDDEFP concerning exploration activities. Several non-remediated tailings ponds of the past-producing East Malartic mine occur on the Canadian Malartic Properties but as long as these are covered by exploration rights (MDCs), the environmental liabilities related to these ponds are the responsibility of the MRN. As provided in the formal agreement entered into with the MRN on March 16, 2010, the environmental liability related to past producing mines will remain with the MRN while any new environmental obligations which will derive from mining of the Canadian Malartic Properties will be the sole responsibility of Osisko.

### Environmental Approvals and Permits

On September 4, 2008, Osisko filed the Environmental Impact Study for the Canadian Malartic project with the MDDEFP. The Environmental Impact Study was reviewed and accepted by Québec governmental authorities who established its compliance with MDDEFP guidelines. The formal process of the *Bureau d'audiences publiques sur l'environnement* ("**BAPE**") commenced on March 11, 2009 and, on July 9, 2009, the MDDEFP published the report on the public inquiry and hearings. The report concluded that the Canadian Malartic project could be authorized under certain conditions including (i) certain follow-up programs; and (ii) the deposit of financial guarantees sufficient to ensure that the Canadian Malartic project could be carried out in a sustainable development perspective.

On August 20, 2009, the *Conseil des ministres du Québec* approved the order in council ("**Decree No. 914-2009**") authorizing the construction of the Canadian Malartic Mine.

As of December 31, 2010, the Canadian Malartic Mine had received all formal governmental permits required for its construction and related activities, with the exception of the mill and mine operations authorization. The official mill/operations certificate of authorization was granted on March 31st, 2011, at which point the Canadian Malartic Mine was fully permitted.

Given the proximity of the mine site to the residents of Malartic, mining operations at the Canadian Malartic Mine are subject to a monitoring program defined by regulatory authorities. As part of the monitoring program, the mine is required to collect environmental data and provide it to the MDDEFP on a regular basis. The MDDEFP then compares the data to regulatory requirements, and in case of an exceedance, issues notices of non-compliance to Osisko or, if deemed appropriate, administrative monetary penalties or statements of offence. Contrary to administrative monetary penalties and statements of offence, notices of non-compliance do not include fines and are only issued to inform Osisko of non-compliance situations and to require corrective measures. A non-compliance notice does not necessarily imply that Osisko's activities have resulted in an impact on the environment. The following table provides an overview of regulatory compliance with the MDDEFP and efforts of the Canadian Malartic Mine to minimize the impact of its activities on the environment and more particularly on the Town of Malartic:

	NOTICES OF NON-COMPLIANCE IN 2013	NOTICES OF NON-COMPLIANCE (FROM 2009 TO 2013)	ADMINISTRATIVE MONETARY PENALTIES (FROM 2009 TO 2013)	STATEMENTS OF OFFENCE (FROM 2009 TO 2013)
	16	44	0	0
<b>BLASTING</b> (including surpassing limits for over pressure and vibrations, NOx emissions and/or blasting parameters)	<p><b>PRINCIPAL MITIGATION MEASURES SINCE BEGINNING OF OPERATIONS</b></p> <ul style="list-style-type: none"> <li>• Execution of blasting activities only when the wind is not from the South (i.e., in the direction of the Town of Malartic);</li> <li>• Test of alternative blasting methods and explosive products that may be more effective from an environmental point of view; and</li> <li>• Regular meetings with the contractor in charge of the execution of blasting activities for environmental improvement purpose.</li> </ul> <p><b>OTHER RELEVANT INFORMATION</b></p> <p>Fourteen (14) notices of non-compliance received by Osisko in 2012 were related to interpretation issues between Osisko and the MDDEFP regarding blasting operations. These interpretation issues are at the center of searches conducted by the MDDEFP at the Canadian Malartic Mine during the second half of 2012 and explain the delay to proceed with a special blast of approximately 940,000 tonnes over previously mined out areas providing access to the higher-grade zones of the main deposit (the "<b>Special Blast</b>"). The Special Blast was eventually authorized on October 18, 2012 by the Québec Government, pursuant to an order in council ("<b>Decree No. 964-2012</b>") modifying the Decree No. 914-2009. On February 13, 2013, the Québec Government approved another order in council ("<b>Decree No. 98-2013</b>") modifying the operating parameters of the Decree No. 914-2009 and allowing Osisko greater access to the northern portion of the Canadian Malartic Mine and to improve the framework for the execution of its blasting operations. The Decree No. 98-2013 resolved most interpretation issues with the MDDEFP regarding blasting operations.</p> <p>The notice of non-compliance received by Osisko with respect to NOx emissions have been issued on the basis of assessment by the MDDEFP of the color of emissions released during blast activities. It is important to note that the NOx approved sensors installed by Osisko in the Town of Malartic have never detected concentrations of NOx equal or greater than the limit permitted by the regulations. Indeed, the concentrations measured in town have always been well below this threshold.</p>			

	NOTICES OF NON-COMPLIANCE IN 2013	NOTICES OF NON-COMPLIANCE (FROM 2009 TO 2013)	ADMINISTRATIVE MONETARY PENALTIES (FROM 2009 TO 2013)	STATEMENTS OF OFFENCE (FROM 2009 TO 2013)
	6	11	0	0
<b>DUST</b>	<p><b>PRINCIPAL MITIGATION MEASURES SINCE BEGINNING OF OPERATIONS</b></p> <ul style="list-style-type: none"> <li>• Enclosure of buildings where dust is generated;</li> <li>• Use of dust suppressant systems on roads;</li> <li>• Establishment of an early warning system and modulation of activities;</li> <li>• Establishment of an internal committee to find more effective technical solutions; and</li> <li>• Test of alternative dust suppressant products and methods that may be more effective from an environmental point of view.</li> </ul> <p><b>OTHER RELEVANT INFORMATION</b></p> <p>Health authorities have conducted studies on dust emissions in the Town of Malartic. No major health issues were identified in their conclusions, and the health authorities are continuing their studies to further inform the local residents.</p>			
	14	39	0	0
<b>NOISE</b>	<p><b>PRINCIPAL MITIGATION MEASURES SINCE BEGINNING OF OPERATIONS</b></p> <ul style="list-style-type: none"> <li>• Modification of the equipment fleet, addition of newly developed "quiet packages" on the Caterpillar 240-ton truck fleet, noise reduction measures on the drilling equipment, and implementation of a research and development noise reduction plan for mobile equipment;</li> <li>• Relocation of an additional 60 families from an area adjacent to the 'green wall', thereby increasing the buffer zone between mining operations and the residents;</li> <li>• Modulation of mining activities during night operations to comply with noise standards;</li> <li>• Development of a sound prediction system correlating weather conditions and noise dispersion; recording of data has started and modeling will require at least 6 months of data to establish correlation; and</li> <li>• Installation of insulated walls (containers) along ramp and transport roads.</li> </ul> <p><b>OTHER RELEVANT INFORMATION</b></p> <p>On April 13<sup>th</sup>, 2011, the <i>Conseil des ministres du Québec</i> approved an order in council ("<b>Decree No. 405-2011</b>") modifying the operating parameters of the Decree No. 914-2009. The new Decree was granted in connection with the increased buffer zone and a municipal zoning by-law proposal for the future recreational park area, which was adopted by the City of Malartic on July 12, 2011. Together, the Decree No. 405-2011 and the new zoning by-law increased the noise parameters under which the mine can operate to 50 dBA at night and 55 dBA during the day. However, the MDDEFP is of the opinion that noise parameters in certain sectors of the Town of Malartic remain lower (40/45 dBA at night and 45/50 dBA during the day). Legal opinions obtained by Osisko on the interpretation of the Decree No. 405-2011 differ from this point of view and consider that the current noise parameters under the Decree No. 405-2011 are 50 dBA at night and 55 dBA during the day. Accordingly, since the issuance of the Decree No. 405-2011, the notices of non-compliance related to noise have essentially reported "noise exceedances" below the 50/55 dBA parameters.</p>			
	4	4	2	0
<b>WATER</b>	<p><b>PRINCIPAL MITIGATION MEASURES SINCE BEGINNING OF OPERATIONS</b></p> <ul style="list-style-type: none"> <li>• Use of SO<sub>2</sub> cyanide detoxification system to reduce levels in the tailings prior to discharge to the tailings containment facility;</li> <li>• Constant monitoring of water bodies and closing of final effluent discharge when cyanide levels may exceed regulatory limits; and</li> <li>• Use of sprinklers to facilitate the degradation of cyanide.</li> </ul> <p><b>OTHER RELEVANT INFORMATION</b></p> <p>In 2013, Osisko received two administrative monetary penalties (each of \$2,500) for surface water and final effluent non-compliance.</p>			

	NOTICES OF NON-COMPLIANCE IN 2013	NOTICES OF NON-COMPLIANCE (FROM 2009 TO 2013)	ADMINISTRATIVE MONETARY PENALTIES (FROM 2009 TO 2013)	STATEMENTS OF OFFENCE (FROM 2009 TO 2013)
	1	11	0	27
<b>OTHERS</b>	<p><b>PRINCIPAL MITIGATION MEASURES SINCE BEGINNING OF OPERATIONS</b></p> <p>The notices of non-compliance that do not relate to noise, dust or blasting activities generally focus on specific issues, which have been resolved by implementing appropriate corrective measures.</p> <p><b>OTHER RELEVANT INFORMATION</b></p> <p>On November 28, 2013, Osisko received 27 statements of offence relating to construction activities carried out in 2010 in connection with the construction of the "green wall" in the Town of Malartic. Uncontested, the statements would total approximately \$389,000 in imposed fines. On November 29, 2013, Osisko appeared and pleaded not guilty to all charges. Osisko firmly believes that all construction activity related to the green wall was carried out under best practices to minimize the impact of the construction on the residents of Malartic.</p>			

All notices of non-compliance are investigated and formal responses are filed with the regulatory agency. Periodically, environmental monitoring results are reviewed with the Monitoring Committee and the community.

### **Accessibility, Climate, Local Resources, Infrastructure and Physiography**

#### Accessibility

The northern extents of the Canadian Malartic Properties can be accessed directly from Highway 117. A paved road running north-south from the town of Malartic towards Lake Mourier cuts through the central area of the Canadian Malartic Properties. The Canadian Malartic Properties are further accessible by a series of logging roads and trails, as well as by a network of gravel roads associated with the past-producing mines. Malartic is also serviced by a rail-line which cuts through the middle of the town. The nearest large airport is located in Val-d'Or, about 25 km east of Malartic.

#### Climate

Mean annual temperature for the Val-d'Or/Malartic area is 1.2°C, with average daily temperatures ranging from -17.2°C in January to 17.2°C in July. The average total annual precipitation is 914 mm, peaking in September (102 mm) and at a minimum in February (40.5 mm). Snow falls between October and May, with most occurring between November and March. Peak snowfall occurs in December, averaging 610 mm, equivalent to 54 mm of water. Winds are generally from the south or southwest from June through January, and mainly from the northwest from February through May. Average wind velocities are in the order of 11 to 14 km/h.

#### Local Resources

The Canadian Malartic Properties are located in the southern portion of the town of Malartic. The town has a population of around 3,500 people and hosts a variety of commercial and institutional establishments, including day cares, an adult learning center, a cultural center, a long term elderly care facility, a hospital, motels, restaurants, service suppliers, retailers and a community health clinic, as well as elementary and high schools. The city of Val-d'Or, some 25 km east of Malartic, hosts a large number of manufacturers and suppliers who serve the mining industry.

#### Infrastructure

Local manpower trained in heavy equipment/industrial operations is available in Malartic. Skilled workers may also be available from the areas within an approximate 35-km radius of Malartic, specifically Cadillac to the west and Val-d'Or to the east, where a number of mines are still in operation. It should be noted, however, that the recent

increase in mining activity in the Abitibi region may result in a temporary shortage of certain classes of experienced mining personnel.

### Physiography

The Canadian Malartic Properties are situated in the Abitibi lowlands and are relatively flat, consisting of plains with a few small hills. The topographic relief on the Canadian Malartic Properties is subtle, with a difference of about 95 m between maximum and minimum elevations. Most of the area is sparsely wooded with secondary growth black spruce, larch and birch as the dominant species. The central, east-central and west-central parts of the Canadian Malartic Properties are cut by a number of small streams, generally oriented east-west and connecting bogs or swampy areas. The south eastern extremity of the Canadian Malartic Properties partially overlaps onto Lake Fournière, which covers about 28 km<sup>2</sup>.

Overburden is characteristically a thin layer of till, typically only a few metres thick, with local development of organic-rich boggy material. Outcropping exposures are relatively rare, generally restricted to localized zones in which the lithology is silica-altered and more resistant to erosion.

### **History (Canadian Malartic titles)**

#### Prior and Current Ownership

Gold was first discovered in the Malartic area in 1923 by the Gouldie Brothers at what is now designated the Gouldie Zone. In 1925, a new showing was discovered and staked by an Ottawa-based prospecting syndicate, located about 1.6 km northwest of the Gouldie prospect. This property was sold to the newly-incorporated Malartic Gold Mines in 1927. Malartic Gold Mines undertook drilling, trenching and limited underground development on the deposit until 1929, when the project was suspended following the stock market crash.

In 1933, the original Canadian Malartic Gold Mines Ltd. took possession of the Malartic Mines property as well as the claims covering the Gouldie prospect. Production at the original Canadian Malartic Mine began in 1935 and continued uninterrupted until 1965. The original Canadian Malartic success prompted additional exploration, discovery and development immediately to the east. The Barnat/Sladen Mines and East Malartic Mine independently went into production in 1938 and continued with only minor interruptions until 1970 and 1983, respectively.

In 1964, Falconbridge Nickel Ltd. purchased the original Canadian Malartic Mine and, following cessation of gold production in 1965, refurbished the mill to process nickel ore from its Marbridge Mine. These operations ceased in 1968, after which the original Canadian Malartic mill was decommissioned and removed.

In 1974, the mining titles covering a portion of the historic Canadian Malartic holdings were purchased by East Malartic Gold Mines. The rest of the gold camp, covering the balance of the original Canadian Malartic ground, as well as the past-producing Barnat/Sladen and East Malartic Mines, was acquired in 1979 by Long Lac Exploration Ltd. These two companies, as well as a third Ontario-based company, merged in 1982 to form Lac Minerals Ltd. ("**Lac Minerals**"), which continued to explore the property over the next decade with the objective of defining a near-surface gold resource amenable to open-pit mining methods.

Control of the property fell to Barrick Gold Corporation ("**Barrick**") in 1994 when it acquired Lac Minerals. Barrick did not explore the property but completed a number of environmental and slope-stability studies during the 1990s. Barrick's principal activity was to process pyrite-rich ore from its Bousquet Mine at the East Malartic mill, which lasted until 2002 and resulted in the production of acid-generating mill tailings. Barrick sold all of its interests in the Malartic camp, including environmental and reclamation liabilities, to McWatters in February, 2003.

In November 2004, Osisko, through an intermediary, purchased a 100% interest in six claims and one MC covering the past-producing original Canadian Malartic Mine. The mining titles were purchased from the McWatters liquidation trustee, following the bankruptcy of McWatters earlier in 2004. The claims were subject to a sliding 2% - 3% NSR payable to Barrick, which was subsequently sold by Barrick to RG Exchangeco Inc., a wholly-owned

subsidiary of Royal Gold, Inc. The royalty rate is tied to the price of gold, with the higher rate taking effect if the gold price is greater than US\$350/oz. On March 28, 2011, Osisko purchased back half of the royalty for US\$1.5 million and, as a result, said claims are now subject to a sliding 1% - 1.5% NSR payable to RG Exchangeco Inc. The titles have been transferred, and are registered with 100% ownership in favour of Osisko. Osisko elected not to purchase the MC covering the past producing Barnat, Sladen and East Malartic Mines from the liquidation trustee, due to concerns over acquired environmental liabilities. Control of this portion of the property was assumed by the Québec Government (MRN) in December 2004, after the liquidation trustee failed to find a buyer.

On December 29, 2004, Osisko announced the signing of a letter of intent with Dianor and its wholly-owned subsidiary Threegold to acquire a 100% interest in a block of six claims to the southwest of, and contiguous with, the property purchased from the McWatters trustee. These claims are subject to a 2% NSR payable to a private individual, but the royalty may be purchased for \$2.0 million. Official documents for the transfer of these claims were filed on December 29, 2005, and the claims are now registered with 100% ownership in favour of Osisko.

Between February and June 2005, 92 additional claims were staked by Osisko or its appointed intermediaries, surrounding the original block of seven mining titles and the Dianor block. In December, 2005, Osisko staked six more claims along the southern margin of the property. The transfer of these claims has been processed, and all are now registered with 100% ownership in favour of Osisko.

On February 3, 2006, Osisko announced the signing of a letter of intent with Golden Valley Mines to purchase a 100% interest in a single claim contiguous to the property. The claim is subject to a 2% NSR payable to Abitibi Royalties Inc., a successor of Golden Valley Mines. The finalization of the agreement was announced on June 21, 2006. The transfer of this claim has been processed and is now registered with 100% ownership in favour of Osisko.

In late 2005, the Québec Government cancelled the mining concessions and claims covering the portion of the McWatters property that was transferred from the McWatters liquidation trustee and converted the area to 16 MDCs. The conversion of mining titles to MDCs effectively freed any eventual owner of the titles of the associated environmental liabilities and encumbrances.

The claims were made available through the Québec Government electronic map staking system, and eight separate parties simultaneously submitted applications for the titles. The ownership situation was resolved by a claim-by-claim lottery conducted on February 15, 2006. Osisko succeeded in acquiring two of the claims at the lottery. On March 2, 2006, Osisko announced that it had signed letters of intent with a group of four independent parties to purchase 100% interest in the remaining 14 titles. Seven of these titles were purchased outright from two individuals, without additional encumbrance. The remaining seven claims were purchased from two other individuals and are subject to a 2.5% gross overriding royalty. The transfer documents for these claims have been processed, and all are now registered with 100% ownership in favour of Osisko.

### Exploration History

The past-producing Canadian Malartic, Barnat/Sladen and East Malartic gold mines located on Osisko's property went into production between 1935 and 1938, and ceased production in 1965, 1970 and 1983, respectively. Relatively little exploration work was done before development began on those deposits and, during mining operations, essentially all reports of geological work, drilling, development and production were internal, unpublished documents. The collective archives of the past-producing mines were acquired by Lac Minerals at the time it took control of the property, and stored in the administrative offices of the East Malartic Mine. The mine office and the archives fell under the control of the Québec Government (MRN) when it assumed responsibility for that portion of the property from the McWatters liquidation trustee.

The first geological maps of the Malartic area (Fournière township) were produced by the Geological Survey of Canada. Geological reports, including detailed mapping in the area of the Canadian Malartic Mine, were produced in 1928 by Canadian Malartic Mines Ltd. The Québec Mines Service remapped the Canadian Malartic area in 1935 at a detailed scale, and provided the first petrographic descriptions of the mineralized rocks. Several geoscientific reports on the Malartic gold camp were subsequently published by the Geological Survey of Canada and the Ministère des Richesses Naturelles du Québec between 1940 and 2000.

After the closing of the East Malartic Mine, Lac Minerals continued exploration work on the property, including the drilling of approximately 500 surface drill holes on or near the Canadian Malartic deposit in various campaigns dating from 1981 to 1985. Several other drill campaigns were completed on the Barnat/Sladen and East Malartic portions of the property until 1990 when Lac Minerals discontinued exploration on the property. Most of the drill data generated by Lac Minerals was filed for assessment with the Québec Government and is publicly available.

Lac Minerals undertook limited ground geophysical (induced polarization, magnetic and electromagnetic) surveys on the property between 1980 and 1983, but results were poor or inconclusive and no geophysical response could be correlated to known mineralization.

Given the poor response of the various geophysical survey techniques, Lac Minerals targeted its exploration drilling program based on results of historic drilling, underground development and surface geological mapping. This approach led to the discovery of a new mineralized zone (the Charlie Zone), located under the tailings to the south of the Sladen mine.

During the time Barrick owned the property (1994 - 2003), no exploration work was done. Efforts focused on partial recompilation of historical data for resource estimate purposes, and on slope stability and environmental assessment. Barrick drilled a limited number of geotechnical holes to determine the thickness and stability of crown pillars of the Canadian Malartic Mine, in the area underlying houses in the southern part of the town of Malartic. After the 2003 acquisition, there is no public record of McWatters performing any exploration work on the property.

### Historic Drilling

The vast majority of historic drilling on the property was undertaken by the past-producing Canadian Malartic, Barnat/Sladen and East Malartic gold mines during development and production. Drill records for these operations were mostly internal, unpublished documents. A subset of these historic archives has been compiled by Osisko, pertaining to the ground covered by the Canadian Malartic deposit.

Two distinct phases of historical drilling have occurred on the Canadian Malartic deposit. During the first phase, from 1928 to 1963 by Canadian Malartic Mines Ltd., records indicate that over 5,000 surface and underground holes were drilled on this portion of the property. These holes were predominantly drilled from underground as grade control drilling. The surviving archives only include data for about 4,000 of these holes (Canadian Malartic S-series and U series holes), from which a total of 3,838 drill holes (159,056 m of drilling) were included in Osisko's digital database. The remainder was discarded as data were incomplete, illegible or had unreliable collar location information. There are no descriptions of the drill procedures, equipment employed, core diameter or drilling quality available in the documents. Orientation data on drill holes are limited to sporadic acid tests for dip. Data for drilling in the areas of the past-producing Barnat/Sladen and East Malartic Mines have been compiled by Osisko for inclusion in the resource update.

Lac Minerals drilled approximately 502 surface holes (43,495 m of drilling) on the Canadian Malartic Properties between 1981 and 1985. Drill logs indicate the core was BQ diameter, but information pertaining to drilling procedures, drill equipment is not available. Orientation data on drill holes are limited to sporadic acid tests for dip and rare measurements of azimuth and dip using unspecified instrumentation

### Production History

The Canadian Malartic Properties include four past-producing gold mines. Three of these, the Canadian Malartic, Sladen and East Malartic Mines, are portions of a 3,000 m-long, continuous mineralized system, exploited from west to east respectively. The Barnat Mine is part of the Malartic gold camp but is considered a separate series of deposits located within the Cadillac Fault Zone. During the period from 1935 to 1983, these mines produced a total of 159,451 kg (5,126,462 oz) of gold, mostly from underground operations. Three small open pits (Buckshot and Mammoth zones) were excavated at the Barnat and East Malartic Mines, to recover mineralization from crown pillars after the backfilling of underground stopes.



The Canadian Malartic Mine operated between 1935 and 1965. The deposit was mined mostly by underground long-hole stoping methods, making it the only underground bulk tonnage gold mine in Québec. Mining was limited to higher grade (greater than 3 g/t Au) mineralized zones within a larger, lower grade mineralized envelope, along nine levels extending to a depth of approximately 350 m. Development continued along four additional levels (to level 13) but there is no evidence of production at these deeper levels. A total of 9,931,376 tonnes of ore at an average grade of 3.37 g/t Au were extracted, for an aggregate production of 33,468.3 kg of gold (1.076 million ounces of gold). Mineralization occurs as finely disseminated native gold within altered sediments and porphyry, and was recovered by standard milling and cyanide-leaching techniques with an 89.4% average recovery reported over the mine life.

The ore from the Canadian Malartic Mine was also anomalously rich in silver relative to the rest of the Malartic gold camp, with gold to silver ratios ranging from about 4:1 to 1:1. Total silver output was approximately 20,000 kg (643,000 oz).

The Barnat/Sladen Mine comprised several ore bodies. The Barnat Mine worked at least three separate ore zones located in tectonized porphyry/diorite masses within the Cadillac Tectonic Zone, while the Sladen Mine, located south of the fault zone, operated within the Pontiac Subprovince along the same mineralized trend as the Canadian Malartic Mine to the west. Production began at the Barnat/Sladen Mines in 1938 and continued until 1970. A total of 8,454,032 tonnes of ore were processed at an average grade of 4.46 g/t Au, yielding a total of 37,743.5 kg of gold (1.213 million ounces of gold). The Barnat/Sladen ore also averaged a little more than 1 g/t silver, yielding a total of approximately 9,000 kg of silver (289,000 oz of silver).

The East Malartic Mine began production in 1935, operated semi-continuously until 1983, and represents the largest historic producer in the Malartic gold camp. Over the lifetime of the mine, a total of 17,948,457 tonnes of ore were extracted, at an average grade of 4.92 g/t Au, yielding 88,239.1 kg of gold (2.837 million ounces of gold).

## **Geological Setting**

The majority of the Canadian Malartic Properties are underlain by metasedimentary units of the Pontiac Group, lying immediately south of the Cadillac Tectonic Zone. The north-central portion of the property covers an approximately 3.5-km-long section of the fault corridor and is underlain by mafic-ultramafic metavolcanic rocks of the Piché Group cut by porphyritic intrusions, as well as metasedimentary rocks of the Cadillac Group to the north of the fault zone. At the point where the Cadillac Tectonic Zone transects the town of Malartic, it is oriented N320°E, whereas further east it is oriented at N280°E - N290°E. The rapid change in the direction of the fault corridor has been interpreted as a bifurcation of the fault zone. The portion of the fault zone oriented N280°E - N290°E has been referred to as the Malartic Tectonic Zone; it extends about 9 km along strike with a width of 600 to 900 m. The Malartic Tectonic Zone includes many subordinate faults with orientations varying from sub-vertical to sub-horizontal.

The portion of the Piché Group volcanic belt that transects the Canadian Malartic Properties is about 650 m wide. Two major structures, the Malartic (Cadillac) and Sladen faults, define the northern and southern boundaries of the tectonic zone in the immediate Malartic area. As it occurs on the property, the Malartic fault is oriented N260°E - N280°E and dips 75° to the north, whereas the Sladen fault is oriented N090°E - N100°E and dips variably from 70°S to sub-vertical. The Piché Group ultramafic metavolcanic rocks do not crop out anywhere on the property, and are known from historic records, underground workings and drilling. The Piché Group rocks are typically bluish-grey, pervasively foliated with numerous talc-carbonate veinlets. Less altered variants occur as massive, aphanitic to fine grained serpentinized ultramafic rock.

The Pontiac Group metasedimentary rocks on the property comprise turbiditic greywacke, mudstone and minor siltstone, generally rhythmically banded with beds of variable thickness ranging from about one millimetre to one metre. The sediments typically have a well-developed foliation and are dark grey to black, occasionally exhibiting a brownish tint caused by development of biotite through metamorphism and/or potassic alteration proximal to porphyritic felsic intrusions.

The rocks of the Pontiac and Piché groups are intruded by a number of epizonal felsic porphyritic bodies, variously described as syenites, quartz syenites, quartz monzonites, granodiorites and tonalites. The geometries of these felsic

intrusions are highly variable, and occur on the property as sills, dykes, discontinuous lenses or small isolated stocks.

The porphyries are all feldspar-phyric (1 - to 5 - mm wide phenocrysts) with fine-grained to aphanitic, medium to light grey matrices. Within the Pontiac Group, the porphyritic intrusions are particularly abundant within an area bounded to the south by the Raymond Fault. South of the Raymond Fault, a swarm of ultramafic sills (possibly komatiitic flows) occur in the metasedimentary rocks in the southwestern portion of the Canadian Malartic Properties. The Fournière granodiorite/tonalite pluton touches the southeastern extremity of the property.

Surface drilling by Lac Minerals in the 1980's defined several near-surface mineralized zones, all expressions of the larger, continuous mineralized system at depth. In addition to these, the Gouldie and Charlie mineralized zones occur approximately 1.2 km southeast of the main deposit, although the relationship between these zones and the main deposit is presently unknown. Within the Cadillac Tectonic Zones, several near-surface mineralized zones have been documented (South Barnat, Buckshot), all generally associated with shattered felsic intrusions.

## **Mineralization**

### Canadian Malartic

Mineralization in the Canadian Malartic deposit occurs as a continuous shell of 1 to 5% disseminated pyrite with fine native gold and traces of chalcopyrite, sphalerite and tellurides. It is mostly hosted by altered clastic sedimentary rocks of the Pontiac Group (turbiditic greywacke, mudstone and minor siltstone) overlying an epizonal dioritic porphyry intrusion. Mineralization also occurs in the upper portions of the porphyry body. The porphyry intrusion pinches out in the Sladen Malartic Mine and disseminated mineralization continues in the silicified greywacke, forming a subvertical tabular body that is truncated by the Cadillac fault at the western extremity of the East Malartic Mine.

Alteration in the metasedimentary rocks consists of biotite-sericite-carbonate (potassic alteration) overprinted by cryptocrystalline silica-carbonate. Carbonates include calcite and minor ankerite. Highly silicified zones adopt a "cherty" texture and are commonly brecciated. Potassic alteration in the porphyry consists mostly of alkali-feldspar replacement of plagioclase that is contemporaneous with minor quartz veining. Cryptocrystalline quartz replacement with minor carbonate also overprints potassic alteration in the porphyry. Late, coarse-grained, quartz-feldspar-muscovite veins mineralized with native gold form relatively small, higher grade stockworks along the northern edge of the deposit. Retrograde chlorite-calcite alteration of the previous assemblages, particularly the biotite, is ubiquitous throughout the deposit but is particularly intense along ductile shear zones, forming chlorite-calcite schists.

The close spatial association between voluminous, low-grade, disseminated gold mineralization and an epizonal, intermediate porphyry intrusion, as well as the presence of widespread potassic alteration throughout the system, suggests that the Canadian Malartic deposit may be an Archaean porphyry gold system.

### South Barnat

Mineralization in the South Barnat zone is located to the north and south of the old Barnat and East Malartic mine workings, largely along the southern edge of the Cadillac fault. The disseminated/stockwork gold mineralization strikes NW-SE and is hosted both in silicified greywackes of the Pontiac Group (south of the fault contact) and in potassic-altered porphyry dykes and schistose, carbonatized and biotitic ultramafic rocks (north of the fault contact). Subvertical porphyry dykes on both sides of the fault, but especially abundant on the north side, contain disseminated mineralization as well as late quartz veins locally containing visible gold. Mineralization hosted by silicified sediments on the south side of the fault represents the Sladen (eastern) Extension of the Canadian Malartic deposit that has been deflected and possibly dismembered along the fault zone. Current modelling suggests that gold mineralization in the South Barnat zone may extend further east along the north and south walls of the past-producing East Malartic mine.

## **Drilling**

### Database

Three distinct phases of historical drilling have occurred at the project. A total of 3,838 drillholes for 159,056 m of drilling was completed during the first phase, from 1928 to 1963 by Canadian Malartic Mines Ltd. These drillholes were predominantly drilled from underground as grade control drilling. From 1987 to 1990, Lac Minerals completed 629 drillholes for 69,449 m of drilling. These drillholes were drilled from surface and defined shallower resources (mostly less than 200 m below surface). From 2005 to the end of January 2011, Osisko completed a total of 2,750 drillholes for 636,198 m of NQ diamond drill core.

The database used for the Canadian Malartic Updated Report contained, as of the end of January 2011, data from 7,217 diamond drill holes, representing a total of 864,703 metres of core. The combined database was reviewed and validated prior to being finalized into an appropriate format for resource estimation.

### Drilling completed since the Canadian Malartic Updated Report

In 2011, Osisko completed a total of 182 drill holes for 35,441 m of drilling on the Canadian Malartic Properties, in all categories, including 25 holes for 5,572 m on the Canadian Malartic deposit, 50 holes for 10,383 m on the South Barnat zone and 25 holes for 2,961 m on the Gouldie zone. In 2012, Osisko completed a total of 35 drill holes for 6,281 m of drilling on the Canadian Malartic Properties, in all categories, including 12 holes for 2,829 m on the Canadian Malartic deposit and 23 holes for 3,452 m on the South Barnat zone. In 2013 Osisko did not complete any exploration drilling on the Canadian Malartic Properties.

Since 2011, Osisko has completed 106 drill holes for 24,882 m of drilling on the Western Porphyry zone and its adjacent East Amphi property and 34 drill holes for 5,963 m of drilling on the CHL joint venture property.

### Core and Casing

NQ-diameter core is placed in standard wooden core boxes at the drill rig and a cover is affixed. The core is then delivered each shift to the Osisko core logging facility at the Malartic field offices.

In almost all cases, the drill casing is left in-ground after holes are completed and down-hole surveys have been performed, so that collar position can be precisely measured, and the hole can be extended, if necessary. Casings are plugged with a wooden stopper to keep debris out of the hole and large wooden posts are planted to mark the casing location.

### Collar Surveying

With few exceptions, planned hole locations are established and the positions of completed holes are measured using a Sokkia Radian IS real-time-kinetic differential GPS system. Planned hole locations are marked by a steel rod, and at least two offset pickets along UTM north or south of the rod. Completed holes are resurveyed using the DGPS equipment.

### Downhole Surveying

Procedures for down-hole surveying have changed over the evolution of the project. Initially, down-hole dip-deviation data was acquired by acid-tests performed at approximately 100 m intervals. The drill contractor has since acquired a Flexit tool for measuring down-hole deviation. Holes are routinely surveyed immediately after they are completed. The initial series of holes were resurveyed.

The Flexit probe is a self-contained unit, including batteries, control and synchronizing electronics, internal radio link antenna, three orthogonally mounted accelerometers, three orthogonally mounted magnetometers and a temperature sensor. The probe simultaneously measures azimuth ( $\pm 0.3^\circ$ ), inclination ( $\pm 0.2^\circ$ ), total magnetic field

( $\pm 50$  nT), magnetic dip ( $\pm 0.3^\circ$ ) and hole temperature ( $\pm 0.2^\circ\text{C}$ ). Data from the probe are transferred to a mobile data collection unit, and then downloaded to a computer for incorporation into drill logs.

## **Sample Preparation, Analytical Procedures and Security**

### Sampling Approach and Methodology

Sampling of gold mineralization from the Canadian Malartic Properties has been essentially limited to the collection of samples of diamond drill core. A limited amount of surface sampling on the property was performed by independent consulting geologists during the summers of 2005 and 2007; these samples were submitted for assay using the same general protocol as that employed for core samples.

All samples are analyzed for gold by ALS Minerals in Val-d'Or, Québec, a laboratory which is certified ISO 9001:2000. Samples are analyzed by standard 50 g fire assay with atomic absorption finish and any samples yielding greater than 10 g/t Au are reanalyzed with a gravimetric finish. Density measurements are performed on one in twenty-five of the assayed samples.

All aspects of the sampling method and approach were reviewed by MICON during its site visit for the Canadian Malartic Report and by Belzile Solutions during its site visits for the Canadian Malartic Updated Report. The QA/QC procedures for ensuring the security of core samples, the integrity of chain-of-custody for samples and the accuracy of laboratory analyses are in line with current industry practice.

### Core Sampling, Security and Chain-of-Custody

Core samples collected at the drill site are stored in closed core boxes sealed with fibre tape and are delivered to the exploration offices at shift change. All core logging, sampling and storage takes place at the new regional exploration office located beside the Canadian Malartic Mine complex. The compound is surrounded by chain-link fence and monitored by closed-circuit video cameras. During the night and week-ends, the compound is monitored every hour by the Canadian Malartic Mine's security guards.

Following the logging and core marking procedures described above, the core passes to the sampling facility. At this point, the core is no longer handled by on-site geologists. Core sampling is performed by qualified technicians and quality control is maintained through regular verification by on-site geological technicians and the core shack supervisor.

Core is broken, as necessary, into manageable lengths. Pieces are removed from the box without disturbing the sample tags, cut in half lengthwise with a diamond saw, and then both halves are carefully repositioned in the box. When a complete hole has been processed in this manner, one half of the core is collected for assay while the other half remains in the core box as a witness.

The technician packs one half of the split core sample intervals into vinyl sample bags that are sequentially numbered to match the serial number sequences in the tag booklets used by the core-logging geologists. The blank portion of the triplicate sample tag is placed in the bag with the sample, while the portion marked with the sample interval is stapled into the bottom of the core box at the point where the sample interval begins. Sample bags are sealed with tamper-proof, serially numbered, yellow plastic security tags. The technician notes the beginning and end of the security tag sequence for a particular sampling run, and reports this to the quality/control geological technician so that the drill logs can be finalized.

Sealed sample bags are packed into sturdy plastic barrels with locking lids or in large weaved nylon shipping bags. When full, the barrels or shipping bags are sealed with tamper-proof, serially numbered, red plastic security tags. Barrels/bags are assigned sequential numbers which are matched against the security tags and loaded on sequentially numbered, plastic-wrapped wood pallets. This information is also forwarded to the core shack supervisor.

Aluminum tags embossed with the hole number, box number and box interval (from/to) are prepared and stapled onto the ends of each core box. Core boxes are then moved to permanent on-site storage in steel core racks. Rejects

and pulps from the laboratory are sent back to the Canadian Malartic site and stored in large domed structures with limited access.

The core shack supervisor prepares the sample submission form for the assay laboratory. This form identifies the barrels/shipping bags by number and security tag number, as well as the sequence of samples packed in each. Couriers from Chemex arrive once or twice per week at the core-processing facility to transport the pallets of sealed barrels/bags directly back to the laboratories. Once at the laboratory, a manager checks the barrel and security tag numbers against those that are on the submission form, and initializes each if the corresponding numbers are correct. Copies of these forms are then returned to the exploration offices for verification, and any discrepancy is investigated and corrected as necessary.

Based on the foregoing, Osisko's independent consultants have expressed the opinion that the logging and sampling protocols used at the Canadian Malartic Properties are conventional industry standard protocols conforming to generally regarded best practices.

### Analytical Laboratories

All primary and duplicate assay work for the Canadian Malartic Properties has been performed by ALS Minerals in either Val d'Or, Québec or Reno, Nevada. To facilitate turnaround time of the large volume of submitted samples, sample pulverizing is done primarily at ALS Mineral's preparation facility in Timmins, Ontario.

All ALS Minerals laboratories are certified ISO 9001:2000 for the "supply of assays and geochemical analysis services" by BSI Quality Registrars. Certification for ISO 9001:2000 requires evidence of a quality management system covering all aspects of the organization. ALS Minerals also takes part in the "Proficiency Testing Program - Minerals Analysis Laboratories" and holds a certificate demonstrating its success in the program for analysis of gold, silver, copper, zinc, lead, nickel and cobalt. Samples for umpire assaying were submitted to Accuracy Laboratories in Thunder Bay, Ontario or Acme Laboratories in Vancouver, British Columbia.

### **Sample Preparation and Analytical Procedures**

All samples received by ALS Minerals are processed through a sample tracking system that is an integral part of that company's Laboratory Information Management System (LIMS). This system uses bar coding and scanning technology that provides complete chain-of-custody records for every stage in the sample preparation and analytical process and limits the potential for sample switches and transcription errors.

Samples are dried and then crushed to 70% passing -10 mesh (1.7 mm). A 250 g subsample is split off the crushed material and pulverized to 85% passing -200 mesh (75 microns). A 50 g split of the pulp is used for assay. Crushing and pulverizing equipment is cleaned with barren wash material between sample preparation batches and, where necessary, between highly mineralized samples. Sample preparation stations are also equipped with dust extraction systems to reduce the risk of sample contamination.

As part of the standard internal quality control procedures used by the laboratory, each batch of 84 fire-assay crucibles includes one blank, two internal (laboratory-generated) standards and three duplicate samples along with 78 client samples. In the event that any reference material or duplicate result falls outside the established control limits, an error report is automatically generated. This ensures that the person evaluating the sample set for data release is made aware that a problem may exist with the dataset and an investigation can be initiated.

Pulps and coarse rejects from the samples are returned to the Malartic exploration offices on a regular basis. These materials are securely stored in a locked facility for future reference.

Prepared samples are analyzed by fire assay with atomic absorption finish. Samples returning assays in excess of 10 g/t Au are re-analyzed with a gravimetric finish.

The Lac Minerals samples were assayed at the Bousquet Mine site assay laboratory with a detection limit of 0.069 g/t Au reported in the database with 0.034 g/t Au precision steps. The results were originally reported in ounces/short ton. The majority of the Lac samples have been reassayed by Osisko as described previously.

The original Canadian Malartic samples were assayed by fire assay although details of the approach are unknown. The original data were recorded in pennyweights (dwt) with a detection limit of 0.2 dwt (approximately 0.34 g/t Au). Data precision steps are approximately 0.17 g/t Au.

A total of 3,109 density measurements were done on core from Canadian Malartic deposit at ALS Minerals laboratories for samples of the 2006 and 2007 drilling campaigns while 400 density measurements were done on core for South Barnat deposit from samples of the 2008 drilling campaign. For bulk, non-porous material, a piece of the sample is weighed, and its volume determined by immersion. Porous materials tested in this way are treated with a coat of paraffin wax to seal them prior to testing.

### Security and QA/QC procedures

Accuracy and potential contamination of the analytical procedure at the laboratory are monitored by the introduction of blanks and blind certified reference standards into the sample stream by Osisko. For Osisko's quality assurance/quality control (QA/QC) program at Canadian Malartic and South Barnat deposits, seventeen different Rocklabs certified reference standards were used, ranging from 0.583 g Au/t to 8.573 g Au/t. The bulk standards were split into 120 g bags on site with different internal codes for introduction into the sample stream. Blanks consist of locally purchased decorative marble stone purchased in 30 kg bags. One standard or one blank is assayed per 18 to 20 samples in a batch. The protocol for QA-QC that was implemented for South Barnat program consisted of:

1. duplicate assaying of 1 in 20 rejects from the entire sample stream, performed automatically at ALS Minerals laboratories (CD sample series);
2. umpire assaying of pulps from 1 above; and
3. introduction of 1 in 20 blind certified standards or blanks into the entire sample stream.

Osisko staff monitor the results of the duplicate, blank and reference standard assay results visually looking for significant discrepancies in duplicate results, anomalously high values for the blank samples or sample results and significant deviations from the accepted values for the standards and using the 95% confidence limits provided by Rocklabs as a guideline. Any anomalous result is followed up with the laboratory and a significant amount of re-assaying has been conducted in order to produce the final database.

It is the opinion of Belzile Solutions that the current QA-QC procedures for ensuring the security of core samples, the integrity of the chain-of-custody for samples and the accuracy of laboratory analyses are in line with current industry practices. Following the recommendations of Belzile Solutions, (i) the results of the blank, standard and duplicate samples are now also monitored by means of control charts in addition to the visual monitoring and (ii) renumbered rejects and pulps are now re-submitted to the first assay lab for more external control data.

### **Mineral Resource and Reserve Estimates**

On December 2008, Osisko filed the Canadian Malartic Report on SEDAR (its Feasibility Study for the Canadian Malartic project prepared in accordance with NI 43-101). The Canadian Malartic Report was compiled by BBA, with the collaboration of MICON, G Mining, Genivar, Golder and the Osisko technical group. The Feasibility Study included modeling of an optimized engineered pit that resulted in a Proven and Probable Mineral Reserves estimate of 6.28 million ounces of gold, which represents an 82% conversion rate relative to the global 7.7 million ounces of gold Measured and Indicated Mineral Resources estimate. The Canadian Malartic Report showed that on its own, the main deposit provides strong returns in the current economical environment. The Canadian Malartic Report is available on Osisko's website at [www.osisko.com](http://www.osisko.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

On December 14, 2009, Osisko announced an updated resource estimate for the Canadian Malartic Properties. Belzile Solutions estimated a global Measured and Indicated Mineral Resource of 11.20 million ounces of gold at an average undiluted grade of 1.10 g/t Au, with an additional 0.47 million ounces of gold at an average grade of 0.73 g/t Au in the Inferred category, based on a lower cut-off grade of 0.34 g/t Au. This estimate included the combined, previously-reported resources of the Canadian Malartic deposit and the South Barnat deposit, as well as additional resources defined from ongoing drilling within the previously estimated pit shells and immediately southeast of the pit shells.

On February 10, 2010, Osisko announced an updated reserve and resource estimate for its project. Belzile Solutions, in collaboration with G Mining, estimated a combined previously-reported in-pit Measured and Indicated Mineral Resources within a single Whittle-optimized pit shell using a base case gold price of US\$825 per ounce. The combined in-pit Measured and Indicated Mineral Resources for the Canadian Malartic and South Barnat deposits were 9.17 million ounces of gold at an average undiluted grade of 1.20 g/t Au, with an additional 0.11 million ounces of gold at an average grade of 0.90 g/t Au in the inferred category, based on a derived lower cut-off grade of 0.34 g/t Au. According to this estimate, the mine life increased by 25 percent to 12.2 years based on a milling rate of 55,000 tpd and the open pit reserve increased to 8.97 million ounces of gold at an average fully diluted grade of 1.13 g/t Au, representing a 2.69 million ounces or 42.8 percent increase relative to the Canadian Malartic Report.

On March 31, 2011, Osisko announced an updated reserve and resource estimate for its project. This estimate, calculated at US\$1,000 gold, combined the previously-reported US\$825 reserves and resources of the Canadian Malartic and South Barnat deposits (see the February 10, 2010 press release) with new resources defined from the ongoing drill program, including the Barnat extension and Gouldie zones. Belzile Solutions and G Mining estimated an in-pit Measured and Indicated Mineral Resources within a single Whittle-optimized pit shell using a base case gold price of US\$1,000 per ounce. The total in-pit Measured and Indicated Mineral Resources for the Canadian Malartic Properties is 10.63 million ounces of gold at an average undiluted grade of 1.08 g/t Au, with an additional 0.20 million ounces gold at an average grade of 0.68 g/t Au in the inferred category, based on a derived lower cut-off grade of 0.32 g/t Au for the Canadian Malartic portion of the pit and a derived lower cut-off grade of 0.30 g/t Au for the South Barnat portion of the pit. According to this estimate, recoverable gold increased by 1.47 million ounces to 9.19 million ounces (at 85.8% recovery) from 7.72 million ounces (at 86.1% recovery; see February 10, 2010 press release).

On February 19, 2013, Osisko announced an updated reserve and resource estimate for its Canadian Malartic Properties. This estimate, calculated at a gold price of US\$1,475 per ounce, combined the Mineral Reserves and Resources of the main Canadian Malartic and South Barnat deposits with those defined from satellite deposits. Under this estimate, the open pit Proven and Probable Mineral Reserves stood at 10.1 million ounces at a fully diluted average gold grade of 1.01 g/t Au following total production of 588,615 ounces of gold since beginning of operations in 2011. The global Measured and Indicated Mineral Resource was 11.70 million ounces of gold at an average undiluted grade of 1.05 g/t Au, with an additional 1.20 million ounces of gold at an average grade of 0.75 g/t Au in the Inferred category, based on a lower cut-off grade of 0.31 to 0.34 g/t Au. The global resources included Mineral Reserves but excluded past production.

On March 12, 2014, Osisko announced updated reserve and resource estimate for its Canadian Malartic Properties. This new estimate, calculated using a price of US\$1,300 per ounce of gold, combines the Mineral Reserves and Resources of the main Canadian Malartic, the South Barnat deposit and the defined satellite deposits. This update reports reserves as well as global resources in all categories as of January 1, 2014. The open pit Proven and Probable Mineral Reserves now stand at 9.37 million ounces at a fully diluted average gold grade of 1.04 g/t Au, following total 2013 production of 475,277 ounces of gold. Total precious metal production from the beginning of operations in April 2011 to December 31, 2013 was 1,044,388 ounces gold and 753,776 ounces silver.

**Mineral Reserve estimates using base case US\$1,300 engineered pit design with lower cut-off grade of 0.33 g/t Au**

Sector	Tonnes (M)	Grade (g/t)	Au (M oz)
<b>Canadian Malartic</b>			
Proven Reserves	45.5	0.85	1.25
Probable Reserves	140.0	1.02	4.60
<b>Proven &amp; Probable Reserves</b>	<b>185.5</b>	<b>0.98</b>	<b>5.85</b>
<b>Barnat*</b>			
Proven Reserves	12.1	1.35	0.52
Probable Reserves	69.8	1.20	2.70
<b>Proven &amp; Probable Reserves</b>	<b>81.9</b>	<b>1.22</b>	<b>3.22</b>
<b>Gouldie + Jeffrey*</b>			
Proven Reserves	5.88	0.70	0.13
Probable Reserves	5.41	0.73	0.13
<b>Proven &amp; Probable Reserves</b>	<b>11.3</b>	<b>0.71</b>	<b>0.26</b>
<b>Stockpiles</b>			
Proven Reserves	2.47	0.52	0.04
Probable Reserves	0.00	0.00	0.00
<b>Proven &amp; Probable Reserves</b>	<b>2.47</b>	<b>0.52</b>	<b>0.04</b>
<b>TOTAL</b>			
Proven Reserves	65.9	0.92	1.94
Probable Reserves	215.3	1.07	7.43
<b>Proven &amp; Probable Reserves</b>	<b>281.2</b>	<b>1.04</b>	<b>9.37</b>

\*Barnat and Jeffrey represent portions owned by Osisko

For the purpose of the reserve estimate, the optimal Whittle pit shell was used as a guideline for the manual design of the engineered pit, and only the in-pit measured and indicated resources were considered. Due to constraints on capital expenditures in 2013, no attempt was made to convert out-of-pit resources to additional reserves. The strip ratio in the main pit is estimated at 2.10 with average diluted grade of 1.05 g/t Au based on a calculated dilution of 8%.

The global Measured and Indicated Mineral Resources (M&I) is now 11.10 million ounces of gold at an average undiluted grade of 1.06 g/t Au, with an additional 1.16 million ounces gold at an average grade of 0.75 g/t Au in the Inferred Mineral Resources category, based on a lower cut-off grade of 0.263 to 0.332 g/t Au. The global Mineral Resources include the above-stated Mineral Reserves but exclude past production. The tables below summarize the estimates per deposit:

Deposit	Canadian Malartic Updated Global Mineral Resources Estimate							Total M&I		
	Measured			Indicated			Cut-off (g/t)	Grade (g/t)	Tonnes (M)	Au (M oz)
CM + Barnat*	Grade (g/t)	Tonnes (M)	Au (M oz)	Grade (g/t)	Tonnes (M)	Au (M oz)				
Gouldie	1.01	57.0	1.85	1.10	243.5	8.61	0.33	1.08	300.5	10.46
Jeffrey*	0.78	7.7	0.19	0.78	12.4	0.31	0.26	0.78	20.1	0.50
Western Porphyry	-	-	-	0.67	6.4	0.14	0.30	0.67	6.4	0.14
<b>TOTAL</b>	<b>0.98</b>	<b>64.7</b>	<b>2.04</b>	<b>1.07</b>	<b>262.3</b>	<b>9.06</b>		<b>1.06</b>	<b>327.0</b>	<b>11.10</b>

\*Barnat and Jeffrey represent portions owned by Osisko



Deposit	Inferred			Cut-off (g/t)
	Grade (g/t)	Tonnes (M)	Au (M oz)	
CM + Barnat*	0.82	28.4	0.74	0.33
Gouldie	0.66	5.5	0.12	0.26
Jeffrey*	0.90	0.3	0.01	0.30
Western Porphyry	0.65	13.9	0.29	0.32
<b>TOTAL</b>	<b>0.75</b>	<b>48.1</b>	<b>1.16</b>	

\*Barnat and Jeffrey represent portions owned by Osisko

**Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Also, Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.**

These reserve estimates assume that all necessary authorizations will be obtained in order to begin mining activities on the South Barnat portion of the deposit. The current mining permit does not include South Barnat, nor does it include authorization to deviate Highway 117. Osisko continues to work with Québec's Ministry of Transport and the Town of Malartic on the deviation of a highway to gain access to the higher grade Barnat deposit. It is now anticipated that the final layout and the environmental impact study will be completed by the beginning of the second quarter of 2014 and a request for public hearings will be made. It is expected that the Barnat deposit will provide higher ore grade mill feed. Although Osisko has taken all possible measures to ensure majority community support for the deviation of Highway 117, there is no guarantee that Osisko will obtain the permits for such project.

#### NI 43-101 Estimates and Reports

Relevant estimates and reports for the Canadian Malartic Properties, made in accordance with NI 43-101, are the following:

- a 6.3 million ounces of gold reserve estimate and Feasibility Study on the main Canadian Malartic gold deposit was released on November 25, 2008 and has been filed under Osisko's issuer profile on SEDAR;
- a 2.2 million ounces of gold measured and indicated global resource estimate (2.0 million ounces of gold measured and indicated in-pit resource) on the South Barnat gold deposit was released on June 2, 2009 and has been filed under Osisko's issuer profile on SEDAR;
- a 11.2 million ounces of gold measured and indicated global resource estimate (9.2 million ounces of gold measured and indicated in-pit resource) on the combined Canadian Malartic and South Barnat gold deposit was released on December 14, 2009, and a NI 43-101 report on this resource estimate as well as the updated reserve estimate herein has been filed under Osisko's issuer profile on SEDAR on March 23, 2010;
- a 11.80 million ounces of gold measured and indicated global resource estimate (10.71 million ounces of open pit Proven and Probable Mineral Reserve) on the combined Canadian Malartic and South Barnat gold deposit, including the Barnat extension and Gouldie zones, was released on March 31, 2011, and a NI 43-101 report on this resource estimate as well as the updated reserve estimate herein has been filed under Osisko's issuer profile on SEDAR on May 19, 2011;
- a 11.70 million ounces of gold measured and indicated global resource estimate (10.1 million ounces of open pit Proven and Probable Mineral Reserve) on the combined Canadian Malartic and South Barnat gold deposit, including satellite deposits, was released on February 19, 2013 and has been filed under Osisko's issuer profile on SEDAR; and
- a 11.10 million ounces of gold measured and indicated global resource estimate (9.37 million ounces of open pit Proven and Probable Mineral Reserve) on the combined Canadian Malartic and South Barnat gold deposit, including satellite deposits, was released on March 12, 2014 and has been filed under Osisko's issuer profile on SEDAR.

## Mining Operations

### Annual Mine Production Plan

On April 28, 2011, Osisko released a revised summary of the annual mine production plan. G Mining is Osisko's independent consultant which authorized such release. This plan was based on the \$US1,000 gold reserve estimate of 10.71 million ounces of gold disclosed in the March 31, 2011 press release. Under the revised plan, the mine life was estimated at 16 years.

In 2013, Osisko revised its annual mine production plan in order to reflect the challenges it faced during the extended ramp-up period of the Canadian Malartic Mine and to take account of the operating flexibility it received in February 2013 from the Québec Government with the Decree 98-2013 (see "*Environmental Approvals and Permits*"). On March 20, 2014, Osisko released an updated summary of the annual mine production plan, based on the disclosed Mineral Reserve estimate of 9.37 million ounces gold using a gold price of US\$1,300 per ounce (see Osisko's March 12, 2014 press release). Highlights of the updated annual mine production plan include:

- Canadian Malartic Properties Mineral Proven and Probable in-pit Reserves of 9.37 million ounces;
- mine life of 14.2 years based on a 55,000 tpd milling rate;
- average gold production of 610,000 ounces per year over the next five years (2014-2018) at cash costs of US\$516 per ounce;
- average of 597,000 ounces per year gold production over life of mine at cash costs of US\$525 per ounce;
- average head grade of 1.09 g/t Au over the next five years, and 1.03 g/t Au over the mine life;
- average metallurgical recovery of 89.2% over the mine life;
- recoverable gold of 8.4 M ounces over the mine life;
- additional capital expenditures of C\$1.05 billion, inclusive of capitalized stripping and all development activities over life of mine; and
- discounted after-tax net cash flows of C\$3,141 million over life of mine.

All Canadian dollar figures are based on an exchange rate of 1.10.

A summary of the annual mine production plan is outlined in the following table:

Updated Annual Mine Production Estimates\*

Period	Ore Mined (Kt)	Waste Mined (Kt)	Strip Ratio	Ore Milled (Kt)	Grade (Au g/t)	Attributable Processed Gold (Koz)	Recovery (%)	Attributable Recovered Gold (Koz)
2014	20,153	53,884	2.67	18,533	1.00	598	89.0%	532
2015	24,495	54,003	2.20	20,075	1.04	669	88.5%	592
2016	27,021	52,339	1.94	20,130	1.09	708	89.1%	631
2017	26,475	48,982	1.85	20,075	1.05	664	88.6%	588
2018	23,586	46,148	1.96	20,075	1.24	785	89.7%	704
2019	25,450	36,430	1.43	20,075	1.06	687	89.5%	615
2020	20,589	40,977	1.99	20,130	0.89	576	88.4%	509
2021	17,195	42,279	2.46	20,075	1.01	650	88.9%	578
2022	23,618	38,027	1.61	20,075	0.95	613	89.0%	546
2023	20,990	38,966	1.86	20,075	1.34	857	88.9%	762
2024	14,270	42,384	2.97	20,130	1.01	644	89.7%	578
2025	14,676	40,966	2.79	20,075	1.04	670	89.8%	602

Period	Ore Mined (Kt)	Waste Mined (Kt)	Strip Ratio	Ore Milled (Kt)	Grade (Au g/t)	Attributable Processed Gold (Koz)	Recovery (%)	Attributable Recovered Gold (Koz)
2026	14,810	40,760	2.75	20,075	1.08	697	90.3%	629
2027	7,469	11,606	1.55	20,075	0.78	504	88.6%	447
2028	--	--	--	3,594	0.44	51	85.5%	44
<b>Total/avg</b>	<b>280,797</b>	<b>587,751</b>	<b>2.09</b>	<b>283,267</b>	<b>1.03</b>	<b>9,373</b>	<b>89.1%</b>	<b>8,356</b>

\* Mill feed in a given year may include stockpiled ore. Exclusive of Abitibi Royalties' attributable portions of Barnat and Jeffrey, representing 44koz of processed gold.

As indicated in Osisko's March 12, 2014 press release, gold production is now estimated between 525,000 – 575,000 ounces for 2014.

### Mineral Processing

The Canadian Malartic Mine plant is a conventional cyanidation and carbon-in-pulp plant with a nominal throughput capacity of 55,000 tpd (20M tonnes per annum) based on 92% plant availability. The plant design was based on numerous tests that were conducted at various laboratories, including SGS Lakefield located in Lakefield, Ontario.

As part of the strategy to minimize the environmental impact of the mine, tailings are thickened prior to being discharged from the mill. The primary environmental benefits of the thickened tailings are a reduction in the size of the tailings area, reduced infiltration rates, and a decrease in the amount of feed water required for the mill. The tailings are treated to reduce cyanide levels prior to being discharged into containment cells located over the former East Malartic tailings and sedimentation pond areas. Excess water from the cells is collected and routed to the south-east basin, thus, there is minimal ponded water contained within the tailings facility. Water contained the south-east basin is either re-used in the mill, or when excess water is present, discharged to the polishing pond for supplementary treatment prior to being discharged to the receiving environment.

### Development

Osisko declared that Canadian Malartic Mine had commenced commercial production effective May 19, 2011. The construction of the mill was completed in the first quarter 2011 and the processing plant was transferred from the construction team to the operations team on March 18, 2011. Ore was introduced to the mill in late March 2011 following a water and waste rock testing period. The first gold pour occurred on April 13, 2011. In 2013, Osisko produced 475,277 ounces of gold at its Canadian Malartic Mine, established a quarterly gold production record of 137,321 ounces in the fourth quarter, and, through its continuing modifications and optimization work, reached close to the throughput nameplate design capacity of 55,000 tonnes per day (95%) on an operating day basis for the year.

In the first quarter of 2014, Osisko yet achieved another record gold production of 140,029 ounces gold at the Canadian Malartic mine. Mill throughput is expected to stabilize at approximately 55,000 tonnes per day in 2014 with the completion of optimization programs currently in progress. Together with increased contribution from higher grade material in the now accessible northern pit wall, it is anticipated that gold production for 2014 will increase to between 525,000 to 575,000 ounces, an increase of 11% to 21% over record 2013 production of 475,277 ounces gold.

### Community Relations

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

Since December 2012, Osisko has been working with an independent consultant and various stakeholders to re-launch the Canadian Malartic Monitoring Committee (the "**Monitoring Committee**"). The Monitoring Committee is a key link between the residents and the management team of the Canadian Malartic Mine to monitor compliance

to commitments and to provide a formal vehicle for dialogue between the parties. Following the review of the situation, the consultant provided a plan to reactivate the Monitoring Committee, and participated in the selection of a new president and the appointment of six new members. In addition, new non-voting members were appointed from the Town of Malartic, various governmental agencies and the Canadian Malartic Mine. Several meetings were held by the new committee and two public meetings were held to discuss the 117 highway deviation and the various potential health concerns with the regional health authorities. No major health issues were identified, and the health authorities are continuing their studies to inform the local residents.

As part of its outreach program, the Canadian Malartic Mine in cooperation with the Malartic Mineralogy Museum hosted formal tours of the operations for the third consecutive year. A record of 3,500 visitors participated between the mid-June to mid-September tourist season. The families of Canadian Malartic Mine employees were hosted on site and 950 people participated at the open-house events.

Osisko is actively involved in the Malartic community through different initiatives. In 2013, Osisko committed \$500,000 to the expansion of the day-care center in Malartic (Centre de la Petite Enfance Babin & Calin), \$450,000 for the construction of affordable housing, \$250,000 for the celebrations of the 75<sup>th</sup> anniversary of the Town of Malartic and contributed \$206,000 to the sustainable fund "Fonds Essor Malartic Osisko (FEMO)" for several local and regional projects. Osisko is also committed to issue 300,000 common shares to FEMO. In addition, Osisko, in collaboration with the Town of Malartic, participated in the establishment of a regional training site for first responders.

Osisko published in late July its fifth annual sustainability report. The report covers the 2012 activities and is available on Osisko's website at [www.osisko.com](http://www.osisko.com).

## **Environment**

On July 5, 2013, Osisko deposited \$11.6 million for the Government of Québec, representing the balance of the total guarantee required to cover the entire future costs of rehabilitating the Canadian Malartic Mine site. The aggregate deposits for the Government of Québec amount to \$46.4 million. Osisko is the first mining company in Québec to deposit its full financial guarantee at commencement of operations, exceeding the legislation in force at that moment in the Province of Québec.

Osisko has received 41 notices of non-compliance in 2013 for its Canadian Malartic operations. Osisko received two administrative monetary penalties (each of \$2,500\$) for surface water and final effluent non-compliance in 2013 as well as 27 statements of offences relating to the construction of the "green wall" and which, if uncontested, would total approximately \$389,000 in regulatory fine. Osisko is contesting the latter allegation and the regulatory fine. Osisko also responds to complaints/inquiries raised by the residents of Malartic. In 2013, some 203 complaints (2012: 457) were filed. The notices of non-compliance and the complaints/inquiries relate to noise, dust, blast suppressions, and NOx emissions during blasting. All notices of non-compliance are investigated and formal responses are filed with the regulatory agency. Periodically, environmental monitoring results are reviewed with the Monitoring Committee and the community (see "*Environmental Approvals and Permits*").

Osisko continues to fund various research and development programs at universities and research facilities with particular focus on the application of thickened tailings and re-vegetation of waste dumps and tailings areas. The research and development should reduce the impact of mining on the environment and the surrounding communities.

## **Health and Safety**

Osisko established a health and safety program applicable to all employees of Osisko and to those of its contractors working on the Canadian Malartic Site. Osisko regularly monitors compliance to the program and provides regular training sessions. There were no lost time accidents for Osisko employees from 2008 to 2011. However, Osisko recorded two lost-time accidents in 2012 and two others in 2013.

## AVAILABLE FUNDS AND PRINCIPAL PURPOSES

### Available Funds

Since its incorporation, New Osisko's expenses and operational costs have been paid by its sole shareholder, Osisko, and Osisko will continue to be responsible for all of the expenses related to New Osisko's operations and in connection with the Arrangement, including all costs related to applying for listing of the New Osisko Shares, until the Effective Date. It is a condition of the Arrangement that the listing of the New Osisko Shares shall have been conditionally approved by the TSX. As a result of the Arrangement, on the Effective Date, New Osisko will have working capital of \$155,655,000 (comprised of \$155,000,000 cash, \$690,000 prepaid expenses and \$35,000 accounts payable and accrued liabilities) with which to finance its operations following the Effective Date.

After the Effective Date, New Osisko will also receive a 5% net smelter return royalty on the Canadian Malartic Properties which is estimated at \$40,500,000 for the 12 months following completion of the Arrangement.

See in this Schedule I, "*General Development of New Osisko's Business – Business of New Osisko*"; and see in the Circular, "*The Arrangement – Description of the Arrangement*".

### Principal Purposes

The following table summarizes expenditures anticipated by New Osisko required to achieve its business objectives during the 12 months following completion of the Arrangement (see in this Schedule I - "*Business Objectives and Milestones*", which follows).

<u>Principal purpose</u>	<u>Amount</u>
Fees in connection with the anticipated listing	\$200,000
Exploration	\$2,000,000
General & administrative expenses for 12 months	\$10,000,000
Unallocated	\$143,455,000
<b>Total:</b>	<b>\$155,655,000</b>

**New Osisko intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for New Osisko to achieve its objectives or to pursue other exploration and development opportunities. See in this Schedule I "*Risks Associated with New Osisko*".**

## BUSINESS OBJECTIVES AND MILESTONES

Assuming completion of the Arrangement, with the funds available to it as described above under the heading "*Available Funds and Principal Purposes*", New Osisko will have a solid foundation of assets to create wealth for shareholders through its portfolio of Canadian royalties, including the 5% NSR royalty on Canadian Malartic, one of Canada largest gold mines, its portfolio of investments and its cash resources. New Osisko will also pursue the acquisition of additional investments in the resource sector through the purchase of royalties, revenue streams, and other direct and indirect investments.

## SELECTED FINANCIAL INFORMATION

### Financial Statements

Included in Schedule L are the unaudited *pro forma* condensed consolidated financial statements of New Osisko, the basis of presentation of which is set out in Note 1 to the financial statements, Basis of Presentation.

## DESCRIPTION OF SECURITIES DISTRIBUTED

### New Osisko Shares

New Osisko is authorized to issue an unlimited number of New Osisko Shares without nominal or par value.

Subject to the rights and restrictions attaching to the New Osisko Preferred Shares issuable in series (see "*Description of Securities Distributed – New Osisko Preferred Shares*"), the rights, privileges, conditions and restrictions attaching to the New Osisko Shares, as a class, are equal in all respects and include the following rights.

#### Dividends

Subject to the rights and restrictions attaching to any series of New Osisko Preferred Shares, the holders of the New Osisko Shares shall have the right to receive, if, as and when declared by the New Osisko Board, any dividend on such dates and for such amounts as the New Osisko Board may from time to time determine.

#### Participation in case of Dissolution or Liquidation

Subject to the rights and restrictions attaching to any series of New Osisko Preferred Shares, the holders of the New Osisko Shares shall have the right, upon the liquidation, dissolution or winding-up of New Osisko, to receive the remaining property of New Osisko.

#### Right to Vote

The holders of the New Osisko Shares shall have the right to one (1) vote at any meeting of the shareholders of New Osisko, except meetings at which only holders of any series of New Osisko Preferred Shares are entitled to vote.

As at April 30, 2014, 100 New Osisko Shares were issued and outstanding. Assuming completion of the Arrangement and, if the Consolidation Resolution is approved, the New Osisko Share Consolidation, approximately 44,030,667 New Osisko Shares on a post-consolidation basis (exclusive of New Osisko Shares to be issued upon the exercise of the Osisko Options, the Osisko Convertible Securities, the FEMO Shares and the Resource Shares) will be issued and outstanding as fully paid and non-assessable, all of which will be distributed to the Osisko Shareholders. For further details with respect to the distribution of the New Osisko Shares on completion of the Arrangement, see in the Circular, "*The Arrangement – Description of the Arrangement*", "*Procedure for Exchange of Securities*" and "*Risk Factors – Risks Associated with the Arrangement*".

Osisko Shareholders are being asked, provided that the Arrangement Resolution is approved, to consider and, if thought advisable, to pass, with or without amendment, a special resolution approving the New Osisko Share Consolidation on the basis of one post-consolidated New Osisko Share for each ten pre-consolidation New Osisko Shares. The New Osisko Share Consolidation will not have a dilutive effect on New Osisko Shareholders since each New Osisko Shareholder will hold the same percentage of New Osisko Shares outstanding immediately following the New Osisko Share Consolidation as such New Osisko Shareholder held immediately prior to the New Osisko Share Consolidation. The New Osisko Share Consolidation will not affect the relative voting and other rights that accompany the New Osisko Shares.

Assuming the completion of the Arrangement and the New Osisko Share Consolidation, approximately 44,030,667 New Osisko Shares will be outstanding (exclusive of New Osisko Shares to be issued upon the exercise of the Osisko Options, the Osisko Convertible Securities, the FEMO Shares and the Resource Shares).

## **Listing of New Osisko Shares**

New Osisko will apply to list the New Osisko Shares on the TSX. Listing will be subject to New Osisko fulfilling all the initial listing requirements of the TSX. There can be no assurances as to if, or when, the New Osisko Shares will be listed or traded on the TSX, or any other stock exchange.

**As at the date of this Schedule I, there is no market through which the New Osisko Shares to be distributed pursuant to the Arrangement may be sold and Osisko Shareholders may not be able to resell the New Osisko Shares to be distributed to them pursuant to the Arrangement. This may affect the pricing of the New Osisko Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the New Osisko Shares, and the extent of issuer regulation.**

As at the date of this Schedule I, New Osisko does not have any of its securities listed or quoted. See, in this Schedule I, "*Risks Associated with New Osisko*".

## **New Osisko Preferred Shares**

The rights and restrictions attached to the preferred shares of New Osisko issuable in series (the "**New Osisko Preferred Shares**") are as follows.

### Issuance in Series

The New Osisko Preferred Shares may be issued in one or more series and subject as hereinafter provided and subject to the provisions of the QBCA, the New Osisko Board shall determine, by resolution, before the issue of each series, the designation, rights and restrictions to be attached thereto, including, but without in any way limiting or restricting the generality of the foregoing:

- (a) the right, as the case may be, to receive dividends, the form of payment of dividends, the rate or amount or method of calculation of dividends, whether cumulative or non-cumulative, the date or dates and places of payment and the date or dates from which such dividends shall accrue or become payable;
- (b) the rights and/or obligations, if any, of New Osisko or of the holders thereof with respect to the purchase or redemption of the New Osisko Preferred Shares and the consideration for and the terms and conditions of any such purchase or redemption;
- (c) the conversion or exchange rights, if any, and the conditions attaching thereto;
- (d) the restrictions, if any, as to the payment of dividends on shares of New Osisko ranking junior to the New Osisko Preferred Shares; and
- (e) any other provisions deemed expedient by the directors.

the whole subject to the issuance of a Certificate of Amendment setting forth the number and the designation, as well as the rights and restrictions to be attached to the New Osisko Preferred Shares of such series.

### Dividends

The New Osisko Preferred Shares shall, with respect to the payment of dividends, be entitled to preference over any other class of shares of New Osisko ranking junior to the New Osisko Preferred Shares, and no dividends shall at any time be declared or paid or set apart for payment on any other shares of New Osisko ranking junior to the New Osisko Preferred Shares, nor shall New Osisko call for redemption or purchase for cancellation any of the New Osisko Preferred Shares unless at the date of such declaration, payment, setting apart for payment or call for redemption or purchase, as the case may be, all cumulative dividends

up to and including the dividend payment for the last completed period for which such cumulative dividends shall be payable shall have been declared and paid or set apart for payment in respect of each series of cumulative New Osisko Preferred Shares then issued and outstanding and the non-cumulative dividend payment for the then current fiscal year and any declared and unpaid non-cumulative dividends shall have been paid or set apart for payment in respect of each series of non-cumulative New Osisko Preferred Shares then issued and outstanding.

#### Liquidation or Dissolution

In the event of the liquidation, dissolution or winding-up of New Osisko or other distribution of assets of New Osisko among shareholders for the purpose of winding-up its affairs, the holders of the New Osisko Preferred Shares shall be entitled to receive, before any amount shall be paid to, or any property or assets of New Osisko distributed among the holders of the New Osisko Shares or of shares of any other class of shares of New Osisko ranking junior to the New Osisko Preferred Shares, and to the extent provided for with respect to each series, the amount of the consideration received by New Osisko for such New Osisko Preferred Shares, such premiums, if any, as has been provided for with respect to such series together with, in the case of cumulative New Osisko Preferred Shares, all unpaid accrued dividends (which for such purpose shall be calculated as if such cumulative dividends were accruing from day to day for the period from the latest of the following dates, namely (a) the date fixed the New Osisko Board at the time of allotment and issue of such shares or if such date is not fixed, the date of their allotment and issue, or (b) the date of expiration of the last period for which cumulative dividends have been paid, up to and including the date of distribution) and, in the case of non-cumulative New Osisko Preferred Shares, all declared and unpaid dividends. After payment to the holders of the New Osisko Preferred Shares of the amounts so payable to them, they shall not be entitled to share in any further distribution of the property or assets of New Osisko.

#### Equal Rank of All Series

The New Osisko Preferred Shares of each series shall rank *pari passu* with the New Osisko Preferred Shares of every other series with respect to the payment of dividends, as the case may be, and the distribution of assets in the event of the liquidation, dissolution or winding-up of New Osisko, whether voluntary or involuntary, provided, however, that in the event of there being insufficient assets to satisfy in full the repayment of all moneys owing to the holders of New Osisko Preferred Shares, such assets shall be applied rateably to the repayment of the amount paid up on such New Osisko Preferred Shares and, then, to the payment of all unpaid accrued cumulative dividends, whether declared or not, and all declared and unpaid non-cumulative dividends.

#### Voting Rights

Subject to the provisions of the QBCA and, except as otherwise expressly provided herein, the holders of any series of the New Osisko Preferred Shares shall not, as such, have any voting rights for the election of directors or for any other purpose nor shall they be entitled to receive notice of or to attend shareholders' meetings.

#### Amendments

As long as any of the New Osisko Preferred Shares are outstanding, New Osisko may not, except with the approval of the holders of the New Osisko Preferred Shares hereinafter specified and after having complied with the relevant provisions of the QBCA, create any other shares ranking in priority to or *pari passu* with the New Osisko Preferred Shares, voluntarily liquidate or dissolve New Osisko or effect any reduction of capital involving a distribution of assets on other shares of its share capital or repeal, amend or otherwise alter any of the provisions hereof relating to the New Osisko Preferred Shares as a class.

Any approval of the holders of the New Osisko Preferred Shares as aforesaid shall be deemed to have been sufficiently given if contained in a resolution adopted by a majority of not less than 2/3 of the votes cast by



the shareholders who voted in respect of that resolution at a meeting of the holders of the New Osisko Preferred Shares duly called and held for that purpose, at which meeting such holders shall have one (1) vote for each New Osisko Preferred Share held by them respectively, or in an instrument signed by all the holders of the then outstanding New Osisko Preferred Shares.

If an amendment as hereinabove provided especially affects the rights of the holders of New Osisko Preferred Shares of any series in a manner or to an extent different from that in or to which the rights of the holders of New Osisko Preferred Shares of any other series are affected, then such amendment shall, in addition to being approved by the holders of the New Osisko Preferred Shares voting separately as a class, be approved by the holders of the New Osisko Preferred Shares of such series, voting separately as a series, and the provisions of this paragraph shall apply, mutatis mutandis, with respect to the giving of such approval.

### **DIVIDENDS OR DISTRIBUTIONS**

New Osisko has not paid dividends since its incorporation. While there are no restrictions precluding New Osisko from paying dividends, it anticipates using all available cash resources toward its stated business objectives. At present, New Osisko's policy is to retain earnings, if any, to finance its business operations. The New Osisko Board will determine if and when dividends should be declared and paid in the future based on New Osisko's financial position at the relevant time. See "*Risks Associated with New Osisko*".

### **CONSOLIDATED CAPITALIZATION**

The following table sets out the share capital of New Osisko as at the date of this Schedule I and assuming the completion of the Arrangement and, if the Consolidation Resolution is approved, the New Osisko Share Consolidation. The table should be read in conjunction with the unaudited *pro forma* condensed consolidated financial statements of New Osisko attached as Schedule L to this Circular, as well as with the other disclosure contained in this Schedule I and in the Circular. See also in this Schedule I, "*Description of Securities Distributed*" and "*Prior Sales*".

<b>Capital</b>	<b>Authorized</b>	<b>Number of New Osisko Shares outstanding as of April 30, 2014<sup>(1)</sup></b>	<b>Approximate number of New Osisko Shares outstanding assuming completion of the Arrangement and the New Osisko Share Consolidation</b>
New Osisko Shares	Unlimited	100	44,030,667 <sup>(2)(3)</sup>
New Osisko Preferred Shares	Unlimited	Nil	Nil
Non-Current Liabilities	N/A	Nil	Nil

(1) See in this Schedule I, "*Prior Sales*".

(2) Based on the number of issued and outstanding Osisko Shares of April 30, 2014.

(3) Excluding New Osisko Shares issuable on the exercise of Osisko Options, Osisko Convertible Securities, FEMO Shares and Resource Shares.

### **OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES OF NEW OSISKO**

#### **Stock Options**

As of the date of this Schedule I, there are no New Osisko Options outstanding, and no New Osisko Options will be granted in connection with the Arrangement.

## **Stock Option Plan**

The New Osisko Board, with the approval of Osisko as New Osisko's sole shareholder, has adopted a stock option incentive plan (the New Osisko Stock Option Plan). Osisko Shareholders are being asked to consider and, if thought advisable, to pass, with or without amendment, an ordinary resolution to approve the New Osisko Stock Option Plan, to be implemented, subject to regulatory and stock exchange approval, upon listing of the New Osisko Shares. The proposed New Osisko Stock Option Plan is a rolling stock option plan that sets the number of New Osisko Shares issuable under the New Osisko Stock Option Plan at a maximum of 10% of the New Osisko Shares issued and outstanding at the time of any grant under the New Osisko Stock Option Plan. As of the date of this Schedule I, New Osisko has not granted any New Osisko Options under the New Osisko Stock Option Plan or otherwise, nor has it issued any other rights or securities to purchase New Osisko Shares. The New Osisko Board does not intend to grant any incentive stock options until such time as the necessary regulatory and stock exchange approvals have been obtained.

### *Summary of the New Osisko Option Plan*

New Osisko Options will be granted by New Osisko pursuant to the New Osisko Stock Option Plan.

The purpose of the New Osisko Stock Option Plan is to advance the interests of New Osisko by encouraging the directors, officers, managers, employees and consultants of New Osisko and its subsidiaries to acquire shares in New Osisko, thereby increasing their proprietary interest in New Osisko, encouraging them to remain associated with New Osisko and its subsidiaries and furnishing them with additional incentive in their efforts on behalf of New Osisko and its subsidiaries.

### Eligibility

Pursuant to the New Osisko Stock Option Plan, New Osisko Options may be granted in favour of executive directors, officers, employees and consultants providing ongoing services to New Osisko. The New Osisko Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted, and the number of New Osisko Shares to be subject to each New Osisko Option. An individual who has been granted a New Osisko Option may, if he is otherwise eligible, and if permitted under the policies of the stock exchange or stock exchanges on which New Osisko Shares are to be listed, be granted an additional New Osisko Option or New Osisko Options if the directors of New Osisko shall so determine.

### Term and Vesting

It is intended that the New Osisko Options granted under the New Osisko Stock Option Plan shall be exercised within a period of time fixed by the New Osisko Board, not to exceed seven years from the date the option is granted (the "**New Osisko Option Period**"). The New Osisko Options shall vest and may be exercised during the New Osisko Option Period in such manner as the New Osisko Board may fix by resolution. The New Osisko Options which have vested may be exercised in whole or in part at any time and from time to time during the New Osisko Option Period. To the extent required by any stock exchange or stock exchanges on which the New Osisko Shares are listed, no New Osisko Option may be exercised under the New Osisko Stock Option Plan until the New Osisko Stock Option Plan has been approved by a resolution duly passed by the shareholders of New Osisko.

### Number of Securities Issued or Issuable

Subject to customary adjustments in connection with certain events, the New Osisko Shares to be offered under the New Osisko Stock Option Plan shall consist of New Osisko's authorized but unissued New Osisko Shares. Under the proposed plan, the aggregate number of New Osisko Shares to be delivered upon the exercise of all New Osisko Options granted under the New Osisko Stock Option Plan shall not exceed the greater of ten percent (10%) of the issued and outstanding New Osisko Shares at the time of granting of New Osisko Options (on a non-diluted basis) or such other number as may be approved by any stock exchange or stock exchanges on which the New Osisko Shares are listed and the shareholders of New Osisko from time to time.

If any New Osisko Option granted under the New Osisko Stock Option Plan shall expire or terminate for any reason without having been exercised in full, the unpurchased New Osisko Shares subject thereto shall again be available for the purpose of the New Osisko Stock Option Plan.

The New Osisko Stock Option Plan is considered an "evergreen" plan, since the New Osisko Shares underlying New Osisko Options which have been exercised under the New Osisko Stock Option Plan shall be available for subsequent grants under these plans. It is intended that the New Osisko Stock Option Plan be submitted to shareholders for ratification from time to time in accordance with the rules of any stock exchange or stock exchanges on which the New Osisko Shares are listed.

#### Insider Participation Limit

It is intended that, under the proposed plan, the aggregate number of New Osisko Shares (a) issued to insiders of New Osisko within any one-year period, and (b) issuable to insiders of New Osisko at any time, under the New Osisko Stock Option Plan, or when combined with all other share compensation arrangements, cannot exceed 10% of the issued and outstanding New Osisko Shares. Any entitlement to acquire New Osisko Shares granted pursuant to the New Osisko Stock Option Plan or any other share compensation arrangement prior to the grantee becoming an insider shall be excluded for the purposes of the limits set out in (a) and (b) above.

#### Maximum Issuable to One Person

The number of New Osisko Shares subject to a New Osisko Option granted to a participant under the New Osisko Stock Option Plan shall be determined in the resolution of the New Osisko Board and no participant shall be granted a New Osisko Option which exceeds 5% of the issued and outstanding New Osisko Shares at the time of granting of the New Osisko Option.

#### Exercise / Purchase Price

The exercise price of the New Osisko Options granted under the New Osisko Stock Option Plan will be established by the New Osisko Board subject to the rules of the regulatory authorities having jurisdiction over the securities of New Osisko. The exercise price at the time of the grant of the New Osisko Options shall not be less than the closing market price of the New Osisko Shares on any stock exchange on which the New Osisko Shares are listed on the day prior to their grant.

#### Cessation

If a participant to the New Osisko Stock Option Plan shall cease to be a director, officer, manager, consultant or employee of New Osisko or a subsidiary for any reason (other than disability, retirement with the consent of New Osisko or death) the New Osisko Options granted to such participant may be exercised in whole or in part by the participant during a period commencing on the date of such cessation and ending 180 days thereafter or on the expiry date, whichever comes first. If a participant to the New Osisko Stock Option Plan shall cease to be a director, officer, manager, consultant or employee of New Osisko or a subsidiary by reason of disability or retirement with the consent of New Osisko, the New Osisko Options granted to such participant may be exercised in whole or in part by the participant, during a period commencing on the date of such termination and ending one year thereafter or on the expiry date, whichever comes first. In the event of the death of the participant, the New Osisko Options previously granted to such participant shall automatically vest and may be exercised in whole or in part by the legal person representative of the participant for a period of one year or until the expiry date, whichever comes first.

#### Assignability and Transferability

All benefits, rights and options accruing to any participant in accordance with the terms and conditions of the New Osisko Stock Option Plan shall not be transferable or assignable unless specifically provided therein. During the lifetime of a participant, any benefits, rights and options may only be exercised by the participant.

### Amendment Provisions

It is intended that, under the proposed plan, the New Osisko Board may, without the approval of New Osisko Shareholders but subject to receipt of requisite regulatory and stock exchange approval, in its sole discretion make the following amendments to the New Osisko Stock Option Plan:

1. any amendment of a "housekeeping" nature;
2. a change to the vesting provisions of a New Osisko Option or the New Osisko Stock Option Plan;
3. a change to the termination provisions of an option or the New Osisko Stock Option Plan which does not entail an extension beyond the original expiry date; and
4. the addition of cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the New Osisko Stock Option Plan reserve.

It is intended that, under the proposed plan, the approval of the New Osisko Board, the approval of the New Osisko Shareholders and the requisite regulatory and stock exchange approval shall be required for any of the following amendments to be made to the New Osisko Stock Option Plan:

1. any amendment to the number of New Osisko Shares issuable under the New Osisko Stock Option Plan, including an increase in the fixed maximum number of New Osisko Shares or a change from a fixed maximum number of New Osisko Shares to a fixed maximum percentage;
2. a reduction in the exercise price of a New Osisko Option (for this purpose, a cancellation or termination of a New Osisko Option of a participant prior to its expiry for the purpose of reissuing New Osisko Options to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of a New Osisko Option), other than for standard anti-dilution purposes;
3. an increase in the maximum number of New Osisko Shares that may be issued to insiders within any one year period or that are issuable to insiders at any time;
4. an extension of the term of a New Osisko Option held by or benefiting an insider beyond the original expiry date (except, for greater certainty, in cases of blackout period in conformity with the terms of the New Osisko Stock Option Plan);
5. any change to the definition of "Participant" included in the New Osisko Stock Option Plan which would have the potential of broadening or increasing insider participation;
6. the addition of any form of financial assistance;
7. any amendment to a financial assistance provision which is more favourable to optionees;
8. the addition of a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the New Osisko Stock Option Plan reserve;
9. the addition of a deferred or restricted share unit or any other provision which results in optionees receiving securities while no cash consideration is received by New Osisko;
10. any amendment to the transferability provision of the New Osisko Stock Option Plan;
11. any amendment that may modify or delete any of this amendment disposition; and

12. any other amendments that may lead to significant or unreasonable dilution in New Osisko's outstanding securities or may provide additional benefits to the participants of the New Osisko Stock Option Plan, especially insiders, at the expense of New Osisko and its existing New Osisko Shareholders.

#### Financial Assistance

During a New Osisko Option Period or a Blackout Period (as defined in the New Osisko Stock Option Plan), as the case may be, a participant may elect to exercise the participant's New Osisko Options, by (i) consenting to receive a loan payable on demand from New Osisko for a principal amount equal to the amount of the exercise price (the "**Advance**"), (ii) directing for the proceeds from the loan to be used to pay for the exercise price of the New Osisko Options, (iii) consenting to have New Osisko sell, or arrange for the sale, in the market (if any) or as New Osisko may determine, on behalf of any beneficiary, such portion of any New Osisko Shares issuable to the participant on exercise of any New Osisko Option as New Osisko may determine, in order to realize net cash proceeds sufficient for the participant to repay the Advance, and (iv) directing such net cash proceeds to be paid to New Osisko in satisfaction of the participant's obligation to repay the Advance to New Osisko.

#### Change of Control Provisions

Under the New Osisko Stock Option Plan, if there is a change of control of New Osisko, all New Osisko Options outstanding at the time of the change of control shall vest and become immediately exercisable.

#### Adjustments

It is intended that, under the New Osisko Stock Option Plan, in the event that the outstanding shares of New Osisko are changed into or exchanged for a different number or kind of shares or other securities of New Osisko, or in the event that there is a reorganization, amalgamation, consolidation, subdivision, reclassification, dividend payable in capital stock or other change in capital stock of Osisko, then each participant holding a New Osisko Option shall thereafter upon the exercise of the New Osisko Option granted to him, be entitled to receive, in lieu of the number of shares to which the participant was theretofore entitled upon such exercise, the kind and amount of shares or other securities or property which the participant would have been entitled to receive as a result of any such event if, on the effective date thereof, the participant had been the holder of the shares to which he was theretofore entitled upon such exercise.

In the event New Osisko proposes to amalgamate, merge or consolidate with any other corporation (other than with a wholly-owned subsidiary of New Osisko) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the shares of New Osisko or any part thereof shall be made to all holders of shares of New Osisko, New Osisko shall have the right, upon written notice thereof to each participant, to require the exercise of the option granted pursuant to the New Osisko Stock Option Plan within the thirty (30) day period next following the date of such notice and to determine that upon such thirty (30) day period, all rights of the participant to exercise same (to the extent not theretofore exercised) shall ipso facto terminate and cease to have any further force or effect whatsoever.

#### Black-Out Periods

Under the New Osisko Stock Option Plan, in the event that the term of a New Osisko Option expires during such period of time during which insiders are prohibited from trading in shares as provided by New Osisko's insider trading policy, as it may be implemented and amended from time to time or within 10 business days thereafter, the option shall expire on the date that is 10 business days following the Blackout Period (as defined in the New Osisko Stock Option Plan). Although the Blackout Period would only cover insiders of New Osisko, the extension would apply to all participants who have New Osisko Options which expire during the Blackout Period.

#### **Warrants**

As of the date of this Schedule I, New Osisko does not have any warrants outstanding.

## PRIOR SALES

During the 12 months prior to the date of this Schedule I, the following New Osisko Shares have been issued:

Date	Number of New Osisko Shares	Issue price per New Osisko Share
April 30, 2014	100	\$10.00

See also in this Schedule I, "*Description of Securities Distributed*" and "*Consolidated Capitalization*".

## PRINCIPAL SECURITYHOLDERS

As of the date of this Schedule I, Osisko holds 100% of the issued New Osisko Shares.

Assuming completion of the Arrangement and to the knowledge of New Osisko's directors and officers, no person will beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the then issued New Osisko Shares as of the Effective Time.

## DIRECTORS AND EXECUTIVE OFFICERS

### Name, Address, Occupation and Security Holdings

As at the date of this Schedule I, a majority of the directors of Osisko are also the directors of New Osisko, having been elected as New Osisko's directors by Osisko, New Osisko's sole shareholder. The directors of New Osisko will be elected annually at each annual general meeting of the New Osisko shareholders and will hold office until the next annual general meeting unless a director's office is earlier vacated in accordance with the articles of New Osisko or until his or her successor is duly appointed or elected.

As at the date of this Schedule I, the directors and executive officers of New Osisko hold no New Osisko Shares. Assuming completion of the Arrangement and based on the number of Osisko Shares and securities convertible into Osisko Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by all of the directors and officers of New Osisko as a group as at the date of this Schedule I, all of the directors and officers are expected to, as a group, beneficially own, directly or indirectly, or exercise control or direction over 582,531 New Osisko Shares (on a post-consolidation basis), representing approximately 1.22% of the then issued and outstanding New Osisko Shares. See in the Circular, "*The Voting Agreements*" and "*Election of Directors*" in Schedule M.

The names, province or state and country of residence, positions and offices, and principal occupations of each of the directors and executive officers of New Osisko are as follows:

Name and place of residence	Principal occupation <sup>(4)</sup>	Director and/or Officer since
Sean Roosen Québec, Canada <i>Chair and Chief Executive Officer</i>	President and Chief Executive Officer of Osisko	April 29, 2014
Victor H. Bradley <sup>(1,3)</sup> Monte Carlo, Monaco <i>Director</i>	Chartered Professional Accountant and Corporate Director	April 30, 2014
John F. Burzynski Ontario, Canada <i>Director and Officer</i>	Vice President, Corporate Development of Osisko	April 29, 2014

Name and place of residence	Principal occupation <sup>(4)</sup>	Director and/or Officer since
Marcel Côté <sup>(1,2,3)</sup> Québec, Canada <i>Director</i>	Consultant	April 30, 2014
Joanne Ferstman <sup>(1,2)</sup> Ontario, Canada <i>Lead Director</i>	Chartered Professional Accountant and Corporate Director	April 30, 2014
Charles E. Page <sup>(2,3)</sup> Ontario, Canada <i>Director</i>	Corporate Director and Professional Geologist	April 30, 2014
Bryan A. Coates Québec, Canada <i>Officer</i>	Vice President, Finance and Chief Financial Officer of Osisko	April 30, 2014
Elif Lévesque Québec, Canada <i>Officer</i>	Vice President and Controller of Osisko	April 30, 2014

(1) Member of the New Osisko Audit Committee,

(2) Member of the GNC.

(3) Member of the New Osisko Compensation Committee.

(4) The information as to principal occupation has been furnished by each director and/or officer individually.

See in this Schedule I, "*Audit Committee*" and "*Corporate Governance – Board Committees*".

## CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

### Corporate Cease Trade Orders

As at the date of this Schedule I, no director or executive officer of New Osisko is, or within the ten years prior to the date of this Schedule I has been, a director, chief executive officer or chief financial officer of any company (including New Osisko), that while that person was acting in that capacity:

- (a) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**"); or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

### Bankruptcy

To the knowledge of New Osisko, as at the date of this Schedule I no director, executive officer, or shareholder holding a sufficient number of securities of New Osisko to affect materially the control of New Osisko is, or within the ten years prior to the date of this Schedule I has:

- (a) been a director or executive officer of any company (including New Osisko) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or

was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

### **Penalties and Sanctions**

To the knowledge of New Osisko, as at the date of this Schedule I no director, executive officer, or shareholder holding a sufficient number of securities of New Osisko to affect materially the control of New Osisko has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

Certain of the directors and officers of New Osisko will not be devoting all of their time to the affairs of New Osisko. Certain of the directors and officers of New Osisko are directors and officers of other companies, some of which are in the same business as New Osisko. See "*Risks Associated with New Osisko*".

The directors and officers of New Osisko are required by law to act in the best interests of New Osisko. They have the same obligations to the other companies in respect of which they act as directors and officers. Any decision made by any of such officers or directors involving New Osisko will be made in accordance with their duties and obligations under the applicable laws of Canada.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

New Osisko was incorporated on April 29, 2014 and, accordingly, has not yet completed a financial year and has not yet developed a compensation program. Upon completion of the Arrangement, it is anticipated that New Osisko will establish the New Osisko Compensation Committee which will recommend how directors will be compensated for their services as directors and will also consider and make recommendations with respect to the compensation of the executive officers of New Osisko.

It is anticipated that all executive officers of New Osisko will receive cash compensation, New Osisko Option grants and New Osisko RSU grants in line with market practice for public issuers in the same industry and market and of the same size as New Osisko.

### **RSU Plan**

New Osisko intends to implement a restricted share unit plan (the "**New Osisko RSU Plan**") for the purpose of assisting New Osisko in attracting and retaining individuals with experience and ability, allowing certain employees of New Osisko to participate in the long term success of New Osisko and promoting a greater alignment of interests between the employees designated under the New Osisko RSU Plan and those of New Osisko Shareholders. It is intended that, upon adoption, the New Osisko RSU Plan will be administered by the New Osisko Compensation Committee.

Periodically, the New Osisko Compensation Committee will determine, at its sole discretion, the size of grants in respect of any eligible participant, together with the applicable vesting conditions.



Unless otherwise indicated by the New Osisko Compensation Committee upon grant, New Osisko RSUs shall vest on the third anniversary of the grant date. It is intended that vested New Osisko RSUs granted under the New Osisko RSU Plan will be settled in cash pursuant to a predetermined formula to be set out in the New Osisko RSU Plan.

### **DSU Plan**

New Osisko intends to implement a deferred share unit plan (the "**New Osisko DSU Plan**") for the purpose of enhancing New Osisko's ability to attract and retain talented individuals to serve as members of the New Osisko Board or as officers of New Osisko and promoting greater alignment of interests between such persons and Osisko Shareholders. It is intended that, upon adoption, the New Osisko DSU Plan will be administered by the New Osisko Compensation Committee.

It is intended that New Osisko DSUs will be granted under the New Osisko DSU Plan to certain eligible directors or key employees of New Osisko, designated by the New Osisko Compensation Committee and that such vested New Osisko DSUs will be settled in cash pursuant to a predetermined formula to be set out in the New Osisko DSU Plan.

### **Option-Based Awards**

Prior to the completion of the Arrangement, no New Osisko Options under the New Osisko Stock Option Plan shall have been granted and no such options will be outstanding.

### **Employment Agreements**

New Osisko was incorporated on April 29, 2014 and, accordingly, has not yet completed a financial year and has not yet formalized employment its employment agreements. Upon completion of the Arrangement, it is anticipated that New Osisko will formalize the employment agreements of Messrs. Coates and Burzynski as well as Ms. Lévesque. It is anticipated that the terms and conditions of such employment agreements will be comparable to market practice for public issuers in the same industry and market and of the same size as New Osisko.

## **DIRECTOR COMPENSATION**

New Osisko was incorporated on April 29, 2014 and, accordingly, has not yet completed a financial year and has not yet developed a compensation program. Upon completion of the Arrangement, it is anticipated that New Osisko will establish the New Osisko Compensation Committee which will recommend how directors will be compensated for their services as directors. The New Osisko Compensation Committee is expected to recommend the granting of New Osisko Options and New Osisko DSUs in such amounts and upon such terms as may be recommended by the New Osisko Compensation Committee and approved by New Osisko's directors from time to time.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Since its incorporation and as of the date of this Schedule I, no director or officer of New Osisko, or any associate or affiliate of such person, is or ever has been indebted to New Osisko with respect to the purchase of securities or otherwise; nor has any such person's indebtedness to any other entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by New Osisko.

## **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the New Osisko Board, the members of which are elected by and are accountable to New Osisko's shareholders, and takes into account the role of the individual members of management who are appointed by the New Osisko Board and who are charged with the day-to-day management of New Osisko. The New Osisko Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. The following is a summary of New Osisko's approach to corporate governance.

## Board of Directors

The New Osisko Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. The New Osisko Board's consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions. The New Osisko Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on New Osisko's business in the ordinary course, managing New Osisko's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The New Osisko Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with New Osisko. A material relationship is a relationship which could, in the view of the New Osisko Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with New Osisko. Applying the definition set out in NI 52-110, the following members of the New Osisko Board are independent: Messrs Bradley, Côté and Page and Ms. Ferstman. Messrs. Roosen and Burzynski being respectively the Chair and Chief Executive Officer and Senior Vice President, New Business Development of New Osisko are not independent.

The independent directors will not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, where deemed necessary by the independent directors, the independent directors will hold in-camera sessions exclusive of non-independent directors and members of management, which process will facilitate open and candid discussion amongst the independent directors.

## Other Directorships

Each of the directors of New Osisko is also a current director of Osisko. In addition, certain of the directors of New Osisko are also directors of other issuers that are "reporting issuers" as that term is defined in and for the purposes of securities legislation, which positions are summarized as follows:

<b>Name of Director</b>	<b>Other Reporting Issuer</b>	<b>Market</b>	<b>Position</b>	<b>From</b>	<b>To</b>
Sean Roosen	Astur Gold Corp. — No interlock	TSX-V	Director	August 23, 2010	Present
	Bowmore Exploration Ltd. — No interlock	TSX-V	Director	June 30, 2009	Present
	Condor Petroleum Inc. — Interlock with John F. Burzynski	TSX	Director	March 31, 2011	Present
	Dalradian Resources Inc. — No interlock	TSX	Director	July 19, 2010	Present
Victor H. Bradley	Nevada Copper Corp. — No interlock	TSX	Director	February 23, 2013	Present
John Burzynski	Oban Mining Corporation (formerly Braeval Mining Corporation) — No interlock	TSX	Director	December 11, 2012	Present
	Condor Petroleum Inc. — Interlock with Sean Roosen	TSX	Director	March 31, 2011	Present
Marcel Côté	Alphinat Inc. — No interlock	TSX-V	Director	February 26, 2014	Present

<b>Name of Director</b>	<b>Other Reporting Issuer</b>	<b>Market</b>	<b>Position</b>	<b>From</b>	<b>To</b>
Joanne Ferstman	Dundee Industrial Real Estate Investment Trust — No interlock	TSX	Director	October 4, 2012	Present
	Dundee Real Estate Investment Trust — No interlock	TSX	Director	June 30, 2003	Present
	Aimia Inc. — No interlock	TSX	Director	June 25, 2008	Present
	Excellon Resources Inc. — No interlock	TSX		April 30, 2013	
Charles E. Page	Unigold Inc. — No interlock	TSX-V	Director	January 21, 2010	Present

### **Orientation and Continuing Education**

The Governance and Nomination Committee of New Osisko (the "GNC") recognizes the importance of ongoing director education and the need for each director to take responsibility for this education process. The GNC will adopt a program designed to enhance and facilitate the continuing education process, consisting of a combination of written materials, meetings, site visits and other briefings. Directors will be sent required readings on various publications on governance matters, risk management, compensation issues, capital market review, gold and precious metals market information on a weekly and monthly basis. Such reading requirement is an efficient way to remain current on trends in mining, governance, compensation and other matters relevant to New Osisko.

### **Ethical Business Conduct**

It is anticipated that the New Osisko Board will adopt a Code of Business Ethics and Conduct (the "**Code**"), applicable to all of its directors, officers and employees, including the Chair and Chief Executive Officer, directors, the President, the Chief Financial Officer, the Vice President, Corporate Development and other person performing financial reporting functions. The Code will communicate to directors, officers and employees standards for business conduct in the use of New Osisko company time, resources and assets, and will identify and clarify proper conduct in areas of potential conflict of interest. Each director, officer and employee will be provided with a copy of the Code and will be asked to sign an acknowledgement that the standards and principles of the Code will be maintained at all times on New Osisko business. The Code is designed to deter wrongdoing and promote: (a) honest and ethical conduct; (b) compliance with laws, rules and regulations; (c) prompt internal reporting of Code violations; and (d) accountability for adherence to the Code. Violations from standards established in the Code, and specifically under internal accounting controls, will be reported to the Vice President and Chief Financial Officer and can be reported anonymously. It is anticipated that the Vice President and Chief Financial Officer will report to the New Osisko Audit Committee which will report to the New Osisko Board any reported violations at least quarterly, or more frequently depending on the specifics of the reported violation.

A copy of the Code will be electronically filed with regulators and available for viewing under New Osisko's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com) following completion of the Arrangement and following it becoming a reporting issuer and upon the successful listing of the New Osisko Shares.

### **Board Committees**

The New Osisko Board has appointed the New Osisko Audit Committee, the GNC and the New Osisko Compensation Committee. A description of the authority, responsibilities, duties and function of such committees can be found in this Schedule I under the headings "*Audit Committee*", "*Corporate Governance – Governance and Nomination Committee*" and "*Compensation Discussion and Analysis*".

## **Governance and Nomination Committee**

The GNC is responsible for the monitoring of New Osisko's corporate governance and nomination matters.

The GNC has the general mandate to (i) consider and assess all issues that may affect New Osisko in the areas of corporate governance and nomination generally; (ii) recommend actions or measures to the New Osisko Board to be taken in connection with these two (2) areas; and (iii) monitor the implementation and administration of such actions or measures, or of corporate policies and guidelines adopted by regulatory authorities or the New Osisko Board with respect to said two areas.

Corporate governance practices determine the process and structure used to manage and run the internal and commercial business of New Osisko with a view to preserving its financial and operational integrity, complying with all applicable rules in general and increasing its value to New Osisko Shareholders.

As regards corporate governance matters, the GNC is responsible for establishing practices which must be followed and should be in line with corporate governance rules and guidelines in effect from time to time as adopted by relevant authorities. The GNC is also responsible for recommending to the New Osisko Board new candidates for directors and to assist the New Osisko Board in the assessment of the performance of senior officers, of the New Osisko Board and its committees and of individual directors.

The GNC is composed of three independent directors, namely: Mr. Marcel Côté, Chair, Ms. Joanne Ferstman and Mr. Charles Page.

### **Nomination of Directors**

In consultation with the New Osisko Board Chair, the GNC will annually review the competencies and skills the members of the New Osisko Board should possess as well as the skills, areas of expertise, background, independence and qualifications credentials of nominees for election or re-election as members of the New Osisko Board. If vacancies occur on the New Osisko Board, the GNC will recommend nominees to the New Osisko Board, consider their qualifications, the validity of the credentials underlying each nomination, and, for nominees who are already directors of New Osisko, an evaluation of their effectiveness and performance as members of the New Osisko Board, including their attendance at New Osisko Board and committee meetings. The use of a skills matrix is also an additional tool that may be used in recommending nominees to the New Osisko Board.

The GNC is required to maintain and update, as needed, a list of potential director candidates for planned and unforeseen vacancies through an evergreen list.

### **Compensation**

The New Osisko Board is responsible for approving compensation objectives and the specific compensation programs for policies and practices of New Osisko. The New Osisko Compensation Committee is responsible for recommending, monitoring and reviewing compensation programs for senior executives. The New Osisko Compensation Committee is currently comprised of the following three directors: Messrs. Marcel Côté (Chair), Victor H. Bradley and Charles E. Page. The New Osisko Compensation Committee will use discretion and judgment when determining compensation levels as they apply to a specific executive officer. Individual compensation may be based on individual experience and performance or other criteria deemed important by the New Osisko Compensation Committee. In order to meet New Osisko's objectives, the New Osisko Compensation Committee will be guided by:

- providing executives with an equity-based incentive plan, namely a stock option plan;
- aligning employee compensation with company corporate objectives; and
- attracting and retaining highly qualified individuals in key positions.

For more information, see in this Schedule I, "Executive Compensation".

### Assessments

The New Osisko Board does not formally review the contributions of individual directors; however, it believes that its current size facilitates informal discussion and evaluation of members' contributions within that framework.

## AUDIT COMMITTEE

### Audit Committee Charter

It is anticipated that the New Osisko Board will adopt a New Osisko Audit Committee Charter, substantially in the form attached to this Schedule I as Appendix "2", mandating the role of the New Osisko Audit Committee in supporting the New Osisko Board in meeting its responsibilities to New Osisko Shareholders.

### Audit Committee Members

The New Osisko Audit Committee is comprised of three members, all of whom are independent directors of New Osisko. Whenever reasonably feasible, a majority of the members of the New Osisko Audit Committee should be independent and shall have no direct or indirect material relationship with New Osisko. If less than a majority of the members of the New Osisko Board are independent, then a majority of the New Osisko Audit Committee may be made of members that are not independent of New Osisko, provided that there is an exemption under applicable securities laws. The New Osisko Audit Committee is composed of three independent directors, namely: Ms. Joanne Ferstman (Chair), Mr. Victor H. Bradley and Mr. Marcel Côté.

### Relevant Education and Experience

Name	Experience	Independent	Financially Literate
Joanne Ferstman	Ms. Ferstman (Chair) is a corporate director, sitting on both public and private company boards. She was most recently the President and Chief Executive Officer of Dundee Capital Markets Inc., a full service investment dealer with principal businesses that include investment banking, institutional sales and trading and private client financial advisory. Prior to taking this position on January 31, 2011, Ms. Ferstman was Vice-Chair and Head of Capital Markets of DundeeWealth Inc., Executive Vice President and Chief Financial Officer of DundeeWealth Inc. and Executive Vice President, Chief Financial Officer and Corporate Secretary of Dundee Corporation. In these senior financial roles, Ms. Ferstman was intimately involved in all corporate strategy, including acquisitions and financings, and had ultimate responsibility for all public financial reporting. Over the past 18 years, Ms. Ferstman has held a variety of executive positions with the Dundee group of companies until her retirement in June 2012 and in early 2009, assumed leadership of Dundee Capital Markets. Prior to joining the Dundee Group of companies, Ms. Ferstman spent four years as Chief Financial Officer for a national securities firm and five years at a major international accounting firm. Ms. Ferstman serves on the board of Excellon Resources Inc. since April 2013 and also serves as the Chair of Dundee Industrial Real Estate Investment Trust, a director of Dundee Real Estate Investment Trust, and a director of Aimia Inc., where she is Chair of the Human Resources and Compensation Committee and a member of the Audit Committee. Ms. Ferstman	Yes	Yes

Name	Experience	Independent	Financially Literate
	holds a Bachelor of Commerce and a Graduate degree in Public Accountancy from McGill University and is a Chartered Professional Accountant.		
Victor H. Bradley	Mr. Bradley (member) brings over 45 years of experience in the international mining sector. He is currently Chair of the Board of Directors of Osisko. A Chartered Professional Accountant, he began his career with positions such as Chief Financial Officer at a number of mining companies. In 1994, he founded Yamana Gold Inc. and worked as CEO, Director, Chairman and Lead Director. Mr. Bradley was a director of Rio Verde Development Corp. (formerly known as EM Resources Inc.) until March 2013 and currently serves on the board of directors of Nevada Copper Corp. Over the last five years, Mr. Bradley was a Director of mining companies including AIM Resources Limited (now Blackthorn Resources Limited), Aura Minerals Inc., Castillian Resources Corp., Frontier Pacific Mining Corporation, Meridian Gold Inc., Nevoro Inc. and Nortec Minerals Corp. Educated in England, Mr. Bradley began his professional career as a member of the Québec institute of Chartered Accountants in 1960.	Yes	Yes
Marcel Côté	Mr. Côté is the founder of Secor Inc., one of Canada's largest management consulting firms, where he was a senior partner until July 31, 2012, when it merged with KPMG Canada. Mr. Côté currently serves as consultant of the firm. He was appointed Vice-Chair of the Board of Directors of the Corporation in December 2012. Mr. Côté has taught at University of Sherbrooke and Université du Québec à Montréal before founding Secor in 1975. A native of Malartic, where he grew up, he brings over 40 years of experience in business and has a wide exposure to a variety of issues and several industries. As a consultant, Mr. Côté is particularly known for his strategic insights in business situations. Since February 2014, he serves as a member of the board of directors of Alphinat Inc. Over the last 5 years, Mr. Côté has served as a director of Intact Financial Corporation and Empire Company Limited. Over his career, he has been involved in the public policy arena as an economist. He has worked as a senior aide in both the Prime Minister's Office in Ottawa and the Premier Office in Québec City. Active in community affairs, Mr. Côté serves on the Board of the Montreal Symphony Orchestra, the McCord Museum, the National Art Center and Compagnie de danse Marie Chouinard, which he chairs. In the past, he has served on the Boards of various public policy think tanks and has chaired the Board of the Public Policy Forum and of the Greater Montreal Community Foundation. Mr. Côté holds a Bachelor of Science degree in Physics from the University of Ottawa, a Master of Science degree in Economics from Carnegie Mellon University and is a Fellow of the Center of International Affairs of Harvard University.	Yes	Yes

## External Auditor Service Fees

Since New Osisko's incorporation on April 29, 2014, no fees, audit or otherwise, have been billed to New Osisko by its auditor, PricewaterhouseCoopers LLP, a partnership of Chartered Professional Accountants.

The fees billed to New Osisko by New Osisko's auditors since its incorporation on April 29, 2014, by category, are as follows:

	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
April 29, 2014 – April 30, 2014	Nil	Nil	Nil	Nil

## PROPOSED NEW OSISKO SHAREHOLDER RIGHTS PLAN

### Purpose of the New Osisko Shareholder Rights Plan

Osisko Shareholders will be asked to consider and, if deemed advisable, to adopt an ordinary resolution for New Osisko to adopt the New Osisko Shareholder Rights Plan. The purpose of the New Osisko Shareholder Rights Plan is to provide the New Osisko Board and New Osisko Shareholders with sufficient time to properly consider any take-over bid made for New Osisko and to allow enough time for competing bids and alternative proposals to emerge. The New Osisko Shareholder Rights Plan also seeks to ensure that all New Osisko Shareholders would be treated fairly in any transaction involving a change of control of New Osisko and that all New Osisko Shareholders would have an equal opportunity to participate in the benefits of a take-over bid. The New Osisko Shareholder Rights Plan encourages potential acquirors to negotiate the terms of any offer for New Osisko Shares with the New Osisko Board or, alternatively, to make a Permitted Bid (as defined in the Shareholder Rights Plan) without the approval of the New Osisko Board. The New Osisko Shareholder Rights Plan is intended to address several concerns that are widely believed to be inherent in the provisions of current legislation governing take-over bids in Québec.

The New Osisko Shareholder Rights Plan is not being proposed in response to any specific proposal to acquire control of New Osisko, nor is the New Osisko Board currently aware of any pending or threatened take-over bid for New Osisko. Subject to shareholder approval, the New Osisko Shareholder Rights Plan will be in effect until the 2017 annual meeting of New Osisko shareholders.

The summary of the New Osisko Shareholder Rights Plan set out herein only includes the material terms and conditions of the New Osisko Shareholder Rights Plan. The full text of the New Osisko Shareholder Rights Plan will be contained in an agreement (the "**SRP Agreement**") between New Osisko and a rights agent. The summary is qualified by and is subject to the full terms and conditions of the New Osisko Shareholder Rights Plan. The full text of the New Osisko Shareholder Rights Plan will be made available under New Osisko's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com), assuming completion of the Arrangement and the successful listing of the New Osisko Shares on a recognized stock exchange.

### Issuance of Rights

The New Osisko Shareholder Rights Plan provides that one right (a "**Right**") would be issued in respect of each of the outstanding New Osisko Shares to New Osisko Shareholders as of the effective date of the SRP Agreement, as well as in respect of each New Osisko Share issued after the effective date of the SRP Agreement and prior to the Separation Time (as defined below).

### Trading of Rights

Notwithstanding the effectiveness of the New Osisko Shareholder Rights Plan, the Rights would not be exercisable until the Separation Time. Certificates for the New Osisko Shares issued after the effective date of the New Osisko Shareholder Rights Plan would contain a notation incorporating the New Osisko Shareholder Rights Plan by reference. Until the Separation Time, or earlier termination or expiry of the Rights, the Rights would be evidenced

by and transferred with the associated New Osisko Shares and the surrender for transfer of any certificate representing New Osisko Shares would also constitute the surrender for transfer of the Rights associated with those New Osisko Shares. After the Separation Time, the Rights would become exercisable and begin to trade separately from the associated New Osisko Shares. It is intended that the initial "Exercise Price" under each Right in order to acquire a New Osisko Share will be three times the Market Price at the Separation Time. Market Price is defined as the average of the daily closing prices per share of such securities on each of the 20 consecutive trading days through and including the trading day immediately preceding the Separation Time (assuming the shares are listed on a recognized stock exchange).

### **Separation of Rights**

The Rights would become exercisable and begin to trade separately from the associated New Osisko Shares at the "Separation Time" which would be generally the close of business on the tenth trading day after the earliest to occur of:

- (a) a public announcement that a person or a group of affiliated or associated persons has acquired beneficial ownership of 20% or more of the outstanding New Osisko Shares (becoming an "Acquiring Person") other than as a result of (i) a reduction in the number of New Osisko Shares outstanding, (ii) a "Permitted Bid" or "Competing Permitted Bid" (as defined below), (iii) acquisitions of New Osisko Shares in respect of which the New Osisko Board has waived the application of the SRP Agreement, (iv) other specified exempt acquisitions in which the New Osisko Shareholders participate on a pro rata basis, or (v) an acquisition by a person of Voting Shares (as defined below) upon the exercise, conversion or exchange of a security convertible, exercisable or exchangeable into a Voting Share received by a person pursuant to (ii), (iii) or (iv);
- (b) the date of commencement of, or the first public announcement of an intention of any person (other than New Osisko or any of its subsidiaries) to commence, a take-over bid (other than a Permitted Bid or a Competing Permitted Bid) where the New Osisko Shares subject to the bid owned by that person (including affiliates, associates and others acting jointly or in concert therewith) would constitute 20% or more of the outstanding New Osisko Shares; and
- (c) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such.

As soon as practicable following the Separation Time, separate certificates evidencing Rights ("**Rights Certificates**") would be mailed to the holders of record of the New Osisko Shares as of the Separation Time and the Rights Certificates alone would evidence the Rights.

### **When Rights Become Exercisable**

After the Separation Time, each Right would entitle the holder thereof to purchase one New Osisko Share at the Exercise Price. Following a transaction which results in a person becoming an Acquiring Person (a "**Flip-in-Event**"), the Rights would entitle the holder thereof (other than a holder who is an Acquiring Person) to receive, upon exercise, such number of New Osisko Shares which would have an aggregate market value (as of the date of the Flip-In Event) equal to twice the then Exercise Price of the Rights. In such event, however, any Rights beneficially owned by an Acquiring Person (including affiliates, associates and others acting jointly or in concert therewith), or a transferee or any such person, would be void. A Flip-in-Event would not include acquisitions approved by the New Osisko Board or acquisitions pursuant to a Permitted Bid or Competing Permitted Bid.

### **Permitted Bids**

The proposed New Osisko Shareholder Rights Plan includes a Permitted Bid concept whereby a take-over bid would not trigger a separation of the Rights (and will not cause the Rights to become exercisable) if the bid meets certain conditions. A "Permitted Bid" is defined as an offer to acquire Voting Shares (which means New Osisko Shares and any other shares in the capital of New Osisko entitling the holders thereof to vote generally in the election of all directors, or securities that are eligible to be converted into Voting Shares for cash or securities) made by means of a



takeover bid circular where the Voting Shares (including Voting Shares that may be acquired upon conversion of securities convertible into Voting Shares) subject to the offer, together with Voting Shares beneficially owned by the offeror at the date of the offer (including its affiliates, associates and others acting jointly or in concert therewith), constitute 20% or more of the outstanding Voting Shares and that also complies with the following additional provisions:

- (a) the bid must be made to all the holders of Voting Shares as registered on the books of New Osisko other than the offeror; and
- (b) the bid must contain the following conditions:
  - (i) no Voting Shares will be taken up or paid for prior to the close of business on the 60th day following the date of the bid and then only if more than 50% of the Voting Shares held by Independent Shareholders (as defined below) have been deposited or tendered to the bid and not withdrawn;
  - (ii) Voting Shares may be deposited pursuant to the bid, unless it is withdrawn, at any time prior to the date shares are first taken up or paid for under the bid;
  - (iii) Voting Shares deposited pursuant to the bid may be withdrawn until taken up or paid for; and
  - (iv) if the deposit condition referred to in (b)(i) above is satisfied, the offeror will extend the bid for deposit of Voting Shares for at least ten business days from the date such extension is publicly announced.

"Independent Shareholders" is defined as holders of Voting Shares other than (i) an Acquiring Person, (ii) any offeror making a take-over bid, (iii) any affiliate or associate of an Acquiring Person or offeror, (iv) any persons acting jointly or in concert with an Acquiring Person, and (v) any employee benefit, stock purchase or certain other plans or trusts for employees of New Osisko or its wholly-owned subsidiaries unless the beneficiaries of such plans or trusts direct the voting or tendering to a take-over bid of the Voting Shares.

### **Competing Permitted Bids**

A "Competing Permitted Bid" is a take-over bid made after a Permitted Bid has been made and prior to expiry of such Permitted Bid that satisfies all of the provisions of a Permitted Bid, except that it must remain open for acceptance until at least the later of (i) 35 days after the date of the bid and (ii) 60 days after the earliest date on which another Permitted Bid then in existence was made, and only if at that date more than 50% of the Voting Shares owned by Independent Shareholders have been deposited to the Competing Permitted Bid and not withdrawn.

### **Redemption and Waiver**

Under the proposed New Osisko Shareholder Rights Plan, the New Osisko Board would be able to (i) waive the application of the New Osisko Shareholder Rights Plan to enable a particular take-over bid to proceed, in which case the New Osisko Shareholder Rights Plan would be deemed to have been waived with respect to any other take-over bid made prior to the expiry of any bid subject to such waiver, or (ii) with the prior approval of the holders of Voting Shares or Rights, as the case may be, redeem the Rights at a redemption price of \$0.001 per Right at any time prior to a Flip-in-Event. Rights would be deemed to have been redeemed if a bidder successfully completes a Permitted Bid.

### **Protection Against Dilution**

The Exercise Price, the number and nature of securities which may be purchased upon the exercise of Rights and the number of Rights outstanding would be subject to adjustment from time to time to prevent dilution in the event of

stock dividends, subdivisions, consolidations, reclassifications or other changes in the outstanding New Osisko Shares, pro rata distributions to holders of New Osisko Shares and other circumstances where adjustments are required to appropriately protect the interests of the holders of Rights.

## **RISKS ASSOCIATED WITH NEW OSISKO**

**An investment in New Osisko Shares, as well as New Osisko's prospects, are highly speculative due to the high-risk nature of its business and the present stage of its development. Shareholders of New Osisko may lose their entire investment.** The risks described below are not the only ones facing New Osisko. Additional risks not currently known to New Osisko, or that New Osisko currently deems immaterial, may also impair New Osisko's operations. If any of the following risks actually occur, New Osisko's business, financial condition and operating results could be adversely affected.

Osisko Shareholders should consult with their professional advisors to assess the Arrangement and their resulting investment in New Osisko. In evaluating New Osisko and its business and whether to vote in favour of the Arrangement, Osisko Shareholders should carefully consider, in addition to the other information contained in the Circular and this Schedule I, the risk factors which follow, as well as the risks associated with the Arrangement (see in the Circular "*Risks Factors – Risk Factors Relating to the Arrangement*"). These risk factors may not be a definitive list of all risk factors associated with the Arrangement, an investment in New Osisko or in connection with New Osisko's business and operations.

***Investment in New Osisko Shares is inherently risky and there is no assurance of listing on a stock exchange.***

The New Osisko Shares are not currently listed on any stock exchange. Although an application will be made to the TSX for listing of the New Osisko Shares on the TSX, there is no assurance when, or if, New Osisko Shares will be listed on the TSX or on any other stock exchange. Until the New Osisko Shares are listed on a stock exchange, shareholders of New Osisko may not be able to sell their New Osisko Shares. If a listing is obtained, there can be no assurance regarding the market price of the New Osisko Shares following the Arrangement.

***New Osisko has no history of operations, earnings or dividends.***

New Osisko has not yet commenced operations and therefore has no history of earnings or of a return on investment, and there is no assurance that certain of its property interests or other assets will generate earnings, operate profitably or provide a return on investment in the future. The likelihood of success of New Osisko must also be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business.

New Osisko has never paid a dividend and has no plans to pay dividends. The future dividend policy of New Osisko will be determined by the New Osisko Board.

***Mining operations are speculative in nature.***

Mining operations involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate or adequately mitigate. Major expenditures are required to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, land tenure, land use, allowable production, importing and exporting of minerals and environmental protection.

***New Osisko will have no control over mining operations in which it only holds a royalty interest.***

New Osisko will have few or no contractual rights relating to the operation or development of mines in which it only holds a royalty interest. New Osisko will not be entitled to any material compensation if these mining operations do not meet their forecasted gold production targets in any specified period or if the mines shut down or discontinue

their operations on a temporary or permanent basis. Certain of these properties may not commence production within the time frames anticipated, if at all, and there can be no assurance that the gold production, if any, from such properties will ultimately meet forecasts or targets. At any time, any of the operators of the mines or their successors may decide to suspend or discontinue operations. New Osisko will be subject to the risks that the mines shut down on a temporary or permanent basis due to issues including, but not limited to, economic, lack of financial capital, floods, fire, mechanical malfunctions, social unrest, expropriation and other risks. These issues are common in the mining industry and can occur frequently.

***New Osisko will be subject to significant governmental regulations.***

New Osisko's proposed exploration activities are subject to extensive federal, provincial and local laws and regulations governing various matters, including: environmental protection; management and use of toxic substances and explosives; management of natural resources; exploration of mineral properties; exports; price controls; taxation; labour standards and occupational health and safety, including mine safety; and historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in significant expenditures. New Osisko may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of New Osisko's proposed activities and delays in the exploration of properties.

***Some of New Osisko's directors and officers have conflicts of interest as a result of their involvement with other natural resource companies.***

Some of the persons who are or will be New Osisko's directors and officers are directors or officers of other natural resource or mining-related companies and these associations may give rise to conflicts of interest from time to time. As a result of these conflicts of interest, New Osisko may miss the opportunity to participate in certain transactions, which may have a material adverse effect on New Osisko's financial position.

***New Osisko may experience difficulty attracting and retaining qualified management to grow its business, which could have a material adverse effect on New Osisko's business and financial condition.***

New Osisko will be dependent on the services of key executives and other highly skilled personnel focused on advancing its corporate objectives as well as the identification of new opportunities for growth and funding. Due to New Osisko's relatively small size, the loss of these persons or its inability to attract and retain additional highly skilled employees required for its activities may have a material adverse effect on New Osisko's business and financial condition. Further, while certain of New Osisko's officers and directors have experience in the exploration of mineral producing properties, New Osisko will remain highly dependent upon contractors and third parties in the performance of their exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of New Osisko or be available upon commercially acceptable terms.

***New Osisko may be subject to liability or sustain loss for certain risks and hazards against which it does not or cannot economically insure.***

New Osisko's business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of, New Osisko's mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities,

delay in or inability to receive required regulatory approvals, or costs, monetary losses and potential legal liability and adverse governmental action. New Osisko may be subject to liability or sustain loss for certain risks and hazards against which they do not or cannot insure or which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to New Osisko.

***New Osisko will be dependent on the payment/delivery of royalties by the owners and operators of certain properties and any delay in or failure of such royalty payments will affect the revenues generated by the asset portfolio.***

Royalty and other interests in natural resource properties are largely contractual in nature. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. To the extent grantors of royalty and other interests do not abide by their contractual obligations, New Osisko would be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success. While any proceedings or actions are pending, or if any decision is determined adversely to New Osisko, that may have a material adverse effect on New Osisko's profitability, results of operations and financial condition.

In addition, New Osisko will be dependent to a large extent upon the financial viability and operational effectiveness of owners and operators of the relevant royalty properties. Payments and/or deliveries from production generally flow through the operator and there is a risk of delay and additional expense in receiving such revenues. Payments and/or deliveries may be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, the ability or willingness of smelters and refiners to process mine products, recovery by the operators of expenses incurred in the operation of the royalty properties, the establishment by the operators of reserves for such expenses or the insolvency of the operator. New Osisko's rights to payment and/or delivery under the royalties must, in most cases, be enforced by contract without the protection of a security interest over property that New Osisko could readily liquidate. This will inhibit New Osisko's ability to collect outstanding royalties upon a default. In the event of a bankruptcy of an operator or owner, New Osisko may have a limited prospect for full recovery of revenue. Failure to receive any payments and/or deliveries from the owners and operators of the relevant properties may result in a material and adverse effect on New Osisko's profitability, results of operation and financial condition.

***New Osisko may acquire royalty interests in respect of properties that are speculative and there can be no guarantee that mineable deposits will be discovered or developed.***

Exploration for metals and minerals is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditures made by the operator of any given project will result in discoveries of commercial quantities of minerals on lands where New Osisko holds royalties.

If mineable deposits are discovered, substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on terms acceptable to the operator or at all. Although, in respect of these properties, New Osisko intends to only hold royalty interests and not be responsible for these expenditures, the operator may not be in a financial position to obtain the necessary funds to advance the project.

***New Osisko may have limited access to data regarding the operation of mines in which it only has a royalty interest.***

As a royalty holder, New Osisko neither will serve as the mine's operator nor will have any input into how the operations are conducted. As such, New Osisko will have varying access to data on the operations or to the actual properties themselves. This could affect its ability to assess the value of the royalty interest or enhance the royalty's performance. It is difficult or impossible for New Osisko to ensure that the properties are operated in its best interest. New Osisko's royalty payments may be calculated by the royalty payors in a manner different from New Osisko's projections. New Osisko will, however, have rights of audit with respect to such royalty interests.

***New Osisko will face competition for royalty interest acquisitions and the mining industry is competitive is all of its stages.***

Many companies are engaged in the search for and the acquisition of mineral interests, and there is a limited supply of desirable mineral interests. The mineral exploration business is competitive in all phases. Many companies are engaged in the acquisition of mining interests, including large, established companies with substantial financial resources, operational capabilities and long earnings records. New Osisko may be at a competitive disadvantage in acquiring interests in these natural resource properties, whether by way of royalty, stream or other form of investment, as many competitors have greater financial resources and technical staffs. There can be no assurance that New Osisko will be able to compete successfully against other companies in acquiring new natural resource properties and royalty interests. In addition New Osisko may be unable to acquire royalties at acceptable valuations and on terms it considers to be acceptable. New Osisko's inability to acquire additional royalty interests and other investments in mineral properties may result in a material and adverse effect on New Osisko's profitability, results of operation and financial condition.

In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of New Osisko may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in New Osisko not receiving any future royalty payments.

***Royalty acquisitions contemplated by New Osisko may require third party approvals.***

New Osisko may intend to enter into agreements to acquire royalty interests that require the consent or approval of third parties in order to complete the contemplated acquisition. There can be no assurance that such third parties, which may include shareholders of the entity disposing of the royalty interests, regulatory bodies or entities with an interest in the applicable property or others, will provide the required approval or consent in a timely manner, or at all. Failure to complete royalty acquisitions may result in a material adverse effect on New Osisko's profitability, results of operation and financial condition.

***New Osisko's royalty interests will be affected by fluctuations in mineral prices.***

Mineral prices have fluctuated widely in recent years. The marketability and price of metals and minerals on properties for which New Osisko will hold royalty interests will be influenced by numerous factors beyond the control of New Osisko.

***The properties on which New Osisko may hold royalty interests will be subject to exploration and mining risks.***

New Osisko seeks to acquire royalty interests in mineral properties from companies that have advanced staged development projects or operating mines. Royalties are non-operating interests in mining projects that provide the right to revenue or production from the project after deducting specified costs, if any. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The long-term profitability of New Osisko's operations will be in part directly related to the cost and ultimate success of the operating mines in which New Osisko has a royalty interest, which may be affected by a number of factors beyond New Osisko's control.

Operating a producing mine involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which New Osisko has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage.

Hazards such as unusual or unexpected geological formations and other conditions such as formation pressures, fire, power outages, flooding, explorations, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labour are involved in mineral exploration, development and operation. Operating companies which operate on

properties on which New Osisko has an interest may become subject to liability for pollution, cave-ins or hazards against which they cannot insure or against which they may elect not to insure. The payment of such liabilities may have a material, adverse effect on the financial position of such operating companies, and in turn, may have a material adverse effect on the financial position of New Osisko.

In addition, labour disruptions are a hazard to mineral exploration, development and operation. There is always a risk that strikes or other types of conflict with unions or employees may occur at any one of the properties on which New Osisko may hold a royalty interest. Although it is uncertain whether labour disruptions will be used to advocate labour, political or social goals in the future, labour disruptions could have a material adverse effect on the results of operations of the mineral properties in which New Osisko may hold an interest.

Royalties are based on mine life and in some instances a drop in metal prices or a change in metallurgy may result in a project being shut down with a material, adverse effect on that company's financial position, and in turn, may have a material adverse effect on the financial position of New Osisko.

***The properties on which New Osisko will hold royalty interests may require permits and licenses.***

The properties on which New Osisko will hold royalty interests, including the mine operations, may require licenses and permits from various governmental authorities. There can be no assurance that the operator of any given project will be able to obtain or maintain all necessary licenses and permits that may be required to carry out exploration, development and mining operations.

***The registration of royalty interests may not protect New Osisko's interests.***

The right to record or register royalties in various registries or mining recorders offices may not necessarily provide any protection to the royalty holder. Accordingly, the royalty holder may be subject to risk from third parties.

***The properties on which New Osisko will hold royalty interests may be the subject of litigation.***

Potential litigation may arise on a property on which New Osisko will hold a royalty (for example litigation between joint venture partners or original property owners). As a royalty holder, New Osisko will not generally have any influence on the litigation nor will it generally have access to data.

***Any acquisitions or joint ventures would be accompanied by risks.***

New Osisko may evaluate from time to time opportunities to acquire and joint venture mining assets and businesses. These acquisitions and joint ventures may be significant in size, may change the scale of New Osisko's business and may expose it to new geographic, political, operating, financial and geological risks. New Osisko's success in its acquisition and joint venture activities will depend on its ability to identify suitable acquisition and joint venture candidates and partners, acquire or joint venture them on acceptable terms and integrate their operations successfully with those of New Osisko. Any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of New Osisko's ongoing business; the inability of management to maximize the financial and strategic position of New Osisko through the successful incorporation of acquired assets and businesses or joint ventures; additional expenses associated with amortization of acquired intangible assets; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; dilution of New Osisko's present shareholders or of its interests in its subsidiaries or assets as a result of the issuance of shares to pay for acquisitions or the decision to grant earning or other interests to a joint venture partner; and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that New Osisko would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions or joint ventures. There may be no right for shareholders to evaluate the merits or risks of any future acquisition or joint venture undertaken except as required by applicable laws and regulations.

***Additional financing may result in dilution.***

New Osisko plans to explore for minerals and will use its working capital to carry out such exploration. However, New Osisko will require additional funds to further such activities. To obtain such funds, New Osisko may sell additional securities including, but not limited to, the New Osisko Shares or some form of convertible security, the effect of which would result in a substantial dilution of the equity interests of New Osisko's shareholders.

There is no assurance that additional funding will be available to New Osisko for additional exploration or for the substantial capital that is typically required in order to bring a mineral project to the production decision or to place a property into commercial production. There can be no assurance that New Osisko will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

***Mineral resource estimates have inherent uncertainty.***

Mineral resource figures are only estimates. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. While New Osisko believes that the mineral resource estimates included are established and reflect best estimates, the estimating of mineral resources is a subjective process and the accuracy of mineral resource estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting available engineering and geological information. There is significant uncertainty in any mineral resource estimate and the actual deposits encountered and the economic viability of a deposit may differ materially from estimates. Estimated mineral resources may have to be re-estimated based on changes in prices of gold or other minerals, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource estimates. Mineral resources are not mineral reserves and there is no assurance that any mineral resource estimate will ultimately be reclassified as proven or probable mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

***Economics of Developing Mineral Properties***

Mineral exploration and development is speculative and involves a high degree of risk. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable and ultimately developed into producing mines. There is no assurance that any exploration properties will be commercially mineable.

Should any mineral resources and reserves exist, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine and to obtain the required environmental approvals and permitting required to commence commercial operations. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (1) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (2) availability and costs of financing; (3) ongoing costs of production; (4) metal prices; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) political climate and/or governmental regulation and control. Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits, and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow.

### ***Factors Beyond the Control of New Osisko***

The potential profitability of mineral properties is dependent upon many factors beyond New Osisko's control. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined ore (assuming that such mineral deposits are known to exist) may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways New Osisko cannot predict and are beyond New Osisko's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of New Osisko.

### ***Environmental Risks and Hazards***

All phases of New Osisko's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect New Osisko's operations. Environmental hazards may exist on the properties which are unknown to New Osisko at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures estimated by management may differ from the actual expenditures required.

### ***There can be no assurance of title to property.***

There may be challenges to title to the mineral properties in which New Osisko will hold a material interest. If there are title defects with respect to any properties, New Osisko might be required to compensate other persons or perhaps reduce its interest in the affected property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and development programs.

### ***There may be amendments to laws.***

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on New Osisko and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

### ***Foreign Countries and Regulatory Requirements***

New Osisko will have investments in properties and projects located in foreign countries, including Mexico. The carrying values of these properties and New Osisko's ability to advance development plans or bring the projects to production may be adversely affected by whatever political instability and legal and economic uncertainty might exist in such countries. These risks may limit or disrupt New Osisko's projects, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization, expropriation or other means without fair compensation.

There can be no assurance that industries which are deemed of national or strategic importance in countries in which New Osisko will have operations or assets, including mineral exploration, production and development, will not be nationalized. The risk exists that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse



effect on New Osisko. There can be no assurance that New Osisko's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, New Osisko may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. New Osisko also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for New Osisko to accurately predict such developments or changes in laws or policy or to the extent to which any such developments or changes may have a material adverse effect on New Osisko's operations.

### ***Foreign Operation Risk***

New Osisko will conduct some of its operations in foreign jurisdictions through foreign subsidiaries and substantially all of New Osisko's assets in Mexico will be held through such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entity could restrict New Osisko's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on New Osisko's valuation and stock price.

### ***Influence of Third Party Stakeholders***

The lands in which New Osisko will hold an interest, or the exploration equipment and roads or other means of access which New Osisko intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, New Osisko's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for New Osisko.

### ***Fluctuation in Market Value of New Osisko Shares***

If the New Osisko Shares are publicly traded, the market price of the New Osisko Shares can be affected by many variables not directly related to the corporate performance of New Osisko, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of New Osisko Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of New Osisko Shares.

### ***Risks Associated with the New Osisko Share Consolidation***

There can be no assurance that the market price of the consolidated New Osisko Shares will increase as a result of the New Osisko Share Consolidation, if the Consolidation Resolution is approved. The marketability and trading liquidity of the consolidated New Osisko Shares may not improve. The New Osisko Share Consolidation may result in some New Osisko Shareholders owning "odd lots" of less than 100 or 1,000 New Osisko Shares which may be more difficult for such New Osisko Shareholders to sell or which may require greater transaction costs per New Osisko Share to sell.

### ***New Osisko was incorporated under the QBCA and exists under the laws of the Province of Québec, which contains certain laws that differ significantly from the CBCA and the laws of Canada***

Osisko was incorporated under the CBCA and exists under the laws of Canada. New Osisko is incorporated under the QBCA and exists under the laws of Québec. Holders of New Osisko Shares should be aware that the CBCA and QBCA may differ materially with respect to certain matters of importance to securityholders, including, but not limited to the following: alienation of property; amendments to charter documents and other fundamental changes; rights to demand repurchase of shares or right to dissent; oppression remedies; derivative actions; investigations; interim costs; places of meetings; directors; disclosure of interests; delegation by directors; requisition of meetings; shareholder proposals; and financial tests. Reference is made to the full text of both the CBCA and QBCA and the regulations thereunder for particulars of any such differences.

In addition, the Québec government has announced proposed legislative amendments that would apply to public companies governed by the QBCA, including with respect to unsolicited takeover bids. The proposed legislative amendments may or may not become effective, which creates uncertainty for New Osisko and New Osisko Shareholders. Further, if the proposed legislative amendments are implemented, it may become prohibitive or more difficult to complete a takeover bid of New Osisko and other public companies governed by the QBCA.

See also in the Circular, "*Risk Factors*".

## **PROMOTERS**

Osisko took the initiative of founding and organizing New Osisko and its business and operations and, as such, may be considered to be the promoter of New Osisko for the purposes of applicable securities legislation. As at the date of this Schedule I, Osisko is the sole (100%) shareholder of New Osisko. Except as otherwise disclosed herein in connection with the Arrangement and the acquisition by New Osisko of the New Osisko Assets, no other assets have been acquired or are proposed to be acquired by New Osisko from Osisko. See in this Schedule I, "*General Development of New Osisko's Business*", "*Material Properties – The Canadian Malartic Properties*" and "*Prior Sales*". See also in the Circular, "*The Arrangement – Background to the Arrangement*", "*The Arrangement – Reasons for the Recommendation*" and "*Information Concerning Osisko*".

During the 10 years before the date of this Schedule I, Osisko has not become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Osisko has not been subject to any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority, has not entered into a settlement agreement with a provincial and territorial securities regulatory authority, and has not been imposed with any other penalties or sanctions by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

## **LEGAL PROCEEDINGS**

There are no legal proceedings outstanding, threatened or pending, as of the date of this Schedule I, by or against New Osisko or which New Osisko is a party or to which any of the New Osisko Assets is subject, nor to New Osisko's knowledge are any such legal proceedings contemplated, which could become material to the Osisko Shareholders a shareholder of New Osisko.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Since New Osisko's incorporation, no director, executive officer, or shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding New Osisko Shares, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect New Osisko other than Osisko in connection with New Osisko's incorporation (see in this Schedule I, "*Corporate Structure*" and "*Promoters*"), the entering into of the Arrangement Agreement by Osisko (see in the Circular, "*The Arrangement*"), and the transfer of assets to New Osisko in connection with the Arrangement (see in this Schedule I, "*General Development of New Osisko's Business*"). See also in this Schedule I, "*Material Contracts*" below.

Certain directors and officers of Osisko are also the directors and officers of New Osisko. See in the Circular, "*The Arrangement – Background to the Arrangement*", "*The Arrangement – Opinions of Financial Advisors*" and "*The Voting Agreements*".

## **AUDITORS, TRANSFER AGENTS AND REGISTRARS**

The auditor of New Osisko is PricewaterhouseCoopers LLP, a partnership of Chartered Professional Accountants, located at 1250 René-Lévesque Boulevard West, Suite 2800, Montreal, Québec, Canada H3B 2G4.

The transfer agent and registrar for the Osisko Shares is CST Trust Company, which is located at 2001 University, Suite 1600, Montreal, Québec, Canada H3A 2A6.

### **INTERESTS OF EXPERTS**

The Canadian Malartic Report was compiled by BBA Inc. ("**BBA**"), with the collaboration of MICON, Belzile Solutions, G Mining, Genivar, Golder and the Osisko technical group. Messrs. David Runnels, Eng. (BBA), B. Terrence Hennessey, P. Geo. (MICON), Elzéar Belzile, Eng. (Belzile Solutions), Louis-Pierre Gignac, Eng. (G Mining), André-Martin Bouchard (Genivar) and Michel R. Julien, Eng., Ph.D. (Golder) are "qualified persons" within the meaning of NI 43-101, and are independent of Osisko. The Canadian Malartic Report is available for inspection during regular business hours at the corporate head office of Osisko and may also be reviewed under Osisko's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Canadian Malartic Updated Report on the Canadian Malartic Properties was prepared by Belzile Solutions, G Mining. Messrs. Elzéar Belzile, Eng. (Belzile Solutions) and Louis-Pierre Gignac, Eng. (G Mining) are "qualified persons" within the meaning of NI 43-101 and are independent of Osisko. The Canadian Malartic Updated Report is available for inspection during regular business hours at the corporate head office of Osisko and may also be reviewed under Osisko's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Each of the authors and of the Canadian Malartic Report and the Canadian Malartic Updated Report are independent of Osisko or its subsidiaries within the meaning of NI 43-101 and do not have an interest in the Canadian Malartic Properties. Each of these authors' interest in the securities of Osisko represents less than one per cent of the outstanding Osisko Shares. Information of a scientific or technical nature regarding the Canadian Malartic Properties or the South Barnat deposit which has arisen since the Canadian Malartic Report or the Canadian Malartic Updated Report have been prepared under the supervision of Robert Wares, Hon. D.Sc., P. Geo. and Senior Vice President, Exploration and Resource Development of the Corporation Luc Lessard, Ing., Senior Vice President and Chief Operating Officer of Osisko, and Donald Gervais, P. Geo, Technical Services Director at the Canadian Malartic Mine, who are "qualified persons" within the meaning of NI 43-101. Each of these authors' interest in the securities of Osisko represents less than one per cent of the Osisko Shares.

PricewaterhouseCoopers LLP, a partnership of Chartered Professional Accountants, the auditors of New Osisko, prepared an auditor's report to the shareholder of New Osisko on the opening balance sheet of New Osisko as of April 30, 2014 dated May 1, 2014. PricewaterhouseCoopers LLP has advised that it is independent with respect to New Osisko within the meaning of the Code of Ethics of the Ordre des comptables professionnels agréés du Québec.

Other than as described above, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of New Osisko or of any associate or affiliate of New Osisko.

### **MATERIAL CONTRACTS**

Since its incorporation, New Osisko has not entered into any material agreements; however, in connection with the Arrangement, it will enter into the New Osisko Contribution Agreement, pursuant to which Osisko will transfer the New Osisko Assets to New Osisko and pursuant to which New Osisko will assume the New Osisko Liabilities (see in the Circular, "*The Arrangement – Preliminary Steps Prior to the Arrangement*", "*The Arrangement – Description of the Arrangement*").

A copy of the New Osisko Contribution Agreement may be inspected by Osisko Shareholders at the registered office of New Osisko at 1100 avenue des Canadiens-de-Montréal, Suite 300, P.O. Box 211, Montreal, Québec, H3B 2S2, or at Osisko's head office at during normal business hours prior to the Meeting, or at the Meeting.

### **OTHER MATERIAL FACTS**

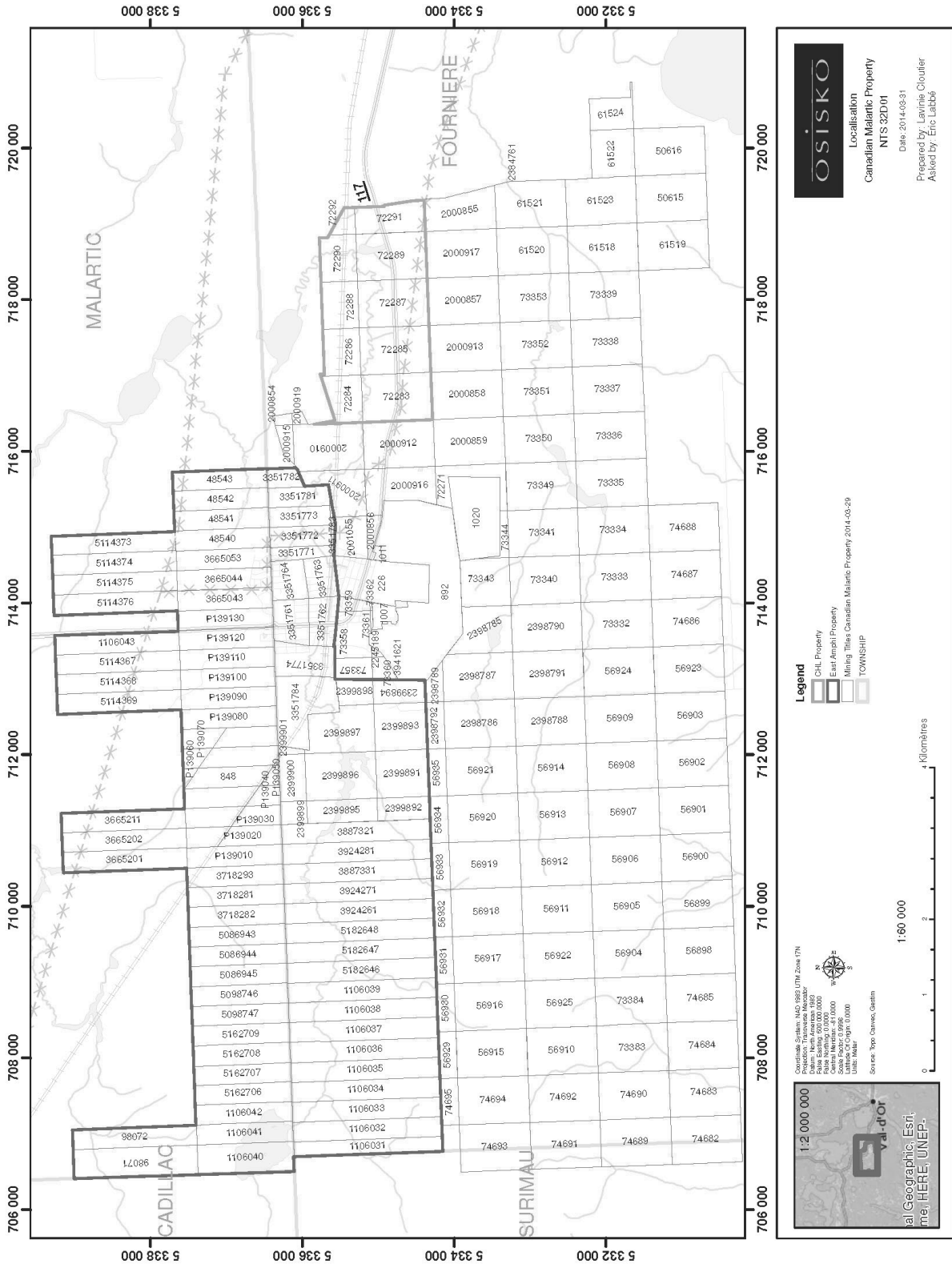
There are no other material facts other than as disclosed herein.

## FINANCIAL STATEMENTS

See Schedule L which includes the unaudited *pro forma* condensed consolidated financial statements for New Osisko.

# APPENDIX "I"

## CANADIAN MALARTIC PROPERTY MAP



## APPENDIX "2"

### AUDIT COMMITTEE CHARTER

#### *I. PURPOSES OF THE AUDIT COMMITTEE*

The purposes of the Audit Committee are to assist the Board of Directors:

1. in its oversight of the Corporation's accounting and financial reporting principles and policies and internal audit controls and procedures;
2. in its oversight of the integrity and transparency of the Corporation's financial statements and the independent audit thereof;
3. in selecting, evaluating and, where deemed appropriate, replacing the external auditors;
4. in evaluating the independence of the external auditors;
5. in its oversight of the Corporation's risk identification, assessment and management program; and
6. in the Corporation's compliance with legal and regulatory requirements in respect of the above.

The function of the Audit Committee is to provide independent and objective oversight. The Corporation's management team is responsible for the preparation, presentation and integrity of the Corporation's financial statements. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The external auditors are responsible for planning and carrying out a proper audit of the Corporation's annual financial statements and other procedures. In fulfilling their responsibilities hereunder, it is recognized that members of the Audit Committee are not full-time employees of the Corporation and are not, and do not represent themselves to be, accountants or auditors by profession or experts in the fields of accounting or auditing including in respect of auditor independence. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Audit Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and external to the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided to the Audit Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board of Directors) and (iii) representations made by management as to non-audit services provided by the auditors to the Corporation.

The external auditors are ultimately accountable to the Board of Directors and the Audit Committee as representatives of shareholders. The Board of Directors, with the assistance of the Audit Committee, has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the external auditors.

The external auditors shall submit annually to the Corporation and the Audit Committee, as representatives of the shareholders of the Corporation, a formal written statement delineating all relationships between the external auditors and the Corporation ("Statement as to Independence").

The external auditors shall submit annually to the Corporation and the Audit Committee a formal written statement of the fees billed in compliance with the disclosure requirements of Form 52-110F1 of National Instrument 52-110.

## **II. COMPOSITION OF THE AUDIT COMMITTEE**

The Audit Committee shall be comprised of three or more independent directors as defined under applicable legislation and stock exchange rules and guidelines and are appointed by the Board of Directors. Determination as to whether a particular director satisfies the requirements for membership on the Audit Committee shall be made by the Board of Directors.

All members of the Committee shall be financially literate (able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements), and at least one member of the Committee shall have accounting or related financial expertise or sophistication as such qualifications are interpreted by the Board of Directors in light of applicable laws and stock exchange rules. The later criteria may be satisfied by past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer of an entity with financial oversight responsibilities.

## **III. MEMBERSHIP, MEETINGS AND QUORUM**

The Audit Committee shall meet at least four times annually or more frequently if circumstances dictate, to discuss with management the annual audited financial statements and quarterly financial statements, and all other related matters. The Audit Committee may request any officer or employee of the Corporation or the Corporation's external counsel or external auditors to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

Proceedings and meetings of the Audit Committee are governed by the provisions of By-Laws relating to the regulation of the meetings and proceedings of the Board of Directors as they are applicable and not inconsistent with this Charter and the other provisions adopted by the Board of Directors in regards to committee composition and organization.

The quorum at any meeting of the Committee is a majority of members in office.

## **IV. DUTIES AND POWERS OF THE AUDIT COMMITTEE**

To carry out its purposes, the Audit Committee shall have unrestricted access to information and shall have the following duties and powers:

1. with respect to the external auditor,
  - (i) to review and assess, annually, the performance of the external auditors, and recommend to the Board of Directors the nomination of the external auditors for appointment by the shareholders, or if required, the revocation of appointment of the external auditors;
  - (ii) to review and approve the fees charged by the external auditors for audit services;
  - (iii) to review and pre-approve all services other than audit services to be provided by the Corporation's external auditors to the Corporation or to its subsidiaries, and associated fees and to ensure that such services will not have an impact on the auditor's independence. The Audit Committee may delegate such authority to one or more of its members, which member(s) shall report thereon to the committee;
  - (iv) to ensure that the external auditors prepare and deliver annually a Statement as to Independence (it being understood that the external auditors are responsible for the

accuracy and completeness of such statement), to discuss with the external auditors any relationships or services disclosed in the Statement as to Independence that may impact the objectivity and independence of the Corporation's external auditors and to recommend that the Board of Directors take appropriate action in response to the Statement as to Independence to satisfy itself of the external auditors' independence;

- (v) to instruct the external auditors that the external auditors are ultimately accountable to the Audit Committee and the Board of Directors, as representatives of the shareholders; and

2. with respect to financial reporting principles and policies and internal controls,

- (i) to advise management that they are expected to provide to the Audit Committee a timely analysis of significant financial reporting issues and practices;
- (ii) to ensure that the external auditors prepare and deliver as applicable a detailed report covering 1) critical accounting policies and practices to be used; 2) material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; 3) other material written communications between the external auditors and management such as any management letter or schedule of unadjusted differences; and 4) such other aspects as may be required by the Audit Committee or legal or regulatory requirements;
- (iii) to consider any reports or communications (and management's responses thereto) submitted to the Audit Committee by the external auditors, including reports and communications related to:
  - deficiencies noted following the audit of the design and operation of internal controls;
  - consideration of fraud in the audit of the financial statement;
  - detection of illegal acts;
  - the external auditors' responsibilities under generally accepted auditing standards;
  - significant accounting policies;
  - management judgements and accounting estimates;
  - adjustments arising from the audit;
  - the responsibility of the external auditors for other information in documents containing audited financial statements;
  - disagreements with management;
  - consultation by management with other accountants;
  - major issues discussed with management prior to retention of the external auditors;
  - difficulties encountered with management in performing the audit;
  - the external auditors judgements about the quality of the entity's accounting principles; and
  - reviews of interim financial information conducted by the external auditors;
- (iv) to meet with management and external auditors:
  - to discuss the scope of the annual audit;
  - to discuss the audited financial statements, including the accompanying management's discussion and analysis;
  - to discuss the unaudited interim quarterly financial statements, including the accompanying management's discussion and analysis;
  - to discuss the appropriateness and quality of the Corporation's accounting principles as applied in its financial reporting;



- to discuss any significant matters arising from any audit or report or communication referred to in item 2 (iii) above, whether raised by management or the external auditors, relating to the Corporation's financial statements;
  - to resolve disagreements between management and the external auditors regarding financial reporting;
  - to review the form of opinion the external auditors propose to render to the Board of Directors and shareholders;
  - to discuss significant changes to the Corporation's auditing and accounting principles, policies, controls, procedures and practices proposed or contemplated by the external auditors or management, and the financial impact thereof;
  - to review any non-routine correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the Corporation's financial statements or accounting policies;
  - to review, evaluate and monitor the Corporation's risk management program including the revenue protection program. This function should include:
    - risk assessment;
    - quantification of exposure;
    - risk mitigation measures; and
    - risk reporting;
  - to review the adequacy of the resources of the finance and accounting group, along with its development and succession plans;
  - to monitor and review communications received in accordance with the Corporation's Internal Whistle Blowing Policy;
- (v) to discuss with the Chief Financial Officer any matters related to the financial affairs of the Corporation;
- (vi) to discuss with the Corporation's management any significant legal matters that may have a material effect on the financial statements, the Corporation's compliance policies, including material notices to or inquiries received from governmental agencies;
- (vii) to review, and discuss with the Corporation's Chief Executive Officer and Chief Financial Officer the procedure with respect to the certification of the Corporation's financial statements pursuant to National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* and any other applicable law or stock exchange rule.
3. with respect to reporting and recommendations,
- (i) to prepare/review any report or other financial disclosures to be included in the Corporation's annual information form and management information circular;
  - (ii) to review and recommend to the Board of Directors for approval, the interim and audited annual financial statements of the Corporation, management's discussion and analysis of the financial conditions and results of operations (MD&A) and the press releases related to those financial statements;
  - (iii) to review and recommend to the Board of Directors for approval, the annual report, management's assessment on internal controls and any other like annual disclosure filings to be made by the Corporation under the requirements of securities laws or stock exchange rules applicable to the Corporation;
  - (iv) to review and reassess the adequacy of the procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in paragraph 3(ii) above;

- (v) to review this Charter at least annually and recommend any changes to the Board of Directors;
  - (vi) to report its activities to the Board of Directors on a regular basis and to make such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate;
4. to review, discuss with management, and approve all related party transactions;
  5. to establish and reassess the adequacy of the procedures for the receipt and treatment of any complaint regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential anonymous submissions by employees of concerns regarding questionable accounting or auditing matters in accordance with applicable laws and regulations; and
  6. set clear hiring policies regarding partners, employees and former partners and employees of the present and, as the case may be, former external auditor of the Corporation.

***V. RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE***

The Audit Committee shall have the resources and authority appropriate to discharge its responsibilities, as it shall determine, including the authority to engage external auditors for special audits, reviews and other procedures and to retain special counsel and other experts or consultants.

## SCHEDULE "J"

### INFORMATION CONCERNING AGNICO EAGLE AS OF APRIL 30, 2014

*No securities authority has expressed an opinion about the Agnico Eagle Shares (as defined herein) issuable under the Arrangement and it is an offence to claim otherwise.*

The following information concerning Agnico Eagle should be read in conjunction with the information described below under "*Information Concerning Agnico Eagle as of April 30, 2014 – Documents Incorporated by Reference*" and the information concerning Agnico Eagle appearing elsewhere in the Circular. Capitalized terms used but not otherwise defined in this Schedule "J" shall have the meaning ascribed to them in the Circular.

#### *Documents Incorporated by Reference*

*Information has been incorporated by reference in the Circular from documents filed with securities commissions or similar authorities in Canada.* Copies of the documents incorporated herein by reference may be obtained on request without charge from the Vice-President, Investor Relations at Suite 400, 145 King Street East, Toronto, Ontario, Canada, M5C 2Y7, telephone number 416-947-1212. Alternatively, these documents may be obtained at Agnico Eagle's website at [www.agnicoeagle.com](http://www.agnicoeagle.com), Agnico Eagle's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or on EDGAR at [www.sec.gov](http://www.sec.gov).

The following documents ("**documents incorporated by reference**" or "**documents incorporated herein by reference**") of Agnico Eagle filed with the various securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference herein and form an integral part of the Circular:

- (a) the annual information form of Agnico Eagle for the year ended December 31, 2013 dated March 21, 2014 (the "**Agnico Eagle AIF**");
- (b) the annual audited consolidated financial statements of Agnico Eagle and the notes thereto as at December 31, 2013 and December 31, 2012 and for each of the years ended December 31, 2013, 2012 and 2011, together with the auditors' report thereon, dated March 21, 2014;
- (c) the management's discussion and analysis of the financial condition and results of operations of Agnico Eagle for the year ended December 31, 2013 dated March 21, 2014;
- (d) the management information circular of Agnico Eagle dated March 11, 2014 in connection with the annual and special meeting of shareholders of Agnico Eagle to be held on May 2, 2014; and
- (e) the material change report filed by Agnico Eagle on April 25, 2014 announcing the Arrangement Agreement and the Arrangement.

Any document of the type referred to above in (a) through (e) and any other document of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* ("**NI 44-101**") to be incorporated by reference in a short form prospectus filed by Agnico Eagle with a securities commission or similar regulatory authority in Canada after the date of the Circular and prior to the date of completion of the Arrangement will be deemed to be incorporated by reference in the Circular.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for purposes of the Circular, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is**

**required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of the Circular.**

### **Summary Description of the Business**

Agnico Eagle is an established Canadian-based international gold producer with mining operations in northwestern Québec, northern Mexico, northern Finland and Nunavut and exploration activities in Canada, Europe, Latin America and the United States. Agnico Eagle's operating history includes over three decades of continuous gold production, primarily from underground operations. Since its formation on June 1, 1972, Agnico Eagle has produced approximately 9.6 million ounces of gold. During the first quarter of fiscal 2014, Agnico Eagle achieved record quarterly gold production of 366,421 ounces, and made repayments of US\$130 million on its revolving credit facility since the beginning of the 2014 year, enhancing Agnico Eagle's financial flexibility and ability to fund its portion of the Arrangement Consideration under the Arrangement.

Agnico Eagle's strategy is to focus on the continued exploration, development and expansion of its properties, all of which are located in politically stable jurisdictions. Agnico Eagle has spent approximately \$2.7 billion on mine development over the last five years. Through this development program, Agnico Eagle transformed itself from a regionally focused, single mine producer to a multi-mine international gold producer with seven operating, 100% owned mines, and one advanced exploration project.

Set out below is a list of Agnico Eagle's main projects and mines, all of which are 100% owned, directly or indirectly, by Agnico Eagle.

- La Ronde mine (Québec, Canada)
- Lapa mine (Québec, Canada)
- Goldex mine (Québec, Canada)
- Kittila mine (Finland)
- Meadowbank mine (Nunavut, Canada)
- Meliadine project (Nunavut, Canada)
- Pinos Altos mine (Chihuahua, Mexico)
- La India mine (Sonora, Mexico)

A corporate chart on page 11 of the Agnico Eagle AIF incorporated by reference herein sets out Agnico Eagle's subsidiaries together with the jurisdiction of each subsidiary and the percentage of voting shares beneficially owned, controlled or directed, directly or indirectly, by Agnico Eagle.

### **Consolidated Capitalization**

Except as otherwise described herein, there have been no material changes in Agnico Eagle's share and debt capital, on a consolidated basis, since December 31, 2013, the date of Agnico Eagle's most recently filed annual audited consolidated financial statements.

Agnico Eagle had 174,450,937 common shares outstanding as of April 30, 2014. Agnico Eagle expects to issue up to a maximum of 34,820,610 Agnico Eagle common shares pursuant to the Arrangement, based on the Share Consideration issuable under the Arrangement by Agnico Eagle of 0.07264 of an Agnico Eagle common share for each Osisko Share outstanding on a fully diluted basis as disclosed by Osisko under the Arrangement Agreement (being 479,358,615 Osisko Shares on a fully-diluted basis).

### **Description of the Common Shares**

Agnico Eagle's authorized capital consists of an unlimited number of shares of one class designated as common shares (the "**Agnico Eagle Shares**"). All outstanding Agnico Eagle Shares are fully paid and non-assessable.

The holders of Agnico Eagle Shares are entitled to one vote per share at meetings of Agnico Eagle shareholders and to receive dividends if, as and when declared by the directors of Agnico Eagle. Agnico Eagle's current policy is to pay quarterly dividends on its Agnico Eagle Shares. Although Agnico Eagle currently expects to continue paying a cash dividend, future dividends will be at the discretion of the board of directors of Agnico Eagle and will be subject to various factors. In the event of voluntary or involuntary liquidation, dissolution or winding-up of Agnico Eagle, after payment of all outstanding debts, the remaining assets of Agnico Eagle available for distribution would be distributed rateably to the holders of the Agnico Eagle Shares. Holders of the Agnico Eagle Shares have no pre-emptive, redemption, exchange or conversion rights. Agnico Eagle may not create any class or series of shares or make any modification to the provisions attaching to the Agnico Eagle Shares without the affirmative vote of two-thirds of the votes cast by the holders of the Agnico Eagle Shares.

### **Prior Sales**

The following table sets out the number of Agnico Eagle Shares, and securities that are convertible into Agnico Eagle Shares, issued by Agnico Eagle during the 12-month period preceding the date of the Circular.

<b>Date of Issuance / Grant</b>	<b>Number of Securities Issued / Granted</b>	<b>Type of Securities Issued / Granted</b>	<b>Issue / Exercise Price (\$)</b>	<b>Reason for Issuance / Grant</b>
April 12, 2013	1,000	Common Shares	\$37.05	Exercise of Options
June 17, 2013	217,656	Common Shares	US\$29.08	Shares issued under the Dividend Reinvestment Plan
June 17, 2013	65	Common Shares	US\$30.61	Shares issued under the Dividend Reinvestment Plan
June 17, 2013	1,181	Common Shares	\$32.00	Shares issued under the Dividend Reinvestment Plan
June 30, 2013	215,761	Common Shares	\$27.24	Shares issued under the Employee Share Purchase Plan
June 30, 2013	9,361	Common Shares	US\$25.95	Shares issued under the Employee Share Purchase Plan
September 17, 2013	196,807	Common Shares	US\$28.30	Shares issued under the Dividend Reinvestment Plan
September 17, 2013	33	Common Shares	US\$29.79	Shares issued under the Dividend Reinvestment Plan
September 17, 2013	450	Common Shares	\$31.07	Shares issued under the Dividend Reinvestment Plan
September 30, 2013	213,191	Common Shares	\$27.31	Shares issued under the Employee Share Purchase Plan
September 30, 2013	7,756	Common Shares	US\$26.51	Shares issued under the Employee Share Purchase Plan
December 16, 2013	229,504	Common Shares	US\$25.19	Shares issued under the Dividend Reinvestment Plan
December 16, 2013	19	Common Shares	US\$26.52	Shares issued under the Dividend Reinvestment Plan
December 16, 2013	561	Common Shares	\$27.94	Shares issued under the Dividend Reinvestment Plan
December 31, 2013	209,201	Common Shares	\$27.71	Shares issued under the Employee Share Purchase Plan

<b>Date of Issuance / Grant</b>	<b>Number of Securities Issued / Granted</b>	<b>Type of Securities Issued / Granted</b>	<b>Issue / Exercise Price (\$)</b>	<b>Reason for Issuance / Grant</b>
December 31, 2013	8,887	Common Shares	US\$26.31	Shares issued under the Employee Share Purchase Plan
December 31, 2013	2,037	Common Shares	\$27.31	Shares issued under the Employee Share Purchase Plan
December 31, 2013	169	Common Shares	US\$26.51	Shares issued under the Employee Share Purchase Plan
January 2, 2014	2,776,500	Stock Options	\$28.03	Options granted under the Employee Stock Option Plan
January 2, 2014	401,000	Stock Options	US\$26.38	Options granted under the Employee Stock Option Plan
February 6, 2014	1,500	Common Shares	\$28.03	Exercise of Options
February 12, 2014	4,750	Common Shares	\$28.03	Exercise of Options
February 13, 2014	2,000	Common Shares	\$28.03	Exercise of Options
February 14, 2014	450	Common Shares	\$28.03	Exercise of Options
February 19, 2014	2,250	Common Shares	\$28.03	Exercise of Options
February 20, 2014	1,000	Common Shares	\$28.03	Exercise of Options
February 25, 2014	7,000	Common Shares	\$28.03	Exercise of Options
February 26, 2014	15,875	Common Shares	\$28.03	Exercise of Options
February 27, 2014	7,500	Common Shares	\$28.03	Exercise of Options
March 6, 2014	5,000	Common Shares	\$28.03	Exercise of Options
March 7, 2014	2,500	Stock Options	\$36.41	Options granted under the Employee Stock Option Plan
March 11, 2014	5,250	Common Shares	\$28.03	Exercise of Options
March 17, 2014	7,500	Common Shares	\$28.03	Exercise of Options
March 17, 2014	62,246	Common Shares	US\$31.65	Shares issued under the Dividend Reinvestment Plan
March 17, 2014	30	Common Shares	US\$33.32	Shares issued under the Dividend Reinvestment Plan
March 17, 2014	550	Common Shares	C\$36.89	Shares issued under the Dividend Reinvestment Plan
March 18, 2014	8,250	Common Shares	\$28.03	Exercise of Options
March 19, 2014	9,150	Common Shares	\$28.03	Exercise of Options
March 20, 2014	1,000	Common Shares	\$28.03	Exercise of Options
March 31, 2014	121,588	Common Shares	\$34.13	Shares issued under the Employee Share Purchase Plan
March 31, 2014	5,885	Common Shares	US\$30.78	Shares issued under the Employee Share Purchase Plan
April 17, 2014	1,000	Common Shares	\$28.03	Exercise of Options

## Trading Price and Volume

The Agnico Eagle Shares are listed and traded on the TSX and on the NYSE under the symbol "AEM". On April 30, 2014, the closing price of the Agnico Eagle Shares was \$32.37 on the TSX and US\$29.56 on the NYSE.

	TSX			NYSE		
	High (\$)	Low (\$)	Average Daily Volume	High (US\$)	Low (US\$)	Average Daily Volume
<b>2013</b>						
April	41.21	31.21	1,328,068	40.54	30.87	2,168,343
May.....	33.70	28.75	956,057	32.01	27.92	1,874,144
June.....	34.16	26.32	1,378,578	33.28	25.15	1,953,987
July.....	31.05	28.10	1,189,534	30.18	26.64	2,114,278
August.....	34.57	26.41	1,104,227	32.88	25.43	1,860,727
September.....	32.16	27.09	1,455,075	30.63	26.28	1,958,625
October.....	32.77	24.85	1,706,278	31.36	24.05	2,139,988
November.....	30.74	27.56	1,135,232	29.48	26.20	1,777,286
December.....	29.10	26.75	1,522,969	27.54	25.13	2,010,690
<b>2014</b>						
January.....	35.34	28.03	1,724,788	31.62	26.00	2,595,509
February.....	38.14	34.52	1,828,754	34.30	31.08	2,853,743
March.....	39.30	33.12	930,935	35.46	29.85	1,950,134
April.....	35.12	29.27	1,291,089	32.03	26.58	2,388,387

## Probable Acquisition

On April 16, 2014, Agnico Eagle entered into the Arrangement Agreement with Yamana and Osisko pursuant to which Agnico Eagle and Yamana will jointly acquire 100% of the issued and outstanding Osisko Shares for total consideration of approximately \$3.9 billion. The total Arrangement Consideration consists of approximately \$1.0 billion in cash, approximately \$2.33 billion in value of Agnico Eagle Shares and Yamana Shares (in each case, based on the closing price on the TSX of \$33.45 for the Agnico Eagle Shares and \$9.18 for Yamana Shares, as of April 15, 2014, the date prior to the announcement of the Arrangement by Agnico Eagle, Yamana and Osisko), and New Osisko Shares with an implied value of approximately \$575 million. The Arrangement Cash Consideration, Agnico Eagle Share Consideration, Yamana Share Consideration and New Osisko Share Consideration to be provided to Osisko Shareholders under the Arrangement is equal to \$8.15 per Osisko Share on a fully-diluted basis. Immediately following the completion of the Arrangement, Former Osisko Shareholders will own approximately 16.7% of Agnico Eagle's common shares and approximately 14.4% of Yamana's common shares.

At the same time, Agnico Eagle and Yamana entered into the Joint Acquisition Agreement, as investors, regarding their agreement to form a special purpose joint acquisition entity ("**Acquisitionco**") (with each company owning directly or indirectly 50% of Acquisitionco) and to fund Acquisitionco in an amount sufficient to satisfy the aggregate Arrangement Cash Consideration, Agnico Eagle Share Consideration and Yamana Share Consideration payable to acquire all of the Osisko Shares under the Arrangement. The Joint Acquisition Agreement provides that all decisions to be made by Agnico Eagle and Yamana with respect to the Arrangement under the Arrangement Agreement will be made jointly by mutual agreement. The Joint Acquisition Agreement also provides for Agnico Eagle's and Yamana's cooperation to negotiate and finalize all of the contemplated agreements and documents in connection with the Arrangement, including investment commitment letters, a partnership agreement to govern their joint ownership of the Canadian Malartic Properties and a shareholders agreement to govern their joint ownership of Osisko. For more information, see the sections of the Circular entitled "*The Arrangement*", "*The Joint Acquisition Agreement*" and "*The Canadian Malartic Partnership Agreement*".

Prior to the Effective Time, Osisko and a wholly-owned subsidiary will establish Canadian Malartic GP. At the Effective Time, Osisko will transfer all of its rights, titles and interests in the Canadian Malartic Properties to Canadian Malartic GP, subject to the retention by Osisko of the Canadian Malartic NSR, which Osisko will transfer to New Osisko at the Effective Time as part of the New Osisko Assets, as described in the Circular. Immediately upon closing of the Arrangement, Agnico Eagle and Yamana will each directly or indirectly own 50% of Osisko and Canadian Malartic GP, and will form a joint management committee to operate the Canadian Malartic Properties through Canadian Malartic GP in Québec. Agnico Eagle and Yamana will also jointly directly or indirectly continue to explore and potentially develop the Canadian Exploration Properties.

Upon implementation of the Arrangement, each Former Osisko Shareholder will receive for each Osisko Share held by it at the Effective Time:

- (i) \$2.09 in cash;
- (ii) 0.07264 of an Agnico Eagle Share;
- (iii) 0.26471 of a Yamana Share; and
- (iv) one New Osisko Share with an implied value of \$1.20.

Agnico Eagle intends to fund its 50% share of the Arrangement Cash Consideration payable pursuant to the Arrangement and its fees and expenses from funds drawn under Agnico Eagle's existing unsecured revolving bank facility (the "**Credit Facility**"). During the first quarter of fiscal 2014, Agnico Eagle repaid US\$130 million on its Credit Facility. As of April 30, 2014, the total amount available under the Credit Facility is US\$1,129,000,000.

In addition to requiring court approval and certain approvals of Osisko Shareholders and Osisko Optionholders, the Arrangement is subject to applicable regulatory approvals and the satisfaction of certain other customary conditions as described elsewhere in the Circular.

Certain *pro forma* financial information regarding Agnico Eagle has been prepared, for the fiscal year ended December 31, 2013, after giving effect to the Arrangement. The *pro forma* financial information is based on the assumption that the Arrangement is completed and Agnico Eagle and Yamana jointly acquire (directly or indirectly) 100% of the issued and outstanding Osisko Shares, with each of Agnico Eagle and Yamana directly or indirectly holding 50% interests in the Canadian Malartic Properties, the Kirkland Lake Properties, the Hammond Reef Properties, the Pandora Properties and the Wood Pandora Properties. Copies of the *pro forma* financial information regarding Agnico Eagle and the material assumptions required to construct the *pro forma* financial information are set out in the notes to the unaudited *pro forma* condensed consolidated financial statements contained in Schedule "L" to the Circular.

### **Prior Valuations**

There have been no prior valuations (as defined in MI 61-101) of Agnico Eagle or its material assets or liabilities or its securities within the 12 months preceding the date hereof.

### **Risk Factors**

Osisko Securityholders are encouraged to obtain independent legal, tax and investment advice in their jurisdiction of residence with respect to the Circular, the consequences of the Arrangement and the holding of Agnico Eagle Shares.

An investment in Agnico Eagle Shares involves certain risks. Before making an investment decision, Osisko Securityholders should carefully consider all of the information in the Circular and the documents incorporated by reference herein in evaluating whether to approve the Arrangement Resolution. In addition to the other information and risks set out in the Circular, the risk factors described in the Agnico Eagle AIF and the following risk factors should be given special consideration when evaluating whether to approve the Arrangement Resolution.



***Market risks associated with Agnico Eagle.***

Osisko Shareholders will receive a fixed number of Agnico Eagle Shares under the Arrangement, rather than Agnico Eagle Shares with a fixed market value. Because this exchange ratio will not be adjusted to reflect any change in the market value of the Agnico Eagle Shares, the market value of Agnico Eagle Shares received under the Arrangement may vary significantly from the market value at the dates referenced in the Circular. For example, during the 12-month period ending on March 31, 2014, the trading price of Agnico Eagle Shares on the TSX varied from a low of \$24.85 to a high of \$41.21 and, on the day prior to the announcement of the Arrangement (April 15, 2014), the Agnico Eagle Shares had a closing price on the TSX of \$33.45. Variations may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of Agnico Eagle, market assessments of the likelihood the Arrangement will be consummated, regulatory considerations, general market and economic conditions, gold and silver price changes, copper and zinc price changes and other factors over which Agnico Eagle has no control.

***Agnico Eagle may experience problems in integrating the operations and business of Osisko after the Arrangement and may not experience the anticipated synergies it expects from the acquisition.***

The acquisition of Agnico Eagle's interest in the operations and businesses of Osisko may not produce the anticipated benefits, in the expected time-frames or at all, due to unanticipated challenges or delays. Agnico Eagle has entered into the Arrangement Agreement with the expectation that the successful consummation of the Arrangement and the subsequent operation, together with Yamana, of the business of Osisko, will result in greater long-term potential and value creation than the individual companies could achieve on their own. This expectation is based, in part, on certain presumed synergies. These anticipated benefits and synergies will depend in part on whether the operations, systems and personnel of the acquiring companies and Osisko can be integrated in an efficient and effective manner, and whether the presumed bases or sources of synergies produce the benefits anticipated. Most operational and strategic decisions, and certain staffing decisions, with respect to the operation of Osisko after completion of the Arrangement have not yet been made and may not have been fully identified. These decisions and the integration of Osisko with Agnico Eagle and Yamana may present significant challenges, including the integration of certain aspects of operations and personnel of Osisko with the acquirors, and special risks, including possible unanticipated liabilities and expenses, significant one-time write-offs or restructuring charges and the loss of key employees. There can be no assurance that there will be operational or other synergies realized by Agnico Eagle after the Arrangement, or that the integration of the companies' operations, systems and personnel will be timely or effectively accomplished, or ultimately will be successful in achieving the anticipated benefits.

***Future operations or opportunities may require additional capital raising, including by offering equity securities or securities convertible into equity securities resulting in dilution to Agnico Eagle Shareholders.***

Agnico Eagle, Osisko and/or Canadian Malartic GP may require additional financing to meet their capital requirements for construction, production, exploration and development activities. If cash from operations is lower than expected or capital costs at the mines or projects exceed current estimates, or if Agnico Eagle, Osisko or Canadian Malartic GP incur major unanticipated costs or expenses related to exploration, development or maintenance of their properties, or if credit facilities or advances from existing bank credit facilities are unavailable or insufficient, Agnico Eagle may be required to seek additional financing. In addition, Agnico Eagle will have additional capital requirements to the extent that it decides to expand its present operations and exploration activities, construct additional mining and processing operations at any of its properties or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may arise. Additional financing may not be available when needed or, if available, the terms of such financing may not be favourable to Agnico Eagle and, if raised by offering equity securities, or securities convertible into equity securities, any additional financing may involve substantial dilution to existing shareholders.

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## SCHEDULE "K"

### INFORMATION CONCERNING YAMANA AS OF APRIL 28, 2014

The following information concerning Yamana should be read in conjunction with the information described below under "*Information Concerning Yamana as of April 28, 2014 – Documents Incorporated by Reference*" and the information concerning Yamana appearing elsewhere in the Circular. Capitalized terms used but not otherwise defined in this Schedule "K" shall have the meaning ascribed to them in the Circular.

#### **Documents Incorporated By Reference**

**Information has been incorporated by reference in the Circular from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained upon request without charge from the Senior Vice President, General Counsel and Corporate Secretary of Yamana at Royal Bank Plaza, North Tower, 200 Bay Street, Suite 2200, Toronto, Ontario, Canada, M5J 2J3, telephone (416) 815-0220, and are also available electronically on SEDAR at [www.sedar.com](http://www.sedar.com).

The following documents ("**documents incorporated by reference**" or "**documents incorporated herein by reference**") of Yamana filed with the various securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference herein and form an integral part of the Circular:

- (a) the annual information form of Yamana for the year ended December 31, 2013, dated March 28, 2014 (the "**Yamana AIF**");
- (b) the audited annual consolidated financial statements of Yamana and the notes thereto as at December 31, 2013 and December 31, 2012 and for each of the years ended December 31, 2013 and 2012, together with the auditors' report thereon, dated February 18, 2014;
- (c) management's discussion and analysis of the financial condition and results of operations of Yamana for the three and twelve months ended December 31, 2013, dated February 18, 2014 (the "**Annual MD&A**");
- (d) the management information circular of Yamana dated March 18, 2014 in connection with the annual meeting of shareholders of Yamana to be held on April 30, 2014;
- (e) the material change report of Yamana dated April 11, 2014 in respect of the entering into by Yamana of an arrangement agreement dated April 2, 2014 with Osisko; and
- (f) the material change report of Yamana dated April 25, 2014 in respect of the entering into by Yamana of an arrangement agreement dated April 16, 2014 with Osisko and Agnico Eagle.

Any document of the type referred to above in (a) through (f) and any other document of the type required by National Instrument 44-101 – Short Form Prospectus Distributions ("**NI 44-101**") to be incorporated by reference in a short form prospectus filed by Yamana with a securities commission or similar regulatory authority in Canada after the date of the Circular and prior to the date of completion of the Arrangement will be deemed to be incorporated by reference in the Circular.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for purposes of the Circular, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is**

**required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of the Circular.**

### **Summary Description Of The Business**

Yamana is a Canadian-based gold producer with significant gold production, gold development stage properties, exploration properties and land positions in Brazil, Chile, Argentina and Mexico. Yamana plans to continue to build on this base through existing operating mine expansions, throughput increases, development of new mines, advancement of its exploration properties and by targeting other gold consolidation opportunities with a primary focus in the Americas.

Yamana's portfolio includes: (i) seven operating gold mines, namely Chapada (copper/gold), El Peñón (gold/silver), Jacobina, Gualcamayo, Minera Florida (gold/silver/zinc), Fazenda Brasileiro, Mercedes (gold/silver) plus a 12.5% indirect interest in the Alumbrera mine (copper/gold/molybdenum), and (ii) various advanced and near development stage projects and exploration properties in Brazil, Chile, Argentina and Mexico.

Set out below is a list of Yamana's main properties and mines:

#### ***Producing Mines***

- Chapada Mine (Brazil)
- El Peñón Mine (Chile)
- Mercedes Mine (Mexico)
- Gualcamayo Mine (Argentina)
- Jacobina Mining Complex (Brazil)
- Minera Florida Mine (Chile)
- Fazenda Brasileiro Mine (Brazil)
- Alumbrera Mine (Argentina) – 12.5% indirect interest

#### ***Additional Projects***

- Pilar Project (Brazil)
- C1 Santa Luz Project (Brazil)
- QDD Lower West (Argentina)
- Cerro Moro Project (Argentina)
- Suyai Project (Argentina)
- Agua Rica Project (Argentina)

A corporate chart set out in Item 2 of the Yamana AIF illustrates Yamana's principal subsidiaries, together with the jurisdiction of incorporation of each company and the percentage of voting securities beneficially owned, controlled or directed, directly or indirectly, by Yamana.

### **Consolidated Capitalization**

There have been no material changes in Yamana's share and debt capital, on a consolidated basis, since December 31, 2013, the date of Yamana's most recently filed financial statements.

Yamana had 753,391,894 common shares outstanding as of April 28, 2014. Yamana expects to issue approximately 126.9 million common shares pursuant to the Arrangement.

### **Description of the Common Shares**

The authorized share capital of Yamana consists of an unlimited number of common shares and 8,000,000 first preference shares, Series 1 (the "**Preference Shares**"). Yamana had 753,391,894 common shares and no Preference Shares outstanding as of April 28, 2014.

Holders of common shares are entitled to receive notice of any meetings of shareholders of Yamana, to attend and to cast one vote per common share at all such meetings. Holders of common shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the common shares entitled to vote in any election of directors may elect all directors standing for election. Holders of common shares are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by Yamana's board of directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of Yamana are entitled to receive on a pro-rata basis the net assets of Yamana after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro-rata basis with the holders of common shares with respect to dividends or liquidation. The common shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

### **Prior Sales**

The following tables outline the number of Yamana common shares, and securities that are convertible into Yamana common shares, issued by Yamana during the 12-month period preceding the date of the Circular.

<b><u>Date of Issuance/Grant</u></b>	<b><u>Type of Security Issued/Granted</u></b>	<b><u>Reason for Issuance</u></b>	<b><u>Price Per Security (\$)</u></b>	<b><u>Number of Securities Issued/Granted</u></b>
April 30, 2013	Restricted Share Units	Employee compensation	12.17	218,922
May 1, 2013	Common Shares	Restricted Share Unit vesting	12.47	158,170
May 2, 2013	Common Shares	Restricted Share Unit vesting	11.97	3260
May 6, 2013	Common Shares	Restricted Share Unit vesting	12.15	3,993
May 9, 2013	Common Shares	Restricted Share Unit vesting	12.09	2,212
May 13, 2013	Restricted Share Units	Employee compensation	12.16	3,287
May 14, 2013	Common Shares	Restricted Share Unit vesting	11.89	680
May 31, 2013	Common Shares	Restricted Share Unit vesting	12.22	2,894
June 12, 2013	Restricted Share Units	Employee compensation	11.11	311,529
June 12, 2013	Common Shares	Restricted Share Unit vesting	11.45	120,495
June 18, 2013	Common Shares	Restricted Share Unit vesting	11.49	230,581
June 19, 2013	Common Shares	Restricted Share Unit vesting	11.49	23,898
June 27, 2013	Restricted Share Units	Employee compensation	11.11	13,756

<b>Date of Issuance/Grant</b>	<b>Type of Security Issued/Granted</b>	<b>Reason for Issuance</b>	<b>Price Per Security (\$)</b>	<b>Number of Securities Issued/Granted</b>
June 28, 2013	Common Shares	Restricted Share Unit vesting	10.03	27,706
July 15, 2013	Common Shares	Restricted Share unit vesting	10.12	2,009
July 29, 2013	Common Shares	Restricted Share Unit vesting	10.92	2,537
August 1, 2013	Restricted Share Units	Employee compensation	11.11	36,682
August 7, 2013	Common Shares	Restricted Share Unit vesting	9.31	680
August 9, 2013	Common Shares	Restricted Share Unit vesting	10.05	3,334
October 18, 2013	Common Shares	Restricted Share Unit vesting	9.65	680
October 28, 2013	Common Shares	Restricted Share Unit vesting	10.65	2,240
November 1, 2013	Common Shares	Restricted Share Unit vesting	9.70	27,449
November 18, 2013	Common Shares	Exercise of Extorre Gold Mines Limited Share Options	1.44	794
December 11, 2013	Restricted Share Units	Employee compensation	9.54	374,549
December 11, 2013	Share Options	Employee compensation	9.54	1,332,541
December 13, 2013	Common Shares	Restricted Share Unit vesting	9.23	156,343
December 16, 2013	Common Shares	Restricted Share Unit vesting	9.23	13,013
December 17, 2013	Common Shares	Restricted Share Unit vesting	9.23	12,126
December 24, 2013	Common Shares	Restricted Share Unit vesting	9.00	161,498
January 13, 2014	Common Shares	Restricted Share Unit vesting	9.16	27,210
January 17, 2014	Common Shares	Restricted Share Unit vesting	9.59	2,458
January 21, 2014	Common Shares	Restricted Share Unit vesting	10.82	10,827
January 27, 2014	Common Shares	Restricted Share Unit vesting	10.57	15,267
February 7, 2014	Restricted Share Units	Employee compensation	10.11	80,547
February 18, 2014	Common Shares	Restricted Share Unit vesting	10.26	2,083

<u>Date of Issuance/Grant</u>	<u>Type of Security Issued/Granted</u>	<u>Reason for Issuance</u>	<u>Price Per Security (\$)</u>	<u>Number of Securities Issued/Granted</u>
March 3, 2014	Common Shares	Restricted Share Unit vesting	11.08	77,853
April 8, 2014	Common Shares	Restricted Share Unit vesting	11.26	680

Note: (1) 200,092 of the above Restricted Share Units were cancelled in the 12-month period prior to the date of the Circular.

### **Trading Price and Volume**

The principal market on which the Yamana common shares trade is the TSX under the symbol "YRI". The Yamana common shares also trade on the NYSE under the symbol "AUY". On April 28, 2014, the closing price of the Yamana common shares on the TSX and on the NYSE was \$8.19 and US\$7.42, respectively, and on April 15, 2014, the last trading day prior to the announcement of the Arrangement, the closing price of the Yamana common shares on the TSX and on the NYSE was \$9.18 and US\$8.38, respectively. The following table shows the intra-day high and low trading prices and average daily trading volume of the Yamana common shares traded on the TSX and the NYSE during the 12-month period preceding the date of the Circular.

<u>Monthly</u>	<u>TSX</u>			<u>NYSE</u>		
	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Average Daily Trading Volume</u>	<u>High (US\$)</u>	<u>Low (US\$)</u>	<u>Average Daily Trading Volume</u>
May 2013	12.42	10.71	5,742,141	12.39	10.41	7,525,906
June 2013	12.38	9.00	4,728,899	12.03	8.60	7,437,835
July 2013	11.70	9.59	4,760,858	11.39	9.11	7,546,148
August 2013	12.70	9.31	7,497,695	12.06	8.93	9,642,782
September 2013	12.11	10.58	6,182,992	11.61	10.24	7,296,453
October 2013	10.74	9.51	6,300,690	10.26	9.13	7,263,403
November 2013	10.21	9.22	4,902,382	9.80	8.76	6,392,817
December 2013	9.54	8.96	3,540,857	9.00	8.41	6,190,567
January 2014	10.82	9.41	5,575,261	9.82	8.84	8,944,638
February 2014	11.69	9.80	5,392,553	10.57	8.89	8,383,178
March 2014	11.73	9.68	3,284,510	10.57	8.78	6,754,633
April 2014 <sup>(1)</sup>	9.71	8.19	9,904,832	8.83	7.42	9,584,246

Note: <sup>(1)</sup> To April 28, 2014.

### **Probable Acquisition**

On April 16, 2014, Yamana entered into the Arrangement Agreement with Agnico Eagle and Osisko pursuant to which Yamana and Agnico Eagle will jointly acquire 100% of the issued and outstanding Osisko Shares for total consideration of approximately \$3.9 billion. The total Arrangement Consideration consists of approximately \$1.0 billion in cash, approximately \$2.33 billion in value of Yamana common shares and Agnico common shares (in each case, based on the closing price on the TSX of \$9.18 for Yamana common shares and \$33.45 for the Agnico common shares, as of April 15, 2014, the date prior to the announcement of the Arrangement by Yamana, Agnico Eagle and Osisko), and shares of a new company ("**New Osisko**") with an implied value of approximately \$575 million. Immediately following the completion of the Arrangement, Former Osisko Shareholders will own approximately 14.4% of Yamana's common shares and 16.7% of Agnico Eagle's common shares.

At the same time, Agnico Eagle and Yamana entered into the Joint Acquisition Agreement, as investors, regarding their agreement to form a special purpose joint acquisition entity ("**Acquisitionco**") (with each company owning directly or indirectly 50% of Acquisitionco) and to fund Acquisitionco in an amount sufficient to satisfy the aggregate Arrangement Cash Consideration, Agnico Eagle Share Consideration and Yamana Share Consideration payable to acquire all of the Osisko Shares under the Arrangement. The Joint Acquisition Agreement provides that all decisions to be made by Agnico Eagle and Yamana with respect to the Arrangement under the Arrangement Agreement will be made jointly by mutual agreement. The Joint Acquisition Agreement also provides for Agnico Eagle's and Yamana's cooperation to negotiate and finalize all of the contemplated agreements and documents in connection with the Arrangement, including investment commitment letters, a partnership agreement to govern their joint ownership of the Canadian Malartic Properties and a shareholders agreement to govern their joint ownership of Osisko. For more information, see the sections of the Circular entitled "*The Arrangement*", "*The Joint Acquisition Agreement*" and "*The Canadian Malartic Partnership Agreement*".

Prior to the Effective Time, Osisko and a wholly-owned subsidiary will establish Canadian Malartic GP. At the Effective Time, Osisko will transfer all of its rights, titles and interests in the Canadian Malartic Properties to Canadian Malartic GP, subject to the retention by Osisko of the Canadian Malartic NSR which Osisko will transfer to New Osisko at the Effective Time as part of the New Osisko Assets, as described in the Circular. Upon closing of the Arrangement, Yamana and Agnico Eagle will each directly or indirectly own 50% of Osisko and Canadian Malartic GP, and will form a joint management committee to operate the Canadian Malartic Properties through Canadian Malartic GP in Québec. Yamana and Agnico Eagle will also jointly continue to explore and potentially develop the Canadian Exploration Properties.

In addition to requiring court approval and certain approvals of Osisko Shareholders and Osisko Optionholders, the Arrangement is subject to applicable regulatory approvals and the satisfaction of certain other customary conditions as described elsewhere in the Circular.

Certain *pro forma* financial information regarding Yamana has been prepared, for the fiscal year ended December 31, 2013, after giving effect to the Arrangement. The *pro forma* financial information is based on the assumption that the Arrangement is completed and Yamana and Agnico Eagle jointly acquire (directly or indirectly) 100% of the issued and outstanding Osisko Shares, with each of Yamana and Agnico Eagle directly or indirectly holding 50% interests in the Canadian Malartic Properties, the Kirkland Lake Properties, the Hammond Reef Properties, the Pandora Properties and the Wood Pandora Properties. Copies of the *pro forma* financial information regarding Yamana and the material assumptions required to construct the *pro forma* financial information are set out in the notes to the unaudited *pro forma* condensed consolidated financial statements contained in Schedule "L" to the Circular.

## **Risk Factors**

Osisko Securityholders are encouraged to obtain independent legal, tax and investment advice in their jurisdiction of residence with respect to the Circular, the consequences of the Arrangement and the holding of Yamana common shares.

An investment in Yamana common shares should be considered highly speculative and Osisko Securityholders should carefully consider all of the information disclosed in the Circular and the documents incorporated herein by reference in evaluating whether to approve the Arrangement Resolution. In addition to the other information presented in the Circular, the risk factors described in the Yamana AIF and the following risk factors should be given special consideration when evaluating whether to approve the Arrangement Resolution.

## ***Market Price of Yamana Common Shares***

The Yamana common shares are listed on the TSX and the NYSE. The price of the Yamana common shares is likely to be significantly affected by short-term changes in gold prices or in Yamana's financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to Yamana's performance that may have an effect on the price of the Yamana common shares include the following: the extent of analytical coverage available to investors concerning Yamana's business may be limited if investment banks with research capabilities do not continue to follow Yamana's securities; the lessening in trading volume and general market interest in



Yamana's securities may affect an investor's ability to trade significant numbers of Yamana common shares; and the size of Yamana's public float may limit the ability of some institutions to invest in Yamana's securities.

As a result of any of these factors, the market price of the Yamana common shares at any given point in time may not accurately reflect Yamana's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Yamana may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

### ***Dilution to Yamana Common Shares***

During the life of Yamana's options and other rights granted or assumed by Yamana, the holders are given an opportunity to profit from a rise in the market price of the Yamana common shares with a resulting dilution in the interest of the other shareholders. Yamana's ability to obtain additional financing during the period such rights are outstanding may be adversely affected and the existence of the rights may have an adverse effect on the price of the Yamana common shares. The holders of options and other rights of Yamana may exercise such securities at a time when Yamana would, in all likelihood, be able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding rights.

The increase in the number of Yamana common shares in the market and the possibility of sales of such shares may have a depressive effect on the price of the common shares. In addition, as a result of the issuance of additional common shares, the voting power of Yamana's existing shareholders will be diluted.

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**SCHEDULE "L"**

**UNAUDITED *PRO FORMA* CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF EACH OF  
AGNICO EAGLE AND YAMANA AND UNAUDITED *PRO FORMA* CONDENSED CONSOLIDATED  
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# **Agnico Eagle Mines Limited**

Pro Forma Combined Financial Statements  
(Unaudited)

**December 31, 2013**

(expressed in thousands of U.S. dollars, U.S. GAAP  
basis)

# Agnico Eagle Mines Limited

## Pro Forma Combined Balance Sheet

(Unaudited) as at December 31, 2013

(expressed in thousands of U.S. dollars, U.S. GAAP basis)

	Agnico Eagle Mines Limited	Pro Forma Adjustments (Note 4)	Transaction costs (Note 4)	Pro Forma Combined
<b>Assets</b>				
<b>Current</b>				
Cash and cash equivalents	\$ 139,101	\$ -	\$ -	\$ 139,101
Short-term investments	2,217	-	-	2,217
Restricted cash	28,723	-	-	28,723
Trade receivables	67,300	-	-	67,300
Inventories				
Ore stockpiles	39,941	-	-	39,941
Concentrates and dore bars	58,543	-	-	58,543
Supplies	253,160	-	-	253,160
Income taxes recoverable	18,682	-	-	18,682
Available-for-sale securities	74,581	-	-	74,581
Fair value of derivative financial instruments	5,590	-	-	5,590
Other current assets	116,993	-	-	116,993
<b>Total Current Assets</b>	<b>\$ 804,831</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 804,831</b>
Other assets	\$ 66,394	\$ -	\$ -	\$ 66,394
Investment in associates	-	1,517,052 {a},{b}	14,576 {c}	1,531,628
Goodwill	39,017	-	-	39,017
Property, plant and mine development	4,049,117	-	-	4,049,117
<b>Total Assets</b>	<b>\$ 4,959,359</b>	<b>\$ 1,517,052</b>	<b>\$ 14,576</b>	<b>\$ 6,490,987</b>
<b>Liabilities and Shareholders' Equity</b>				
<b>Current</b>				
Accounts payable and accrued liabilities	\$ 173,374	\$ -	\$ -	\$ 173,374
Reclamation provision	3,452	-	-	3,452
Interest payable	13,803	-	-	13,803
Income taxes payable	7,523	-	-	7,523
Capital lease obligations	12,035	-	-	12,035
Fair value of derivative financial instruments	467	-	-	467
<b>Total Current Liabilities</b>	<b>\$ 210,654</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 210,654</b>
Long-term debt	\$ 1,000,000	\$ 456,263 {a}	\$ 14,576 {c}	\$ 1,470,839
Reclamation provision and other liabilities	178,236	-	-	178,236
Deferred income and mining tax liabilities	593,320	-	-	593,320
<b>Shareholders' Equity</b>				
Common shares	3,294,007	\$ 1,060,789 {b}	\$ -	\$ 4,354,796
Stock options	174,470	-	-	174,470
Contributed surplus	37,254	-	-	37,254
Retained earnings (deficit)	(513,441)	-	-	(513,441)
Accumulated other comprehensive loss	(15,141)	-	-	(15,141)
<b>Total Shareholders' Equity</b>	<b>2,977,149</b>	<b>1,060,789</b>	<b>-</b>	<b>4,037,938</b>
	<b>\$ 4,959,359</b>	<b>\$ 1,517,052</b>	<b>\$ 14,576</b>	<b>\$ 6,490,987</b>

The accompanying notes are an integral part of these unaudited *pro forma* combined financial statements.

**Agnico Eagle Mines Limited**  
**Pro Forma Combined Statement Of Income (Loss)**  
(Unaudited) as at December 31, 2013

(expressed in thousands of U.S. dollars, except share and per share amounts, U.S. GAAP basis)

	Agnico Eagle Mines Limited	Pro Forma Adjustments (Note 4)	Pro Forma Combined
<b>Revenues</b>			
Revenue from mining operations	\$ 1,638,406	\$ -	\$ 1,638,406
<b>Costs, expenses and other income</b>			
Production	924,927	-	924,927
Exploration and corporate development	44,236	-	44,236
Amortization of property, plant and mine development	296,078	-	296,078
General and administrative	115,800	-	115,800
Impairment loss on available-for-sale securities	34,272	-	34,272
Provincial capital tax	(1,504)	-	(1,504)
Interest expense	57,999	9,417 {d}	67,416
Interest and sundry income	8,824	-	8,824
(Gain) loss on derivative financial instruments	(1,509)	-	(1,509)
Gain on sale of available-for-sale securities	(74)	-	(74)
Interest in associate	-	262,796 {e}	262,796
Impairment loss	537,227	-	537,227
Foreign currency translation (gain) loss	(7,188)	-	(7,188)
Loss before income and mining taxes	<u>\$ (370,682)</u>	<u>\$ (272,213)</u>	<u>\$ (642,895)</u>
Income and mining tax expense	35,844	(2,479) {d},{e}	33,365
Net loss for the year	<u>\$ (406,526)</u>	<u>\$ (269,734)</u>	<u>\$ (676,260)</u>
<b>Net earnings per common share</b>			
Basic	(2.35)		(3.26)
Diluted	(2.35)		(3.26)
<b>Weighted average number of common shares outstanding ('000s)</b>			
Basic	172,893		207,707
Diluted	172,893		207,707

The accompanying notes are an integral part of these unaudited *pro forma* combined financial statements.

# Agnico Eagle Mines Limited

## Notes to the Pro Forma Combined Financial Statements

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Unless otherwise stated, capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Circular. These *pro forma* financial statements and information, assumptions and adjustments made herein are given as of the specific dates referenced herein. Certain information about Agnico Eagle, unless otherwise noted, is based on the information available as of April 30, 2014 concerning Agnico Eagle set out in Schedule “J” to the Circular. See Schedule “J” – “*Information Concerning Agnico Eagle as of April 30, 2014*”.

### 1 Basis of Presentation

The accompanying unaudited *pro forma* combined financial statements of Agnico Eagle Mines Limited (“Agnico Eagle”) have been prepared to give effect to the arrangement agreement dated April 16, 2014 (the “Arrangement Agreement”) entered into by Agnico Eagle, Yamana Gold Inc. (“Yamana”) and Osisko Mining Corporation (“Osisko”), pursuant to which Agnico Eagle and Yamana will jointly acquire, directly or indirectly, 100% of Osisko’s issued and outstanding common shares (the “Osisko Shares”) by way of plan of arrangement (the “Acquisition”). The total transaction consideration payable to holders of Osisko Shares (the “Transaction Consideration”) consists of approximately C\$1.0 billion in cash, approximately C\$2.33 billion in aggregate value of common shares of Agnico Eagle (“Agnico Eagle Shares”) and common shares of Yamana (“Yamana Shares”) (based on, in each case, the closing price on the Toronto Stock Exchange (the “TSX”) of C\$33.45 for the Agnico Eagle Shares and C\$9.18 for Yamana Shares, as of April 15, 2014, the date prior to the announcement of the proposed Acquisition by Agnico Eagle, Yamana and Osisko), and shares of a new company (“New Osisko”) with an implied value of approximately C\$575 million. The Transaction Consideration to be provided to holders of Osisko Shares (the “Osisko Shareholders”) under the Acquisition is equal to C\$8.15 per Osisko Share on a fully-diluted basis. Immediately following the completion of the Acquisition, former Osisko Shareholders will own approximately 16.7% of Agnico Eagle’s common shares and approximately 14.4% of Yamana’s common shares and Agnico Eagle and Yamana will each directly or indirectly own 50% of Osisko and its mining assets, including the Canadian Malartic Properties, the Kirkland Lake Properties, the Hammond Reef Properties, the Pandora Properties and the Wood Pandora Properties. Under the terms of the Arrangement Agreement, Osisko will transfer all of its right, title and interest in certain mining assets, including the Canadian Malartic Properties to one or more entities that will be directly or indirectly owned by Agnico Eagle (as to 50%) and Yamana (as to 50%) (collectively the “Joint Venture”), subject to the following assets, collectively referred to as the “New Osisko Assets”, which will be transferred to New Osisko effective upon the closing of the Acquisition:

- a 5% net smelter royalty (“NSR”) on the Canadian Malartic Properties;
- C\$155,000 (\$141,205) in cash;
- a 2% NSR on the Kirkland Lake Properties, the Hammond Reef Properties, the Pandora Properties and the Wood Pandora Properties;
- all assets and liabilities relating to the Mexican Properties; and
- other investments valued at approximately C\$14,400 (as of the date of the Arrangement Agreement).

Upon closing of the Acquisition, each outstanding Osisko Share will be exchanged for:

- C\$2.09 in cash;
- 0.07264 of an Agnico Eagle Share;
- 0.26471 of a Yamana Share; and
- one common share of New Osisko with an implied value of C\$1.20.

# **Agnico Eagle Mines Limited**

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Agnico Eagle intends to fund its 50% share of the cash portion of the Transaction Consideration payable pursuant to the Acquisition and its fees and expenses from funds drawn under Agnico Eagle's existing unsecured revolving credit facility.

Agnico Eagle and Yamana will initially be equal partners, directly or indirectly, in all of the assets and liabilities of Osisko and the Joint Venture.

The unaudited *pro forma* combined statement of income (loss) for the year ended December 31, 2013 combines the historical consolidated statement of earnings of Agnico Eagle and the investment in Osisko and the Joint Venture accounted for using the equity method based on the historical statement of operations of Osisko and the Joint Venture, for the year ended December 31, 2013, to give effect to the Acquisition as if it had occurred on January 1, 2013. The unaudited *pro forma* combined balance sheet as at December 31, 2013 combines the historical consolidated balance sheet of Agnico Eagle and the investment in Osisko and the Joint Venture, as of that date, to give effect to the Acquisition as if it had occurred on December 31, 2013 (the "Acquisition Date").

The historical financial statements of Osisko and the Joint Venture have been derived from the historical consolidated financial statements of Osisko as at and for the year ended December 31, 2013 (on which Osisko's auditor has expressed an unmodified opinion), adjusted for certain assets and liabilities that, under the terms of the Arrangement Agreement will not be retained by Osisko or its affiliated entities or transferred to the Joint Venture.

The unaudited *pro forma* combined financial statements were based on and should be read in conjunction with:

the audited annual consolidated financial statements of Agnico Eagle as at and for the year ended December 31, 2013 and the related notes, incorporated by reference into the Circular; and  
the audited annual consolidated financial statements of Osisko as at and for the year ended December 31, 2013 and the related notes, incorporated by reference into the Circular.

The historical consolidated financial statements have been adjusted to give effect to *pro forma* events that are (1) directly attributable to the Acquisition, (2) factually supportable, and (3) with respect to the *pro forma* combined statement of income (loss), expected to have a continuing impact on the combined financial results post-Acquisition.

These unaudited *pro forma* combined financial statements have been presented for informational purposes only. The *pro forma* information herein is not necessarily indicative of what Agnico Eagle's financial position or financial performance actually would have been had the Acquisition been completed as of the dates indicated and does not purport to project the future financial position or operating results of Agnico Eagle.

Upon the closing of the Acquisition, Osisko and the Joint Venture will be owned directly or indirectly by Agnico Eagle (as to 50%) and Yamana (as to 50%).

Osisko and the Joint Venture are considered to be a business under ASC – 805 *Business Combinations* ("ASC – 805") and Agnico Eagle will perform an allocation of its purchase price to the underlying assets and liabilities of Osisko and the Joint Venture using the acquisition method of accounting in accordance with ASC – 805 for purposes of determining its ongoing share of the earnings of Osisko and the Joint Venture. The purchase price calculation and purchase price allocation are dependent upon fair value estimates and assumptions as at the Acquisition Date and therefore, certain valuations are provisional and are subject to change. In addition, in respect to certain items, adequate information is not available at the time of the preparation of these unaudited *pro forma* combined financial statements, to perform any estimate of fair value. Agnico Eagle will



# **Agnico Eagle Mines Limited**

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finalize all amounts as it obtains the information necessary to complete the measurement process, which is expected to be no later than one year from the Acquisition Date. Accordingly, the *pro forma* adjustments set out herein are preliminary and have been made solely for the purpose of preparing these unaudited *pro forma* combined financial statements. There may be differences between preliminary estimates and final amounts and these differences may have a material impact on the accompanying unaudited *pro forma* combined financial statements of Agnico Eagle and Agnico Eagle's future financial performance and financial position.

Osisko's financial statements are presented in Canadian dollars and prepared in accordance with IFRS. For the purposes of these unaudited *pro forma* combined financial statements, amounts have been translated into U.S. dollars at the following rates:

- December 31, 2013 balance sheet at the exchange rate of US\$0.9402 per C\$1.00; and
- December 31, 2013 statement of loss at the average rate for the year of US\$0.9713 per C\$1.00.

These exchange rates have been obtained from the Bank of Canada website. Unless otherwise noted, these unaudited *pro forma* combined financial statements, and the accompanying notes, are presented in U.S. dollars.

## **2 Description of the Proposed Acquisition**

On April 16, 2014, Agnico Eagle, Yamana and Osisko entered into the Arrangement Agreement pursuant to which Agnico Eagle will acquire, directly or indirectly, a 50% interest in Osisko and the Joint Venture for consideration (the "Agnico Eagle Purchase Consideration") of approximately US\$0.5 billion in cash and up to approximately 35 million Agnico Eagle Shares (having an aggregate value of approximately US\$1 billion). Under the terms of the Arrangement Agreement, Agnico Eagle and Yamana will, upon closing of the Acquisition, become equal partners in the mining and exploration assets held directly or indirectly by Osisko and the Joint Venture which include (i) the Canadian Malartic Properties in northern Québec, and (ii) the Kirkland Lake Properties and the Hammond Reef Properties, advanced exploration properties in northern Ontario, and the Pandora Properties and the Wood Pandora Properties, advanced exploration properties in northern Québec.

## **3 Historical Osisko consolidated financial statements**

In order to show *pro forma* effect of the Acquisition on the historical consolidated balance sheet and consolidated statement of income (loss) of Agnico Eagle as at and for the year ended December 31, 2013, Osisko's historical audited consolidated balance sheet and historical audited consolidated statement of earnings as at and for the year ended December 31, 2013 have been adjusted to give effect to the New Osisko Assets that will be transferred to New Osisko upon the closing of the Acquisition and will not be retained by Osisko or transferred to the Joint Venture.

These unaudited *pro forma* combined financial statements have been compiled using the significant accounting policies of Agnico Eagle, as set out in the audited annual consolidated financial statements of Agnico Eagle as at and for the year ended December 31, 2013. Management of Agnico Eagle has determined, based on their initial assessment, that certain adjustments are necessary to conform Osisko's audited annual consolidated financial statements to U.S. GAAP and the accounting

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policies used by the Agnico Eagle in the preparation of its audited annual consolidated financial statements.

	Osisko, as reported Dec 31, 2013		New Osisko Assets		Net assets transferred		Net assets transferred		U.S. GAAP and accounting policy adjustments		Pro forma adjustments		Osisko, as adjusted Dec 31, 2013		Osisko, @ 50%	
	C\$		C\$		C\$		US\$		US\$		US\$		US\$		US\$	
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	U.S. GAAP	U.S. GAAP	U.S. GAAP	U.S. GAAP	U.S. GAAP	U.S. GAAP	U.S. GAAP	U.S. GAAP
<b>Assets</b>																
<b>Current Assets</b>																
Cash and cash equivalents	161,405	155,000	(a)	6,405	6,022	-	-	-	56,223	(f)	62,245	31,123				
Restricted cash	560	-		560	527	-	-	-	-		527	264				
Accounts receivable	24,552	-		24,552	23,084	-	-	-	-		23,084	11,542				
Inventories	79,247	-		79,247	74,508	(64)	(g)	-	-		74,444	37,222				
Prepaid expenses and other assets	24,260	690	(b)	23,570	22,161	-	-	-	-		22,161	11,081				
	290,024	155,690		134,334	126,302	(64)		56,223			182,461	91,232				
<b>Non-current Assets</b>																
Restricted cash	48,490	-		48,490	45,590	-	-	-	-		45,590	22,795				
Investments in Associates	3,557	3,557	(b)	-	-	-	-	-	-		-	-				
Other investments	8,998	8,998	(b)	-	-	-	-	-	-		-	-				
Property, plant and equipment	1,870,932	4,154	(b)	1,866,778	1,755,145	(63,357)	(g),(h)	2,537,334	(i)	4,229,122	2,114,561					
<b>TOTAL ASSETS</b>	<b>2,222,001</b>	<b>172,399</b>		<b>2,049,602</b>	<b>1,927,037</b>	<b>(63,421)</b>		<b>2,593,557</b>		<b>4,457,173</b>	<b>2,228,588</b>					
<b>Liabilities</b>																
<b>Current Liabilities</b>																
Accounts payable and accrued liabilities	78,967	35		78,932	74,212	-	-	-	-		74,212	37,106				
Current portion of long-term debt	71,794	5,000	(e)	66,794	62,800	-	-	-	(j)	62,800	31,400					
Provisions and other liabilities	6,913	3,540	(c),(d)	3,373	3,171	-	-	-	-		3,171	1,586				
	157,674	8,575		149,099	140,183	-	-	-	-		140,183	70,092				
<b>Non-current Liabilities</b>																
Long-term debt	245,157	72,376	(e)	172,781	162,449	-	-	843	(j)	163,292	81,646					
Provisions and other liabilities	18,499	3,089	(c),(d)	15,410	14,488	-	-	-	-	14,488	7,244					
Deferred income and mining taxes	69,603	-		69,603	65,441	11,133	(g),(h),(n),(o)	1,028,532	(i),(k),(l),(m)	1,105,106	552,554					
	333,259	75,465		257,794	242,378	11,133		1,029,375		1,282,886	641,444					
<b>TOTAL LIABILITIES</b>	<b>490,933</b>	<b>84,040</b>		<b>406,893</b>	<b>382,561</b>	<b>11,133</b>		<b>1,029,375</b>		<b>1,423,069</b>	<b>711,536</b>					
<b>PARTNERSHIP CAPITAL</b>				<b>1,642,709</b>	<b>1,544,476</b>	<b>(74,564)</b>		<b>1,564,182</b>		<b>3,034,104</b>	<b>1,517,052</b>					

### Consolidated balance sheet adjustments:

- An adjustment for cash of \$141,205 (C\$155,000) that will be transferred to New Osisko as part of the Acquisition.
- An adjustment for the portions of property, plant and equipment, prepaid expenses, the investments in associates and other investments that will be transferred to New Osisko upon closing of the Acquisition.
- An adjustment to reflect the immediate vesting of restricted share units and deferred share units of Osisko (together, the "Units") with a balance of approximately C\$3,540, accounted for within "Current liabilities – Provisions and other liabilities", upon the closing of the Acquisition. It is assumed that all in-the-money Units will be exercised and the settlement amounts payable under the respective plans will be payable upon the closing of the Acquisition. These instruments entitle the holder to a cash payment upon exercise.
- No adjustment has been made for the flow-through shares accounted for within "Current liabilities – Provisions and other liabilities", as these flow-through shares will not be transferred to New Osisko and will form part of the net assets of Osisko and the Joint Venture.
- An adjustment to reflect the conversion at the Acquisition Date of (i) the FSTQ Convertible Loan (C\$5,000 current, C\$1,621 long-term) potentially convertible upon change of control (1,116,695 Osisko Shares) and (ii) the Caisse Debenture and the Ressources Québec Debenture (the "Convertible Debentures") (\$70,755 long-term, net of transaction costs) (12,000,000 Osisko Shares). As discussed in note 4 below, in order to determine the estimated number of Agnico

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Eagle Shares to be issued on the date of closing of the Acquisition, these unaudited *pro forma* combined financial statements have been prepared assuming that all convertible debt, in-the-money Osisko Warrants, and in-the-money Osisko Options of Osisko are converted into Osisko Shares at the date of the closing of the Acquisition, and all Osisko Shares potentially issuable under Osisko's Resource Sharing Agreement have been issued. Some or all of the outstanding convertible debt and securities of Osisko that are convertible into or exchangeable for Osisko Shares may not be converted into Osisko Shares on or prior to the closing of the Acquisition.

- f) An amount of \$142,754 will be received by Osisko assuming the exercise of all in-the-money Osisko Warrants and in-the-money Osisko Options upon the closing of the Acquisition. Proceeds from the exercise of these securities will be used by Osisko to pay out an estimated \$47,176 in change in control payments (including cash payments aggregating C\$3,000 due to out-of-the-money Osisko Optionholders in accordance with the terms of the Plan of Arrangement), as well as \$39,355 in estimated transaction costs.
- g) An adjustment to reduce property, plant, and equipment by \$55,766 and inventories by \$64 to reverse the impact of Osisko's recognition of deferred stripping assets on its balance sheet. The adjustment also reflects a related \$22,526 increase in deferred taxes. Osisko has adopted the principles of IFRIC 20 – "*Stripping Costs in the Production Phase of a Surface Mine*" in accounting for its production phase stripping costs. Osisko measures the stripping activity at cost based on an accumulation of costs incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable mine site overhead costs. After initial recognition, the stripping activity asset is carried at cost less depreciation and impairment losses in the same way as the existing asset of which it is a part. The stripping activity asset is depreciated over the expected useful life of the identified components of the ore body that become more accessible as a result of the stripping activity using the units of production method.

Agnico Eagle does not defer production phase stripping costs to separate deferred stripping assets and does not apply the principles of IFRIC 20. Under U.S. GAAP, the costs of removing overburden and waste materials to expose ore and access mineral deposits for extraction during the production phase of a surface mine are accounted for as production costs and are included in the costs of the inventory produced during the period in which the stripping costs are incurred.

- h) An adjustment to reduce property, plant, and equipment for \$57,195 of accumulated costs capitalized to exploration and evaluation assets which would not qualify for capitalization under Agnico Eagle's accounting policy as the related properties did not contain proven and probable reserves. The adjustment also reflects a related \$22,077 increase in deferred taxes. Under Osisko's accounting policy, capitalization of exploration expenditures commence when it is more likely than not (i.e. probable) that future economic benefits will be realized. The assessment of probability is based on factors such as the level of exploration and the degree of management's confidence in the ore body.
- i) An adjustment to reflect the fair value of the property, plant, and equipment acquired, in excess of the book value and the resulting deferred tax liability, assuming a mining tax rate of approximately 38.6%. The applicable tax rate is based on the tax jurisdiction of the asset where it will be recovered through use.
- j) An adjustment has been made to reflect the fair value of the long-term debt of Osisko held by CPPIB Credit Investments Inc. ("CPPIB"), a wholly-owned subsidiary of CPP Investment Board, which may remain a liability of Osisko after the closing of the Acquisition. The fair value of the CPPIB debt was calculated using an effective interest rate of 7.625%.

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- k) Upon the close of the Acquisition, Osisko will recognize a taxable capital gain due to the transfer of shares to New Osisko. Historical tax attributes of Osisko will be utilized to offset such taxable capital gain, resulting in a reduction of deferred tax assets of \$44,923. This has been recorded as an increase in deferred tax liabilities.
- l) Due to the transfer of the Canadian Malartic NSR to New Osisko as part of the Acquisition, a reduction in the tax basis of such assets will be recorded in Osisko, resulting in an increase in the deferred tax liability to be recognized upon the close of the Acquisition, of \$12,646.
- m) An adjustment to reflect deferred tax assets of \$8,448 triggered by certain change-in-control payments which would be deductible in the future.
- n) An adjustment of \$5,132 to increase Osisko's net deferred tax liability as of December 31, 2013 to reflect the use of the statutory tax rate of 38.6% which does not include the Québec mining duties processing allowance rate as required under U.S. GAAP. Osisko's net deferred tax liability as of December 31, 2013 used a statutory tax rate of 36.8% which included the Québec mining duties processing allowance rate permitted under IFRS.
- o) An adjustment to Osisko's purchase accounting for the asset acquisition of Queenston Mining Inc. on which the initial recognition exemption was applied under IFRS. Under U.S. GAAP, an initial recognition exemption may not be applied and a deferred tax liability of \$49,604 is recognized on the fair value increments of property, plant and equipment.

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	Osisko, as reported	Adjustments relating	Osisko, as adjusted	Osisko, as adjusted	U.S. GAAP and accounting policy adjustments	Proforma adjustments	Osisko, as adjusted
	Dec 31, 2013	to New Osisko Assets	Dec 31, 2013	Dec 31, 2013			Dec 31, 2013
	C\$	C\$	C\$	US\$	US\$	US\$	US\$
	IFRS	IFRS	IFRS	IFRS	U.S. GAAP	U.S. GAAP	U.S. GAAP
<b>Revenue</b>	675,648	-	675,648	656,257	-	-	656,257
<b>Mine operating costs</b>							
Production costs	359,182	-	359,182	348,873	38,852 (f)	-	387,725
Royalties	8,832	-	8,832	8,579	-	32,761 (g)	41,340
Depreciation	117,358	-	117,358	113,990	(3,294) (f)	100,696 (h)	211,392
<b>Earnings from mine operations</b>	190,276	-	190,276	184,815	(35,558)	(133,457)	15,800
<b>Expenses</b>							
General and Administrative	32,371	(8,375) (b)	23,996	23,307	-	-	23,307
Exploration and evaluation	12,966	(6,717) (b)	6,249	6,070	24,038 (i)	-	30,108
Write-off of property, plant and equipment	17,950	(5,159) (e)	12,791	12,423	-	-	12,423
Impairment of property, plant and equipment	530,878	- (c)	530,878	515,642	142,701 (k)	-	658,343
<b>Operating earnings</b>	(403,889)	20,251	(383,638)	(372,627)	(202,297)	(133,457)	(708,381)
Interest income	(1,789)	1,340	(449)	(436)	-	-	(436)
Finance costs	31,219	(8,801) (d)	22,418	21,775	-	(4,912) (j)	16,863
Foreign exchange (gain)/loss	6,317	455	6,772	6,578	-	-	6,578
Share of loss of associates	1,149	(1,149) (a)	-	-	-	-	-
Other gains	12,236	(12,482) (a)	(246)	(239)	-	-	(239)
<b>(Loss)/earnings before taxes</b>	(453,021)	40,888	(412,133)	(400,305)	(202,297)	(128,545)	(731,147)
Income and mining tax expense	2,082	4,620	6,702	6,510	(165,705) (f),(j),(k)	(46,360) (g),(h),(i)	(205,555)
<b>Net (loss)/earnings</b>	(455,103)	36,268	(418,835)	(406,815)	(36,592)	(82,185)	(525,592)
Basic and diluted (loss) income per share	(1.04)						
Weighted-average number of shares outstanding (000s)						Agnico Eagle ownership interest	50%
Basic	437,193						(262,796)
Diluted	437,193						

### Consolidated statement of loss adjustments:

- Adjustments have been made to remove the impact on the statement of loss with respect to Osisko's interest in a number of associates that are accounted for using the equity method. Osisko also has available-for-sale marketable securities and financial assets that are carried at fair value through profit and loss. Certain of these investments with an aggregate value of approximately C\$14,400 (as of the date of the Arrangement Agreement) will be transferred to New Osisko and will not be retained by Osisko or transferred to the Joint Venture upon closing of the Acquisition. Adjustments have been made to remove the impact on the statement of loss with respect to these investments.
- An adjustment has been made to general and administrative expenses and exploration and evaluation expenses to remove the historical expenses incurred by Osisko that are not direct and incremental to the mining assets and liabilities retained by Osisko or the Joint Venture following the closing of the Acquisition.
- No adjustment has been made for an impairment loss of C\$530,878 on the Osisko historical audited consolidated statement of loss related to the Hammond Reef Properties.
- An adjustment has been made to the interest expense incurred on the \$75,000 of Convertible Debentures as well as the FSTQ Convertible Loan, which are all assumed to be converted to Osisko Shares upon the trigger of change in control. Interest on the Convertible Debentures is fixed at a rate of 6.875% per annum, payable on a quarterly basis in cash. Interest on the FSTQ Convertible Loan accrues on the principal at 9.5% per annum payable in Osisko Shares or cash.

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As these are assumed to be converted, we have assumed that no related interest expense would exist for the current period.

- e) An adjustment has been made to reflect the impairment loss relating to the Mexican Properties and other exploration and evaluation properties that are being transferred to New Osisko and will not be acquired by Yamana and Agnico Eagle upon closing of the Acquisition.
- f) Approximately \$38,852 (C\$40,000) has been spent on production phase stripping activity during the period. To conform with Agnico Eagle's accounting policy under U.S. GAAP, these costs are treated as production costs (as opposed to being capitalized and amortized as deferred stripping assets). Approximately \$3,294 (C\$3,392) in related amortization has been reversed. An income tax recovery of \$13,725 has been recognized.
- g) As part of the Acquisition, as discussed in note 1, New Osisko will acquire the Canadian Malartic NSR, which is a 5% NSR royalty on the production of the Canadian Malartic Properties. The Canadian Malartic Properties are expected to be transferred to the Joint Venture and indirectly acquired by Agnico Eagle and Yamana. An adjustment has been made to royalties to reflect the Canadian Malartic NSR paid on production of the Canadian Malartic Properties, calculated for the purposes of these *pro forma* financial statements based on 5% of revenues, net of transportation charges and refining charges, of the Canadian Malartic Properties for the year ended December 31, 2013. An income tax recovery of \$8,813 has been recognized.
- h) An adjustment of \$100,696 to reflect the incremental depletion expense, relating to the fair market value increment allocated to the Canadian Malartic Properties. The depletion expense is based on the total of proven and probable reserves. An income tax recovery of \$38,869 has been recognized.
- i) An adjustment to reflect approximately \$24,038 (C\$24,748) of exploration and evaluation costs capitalized under Osisko's accounting policy which would not qualify for capitalization under Agnico Eagle's accounting policy. An income tax recovery of \$9,279 has been recognized.
- j) As it relates to the long-term debt with CPPIB, an interest income adjustment of \$4,912 has been made to the Osisko historical consolidated statement of loss based on an effective interest rate of 7.625%. This is based on the assumption that Osisko would be paying a premium on the debt at the date of closing of the Acquisition, by recording the debt at fair value as of that date, being higher than the amortized cost or book value of the debt recorded by Osisko. An income tax expense of \$1,321 has been recognized.
- k) An adjustment to Osisko's purchase accounting for the initial recognition of assets representing the Hammond Reef Properties gold project acquired in an asset acquisition from Brett Resources Inc. on which the initial recognition exemption was applied under IFRS, and on which an impairment charge of C\$530,878 was recorded representing 100% of the outstanding asset balance. Under U.S. GAAP, an initial recognition exemption may not be applied and a deferred tax liability is recognized on the fair value increments of the property, plant and equipment in the asset acquisition. As the asset was impaired in the current period, the incremental effect of

# Agnico Eagle Mines Limited

## Notes to the Pro Forma Combined Financial Statements

(Unaudited) December 31, 2013

(expressed in thousands of U.S. dollars, unless otherwise noted, U.S. GAAP basis)

the above deferred tax recognition has been reversed, resulting in a de-recognition of the related deferred tax liability.

### 4 The Proposed Acquisition

A summary of the allocation of the preliminary purchase price to the acquired assets and liabilities within Agnico Eagle's investment in Osisko and the Joint Venture is as follows:

Agnico Eagle Purchase Consideration	\$
Preliminary fair value estimate of the Agnico Eagle Share consideration (note 4(b))	1,060,789
Agnico Eagle cash consideration (note 4(a)) before transaction costs	456,263
Total consideration before transaction costs	<b>1,517,052</b>

The estimated Agnico Eagle Purchase Consideration reflected in these unaudited *pro forma* combined financial statements does not purport to represent the actual consideration to be transferred upon closing of the Acquisition. The fair value of Agnico Eagle Shares to be issued as part of the Agnico Eagle Purchase Consideration will be measured on the closing date of the Acquisition at the then-current market price. A change of C\$1 in the Agnico Eagle Share price would increase or decrease the consideration expected to be transferred by approximately \$34.6 million, which would be reflected in these unaudited *pro forma* combined financial statements as an increase or decrease to property, plant and equipment.

For purposes of *pro forma* presentation, it is assumed that the undiluted number of Osisko Shares issued and outstanding equals 439,224,699 Osisko Shares, the number of Osisko Shares which were outstanding as of December 31, 2013. It is further assumed that all of the Convertible Debentures, the FSTQ Convertible Loan, the in-the-money Osisko Warrants, and the in-the-money Osisko Options will be converted into or exercised for Osisko Shares at the Acquisition Date, and all Osisko Shares issuable under Osisko's Resource Sharing Agreement have been issued, in order to determine the estimated number of Agnico Eagle Shares to be issued.

Holders of the Convertible Debentures and the FSTQ Convertible Loan have the right, in the event of a change in control, to convert such indebtedness to Osisko Shares. Additionally, upon a change in control, participants of Osisko's Resource Sharing Agreement have the right to receive Osisko Shares. For the purposes of *pro forma* presentation, it is assumed that the Convertible Debentures (convertible to 12,000,000 Osisko Shares) and FSTQ Convertible Loan (convertible into up to 1,116,695 Osisko Shares) have been converted, and that the provisions of the Resource Sharing Agreement have resulted in the issuance of 1,670,250 Osisko Shares. For purposes of *pro forma* presentation, it is also assumed that certain outstanding securities of Osisko that are in-the-money (based on the purchase price of C\$8.15 per Osisko Share under the Acquisition) and convertible or exercisable to acquire Osisko Shares have been converted or exercised to Osisko Shares at the Acquisition Date, in order to determine the estimated number of Agnico Eagle Shares to be issued on the Acquisition Date, as follows: (i) approximately 12,758,810 Osisko Options outstanding under the Osisko Stock Option Plan that are in-the-money and exercisable for Osisko Shares; and (ii) 12,500,000 Osisko Warrants to acquire Osisko Shares held by CPPIB that are exercisable at an exercise price of C\$6.25 per share.

# Agnico Eagle Mines Limited

## Notes to the Pro Forma Combined Financial Statements

(Unaudited) December 31, 2013

(expressed in thousands of U.S. dollars, unless otherwise noted, U.S. GAAP basis)

On a fully-diluted basis, the unaudited *pro forma* financial statements assume, as of December 31, 2013, a total of 479,270,454 Osisko Shares will be issued and outstanding on the closing of the Acquisition, for purposes of estimating the number of Agnico Eagle Shares to be issued on the date of closing of the Acquisition. The actual number of Osisko Shares issued and outstanding on a fully-diluted basis as of the closing of the Acquisition may be higher. These differences may be material.

Agnico Eagle's transaction costs and professional fees in respect of the Acquisition are estimated at \$14,576 (C\$16,000) and have not been included in the *pro forma* statement of operations given their non-recurring nature. These transaction costs are included in the carrying amount of the equity method investment in accordance with the requirements of U.S. GAAP.

The preliminary purchase price has been allocated to the following identifiable assets and liabilities within Agnico Eagle's investment in Osisko and the Joint Venture based on their estimated fair values as of December 31, 2013:

	<b>Pro forma presentation \$</b>
Cash	31,123
Inventories	37,222
Other assets	45,682
Property, plant and equipment	2,114,561
Trade and other payables	(37,106)
Long term debt and other financial liabilities	(113,046)
Provisions and other liabilities	(8,830)
Deferred tax liability	(552,554)
<b>Total net assets acquired</b>	<b>1,517,052</b>
<b>Total purchase price of equity interest</b>	<b>1,517,052</b>
Add: Acquisition costs	14,576
<b>Total equity interest</b>	<b>1,531,628</b>

For purposes of these unaudited *pro forma* combined financial statements, the excess of the total consideration over the fair value of the net identifiable assets within Agnico Eagle's investment in Osisko and the Joint Venture has been included within the estimate of the fair value of property, plant and equipment within Agnico Eagle's investment in Osisko and the Joint Venture and consequently no notional goodwill within the equity method investment has been included before consideration of Agnico Eagle's transaction costs. The estimate of the fair value of property, plant, and equipment is preliminary, however, and subject to change. The final purchase price and the fair value of the net assets to be acquired will ultimately be determined after the closing of the Acquisition. Therefore, it is likely that the total purchase price, including Agnico Eagle Share Consideration, and the fair values of assets acquired and liabilities assumed within Agnico Eagle's investment in Osisko and the Joint Venture will vary from those shown above, and other identifiable assets, including goodwill, within Agnico Eagle's investment in Osisko and the Joint Venture may be recognized. These differences may be material.



# **Agnico Eagle Mines Limited**

## **Notes to the Pro Forma Combined Financial Statements**

(Unaudited) December 31, 2013

(expressed in thousands of U.S. dollars, unless otherwise noted, U.S. GAAP basis)

The unaudited *pro forma* combined financial statements reflect the following assumptions and adjustments to give effect to the Acquisition, as if the Acquisition had occurred on January 1, 2013 for statement of operations items and December 31, 2013 for balance sheet items. Assumptions relating to the share price of Agnico Eagle or Osisko have used the date of April 15, 2014 which is the date immediately preceding the announcement of the proposed Acquisition.

### ***Unaudited pro forma combined balance sheet:***

- a) An adjustment to reflect the drawdown of \$456,263 (C\$500,838) from Agnico Eagle's \$1.2 billion credit facility to fund Agnico Eagle's cash component of the Transaction Consideration.
- b) An adjustment to reflect the issuance of 34,814,206 Agnico Eagle Shares, based on a ratio of 0.07264 of an Agnico Eagle Share for each outstanding common share of Osisko determined according to the assumptions set out herein. The closing price of Agnico Eagle Shares on the TSX on April 15, 2014 was \$30.47 (C\$33.45).

In arriving at the estimated Osisko Shares outstanding at the time of the Acquisition, the following conversions / exercises are assumed to occur on or prior to the Acquisition Date with estimated additional Osisko common share impacts as follows:

- o Convertible Debentures (12,000,000 Osisko Shares);
- o Osisko Warrants held by CPPIB with an exercise price of \$6.25 per share (12,500,000 Osisko Shares);
- o Exercisable in-the-money Osisko Options (12,758,810 Osisko Shares);
- o FSTQ Convertible Loan, which becomes convertible upon change of control (1,116,695 Osisko Shares); and
- o Shares issuable pursuant to Osisko's Resource Sharing Agreement (1,670,250 Osisko Shares).

In arriving at the estimated Osisko Shares outstanding at the time of the Acquisition, the following conversions / exercises are assumed to *not* occur on or prior to the Acquisition Date:

- o Shares issuable on change of control under the Osisko Employee Share Purchase Plan (ESPP) (120,817 Osisko Shares); and
  - o Fonds Esor Malartic Osisko ("FEMO") share issuance on change in control (300,000 Osisko Shares).
- c) An adjustment to reflect the drawdown of \$14,576 (C\$16,000) from Agnico Eagle's \$1.2 billion credit facility to fund Agnico Eagle's estimated transaction costs and professional fees related to the transaction. Transaction costs are included in the carrying amount of the equity method investment in accordance with the requirements of U.S. GAAP.

# Agnico Eagle Mines Limited

Notes to the Pro Forma Combined Financial Statements  
(Unaudited) December 31, 2013

(expressed in thousands of U.S. dollars, unless otherwise noted, U.S. GAAP basis)

## **Unaudited pro forma combined income statement:**

- d) As it relates to Agnico Eagle's existing \$1.2 billion credit facility, to which an additional amount is presumed drawn at January 1, 2013, an increase in interest expense of \$9,417, and related tax recovery of \$2,479 has been recorded in the *pro forma* statement of operations.
- e) An adjustment to record the recognition of \$262,796, being Agnico Eagle's interest in the loss incurred within the Osisko for the twelve month period (note 3).

## **5 Pro forma share capital**

	<b>December 31, 2013</b>	
	<b># of shares (000s)</b>	<b>Amount</b>
Agnico Eagle Shares outstanding	173,954	\$3,294,007
Agnico Eagle Shares issued under the Acquisition (note 4(b))	34,814	1,060,789
Pro forma share capital	208,768	4,354,796

## **6 Pro forma loss per share**

For the purposes of the unaudited *pro forma* combined financial statements, the loss per share has been calculated using the weighted average number of shares which would have been outstanding as at the year end, after giving effect to the transaction described in note 4 as if it had occurred on January 1, 2013.

	<b>December 31, 2013</b>
Actual weighted average number of Agnico Eagle Shares outstanding (thousands)	172,893
Assumed number of Agnico Eagle Shares issued to Osisko shareholders (note 4(b)) (thousands)	34,814
Pro forma weighted average number of Agnico Eagle Shares outstanding (thousands)	207,707
Pro forma loss attributable to owners of Agnico Eagle	676,260
Pro forma loss per share – basic and diluted	\$3.26

# **Yamana Gold Inc.**

Pro Forma Condensed Consolidated Financial Statements  
(Unaudited)

**December 31, 2013**

(expressed in thousands of US dollars)

**Yamana Gold Inc.**  
**Pro Forma Consolidated Balance Sheet**  
(Unaudited) as at December 31, 2013

(expressed in thousands of US dollars)

	Yamana Gold Inc.	Joint Operation (Note 2)	Pro Forma Adjustments	Note 5	Pro Forma Combined
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	220,018	3,011	28,111	{b} {j}	251,140
Restricted cash	-	263	-	-	263
Trade and other receivables	80,101	-	-	-	80,101
Inventories	229,225	37,254	-	-	266,479
Other financial assets	44,493	9,048	-	-	53,541
Other assets	144,626	13,574	-	-	158,200
<b>Total Current Assets</b>	<b>718,463</b>	<b>63,150</b>	<b>28,111</b>		<b>809,724</b>
<b>Non-current assets</b>					
Restricted cash	-	22,795	-	-	22,795
Property, plant and equipment	10,260,801	877,572	1,128,641	{f}	12,267,014
Investment in associate	117,915	-	-	-	117,915
Investments	9,122	-	-	-	9,122
Other financial assets	9,274	-	-	-	9,274
Deferred tax assets	121,599	-	35,024	{i} {k}	156,623
Goodwill and intangibles	65,548	-	-	-	65,548
Other assets	107,995	-	-	-	107,995
<b>Total assets</b>	<b>11,410,717</b>	<b>963,517</b>	<b>1,191,776</b>		<b>13,566,010</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables	456,893	37,106	10,688	{c}	504,687
Current portion of long-term debt	-	31,400	-	{d}	31,400
Income taxes payable	53,458	-	-	-	53,458
Other financial liabilities	94,926	-	-	-	94,926
Decommissioning, restoration and similar liabilities	-	1,586	-	-	1,586
Other provisions and liabilities	32,093	-	-	-	32,093
<b>Total Current Liabilities</b>	<b>637,370</b>	<b>70,092</b>	<b>10,688</b>		<b>718,150</b>
<b>Non-Current Liabilities</b>					
Long-term debt	1,189,762	81,224	476,722	{b}, {d}	1,747,708
Decommissioning, restoration and similar liabilities	174,523	7,244	-	-	181,767
Deferred tax liabilities	2,024,541	32,720	415,339	{f} {k}	2,472,600
Other financial liabilities	93,839	-	-	-	93,839
Other provisions and liabilities	132,577	-	-	-	132,577
<b>Total Liabilities</b>	<b>4,252,612</b>	<b>191,280</b>	<b>902,749</b>		<b>5,346,641</b>
<b>Equity</b>					
Common Share Capital	6,320,138	-	1,060,992	{a}	7,381,130
Retained Earnings	860,507	-	272	{c} {b}, {i}	860,779
Reserves	(41,236)	-	-	-	(41,236)
Non-controlling interest	18,696	-	-	-	18,696
<b>Total equity</b>	<b>7,158,105</b>	<b>-</b>	<b>1,061,264</b>		<b>8,219,369</b>
<b>Total equity and liabilities</b>	<b>11,410,717</b>	<b>191,280</b>	<b>1,964,013</b>		<b>13,566,010</b>

The accompanying notes are an integral part of these pro forma condensed consolidated financial statements.

# Yamana Gold Inc.

## Pro Forma Consolidated Statement of Operations (Unaudited) for the year ended December 31, 2013

(expressed in thousands of US dollars)

	Yamana Gold Inc.	Joint Operation (Note 2)	Pro Forma Adjustments Note 5	Pro Forma Combined
<b>Revenue</b>	1,842,682	328,128	(16,380) {h}	2,154,430
<b>Cost of sales, excluding depletion</b>	900,789	178,726	-	1,079,515
<b>Gross Margin</b>	941,893	149,402	(16,380)	1,074,915
<b>Depletion, depreciation and amortization</b>	401,115	56,995	36,848 {g}	494,958
<b>Mine operating earnings</b>	540,778	92,407	(53,228)	579,957
General and Administrative	135,320	11,654	-	146,974
Exploration and evaluation	30,151	3,035	-	33,186
Equity earnings from associate	3,905	-	-	3,905
Other operating expenses	78,073	(119)	-	77,954
Impairment of mining properties and goodwill	682,273	264,033	-	946,306
<b>Operating earnings</b>	(388,944)	(186,196)	(53,228)	(628,368)
Finance income	25,086	218	-	25,304
Finance expense	(31,383)	(14,176)	(8,231) {c}, {e}	(53,790)
<b>Earnings before Income Taxes</b>	(395,241)	(200,154)	(61,459)	(656,854)
Income tax expense	(79,110)	(3,255)	20,181 {k}	(62,184)
<b>Net Earnings</b>	(474,351)	(203,409)	(41,278)	(719,038)
<b>Attributable to:</b>				
Yamana Gold Inc. equity holders	(446,247)	(203,409)	(41,278)	(690,934)
Non-controlling interest	(28,104)	-	-	(28,104)
	(474,351)	(203,409)	(41,278)	(719,038)
<b>Net earnings per common share</b>				
Basic	(0.59)			(0.79)
Diluted	(0.59)			(0.79)
<b>Weighted-average number of shares outstanding ('000s)</b>				
Basic	752,697			879,564
Diluted	752,697			879,564

The accompanying notes are an integral part of these pro forma condensed consolidated financial statements.

# Yamana Gold Inc.

## Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited) December 31, 2013

(expressed in thousands of US dollars, unless otherwise noted)

*Unless otherwise stated, capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Circular.*

### **1 Description of the proposed transaction**

The accompanying unaudited pro forma condensed consolidated financial statements of Yamana Gold Inc. (“Yamana”) have been prepared to give effect to the arrangement agreement entered into by Yamana, Agnico Eagle Mines Limited (“Agnico Eagle”), and Osisko Mining Corporation (“Osisko”) dated April 16, 2014 (the “Arrangement Agreement”) pursuant to which Yamana and Agnico Eagle will jointly acquire, directly or indirectly, 100% of Osisko’s issued and outstanding common shares (the “Osisko Shares”) by way of a plan of arrangement (the “Acquisition”). The total transaction consideration payable to holders of Osisko Shares (the “Transaction Consideration”) consists of approximately C\$1.0 billion in cash, approximately C\$2.33 billion in aggregate value of common shares of Yamana (“Yamana Shares”) and common shares of Agnico Eagle (“Agnico Eagle Shares”) (based on, in each case, the closing price on the Toronto Stock Exchange (the “TSX”) of C\$9.18 per Yamana Share and C\$33.45 per Agnico Eagle Shares, as of April 15, 2014, the date prior to the announcement of the proposed Acquisition), and shares of a new company (“New Osisko”) with an implied value of approximately C\$575 million. The Transaction Consideration to be provided to holders of Osisko Shares (the “Osisko Shareholders”) under the Acquisition is equal to C\$8.15 per Osisko Share on a fully-diluted basis.

Pursuant to the Acquisition, Osisko shall transfer its right and interest in and to the Canadian Malartic Properties (excluding, for the avoidance of any doubt, the Canadian Malartic NSR which will be retained by Osisko and transferred to New Osisko) to a general partnership (the “Canadian Malartic GP”). In addition, pursuant to the Acquisition, the following assets of Osisko will be transferred to New Osisko (collectively referred to as the “New Osisko Assets”):

- a 5% net smelter royalty (“NSR”) on the Canadian Malartic Properties;
- C\$155,000 (\$141,205) in cash;
- a 2% NSR on the Kirkland Lake Properties, the Hammond Reef Properties, the Pandora Properties and the Wood-Pandora Properties;
- all assets and liabilities relating to the Mexican Properties; and
- other investments valued at approximately C\$14,400 (as of the date of the Arrangement Agreement).

Immediately following the completion of the Acquisition, Yamana and Agnico Eagle will each directly or indirectly own (A) 50% of Osisko and its mining assets (excluding the New Osisko Assets), including the Kirkland Lake Properties, the Hammond Reef Properties, the Pandora Properties and the Wood Pandora Properties, and (B) a 50% interest in the Canadian Malartic GP (collectively, the “Joint Operation”).

Upon closing of the Acquisition, each outstanding Osisko Share will be exchanged for:

- C\$2.09 in cash;
- 0.26471 of a Yamana Share;
- 0.07264 of an Agnico Eagle Share; and
- one common share of New Osisko with an implied value of C\$1.20.

Yamana and Agnico Eagle will initially be equal partners, directly or indirectly, in all of the assets and liabilities of Osisko and the Joint Operation.

# Yamana Gold Inc.

## Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited) December 31, 2013

(expressed in thousands of US dollars, unless otherwise noted)

The accompanying unaudited pro forma condensed consolidated financial statements of Yamana have been prepared to give effect to the Acquisition.

The unaudited pro forma consolidated statement of operations for the year ended December 31, 2013 combines the historical consolidated statement of operations of Yamana and the historical statement of operations of the Joint Operation, for the year then ended, to give effect to the Acquisition as if it had occurred on January 1, 2013. The unaudited pro forma consolidated balance sheet as at December 31, 2013 combines the historical consolidated balance sheets of Yamana and that of the Joint Operation, as of that date, to give effect to the Acquisition as if it had occurred on December 31, 2013.

The historical financial statements of the Joint Operation have been derived from the historical consolidated financial statements of Osisko as at and for the year ended December 31, 2013, and adjusted for certain assets and liabilities that, under the terms of the definitive agreement, will not be transferred to the Joint Operation.

The unaudited pro forma consolidated condensed financial statements were based on and should be read in conjunction with the following:

- Audited consolidated financial statements of Yamana as at and for the year ended December 31, 2013 and the related notes, included in Yamana's 2013 Annual Report; and,
- Audited consolidated financial statements of Osisko as at and for the year ended December 31, 2013 and the related notes, included in Osisko's 2013 Annual Report.

The historical consolidated financial statements have been adjusted to give effect to pro forma events that are (1) directly attributable to the Acquisition, (2) factually supportable, and (3) with respect to the pro forma consolidated statement of operations, expected to have a continuing impact on the consolidated results.

The unaudited pro forma condensed consolidated financial statements have been presented for informational purposes only. The pro forma information is not necessarily indicative of what Yamana's financial position or financial performance actually would have been had the Acquisition been completed as of the dates indicated and does not purport to project the future financial position or operating results of Yamana.

The Joint Operation will be a joint arrangement whereby both Yamana and Agnico Eagle have joint control of the arrangement and have rights to the assets, and obligations for the liabilities, relating to the arrangement. The unaudited pro forma condensed consolidated financial statements have therefore been prepared in accordance with IFRS 11 *Joint Arrangements* and give effect to Yamana's share of the assets to be held and liabilities to be incurred and its share of revenues arising from the sale of the output from the Joint Operation, its revenues from the sale of its share of output from the Joint Operation, and its share of expenses.

The Joint Operation is considered to be a business under IFRS 3 (2008) *Business Combinations* ("IFRS 3R"). The unaudited pro forma condensed consolidated financial statements have been prepared using the acquisition method of accounting in accordance with IFRS 3R. Accordingly, the purchase price calculation and purchase price allocation are dependent upon fair value estimates and assumptions as at the acquisition date and therefore, certain valuations are provisional and are subject to change. In addition, there are instances where adequate information is not available at the time of the preparation of these statements, to perform any estimate of fair value. Yamana will finalize all amounts as it obtains the information necessary to complete the measurement process, which is expected to be no later than one year from the acquisition date. Accordingly, pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro

# **Yamana Gold Inc.**

## **Notes to the Pro Forma Condensed Consolidated Financial Statements**

(Unaudited) December 31, 2013

(expressed in thousands of US dollars, unless otherwise noted)

forma condensed consolidated financial statements. Differences between preliminary estimates and final amounts may occur and these differences could be material to the accompanying unaudited pro forma condensed consolidated financial statements of Yamana and Yamana's future financial performance and financial position.

Osisko's financial statements are presented in Canadian dollars. For the purposes of these unaudited pro forma condensed consolidated financial statements, amounts have been translated into US dollars at the following rates:

- December 31, 2013 balance sheet at the exchange rate of \$0.9402; and
- December 31, 2013 statement of loss at the average rate for the year of \$0.9713.

All foreign exchange rates have been obtained from the Bank of Canada website. Unless where otherwise noted, these unaudited pro forma condensed consolidated financial statements, and their accompanying notes, are presented in US dollars.

These unaudited pro forma condensed consolidated financial statements are presented for illustrative purposes only and do not reflect the realization of potential cost savings, synergies or potential restructuring costs that may result from the transaction. There can be no assurance that cost savings and synergies will be achieved, however, if achieved could result from the reduction of overhead and elimination of duplicative functions. The pro forma information is not necessarily indicative of what the financial position or results of operations actually would have been had the Acquisition had been completed at the date indicated. In addition, the unaudited pro forma consolidated financial information does not purport to project the future financial position or operating results of the combined company after completion of the Acquisition. Similarly, no amounts have been included in the purchase price allocation for the estimated costs to be incurred to achieve savings or other benefits of the transaction.

## **2 Historical Osisko consolidated financial statements**

In order to give pro-forma effect to the Acquisition on the historical consolidated balance sheet and consolidated statement of operations of Yamana as at and for the year ended December 31, 2013, Osisko's historical audited consolidated balance sheet and historical audited consolidated statement of loss as at and for the year ended December 31, 2013 have been adjusted to give effect to the New Osisko Assets that will not be transferred to the Joint Operation.



# Yamana Gold Inc.

## Notes to the Pro Forma Condensed Consolidated Financial Statements (Unaudited) December 31, 2013

(expressed in thousands of US dollars, unless otherwise noted)

	Osisko, as reported Dec 31, 2013	New Osisko Assets		Net assets transferred to Joint Operation	Net assets transferred to Joint Operation	50% of Joint Operation
	CAD	CAD		CAD	USD	USD
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	161,405	155,000 {a}		6,405	6,022	3,011
Restricted cash	560	-		560	527	263
Accounts receivable	24,552	-		24,552	23,084	11,542
Inventories	79,247	-		79,247	74,508	37,254
Prepaid expenses and other assets	24,260	690 {b}		23,570	22,161	11,080
	290,024	155,690		134,334	126,302	63,150
<b>Non-current Assets</b>						
Restricted cash	48,490	-		48,490	45,590	22,795
Investments in Associates	3,557	3,557 {b}		-	-	-
Other investments	8,998	8,998 {b}		-	-	-
Property, plant and equipment	1,870,932	4,154 {b}		1,866,778	1,755,145	877,572
<b>TOTAL ASSETS</b>	<b>2,222,001</b>	<b>172,399</b>		<b>2,049,602</b>	<b>1,927,037</b>	<b>963,517</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued liabilities	78,967	35		78,932	74,211	37,106
Current portion of long-term debt	71,794	5,000 {e}		66,794	62,800	31,400
Provisions and other liabilities	6,913	3,540 {c}, {d}		3,373	3,171	1,586
	157,674	8,575		149,099	140,182	70,092
<b>Non-current Liabilities</b>						
Long-term debt	245,157	72,376 {e}		172,781	162,449	81,224
Provisions and other liabilities	18,499	3,089 {c}, {d}		15,410	14,488	7,244
Deferred income and mining taxes	69,603	-		69,603	65,441	32,720
	333,259	75,465		257,794	242,378	121,188
<b>TOTAL LIABILITIES</b>	<b>490,933</b>	<b>84,040</b>		<b>406,893</b>	<b>382,560</b>	<b>191,280</b>

### Consolidated balance sheet adjustments

- Cash of \$141,205 (C\$155,000) will be transferred to New Osisko as part of the Acquisition.
- The portions of property, plant and equipment and prepaid expenses, and all of the investments in associates and other investments to be transferred to New Osisko, which will not be transferred to the Joint Operation.
- Restricted Share Units (“RSUs”) and Deferred Share Units (“DSUs”) will vest immediately upon the close of the Acquisition. It is assumed that Units will be paid out upon the closing of the Acquisition, and any additional cash consideration to be paid by Yamana is incorporated within the purchase price in note 4 below.
- Flow-through shares will not be transferred to New Osisko and will form part of the transfer to the Joint Operation.
- As discussed in note 4 below, an assumption has been made that all of the convertible debt, in-the-money warrants, and in-the-money options held in Osisko are converted into common shares of Osisko, and that all shares issuable by Osisko under the Resource Sharing Agreement are issued, at the date of the transaction in order to determine the estimated number of Yamana common shares to be issued on the date of the Acquisition. Out-of-the-money options will be paid out in cash upon the close of the Acquisition, and have been included within the transaction costs to be paid by Osisko.

# Yamana Gold Inc.

## Notes to the Pro Forma Condensed Consolidated Financial Statements (Unaudited) December 31, 2013

(expressed in thousands of US dollars, unless otherwise noted)

	Osisko, as reported	Adjustments relating to New Osisko Assets	Joint Operation Earnings	Joint Operation Earnings	50% of Joint Operation
	Dec 31, 2013		Dec 31, 2013	Dec 31, 2013	Operation
	CAD	CAD	CAD	USD	USD
<b>Revenue</b>	675,648	-	675,648	656,256	328,128
<b>Mine operating costs</b>					
Production costs	359,182	-	359,182	348,873	174,437
Royalties	8,832	-	8,832	8,578	4,289
Depreciation	117,358	-	117,358	113,990	56,995
<b>Earnings from mine operations</b>	190,276	-	190,276	184,815	92,407
<b>Expenses</b>					
General and Administrative	32,371	(8,375) {b}	23,996	23,307	11,654
Exploration and evaluation	12,966	(6,717) {b}	6,249	6,070	3,035
Write-off of property, plant and equipment	17,950	(5,159) {e}	12,791	12,423	6,212
Impairment of property, plant and equipment	530,878	- {c}	530,878	515,642	257,821
<b>Operating earnings</b>	(403,889)	20,251	(383,638)	(372,627)	(186,315)
Interest income	(1,789)	1,340	(449)	(436)	(218)
Finance costs	31,219	(8,801) {d}	22,418	21,775	10,887
Foreign exchange (gain)/loss	6,317	455	6,772	6,578	3,289
Share of loss of associates	1,149	(1,149) {a}	-	-	-
Other gains /losses	12,236	(12,482) {a}	(246)	(239)	(119)
<b>(Loss)/earnings before taxes</b>	(453,021)	40,888	(412,133)	(400,305)	(200,154)
Income and mining tax expense	2,082	4,620	6,702	6,510	3,255
<b>Net (loss)/earnings</b>	(455,103)	36,268	(418,835)	(406,815)	(203,409)
Basic and diluted (loss) income per share	(1.04)				
Weighted-average number of shares outstanding ('000s)					
Basic	437,193				
Diluted	437,193				

### Consolidated statement of loss adjustments

- Osisko has interests in a number of associates that are accounted for using the equity method. It also has available-for-sale marketable securities and financial assets that are carried at fair value through profit and loss. These investments will be transferred to New Osisko and will not be transferred to the Joint Operation. Adjustments have been made to remove the impact on the statement of loss with respect to these investments.
- An adjustment has been made to general and administrative expenses, and exploration and evaluation expenses to remove the historical expenses incurred by Osisko that are not direct and incremental to the mining assets and liabilities retained by the Joint Operation and relate to the operations of New Osisko.
- The Osisko historical audited consolidated statement of loss includes an impairment loss of C\$530,878 related to the Hammond Reef Properties. Without the effect of the impairment loss, Yamana's share of the net earnings from the Joint Operation would be an income of \$54,412 on a post-tax basis and \$75,344 on a pre-tax basis.
- An adjustment has been made to the interest expense incurred on the Caisse Debenture and the Ressources Québec Debenture and the FSTQ Convertible Loan which are all assumed to be converted to common shares of Osisko at the trigger of change in control.
- An adjustment has been made to reflect the impairment loss relating to the Mexican properties and other exploration and evaluation properties which are transferred to New Osisko and hence are not acquired by Yamana and Agnico Eagle.

# Yamana Gold Inc.

## Notes to the Pro Forma Condensed Consolidated Financial Statements (Unaudited) December 31, 2013

(expressed in thousands of US dollars, unless otherwise noted)

### 3 Summary of significant accounting policies

These unaudited pro forma condensed consolidated financial statements have been compiled using the significant accounting policies as set out in the audited consolidated financial statements of the Company as at December 31, 2013. Management has determined, based on their initial assessment, that certain adjustments are necessary to conform the relevant items of Osisko's audited consolidated financial statements to the accounting policies used by Yamana in the preparation of its audited consolidated financial statements:

- a. Depletion of producing properties – Osisko depletes its producing property on a units-of-production basis over an estimate of proven and probable reserves. Yamana depletes its producing properties on a units-of-production basis over an estimate of recoverable ounces, which includes proven and probable reserves in addition to a portion of mineral resources expected to be classified as mineral reserves and are economically extractable. The depletion expense for the Canadian Malartic mine for the year ended December 31, 2013 has been recalculated based on Yamana's accounting policy for the depletion of producing mines, as noted in note 5(g) below.
- b. Certain reclassifications on the pro forma consolidated balance sheet and the pro forma consolidated statement of operations have been effected to conform to Yamana's accounting policies. These have been made prior to the reconciliation within note 2. These adjustments include the following:
  - i. Tax credit receivables were reclassified from accounts receivable to other financial assets;
  - ii. Advances and deposits were reclassified from accounts receivable to other assets; and
  - iii. Foreign exchange gains and losses and interest income were reclassified to finance income / finance expense.

### 4 The Proposed transaction

The activity of the Joint Operation will constitute a business, as defined by IFRS 3R, and consequently, Yamana will apply the principles of IFRS 3R in the accounting for the acquisition of its interest in the Joint Operation. Yamana's share of the assets and liabilities of the joint operation is 50%.

A summary of the allocation of the preliminary purchase price to the acquired assets and liabilities assumed is as follows:

	\$
Yamana Purchase Consideration <sup>(a)</sup>	
Preliminary fair value estimate of the Yamana share consideration (note 5(a))	1,060,992
Yamana cash consideration (note 5(b))	<u>456,263</u>
Total consideration	<u>1,517,255</u>

- a. The estimated purchase consideration reflected in these unaudited pro forma condensed consolidated financial statements does not purport to represent the actual consideration to be transferred upon closing of the Acquisition. In accordance with IFRS 3R, the fair value of Yamana common shares to be issued as part of the consideration transferred will be measured

# Yamana Gold Inc.

## Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited) December 31, 2013

(expressed in thousands of US dollars, unless otherwise noted)

on the closing date of the acquisition at the then-current market price. A change of C\$1 in the Yamana common share price would increase or decrease the consideration expected to be transferred by approximately \$115,173 (\$C126,426), which would be reflected in these unaudited pro forma condensed consolidated financial statements as an increase or decrease to property, plant and equipment.

The above estimate purchase price consideration reflects the number of outstanding shares and potential shares of Osisko as at December 31, 2013. For purposes of pro forma presentation, an assumption has been made that all convertible debt, in-the-money warrants and in-the-money options held in Osisko will be converted into common shares of Osisko, and that all shares issuable by Osisko under the Resource Sharing Agreement are issued, at the date of the transaction, in order to determine the estimated number of Yamana common shares to be issued on the date of the Acquisition.

Transaction costs in respect of the Acquisition are estimated at \$20,037 and have not been included in the pro forma statement of operations given its non-recurring nature.

The preliminary purchase price has been allocated to the following identifiable assets and liabilities based on their estimated fair values as of December 31, 2013:

	<b>Pro forma presentation \$</b>
Cash	31,122
Restricted cash	23,058
Inventories	37,254
Other financial assets	9,048
Other assets	13,574
Property, plant and equipment	2,006,214
Deferred tax asset	4,027
Trade and other payables	(37,106)
Long term debt and other financial liabilities	(113,046)
Decommissioning, restoration, and other liabilities	(8,830)
Deferred tax liability	(448,060)
<b>Total net assets acquired</b>	<b>1,517,255</b>

For purposes of these pro forma condensed consolidated financial statements, the excess of the total consideration over the net identifiable assets to be acquired has been included within the estimate of the fair value of property, plant and equipment, and consequently no goodwill has been included on the pro forma consolidated balance sheet. The estimate of the fair value of property, plant, and equipment is preliminary, however, and subject to change. The final purchase price and the fair value of the net assets to be acquired will ultimately be determined after the closing of the Acquisition. Therefore, it is likely that the purchase price, including share consideration, and the fair values of assets acquired and liabilities assumed will vary from those shown above, and other identifiable assets, including goodwill, may be recognized. These differences may be material.

# Yamana Gold Inc.

## Notes to the Pro Forma Condensed Consolidated Financial Statements (Unaudited) December 31, 2013

(expressed in thousands of US dollars, unless otherwise noted)

### 5 Pro forma assumptions and adjustments

The unaudited pro forma condensed consolidated financial statements reflect the following assumptions and adjustments to give effect to the Acquisition, as if the Acquisition had occurred on January 1, 2013 for statement of operations items and December 31, 2013 for balance sheet items. Assumptions relating to the share price of Yamana or Osisko are based on the date of April 15, 2014 which represents the date of the announcement of the proposed Acquisition.

- a. An adjustment to reflect the issuance of 126,867,682 Yamana shares, based on a ratio of 0.26471 of a Yamana common share for each outstanding common share of Osisko. The closing price of Yamana shares on April 15, 2014 was \$8.36 (C\$9.18).
- b. An adjustment to reflect the amount paid by Yamana as part of the transaction, of \$456,263 (C\$500,838), in addition to the transaction costs and professional fees related to the transaction of \$20,037.

On April 16, 2014, the Company received commitments for an additional senior unsecured term facility for two years of \$750,000. The terms and covenants of the term facility are substantively the same as the existing revolving credit facility. For purposes of these unaudited pro forma condensed consolidated financial statements, Yamana assumes the above noted costs will be funded through a portion of this additional facility.

- c. As it relates to the Company's facility noted in Note 5(b), additional interest expense of \$16,800 has been recorded in the pro forma statement of operations due to the issuance of the facility, which was used to finance Yamana's share of the cash consideration as well as transactions costs to be incurred as part of the Acquisition.
- d. An adjustment has been made to reflect the fair value of the long-term debt held by Osisko with CPPIB Credit Investments ("CPPIB"), a wholly-owned subsidiary of CPP Investment Board, which will be acquired as part of the Joint Operation. The fair value of the debt was calculated using a market rate of 7.625%. This represents an estimate of the interest rate that an unrelated market participant would use to value the above noted debt, and is specific to the net assets of the Joint Operation, as the debt would be assumed to be repaid through the use of the cash flows generated by the Joint Operation.

Yamana's share of the current portion of this debt is \$28,206.

- e. As it relates to the long-term debt with CPPIB, a reduction in interest expense adjustment of \$2,456 has been recorded in the pro forma consolidated statement of operations based on an effective interest rate of 7.625%. This is due to the fact that Yamana would be paying a premium on the debt at the date of Acquisition, by recording the debt at fair value as of that date, being higher than the amortized cost or book value of the debt recorded by Osisko.
- f. An adjustment to reflect the fair value of the property, plant, and equipment acquired, in excess of the book value and the resulting deferred tax liability, assuming a mining tax rate of approximately 36.8%. The applicable tax rate is based on the tax jurisdiction of the asset where it will be recovered through use.
- g. An adjustment to reflect the calculation of the depletion expense recorded on the Canadian

# Yamana Gold Inc.

## Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited) December 31, 2013

(expressed in thousands of US dollars, unless otherwise noted)

Malartic assets to conform to the accounting policies of Yamana. The depletion expense is based on an estimate of proven and probable reserves, in addition to the portion of mineral resources that is expected to be reclassified to reserves in the future, and expected to be economically extractable. A conversion rate of 25% has been assumed on the conversion of such mineral resources to mineral reserves, for purposes of the depletion expense adjustment recorded to the Canadian Malartic assets for the year ended December 31, 2013.

- h. As part of the Acquisition, as noted in note 1, New Osisko will own a 5% NSR royalty on the production of the Canadian Malartic mine which will be acquired by the Joint Operation. An adjustment has been made to revenue to reflect the NSR paid on the Canadian Malartic mine, calculated based on 5% of revenues, net of transportation charges and refining charges, of the Canadian Malartic assets for the year ended December 31, 2013.
- i. An adjustment to recognize a deferred tax asset of \$30,997 has been recorded. This is due to the fact that previously unrecognized loss carry-forwards of Yamana are now more likely than not to be utilized, due to the positive taxable income expected to be achieved in Canada by the Canadian Malartic assets within the Joint Operation. This in turn meets the criteria under IAS 12 *Income Taxes* for the recognition of deferred tax assets. As the impact of this recognition is not considered to have a continuing impact on Yamana's consolidated results, no effect has been given to the recognition of this deferred tax asset in the pro forma consolidated statement of operations.
- j. An amount of \$71,377 will be received by Osisko upon the conversion of all in-the-money warrants and in-the-money options upon the close of the Acquisition, representing Yamana's portion of such receipts. Subsequently, an amount of \$43,266 of transactions costs and change of control payments will be paid out by Osisko relating to the Acquisition. The remaining cash balance of \$28,111 is acquired by Yamana as part of Yamana's share of the Joint Operation, and forms part of the purchase price allocation in note 4 above.
- k. For purposes of these unaudited pro forma consolidated balance sheet, the following tax adjustments have been recorded;
  - i. Upon the close of the Acquisition, Osisko will recognize an estimated total taxable capital gain of \$167,011 due to the transfer of shares to New Osisko. Historical tax attributes of Osisko will be utilized to offset such taxable capital gain, resulting in a reduction of deferred tax assets of \$41,392, \$20,696 of which represents Yamana's share of such reduction. This has been recorded as an increase in deferred tax liabilities within the purchase price allocation in note 4 above.
  - ii. As noted in note 5(j) above, Osisko will be paying a total of \$43,266 of change of control and transaction costs, representing Yamana's share of such payments. An amount of \$19,940 is assumed to be deductible for income tax purposes. Such deductions will create a deferred tax asset of \$4,027 upon the close of the Acquisition, representing Yamana's share of the asset recognized.
  - iii. Due to the transfer of the NSR on the Canadian Malartic assets to New Osisko as part of the Acquisition, a reduction in the tax basis of such assets will be recorded in Osisko, resulting in an increase in the deferred tax liability to be recognized by Yamana upon the close of the Acquisition, of \$6,725.

# Yamana Gold Inc.

## Notes to the Pro Forma Condensed Consolidated Financial Statements (Unaudited) December 31, 2013

(expressed in thousands of US dollars, unless otherwise noted)

- iv. Due to Osisko electing to apply an initial recognition exemption from recognizing a deferred tax liability on their purchase of the Kirkland Lake Properties in 2012, a deferred tax liability of \$20,004 will be recognized by Yamana upon the close of the Acquisition relating to the above-noted properties.

All of the above tax adjustments have been reflected as an adjustment to property, plant and equipment, as noted in note 4 above.

- i. For purposes of these unaudited pro forma consolidated statement of operations, the following tax adjustments have been recorded, as temporary tax differences as a result of;
  - i. additional depletion expense noted in note 5(g), using a mining tax rate of 36.8%
  - ii. additional interest expense noted in note 5(c) and note 5(e), using a federal tax rate of 26.9%
  - iii. royalties paid as noted in note 5(h), using a mining tax rate of 26.9%

### 6 Pro forma share capital

	<u>December 31, 2013</u>	
	<b>Number of shares (000s)</b>	<b>Amount</b>
Yamana's common shares outstanding	753,303	6,320,138
Yamana's common shares issued under the Acquisition (note 5 (a))	<u>126,868</u>	<u>1,060,992</u>
Pro forma share capital	<u>880,171</u>	<u>7,381,130</u>

#### Pro forma loss per share

For the purposes of the unaudited pro forma condensed consolidated financial statements, the loss per share has been calculated using the weighted average number of shares which would have been outstanding as at the year end, after giving effect to the transaction described in note 4 as if it had occurred on January 1, 2013.

	<u>December 31, 2013</u>
Actual weighted average number of Yamana shares outstanding (thousands)	752,697
Assumed number of Yamana shares issued to Osisko shareholders (note 5(a)) (thousands)	<u>126,868</u>
Pro forma weighted average number of Yamana shares outstanding (thousands)	<u>879,565</u>
Pro forma loss attributable to Yamana equity holders	695,075
Pro forma loss per share – basic and diluted	0.79

**OSISKO GOLD  
ROYALTIES LTD**

.....  
*Unaudited Pro Forma Condensed  
Consolidated Financial Statements*

*December 31, 2013*



**Osisko Gold Royalties Ltd**  
Pro Forma Consolidated Balance Sheet  
As at December 31, 2013  
(Unaudited)

(Expressed in thousands of Canadian dollars)

	<u>Osisko Mining Corp.</u>	<u>Pro Forma Adjustments</u>	<u>Note 4</u>	<u>Osisko Gold Royalties Ltd Pro Forma Consolidated</u>
	\$	\$		\$
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	161,405	78,125	b)	155,000
		32,483	c)	
		(74,513)	d)	
		998,184	d)	
		(42,500)	d)	
		(998,184)	e)	
Restricted cash	560	(560)	d)	-
Accounts receivable	24,552	(24,552)	d)	-
Inventories	79,247	(79,247)	d)	-
Prepaid expenses and other assets	24,260	(23,570)	d)	690
	290,024	(134,334)		155,690
<b>Non-current assets</b>				
Restricted cash	48,490	(48,490)	d)	-
Investments in associates	3,557	-		3,557
Other investments	8,998	2,321,136	d)	8,998
		(2,321,136)	e)	
Deferred income taxes	-	13,450	d)	13,450
Property, plant and equipment	1,870,932	(1,866,778)	d)	4,154
	<u>2,222,001</u>	<u>(2,036,152)</u>		<u>185,849</u>

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

**Osisko Gold Royalties Ltd**  
Pro Forma Consolidated Balance Sheet  
As at December 31, 2013  
(Unaudited)

(Expressed in thousands of Canadian dollars)

	<u>Osisko Mining Corp.</u>	<u>Pro Forma Adjustments</u>	<u>Note 4</u>	<u>Osisko Gold Royalties Ltd Pro Forma Consolidated</u>
	\$	\$		\$
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	78,967	(78,932)	d)	35
Current portion of long-term debt	71,794	(5,000)	a)	-
		(66,794)	d)	
Provisions and other liabilities	6,913	(3,540)	c)	-
		(3,373)	d)	
	<u>157,674</u>	<u>(157,639)</u>		<u>35</u>
<b>Non-current liabilities</b>				
Long-term debt	245,157	(72,376)	a)	-
		(172,781)	d)	
Provisions and other liabilities	18,499	(3,089)	c)	-
		(15,410)	d)	
Deferred income and mining taxes	69,603	(69,603)	d)	-
	<u>490,933</u>	<u>(490,898)</u>		<u>35</u>
<b>Shareholders' equity</b>				
Share capital	2,060,810	85,381	a)	1
		98,700	b)	
		136,342	c)	
		(2,381,232)	e)	
Warrants	20,575	(20,575)	b)	-
Contributed surplus	75,626	(58,349)	c)	-
		(17,277)	e)	
Equity component of convertible debentures	8,005	(8,005)	a)	-
Accumulated other comprehensive income	16	-		16
Retained earnings (deficit)	(433,964)	(38,881)	c)	185,797
		1,579,453	d)	
		(920,811)	e)	
	<u>1,731,068</u>	<u>(1,545,254)</u>		<u>185,814</u>
	<u>2,222,001</u>	<u>(2,036,152)</u>		<u>185,849</u>

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

**Osisko Gold Royalties Ltd**  
Pro Forma Consolidated Statement of Loss  
For the year ended December 31, 2013  
(Unaudited)

(Expressed in thousands of Canadian dollars, except per share amounts)

	<b>Osisko Mining Corp.</b>	<b>Pro Forma Adjustments</b>	<b>Note 4</b>	<b>Osisko Gold Royalties Ltd Pro Forma Consolidated</b>
	\$	\$		\$
<b>Revenues</b>	675,648	(641,816)	d)	33,832
Mine operating costs				
Production costs	(359,182)	359,054	d)	(128)
Royalties	(8,832)	8,832	d)	-
Depreciation	(117,358)	117,358	d)	-
<b>Earnings from mine operations</b>	190,276	(156,572)		33,704
General and administrative expenses	(32,371)	23,996	d)	(8,375)
Exploration and evaluation expenses	(12,966)	6,249	d)	(6,717)
Write-off of property, plant and equipment	(17,950)	12,791	d)	(5,159)
Impairment of property, plant and equipment	(530,878)	530,878	d)	-
<b>Earnings (loss) from operations</b>	(403,889)	417,342		13,453
Interest income	1,789	(449)	d)	1,340
Finance costs	(31,219)	8,801	a)	-
		22,418	d)	
Foreign exchange gain (loss)	(6,317)	6,772	d)	455
Share of loss of associates	(1,149)	-	d)	(1,149)
Other losses	(12,236)	(246)	d)	(12,482)
<b>Earnings (loss) before income and mining taxes</b>	(453,021)	454,638		1,617
Income and mining tax expense	(2,082)	(5,214)	f)	(7,296)
<b>Net loss</b>	(455,103)	449,424		(5,679)
<b>Net loss per share (note 5)</b>				
Basic	(1.04)			(0.12)
Diluted	(1.04)			-

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

# Osisko Gold Royalties Ltd

## Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited)

(Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

### 1. BASIS OF PRESENTATION

The unaudited pro forma condensed consolidated financial statements (the “Pro Forma Financial Statements”) have been prepared by management in connection with Osisko Mining Corporation’s (“Osisko”) proposed arrangement (“Arrangement”), upon and subject to the terms and conditions set out in the Management Information Circular (the “Circular”) dated May 1, 2014, pursuant to which Yamana Gold Inc. (“Yamana”) and Agnico Eagle Mines Limited (“Agnico Eagle”) will jointly acquire 100% of Osisko’s issued and outstanding common shares and all the issued and outstanding shares of Osisko Gold Royalties Ltd will be distributed to the common shareholders of Osisko.

The Pro Forma Financial Statements have been prepared for illustrative purposes only and give effect to the proposed Arrangement as defined in Note 3 and pursuant to the adjustments described in Note 4. The unaudited pro forma consolidated balance sheet as at December 31, 2013 gives effect to the proposed Arrangement as if it had occurred as at December 31, 2013. The unaudited pro forma consolidated statement of loss for the year ended December 31, 2013 give effect to the proposed Arrangement as if it had occurred on January 1, 2013.

The Pro Forma Financial Statements are not necessarily indicative of the financial position and results of operations that would have been achieved if the proposed Arrangement had been completed on the dates or for the period presented, nor do they claim to project the results of operations or financial position of the entity for any future period or as of any future date. Any potential implementation costs that may be incurred or reduction in general and administrative expenses that may be realized upon completion of the proposed Arrangement, if successful, have been excluded from the Pro Forma Financial Statements.

In preparing the unaudited pro forma consolidated balance sheet and the unaudited pro forma consolidated statement of loss, the following historical information, that was prepared in accordance with International Financial Reporting Standards (“IFRS”), was used:

- a. For the unaudited pro forma consolidated balance sheet as at December 31, 2013:
  - (i) the audited consolidated balance sheet of Osisko as at December 31, 2013.
- b. For the unaudited pro forma consolidated statement of loss for the year ended December 31, 2013:
  - (i) the audited consolidated statement of loss of Osisko for the year ended December 31, 2013.

The Pro Forma Financial Statements should be read in conjunction with: (i) the description of the transactions in the Circular, and (ii) the historical consolidated financial statements, together with the notes thereto, of Osisko referred to above which are incorporated by reference in the Circular and available at [www.sedar.com](http://www.sedar.com).

In the opinion of Osisko’s management, these Pro Forma Financial Statements include all adjustments necessary for a fair presentation of the transactions described in the notes to the Pro Forma Financial Statements applied on a basis consistent with Osisko’s accounting policies.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the Pro Forma Financial Statements are set out in Osisko’s audited consolidated financial statements for the year ended December 31, 2013.

### 3. AGREEMENT AND RELATED TRANSACTIONS

On April 16, 2014, Osisko announced that it had entered into an agreement (the “Agreement”) with Yamana and Agnico Eagle, pursuant to which Yamana and Agnico Eagle will jointly acquire 100% of Osisko’s issued and outstanding common shares, including common shares that may become outstanding after the date of the execution of the Agreement but before the effective time of the Arrangement upon the conversion or exercise

# Osisko Gold Royalties Ltd

## Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited)

(Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

of share options, warrants or other securities that are convertible into or exchangeable or exercisable for common shares. Under the Agreement, Yamana and Agnico Eagle will form a joint acquisition entity (with each company owning 50%) which will acquire, by way of a statutory plan of arrangement, all of the outstanding common shares of Osisko.

Under the Arrangement, Osisko shareholders will receive, in exchange for each of their existing common shares: (i) \$2.09 in cash, (ii) 0.26471 of a Yamana common share, (iii) 0.07264 of an Agnico Eagle common share and (iv) a common share of Osisko Gold Royalties Ltd, which collectively have an aggregate implied value of \$8.15 for each outstanding Osisko common share based among others on the closing price of the Yamana and Agnico Eagle common shares on the Toronto Stock Exchange on April 15, 2014, the day preceding the Agreement announcement. In particular, such value of each of the Yamana common shares and the Agnico Eagle common shares is \$2.43 per Osisko common share for an aggregate value of \$4.86, and the ascribed value to the common shares of Osisko Gold Royalties Ltd is \$1.20 per Osisko common share. Pursuant to the Arrangement, the shares of Osisko Gold Royalties Ltd will be distributed to Osisko shareholders as part of the consideration. The following will be transferred to Osisko Gold Royalties Ltd: (i) a 5% net smelter return royalty (“NSR”) on the Canadian Malartic mine, (ii) a 2% NSR on all existing exploration properties including Kirkland Lake, Hammond Reef, Pandora and Wood Pandora assets, (iii) \$155.0 million in cash, (iv) all assets and liabilities of Osisko in the Guerrero camp in Mexico and (v) publicly traded equity investments in associates and other publicly traded companies.

There is no contingent liability in connection with the Agreement.

The actual value of the Yamana and Agnico Eagle common shares may differ from the amount presented as the closing price of the Yamana and Agnico Eagle common shares might be different at the closing date of the Arrangement. The actual value of the common shares of Osisko Gold Royalties Ltd upon commencement of trading after the closing date of the Arrangement may differ from the ascribed value.

Following completion of the arrangement, it is expected that the Osisko Gold Royalties Ltd shares will be consolidated on the basis of one (1) share for every ten (10) shares.

The completion of the Arrangement is subject to the satisfaction of a number of conditions, including regulatory approvals, court approval and obtaining Osisko shareholders’ approval. There can be no assurance that the Arrangement will be completed as proposed or at all.

For accounting purposes, Osisko Gold Royalties Ltd will be considered as the continuation of Osisko whereby the Arrangement is expected to be accounted for as a deemed disposal of net assets, resulting in discontinued operations on the consolidated statement of loss followed by the distribution to Osisko’s shareholders of the cash and the shares deemed received from Yamana and Agnico Eagle.

The net assets disposed reflect their respective net book values as at December 31, 2013 and are subject to final adjustments.

<b>Consideration deemed received from Yamana and Agnico Eagle</b>	<b>\$</b>
Cash <sup>(1)(2)</sup>	998,184
Common shares of Yamana <sup>(1)(3)</sup>	1,160,568
Common shares of Agnico Eagle <sup>(1)(4)</sup>	1,160,568
Osisko’s transactions costs	<u>(42,500)</u>
	<u>3,276,820</u>
<b>Net assets disposed</b>	
Cash and cash equivalents	74,513

# Osisko Gold Royalties Ltd

## Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited)

(Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

Inventories	79,247
Other current assets	48,682
Property, plant and equipment	1,866,778
Restricted cash – non current	48,490
Accounts payable and accrued liabilities	(78,932)
Provisions and other liabilities	(18,783)
Long-term debt	(239,575)
Deferred income and mining taxes <sup>(5)</sup>	(83,053)
	<u>1,697,367</u>
<b>Net gain on disposal</b>	<u>1,579,453</u>

- (1) Based on the number of Osisko common shares outstanding as at December 31, 2013 and the assumption of the conversion of the convertible debentures and the Fonds de solidarité FTQ (“FSTQ”) loan balance and the exercise of the in-the-money share options and warrants for a total of 477,600,204 common shares (see notes 4 a), b) and c) below). The number of Osisko’s common shares outstanding and the Yamana and Agnico Eagle common share prices will be adjusted to the actual figures on the closing date of the transaction.
- (2) Each Osisko common share is exchanged for \$2.09 in cash.
- (3) Each Osisko common share is exchanged for 0.26471 of a Yamana common share, representing a value of \$2.43 based on the closing price of the Yamana common shares of \$9.18 on the Toronto Stock Exchange on April 15, 2014.
- (4) Each Osisko common share is exchanged for 0.07264 of an Agnico Eagle common share, representing a value of \$2.43 based on the closing price of the Agnico Eagle common shares of \$33.45 on the Toronto Stock Exchange on April 15, 2014.
- (5) Represents the aggregate of the historical deferred income and mining taxes liability of Osisko to be assumed by Agnico Eagle and Yamana (\$69.6 million) and the deferred income taxes impact of the tax base to be transferred to Osisko Gold Royalties Ltd related to the retained interest in the form of the NSR (\$13.5 million).

#### 4. PRO FORMA ADJUSTMENTS

The Pro Forma Financial Statements include the following assumptions and adjustments to give effect to the Agreement and related transactions as described in Note 3 as if the Agreement and related transactions had occurred on January 1, 2013 for the statement of loss items and December 31, 2013 for the balance sheet items.

- a. To record the conversion of the \$75.0 million convertible debentures held by Caisse de dépôt et placement du Québec and Ressources Québec into an aggregate 12.0 million common shares of Osisko (conversion price of \$6.25 per common share) and to record the conversion of the FSTQ loan balance into an aggregate 1.1 million common shares of Osisko (conversion price of \$5.97). As at December 31, 2013, the amortized cost of the liability for the convertible debentures was \$70.8 million and the amortized cost of the FSTQ loan balance was \$6.6 million. The related equity component of convertible debentures of \$8.0 million was reclassified to share capital. Finance costs for the year 2013 have been adjusted to reflect the impact of the conversions.
- b. To record the exercise of the 12.5 million warrants held by the Canadian Pension Plan Investment Board (“CPPIB”) in exchange for 12.5 million common shares of Osisko. The exercise price is \$6.25 per warrant for aggregate proceeds of \$78.1 million. The related contributed surplus of \$20.6 million was reclassified to share capital.

# Osisko Gold Royalties Ltd

## Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited)

(Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

- c. The Agreement will constitute a “change of control” for purposes of the various share-based plans and employment contracts. The pro forma adjustments in the consolidated balance sheet reflect the accelerated vesting and settlement in cash of the restricted and deferred share units for an aggregate payment of \$26.2 million. The “change of control” will also trigger compensation payments to directors and officers estimated at \$19.3 million. The pro forma adjustments in the consolidated balance sheet also reflect the accelerated vesting of the share options and the exercise of the in-the-money share options for aggregate proceeds of \$81.0 million as well as the repurchase by Osisko of the out-of-the-money share options for \$3.0 million. The implied Osisko common share value of \$8.15 was used to evaluate the payments for the restricted and deferred shares units and to determine the in-the-money options for which proceeds are received from their exercise. The net pre-tax compensation expense resulting from these adjustments of \$38.9 million is recorded directly in deficit and has not resulted in a pro forma adjustment to the pro forma consolidated statement of loss since this expense is a non-recurring item directly attributable to the transactions.
- d. To record the deemed disposal of the net assets of Osisko to Yamana and Agnico Eagle with the exception of the assets and liabilities retained by Osisko Gold Royalties Ltd as described in Note 3. The net resulting gain of \$1.6 billion is recorded directly in deficit and has not resulted in a pro forma adjustment to the pro forma consolidated statement of loss since this gain is a non-recurring item directly attributable to the Agreement.
- e. To record the deemed distribution to the shareholders of Osisko of \$1.0 billion in cash, \$1.2 billion in Yamana common shares and \$1.2 billion in Agnico Eagle common shares.
- f. To record the income tax impacts arising from the aforementioned pro forma adjustments recorded in the pro forma consolidated statement of loss, which take into consideration the permanent difference on impairment of property, plant and equipment.

### 5. PRO FORMA BASIC NET LOSS PER SHARE

The following table sets for the computation of pro forma basic net loss per share.

#### Pro forma basic net loss per share

<u>(shares expressed in thousands)</u>	<u>Year ended December 31, 2013</u>
Pro forma net loss	<u>\$(5,679)</u>
Historical weighted average number of Osisko common shares outstanding - basic	437,193
Conversion in common shares of the convertible debentures	12,000
Conversion in common shares of the FSTQ loan balance	1,117
Exercise of warrants	12,500
Exercise of stock options	12,759
Effect of the 10:1 share consolidation	<u>(428,012)</u>
Pro forma weighted average number of common shares outstanding - basic	47,557
Pro forma net loss per share - basic	<u>\$(0.12)</u>

Based on the pro forma assumptions, Osisko Gold Royalties Ltd has no instruments that could potentially dilute basic earnings per share in the future.

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## SCHEDULE "M"

### ANNUAL MATTERS

In addition to the Arrangement Resolution, Out-of-the-Money Consideration Resolution and New Osisko Resolutions being put to Osisko Securityholders, as applicable, for approval at the Meeting, Osisko Shareholders (and only Osisko Shareholders) are being asked to consider and approve the Annual Resolutions set out in Schedule "A" to this Circular. Particulars of the subject matter of the Annual Resolutions are further discussed in this Schedule "M". The Annual Resolutions are being put to Osisko Shareholders for approval in the event that the Arrangement is not completed for any reason by June 30, 2014. If the Arrangement is completed as anticipated, many of the matters contemplated in the Annual Resolutions and this Schedule "M" may cease to be relevant, as Agnico Eagle and Yamana will, upon consummation of the Arrangement, jointly own directly or indirectly Osisko and Osisko Shareholders will cease to have any direct interest in Osisko.

**Completion of the Arrangement or approval of the Arrangement Resolution is not conditional upon the approval of any of the Out-of-the-Money Consideration Resolution, New Osisko Resolutions or Annual Resolutions that Osisko Shareholders are being asked to consider. Management of Osisko and the Osisko Board recommend that Osisko Securityholders, as applicable, vote FOR each of the Arrangement Resolution, the Out-of-the-Money Consideration Resolution, the New Osisko Resolutions and the Annual Resolutions, the full text of which are set out in Schedule "A" to this Circular.**

Completion of the Arrangement or approval of the Arrangement Resolution described in greater detail in the Circular is not conditional upon the approval of any of the New Osisko Resolutions described in Schedule "I" or the Annual Resolutions discussed in this Schedule "M" that Osisko Shareholders are being asked to consider.

#### **Financial Statements**

The audited consolidated financial statements of Osisko for the financial year ended December 31, 2013 and the report of the auditors thereon will be submitted to Osisko Shareholders at the Meeting. These consolidated financial statements and Management's Discussion and Analysis were sent to all Osisko Shareholders who requested them in conjunction with this Notice of Annual and Special Meeting of Osisko Shareholders and Circular. Osisko's consolidated financial statements and related Management Discussion and Analysis for the year ended December 31, 2013 are available under Osisko's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com) as well as on Osisko's website at [www.osisko.com](http://www.osisko.com).

#### **Election of Directors**

The executive management team of Osisko is supervised by the Osisko Board as per the CBCA. The members of the Osisko Board are elected annually at each annual meeting of Osisko Shareholders to hold office until the next annual meeting unless, prior thereto, he or she resigns, or the office of such director becomes vacant by death, removal, or other cause. Osisko's articles of incorporation provide that the Osisko Board shall consist of a minimum of three and a maximum of 15 directors. Accordingly, a total of 11 nominees are being proposed as directors for election by the Osisko Shareholders at the Meeting for the current year, each to hold office until the next annual meeting of Osisko Shareholders or until such person's successor is elected or appointed. Osisko Shareholders can vote for all of these proposed directors, vote for some of them and withhold for others, or withhold for all of them.

The following tables set out information about each director's summary career profile, their Osisko Board Committee memberships, meeting attendance during the most recently completed financial year, principal directorships with other reporting issuers as well as other public and parapublic corporations on whose boards the nominees currently serve or have served in the past five years, areas of expertise and the number of securities they hold, either in the form of Osisko Shares, Osisko Options, Deferred Share Units ("DSUs") or Restricted Share Units ("RSUs") of Osisko.

**Unless otherwise directed, the persons named in the enclosed proxy form intend to VOTE FOR the election of each of the proposed nominees whose names are set out below. The proposal requires the approval of a majority of the votes cast at the Meeting.**

Each of the nominees has provided the information as to the Osisko Shares he or she beneficially owns or over which he or she exercises control or direction, as at April 30, 2014. All nominees have served continuously as director of Osisko since their appointment or first election in such capacity.

Osisko has adopted a majority voting policy, which is further described in this Schedule "M" under the heading "*Statement of Corporate Governance Practices – Majority Voting Policy for Election of Directors*".

**VICTOR H. BRADLEY**



Mr. Bradley brings over 50 years of experience in the international mining sector. He is currently Chair of the Osisko Board. A Chartered Professional Accountant, he began his career with positions such as Chief Financial Officer at a number of mining companies. In 1994, he founded Yamana Gold Inc. and worked as CEO, Director, Chairman and Lead Director. Mr. Bradley was a director of Rio Verde Development Corp. (formerly known as EM Resources Inc.) until March 2013 and currently serves on the Board of Directors of Nevada Copper Corp. Over the last five years, Mr. Bradley was a Director of mining companies including AIM Resources Limited (now Blackthorn Resources Limited), Aura Minerals Inc., Castillian Resources Corp., Frontier Pacific Mining Corporation, Meridian Gold Inc., Nevoro Inc. and Nortec Minerals Corp.

Educated in England, Mr. Bradley began his professional career as a member of the Québec institute of Chartered Accountants in 1960.

**Areas of Expertise**

Financial	International Business
Mergers and Acquisitions	Corporate Governance
Technical/Mining	Human Resources
Government Relations	Sustainability
General Management	

Age: 78  
 Monte Carlo, Monaco  
 Director since: November 2006

**Independent<sup>(1)</sup>**

Principal Occupation **Public Board Membership and Interlocking Directorships**

**Chartered Professional Accountant and Corporate Director** **Nevada Copper Corp. — No interlock**

<b>Board and Committee Membership</b>	<b>Attendance</b>			
Board of Directors — Chair	9	of	9	100%
Audit Committee	5	of	5	100%
Human Resources Committee	5	of	5	100%
	<b>Total:</b>		<b>19</b>	<b>of 19</b>
				<b>100%</b>

**Osisko Shares and Deferred Share Units**

<b>Osisko Shares</b>	<b>DSUs</b>	<b>Total Osisko Shares and DSUs</b>	<b>Minimum Share Ownership Level met (✓) or time limit to meet level</b>	<b>Total Market Value of Osisko Shares and DSUs<sup>(2)</sup></b>
30,000	70,400	100,400	✓	\$788,140

**Stock Options**

<b>Date Granted</b>	<b>Expiry Date</b>	<b>Number Granted</b>	<b>Exercise Price</b>	<b>Total Unexercised</b>	<b>Value of Unexercised Options<sup>(3)</sup></b>
2010-07-08	2015-07-07	75,000	\$11.12	75,000	\$0

**2013 Voting Results**

<b>No. Votes For</b>	<b>% of Votes For</b>	<b>No. Votes Withheld</b>	<b>% of Votes Withheld</b>
<b>271,178,047</b>	<b>99.58%</b>	<b>1,146,247</b>	<b>0.42%</b>

Notes:

- (1) **"Independent"** refers to the standards of independence established in the Regulation 52-110 respecting Audit Committees ("**Regulation 52-110**").
- (2) **"Total Market Value of Osisko Shares and DSUs"** is determined by multiplying the closing price of the Osisko Shares on the Toronto Stock Exchange ("**TSX**") on April 30, 2014, by the number of Osisko Shares and DSUs held as at such date. The closing price of the Common Shares on the TSX on April 30, 2014 was \$7.85.
- (3) **"Value of Options Unexercised"** is calculated on the basis of the difference between the closing price of the Osisko Shares on the TSX on April 30, 2014 and the exercise price of the options, multiplied by the number of unexercised options held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.

## JOHN F. BURZYNSKI



Mr. Burzynski is a registered P. Geo. in the province of Québec and has over 25 years' experience as a professional geologist on international mining and development projects. He is one of the three founders of Osisko, and was the Chief Geological Consultant and Vice President Exploration for Osisko from June 2003 to March 2006 and has been Vice President, Corporate Development of Osisko since March 2006. Mr. Burzynski is Chairman of the Board of Directors of Oban Mining Corporation (formerly Braeval Mining Corporation) and serves as a director of Condor Petroleum Inc. He is also a founding member of EurAsia Holding AG - a European based venture capital fund which is a shareholder of Osisko.

Mr. Burzynski holds a Bachelor of Science (Honours) degree in geology from Mount Allison University, and a Master of Science in exploration and mineral economics from Queen's University.

### Areas of Expertise

Financial	International Business
Mergers and Acquisitions	Corporate Governance
Technical/Mining	Sustainability
Government Relations	General Management

Age: 50  
Ontario, Canada  
Director since: May 9, 2013

### **Non Independent<sup>(1)</sup>**

<b>Principal Occupation</b>		<b>Public Board Membership and Interlocking Directorships</b>			
<b>Vice President, Corporate Development of Osisko</b>		<b>Oban Mining Corporation (formerly Braeval Mining Corporation) – No interlock</b>			
<b>Board and Committee Membership</b>		<b>Condor Petroleum Inc. – Interlock with Sean Roosen</b>			
<b>Board of Directors<sup>(2)</sup></b>		Attendance			
		5	of 5	100%	
<b>Osisko Shares and Restricted Share Units</b>					
<b>Osisko Shares</b>	<b>RSUs</b>	<b>Total Osisko Shares and RSUs</b>	<b>Minimum Share Ownership Level met (✓) or time limit to meet level</b>	<b>Total Market Value of Osisko Shares and RSUs<sup>(3)</sup></b>	
245,300	286,000	531,300	✓	\$4,170,705	
<b>Stock Options</b>					
<b>Date Granted</b>	<b>Expiry Date</b>	<b>Number Granted</b>	<b>Exercise Price</b>	<b>Total Unexercised</b>	<b>Value of Unexercised Options<sup>(3)</sup></b>
2009-11-05	2014-11-04	300,000	\$7.80	300,000	\$0
2010-07-08	2015-07-07	500,000	\$11.12	500,000	\$0
2011-08-11	2016-08-10	138,000	\$13.75	138,000	\$0
2012-06-11	2017-06-10	289,500	\$8.06	289,500	\$0
2013-05-09	2018-05-08	484,200	\$4.53	484,200	\$1,607,544
<b>2013 Voting Results</b>					
<b>No. Votes For</b>	<b>% of Votes For</b>	<b>No. Votes Withheld</b>	<b>% of Votes Withheld</b>		
<b>265,415,667</b>	<b>97.46%</b>	<b>6,908,627</b>	<b>2.54%</b>		

Notes:

- "Independent" refers to the standards of independence established in the Regulation 58-101 respecting Disclosure of Corporate Governance Practices ("Regulation 58-101").
- Mr. John Burzynski was elected as a member of the Osisko Board at the Annual and Special Meeting of Osisko Shareholders held May 9, 2013.
- "Total Market Value of Osisko Shares and RSUs" is determined by multiplying the closing price of the Osisko Shares on the TSX on April 30, 2014, by the number of Osisko Shares and RSUs held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.
- "Value of Options Unexercised" is calculated on the basis of the difference between the closing price of the Osisko Shares on the TSX on April 30, 2014 and the exercise price of the options, multiplied by the number of unexercised options held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.

## MARCEL CÔTÉ



Mr. Côté is the founder of Secor Inc., one of Canada's largest management consulting firm, where he was a senior partner until July 31, 2012, when it merged with KPMG Canada. Mr. Côté currently serves as consultant of the firm. He was appointed Vice-Chair of Osisko Board in December 2012. Mr. Côté has taught at University of Sherbrooke and Université du Québec à Montreal before founding Secor in 1975. A native of Malartic, where he grew up, he brings over 40 years of experience in business and has a wide exposure to a variety of issues and several industries. As a consultant, Mr. Côté is particularly known for his strategic insights in business situations. Since February 2014, he serves as a member of the Board of Directors of Alphinat Inc. Over the last 5 years, Mr. Côté has served as a director of Intact Financial Corporation, and Empire Company Limited. Over his career, he has been involved in the public policy arena as an economist. He has worked as a senior aide in both the Prime Minister's Office in Ottawa and the Premier's Office in Québec City. Active in community affairs, Mr. Côté serves on the Board of the Montreal Symphony Orchestra, the McCord Museum, the National Art Center and Compagnie de danse Marie Chouinard, which he chairs. In the past, he has served on the Boards of various public policy think tanks and has chaired the Board of the Public Policy Forum and of the Greater Montreal Community Foundation.

Age: 71  
Québec, Canada  
Director since: June 2010

Mr. Côté holds a Bachelor of Science degree in Physics from the University of Ottawa, a Master of Science degree in Economics from Carnegie Mellon University and is a Fellow of the Center of International Affairs of Harvard University.

### Independent<sup>(1)</sup>

#### Areas of Expertise

Financial	Corporate Governance
Mergers and Acquisitions	Human Resources
Government Relations	General Management
International Business	

Principal Occupation Public Board Membership and Interlocking Directorships

**Consultant** **Alphinat Inc. — No interlock**

Board and Committee Membership Attendance

Board of Directors — Vice-Chair	7	of	9	77.78%
Human Resources Committee — Chair	5	of	5	100.00%
Governance / Nomination Committee	3	of	3	100.00%
Total:	15	of	17	88.24%

Osisko Shares and Deferred Share Units

Osisko Shares	DSUs	Total Osisko Shares and DSUs	Minimum Share Ownership Level met (✓) or time limit to meet level	Total Market Value of Osisko Shares and DSUs <sup>(2)</sup>
220,830	55,000	275,830	✓	\$2,165,266

Stock Options

Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Value of Unexercised Options <sup>(3)</sup>
2010-07-08	2015-07-07	225,000	\$11.12	225,000	\$0

2013 Voting Results

No. Votes For	% of Votes For	No. Votes Withheld	% of Votes Withheld
270,667,086	99.39%	1,657,208	0.61%

Notes:

- (1) "Independent" refers to the standards of independence established in the Regulation 58-101.
- (2) "Total Market Value of Osisko Shares and DSUs" is determined by multiplying the closing price of the Osisko Shares on the TSX on April 30, 2014, by the number of Osisko Shares and DSUs held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.
- (3) "Value of Options Unexercised" is calculated on the basis of the difference between the closing price of the Osisko Shares on the TSX on April 30, 2014 and the exercise price of the options, multiplied by the number of unexercised options held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.

## MICHELE DARLING



Age: 60  
Ontario, Canada  
Director since: May 10, 2012

**Independent<sup>(1)</sup>**

Ms. Darling has over thirty years of global business experience with particular expertise in Human Resources Management and Corporate Governance. She is the President of Michele Darling and Associates Inc. and provides human resources and strategic planning consulting services to Canadian and American businesses. Prior to establishing her consulting practice, Ms. Darling was the Executive Vice President, Corporate Governance with Prudential Financial, Inc. from 1996-2002. She played a very significant role in the transformation of Prudential Financial from a mutual company into a public company, and was honored as Human Resources Executive of the Year in 2000. From 1991-1996 she was the Executive Vice President Human Resources at Canadian Imperial Bank of Commerce, having joined the bank in corporate banking. Ms. Darling also held various Human Resources positions during her ten years with The Oshawa Group Limited. Ms. Darling is currently a member of the Board of Advisors for Hewitt Equipment Limited, The Denihan Hospitality Group (New York). She is the Chair of Trillium Health Partners Foundation, and is the Founder and Chair of The Halo Foundation. She is the Benefactor of The Darling Home For Kids, and is a Governor of The Shaw Festival Theatre.

Ms. Darling holds a Bachelor of Arts (Honours) degree from the University of Sydney and obtained her Master's degree in Education from the University of Toronto. She is a graduate of the Director Program of the Rotman School of Business.

### Areas of Expertise

Corporate Governance	International Business
Human Resources	Sustainability
Mergers and Acquisitions	General Management

**Principal Occupation** Public Board Membership and Interlocking Directorships

**President of Michele Darling and Associates Inc.** None

**Board and Committee Membership** Attendance

Board of Directors	9	of	9	100.00%
Human Resources Committee	5	of	5	100.00%
Environment, Health and Safety Committee	4	of	4	100.00%
	<b>Total:</b>		<b>18</b>	<b>of 18</b>
				<b>100.00%</b>

### Osisko Shares and Deferred Share Units

Osisko Shares	DSUs	Total Osisko Shares and DSUs	Minimum Share Ownership Level met (✓) or time limit to meet level	Total Market Value of Osisko Shares and DSUs <sup>(2)</sup>
40,000	56,400	96,400	✓	\$756,740

### 2013 Voting Results

No. Votes For	% of Votes For	No. Votes Withheld	% of Votes Withheld
271,550,195	99.72%	774,099	0.28%

Notes:

(1) "Independent" refers to the standards of independence established in the Regulation 58-101.

(2) "Total Market Value of Osisko Shares and DSUs" is determined by multiplying the closing price of the Osisko Shares on the TSX on April 30, 2014, by the number of Osisko Shares and DSUs held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.

**JOANNE FERSTMAN**



Ms. Ferstman is a corporate director, sitting on corporate boards. Over an 18 year period until her retirement in June 2012, Ms. Ferstman held a variety of executive positions with the Dundee group of companies. Most recently, Ms. Ferstman was President and Chief Executive Officer of Dundee Capital Markets Inc., a full service investment dealer with principal businesses that include investment banking, research, institutional sales and trading and private client financial advisory. Prior to January 31, 2011, Ms. Ferstman was Vice-Chair and Head of Capital Markets of DundeeWealth Inc., a diversified wealth management public company that was sold to the Bank of Nova Scotia in early 2011. Prior to 2009, Ms. Ferstman was Executive Vice President and Chief Financial Officer of DundeeWealth Inc. and Executive Vice President, Chief Financial Officer and Corporate Secretary of Dundee Corporation. In these senior financial roles, Ms. Ferstman was actively involved in all corporate strategy, including acquisitions and financings, overseeing investee companies and was responsible for all public financial reporting.

Prior to joining the Dundee Group of companies, Ms. Ferstman spent four years as Chief Financial Officer for a national securities firm and five years at a major international accounting firm. Ms. Ferstman serves as a director of Excellon Resources Inc. and Aimia Inc. and also serves as the Chair of Dundee Industrial Real Estate Investment Trust and Dundee Real Estate Investment Trust.

Ms. Ferstman holds a Bachelor of Commerce and a Graduate degree in Public Accountancy from McGill University and is a Chartered Professional Accountant.

Age: 47  
Ontario, Canada  
Director since: May 9, 2013

**Independent<sup>(1)</sup>**

**Areas of Expertise**

Financial	Human Resources
Mergers and Acquisitions	General Management
Corporate Governance	

<b>Principal Occupation</b>		<b>Public Board Membership and Interlocking Directorships</b>		
<b>Chartered Professional Accountant and Corporate Director</b>		<b>Dundee Industrial Real Estate Investment Trust – No interlock</b>		
		<b>Dundee Real Estate Investment Trust – No interlock</b>		
<b>Board and Committee Membership<sup>(2)</sup></b>		<b>Aimia Inc. – No interlock</b>		
		<b>Excellon Resources Inc. – No interlock</b>		
		<b>Attendance</b>		
Board of Directors		5	of 5	100.00%
Audit Committee		3	of 3	100.00%
		Total:	8 of 8	100.00%
<b>Osisko Shares and Deferred Share Units</b>				
<b>Osisko Shares</b>	<b>DSUs</b>	<b>Total Osisko Shares and DSUs</b>	<b>Minimum Share Ownership Level met (✓) or time limit to meet level</b>	<b>Total Market Value of Osisko Shares and DSUs<sup>(3)</sup></b>
25,000	47,500	72,500	May 9, 2016	\$569,125
<b>2013 Voting Results</b>				
<b>No. Votes For</b>	<b>% of Votes For</b>	<b>No. Votes Withheld</b>	<b>% of Votes Withheld</b>	
270,206,725	99.22%	2,117,569	0.78%	

Note:

- (1) "Independent" refers to the standards of independence established in the Regulation 52-110.
- (2) Ms. Ferstman was elected as a member of the Osisko Board at the Annual and Special Meeting of Osisko Shareholders held May 9, 2013 and was subsequently appointed to serve as a member of the Audit Committee effective on such date. The closing price of the Osisko Shares on the TSX on April 14, 2014 was \$7.63.
- (3) "Total Market Value of Osisko Shares and DSUs" is determined by multiplying the closing price of the Osisko Shares on the TSX on April 30, 2014, by the number of Osisko Shares and DSUs held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.

## STAPH LEAVENWORTH BAKALI



Age: 52  
London, United Kingdom  
Director since: March 2006

Mr. Leavenworth Bakali has over 23 years of global business experience and is currently President and Chief Operating Officer of Clinton Health Access Initiative since May 2012. Prior to May 2012, he was Chief Business Officer and a member of the Management Board of Intercell AG, having also served formerly as a Director of Intercell's Supervisory Board. He is the co-founder and currently a member of the Advisory Board of LeapFrog Investments. Mr. Leavenworth Bakali previously was the President and Chief Executive Officer of Genocea Biosciences from February 2009 to September 2010, and currently is an advisor and member of Genocea's Board. From 2004 to 2006 he was the Chief Operating Officer of ID Biomedical, where he played a significant role in transforming the company from an R&D organization into a fully-integrated biotech company and its subsequent acquisition by GlaxoSmithKline. Mr. Leavenworth Bakali was also formerly Chief Operating Officer of PowderJect Pharmaceuticals plc, Director of Worldwide Sales and Marketing of Chiron Corporation's Vaccines Division and member of the Supervisory Board of Napo Pharmaceutical Inc.

Mr. Leavenworth Bakali holds a Master's degree in Management from the University of London.

### Areas of Expertise

Financial	Corporate Governance
Mergers and Acquisitions	Human Resources
Government Relations	General Management
International Business	

**Independent<sup>(1)</sup>**

**Principal Occupation** Public Board Membership and Interlocking Directorships

**President and Chief Operating Officer of Clinton Health Access Initiative** None

**Board and Committee Membership** Attendance

Board of Directors	7	of	9	77.78%
Governance / Nomination Committee	3	of	3	100.00%
<b>Total:</b>	<b>10</b>	<b>of</b>	<b>12</b>	<b>83.33%</b>

### Osisko Shares and Deferred Share Units

Osisko Shares	DSUs	Total Osisko Shares and DSUs	Minimum Share Ownership Level met (✓) or time limit to meet level	Total Market Value of Osisko Shares and DSUs <sup>(2)</sup>
100,000	55,000	155,000	✓	\$1,216,750

### Stock Options

Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Value of Unexercised Options <sup>(3)</sup>
2009-06-30	2014-06-29	75,000	\$6.72	75,000	\$84,750
2010-07-08	2015-07-07	75,000	\$11.12	75,000	\$0

### 2013 Voting Results

No. Votes For	% of Votes For	No. Votes Withheld	% of Votes Withheld
271,029,573	99.52%	1,294,721	0.48%

Notes:

- (1) "**Independent**" refers to the standards of independence established in the Regulation 58-101.
- (2) "**Total Market Value of Osisko Shares and DSUs**" is determined by multiplying the closing price of the Osisko Shares on the TSX on April 30, 2014, by the number of Osisko Shares and DSUs held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.
- (3) "**Value of Options Unexercised**" is calculated on the basis of the difference between the closing price of the Osisko Shares on the TSX on April 30, 2014 and the exercise price of the options, multiplied by the number of unexercised options held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.



**WILLIAM A. MACKINNON**

Mr. MacKinnon is the former Chief Executive Officer of KPMG Canada, serving from April 1999 to December 31, 2008. He first joined KPMG Canada in 1971, serving the company in numerous roles of increasing leadership for 37 years, including his membership on the Board of Directors of each KPMG Canada, KPMG International and KPMG Americas. Mr. MacKinnon is currently a Director of Telus Corporation, PSP Investments, Novadaq Technologies Inc. and Pioneer Petroleum (a private gasoline retail company). He also serves as a Board member for several non-profit organizations. Mr. MacKinnon was Chairman of The Canadian Institute of Chartered Accountants from 2010 to 2012 and Vice Chairman from September 2008 to October 2010 served as Director of the Toronto East General Hospital until 2012. Mr. MacKinnon now serves as a Director of the Saint Stephens Community House and the Toronto East York Hospital Foundation and has been a Director of the Roy Thomson Hall since June 2009 and the Toronto Community Foundation since August 2009.

Mr. MacKinnon obtained a Bachelor of Commerce from the University of Manitoba in 1967. He became a chartered accountant in 1971 and obtained his FCA designation from the Institute of Chartered Accountants of Ontario in 1994.

Age: 67

Ontario, Canada

Director since: June 2010

**Areas of Expertise**

Financial

Mergers and Acquisitions

International Business

Corporate Governance

Human Resources

General Management

**Independent<sup>(1)</sup>**

Principal Occupation

Public Board Membership and Interlocking Directorships

**Chartered Professional Accountant and Corporate Director**

Novadaq Technologies Inc. — No interlock

TELUS Corporation — No interlock

Board and Committee Membership

Attendance

Board of Directors

9 of 9 100.00%

Audit Committee — Chair

5 of 5 100.00%

Total:

14 of 14 100.00%

Osisko Shares and Deferred Share Units

Osisko Shares	DSUs	Total Osisko Shares and DSUs	Minimum Share Ownership Level met (✓) or time limit to meet level	Total Market Value of Osisko Shares and DSUs <sup>(2)</sup>
56,000	55,000	111,000	✓	\$871,350

Stock Options

Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Value of Unexercised Options <sup>(3)</sup>
2010-07-08	2015-07-07	225,000	\$11.12	225,000	\$0

2013 Voting Results

No. Votes For	% of Votes For	No. Votes Withheld	% of Votes Withheld
271,596,719	99.73%	727,575	0.27%

Notes:

(1) "Independent" refers to the standards of independence established in the Regulation 52-110.

(2) "Total Market Value of Osisko Shares and DSUs" is determined by multiplying the closing price of the Osisko Shares on the TSX on April 30, 2014, by the number of Osisko Shares and DSUs held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.

(3) "Value of Options Unexercised" is calculated on the basis of the difference between the closing price of the Osisko Shares on the TSX on April 30, 2014 and the exercise price of the options, multiplied by the number of unexercised options held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.

**CHARLES E. PAGE**

Mr. Page was appointed to the Osisko Board on February 21, 2013. Prior to his appointment, he was the President and Chief Executive Officer of Queenston Mining Inc. ("Queenston") until its acquisition by Osisko. He has over 30 years experience in the mineral exploration and mining industry. Mr. Page also sits on the Board of Directors of Unigold Inc. He also served as a Board member of Thundermin Resources Inc. until May 2011 and Alexandria Minerals Corporation until February 2014.

Mr. Page, P. Geo., M.Sc., is a Professional Geologist who graduated with a Master Science degree from the University of Waterloo.

**Areas of Expertise**

Financial	International Business
Mergers and Acquisitions	Corporate Governance
Technical/Mining	Sustainability
Government Relations	General Management

Age: 62  
Ontario, Canada  
Director since: February 21, 2013

**Non Independent<sup>(1)</sup>**

**Principal Occupation** Public Board Membership and Interlocking Directorships

**Corporate Director** Unigold Inc. — No interlock

**Board and Committee Membership<sup>(2)</sup>** Attendance

Board of Directors	8	of	8	100.00%
Environment, Health and Safety Committee	2	of	2	100.00%
<b>Total:</b>	<b>10</b>	<b>of</b>	<b>10</b>	<b>100.00%</b>

**Osisko Shares and Deferred Share Units**

Osisko Shares	DSUs	Total Osisko Shares and DSUs	Minimum Share Ownership Level met (✓) or time limit to meet level	Total Market Value of Osisko Shares and DSUs <sup>(3)</sup>
552,149	48,944	601,093	✓	\$4,718,580

**Stock Options**

Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Value of Unexercised Options <sup>(4)</sup>
2009-03-25	2014-03-25 <sup>(5)</sup>	168,025	\$6.38	168,025	\$246,997
2010-01-07	2015-01-07	91,650	\$8.99	91,650	\$0
2011-01-17	2015-04-19	183,300	\$9.07	183,300	\$0
2012-03-30	2015-04-19	183,300	\$7.32	183,300	\$97,149

**2013 Voting Results**

No. Votes For	% of Votes For	No. Votes Withheld	% of Votes Withheld
271,423,342	99.67%	900,952	0.33%

Notes:

- "Independent" refers to the standards of independence established in the Regulation 58-101.
- Following the Annual and Special Meeting of Osisko Shareholders held May 9, 2013, Mr. Page was appointed to serve as a member of the Environment, Health and Safety Committee effective on such date.
- "Total Market Value of Osisko Shares and DSUs" is determined by multiplying the closing price of the Osisko Shares on the TSX on April 30, 2014, by the number of Osisko Shares and DSUs held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.
- "Value of Options Unexercised" is calculated on the basis of the difference between the closing price of the Osisko Shares on the TSX on April 30, 2014 and the exercise price of the options, multiplied by the number of unexercised options held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.
- A trading blackout period has been imposed by Osisko as a result of the Goldcorp Offer. Pursuant to the Queenston Stock Option Plan, an exercisable period shall be extended for a further ten days after the trading blackout has been lifted in the event the exercisable period expires during a period when an Osisko Optionholder is prevented from exercising Osisko Options due to a trading blackout.

**SEAN ROOSEN**



Mr. Roosen is President and Chief Executive Officer of Osisko since August 2006. He has led the transition of Osisko from a junior exploration company to a leading intermediate gold producer. He is responsible for leading the strategic development of Osisko and was instrumental in securing the necessary financing to fund the development of the \$1 billion Canadian Malartic Mine, Osisko's flagship asset. Mr. Roosen is a founding member of Eurasia Holdings AG – a European based venture capital fund which is a shareholder of Osisko. He is a Supervisory Board member of Eurasia Holdings AG and Eurasia Resource Holdings AG. He also served on the Board of Directors of Rio Novo Gold Inc. until June 2012. Mr. Roosen currently serves on the Board of Directors of the following publicly listed companies – Astur Gold Corporation, Bowmore Exploration Ltd., Condor Petroleum Inc. and Dalradian Resources Inc.

Mr. Roosen is a graduate of the Haileybury School of Mines and has had various progressive positions in the mining industry both domestically and internationally.

Age: 50

Québec, Canada

Director since: September 2003

**Non Independent<sup>(1)</sup>**

**Areas of Expertise**

Financial

Mergers and Acquisitions

Technical/Mining

Government Relations

International Business

Corporate Governance

Sustainability

General Management

**Principal Occupation**

Public Board Membership and Interlocking Directorships

**President and Chief Executive Officer of Osisko**

**Astur Gold Corp. – No interlock**

**Bowmore Exploration Ltd. – No interlock**

**Condor Petroleum Inc. – Interlock with John F. Burzynski**

**Dalradian Resources Inc. – No interlock**

**Board and Committee Membership**

Attendance

Board of Directors

	9	of	9	100.00%
Total:	9	of	9	100.00%

**Osisko Shares and Restricted Share Units**

Osisko Shares	RSUs	Total Osisko Shares and RSUs	Minimum Share Ownership Level met (✓) or time limit to meet level	Total Market Value of Osisko Shares and RSUs <sup>(2)</sup>
810,093	495,800	1,305,893	✓	\$10,251,260

**Stock Options**

Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Value of Unexercised Options <sup>(3)</sup>
2009-11-05	2014-11-04	400,000	\$7.80	400,000	\$0
2010-07-08	2015-07-07	600,000	\$11.12	600,000	\$0
2011-08-11	2016-08-10	242,000	\$13.75	242,000	\$0
2012-06-11	2017-06-10	506,600	\$8.06	506,600	\$0
2013-05-09	2018-05-08	831,500	\$4.53	831,500	\$2,760,580

**2013 Voting Results**

No. Votes For	% of Votes For	No. Votes Withheld	% of Votes Withheld
265,434,054	97.47%	6,890,240	2.53%

Notes:

- (1) "Independent" refers to the standards of independence established in the Regulation 58-101.
- (2) "Total Market Value of Osisko Shares and RSUs" is determined by multiplying the closing price of the Osisko Shares on the TSX on April 30, 2014, by the number of Osisko Shares and RSUs held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.
- (3) "Value of Options Unexercised" is calculated on the basis of the difference between the closing price of the Osisko Shares on the TSX on April 30, 2014 and the exercise price of the options, multiplied by the number of unexercised options held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.

**GARY A. SUGAR**



Mr. Sugar retired in 2012 as a Managing Director, Investment Banking at RBC Capital Markets, where he worked since 1979. He specialized in the mining sector, particularly in equity and debt financings, mergers and acquisitions and other advisory services for a wide range of Canadian and international mining companies. Mr. Sugar serves on the Board of Directors of Romarco Minerals Inc. and Stillwater Mining Company. He also served on the Board of Directors of Patagonia Gold PLC until February 2013. Prior to joining RBC Capital Markets, he spent 10 years in the mining industry as a geologist, analyst and consultant.

Mr. Sugar graduated in 1971 from University of Toronto with a Bachelor of Science in Geological Sciences and obtained his Master's degree in Business Administration also from the University of Toronto in 1973.

**Areas of Expertise**

Financial	International Business
Mergers and Acquisitions	Corporate Governance
Technical/Mining	General Management

Age: 65  
 Ontario, Canada  
 Director since: March 2012

**Independent<sup>(1)</sup>**

<b>Principal Occupation</b>		<b>Public Board Membership and Interlocking Directorships</b>				
<b>Corporate Director</b>		<b>Stillwater Mining Company – No interlock</b>				
		<b>Romarco Minerals Inc. – No interlock</b>				
<b>Board and Committee Membership</b>		<b>Attendance</b>				
Board of Directors		8	of	9	88.89%	
Audit Committee		5	of	5	100.00%	
Governance / Nomination Committee — Chair		3	of	3	100.00%	
		<b>Total:</b>		16	of 17	94.12%
<b>Osisko Shares and Deferred Share Units</b>						
<b>Osisko Shares</b>	<b>DSUs</b>	<b>Total Osisko Shares and DSUs</b>	<b>Minimum Share Ownership Level met (✓) or time limit to meet level</b>	<b>Total Market Value of Osisko Shares and DSUs<sup>(2)</sup></b>		
10,000	55,000	65,000	✓	\$510,250		
<b>2013 Voting Results</b>						
<b>No. Votes For</b>	<b>% of Votes For</b>	<b>No. Votes Withheld</b>	<b>% of Votes Withheld</b>			
271,270,412	99.61%	1,053,882	0.39%			

Notes:

- (1) **"Independent"** refers to the standards of independence established in the Regulation 52-110.
- (2) **"Total Market Value of Osisko Shares and DSUs"** is determined by multiplying the closing price of the Osisko Shares on the TSX on April 30, 2014, by the number of Osisko Shares and DSUs held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.

**SERGE VÉZINA**

Mr. Vézina is a consultant and engineer with over 40 years experience in the mining industry. From March 1988 to June 2006, he served as Vice-President of Industrial Engineering and Environment of Cambior Inc. Mr. Vézina is currently a Director of Stornoway Diamond Corp. He is a member of the Ordre des ingénieurs du Québec, a member of the American Society for Mining, Metallurgy and Exploration, a former Chairman of the Québec Mining Association, a former Chairman of the Board of COREM and a member of numerous advisory panels and professional bodies within the Canada and Québec mining industry.

Mr. Vézina serves as an adjunct professor at McGill University in Montreal. He graduated in 1966 from Laval University with a Bachelor of Science in Mining and obtained his Ph.D. in Metallurgical Sciences in 1972.

**Areas of Expertise**

Technical/Mining  
International Business  
Sustainability  
General Management

Age: 71  
Québec, Canada  
Director since: September 2007

**Independent<sup>(1)</sup>**

**Principal Occupation** Public Board Membership and Interlocking Directorships

**Corporate Director** Stornoway Diamond Corp. — No interlock

**Mining and Metallurgical Consultant**

**Board and Committee Membership** Attendance

Board of Directors	9	of	9	100.00%
Environment, Health and Safety Committee — Chair	4	of	4	100.00%
<b>Total:</b>	<b>13</b>	<b>of</b>	<b>13</b>	<b>100.00%</b>

**Osisko Shares and Deferred Share Units**

Osisko Shares	DSUs	Total Osisko Shares and DSUs	Minimum Share Ownership Level met (✓) or time limit to meet level	Total Market Value of Osisko Shares and DSUs <sup>(2)</sup>
50,000	55,000	105,000	✓	\$824,250

**Stock Options**

Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Value of Unexercised Options <sup>(3)</sup>
2009-06-30	2014-06-29	75,000	\$6.72	75,000	\$84,750
2010-07-08	2015-07-07	75,000	\$11.12	75,000	\$0

**2013 Voting Results**

No. Votes For	% of Votes For	No. Votes Withheld	% of Votes Withheld
271,619,695	99.74%	704,599	0.26%

Notes:

- (1) "Independent" refers to the standards of independence established in the Regulation 58-101.
- (2) "Total Market Value of Osisko Shares and DSUs" is determined by multiplying the closing price of the Osisko Shares on the TSX on April 30, 2014, by the number of Osisko Shares and DSUs held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.
- (3) "Value of Options Unexercised" is calculated on the basis of the difference between the closing price of the Osisko Shares on the TSX on April 30, 2014 and the exercise price of the options, multiplied by the number of unexercised options held as at such date. The closing price of the Osisko Shares on the TSX on April 30, 2014 was \$7.85.

### **Appointment and Remuneration of Auditors**

At the Meeting, Osisko Shareholders will be asked to consider and, if deemed appropriate, to approve an ordinary resolution, in the form set out in Schedule "A" to the Circular, appointing PricewaterhouseCoopers LLP ("**PWC**"), as independent auditors of Osisko for the fiscal year ending December 31, 2014 and to authorize the directors to establish their remuneration (the "**Appointment of Auditors Resolution**"). PWC were initially appointed on March 12, 2007. **The Osisko Board and the Audit Committee of Osisko recommend that Osisko Shareholders VOTE FOR the Appointment of Auditors Resolution.**

Unless the form of proxy states otherwise, or if the right to vote is not exercised for the appointment of the auditors, the persons named in the enclosed form of proxy intend to **VOTE FOR** the Appointment of Auditors Resolution. The proposal requires the approval of a majority of the votes cast at the Meeting. The persons whose name appears in the attached form of proxy intend to **VOTE FOR** the Appointment of Auditors Resolution.

The following table illustrates in detail the components of the audit fees incurred in 2012 and 2013:

<b>Fees per Services</b>	<b>Fees paid in 2013</b>	<b>Fees paid in 2012</b>
Audit fees:	\$366,513	\$290,511
Audit-Related fees	\$95,256	\$137,432
Tax fees:	\$51,750	\$56,367
All Other fees:	\$ —	\$15,266
<b>TOTAL:</b>	<b>\$513,519</b>	<b>\$499,576</b>

The services corresponding to the audit-related fees are assurance services or other services traditionally performed by an independent auditor, including quarterly review of the financial reports and general advices on accounting standards.

Other fees are related to internal control advices.

### **Approval of the Unallocated Rights or Other Entitlements under the Osisko Employee Share Purchase Plan**

At the Meeting, in accordance with TSX rules, Osisko Shareholders will be asked to consider and, if deemed appropriate, to approve an ordinary resolution, in the form set out in Schedule "A" to the Circular, approving the unallocated rights or other entitlements under the Osisko Employee Share Purchase Plan (the "**Share Purchase Plan Resolution**").

The Osisko Shareholders first approved the Osisko Employee Share Purchase Plan in 2008 and the most recent version of the plan was last approved in 2011. Osisko is required pursuant to TSX rules to bring the Osisko Employee Share Purchase Plan to Osisko Shareholders for approval every three years to approve unallocated entitlements under an evergreen plan which contains provisions so that awards replenish upon exercise of options or other entitlements. In order to be effective, an ordinary resolution, as set forth below, approving the unallocated rights or other entitlements under the Osisko Employee Share Purchase Plan requires approval by a majority of the votes cast by disinterested Osisko Shareholders (excluding the votes of any officers and employees of Osisko and its subsidiaries) present in person or by proxy at the Meeting.

**The Osisko Board and management recommend that Osisko Shareholders VOTE FOR the Share Purchase Plan Resolution. The persons whose names appear in the attached form of proxy intend to VOTE FOR the Share Purchase Plan Resolution.**

### **Approval of Unallocated Options under the Osisko Stock Option Plan**

At the Meeting, in accordance with TSX rules, Osisko Shareholders will be asked to consider and, if deemed appropriate, to approve an ordinary resolution, in the form set out in Schedule "A" to the Circular, approving Osisko's ability to continue granting options under the Osisko Stock Option Plan until May 6, 2017 (the "**Stock Option Plan Resolution**"), which is the date that is three years from the date of the Meeting.

The Osisko Shareholders first approved the Osisko Stock Option Plan in 2008 and the most recent version of the plan was last approved in 2011. Under the TSX rules, Osisko must obtain every three (3) years Osisko Shareholder approval of unallocated rights or other entitlements under an evergreen plan which contains provisions so that awards replenish upon exercise of options or other entitlements. In order to be effective, the Stock Option Plan Resolution requires approval by a majority of the votes cast by disinterested Osisko Shareholders (excluding the votes of any directors, officers, employees, consultants and their associates and affiliates who currently hold options) present in person or by proxy at the Meeting.

**The Osisko Board and management recommend that Osisko Shareholders VOTE FOR the Stock Option Plan Resolution. The persons whose names appear in the attached form of proxy intend to VOTE FOR the Stock Option Plan Resolution.**

### **Advisory Vote on Executive Compensation**

The Osisko Board believes that the compensation program must be competitive within its designated December 2012 Peer Group, provide a strong incentive to its Named Executives to achieve Osisko's goals and ensure that interests of management and Osisko Shareholders are aligned. A detailed discussion of Osisko's executive compensation is more fully described under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis*" in this Schedule "M". Under such section, you will find discussions on Osisko's executive compensation philosophy, objectives, policies and practices and provides information on the key elements of the executive compensation program of Osisko. In 2013, the Osisko Board determined to provide Osisko Shareholders with "**Say on Pay**" advisory vote. This is the second year we are holding this vote. Last year, Osisko's approach to executive compensation was approved by 78.25% of the shares voted.

**The Osisko Board recommends that Osisko Shareholders indicate their support for Osisko's approach to executive compensation disclosed in the Circular by voting FOR the Advisory Resolution on Executive Compensation Approach. The persons whose names appear in the attached form of proxy intend to VOTE FOR the Advisory Resolution on Executive Compensation Approach set forth in Schedule "A" to this Circular.**

### **2013 OSISKO BOARD AND COMMITTEE ATTENDANCE RECORD**

The table below reflects the record of attendance by directors at meetings of the Osisko Board and its standing Committees, as well as the number of Osisko Board and Committee meetings held during the most recently completed financial year:

Member	Attendance – 2013 Meetings										TOTAL	
	Osisko Board		Governance/ Nomination Committee		Audit Committee		Human Resources Committee		Environment, Health and Safety Committee		Committees	Overall
	Number	%	Number	%	Number	%	Number	%	Number	%	Number and %	Number and %
BRADLEY, Victor	(Chair) 9 of 9	100%			5 of 5	100%	5 of 5	100%			10 of 10 100%	19 of 19 100%
BURZYNSKI, John F. (1)	5 of 5	100%										5 of 5 100%
CÔTÉ, Marcel	(Vice- Chair) 7 of 9	77.78%	3 of 3	100%			(Chair) 5 of 5	100%			8 of 8 100%	15 of 17 88.24%
Darling, Michèle	9 of 9	100%					5 of 5	100%	4 of 4	100%	9 of 9 100%	18 of 18 100%
Ferstman, Joanne(2)	5 of 5	100%			3 of 3	100%					3 of 3 100%	8 of 8 100%
Leavenworth Bakali, Staph	7 of 9	77.78%	3 of 3	100%							3 of 3 100%	10 of 12 83.33%
MACKINNON, William A.	9 of 9	100%			5 of 5	100%					5 of 5 100%	14 of 14 100%
PAGE, Charles E.(3)	8 of 8	100%							2 of 2	100%	2 of 2 100%	10 of 10 100%
ROOSEN, Sean	9 of 9	100%										9 of 9 100%

Member	Attendance – 2013 Meetings										TOTAL	
	Osisko Board		Governance/ Nomination Committee		Audit Committee		Human Resources Committee		Environment, Health and Safety Committee		Committees	Overall
	Number	%	Number	%	Number	%	Number	%	Number	%	Number and %	Number and %
SUGAR, Gary A.	8 of 9	88.89%	(Chair) 3 of 3	100%	5 of 5	100%					8 of 8 100%	16 of 17 94.12%
STORM, Norman(4)	4 of 4	100%							2 of 2	100%	2 of 2 100%	6 of 6 100%
VÉZINA, Serge	9 of 9	100%							(Chair) 4 of 4	100%	4 of 4 100%	13 of 13 100%
<b>TOTAL (%)</b> :	<b>95.37%</b>		<b>100%</b>		<b>100%</b>		<b>100%</b>		<b>100%</b>		<b>100%</b>	<b>97.14%</b>

NOTES:

- (1) Mr. Burzynski was elected as a member of the Osisko Board at the Annual and Special Meeting of Osisko Shareholders held May 9, 2013.
- (2) Ms. Ferstman was elected as a member of the Osisko Board at the Annual and Special Meeting of Osisko Shareholders held May 9, 2013 and was subsequently appointed to serve as a member of the Audit Committee effective on such date.
- (3) Mr. Page was appointed to the Osisko Board February 21, 2013. Following his election at the Annual and Special Meeting of Osisko Shareholders held May 9, 2013 and was subsequently appointed to serve as a member of the Environment, Health and Safety Committee effective on such date.
- (4) Mr. Storm served as a member of the Osisko Board until May 9, 2013. He did not stand for re-election at the Annual and Special Meeting of Osisko Shareholders held May 9, 2013.

The table below displays the total number of private sessions held by directors during the most recently completed financial year. Private sessions are included in all respective agendas for each meeting as a standing item.

	Osisko Board	Audit Committee	Human Resources Committee	Environment, Health and Safety Committee	Governance/Nomination Committee
<b>Number of Private Sessions held:</b>	5	5	3	1	2

## DIRECTOR COMPENSATION

### Retainer, Attendance Fees and Share-Based Remuneration

An annual retainer and attendance fees for Osisko Board and Committee service are paid on a quarterly basis to Non-Executive Directors only.

In 2011, Osisko moved from an exploration company to a producing company. At such time, PCI – Perrault Consulting Inc. ("**PCI**") was mandated to review the Osisko Board compensation regime, further to which the Osisko Board decided, upon recommendation from the Human Resources Committee (the "**Committee**"), to replace annual option grants made to Non-Executive Directors with a fixed value DSU grants, having a lower value than the previous option grants. Accordingly, the Osisko Board adopted the Osisko DSU Plan which is further described below under the heading "**Deferred Share Unit Plan**" and elected to fix an annual value to such grant at approximately \$150,000. Furthermore, each new Non-Executive Director is granted an initial one-time additional grant having a value of \$100,000 (the "**Initial DSU Grant**"). Such Initial DSU Grant is consistent with the market as well as Osisko's past practice of welcoming new Non-Executive Board members by making an initial long term incentive award in addition to the regular annual long term incentive award.

No Osisko Options have been granted to Non-Executive Directors since July 2010 and those currently outstanding will expire at the latest in July 2015. Osisko Options held by Mr. Page were issued to him as replacement for options that were originally granted by Queenston prior to its acquisition by Osisko in December 2012. The proposed amendments to the Osisko Stock Option Plan are described under the heading "*Approval of Amendments to the Osisko Stock Option Plan*" in this Schedule "M".



In January 2013, PCI was retained to compare the compensation of Osisko's Non-Executive Directors to the compensation practice of the board compensation of the peer group used for executive compensation benchmarking determined in December 2012 by PCI (the "**December 2012 Peer Group**"). The December 2012 Peer Group was composed of the following 15 companies, which included all but one producing companies:

Agnico-Eagle Mines Limited	Iamgold Corporation
Alamos Gold Inc.	Inmet Mining Corporation
AuRico Gold Inc.	Lundin Mining Corporation
Aurizon Mines Ltd	New Gold Inc.
Centerra Gold Inc.	Pan American Silver Corporation
Detour Gold Corporation	Semafo Inc.
Eldorado Gold Corp.	Yamana Gold Inc.
HudBay Minerals Inc.	

Based on figures available at that time, Osisko was positioned between the December 2012 Peer Group 25th percentile and median for total assets and between the median and the 75th percentile for market capitalization.

PCI's analysis revealed that annual retainer for Osisko Board members is at the 75th percentile while the Chair's retainer is at market median. The Osisko Board members' Long-Term Incentive ("**LTI**") is between the median and the 75th percentile although the Chair's is below the 25th percentile as he received the same LTI as the other Osisko Board members.

Attendance fees for Osisko Board and Committee meetings are at median. Retainers allocated to Committee Chair are positioned between the median and the 75th percentile.

Further to the Committee's review of PCI's analysis, no adjustment to the retainers and attendance fees structure for Non-Executive Directors was proposed in 2013. Following the appointment of Mr. Marcel Côté as Vice-Chair of the Osisko Board in December 2012, the member of the Osisko Board have determined that, effective in January 1st, 2013, an additional annual retainer fee of \$30,000 be paid for the position of the newly appointed Vice-Chair, such that an aggregate annual retainer of \$100,000 would be paid to the Vice-Chair of the Osisko Board.

In February 2013, the Osisko Board elected to modify the Board's LTI as follows:

1. the value of the annual grant of DSUs to Non-Executive Directors was reduced by \$35,000, to a fix value of approximately \$115,000; and
2. the value of the annual grant of DSUs to the Chair of the Osisko Board was increased by \$35,000, to a fix value of approximately \$185,000.

On May 9, 2013, pursuant to that decision, Osisko granted each Non-Executive Director, DSUs in the amount of \$115,000, except for the Chair of the Osisko Board who received approximately \$180,000 as per the terms of the Osisko DSU Plan.

In 2012, in order to further improve alignment of interests between directors and Osisko Shareholders of Osisko, the Committee had amended the vesting provision of the Osisko DSU Plan in order to replace the immediate vesting of DSUs upon grant with vesting on the day prior to the next annual meeting of Osisko Shareholders following such grant.

During the financial year ended December 31, 2013, annual retainers and attendance fees for Osisko's Non-Executive Directors were established as described in the table below (except as noted in table's footnotes).

<b>RETAINERS — Osisko Board / Chair</b>	<b>2013 ANNUAL RETAINERS AND FEES (\$)</b>	<b>2012 ANNUAL RETAINERS AND FEES (\$)</b>
Members of the Osisko Board	70,000	70,000
Additional retainer allocated to the Chair of the Osisko Board	80,000	80,000
Additional retainer allocated to the Vice-Chair of the Osisko Board	30,000 <sup>(1)</sup>	—
Long-Term incentive grant — Chair of the Osisko Board	185,000 <sup>(2)</sup>	149,916
Long-Term incentive grant — Members of the Osisko Board	115,000 <sup>(3)</sup>	149,916
<b>RETAINERS — Committees / Chairs</b>	<b>(\$)</b>	<b>(\$)</b>
Chair of the Audit Committee	20,000	20,000
Chair of all other Committees	10,000	10,000
Members of the Audit Committee	10,000	10,000
Members of all other Committees	5,000	5,000
<b>FEES — Attendance / Travel</b>	<b>(\$)</b>	<b>(\$)</b>
Osisko Board and Committee Meeting Attendance Fees (in person or via conference call)	1,500	1,500
Per Diem (payable to Non-Executive Directors who are required to travel for at least four hours to attend a meeting)	1,000	1,000

Notes:

- (1) The Osisko Board appointed Mr. Marcel Côté as Vice-Chair of the Osisko Board in December 2012 and further determined that an additional annual retainer fee of \$30,000 be paid accordingly. The newly revised compensation of the Vice-Chair took effect January 1st, 2013.
- (2) In February 2013, the Osisko Board elected to modify the long term incentive compensation for the members of the Board. Therefore, they have increased by \$35,000 the annual grants of a fixed value of DSUs to the Chair of the Osisko Board. As such, the Chair DSU award now has a fixed value of approximately \$185,000.
- (3) The value of DSU awards to all other Non-Executive Directors was also modified in February 2013. The fixed value of DSUs awarded annually was reduced by \$35,000, therefore DSU awards now have a fixed value of approximately \$115,000.

## Director Compensation Table

The total value of retainers, attendance fees and share-based awards paid by Osisko to Non-Executive Directors in respect of meetings of the Osisko Board and its standing Committees during the most recently completed financial year is \$2,380,175. The following table provides a summary of the compensation received by each Non-Executive Director of Osisko for the most recently completed financial year:

Name <sup>(1)</sup>	Fees Earned (\$)	Share-Based Awards (\$) <sup>(2)</sup>	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation <sup>(3)</sup> (\$)	Total (\$)
Victor H. Bradley	193,500	184,824	—	—	—	4,000	382,324
Marcel Côté	137,500	115,062	—	—	—	—	252,562
Michèle Darling	107,000	115,062	—	—	—	—	222,062
Joanne Ferstman <sup>(4)</sup>	63,648	215,175	—	—	—	—	278,823
Staph Leavenworth Bakali	90,000	115,062	—	—	—	3,000	208,062
William A. MacKinnon	111,000	115,062	—	—	—	—	226,062
Charles E. Page <sup>(5)</sup>	78,311	252,559	—	—	—	—	330,870
Norman Storm <sup>(6)</sup>	35,786	—	—	—	—	—	35,786
Gary A. Sugar	114,000	115,062	—	—	—	—	229,062
Serge Vézina	99,500	115,062	—	—	—	—	214,562

Notes:

- (1) Mr. Sean Roosen, President and Chief Executive Officer of Osisko and Mr. John Burzynski, Vice President, Corporate Development, do not receive any compensation as directors of Osisko. Messrs. Roosen's and Burzynski's compensation are further disclosed in the Summary Compensation Table and elsewhere in this Circular.
- (2) Share-based awards were made under the Osisko DSU Plan as fully described under the heading "Long-Term Incentive Compensation". The value price at the date of grant, as per the terms of the Osisko DSU Plan was \$4.53.
- (3) Non-Executive Directors traveling more than 4 hours to attend meetings are entitled to a \$1,000 per diem.
- (4) Ms. Joanne Ferstman was elected as a member of the Osisko Board at the Annual and Special Meeting of Osisko Shareholders held May 9, 2013. Therefore, the retainer and attendance fees payments took effect upon her election. Her annual share-based award also included an Initial DSU Grant.
- (5) Mr. Charles E. Page was appointed director by the Osisko Board on February 21, 2013 and was subsequently elected as a member of the Osisko Board at the Annual and Special Meeting of Osisko Shareholders held May 9, 2013. Therefore, the retainer and attendance fees payments took effect upon his appointment. His share-based award of February 2013 was equal to approximately one fourth of the value of the annual grant made to Non-Executive Directors in 2012 plus an Initial DSU Grant. Mr. Page also received an annual share-based award further to his election on May 9, 2013.
- (6) Mr. Storm did not stand for re-election in 2013. The 2013 attendance fees were paid during his term of office, namely from January 1st to May 9, 2013.

The following table sets forth in detail each component of the total retainer and attendance and per diem paid to each Non-Executive Directors during the financial year ended December 31, 2013:

Annual Retainer				Attendance and Per Diem			
Name	Osisko Board Member (\$)	Committee Member (\$)	Committee Chair (\$)	Osisko Board Meetings (\$)	Committee Meetings (\$)	Per Diem (\$)	Total Fees (\$)
Victor H. Bradley	150,000	15,000	—	13,500	15,000	4,000	197,500
Marcel Côté	100,000	5,000	10,000	10,500	12,000	—	137,500
Michèle Darling	70,000	10,000	—	13,500	13,500	—	107,000
Joanne Ferstman(1)	45,192	6,456	—	7,500	4,500	—	63,648
Staph Leavenworth Bakali	70,000	5,000	—	10,500	4,500	3,000	93,000
William A. MacKinnon	70,000	—	20,000	13,500	7,500	—	111,000
Charles E. Page(2)	60,083	3,228	—	12,000	3,000	—	78,311
Norman Storm(3)	25,000	1,786	—	6,000	3,000	—	35,786
Gary A. Sugar	70,000	10,000	10,000	12,000	12,000	—	114,000
Serge Vézina	70,000	—	10,000	13,500	6,000	—	99,500
<b>TOTAL:</b>	<b>730,275</b>	<b>56,470</b>	<b>50,000</b>	<b>112,500</b>	<b>81,000</b>	<b>7,000</b>	<b>1,037,245</b>

Notes:

- (1) Ms. Joanne Ferstman was elected as a member of the Osisko Board on May 9, 2013.
- (2) Mr. Charles E. Page was appointed as a member of the Osisko Board on February 21, 2013.
- (3) Mr. Storm did not stand for re-election in 2013.

### *Deferred Share Unit Plan*

The Osisko DSU Plan, which is in effect since the date of its assent, on August 21, 2011, was adopted to enhance Osisko's ability to attract and retain talented individuals to serve as members of the Osisko Board or as officers of Osisko and to promote alignment of interests between such individuals and Osisko Shareholders. This form of remuneration replaced the grant of Osisko Options to Non-Executive Directors. No Osisko Options have been granted to Non-Executive Directors since July 2010 and current outstanding options expire at the latest in July 2015. As Osisko does not intend to grant Osisko Options to Non-Executive Directors in the future, it is proposed that the Osisko Stock Option Plan be amended to confirm that Non-Executive Directors are not entitled to any option grant. Osisko Options held by Mr. Page, were issued to him as replacement for options that were originally granted by Queenston prior to its acquisition by Osisko in December 2012.

The Osisko Board may grant DSUs on a discretionary basis. The number of DSUs credited to a director's account is calculated on the basis of the closing price of the Osisko Shares traded on the TSX on the day prior to the date of grant. Further to the 2012 amendment to the vesting provision of the Osisko DSU Plan, DSUs granted since June 2012 now vest on the day prior to the next annual meeting of Osisko Shareholders following a grant and shall be paid in cash upon termination of a director's mandate with the Osisko Board. Additional DSUs will automatically be granted to each participant whenever dividends are paid on the Osisko Shares.

As at December 31, 2013, the aggregate value of DSUs outstanding and granted to Osisko's Non-Executive Directors was \$2,486,145.

***Outstanding Share-Based Awards and Option-Based Awards***

The table below sets forth, for each Non-Executive Director, information regarding option-based and share-based awards outstanding as at December 31, 2013.

Name <sup>(1)</sup>	Option-based awards				Share-based awards <sup>(2)</sup>		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(3)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(3)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(3)</sup> (\$)
Victor H. Bradley	75,000	11.12	07/07/2015	0	40,800	192,168	139,416
Marcel Côté	225,000	11.12	07/07/2015	0	25,400	119,634	139,416
Michèle Darling	—	—	—	—	25,400	119,634	146,010
Joanne Ferstman <sup>(4)</sup>	—	—	—	—	47,500	223,725	—
Staph Leavenworth Bakali	75,000 75,000	11.12 6.72	07/07/2015 29/06/2014	0 0	25,400	119,634	139,416
William A. MacKinnon	225,000	11.12	07/07/2015	0	25,400	119,634	139,416
Charles E. Page <sup>(5)</sup>	—	—	—	—	48,944	230,526	—
Norman Storm <sup>(6)</sup>	—	—	—	—	—	—	139,416
Gary A. Sugar	—	—	—	—	25,400	119,634	139,416
Serge Vézina	75,000 75,000	11.12 6.72	07/07/2015 29/06/2014	0 0	25,400	119,634	139,416

Notes:

- (1) Mr. Sean Roosen, President and Chief Executive Officer of Osisko and Mr. John Burzynski, Vice President, Corporate Development of Osisko do not receive any compensation as directors of Osisko. Their compensation is further disclosed in the Summary Compensation Table and elsewhere in this Circular.
- (2) Osisko made an annual share-based award under the Osisko DSU Plan to Non-Executive Directors during the financial year ended December 31, 2013. All DSUs granted by Osisko in 2013 vest on the day prior to the next annual meeting of Osisko Shareholders following such grant.
- (3) The closing price of the Osisko Shares on the TSX on December 31, 2013 was \$4.71.
- (4) Ms. Joanne Ferstman was elected at the Annual and Special Meeting of Osisko Shareholders held on May 9, 2013. The number of DSUs granted to Ms. Ferstman includes her Initial DSU Grant.
- (5) Mr. Charles Page was appointed by the Osisko Board on February 21, 2013. All Osisko Options held by Mr. Page were issued to him as replacement for options that were originally granted by Queenston prior to its acquisition by Osisko in December 2012. The number of DSUs granted to Mr. Page includes his Initial DSU Grant.
- (6) Mr. Norman Storm did not stand for re-election in 2013. All outstanding unexercised options were cancelled following the 90-day period of cessation of his mandate.

### *Options Exercised during the Year*

The following table provides details regarding options exercised by Non-Executive Directors during the financial year ended December 31, 2013:

<b>Name</b>	<b>Number of Options Exercised (#)</b>	<b>Option Exercise Price (\$)</b>	<b>Market Value Upon Exercise (\$)</b>	<b>Gain Realized<sup>(1)</sup> (\$)</b>
Serge Vézina	75,000	2.20	5.33	234,750

Note:

(1) The gain realized is calculated based on the difference between the closing price upon exercise and the exercise price of the Options, multiplied by the number of Options so exercised.

To Osisko's knowledge, no proposed director is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Osisko) that, (i) while the proposed director was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (ii) after the proposed director ceased to act in that capacity but which resulted from an event that occurred while that person was acting in such capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

To Osisko's knowledge, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

In addition, to the knowledge of Osisko, no proposed director has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Furthermore, to the knowledge of Osisko, no proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Osisko Shareholder in deciding whether to vote for a proposed director.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Governance**

The Human Resources Committee (the "**Committee**" as previously defined) is a standing committee of the Osisko Board. The Committee has among other duties the responsibility to recommend to the Osisko Board the compensation of the President and Chief Executive Officer ("**CEO**") and that of the other Named Executive Officers of Osisko (collectively the "**Named Executives**"), as such term is defined in *Regulation 51-102 respecting continuous disclosure obligations*. The Committee has the responsibility to analyze all matters related to ensuring a strong leadership role in the continuous development of Osisko and the creation and maximization of value for the Osisko Shareholders. The Committee and the Osisko Board are focused on recruiting and retaining highly talented and experienced executive officers, taking into account the fact that employment market has proven to be very competitive in recent years. The Committee has identified the following four priorities in carrying out its functions:

- attract and retain senior individuals to develop and execute the strategic plan of Osisko to maximize Osisko Shareholder value;
- establish a competitive compensation package that will reward the executives for achieving the short-term and long term objectives approved by the Osisko Board in order to maximize Osisko Shareholder value;
- maintain the entrepreneurial and team spirit that have served and continue to serve Osisko well; and
- attract and develop a talent pool that allows for orderly succession planning.

All of the members of the Committee are independent as defined under Section 1.2 of Regulation 58-101.

Effective May 9, 2013, the members of the Committee are: Mr. Marcel Côté (Chair), Ms. Michèle Darling and Mr. Victor H. Bradley.

The Osisko Board recognizes the significance of appointing independent, knowledgeable and experienced individuals to the Committee who have the necessary background in executive compensation and risk management to fulfill the Committee's duties and responsibilities. All members of the Committee enjoy extensive experience in these areas through their prior and current function and implication with other organizations. A description of the experience of each of the members of the Committee that is relevant to his or her responsibilities is described in this Circular in the relevant tables set out under the heading "**Election of Directors**".

#### ***Work Performed in 2013 by the Human Resources Committee***

The following summarizes the work highlights performed by the Committee in 2013 in conjunction with the Work Plan (as defined below):

##### ***Compensation Matters***

The Human Resources Committee:

- Reviewed, approved and monitored performance of the 2013 corporate objectives concerning the short-term incentive program for Named Executives;
- Reviewed the short and long-term incentive programs and recommended to the Osisko Board the approval of annual grants pursuant to the long-term incentive program and approved the 2013 annual salary increase for Named Executives;
- Reviewed the 2013 performance assessment and incentive awards for Named Executives and recommended to the Osisko Board approval of the 2013 annual payout pursuant to the short-term incentive program based on the evaluation of achievements vis-à-vis the 2013 corporate objectives.
- Reviewed the Osisko Stock Option Plan, amended the Osisko Employee Share Purchase Plan, reviewed the Osisko DSU Plan and amended the Osisko RSU Plan; and
- Reviewed the compensation structure for Named Executives and that of Non-Executive Directors based on a benchmarking of the December 2012 Peer Group.

##### ***Governance and Administrative Matters***

The Human Resources Committee:

- Reviewed and approved the amendments to the Charter of the Human Resources Committee together with the 2013 work plan (the "**Work Plan**") and amendment to the Securities Ownership Guidelines;
- Reviewed and recommended approval of the compensation disclosure contained in the 2013 Management Information Circular;
- Considered and recommended approval by the Osisko Board of the appointment of officers;
- Reviewed a diversity assessment on Osisko's workforce;
- Reviewed Osisko's Benefits Program; and
- Reviewed market trends in human resources within the mining sector and general environment.

## ***Human Resources and Organizational Matters***

The Human Resources Committee:

- Reviewed the organizational structure, in conjunction with the Osisko Board, and the succession planning pertaining to key positions;
- Assessed potential impacts on whether there is readiness to fill vacancies in the event a key position becomes vacant, both on an immediate and long term basis; and
- Reviewed progress of Key Employee Leadership Program as part of the long-term succession planning.

### **Compensation Discussion and Analysis**

In establishing and reviewing the compensation programs, the Committee is aware of the current labour market conditions driven by the limited pool of individuals with the skills and expertise to develop, build and operate a large scale open pit mining project in Québec and elsewhere. The Committee also recognizes the positive benefits from having the entrepreneurial spirit of the founders Messrs. Sean Roosen, John Burzynski and Mr. Robert Wares. These individuals were responsible for the identification, discovery and financing related to Osisko's flagship asset: the Canadian Malartic Mine.

One of the key responsibilities of the Committee in establishing an adequate compensation for the Named Executives is to ensure that such compensation will allow Osisko to attract and retain senior individuals to develop and execute the strategic plan of Osisko to maximize Osisko Shareholder value while ensuring that such compensation rewards the executives for achieving the short-term and long-term objectives approved by the Osisko Board.

Since the beginning of 2007, the compensation profile of Osisko evolved considerably as a result of the transition of Osisko from an exploration company to an operating company, in a highly competitive marketplace. The principal aspects of such evolving profile can be summarized as follows.

#### ***Prior to 2007***

Founded in 1998 by Mr. Robert Wares, Osisko had no employees, very limited financial resources and access to capital and Osisko had performed limited activities. Osisko was almost inactive when Messrs. Roosen and Burzynski joined Mr. Wares in 2003. Together, this entrepreneurial team invested its own money, took little if any salary and was able to convince investors to support Osisko as it was looking to find and develop attractive projects in Québec. It was in 2004 that Mr. Wares was able to secure mining titles of what eventually became the Canadian Malartic Mine. From 2005 to 2007, the founders were able to secure enough financing to allow for an intensive exploration program at Malartic. When it became clear to the founders that they had a world class deposit, they then faced the challenge of expanding their team in order to bring additional skills and expertise.

This period was characterized by a share price that varied between close to \$0 and \$6.

#### ***2007***

Between May and December 2007, while pursuing intensive exploration programs and despite a very competitive labour market, the founders were able to recruit an experience management team with an entrepreneurial personality to focus on multiple projects such as preparing an Environmental Impact Assessment Study, a Preliminary Economical Assessment Study and a Feasibility Study for the Canadian Malartic project. At the end of 2007, Osisko was able to secure an important financing that allowed it to finance its activities and pay reasonable market salaries and bonuses to its employees. Stock option grants formed the major part of the remuneration incentive for this experienced management team as funds were generally kept to advance the Canadian Malartic project. Given a certain degree of uncertainty surrounding the project's economic feasibility, employees took a significant risk in having accepted an important portion of their remuneration in Osisko Options.

During this period, share price went from around \$4 to \$7.



## *2008-2009*

As a result of the global financial crisis which affected the world's capital market severely, 2008 was a very difficult year. Having filed its Environmental Impact Assessment Study and its positive Feasibility Study by November 2008, in the middle of the financial crisis, the Named Executives had now the extremely difficult task of finding sufficient funding to pursue development and construction of the Canadian Malartic project. Throughout 2008, share price declined from above the \$6 range to below \$2 which made financing even more challenging. Now that the Feasibility Study removed the uncertainty over the economic aspect of the project, an even greater risk was now affecting the project and the employees: the financing risk. During this period, notwithstanding the fact that all employees overachieved in order to ensure success of the project, Osisko Options were, for the most part, underwater, and provided little in terms of retention and reward.

Intensive marketing efforts of the Named Executives were rewarded in February 2009 when Osisko was able to conclude a financing that became the foundation of the required financing to begin construction of the Canadian Malartic project. At the same time, the project went through mandatory public hearings. Following receipt of required authorizations from the Government of Québec, construction began in August 2009.

During 2009, the share price increased from just below the \$4 range at the beginning of January to above \$8 by the end of December. Osisko Options continued to be a significant part of the total remuneration of the Named Executives.

## *2010-2012*

In 2010, Osisko was focused on the construction phase of the Canadian Malartic project with the goal of commencing operations during the second quarter of 2011. It is during this period that the growth of the workforce was intensified in order to properly train the production employees. Labour market continued to be favourable to employees and, as a result, the compensation offered to employees had to be efficient in order to attract and retain skilled employees.

Construction of the Canadian Malartic project was completed earlier than anticipated in the first quarter of 2011, such completion would allow Osisko to benefit from an excellent gold market and further generate cash flows from its operations. In addition, the project had an excellent safety record and no labour stoppage impacted the construction activities as a result of having maintained positive relations with contractors and employees. For these reasons, the Osisko Board awarded a special one-time completion bonus payment totaling \$6.93 M, including \$5 M to the Named Executives for their unrelenting efforts and contribution but most importantly for their dedication in making the Canadian Malartic project, a \$1 billion capital project, an overall success. Accordingly, each Named Executive received 2 times his annual salary as a special completion bonus in recognition of tremendous efforts in achieving commercial production and thereby creating value for Osisko Shareholders.

Brett Resources Inc. was also acquired by Osisko in 2010, which investment allowed Osisko to develop its Hammond Reef project located in Northwestern Ontario.

In 2011, all major changes to the compensation structure for the Osisko Board and the Named Executives were made in alignment with the best interest of the Osisko Shareholders. As previously stated, Osisko Options were last granted to Non-Executive Directors in 2010 and such grants were later replaced in 2011 by the annual grant of DSUs. Thus, Osisko does not intend to issue Osisko Options to Non-Executive Directors in the future. The Osisko DSU Plan was subsequently amended in 2012 to extend the vesting period.

For Named Executives, RSUs were introduced in their total compensation in 2011 and, accordingly, the value of each LTI grant, since the inception of RSUs, is now equally divided into Osisko Options and RSUs rather than being 100% based on Osisko Options. For the 2012 annual grant of RSUs, the Committee recommended to the Osisko Board to introduce performance criteria as a vesting condition for RSUs (as more fully described below under heading "**Long-Term Incentive Compensation**").

During the period of 2010 until end of 2012, the share price went from approximately \$8 to more than \$16 and then back to \$8 as at December 2012. The share price of Osisko was affected by difficult market conditions resulting from a slower than expected recovery of the economy in the US and in Europe along with a more challenging ramping up of operations at the Canadian Malartic Mine, which was also affected by a fire incident in May 2012 and delay in the execution of a highly technical blasting operation in October 2012. These elements, combined with operating challenges and complex environmental issues discussed with the Québec Ministry of Sustainable Development, Environment, Wildlife and Parks, added additional pressure on the workforce, and more specifically on the Named Executives.

In December 2012, efforts led by the corporate development team of Osisko allowed it to complete the acquisition of Queenston, thereby giving Osisko access to the historical Kirkland Lake mining camp.

### **2013**

Osisko completed the ramp-up of the Canadian Malartic Mine in 2013 which brought daily production at the mill to near name place capacity. The mine produced a record of 475,277 ounces of gold for 2013 at cash costs of \$760 (US\$738) per ounce, achieved through mill throughput at an average of 50,518 tonnes per calendar day and 54,043 tonnes per operating day.

Earnings from mine operations were however negatively affected by a 19% lower gold price realized. Gold underwent a major correction and tumbled 27% this year, set for the worse annual drop since 1981. Given these adverse economic and market conditions, Osisko also successfully implemented and delivered on a capital expenditure reduction program resulting in reduction of more than \$96.0 million in capital expenditures in 2013. In order to bring additional financial flexibility to Osisko, the terms to certain debt facilities were also modified by reducing interest rate and extending repayment schedule.

During the year, Osisko completed the integration of Queenston and, at the end of 2013, an intensive drilling program was initiated which led to the announcement in February 2014, of the discovery of a potentially large, bulk tonnage disseminated gold deposit on Osisko's 100% owned Kirkland Lake project. Osisko also improved its safety performance at Canadian Malartic and completed funding of the \$46.5 million Canadian Malartic closure cost guarantee in the third quarter of 2013, a first in the Québec mining industry.

Throughout the year, management of Osisko played a leadership role in connection with new Québec legislative issues regarding the mining tax and review and amendment to the Mining Act. Further to work initiated at the end of 2012 by the management team, the Québec Government approved on February 13, 2013, a new decree which modified the operating parameters of the Canadian Malartic mine. Changes included extending the duration of blasts, increasing the time period during which blasts can be executed, and provided greater access to the northern part of the deposit. The modified parameters provide greater flexibility in day-to-day operations.

Despite operational success at Canadian Malartic, the share price decreased in the first half of 2013 from \$8.32 to \$3.04, mostly as a result of weaker gold price. The share price remained in the range of \$4.00 to \$5.50 in the second half of the year. However, the Osisko Shares outperformed the S&P Global Gold Index by 15.1%.

### ***Compensation Philosophy***

Our compensation philosophy and principles are based on the evolution of regulatory and standardized frameworks and the materialization of new best practices as closely monitored by the Committee. The Committee, in conjunction with the Osisko Board, has reviewed, considered and based its decision-making on executive compensation approaches to ensure proper alignment with the long-term interest of Osisko Shareholders.

Based on the foregoing, the Osisko Board consistently recognized the integrated and varying roles deriving from the direct responsibility among the Named Executives in managing a fast growing and increasingly complex company.

The construction and ramping up of the Canadian Malartic Mine presented significant challenges, including the implementation of an efficient management structure and the establishment of strong and effective managing and

operating teams. In addition, the recent acquisitions by Osisko have offered additional challenges to the Named Executives who have been and will continue to be called upon playing various roles in several fields of activity.

Osisko believes that their responsibilities are best executed through their actions as a group. For these reasons, Osisko advocates mostly a team approach for the Named Executives. Performance monitoring of Named Executives over the years (obtaining additional financing and permits, commencing of commercial production and increasing the resources and reserves base, ramping up of operations at Canadian Malartic, developing the Hammond Reef project and acquiring and integrating Queenston) confirmed the validity of this approach. In addition, based on recommendation of the Committee, the Osisko Board approves the corporate objectives for Named Executives of Osisko and has determined them to be collective goals given that accomplishments thereof cannot be assessed from a purely individual standpoint.

Historically, the Committee, in agreement with the President and CEO, determined to assess the Named Executives' compensation mostly on a team approach basis, given that Osisko was continually evolving, namely having moved from development and exploration stages to become a producing mining company in a very short time while continuing to seek growth opportunities. In assessing the achievement of the 2013 key objectives, the Committee decided to progressively incorporate individual performance as part of the evaluation of performance of the Named Executives, while continuing to recognize that the "team approach" to performance evaluation has proven very successful with the Named Executive. The Committee received from Mr. Sean Roosen, President and Chief Executive Officer of Osisko, recommendation for each of the Named Executives (excluding himself). The Committee reviewed each recommendation and assessed Mr. Roosen's performance, in order to establish relevant individual payout factor for all Named Executives and submitted its recommendation to the Osisko Board. The Osisko Board's approach in determining the remuneration of the Named Executives is based on ensuring proper alignment with the best interest of Osisko Shareholders.

The Securities Trading Policy of Osisko forbids directors and officers from using any strategy relating to or to use derivative instruments in respect of securities of Osisko, including purchasing financial instruments that are designed to hedge or offset a decrease in market value of the securities of Osisko.

#### *Independent Compensation Consultants*

The compensation program is established to compensate the Named Executives and other key employees considering the market and Osisko's performance. The Committee regularly retains the services of independent compensation advisory firms to assist in determining the compensation for Named Executives and Osisko Board members.

As stated above, the Committee mandated PCI in January 2013 to conduct a benchmark review of the Osisko Board compensation (see "**Director Compensation**").

PCI is a compensation consulting firm based in Montreal, Québec which also provides services to other mining corporations as well as corporations in a variety of other industry sectors. It has extensive expertise in compensation plan design, the development of short and long-term incentive plans and overall compensation management and governance for executives.

In addition to compiling and analyzing market financial and compensation data, PCI participates, upon request, in Committee discussions, and provides the Committee with advice based on its knowledge of the Canadian mining industry and its experience and expertise with respect to executive compensation practices, as applicable to Osisko.

In November 2012, the Committee mandated PCI to prepare an extensive review of Osisko's executive compensation, including a review of the comparative peer group determined by PCI in 2011 in order to ensure its continued adequacy as Osisko began a more stable phase of its existence. Results of PCI's review were presented to the Committee in February 2013.

### Market Comparators and Positioning

Further to its review of the 2011 comparative peer group PCI proposed modifications in order to ensure that such comparative peer group be more representative. Accordingly, the December 2012 Peer Group and relevant metrics retained by PCI are as follows:

Companies		Revenues <sup>(1)</sup>	Assets <sup>(1)</sup>	Market Capitalization	Estimated Gold Production <sup>(1)</sup>
		year ended Dec. 31, 2011 (million \$)	as at Dec. 31, 2011 (million \$)	as at Dec. 31, 2012 (million \$)	year ended Dec. 31, 2011 ('000's ounces)
Agnico-Eagle Mines Limited	US\$	1,822	5,034	8,944	985
Alamos Gold Inc.	US\$	227	599	2,095	153
AuRico Gold Inc.	US\$	402	3,174	2,312	187
Aurizon Mines Ltd		260	418	564	164
Centerra Gold Inc.	US\$	1,020	1,689	2,201	642
Detour Gold Corporation		0	1,878	2,815	—
Eldorado Gold Corp. <sup>(2)</sup>	US\$	1,099	3,960	9,124	659
HudBay Minerals Inc.		891	2,449	1,723	95 <sup>(4)</sup>
Iamgold Corporation	US\$	1,673	4,350	4,153	972
Inmet Mining Corporation		979	3,811	5,134	— <sup>(3)</sup>
Lundin Mining Corporation	US\$	784	3,864	2,986	— <sup>(6)</sup>
New Gold Inc.	US\$	696	3,221	5,089	387
Pan American Silver Corporation	US\$	855	1,952	2,838	78 <sup>(5)</sup>
Semafo Inc.	US\$	396	724	934	250
Yamana Gold Inc.	US\$	2,173	10,770	12,807	916
<b>Average</b>		<b>885</b>	<b>3,193</b>	<b>4,248</b>	<b>457</b>
<b>P25 (25th Percentile)</b>		<b>399</b>	<b>1,783</b>	<b>2,148</b>	<b>161</b>
<b>Median</b>		<b>855</b>	<b>3,174</b>	<b>2,838</b>	<b>319</b>
<b>P75 (75th Percentile)</b>		<b>1,060</b>	<b>3,912</b>	<b>5,111</b>	<b>723</b>
<b>Osisko Mining Corporation<sup>(7)</sup></b>		<b>597</b>	<b>2,233</b>	<b>3,105</b>	<b>367<sup>(8)</sup></b>

#### Notes:

- (1) As indicated in the latest financial statements or financial websites as of December 2012.
- (2) Eldorado Gold Corp. acquired European Goldfields Limited on February 24, 2012.
- (3) Production 2011 includes 84,800 tonnes of copper and 80,400 tonnes of zinc.
- (4) In addition to gold, HudBay produced 875,800 ounces of silver, 75,800 tonnes of zinc and 54,300 tonnes of copper during 2011.
- (5) In addition to gold, Pan American Silver produced 21.9 million ounces of silver, 37,234 tonnes of zinc, 12,701 tonnes of lead and 4,500 tonnes of copper during 2011.
- (6) Production 2011 includes 111,445 tonnes of zinc, 75,877 tonnes of copper and 41,130 tonnes of lead.
- (7) Financial data for Osisko reflect the last four quarter ending September 30, 2012.
- (8) Gold production for the last four quarter ending September 30, 2012, as indicated in the latest financial statements.

The December 2012 Peer Group is composed of publicly-traded, Canadian-based mining companies, the majority of which are gold producers. Osisko's positioning within the December 2012 Peer Group is qualified as follows:

- the annualized revenues (based on the 12 months ended September 2012), are positioned between market P25 (25th percentile) and P50 (median);
- the market capitalization is between P50 and P75 (75th percentile);
- total assets, as indicated in the latest financial statements (September 30, 2012), are between P25 and P50; and
- the annual gold production (based on the 12 months ended September 2012), is just above the market median.

Accordingly, based solely on these financial and operational metrics of the December 2012 Peer Group and Osisko's financial and production metrics, Osisko's target total compensation market positioning is expected to be between median and market 75th percentile compensation levels.

This report prepared by PCI was presented to the Committee in February 2013 and used by it to recommend relevant adjustments to the Named Executive compensation for 2013 in order to establish adequate compensation to ensure a strong leadership role of the Named Executives in the continuous development of Osisko and the creation and maximization of value for the Osisko Shareholders.

Osisko also provides to the Committee various analyses of compensation of other mining companies based on regulatory filings.

### ***2013 Compensation Advisory Fees***

The following table illustrates in detail the components of the respective advisory fees incurred by Osisko for compensation consultants in 2012 and 2013:

<b>Advisory Consulting Firms</b>	<b>Fees incurred in 2013</b>	<b>Fees incurred in 2012</b>
<b>Coopers Consulting Ltd.</b>		
Compensation consulting services:	—	—
Other services <sup>(1)</sup> :	—	\$3,000
<b>Mercer LLC</b>		
Compensation consulting services:	—	—
Other services <sup>(2)</sup> :	\$4,040	—
<b>PCI-Perrault Consulting Inc.</b>		
Compensation consulting services:	\$73,200	\$41,019
Other services <sup>(3)</sup> :	\$1,725	\$4,837

**Notes:**

- (1) Fees related to 2012 mining industry compensation survey.
- (2) Fees related to 2013 mining industry compensation survey.
- (3) Fees related to annual disclosure review.

### ***Compensation Policy***

Prior to 2011, as is typical in the mining exploration industry, Osisko's executive compensation policy has been comprised of a combination of cash and stock option grants. In 2011, pursuant to remuneration consultants' reports and analysis, the Committee recommended to change the ratio of cash and non-cash compensation, as endorsed by the Osisko Board. The Committee also introduced RSU grants into the Named Executives' annual compensation mix while reducing the grant of Osisko Options. The Committee may also award DSUs to Named Executives on an ad hoc basis but has not done so to date.

RSUs, and potentially DSUs, also enable Osisko to balance the ratio of long-term to short term compensation to levels commensurate with gold producing companies and to enhance Named Executives' alignment with Osisko Shareholder value creation while limiting Osisko Shareholder dilution. The Osisko RSU Plan and the Osisko DSU Plan are further described under the heading "**Long-Term Incentive Compensation**" below.

The combination of higher base salaries, reduced option grant values and the new RSUs, which are full value phantom shares, payable in cash as at the end of the three-year vesting period, reflects Osisko's evolution towards a more mature, producing operation and is intended to attract and retain talent in a competitive employment market. The first grant of RSUs to Named Executives was made in August 2011 and the vesting thereof is time-based only. These RSUs will accordingly vest and be paid in August 2014.

As part of the process leading to the 2012 annual grant of RSUs to Named Executives of Osisko and further to its review of best practices, the Committee recommended to the Osisko Board to introduce performance criteria as a condition for the vesting of such RSUs. Accordingly, the Osisko Board approved the recommendation of the

Committee such that, effective June 2012, all future RSU grants be subject to the following vesting terms: one third (1/3) is time-based and will vest in 2015 while the remaining portion (2/3) is subject to the achievement of gold production over a three-year period (as more thoroughly described below under the heading "**Long-Term Incentive Compensation**"). The Committee considers that such added performance criteria improves Named Executives' alignment with Osisko Shareholders' interests and further promotes value creation.

### *Components of the Compensation Program*

The compensation program consists of the four following distinct elements aiming at providing adequate compensation in order to insure alignment of Senior Executive's interest with those of Osisko Shareholders:

- base salary;
- annual incentive (bonus) compensation;
- long-term incentive compensation; and
- benefits.

### *Management of Compensation Risks*

The Committee structures the components of the compensation program in order to generate adequate incentives to increase Osisko Shareholders value in the long-term while maintaining a balance to limit excessive risk taking.

As part of measures in place to mitigate risk related to compensation structure, the Committee establishes the total compensation of the Named Executives based on a balanced approach between fixed and variable compensation components. The use of multiple components limits the risks associated with having the focus on one specific component and provides flexibility to compensate short to medium term goals and long-term objectives in order to maximize Osisko Shareholder value.

The fixed component of the Named Executives' compensation is essentially composed of the base salary which represents 20% of their total compensation (27% in the case of Mr. Denis Cimon). The components forming the remaining 80% (27% in the case of Mr. Denis Cimon) aim at rewarding short to long-term objectives and are composed of an annual incentive (100% performance based on a yearly basis, as adjusted to take into account individual performance), grant of RSUs (two-third of which are performance based on a 3-year period) and grant of Osisko Options.

The annual incentive compensation is measured against the achievements of specific corporate objectives established by the Committee at the beginning of each year. These objectives reflect operational, financial, corporate growth and values and human resources targets. While the key component remains strongly related to operational targets, the Committee maintains a certain balanced approach within the management team in order to ensure collective efforts toward the achievement of all such targets. The determination of the 2013 annual incentive for each Named Executive was adjusted to take into account individual performance.

The long-term compensation comprises RSUs and Osisko Options. Since June 2012, two-thirds of the RSU grants are based on a 3-year performance target strictly related to gold production. The Committee considers that this single target is strongly related to the overall value of Osisko and, accordingly, equally tied to Osisko Shareholder value in the long term.

Osisko Option grants are based on an approved corporate guideline. Osisko Options vest over a three year period and have a five year term. The Committee considers that these characteristics provide sufficient incentives to motivate the Named Executives in the long term to increase the overall value of Osisko and thereby provide an adequate alignment of their interest with those of the Osisko Shareholders.

Within the scope of ensuring best practices, the Committee adopted formal securities ownership guidelines in order to further align the long-term interests of Osisko Shareholders. In 2013, the securities ownership guidelines were amended to provide that the calculation of the minimum shareholding be based on:

- (i) the acquisition cost of shares;
- (ii) the issue price with respect to DSUs and RSUs; and
- (iii) with respect to RSUs, only time-based vesting retention RSUs shall be used in the determination of the minimum shareholding.)

Additional information on the securities ownership guidelines is provided under the heading "**Securities Ownership**".

Also, as part of the risks review presented to Osisko's Audit Committee, none were related to compensation among all risks identified. As Chair of the Osisko Board, member of the Audit Committee and of the Human Resources Committee, Mr. Victor H. Bradley brings his knowledge, experience and insight on risk issues to the Committee. Any identified risks related to human resources and compensation of management are transmitted to the Committee who is responsible to follow-up on the implementation of the recommendations according to established priorities. The Committee then reports the results back to the Osisko Board.

The risks and uncertainties that are likely to have a material adverse effect on Osisko are disclosed quarterly in the financial statements included in Osisko's Management Discussion & Analysis of Osisko's financial condition and results of operations. No such risks relate to Osisko's compensation policies and practices.

Based on the review performed in the last financial year, no risks associated with Osisko's compensation policies and practices that are reasonably likely to have a material adverse effect on Osisko were identified. The Committee considers that the procedures and guidelines currently in place to mitigate key risks relating to compensation are adequately managed and do not encourage excessive risk taking that would reasonably likely have a material adverse effect on Osisko. The Committee will continue to monitor and review Osisko's compensation policies and practices annually to ensure that no component of the Named Executives' compensation constitute a risk. Furthermore, the Chair of the Human Resource Committee is a member of the Governance / Nomination Committee and the latter reviews on an annual basis the Osisko Board's relationship with management of Osisko and recommends to the Osisko Board, if deemed appropriate, limitations on management's authority to act without explicit Osisko Board approval. In order to assess the relationship between the Osisko Board members and management, the Governance / Nomination Committee considers the number of meetings held during the 2013 calendar year, the topics discussed and the approval sought by management. In addition, the Chief Executive Officer and the Chief Financial Officer of Osisko liaise on a regular basis with members of the Osisko Board to provide updates and to seek counsel on various matters. Based on its 2013 review, the Governance / Nomination Committee's general observations were very satisfactory as management continues to demonstrate an open and transparent relationship with the Osisko Board. This review process contributes to ensure that Named Executives of Osisko do not take excessive risk that would reasonably likely have a material adverse effect on Osisko.

The compensation components are detailed below. **Osisko has not adopted any retirement plan or pension plan for its directors, officers and general managers.**

#### ***Base Salary***

Osisko's policy is to establish base salaries for executive officers that are competitive with relevant salaries paid to executive officers of a comparator group, while preserving a "team approach" toward remuneration for reasons stated above. Salary levels therefore reflect the overall corporate performance of Osisko, comparative market data and, to a lesser extent, individual performance. The salaries of the Named Executives are reviewed and, as applicable, adjusted yearly by the Committee considering the overall corporate performance of the Named Executives and the comparator group metrics.

The Committee did retain the services of PCI as part of the 2013 annual review of salary for the Named Executives. PCI presented its report on Executive Compensation Report to the Committee in February 2013 and the Committee, further to the review of said report and other third party information, approved salary increase of approximately 4.1% to 4.5% for Messrs. Burzynski, Coates and Lessard and 2.6% for Mr. Roosen. Mr. Cimon's salary remained

unchanged as his appointment as officer was effective as of January 1st, 2013. The Committee considers that the new salaries are aligned with the current market and reflect each Named Executives' scope and responsibilities associated with their respective role in Osisko's evolution.

Named Executives	Annual Base Salary <sup>(1)</sup> (\$)
Sean Roosen, President and Chief Executive Officer	790,000
John Burzynski, Vice President, Corporate Development	460,000
Bryan A. Coates, Vice President Finance and Chief Financial Officer	510,000
Luc Lessard, Senior Vice President and Chief Operating Officer	510,000
Denis Cimon, Vice President, Technical Services	280,000

**Notes:**

(1) The annual salaries of the Named Executives were in effect as of January 1st, 2013.

***Annual Incentive Compensation***

The Committee believes that long-term Osisko Shareholder growth is derived from the execution of short and long-term approved strategic initiatives. Osisko's 2013 key objectives (the "**2013 Key Objectives**") were as follows:

- (i) maximize the Canadian Malartic Mine;
- (ii) grow the reserve and resource base;
- (iii) continuous improvement of key human resource metrics;
- (iv) continuous improvement of sustainability metrics; and
- (v) maximize financial performance of Osisko.

For each objective, a set of three (3) to five (5) quantifiable metrics was determined as referenced in the 2013 Corporate Objectives summary table found in this Schedule "M".

The short-term incentive program for the Named Executives is based on their performance as a team against corporate objectives approved by the Osisko Board and bonuses are paid in full following award approved by the Osisko Board, at its full discretion, based on recommendation of the Committee. The target for annual incentive compensation for Messrs Roosen, Coates, Lessard and Burzynski has been established at 100% of their respective base salary and at 50% for Mr. Cimon, as adjusted to take into account their respective individual performance.

The 2013 Key Objectives were submitted early in the first quarter of 2013 to the Committee for approval and progress made toward achievement of such objectives were monitored quarterly through reports provided by management for review and discussion at meetings of the Committee. As part of its duties and responsibilities and in conjunction with year-end assessment, the Committee reviewed the realization of Osisko's objectives and thereafter met with management for discussion and consideration of each element contained in the 2013 Corporate Objectives. The 2013 Key Objectives are described in more detailed below and for each one a table shows the allocation approved by the Committee in 2013 and the level of achievement as assessed by the Committee at the beginning of 2014.



### *Maximize Canadian Malartic Mine*

Key metrics:

	Target	Actual	Allocation (%)	Achievement (%)
Gold production (oz)	504,000	475,277	25.00	23.58
Operating cash flow	\$427.2M	\$299.2M	12.50	8.75
Free cash flow	\$341.8M	\$190.1M	12.50	6.95
<b>Total</b>			<b>50.80</b>	<b>39.28</b>

A record gold production was established in 2013 at Canadian Malartic with the production of 475,277 ounces. The output is 22.3% (388,478 ounces) higher than the 2012 production and 137.5% (200,137 ounces) higher than the production during the start up year.

To achieve such record gold production, Osisko continued to progress on:

- increasing mill availability to 93.7% from 90.8% in 2012;
- increasing daily throughput at the mill;
- increasing and optimizing the mining rate;
- gaining access to the higher grade north wall area as a result of the approval by the Québec Government of a new decree which modified the operating parameters of the Canadian Malartic mine;
- improving the execution of special blasts, particularly those over the old mine workings and near the community;
- maintaining an engaged workforce;
- operating in a safe and responsible manner towards the community; and
- maintaining positive relationship with the regulators and operating materially in conformity.

The strategy was to increase production to nameplate capacity in order to have the highest impact on cost reductions. The operating team has also embarked on new initiatives to reduce the cost of material and services, as well as increasing productivity.

The operating and free cash flow performance was adversely affected by a significant decline in gold price and the shortfall in target production. The gold price had greater impact as the decline was throughout the period, while production was increasing from quarter to quarter. The table below outlines this factor.

2013 Period	Gold Production (oz)	Gold Sales (oz)	Average Gold Price (US\$)
Q1	106,047	95,511	1,632
Q2	111,701	109,503	1,415
Q3	120,208	123,151	1,326
Q4	137,321	136,826	1,276
Year	475,277	464,991	1,411
Budget	504,000	504,000	1,650

Osisko sold 464,991 ounces of gold at an average price of \$1,388, 1.6% below the 2013 average price and 15.9% below the budget of \$1,650.

The majority of shortfall in operating and free cash flow is attributable to the decline of the gold price, which is an item over which management of Osisko has no control. Osisko however strategically decided to maintain its exposure to the gold price as it expects gold price will improve in the short to medium term.

The Canadian Malartic mine continued to face challenges through weather and noise constraints. Total downtime in 2013 amounted to approximately 18,830 hours (4%).

### Grow the Reserve and Resource Base

A key component for the future of Osisko is to grow its reserve and resource base. This objective can be achieved through exploration, acquisition and development of deposits. Osisko acquired Queenston in December 2012, with its key land position and projects in the prolific Kirkland Lake gold camp.

The key metrics were:

	<b>Allocation (%)</b>	<b>Achievement (%)</b>
Increase mining resources by 2.0 million ounces	6.00	0.00
Complete and initiate exploration shaft (50 meters) work at Upper Beaver	4.50	0.00
Complete agreement for road deviation and finalize arrangements for BAPE for South Barnat Project	3.00	2.40
Finalize feasibility study at Hammond Reef and initiate permit work	1.50	1.50
<b>Total</b>	<b>15.00</b>	<b>3.90</b>

Osisko had planned to focus significant expenditures on the Kirkland Lake camp in 2013 to aggressively develop the Upper Beaver exploration shaft and to carry out an intensive drilling program on various properties and new targets. Following the significant drop in gold price in the first part of the year, Osisko implemented a cost containment program (the "**Cost Containment Program**"). The Cost Containment Program significantly curtailed all discretionary investments. As such, the exploration and development budgets in Kirkland Lake and Mexico were reduced and as a consequence impeded the growth targets of the reserve/resource base and decelerated the advancement of the shaft sinking work at the Upper Beaver project. Osisko successfully implemented and delivered on its Cost Containment Program resulting in reduction of more than \$96.0 million in capital expenditures in 2013.

At Canadian Malartic, Osisko continued to aggressively pursue the South Barnat expansion project (the "**Expansion Project**"). The final layout for the road deviation was finalized with the Ministry of Transport of Québec and the Town of Malartic. Osisko also held a public meeting in collaboration with the Town of Malartic and the Canadian Malartic Monitoring Committee (the "**Monitoring Committee**") to present various components of the Expansion Project. Preparation of the Environment Impact Assessment Study was completed in the first quarter of 2014. An 80% achievement was approved on this objective.

The Hammond Reef feasibility study was completed during the year. The study indicated that the project would only be viable in an above US\$1,500 gold price environment. The technical group is reviewing various approaches to optimize the project. The Environment Impact Assessment was published in draft form in 2013, and following a consultation and comments period, the report was issued in final form in December. The strategy is to pursue the permits for the project, thereby enhancing its value. The target objectives were fully realized and approved for Hammond Reef.

### Human Resources

A key component to Osisko achieving its long-term goals relates to the management and development of its human resources. Osisko has mainly recruited its workforce over the past five years and its ability to grow will only be tempered by the lack of qualified individuals to assume new challenges.

The key metrics were:

	Allocation (%)	Achievement (%)
Reduce accident frequency by 10%	5.00	7.50
Successful implementation of the Osisko Leadership Program	2.50	2.50
Development of an action plan to maintain favorable employee engagement	2.50	2.50
<b>Total</b>	<b>10.00</b>	<b>12.50</b>

A significant focus in 2013 was the improvement of Osisko's safety record. The Osisko Board and management of Osisko strongly believe that an organization that is successful is an organization that works safely. The impact of accidents on morale and productivity affects the potential of the various units realizing full value for its stakeholders. Through various initiatives, the safety performance at Canadian Malartic was improved by 37% (combined frequency 2.20 in 2013 versus 3.50 in 2012), and corporately by 21.0% (combined frequency 3.0 in 2013 versus 3.80 in 2012). The strong performance resulted in the Committee approving 150% of target achievement.

The implementation of the new Osisko leadership program (the "**Osisko Leadership Program**") is key in developing our managerial talents for future assignments, succession planning and improved performance in their current functions. Osisko developed the Osisko Leadership Program with the assistance of Montreal based academic institution HEC Montreal. The top candidates were separated in two groups and the Osisko Leadership Program launched. In 2013, the following sessions were held:

	Cohort 1	Cohort 2
Strategy	✓	✓
Finance	✓	
Team Management	✓	
Operational Excellence	✓	

The first cohort is scheduled to be completed in April 2014 and the second cohort at the end of 2014 calendar year. A 100% achievement was approved for this metric.

Over the course of 2013, several initiatives were continued or implemented by Osisko to maintain and enhance employee engagement. Focus groups were used to review and develop new initiatives and ensure buy-in of the employees.

Morale and pride continue to be at high levels within the organization. The items set forth below clearly demonstrate the foregoing:

- High level of cooperation between Comité de Bonne Entente and Canadian Malartic management;
- low employee turnover rate;
- improved safety performance;
- achievement of production records;
- strong participation in training and development courses;
- significant employee engagement during Québec Mining Royalty Debate;
- high participation level by employees in public meetings held in Malartic;
- voluntary participation in employee videos / campaigns; and
- outstanding attendance at employee family visit at Canadian Malartic.

Based on the performance in 2013, the Committee approved of 100% of the target (2.50%).

## Sustainability

A key component of Osisko's strategy is to maintain leadership position in sustainability and it is an essential defining element of Osisko. A strong performance in sustainability area will ensure that Osisko retains its "**Social Licence**" to operate.

The key metrics were:

	<b>Allocation (%)</b>	<b>Achievement (%)</b>
Reduce non-compliance notices by 50% at Canadian Malartic	3.75	0.00
Reduce complaints by 75% at Canadian Malartic	3.75	2.78
Improve relationship with the Monitoring Committee	3.75	3.75
Maintain Osisko's leadership in stakeholder relations	2.25	2.25
Improve corporate governance ranking/performance	1.50	1.50
<b>Total</b>	<b>15.00</b>	<b>10.28</b>

The number of notice of non-compliance received in 2013 was comparable to 2012. Osisko received 41 notices in 2013 compared to 39 in 2012. The Committee concluded that this goal was not achieved and assessed a result at 0%.

The number of complaints received at Canadian Malartic was reduced significantly in 2013 to 203 from 457 in 2012. While Osisko continues to work at improving its performance, it has been noted the filing of complaints sometimes constitutes part of a strategy to pressure Osisko to acquire houses in the Town of Malartic.

In late 2012, Osisko committed to re-energize the Monitoring Committee for Canadian Malartic. A study was undertaken by an external consultant, Raymond Chabot Grant Thornton, and recommendations were implemented accordingly. A renewed Monitoring Committee was established with additional representatives from the Québec Government, the Town of Malartic and Osisko. The Monitoring Committee held several meetings, including public meetings on health matters and the road deviation project. Good communication was established between mine management and management of the Monitoring Committee. The Monitoring Committee also attended a site visit at the Canada Malartic mine and had the opportunity to meet with the management team of the mine. The President of the Monitoring Committee has met with representatives of the Osisko Board and with Sustainable Investors Groups. The Committee assessed a 100% achievement for this goal (3.75%).

Osisko maintained its position as a leader through its commitments with its stakeholder and in particular through the following actions:

- sponsorship of key local initiatives in Malartic (expansion of day care, low cost housing, 75th anniversary of the Town of Malartic);
- sponsorship of key events promoting mining (Prospectors and Developers Association of Canada, Québec Exploration, Québec Economist Forum on Natural Resources);
- active involvement in industry groups (Québec Mining Association, Québec Exploration, COREM, Québec Federation of Chambers of Commerce);
- participation in the dialogue on the amendments to the Mining Tax Act (Québec) and Mining Act (Québec);
- open house at the Canadian Malartic mine and Malartic Mining Museum site visits;
- first Québec company to complete funding of closure costs guarantee within two years of operations; and
- positive relationship with the Town of Malartic and the Government of Québec.

The Committee considered that this goal had been achieved and approved 100% of the target (2.25%).

Osisko remains focused on sound governance practices. During 2013, it continued to work with the Osisko Board and its Committees. The key achievements include:

- say on pay proposal submitted to Osisko Shareholders (78.5% support);
- self-assessment for all Committees;
- increase diversity of the Osisko Board;
- increase ranking in Globe & Mail Governance Survey (rank 62 out of 232, with 17.6 percentile improvement over 2012); and
- engagement with the Canadian Coalition for Good Governance.

Performance by Osisko resulted in the Committee approving 100% of the target for this goal.

#### Finance

The financial performance metrics for 2013 were:

	<b>Allocation (%)</b>	<b>Achievement (%)</b>
Increase share price by 20% (\$9.60)	2.50	0.00
Implement dividend policy	2.50	0.00
Enhance financial flexibility	2.50	2.75
Improve risk management program	2.50	2.50
<b>Total</b>	<b>10.00</b>	<b>5.25</b>

The share price decreased to \$4.71 from \$8.00 at the end of 2012. The decline was attributable to significant decrease in price of gold, and the investors moving away from gold equities.

Osisko did not implement a dividend policy during the year as a result of the decline in gold price and its Cost Containment Program implemented in reaction to the volatility in the gold markets.

Osisko successfully renegotiated new terms and conditions of its long term debt with its creditors, CPPIB Credit Investment Inc. ("CPPIB"), the Caisse de dépôt et placement du Québec ("CDPQ") and Ressources Québec inc. ("RQ"). The changes to the loan with CPPIB include:

- to base the loan repayments on pre-determined fixed amounts: \$30,000,000 in June 2014 and \$40,000,000 in June 2015, 2016 and 2017;
- to revise the interest rate from 7.5% to 6.875% starting on October 1, 2013;
- to cancel the delayed drawdown facility (\$100,000,000);
- to amend the outstanding 12.5 million warrants originally issued when the loans were initially drawn in order to (i) revise the exercise price to \$6.25, (ii) extend the expiry date to September 30, 2017 and (iii) modify the acceleration clause in order to allow Osisko to accelerate the exercise of the 12,500,000 warrants if the common shares of Osisko trade at a price of \$8.15 per share for 15 consecutive days; and
- modification of the security allowing for an exception for a credit facility to support the issuance of letters of credit for the Canadian Malartic closure costs up to a maximum of \$60 million.

Changes to the convertible debentures held by CDPQ and RQ include:

- to delay by three years the debentures repayment to November 2017;
- to revise the interest rate from 7.5% to 6.875% starting on October 1, 2013; and
- to amend the conversion clause to a price of \$6.25 per share.

The renegotiated new terms and conditions of its long term debt with its creditors also allows for dividend distribution on certain conditions.

As a result of the very positive outcome for this objective, the Committee approved 100% of the target.

Osisko continued to improve its risk management program through:

- Increased management's awareness to risks management;
- Improved risk mitigation measures;
- Increased focus on environmental management and investigation of insurance coverage; and
- Detailed analysis of risk transfer (Insurance by external firm).

The Committee assessed the achievement of this goal at 100%.

Due to significant decrease in the gold price, Osisko experienced shortfalls on key financial metrics (operating cash flow and free cash flow at Canadian Malartic and share price). However, Osisko continued to progress with Canadian Malartic reaching near nameplate capacity on a sustainable basis. Canadian Malartic is positioned to be a leading world class gold mine through the efforts of management and its employees. Osisko is well positioned to continue its growth and deliver solid returns to its stakeholders.

Based on the foregoing and as summarized in the table below, the Committee assessed the overall performance base payout at 71.21%.

The Committee provided a recommendation to the Osisko Board and the Osisko Board approved the following assessment of the 2013 Corporate Objectives set forth below:

<b>2013 CORPORATE OBJECTIVES</b>		
	<b>Allocation</b>	<b>Achievement</b>
	<b>%</b>	<b>%</b>
<b>Maximize Canadian Malartic project</b>	<b>50.00</b>	<b>39.28</b>
Produce 504,000 ounces of gold	25.00	23.58
Generate \$427.2 M of operating cash flow	12.50	8.75
Generate \$341.8 M of free cash flow	12.50	6.95
<b>Grow Reserve/Resources Base</b>	<b>15.00</b>	<b>3.90</b>
Increase mining resources by 2.0 million ounces	6.00	0.00
Complete set up and initiate exploration shaft (50 meters) work at Upper Beaver	4.50	0.00
Complete agreement for road deviation and finalize arrangements for BAPE for Barnat South Project	3.00	2.40
Finalize feasibility study at Hammond Reef and initiate permit work	1.50	1.50
<b>Human Resources</b>	<b>10.00</b>	<b>12.50</b>
Reduce accident frequency program by 10%	5.00	7.50
Successful implementation of the Osisko Leadership Program	2.50	2.50
Develop and implement an action plan to maintain favorable employee engagement	2.50	2.50
<b>Sustainability</b>	<b>15.00</b>	<b>10.28</b>
Reduce non-compliance notices by 50% at Canadian Malartic	3.75	0.00
Reduce complaints by 75% at Canadian Malartic	3.75	2.78
Improve relationship with Malartic Monitoring Committee	3.75	3.75
Maintain Osisko leadership role in stakeholder relations	2.25	2.25
Improve corporate governance ranking/performance	1.50	1.50

## 2013 CORPORATE OBJECTIVES

	Allocation %	Achievement %
<b>Financial Performance</b>	<b>10.00</b>	<b>5.25</b>
Increase share price by 20% (\$9.60)	2.50	0.00
Implement dividend policy	2.50	0.00
Enhance financial flexibility		
Replace \$100 million delayed drawdown facility	2.50	2.75
✓ Finance Québec financial guarantees		
Improve risk management program	2.50	2.50
<b>TOTAL</b>	<b>100.00</b>	<b>71.21</b>

As previously indicated, the Committee decided to take into account personal performance of the five Named Executives in connection with payment of the short term incentive, thereby applying Osisko's past practice at all authority levels to consider individual performance of each employee in order to establish a factor to be taken into account in payment of short term incentive.

In order for the Committee to progressively incorporate individual performance as part of the evaluation of performance of the Named Executive, while continuing to recognize that the "team approach" to performance evaluation has proven very successful with them, the Committee received from the President and Chief Executive Officer of Osisko, a recommendation for each of the Named Executives (excluding himself). The Committee reviewed each recommendation and assessed Mr. Roosen's performance and considered the following 2013 achievements by the Executives:

- Leadership in political context relating to mining royalties in Québec;
- Completion of ramp-up to nameplate capacity at Canadian Malartic;
- Leadership in connection with the two Bills to amend the *Mining Act* (Québec);
- Successful implementation of the capital expenditure reduction program; and
- Positioning Canadian Malartic as a world class gold mining operation.

Based on its review, the Committee approved the following individual payout factor for each of the Named Executives in connection with payment of the short term incentive to be paid to each of them:

Name	Individual Payout Factor
Sean Roosen	1.30
Bryan A. Coates	1.30
Luc Lessard	1.30
John Burzynski	1.30
Denis Cimon	1.25

Accordingly, based on the Committee's assessment of the 2013 corporate objectives for the financial year ended December 31, 2013 and on the individual payout factor, the following Annual Incentive Award was declared and paid to each Named Executives:

Named Executives	Annual Incentive Award (\$)
Sean Roosen, President and CEO	731,200
John Burzynski, Vice President, Corporate Development	425,800
Bryan A. Coates, Vice President, Finance and Chief Financial Officer	472,100
Luc Lessard, Senior Vice President and Chief Operating Officer	472,100
Denis Cimon, Vice President, Technical Services	124,600

### ***Long-Term Incentive Compensation***

The establishment of a balance between short and long-term compensation is essential for Osisko's sustained performance, including its ability to attract, motivate and retain a pool of talented executives in a very competitive employment market as well as to ensure a proper alignment of the Named Executives' interests with those of Osisko Shareholders.

To achieve this balance while limiting Osisko Shareholder dilution and to complement the existing Osisko Stock Option Plan and Osisko Employee Share Purchase Plan, Osisko has adopted in 2011 the Osisko RSU Plan and the Osisko DSU Plan. These plans are hereinafter collectively referred to as "**Osisko's Long-Term Incentive Plans**".

The Osisko Board has adopted a guideline pertaining to long-term incentive grants awarded upon hiring as well as for annual grants. This guideline provides that grants are based on responsibilities undertaken by employees of Osisko (Hierarchical base). Since 2011, the Committee recommended and the Osisko Board approved long-term incentive grants in the form of stock option and RSU grants of equivalent value. These long-term incentive grants represent approximately 60% of the Named Executives' total compensation at the time of grant. The Committee considers that such weight promotes a greater alignment of interests with those of Osisko Shareholders.

The Committee manages Osisko's Long-Term Incentive Plans with full authority. The Committee considers ad hoc and annual grants of options, RSUs and DSUs based on the guidelines and, as the case may be, recommendations made by the President and CEO from time to time, for participants other than himself. The Committee, in turn, considers such recommendations and, as appropriate, makes recommendations to the Osisko Board, including any awards to the President and CEO.

In 2012, the Committee recommended to the Osisko Board to introduce performance criteria as a condition for the vesting of part of each RSU grant. Accordingly, effective June 2012, the Osisko Board resolved that all future RSU grants be subject to the following vesting terms: one third (1/3) is time-based and will vest on the third anniversary of such grant and the remaining portion (2/3) vest on the third anniversary of such grant, subject to achievement of a gold production target over a three-year period:

<b>Gold Production as % of Target</b>	<b>% of Performance RSUs to Vest</b>
< 80%	0%
80%	60%
85%	70%
90%	80%
95%	90%
100%	100%
105%	110% <sup>(1)</sup>
110%	120% <sup>(1)</sup>

**Note:**

(1) In the event that production exceeds 100% of the target, the excess amount will be paid as a "**special bonus**".

The Committee considers that such added performance criteria improves the alignment of Named Executives' interests with those of Osisko Shareholders and will promote sustainable growth and value creation.

### ***Stock Options***

Osisko adopted the current Osisko Stock Option Plan in 2008 allowing for the grant of options to officers and certain key employees of Osisko, designated by the Osisko Board, at its entire discretion, to align their interest to those of Osisko Shareholders.

Osisko Options are granted by the Osisko Board based on the guideline described above and, as the case may be, upon recommendations made by the President and CEO from time to time. The total number of Osisko Options



issued over the past years to an employee may be taken into consideration but does not have a material impact on the number of options to be granted to said employee, except for same year grants, if any. The options are granted at market value at time of grant and, with respect to all outstanding Option-Based Awards, said options have a term of five years.

The value of Osisko Options granted to Named Executives is significantly lower since 2011 as a result of the introduction of RSUs.

Osisko will not issue Osisko Options to Non-Executive Directors in the future.

The terms and conditions of the Osisko Stock Option Plan are more specifically addressed under the heading "*Security-Based Compensation Arrangements*" below.

### ***Restricted Share Units (RSUs)***

The purpose of the Osisko RSU Plan is to assist Osisko in attracting and retaining individuals with experience and ability, to allow certain employees of Osisko designated at the Committee's discretion, to participate in the long term success of Osisko and to promote a greater alignment of interests between the employees designated under the Osisko RSU Plan and those of Osisko Shareholders.

The RSUs granted to a participant shall vest on the third anniversary of the grant date, subject to any vesting conditions as determined by the Committee and described in the letter of grant. Whenever dividends are paid on Osisko Shares, additional RSUs are automatically granted to each participant who holds RSUs on the record date for such dividend. Following the vesting date, RSUs are settled in cash, for an amount equivalent to the product of the number of vested RSUs multiplied by the closing price of an Osisko Share on the TSX on the day prior to the payment date, less applicable withholdings.

The Committee may, at its entire discretion, accelerate the terms of vesting of any outstanding RSU in circumstances it deems appropriate. In the event of a change of control as defined in the Osisko RSU Plan, all RSUs outstanding on the change of control date become immediately vested, irrespective of performance conditions, if any.

In the event a participant resigns or is terminated by Osisko for cause, all outstanding RSUs are cancelled. As for those participants who cease to be an employee as a result of death, termination without cause, retirement or long-term disability, the vesting of:

- the fixed component portion of each RSU grant will be prorated based on the sum of the number of days during which certain benefits of employment are contractually maintained and those actually worked from the date of grant of such RSUs up until the date of termination without cause, over the number of days of the original vesting schedule in relation to such grant; and
- all performance based RSU grant will be prorated based on the number of days actually worked from the date of grant of such RSUs up until the date of termination without cause, over the original vesting schedule in relation to such grant; the number of vested performance based RSUs resulting from such prorated calculation is multiplied by the performance percentage to be determined by the Osisko Board.

The value and number of RSUs granted in 2013 were based on the annual grant guidelines and the closing price of an Osisko Share on the TSX on the day prior to the grant date.

### ***Deferred Share Units (DSUs)***

The Osisko DSU Plan has been established to enhance Osisko's ability to attract and retain talented individuals to serve as members of the Osisko Board or as officers of Osisko and to promote for greater alignment of interests between such persons and Osisko Shareholders.

Pursuant to the Osisko DSU Plan, the Osisko Board may designate, from time to time and at its sole discretion, the members of the Osisko Board, the officers, or key employees of Osisko, designated by the Committee, (the "**Eligible Key Employees**") to become participants of the Osisko DSU Plan.

In order to further improve alignment of interests between directors and Osisko Shareholders, the Committee amended the vesting provision of the Osisko DSU Plan in 2012 in order to replace the immediate vesting of DSUs upon grant with a vesting on the day prior to the next annual meeting of Osisko Shareholders following such grant.

DSUs granted to a participant, who is an Eligible Key Employee, shall become vested based on the specific conditions determined in each letter of grant provided the participant is in the employment of Osisko on such vesting date, unless the Osisko Board decides otherwise at its sole discretion.

Vested DSUs become payable no later than the last business day in December of the first calendar year commencing after the termination of employment or mandate in the case of a Osisko Board member. Vested DSUs are settled in cash, for an amount equivalent to the product of the number of vested DSUs multiplied by the closing price of an Osisko Share on the TSX on the day prior to the payment date, less applicable withholdings.

In the event an Eligible Key Employee's employment is terminated by Osisko for cause, all outstanding DSUs are cancelled. In the event an Eligible Key Employee resigns voluntarily, all outstanding and unvested DSUs are cancelled. In the event an Eligible Key Employee dies, retires, becomes disabled or is terminated by Osisko other than for cause, the number of outstanding and unvested DSUs is pro-rated on the basis of the number of days worked over the total number of days of the original vesting schedule, if applicable.

In 2013, DSUs were awarded to Non-Executive Directors only.

#### ***Osisko Employee Share Purchase Plan***

In 2008, the Osisko Board has also approved an employee share purchase plan to encourage eligible employees ("**Eligible Employees**") to hold, on a permanent basis, Osisko Shares. Under the Osisko Employee Share Purchase Plan, Osisko contributes an amount equal to 60% of the Eligible Employee's contribution then held in trust by Osisko. The Eligible Employee's contribution shall be of a minimum of \$100 monthly but shall not exceed in any event 10% (unless otherwise provided by the committee authorized to oversee the Osisko Employee Share Purchase Plan) of the Eligible Employee's basic annual remuneration (exclusive of any overtime pay, bonuses or allowances of any kind whatsoever) before deduction and shall be subject to a maximum contribution of \$1,250 per month. Reference is made to the description of such plan under the heading "**Security-Based Compensation Arrangements**" below.

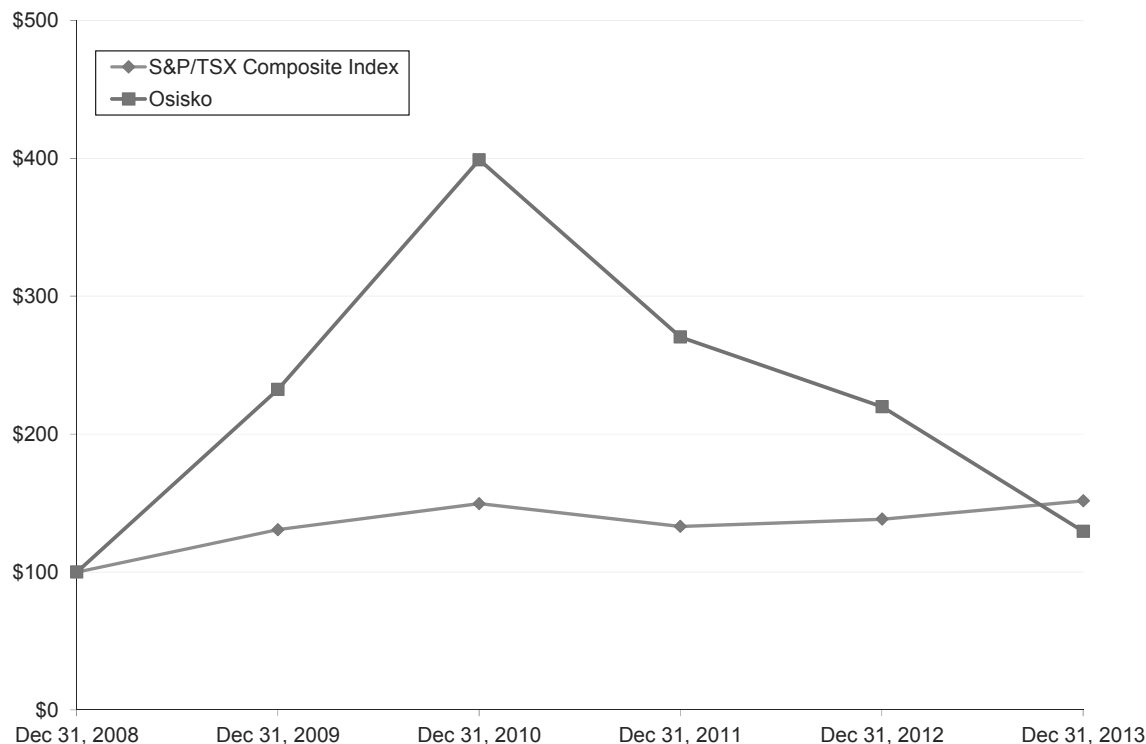
The combined value of long-term incentive awards made to Osisko's Named Executives in 2013, as well as the added performance criteria incorporated to grant of RSUs are commensurate with Osisko's objectives to balance short and long term compensation, enhance alignment with Osisko Shareholders' interests and retain key contributors.

#### ***Benefits***

Osisko's Named Executives benefit program includes life, medical, dental and disability insurance, outplacement services (in case of termination without cause, including as a result of a change of control) and other benefits. Such benefits are designed to be competitive with the December 2012 Peer Group and other comparable Canadian enterprises. Osisko does not have a retirement plan or pension plan for its directors, officers and general managers.

## Performance Graph

The following graph compares the total cumulative Osisko Shareholder return for \$100 invested in Osisko's Osisko Shares on December 31, 2008 with the cumulative total return of the Toronto Stock Exchange's S&P/TSX Composite Index (formerly TSE-300 Index) for the five most recently completed financial years.



	S&P/TSX Composite Index	Osisko Mining Corporation
December 31, 2008	\$100.00	\$100.00
December 31, 2009	\$130.69	\$232.42
December 31, 2010	\$149.57	\$398.90
December 31, 2011	\$133.02	\$270.33
December 31, 2012	\$138.34	\$219.78
December 31, 2013	\$151.56	\$129.40

The graph illustrates a positive total cumulative return for an Osisko Shareholder over the past five years as Osisko evolved from a junior exploration company to a leading intermediate producer. From December 31<sup>st</sup>, 2008 to December 31<sup>st</sup>, 2013, Osisko's share price increased by approximately 29.4% while the S&P/TSX Composite Index decreased by approximately 51.6%.

However, precious metals have been under pressure for most of 2013 and the fourth quarter gold price averaged at US\$1,276/oz, the lowest quarterly price since the third quarter of 2010. During the fourth quarter, the price trended lower for the second time in 2013 towards a low of US\$1,192/oz before rebounding at the start of 2014. After rising for 12 consecutive years, gold price closed US\$453 or 27% lower than the 2012 close at US\$1,205/oz and averaged for the year at US\$1,411/oz, down 15% from 2012 average of US\$1,669/oz.

The market was under pressure and mainly driven by the following developments during the year:

- Eroding demand for bullion as a store value was driven by the strength of the global equities;
- The absence of growing inflation;
- Signs of U.S. recovery fuelling speculations that the Federal Reserve would finally start tapering;
- Exchange-traded funds holdings have fallen more than 30% in 2013 suggesting that institutional investors remain bearish in the face of rising U.S. government bond yields; and
- Good physical demand from Asia especially from China.

Osisko believes that despite the decrease in the gold price in 2013, the fundamentals of the gold market remains well in place, namely:

- Expansionary monetary policies and continued effects of the economic problems around the world;
- High level of government indebtedness;
- Diversification of central bank currency holdings, particularly in emerging markets; and
- Continued geo-political instability.

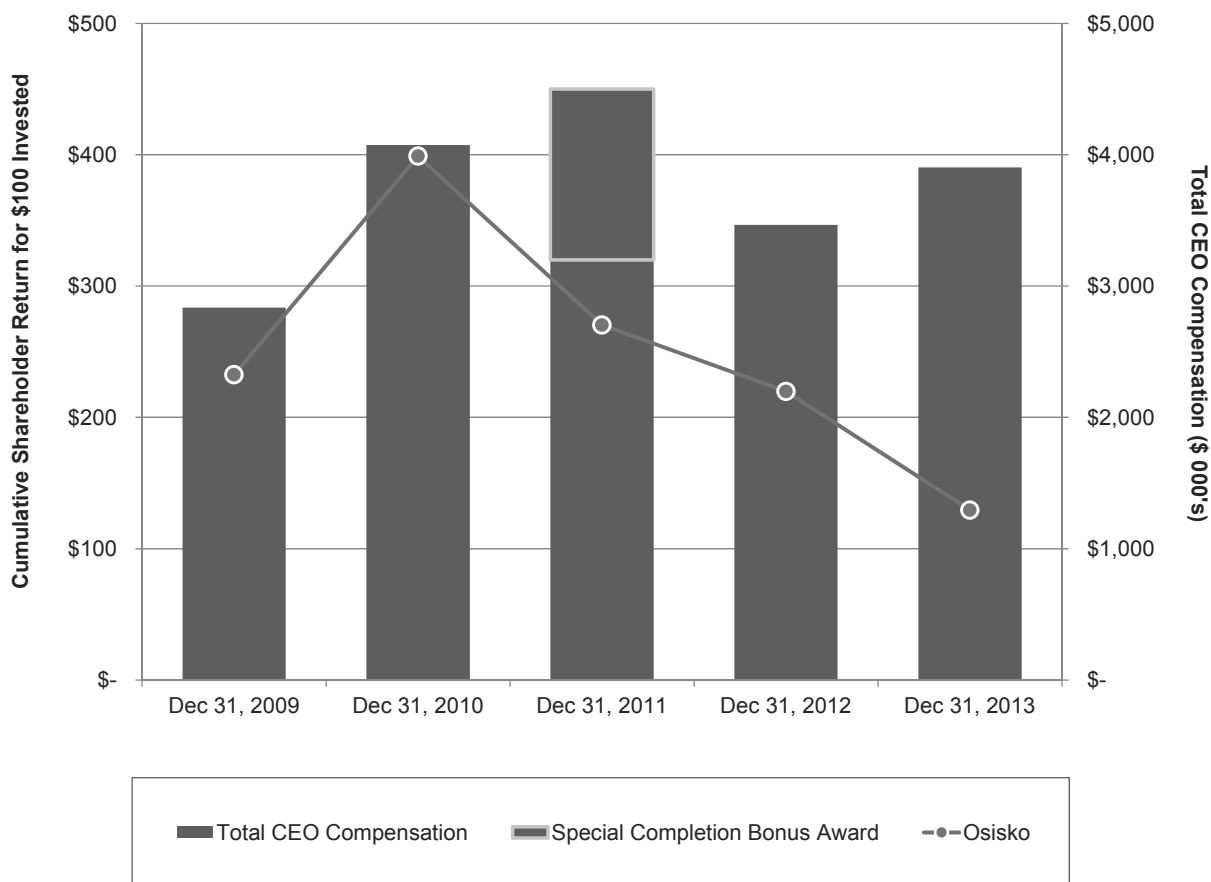
Global gold mine production continues to be relatively stable. The challenges of new production discoveries, high capital costs, suspension of major projects and permitting issues lead Osisko to believe that global production will remain stable or decline in the near/medium term.

The 5-year historical price is as follows:

(US\$/ounce)	High	Low	Average	Close
2014 Q1	1,385	1,221	1,293	1,292
2013	1,694	1,192	1,411	1,205
2012	1,792	1,540	1,669	1,658
2011	1,895	1,319	1,572	1,531
2010	1,421	1,058	1,225	1,406
2009	1,213	810	972	1,088

The decrease in the gold price negatively affected the performance of Osisko's share price on the TSX. The price declined from \$8.32 per share on January 2nd, 2013 to \$4.71 per share on December 31st, 2013.

The following graph compares the total cumulative Osisko Shareholder return with the President and CEO's total compensation for the five most recently completed financial years.



	Osisko Mining Corporation	Total CEO Compensation (\$ 000's)
December 31, 2008	\$100.00	\$1,362.00
December 31, 2009	\$232.42	\$2,836.00
December 31, 2010	\$398.90	\$4,075.00
December 31, 2011	\$270.33	\$4,501.00
December 31, 2012	\$219.78	\$3,466.00
December 31, 2013	\$129.40	\$3,904.00

When the President and CEO's pay trend is compared with the trend in total Osisko Shareholders' return over the last five years, the difference in the trend rates, weighted to reflect recent history as suggested by proxy advisory firms, is not material and should not raise any concern.

In addition, preliminary tests have been performed to assess the President and CEO's compensation relative to the Peer Group's CEO compensation. The Peer Group is composed of the same companies as the December 2012 Peer Group, but including Argonaut Gold Inc. and Capstone Mining Corporation in replacement of Aurizon Mines and Inmet Mining which have since then been acquired and are no longer listed. The Peer Group companies' revenues, market capitalization and industry sectors generally comply with advisory firms' compensation comparator group selection guidelines.

The tests with respect to both the percentile ranks of the President and CEO's pay and the total Osisko Shareholders' return over three years and the President and CEO's pay as a multiple of the estimated median CEO pay of the Peer

Group indicate no material pay and performance disconnect. Based on such results, there appears to be no material disconnect between the President and CEO's total compensation and the total Osisko Shareholders' return.

In 2013, the global gold equities have declined due to decrease in price of gold and the monetization of gold investment funds following redemptions. During 2013, Osisko completed its ramp-up at Canadian Malartic and continued to and has maintained and increased operating and free cash flows.

### Summary Compensation Table

The following table sets forth, to the extent required by applicable securities legislation, all annual and long term compensation for services in all capacities to Osisko for the three most recent completed financial years in respect of the Named Executives.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards <sup>(1)</sup> (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plan <sup>(3)</sup>	Long-Term Incentive Plan			
Sean Roosen President and Chief Executive Officer	2013	790,000	1,194,048	1,189,045	731,200	—	—	—	3,904,293
	2012	770,000	1,163,998	1,155,048	377,300	—	—	—	3,466,346
	2011	689,450	1,258,875	1,252,306	1,300,000	—	—	—	4,500,631
Bryan A. Coates Vice President, Finance and Chief Financial Officer	2013	510,000	774,117	767,624	472,100	—	—	—	2,523,841
	2012	490,000	744,072	735,072	240,100	—	—	—	2,209,244
	2011	475,000	721,250	714,125	950,000	—	—	—	2,860,375
John Burzynski Vice President of Corporate Development	2013	460,000	689,919	692,406	425,800	—	—	—	2,268,125
	2012	440,000	660,114	660,060	215,600	—	—	—	1,975,774
	2011	425,000	712,250	714,125	850,000	—	—	—	2,701,375
Luc Lessard Senior Vice President and Chief Operating Officer	2013	510,000	774,117	767,624	472,100	—	—	—	2,523,841
	2012	490,000	744,072	1,560,072	301,400	—	—	—	3,095,544
	2011	461,685	721,250	714,125	1,235,000	—	—	—	3,132,060
Denis Cimon <sup>(4)</sup> Vice President, Technical Services	2013	280,000	318,435	316,030	124,600	—	—	—	1,039,065
	2012	235,000	267,968	264,480	90,300	—	—	—	857,748
	2011	215,000	245,600	241,956	322,500	—	—	—	1,025,056

#### Notes:

- As per the terms of the Osisko Employee Share Purchase Plan, Osisko contributes an amount equal to 60% of the Eligible Employee's contribution up to a maximum contribution of \$9,000 per year. Mr. Burzynski is not a participant to the Osisko Employee Share Purchase Plan. All Named Executives contribute the maximum amount to Osisko's Employee Share Purchase Plan, with the exception of Mr. Cimon. Such plan is in effect since January 1st, 2009. Pursuant to the Osisko RSU Plan which is in effect since August 2011 and further amended in June 2012, Named Executives were awarded RSUs on May 9, 2013, subject to the new vesting terms, which consist of the following terms: one third (1/3) is time-based and vesting in 2016, while the remaining portion (2/3) is subject to performance objectives which are based on achieving gold production over a three-year period. The unit grant price on such date was \$4.53.
- Based on the grant date fair value of Osisko Options under the Osisko Stock Option Plan. Specifically a Black-Scholes option pricing model was used with the following assumptions determined on the date of grant:

	Risk Free Interest	Expected Average Life	Expected Volatility	Expected Dividend Yield	Fair Value
May 9, 2013	1.08%	3 years	45%	0%	\$1.43
June 11, 2012	1.08%	3 years	40%	0%	\$2.28
August 9, 2012	1.21%	3 years	40%	0%	\$2.75
August 11, 2011	1.0%	3 years	55%	0%	\$5.17

Both the grant date fair value and accounting fair value for option-based awards are calculated using the Black-Scholes option pricing model. However, the share-based compensation expense included in Osisko's financial statements are accounted for based on vesting terms reflecting the fair value amortized for the period in accordance with IFRS requirements.

- (3) An Annual Incentive Award was paid to each Named Executives based on the assessment of achievements with respect to the 2013 Corporate Objectives.
- (4) Mr. Cimon qualified as a Named Executive for the 2013 financial year following the retirement of Mr. Robert Wares, announced in October 2012. He was appointed as Vice President, Technical Services with effect as of January 1st, 2013, prior to this, he was General Manager of the Canadian Malartic Mine.

### **Outstanding Share-based Awards and Option-based Awards**

The table below sets forth a summary of all awards outstanding at the end of the financial year ended December 31, 2013. All values shown in this table were calculated using the closing price of \$4.71 which was the closing price of the Osisko Shares on the TSX on December 31, 2013.

Name	Option-Based Awards				Share-Based Awards <sup>(1)</sup>		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested <sup>(2)</sup> (\$)	Market or Payout Value of Vested Share-Based Awards not paid out or distributed (\$)
Sean Roosen President and Chief Executive Officer	831,500 506,600 242,000 600,000 400,000	4.53 8.06 13.75 11.12 7.80	05/08/2018 06/10/2017 08/10/2016 07/07/2015 11/04/2014	149,670 0 0 0 0	497,780	2,344,544	—
Bryan A. Coates Vice President, Finance and Chief Financial Officer	536,800 322,400 138,000 500,000 300,000	4.53 8.06 13.75 11.12 7.80	05/08/2018 06/10/2017 08/10/2016 07/07/2015 11/04/2014	96,624 0 0 0 0	313,880	1,478,375	—
John Burzynski Vice President of Corporate Development	484,200 289,500 138,000 500,000 300,000	4.53 8.06 13.75 11.12 7.80	05/08/2018 06/10/2017 08/10/2016 07/07/2015 11/04/2014	87,156 0 0 0 0	286,000	1,347,060	—
Luc Lessard Senior Vice President and Chief Operating Officer	536,800 300,000 322,400 138,000 500,000 300,000	4.53 9.69 8.06 13.75 11.12 7.80	05/08/2018 08/08/2017 06/10/2017 08/10/2016 07/07/2015 11/04/2014	96,624 0 0 0 0 0	313,880	1,478,375	—
Denis Cimon, Vice President, Technical Services	221,000 116,000 46,800 125,000 100,000	4.53 8.06 13.75 11.12 7.80	05/08/2018 06/10/2017 08/10/2016 07/07/2015 11/04/2014	39,780 0 0 0 0	120,692	568,459	—

**Notes:**

- (1) Under the terms of the Osisko Employee Share Purchase Plan, the Osisko Shares issued using Osisko's contribution only vest on January 1st of the following year.
- (2) The Osisko RSU Plan is in effect since August 2011 and new vesting terms were fixed by the Osisko Board in June 2012 following the recommendation of the Committee. In May 2013, the Osisko Board awarded RSUs and the vesting terms, as amended, consist of the following terms: one third (1/3) is time-based and vesting in 2016, while the remaining portion (2/3) is subject to performance objectives which are based on achieving gold production over a three-year period. The RSUs initially granted to participants in August 2011 will vest on the third anniversary of the date of grant.

***Incentive Plan Awards – Value Vested or Earned during the Year***

The following table discloses the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date and the aggregate value realized upon vesting of share-based awards.

<b>Name</b>	<b>Option-Based Awards – Value Vested during the Year<sup>(1)</sup> (\\$)</b>	<b>Share-Based Awards – Value Vested during the year<sup>(2)</sup> (\\$)</b>	<b>Non-Equity Incentive Plan Compensation – Value earned during the Year (\\$)</b>
Sean Roosen President and Chief Executive Officer	0	8,728	731,200
Bryan A. Coates Vice President, Finance and Chief Financial Officer	0	8,728	472,100
John Burzynski Vice President of Corporate Development	0	—	425,800
Luc Lessard Senior Vice President and Chief Operating Officer	0	8,728	472,100
Denis Cimon Vice President, Technical Services	0	3,494	124,600

**Notes:**

- (1) These amounts reflect the aggregate dollar value that would be realized by multiplying the number of options by the difference between the closing price of the Osisko Shares on the TSX on the respective vesting dates and the respective exercise price of such options.
- (2) Under the terms of the Osisko Employee Share Purchase Plan, the Osisko Shares issued using Osisko's contribution only vest on January 1st of the following year. The closing price of Osisko Shares on the TSX on January 2nd, 2013 (the first trading day of 2013) was \$8.32.

***Stock Options Exercised during the Year***

The following table provides details regarding options exercised by Named Executives during the financial year ended December 31, 2013:

<b>Name</b>	<b>Number of Options Exercised (#)</b>	<b>Option Exercise Price (\\$)</b>	<b>Market Value Upon Exercise (\\$)</b>	<b>Gain Realized<sup>(1)</sup> (\\$)</b>
John Burzynski	41,400	2.20 <sup>(2)</sup>	3.92	71,208
John Burzynski	8,600	2.20 <sup>(2)</sup>	4.06	15,996
Bryan A. Coates	75,000	2.20 <sup>(2)</sup>	5.16	222,000
Bryan A. Coates	10,000	2.20 <sup>(2)</sup>	5.50	33,000
Luc Lessard	200,000	2.20 <sup>(2)</sup>	5.16	592,000

**Notes:**

- (1) The gain realized is calculated based on the difference between the closing price upon exercise and the exercise price of an Option, multiplied by the number of Options exercised.
- (2) Options were reaching their five year expiry date in 2013.



### ***Security-Based Compensation Arrangements***

Osisko Options granted or securities issued by Osisko pursuant to Osisko's security-based compensation arrangements are governed by one of the following plans: the Osisko Employee Share Purchase Plan and the Osisko Stock Option Plan.

#### **The Osisko Employee Share Purchase Plan**

The Osisko Employee Share Purchase Plan provides for the acquisition of Osisko Shares by Eligible Employees for the purpose of advancing the interests of Osisko through the motivation, attraction and retention of employees of Osisko and to secure for Osisko and Osisko Shareholders the benefits inherent in the ownership of Osisko Shares by employees of Osisko, it being generally recognized that employees are more motivated and dedicated due to the opportunity offered to them to acquire a proprietary interest in Osisko.

#### **The Osisko Stock Option Plan**

The purpose of the Osisko Stock Option Plan is to advance the interests of Osisko by encouraging the directors, officers, managers, employees and consultants of Osisko and its subsidiaries to acquire shares in Osisko, thereby increasing their proprietary interest in Osisko, encouraging them to remain associated with Osisko and its subsidiaries and furnishing them with additional incentive in their efforts on behalf of Osisko and its subsidiaries.

### **Eligibility**

#### ***Who is eligible to participate?***

#### **The Osisko Employee Share Purchase Plan**

Participants in the Osisko Employee Share Purchase Plan are employees, including full-time and part-time salaried employees who have an employment agreement for a term of at least one year with Osisko or with any affiliates of Osisko designated by the Osisko Board or by the committee of the Osisko Board authorized to oversee the Osisko Employee Share Purchase Plan (the "**Designated Affiliates**"), who have provided services to Osisko or to any Designated Affiliates for at least 60 days. The committee of the Osisko Board authorized to oversee the Osisko Employee Share Purchase Plan may elect, in its absolute discretion, to waive such 60 day period or to determine that the Osisko Employee Share Purchase Plan does not apply to any Eligible Employee.

#### **The Osisko Stock Option Plan**

Pursuant to the Osisko Stock Option Plan, options may be granted in favour of directors, officers, employees and consultants providing ongoing services to Osisko. No Osisko Options have been granted to Non-Executive directors since the last grant of July 2010 and those currently outstanding will expire at the latest in July 2015. Osisko Options held by Mr. Page were issued to him as replacement for options that were originally granted by Queenston prior to its acquisition by Osisko in December 2012.

#### ***Term and Vesting***

What is the term and vesting schedule of Osisko Options or of the securities issuable under the security-based compensation arrangements?

#### **The Osisko Employee Share Purchase Plan**

Under the Osisko Employee Share Purchase Plan, any Eligible Employee may elect to contribute money on an ongoing basis. Osisko will deduct from the remuneration of the Eligible Employee the Eligible Employee contribution in equal installments starting on the first day of such quarter and hold these amounts in trust for the Eligible Employee. As soon as practicable following March 31, June 30, September 30 and December 31 in each calendar year, Osisko will credit the Eligible Employee with and therefore hold in trust for the Eligible Employee an

amount equal to 60% of the Eligible Employee's contribution then held in trust by Osisko (up to a maximum of \$9,000 per year) and shall issue for the account of each Eligible Employee fully paid and non-assessable Osisko Shares equal in value to the aggregate contribution held in trust by Osisko as of such date. Osisko's contribution will vest on every January 1st of the calendar year following the year with respect to which they have been issued. No fraction of an Osisko Share shall be issued to the Eligible Employees, but any unused balance of the aggregate contribution shall be held in trust for the Eligible Employee until used in accordance with the Osisko Employee Share Purchase Plan.

The Osisko Employee Share Purchase Plan was initially approved by the Osisko Shareholders on May 8, 2008 and was implemented by Osisko on January 1st, 2009.

#### The Osisko Stock Option Plan

The options granted under the Osisko Stock Option Plan, shall be exercised within a period of time fixed by the Osisko Board, not to exceed 5 years from the date the option is granted (the "**Option Period**"). The options shall vest and may be exercised during the Option Period in such manner as the Osisko Board may fix by resolution. The options which have vested may be exercised in whole or in part at any time and from time to time during the Option Period. Effective August 2011, the Osisko Board decided to extend the vesting period of stock option grants from two to three years. Accordingly, the Osisko Board implemented a three-year vesting period for all new grants, whereby Osisko Options vest in three equal parts over three years starting at grant anniversary date.

#### *Number of Securities Issued or Issuable*

How many securities are authorized to be issued under the security-based compensation arrangements and what percentage of Osisko's shares outstanding do they represent?

The maximum number of Osisko Shares made available for the Osisko Employee Share Purchase Plan shall not exceed 2.5% of the issued and outstanding Osisko Shares at any one time.

The aggregate number of Osisko Shares to be delivered upon the exercise of all options granted under the Osisko Stock Option Plan shall not exceed the greater of 10% of the issued and outstanding Osisko Shares at the time of granting of options (on a non-diluted basis) or such other number as may be approved by the TSX and the Osisko Shareholders of Osisko from time to time.

As a result, should Osisko issue additional Osisko Shares in the future, the number of Osisko Shares issuable under the Osisko Employee Share Purchase Plan and the Osisko Stock Option Plan will increase accordingly. The Osisko Employee Share Purchase Plan and the Osisko Stock Option Plan are considered "**evergreen**" plans, since the Osisko Shares issued under the Osisko Employee Share Purchase Plan and the Osisko Shares covered by options which have been exercised under the Osisko Stock Option Plan shall be available for subsequent grants under these plans.

The TSX requires that the Osisko Employee Share Purchase Plan and the Osisko Stock Option Plan be submitted to Osisko Shareholders for ratification every three years; both plans were submitted and ratified by the Osisko Shareholders on May 12, 2011.

### ***Equity Compensation Plan Information***

The following table shows, as of December 31, 2013, aggregated information for Osisko's compensation plans under which equity securities of Osisko are authorized for issuance from treasury.

<b>Plan Category</b>	<b>Number of Osisko Shares to be Issued Upon Exercise of Outstanding Options (#)</b>	<b>Weighted Average Exercise Price of Outstanding Options (\$)</b>	<b>Number of Osisko Shares Remaining Available for Future Issuance Under the Equity Compensation Plans (#)</b>
Equity Compensation Plans of Osisko approved by the shareholders	18,714,734	8.52	36,192,303 <sup>(1)(2)</sup>
Equity Compensation Plans of Osisko not approved by the shareholders	N/A	N/A	N/A
<b>Total:</b>	<b>18,714,734</b>	<b>8.52</b>	<b>36,192,303</b>

**Notes:**

- (1) The maximum number of Osisko Shares made available for the Osisko Employee Share Purchase Plan shall not exceed 2.5% (or 10,981,407) Osisko Shares of the issued and outstanding Osisko Shares at any one time.
- (2) The aggregate number of Osisko Shares to be delivered upon the exercise of all options granted under the Osisko Stock Option Plan shall not exceed the greater of 10% (or 25,210,896 Osisko Shares which represent the difference between 10% of the outstanding Osisko Shares as of December 31, 2013 and 18,714,734 Osisko Shares to be issued upon exercise of outstanding options) of the issued and outstanding Osisko Shares at the time of granting of options (on a non-diluted basis) or such other number as may be approved by the TSX and the Osisko Shareholders from time to time.

As at April 30, 2014, 18,429,634 Osisko Shares were issuable upon the exercise of outstanding options representing 4.19% of the issued and outstanding Osisko Shares. Such options are exercisable at exercise prices ranging from \$4.28 to \$14.98 per share and are due to expire at the latest on July 31, 2018.

In 2013, Osisko granted 5,671,200 options to participants under the Osisko Stock Option Plan representing 1.29% of the issued and outstanding Osisko Shares as of December 31, 2013.

### ***Insider Participation Limit***

**What is the maximum percentage of securities available under the security-based compensation arrangements to Osisko's insiders?**

In order that the Osisko Stock Option Plan together with the Osisko Employee Share Purchase Plan comply with stock exchange rules, a provision was added to the Osisko Stock Option Plan and to the Osisko Employee Share Purchase Plan to provide that:

- (a) The number of shares issuable to insiders, from time to time, under all security based compensation arrangements may not exceed 10% of the total number of issued and outstanding Osisko Shares; and
- (b) The number of shares issued to insiders under all security based compensation arrangements during any one-year period may not exceed 10% of the total number of issued and outstanding Osisko Shares.

### ***Maximum Issuable to One Person***

**What is the maximum number of securities any one person is entitled to receive under the security-based compensation arrangements and what percentage of Osisko's outstanding capital does this represent?**

#### The Osisko Employee Share Purchase Plan

The Eligible Employee's contribution shall be of a minimum of \$100 a month but shall not exceed in any event 10% (unless otherwise provided by the committee authorized to oversee the Osisko Employee Share Purchase Plan) of the Eligible Employee's basic annual remuneration (exclusive of any overtime pay, bonuses or allowances of any kind whatsoever) before deduction and shall be subject to a maximum contribution of \$1,250 per month.

#### The Osisko Stock Option Plan

The number of shares subject to an option granted to a participant under the Osisko Stock Option Plan shall be determined in the resolution of the Osisko Board and no participant shall be granted an option which exceeds 5% of the issued and outstanding Osisko Shares at the time of granting of the option.

#### *Exercise / Purchase Price*

#### **How is the exercise price determined under the security-based compensation arrangements?**

#### The Osisko Employee Share Purchase Plan

The Osisko Shares issued under the Osisko Employee Share Purchase Plan shall be issued at the weighted average closing price of Osisko's Osisko Share as listed on the TSX for the five consecutive trading days prior to the end of each applicable financial quarter of Osisko.

#### The Osisko Stock Option Plan

The exercise price of the options granted under the Osisko Stock Option Plan will be established by the Osisko Board or the Human Resources Committee subject to the rules of the regulatory authorities having jurisdiction over the securities of Osisko. The exercise price at the time of the grant of the options shall not be less than the closing market price of the Osisko Shares listed on the TSX on the day prior to their grant.

#### *Cessation*

#### **Under what circumstances is an individual no longer entitled to participate?**

#### The Osisko Employee Share Purchase Plan

Under the Osisko Employee Share Purchase Plan, an Eligible Employee shall automatically cease to be entitled to participate in the Osisko Employee Share Purchase Plan, upon termination of the employment of the Eligible Employee with or without cause by Osisko or the Designated Affiliate or cessation of employment of the Eligible Employee with Osisko or a Designated Affiliate as a result of resignation or otherwise other than retirement of the Eligible Employee after having attained a stipulated age in accordance with Osisko's normal retirement policy or earlier with Osisko's consent.

#### The Osisko Stock Option Plan

If a participant to the Osisko Stock Option Plan shall cease to be a director, officer, manager, consultant or employee of Osisko or a subsidiary for any reason (other than disability, retirement with the consent of Osisko or death) the options granted to such participant may be exercised in whole or in part by the participant during a period commencing on the date of such cessation and ending 90 days thereafter or on the expiry date, whichever comes first. If a participant to the Osisko Stock Option Plan shall cease to be a director, officer, manager, consultant or employee of Osisko or a subsidiary by reason of disability or retirement with the consent of Osisko, the options granted to such participant may be exercised in whole or in part by the participant, during a period commencing on the date of such termination and ending one year thereafter or on the expiry date, whichever comes first. In the event of the death of the participant, the options previously granted to such participant shall automatically vest and may be

exercised in whole or in part by the legal person representative of the participant for a period of one year or until the expiry date, whichever comes first.

### *Assignability and Transferability*

#### **Can Osisko Options or rights held pursuant to the security-based compensation arrangements be assigned or transferred?**

All benefits, rights and options accruing to any participant in accordance with the terms and conditions of the Osisko Employee Share Purchase Plan and of the Osisko Stock Option Plan shall not be transferable unless under the laws of descent and distribution or pursuant to a Will. All options and such benefits and rights may only be exercised by the participant or Eligible Employee.

### *Amendment Provisions*

#### **How are the security-based compensation arrangements amended? Is Osisko Shareholder approval required?**

##### The Osisko Employee Share Purchase Plan

The committee authorized by the Osisko Board to oversee the Osisko Employee Share Purchase Plan has the following rights, without the approval of Osisko Shareholders:

- (a) to suspend or terminate and to re-instate the Osisko Employee Share Purchase Plan;
- (b) to make any amendment of a "**housekeeping**" nature, including, without limitation, amending the wording of any provision of the Osisko Employee Share Purchase Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Osisko Employee Share Purchase Plan that is inconsistent with any other provision of the Osisko Employee Share Purchase Plan, correcting grammatical or typographical errors and amending the definitions contained in the Osisko Employee Share Purchase Plan;
- (c) to make any amendment to comply with the rules, policies, instruments and notices of any regulatory authority to which Osisko is subject, including the TSX, or to otherwise comply with any applicable law or regulation;
- (d) to make any amendment to the vesting provisions of the Osisko Employee Share Purchase Plan;
- (e) to make any amendment to the provisions concerning the effect of the termination of an Eligible Employee employment or services on such Eligible Employee's status under the Osisko Employee Share Purchase Plan;
- (f) to make any amendment to the categories of persons who are Eligible Employees;
- (g) to make any amendment to the contribution mechanics of the Osisko Employee Share Purchase Plan; and
- (h) to make any amendment respecting the administration or implementation of the Osisko Employee Share Purchase Plan.

The committee authorized by the Osisko Board to oversee the Osisko Employee Share Purchase Plan, may with the approval of the Osisko Shareholders by ordinary resolution, make any other amendment to the Osisko Employee Share Purchase Plan not mentioned hereinabove, including, but not limited to change the number of Osisko Shares issuable from treasury under the Osisko Employee Share Purchase Plan, including an increase to the fixed maximum number of Osisko Shares or a change from a fixed maximum number of Osisko Shares to a fixed maximum

percentage. Notwithstanding the foregoing, any amendment to the Osisko Employee Share Purchase Plan shall be subject to the receipt of all required regulatory approvals including, without limitation, the approval of the TSX.

#### The Osisko Stock Option Plan

The Osisko Board may, without the approval of Osisko Shareholders but subject to receipt of requisite approval from the TSX, in its sole discretion make the following amendments to the Osisko Stock Option Plan:

- (a) any amendment of a "**housekeeping**" nature;
- (b) a change to the vesting provisions of an option or the Osisko Stock Option Plan;
- (c) a change to the termination provisions of an option or the Osisko Stock Option Plan which does not entail an extension beyond the original expiry date; and
- (d) the addition of cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Osisko Stock Option Plan reserve.

The approval of the Osisko Board and the requisite approval from the TSX and the Osisko Shareholders shall be required for any of the following amendments to be made to the Osisko Stock Option Plan:

- (a) any amendment to the number of shares issuable under the Osisko Stock Option Plan, including an increase in the fixed maximum number of shares or a change from a fixed maximum number of shares to a fixed maximum percentage;
- (b) a reduction in the exercise price of an option (for this purpose, a cancellation or termination of an option of a Participant prior to its expiry for the purpose of reissuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an option), other than for standard anti-dilution purposes;
- (c) an increase in the maximum number of shares that may be issued to insiders within any one year period or that are issuable to insiders at any time;
- (d) an extension of the term of an option held by or benefiting an insider beyond the original expiry date (except, for greater certainty, in cases of blackout period in conformity with the terms of the Osisko Stock Option Plan);
- (e) any change to the definition of "**Participant**" included in the Osisko Stock Option Plan which would have the potential of broadening or increasing insider participation;
- (f) the addition of any form of financial assistance;
- (g) any amendment to a financial assistance provision which is more favourable to optionees;
- (h) the addition of a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the Osisko Stock Option Plan reserve;
- (i) the addition of a deferred or restricted share unit or any other provision which results in optionees receiving securities while no cash consideration is received by Osisko;
- (j) any amendment to the transferability provision of the Osisko Stock Option Plan;
- (k) any amendment that may modify or delete any of this amendment disposition; and

- (l) any other amendments that may lead to significant or unreasonable dilution in Osisko's outstanding securities or may provide additional benefits to the participants of the Osisko Stock Option Plan, especially insiders, at the expense of Osisko and its existing Osisko Shareholders.

**Were any amendments made to the security-based compensation arrangements in the last financial year?**

On May 9, 2013 the Osisko Board resolved to amend the Osisko Employee Share Purchase Plan. The changes made to the text below are shown in double-underline to identify any additions and in double-strikeout to identify any deletions thereto:

**"3.8 Termination: In the event of the Termination of an Eligible Employee:**

**3.8.3 in case of voluntary termination by the Eligible Employee or in case of termination for cause of the Eligible Employee by the Corporation, any portion of the Corporation's Contribution then held in trust for an Eligible Employee shall be paid to the Corporation; ~~in case of termination without cause of the Eligible Employee by the Corporation, any portion of the Corporation's Contribution then held in trust for an Eligible Employee shall be paid to the Eligible Employee or the estate of the Eligible Employee;~~**"

*Financial Assistance*

**Does Osisko provide any financial assistance to participants to purchase shares under the security-based compensation arrangements?**

Under the Osisko Employee Share Purchase Plan, Osisko will contribute to the Eligible Employee contribution an amount equal to 60% of the Eligible Employee's contribution cumulated at the end of each interim period of Osisko up to a maximum of \$9,000 per year.

There is no provision allowing financial assistance under the Osisko Stock Option Plan.

*Change of Control Provisions*

**Are there any adjustment provisions under the security-based compensation arrangements?**

The Osisko Employee Share Purchase Plan

Under the Osisko Employee Share Purchase Plan, if there is a change of control of Osisko, the Osisko Board shall have the power to determine that any Osisko Shares held in trust for an Eligible Employee shall be immediately deliverable to the Eligible Employee, that Osisko's contribution shall immediately be made and the Osisko Shares shall be issued for the then Aggregate contribution based on the Current Market Value of the Osisko Shares on the date of the change of control prior to the completion of the transaction which results in the change of control and that such Osisko Shares shall be immediately delivered to the Eligible Employees. In addition, in the event there is any change in the Osisko Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the committee authorized by the Osisko Board to oversee the Osisko Employee Share Purchase Plan in the number of Osisko Shares available under the Osisko Employee Share Purchase Plan. If such an adjustment shall result in a fractional Osisko Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Osisko Employee Share Purchase Plan.

The Osisko Stock Option Plan

Under the Osisko Stock Option Plan, if there is a change of control of Osisko, the Osisko Board shall have the power to accelerate the time at which an option may first be exercised or the time during which an option or any part thereof will become exercisable including, without limitation, prior to or in connection with such change of control.

Under the Osisko Stock Option Plan, in the event that the outstanding shares of Osisko are changed into or exchanged for a different number or kind of shares or other securities of Osisko, or in the event that there is a reorganization, amalgamation, consolidation, subdivision, reclassification, dividend payable in capital stock or other change in capital stock of Osisko, then each participant holding an option shall thereafter upon the exercise of the option granted to him, be entitled to receive, in lieu of the number of shares to which the participant was theretofore entitled upon such exercise, the kind and amount of shares or other securities or property which the participant would have been entitled to receive as a result of any such event if, on the effective date thereof, the participant had been the holder of the shares to which he was theretofore entitled upon such exercise.

In the event Osisko proposes to amalgamate, merge or consolidate with any other corporation (other than with a wholly-owned subsidiary of Osisko) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the shares of Osisko or any part thereof shall be made to all holders of shares of Osisko, Osisko shall have the right, upon written notice thereof to each participant, to require the exercise of the option granted pursuant to the Osisko Stock Option Plan within the thirty day period next following the date of such notice and to determine that upon such thirty day period, all rights of the participant to exercise same (to the extent not theretofore exercised) shall ipso facto terminate and cease to have any further force or effect whatsoever.

### ***Black-Out Periods***

#### **Are there any blackout period provisions under the security-based compensation arrangements?**

Under the Osisko Stock Option Plan, in the event that the term of an option expires during such period of time during which insiders are prohibited from trading in shares as provided by Osisko's insider trading policy, as it may be implemented and amended from time to time (the "**Blackout Period**") or within 10 business days thereafter, the option shall expire on the date that is 10 business days following the Blackout Period. Although the Blackout Period would only cover insiders of Osisko, the extension would apply to all participants who have options which expire during the Blackout Period.

### **Pension Plan Benefits**

Osisko's contribution pension plan (the "**Pension Plan**") for non-management salaried employees is in effect since January 1st, 2012. Pursuant to the Pension Plan, such employees receive an amount equivalent to their Registered Retirement Savings Plan ("**RRSP**") contribution up to a maximum of 5% of their annual base salary. In addition, all managers of Osisko were also integrated into the Pension Plan sometime during the second trimester of 2012, which entitles them to receive an amount equivalent to their RRSP contribution up to a maximum of 5% of their annual base salary and also receive an additional 5% contribution from Osisko. Osisko does not have a retirement plan or pension plan for its directors, officers and general managers

### **Termination and Change of Control Benefits**

In 2007, Osisko entered into individual employment agreements with its Named Executives as described below. Given the development of Osisko since the execution of their employment agreements, Osisko has revised the terms of the employment agreements of Messrs. Roosen, Burzynski and Coates in 2009 and Mr. Lessard's in 2010. Mr. Cimon's employment agreement was revised in December 2013. Individual employment agreements stipulate that, in the case of termination of employment initiated by Osisko for reasons other than cause, Osisko will make the following severance payments to its Named Executives:



### *Termination by Osisko Without Cause*

If the Named Executives are terminated by Osisko without cause, each Named Executive will be entitled to:

<b>Compensation<sup>(1)</sup></b>	<b>Sean Roosen (\$)</b>	<b>Bryan A. Coates (\$)</b>	<b>John Burzynski (\$)</b>	<b>Luc Lessard (\$)</b>	<b>Denis Cimon (\$)</b>
Cash Severance					
Base salary <sup>(2)</sup>	1,580,000	1,020,000	920,000	1,020,000	280,000
Annual Incentive <sup>(3)</sup>	2,252,400	1,454,200	1,311,600	1,454,200	140,000
Unvested Equity acceleration					
Stock Options <sup>(4)</sup>	149,670	96,624	87,156	96,624	39,780
Shares <sup>(5)</sup>	9,326	9,326	—	9,326	3,730
RSUs <sup>(6)</sup>	1,438,217	891,863	827,103	891,863	297,861
Benefits <sup>(7)</sup>	68,800	71,000	70,800	71,000	38,800
<b>TOTAL</b>	<b><u>5,498,413</u></b>	<b><u>3,543,013</u></b>	<b><u>3,222,659</u></b>	<b><u>3,543,013</u></b>	<b><u>800,171</u></b>

**Notes:**

- (1) All amounts are calculated as at December 31, 2013; Messrs. Roosen, Coates, Burzynski and Lessard are entitled to a 24-month severance based on their annual based salary plus all bonuses paid or declared in the last 12 months; they are also entitled to the acceleration of all unvested equity and the maintaining of most benefits for a term of 24 months. Mr. Cimon is entitled to a 12-month severance, on his annual base salary plus, as determined and approved by the Osisko Board, a prorated bonus based on the number of days completed in the year of termination, up to the termination date, during the applicable bonus period, taking into account the officer's target bonus; they are also entitled to the acceleration of all unvested equity and the maintaining of benefits for a term of 12 months. In addition, all Named Executives are also entitled to receive payment of any accrued unpaid vacation.
- (2) As at December 31, 2013, the respective annual base salary of the Named Executive was as follows: Mr. Roosen: \$790,000, Mr. Coates: \$510,000, Mr. Burzynski: \$510,000, Mr. Lessard: \$510,000 and Mr. Cimon: \$280,000.
- (3) Assuming termination as at December 31, 2014, for Mr. Roosen, Mr. Coates, Mr. Burzynski and Mr. Lessard, amounts reflect two times the last bonus paid in the last 12 months to each officer based on the assessment of achievements with respect to the corporate objectives plus 100% of their target bonus for the year that such termination occurs, as each of them is also deemed to have completed all milestones and earned in full his bonus for the year in which the such termination occurs. As for Mr. Cimon, he is eligible to receive 50% of his salary, which shall be prorated based on an assumption of achievements of 100% of his target bonus for the year that such termination occurs.
- (4) These amounts reflect the aggregate dollar value that would be realized by multiplying the number of unvested options (the vesting of which would be accelerated as a result of such termination without cause) by the difference between \$4.71, being the closing price of the Osisko Shares on the TSX on December 31, 2013 and the respective exercise price of such options.
- (5) These amounts reflect, for each Named Executive participating in the Share Purchase Plan of Osisko, the aggregate dollar value that would be realized by multiplying the number of shares (the vesting of which would be accelerated as a result of such termination without cause) by \$4.71, being the closing price of the Osisko Shares on the TSX on December 31, 2013.
- (6) These amounts reflect the aggregate dollar value that would be realized by multiplying the number of vested RSUs by \$4.71 being the closing price of the Common Shares on the TSX on December 31, 2013; vesting of RSUs was calculated as follows: the vesting of the fixed component portion of each RSU grant were pro-rated based on the sum of the number of days during which certain benefits of employment are contractually maintained and those actually worked from the date of grant of such RSUs up until the date of termination not for cause, over the number of days of the original vesting schedule set forth in relation to such grant; and the vesting of all performance based RSU grant were prorated based on the number of days actually worked from the date of grant of such RSUs up until the date of termination not for cause, over the original vesting schedule set forth in relation to such grant; the number of vested performance based RSUs resulting from such prorated calculation was multiplied by the performance percentage to be determined by the Osisko Board (for the foregoing calculation purpose, we assumed a performance achievement of 100%).
- (7) These amounts represent the dollar value of the insurance, medical, outplacement and other benefits of the officers which would be continued for a term of 24 months for Mr. Roosen, Mr. Coates, Mr. Burzynski and Mr. Lessard and 12 months for Mr. Cimon; insurance benefits include group insurance but exclude long term disability and accidental death and dismemberment benefits.

### *Termination of Employment Following Change in Control*

If the Named Executives cease to be employed by Osisko for any reason (including voluntary resignation by the Named Executives) within six months following the completion of a change of control, the Named Executive will be entitled to:

Compensation <sup>(1)</sup>	Sean Roosen (\$)	Bryan A. Coates (\$)	John Burzynski (\$)	Luc Lessard (\$)	Denis Cimon (\$)
Cash Severance					
Base salary <sup>(2)</sup>	2,370,000	1,530,000	1,380,000	1,530,000	420,000
Annual Incentive <sup>(3)</sup>	2,193,600	1,416,300	1,277,400	1,416,300	186,900
Unvested Equity acceleration					
Stock Options <sup>(4)</sup>	149,670	96,624	87,156	96,624	39,780
Shares <sup>(5)</sup>	9,326	9,326	—	9,326	3,730
RSUs <sup>(6)</sup>	2,335,218	1,469,049	1,347,060	1,469,049	564,729
Benefits <sup>(7)</sup>	78,200	81,500	81,200	81,500	43,200
<b>TOTAL<sup>(8)</sup></b>	<b>7,136,014</b>	<b>4,602,799</b>	<b>4,172,816</b>	<b>4,602,799</b>	<b>1,258,339</b>

**Notes:**

- (1) All amounts calculated as at December 31, 2013; Mr. Roosen, Mr. Coates, Mr. Burzynski and Mr. Lessard are entitled to a 36-month severance based on their annual base salary plus all bonuses paid or declared in the last 12 months; they are also entitled to the acceleration of all unvested equity and the maintaining of benefits for a term of 36 months. Mr. Cimon is entitled to an 18-month severance based on his annual base salary plus all bonuses paid or declared in the last 12 months (the aggregate which is multiplied by a factor of 1.5); they are also entitled to the acceleration of all unvested equity and the maintaining of benefits for a term of 18 months. In addition, all Named Executives are also entitled to receive payment of any accrued unpaid vacation.
- (2) As at December 31, 2013, the respective annual base salary of the Named Executive was as follows: Mr. Roosen: \$790,000, Mr. Coates: \$510,000, Mr. Burzynski: \$460,000, Mr. Lessard: \$510,000 and Mr. Cimon: \$280,000.
- (3) For Mr. Roosen, Mr. Coates, Mr. Burzynski and Mr. Lessard, amounts reflect three times the sum of all bonuses paid or declared in the last 12 months to each officer based on the assessment of achievements with respect to the corporate objectives. For Mr. Cimon, amounts reflect one-and-a-half times the sum of all bonuses paid or declared in the last 12 months based on the assessment of achievements with respect to the corporate objectives.
- (4) These amounts reflect the aggregate dollar value that would be realized by multiplying the number of unvested options (the vesting of which would be accelerated as a result of such termination without cause) by the difference between \$4.71, being the closing price of the Common Shares of Osisko on the TSX on December 31, 2013 and the respective exercise price of such options. The exercise price of unvested options granted to Named Executives is greater than the market value, therefore such options have no realizable value.
- (5) These amounts reflect, for each Named Executive participating in the Osisko Employee Share Purchase Plan of Osisko, the aggregate dollar value that would be realized by multiplying the number of shares (the vesting of which would be accelerated as a result of such termination without cause) by \$4.71, being the closing price of the Common Shares of Osisko on the TSX on December 31, 2013.
- (6) These amounts reflect the aggregate dollar value that would be realized by multiplying the number of RSUs (the vesting of all of which would be accelerated as a result of such termination following a change of control, irrespective of any performance vesting conditions) by \$4.71 being the closing price of the Common Shares on the TSX on December 31, 2013.
- (7) These amounts represent the dollar value of the insurance, medical outplacement and other benefits of the officers which would be continued for a term of 36 months for Mr. Roosen, Mr. Coates, Mr. Burzynski and Mr. Lessard and 18 months for Mr. Cimon; insurance benefits include group insurance but exclude long term disability and accidental death and dismemberment benefits.

Each of the Named Executives undertakes, following the date of his termination for any reason, not to solicit Osisko's agents, administrators, officers, directors, managers or business executives, consultants or employees and to not enter into competition with Osisko for a period of 12 months, except for Mr. Cimon who is only subject to an 18-month non-solicitation period.

#### **Policy on Recovery of Incentive Compensation**

Osisko's Policy on Recovery of Incentive Compensation (the "**Policy**" – also commonly known as a "**Clawback Policy**") which applies to the President and Vice Presidents (the "**Executive Officers**") of Osisko (including former Executive Officers) is in effect since March 2013 and such affects awards made under the short-term incentive program (the "**Annual Incentive Compensation**") as of its inception and allows the Osisko Board, in its discretion,

to establish and reserve the right to recover all or portion of the Annual Incentive Compensation paid to an Executive Officer with respect to the most recent financial year in the event that :

- (a) such amount received by an Executive Officer was calculated based on, or contingent on, achieving: (a) certain financial results that are subsequently the subject of or affected by a restatement of all or a portion of Osisko's financial statements; (b) production results which are subsequently determined to be misstated; or (c) reported reserves or resources which are subsequently determined to be overstated;
- (b) an Executive Officer was involved in gross negligence, intentional misconduct or fraud that caused or partially resulted in such restatement, misstatement or overstatement;
- (c) the Annual Incentive Compensation payment received would have been lower had the financial results, production results or reserves and resources been properly reported; and
- (d) Further, management will continue to monitor, in conjunction with the Committee, the evolution of regulatory framework in Canada with respect to compensation policies and ensure that the Policy is reviewed annually and is properly aligned with Osisko Shareholders' best interest.

### **Securities Ownership**

A formal securities ownership guideline (the "**Guideline**") was assented by the Osisko Board in February 2013 in order to further align the long term interests of Osisko Shareholders and that of its directors and officers. The Guidelines provide direction to Non-Executive Directors and Named Executives as to the level and amounts of ownership considered satisfactory in meeting the ownership requirements. The ownership requirements can be met through the holding of Osisko Shares, DSUs and RSUs. Following a review in August 2013, the Osisko Board, following the recommendation of the Committee, approved the revised method of calculation for the purpose of determining the value of securities held. As such, the holdings are now based on the cost of the acquisition or value at the time of grant. With respect to RSUs, only the fixed component (retention based) will be used in determining the value of the holdings.

The following table illustrates the amounts and levels established for the minimum requirement for Non-Executive Directors and Named Executives:

<b>Categories</b>	<b>Securities Ownership Levels (as Multiple of Salary/Retainer)</b>
Chair of the Osisko Board	<b>2 Times Basic Retainer and DSUs</b> (2 x \$70,000 = \$140,000 and DSU Value of \$185,000) — <b>Value of \$510,000</b>
Directors	<b>2 Times Basic Retainer and DSUs</b> (2 x \$70,000 = \$140,000 and DSU Value of \$115,000) — <b>Value of \$370,000</b>
President and Chief Executive Officer	<b>3 Times Annual Salary</b> 3 x \$790,000 = \$2,370,000
Executive and Senior Vice President (other Named Executives)	<b>2 Times Annual Salary</b> 2 x \$510,000 = \$1,020,000 2 x \$460,000 = \$920,000 2 x \$280,000 = \$560,000

Newly elected or appointed directors and newly appointed Named Executives have three years to comply with the ownership requirements starting from the date of approval of the Guidelines or from the date of election or appointment. All Non-Executive Directors and Named Executives have satisfied the required securities ownership Guidelines, with the exception of Ms. Ferstman whose time limit for complying with the minimum required ownership level is May 9, 2016 and Mr. Cimon's time limit is January 1st, 2016. The following table sets out the securities ownership status of Non-Executive Directors and Named Executives as of December 31, 2013:

**Directors and Named Executives' Securities Ownership as of December 31, 2013:**

Name and Position	HOLDINGS			Total Value <sup>(1)(2)</sup>	Compliance with the Guidelines	Share Ownership Level (As Multiple of Salary/Retainer)
	No of Osisko Shares	No of DSUs	No of RSUs (Fixed Component only)	(\$)	Yes / No	
Victor H. Bradley Director since November 2006	30,000	70,400	—	725,240	Yes	2.84 times
Marcel Côté Director since June 2010	220,830	55,000	—	2,348,019	Yes	12.69 times
Michèle Darling Director since May 2012	40,000	56,400	—	675,311	Yes	3.65 times
Joanne Ferstman (3) Director since May 2013	25,000	47,500	—	325,625	No	1.76 times
Staph Leavenworth Bakali Director since March 2006	100,000	55,000	—	988,828	Yes	5.35 times
William A. MacKinnon Director since June 2010	56,000	55,000	—	920,316	Yes	4.97 times
Charles E. Page Director since February 2013	552,149	48,944	—	4,487,591	Yes	24.26 times
Gary A. Sugar Director since March 2012	10,000	55,000	—	513,558	Yes	2.78 times
Serge Vézina Director since September 2007	50,000	55,000	—	689,228	Yes	3.73 times
Sean Roosen Director, President and CEO	810,093	—	495,800	4,531,318	Yes	5.74 times
Bryan A. Coates Vice-President Finance and CFO	506,235	—	311,900	3,672,020	Yes	7.20 times
John Burzynski Vice President of Corporate Development	538,900	—	133,700	6,315,004	Yes	13.73 times
Luc Lessard Senior Vice President and COO	257,403	—	311,900	1,972,754	Yes	3.87 times
Denis Cimon <sup>(4)</sup> Vice President, Technical Services	6,116	—	51,700	480,469	No	1.72 times

**Notes:**

- (1) The value of Osisko Shares is based on the actual acquisition cost of shares.
- (2) The value of the DSUs and RSUs is based on the actual grant price.
- (3) Although the minimum level of share ownership requirement has not been attained by Ms. Ferstman, given her date of election in May 2013, the latter's time limit for meeting such requirement is May 9, 2016.
- (4) Although the minimum level of share ownership requirement has not been attained by Mr. Cimon, given his date of appointment in January 2013, the latter's time limit for meeting such requirement is January 1st, 2016.

As at December 31, 2013, the market value of the total number of securities (RSUs only fixed component) held by Non-Executive Directors and Named Executives represents a value of \$28,645,281

**Other Non-Executive Change of Control Payments and Benefits**

***Change of Control Policy***

In February 2014, Osisko renewed its change of control policy, which provides for employee termination indemnities in case of a change of control. The change of control trigger for payments under the policy is a "double trigger", such that the employee must be terminated without cause or constructively dismissed in the 18-month period following the change of control. Under the change of control policy, junior employees are entitled to three months' notice, intermediate employees' are entitled to 6 months' notice and senior managers are entitled to 12 months' notice. The policy excludes the president, the vice-presidents and the general managers, and sets out three categories of termination indemnity according to the type of employment (three, six or 12 months of salary and

benefits). In the case of a change of control in connection with the Arrangement or otherwise, the estimated termination indemnities of all employees covered by the change of control policy would aggregate approximately \$18,769,000.

#### ***Other Change of Control Entitlements***

As discussed elsewhere, upon a change of control the vesting of and payments for exercised RSUs and DSUs may be accelerated, with the result that Osisko's directors, officers and other participating employees may be entitled to receive all amounts in respect of the RSUs and DSUs calculated in accordance with the Osisko RSU Plan and Osisko DSU Plan, respectively. The contribution obligations and Osisko Share issuance obligations of Osisko under the Osisko Employee Share Purchase Plan are also expected to accelerate and become due upon a change of control of Osisko.

### **INDEBTEDNESS OF OFFICERS AND DIRECTORS OF OSISKO**

No director, executive officer, or employee of Osisko or any of its subsidiaries, former director, executive officer, or employee of Osisko or any of its subsidiaries, proposed nominee for election as director of Osisko, or any associate of any of the foregoing, (i) has been or is indebted to Osisko or any of its subsidiaries, at any time during its last completed fiscal year, or (ii) has had any indebtedness to another entity at any time during its last completed fiscal year which has been the subject of a guarantee, support agreement, letter of credit, or other similar arrangement provided by Osisko or any of its subsidiaries.

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

Osisko is committed to achieve high standards of corporate governance. The Osisko Board has carefully considered the Corporate Governance Guidelines set forth in Policy Statement 58-201 to Corporate Governance Guidelines. A description of Osisko's corporate governance practices is set out below in response to the requirements of Regulation 58-101 respecting Disclosure of Corporate Governance Practices and in the form set forth in Form 58-101F1 "Corporate Governance Disclosure".

#### **Majority Voting Policy for Election of Directors**

The Majority Voting Policy for uncontested director elections is in effect since April 2011. Under such policy, if a nominee does not receive the affirmative vote of at least the majority of votes cast at the meeting of Osisko Shareholders, the director shall promptly tender his or her resignation for consideration by the Governance / Nomination Committee and the Osisko Board. The Governance / Nomination Committee will consider such resignation and make a recommendation to the Osisko Board. The policy is available on Osisko's website at [www.osisko.com](http://www.osisko.com).

#### **Composition of the Osisko Board**

As of April 30, 2014, the Osisko Board consists of a majority of independent directors given that, of the 11 directors currently serving on the Osisko Board, eight are considered independent directors. The independence of directors is determined by the Osisko Board based on the results of independence questionnaires completed by each director annually and on other information reviewed on an ongoing basis.

#### **Osisko Board Diversity**

Osisko is subject to the provisions of the CBCA, which requires at least twenty-five percent of the directors of Osisko must be resident Canadians. We believe the composition of the Osisko Board should be diversified. Accordingly, the Governance / Nomination Committee maintains an *evergreen* list of potential candidates as possible nominees for the Osisko Board. The Osisko Board is currently composed of diversified backgrounds, namely:

- two female directors;
- directors of various ages; and
- directors with differing backgrounds and experience.

Osisko recognizes the value and importance of board diversity. As such, these characteristics are used as guidelines when reviewing potential candidates and maintaining an evergreen list accordingly. In compiling the evergreen list, the Committee ensures that over 40% of the candidates are women.

### **Independence of Directors - Majority of Directors are Independent**

The Osisko Board has approved independence standards that require that a majority of its directors be independent. The independence of a director is determined in accordance with Regulations 52-110 or Regulation 58-101 further to voluntary disclosure by each director. Furthermore, the Osisko Board may determine that a director has no material relationship with Osisko, including as a partner, Osisko Shareholder or officer of an organization that has a relationship with Osisko. A "**material relationship**" is a relationship which could, in the view of the Osisko Board, be reasonably expected to interfere with the exercise of a director's independent judgment and includes an indirect material relationship. In determining whether a director is independent, the Osisko Board applies standards derived from the Canadian Securities Administrators director independence rules. The Osisko Board determines the independence of a director when it approves director nominees for inclusion in this Circular. Based on the results of independence questionnaires completed by each nominee and other information, the Osisko Board determined that eight of the 11 nominees proposed for election as directors have no material relationship with Osisko and are, therefore, independent.

The following table indicates the independence status of each of the 11 nominees for election to the Osisko Board:

<b>Name</b>	<b>Independent</b>	<b>Non-Independent</b>
Victor H. Bradley	✓	
John F. Burzynski		✓
Marcel Côté	✓	
Michèle Darling	✓	
Joanne Ferstman	✓	
Staph Leavenworth Bakali	✓	
William A. MacKinnon	✓	
Charles E. Page		✓
Sean Roosen		✓
Gary A. Sugar	✓	
Serge Vézina	✓	

Messrs. Sean Roosen and John F. Burzynski are not independent directors, given that they, respectively, President and CEO and Vice President, Corporate Development of Osisko. Considering that Mr. Charles E. Page was the former President and Chief Executive Officer of Queenston prior to the December 28, 2012 acquisition by Osisko, he is considered to have a material relationship with Osisko. Furthermore, given Mr. Page's involvement, proficiency and experience in the mining industry, Osisko has retained his services as a consultant.

### **Independent Chair of the Osisko Board**

Osisko's Board is led by a non-executive and independent Chair, which contributes to the Osisko Board's ability to function independently of management of Osisko. Mr. Victor H. Bradley was appointed to act as Chair and serve on the Osisko Board in November 2006.

The Chair of the Osisko Board takes all reasonable measures to ensure the Osisko Board fulfills its oversight responsibilities. The Chair is responsible for the management, the development and the effective performance of the Osisko Board, and provides leadership to the Osisko Board for all aspects of the Osisko Board's work.

In addition to the responsibilities applicable to all directors of Osisko, the responsibilities of the Chair of the Osisko Board include the following: (i) presiding at all meetings of the Osisko Shareholders and of the Osisko Board; (ii) planning and organizing the activities of the Osisko Board in consultation with management including the preparation for, and the conduct of, Osisko Board meetings, as well as the quality, quantity and timeliness of the information that goes to the Osisko Board; (iii) during Osisko Board meetings, encouraging full participation and discussion by individual directors, stimulating debate, facilitating consensus, and ensuring that clarity regarding decisions is reached and duly recorded; (iv) fostering ethical and responsible decision making by the Osisko Board and its individual members; (v) providing advice, counsel and mentorship to the President and Chief Executive Officer and fellow members of the Osisko Board; (vi) acting as principal liaison between the directors and the Chief Executive Officer on sensitive issues; (vii) conducting peer reviews through a process involving meeting with each director individually and conducted to coincide with the formal survey of board effectiveness; (viii) ensuring non-management directors discuss among themselves, without the presence of management, Osisko's affairs; (ix) ensuring minutes of the Osisko Board meetings are available in a timely manner; (x) ensuring committees of the Osisko Board report to the Osisko Board on their activities; (xi) assisting the Osisko Board Committees and Committee Chairs to bring important issues forward to the Osisko Board for consideration and resolution; and (xii) carrying out other responsibilities at the request of the Osisko Board.

#### **Independent Vice-Chair of the Osisko Board**

Mr. Marcel Côté was appointed by the Osisko Board as Vice-Chair in December 2012 in order to, among other things, assist the Chair of the Osisko Board in providing independent leadership for the Osisko Board, namely in discharging its duties, responsibilities and obligations independently of management.

In addition to the responsibilities applicable to all directors of Osisko, the responsibilities of the Vice-Chair of the Osisko Board include the following: (i) in the absence of the Chair of the Osisko Board, the Vice-Chair shall carry out the Mandate and Responsibility of the Chair of the Osisko Board; (ii) assist the Chair of the Osisko Board to manage the affairs of the Osisko Board; (iii) as deemed appropriate by the Vice-Chair, consult and meet with any or all of the independent directors, and where appropriate represent such directors in discussions with management of Osisko; ensure that questions and comments of independent directors are heard and addressed; (iv) acting as principal liaison between Osisko and Federal and Provincial government officials.

In discharging its duties, the Vice-Chair shall satisfy the same independence requirements as the Chair of the Osisko Board pursuant to applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules and to the By-Laws of Osisko.

#### **Osisko Board's Skills Matrix**

The Governance / Nomination Committee, together with the Osisko Board Chair, is responsible for determining the needs of the Osisko Board in the long term and identifying new candidates to stand as nominees for election or appointment as directors.

The Osisko Board ensures that the skill set developed by directors, through their business expertise and experience, meets the needs of the Osisko Board.

The Governance / Nomination Committee reviews annually the credentials of the members of the Osisko Board. The following table exemplifies the current skills that each nominee possesses:

SKILLS										
Directors	Years of Directorship	Financial <sup>(1)</sup>	M&A <sup>(2)</sup>	Technical/ Mining <sup>(3)</sup>	Government Relations <sup>(4)</sup>	International <sup>(5)</sup>	Governance <sup>(6)</sup>	Human Resources <sup>(7)</sup>	Sustainability <sup>(8)</sup>	Management <sup>(9)</sup>
Victor H. Bradley Age: 78	7 years	✓	✓	✓	✓	✓	✓	✓	✓	✓
John F. Burzynski Age: 50	6 months	✓	✓	✓	✓	✓	✓		✓	✓
Marcel Côté Age: 71	3 years	✓	✓		✓	✓	✓	✓		✓
Michèle Darling Age: 60	1 year		✓			✓	✓	✓	✓	✓
Joanne Ferstman Age: 47	6 months	✓	✓				✓	✓		✓
Staph Leavenworth Bakali Age: 52	7 years	✓	✓		✓	✓	✓	✓		✓
William A. MacKinnon Age: 67	3 years	✓	✓			✓	✓	✓		✓
Charles E. Page Age: 61	8 months	✓	✓	✓	✓	✓	✓		✓	✓
Sean Roosen Age: 50	10 years	✓	✓	✓	✓	✓	✓		✓	✓
Gary A. Sugar Age: 65	1 year	✓	✓	✓		✓	✓			✓
Serge Vézina Age: 71	6 years			✓		✓			✓	✓

**Notes:**

- (1) Financial: Ability to understand: (i) financial statements; (ii) financial controls and measures; (iii) capital markets; and (iv) financing options.
- (2) Mergers and Acquisitions: Understanding of: (i) capital markets in friendly and unfriendly transactions; (ii) complexity of integration post-business continuation; and (iii) general legal requirements in M&A.
- (3) Technical/Mining: Understanding of: (i) exploration activities; (ii) mine operations, including risks/challenges/opportunities (mining, milling); (iii) ability to have knowledge of construction / development / planning / scheduling / monitoring of construction / contract administration/forecasting; and (iv) understanding of marketing of metals.
- (4) Government Relations: Understanding of: (i) legislative and decision-making process of governments; and (ii) experience in dealing with governments (policy making, lobbying, etc.).
- (5) International Experience: Consists of: (i) experience in dealing with different legislative and cultural environments; (ii) understanding foreign legislative process; and (iii) understanding opportunities and risk in non-Canadian jurisdictions.
- (6) Governance: Understanding of (i) the requirements/process for oversight of management; (ii) various stakeholder requirements; and (iii) evolving trends with respect to governance of public companies.
- (7) Human Resources: Ability to: (i) review management structure for large organization; (ii) develop/assess/monitor remuneration packages (salary, benefits, long-term and short-term incentives); and (iii) understand how to motivate people.
- (8) Sustainability: Understanding of (i) environmental risks in the mining industry; (ii) government regulations with respect to environmental, health & safety; and (iii) understanding of and experience in community relations and stakeholder involvement.
- (9) Management: Ability to plan, operate and control various activities of a business.



## Other Reporting Issuer Memberships

The table below sets forth the name of each nominee director of Osisko who is currently a director of another organization that is a reporting issuer as also described under the Section entitled "Election of Directors" in this Circular:

Nominee	Other Reporting Issuers	Industry Classification	Market and Stock Symbol	Board Committee Membership
Victor H. Bradley	Nevada Copper Corp.	Mining Company	TSX — NCU	Audit Committee - Chair Compensation Committee - Chair
John F. Burzynski	Oban Mining Corporation (formerly Braeval Mining Corporation)	Mining Company	TSX — BVL	Corporate Governance and Compensation Committee
	Condor Petroleum Inc.	Oil and Gas Company	TSX — CPI	Compensation Committee and Reserves Committee
Marcel Côté	Alphinat Inc.	Industrial products - technology - software	TSX-V — NPA	—
Michèle Darling	None			
Joanne Ferstman	Dundee Industrial Real Estate Investment Trust	Real Estate Company	TSX — DIR	—
	Dundee Real Estate Investment Trust	Real Estate Company	TSX — D	—
	Aimia Inc.	Loyalty Management Company	TSX — AIM	Audit Committee Human Resources and Compensation Committee - Chair
	Excellon Resources Inc.	Mining Company	TSX — EXN	Audit Committee Nominating and Corporate Governance Committee
Staph Leavenworth Bakali	None			
William A. MacKinnon	Novadaq Technologies Inc.	Medical fluorescence imaging products	TSX — NDQ	Audit Committee - Chair
	Telus Corporation	Telephone utilities	TSX — T NYSE — TU	Audit Committee - Chair
Charles E. Page	Unigold Inc.	Mining Company	TSX-V — UGD	Audit Committee Corporate Governance and Compensation Committee
Sean Roosen	Astur Gold Corp.	Mining Company	TSX-V — AST	—
	Bowmore Exploration Ltd.	Mining Company	TSX-V — BOW	—
	Condor Petroleum Inc.	Oil and Gas Company	TSX — CPI	Compensation Committee - Chair Nominating and Corporate Governance Committee - Chair
	Dalradian Resources Inc.	Mining Company (metals and minerals)	TSX — DNA	Audit Committee Corporate Governance and Compensation Committee
Gary A. Sugar	Romarco Minerals Inc.	Mining Company	TSX — R	Governance, Nominating and Compensation Committee - Chair
	Stillwater Mining Company	Mining Company	TSX — SWC.U NYSE — SWC	Audit Committee Compensation Committee Technical and Ore Reserve Committee - Chair
Serge Vézina	Stornoway Diamond Corporation	Mining Company	TSX — SWY	Corporate Governance and Nominating Committee and Environment, Health & Safety Committee

## Interlocking Directorships

As of the date of the Circular, there are no interlocks of the Independent Director Nominees serving on the compensation or equivalent committee or board of directors of another reporting issuer which has any executive officer or director serving on the Committee or Osisko Board. However, there is an interlocking relationship with Messrs. Roosen and Burzynski whom both serve on the Osisko Board and the Compensation Committee of Condor Petroleum Inc.

### **Independent Directors Meetings**

The Independent Directors hold private sessions at which Non-Independent Directors and members of management are not in attendance, save for Mr. Page and the Secretary of Osisko. Such private sessions are standing items on the agenda of all Osisko Board and Committee meetings. In 2013, five private sessions were held out of nine Osisko Board meetings. On four occasions, the members of the Osisko Board decided that such private sessions were not required.

### **Record of Attendance**

During the 2013 financial year, the Osisko Board held 9 meetings, the Audit Committee held 5 meetings, the Human Resources Committee held 5 meetings, the Governance / Nomination Committee held 3 meetings and the Environment, Health and Safety Committee held 4 meetings. Overall the combined Director at meetings of the Osisko Board and its standing Committees was 97.14%. A record of attendance of each director at Osisko Board and Committee meetings held for the financial year ended on December 31, 2013 is set out under heading "**Record and Attendance**" in this Schedule "M".

### **Director Retirement Policy**

Osisko does not have a director retirement policy. However, the Osisko Board established a strong and effective evaluation process whereby retirement is contingent on performance and skills of the members of the Osisko Board.

### **Osisko Board Mandate**

The Osisko Board had adopted a formal written mandate which can be found under Schedule "A" of this Circular. The mandate of the Osisko Board delineates its role and responsibilities. The Osisko Board has a duty of stewardship and regularly assesses and monitors management's performance. The Osisko Board mandate is also available on Osisko's website at [www.osisko.com](http://www.osisko.com).

### **Position Descriptions**

The Osisko Board has developed written position descriptions for the Chair and Vice-Chair of the Osisko Board and the Osisko Board Committee Chairs, as well as one for the President and CEO. Such position descriptions can be found on Osisko's website at [www.osisko.com](http://www.osisko.com).

### **Orientation and Continuing Education**

The Governance / Nomination Committee recognizes the importance of ongoing director education and the need for each director to take responsibility for this education process. The Governance / Nomination Committee fosters the continuing education process through a combination of written materials, meetings, site visits and other briefings. Directors are sent reading material on various publications on governance matters, risk management, compensation issues, capital market review, gold and precious metals market information on a weekly and monthly basis. Such reading material is an efficient way to remain current on trends in mining, governance, compensation and other matters relevant to Osisko. Informational sessions were also provided to the Osisko Board during the most recently completed financial year.

All fees and expenses for directors to attend seminars and other educational programs that are important for enhancing their knowledge for serving on the Osisko Board are paid by Osisko.

The table below lists some of the topics presented to directors in 2013:

Date	Topic presented	Presented by / publication	Presentations attended by or distributed to
February 2013	<ul style="list-style-type: none"> <li>— Enhancing Audit Quality: The Role of the Audit Committee in External Auditor Oversight</li> <li>— Corporate Governance Practices and Assessment</li> <li>— Gold Sector – Corporate Update</li> </ul>	<ul style="list-style-type: none"> <li>— Discussion paper issued by the Canadian Public Accountability Board</li> <li>— Canadian Coalition for Good Governance</li> <li>— Dundee Capital Markets</li> </ul>	<ul style="list-style-type: none"> <li>— Members of the Audit Committee</li> <li>— Victor H. Bradley, Gary A. Sugar and Marcel Côté</li> <li>— Members of the Osisko Board</li> </ul>
March 2013	<ul style="list-style-type: none"> <li>— Geological reports</li> </ul>	<ul style="list-style-type: none"> <li>— Prospectors &amp; Developers Association of Canada (2013 Convention)</li> </ul>	<ul style="list-style-type: none"> <li>— Charles E. Page</li> </ul>
April 2013	<ul style="list-style-type: none"> <li>— Creating a Québec Mining House</li> </ul>	<ul style="list-style-type: none"> <li>— The Canadian Club of Montreal (Mr. Sean Roosen)</li> </ul>	<ul style="list-style-type: none"> <li>— Marcel Côté</li> <li>— Serge Vézina</li> </ul>
May 2013	<ul style="list-style-type: none"> <li>— IT and the Audit Committee Agenda</li> <li>— Corporate Accountability: Five Keys to your Anti-Fraud Corruption Effort</li> <li>— Risk is a Growing Audit Committee Concern</li> <li>— Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>— KPMG LLP Publication</li> <li>— Fasken Martineau DuMoulin LLP Publication</li> <li>— KPMG LLP Publication</li> <li>— Osisko Management</li> </ul>	<ul style="list-style-type: none"> <li>— Members of the Audit Committee</li> <li>— Members of the Audit Committee</li> <li>— Members of the Audit Committee</li> <li>— Michèle Darling</li> </ul>
June 2013	<ul style="list-style-type: none"> <li>— Analyst/Investor Trip</li> </ul>	<ul style="list-style-type: none"> <li>— Canadian Imperial Bank of Commerce</li> </ul>	<ul style="list-style-type: none"> <li>— Charles E. Page</li> </ul>
July 2013	<ul style="list-style-type: none"> <li>— Gold Hedging</li> </ul>	<ul style="list-style-type: none"> <li>— TD Securities</li> </ul>	<ul style="list-style-type: none"> <li>— Members of the Osisko Board</li> </ul>
August 2013	<ul style="list-style-type: none"> <li>— Business risks facing mining and metals 2013-2014</li> <li>— Review of Technical Reports by Ontario Mining Issuers</li> </ul>	<ul style="list-style-type: none"> <li>— Ernst &amp; Young LLP Publication</li> <li>— Ontario Securities Commission</li> </ul>	<ul style="list-style-type: none"> <li>— Members of the Audit Committee</li> <li>— Members of the Osisko Board</li> </ul>
November 2013	<ul style="list-style-type: none"> <li>— Gold Mining Industry</li> <li>— Financial Markets Conditions</li> <li>— Gold and Canadian Dollar</li> </ul>	<ul style="list-style-type: none"> <li>— Presentation by Financial Advisors</li> <li>— Dundee Capital Markets (Mr. Martin Murenbeeld)</li> </ul>	<ul style="list-style-type: none"> <li>— Members of the Osisko Board</li> <li>— Members of the Osisko Board</li> </ul>
December 2013	<ul style="list-style-type: none"> <li>— Audit Committee Brief (Top Issues for audit committees in 2014)</li> <li>— Exploring Strategic Risk</li> <li>— COSO Enhances its Internal Control - Integrated Framework</li> <li>— The top 10 issues mining companies will face in the coming year</li> <li>— Tracking the trends in Mining 2014</li> <li>— Metals mired in global uncertainty - Gold, silver and copper price report 2014</li> </ul>	<ul style="list-style-type: none"> <li>— Deloitte LLP Publication</li> <li>— Deloitte LLP Publication</li> <li>— Deloitte LLP Publication</li> <li>— Deloitte LLP Publication</li> <li>— Deloitte LLP Publication</li> <li>— PriceWaterhouseCoopers LLP Publication</li> </ul>	<ul style="list-style-type: none"> <li>— Members of the Audit Committee</li> <li>— Members of the Audit Committee</li> <li>— Members of the Audit Committee</li> <li>— Members of the Osisko Board</li> <li>— Members of the Osisko Board</li> <li>— Members of the Osisko Board</li> </ul>
2013	<ul style="list-style-type: none"> <li>— Director's Education Program (Full program completed)</li> <li>— 30 hours of financial related studying seminars and presentations throughout the year in accordance with continuing education requirements for chartered accountants</li> </ul>	<ul style="list-style-type: none"> <li>— Rotman School of Management</li> </ul>	<ul style="list-style-type: none"> <li>— Michèle Darling</li> <li>— Joanne Ferstman</li> </ul>

## **Site Visits**

In conjunction with the orientation of new directors, Osisko organizes an extensive visit of our Canadian Malartic Mine site, during which they can meet with local management personnel and operators. As of the date of the Circular, all nominee directors have had the opportunity to visit Osisko's Canadian Malartic Mine.

Osisko hosted the following site visits of the Canadian Malartic Mine and the Kirkland Lake site during the 2013 financial year:

<b>Date</b>	<b>Site location</b>	<b>Attended by</b>
February 2013	— Kirkland Lake site	— Charles E. Page
April 2013	— Kirkland Lake site — Canadian Malartic Mine	— Charles E. Page — Marcel Côté — Michèle Darling — Sean Roosen — Gary A. Sugar — Serge Vézina
May 2013	— Canadian Malartic Mine	— John Burzynski — Michèle Darling — Joanne Ferstman — Serge Vézina
June 2013	— Canadian Malartic Mine	— Charles E. Page — John Burzynski
August 2013	— Kirkland Lake site	— Charles E. Page
September 2013	— Canadian Malartic Mine	— John Burzynski

## **Ethical Business Conduct**

The Osisko Board has adopted a written Code of Ethics applicable to all directors, officers and employees. The Code of Ethics is accessible on Osisko's website at [www.osisko.com](http://www.osisko.com).

The President and CEO and the Governance / Nomination Committee are responsible for promoting a corporate culture which supports the highest of ethical standards, encourages personal integrity and assumes social responsibility.

Osisko has adopted, from time to time, policies and guidelines relating to ethics that apply to all Directors, officers and employees of Osisko. Osisko's Code of Ethics is reviewed on an annual basis as well as adherence thereto.

The Code of Ethics is distributed to and signed by each of Osisko's employees when they are hired. directors, officers and designated employees are required, on an annual basis, to declare their commitment to respect Osisko's Code of Ethics. Management of Osisko reports annually to the Governance / Nomination Committee all non-compliance statements so disclosed by directors, officers and designated employees.

Osisko's Code of Ethics provides that directors, officers and employees must avoid conflicts of interests, both real and perceived. In practice, should a director have a material interest or be otherwise in conflict of interest as regards a transaction or agreement considered by the Osisko Board, he must disclose his conflict of interest and withdraw from any discussions, assessment or decision related to the particular transaction or agreement.

In the event any transactions or agreements are contemplated in respect of which a Director or Executive Officer has a material interest, the matter must be initially reviewed by the Audit Committee and is then submitted to the Osisko Board. The Osisko Board may implement any measures that it finds necessary in order to ensure the exercise of independent judgment. In the event a director has a material interest in any transaction or agreement, such director will abstain from voting in that regard.

In addition, in compliance with its charter, the Audit Committee has established under Osisko's Internal Whistle Blowing Policy, a process for the receipt and treatment of all complaints concerning accounting, internal accounting controls, auditing or related matters submitted by any employee, including procedures for the confidential anonymous submissions by employees of concerns regarding said matters. To help in this process, Osisko established an Ethics Line, which is a phone and Internet-based reporting system (1-888-ETHIQUE or 1-888-384-4783; [ethics@osisko.com](mailto:ethics@osisko.com)).

The Vice President Legal Affairs and the Vice President Human Resources are the designated persons with whom employees can discuss any issues regarding the Code of Ethics.

There have been no material change reports filed that pertain to any conduct of a director or Executive Officer that constitutes a departure from the Code of Conduct.

Through the above-noted methods, the Osisko Board encourages and promotes a culture of ethical business conduct. In addition, the directors, officers and employees of Osisko are expected to act and to hold their office within the best interests of Osisko. Osisko expects that all directors shall act in compliance of all laws and regulations applicable to their office as director of Osisko.

### **Committees of the Osisko Board**

The Osisko Board has established four standing committees, namely: the Audit Committee, the Human Resources Committee, the Governance / Nomination Committee and Environment, Health and Safety Committee. Each standing committee operates under a formal written charter which sets forth the duties and responsibilities carried out by the respective standing committees of the Osisko Board. Copies of these charters can be found on Osisko's web site at [www.osisko.com](http://www.osisko.com).

### **Governance / Nomination Committee**

The Governance / Nomination Committee is responsible for the monitoring of Osisko's corporate governance and nomination matters.

The Governance / Nomination Committee has the general mandate to (i) consider and assess all issues that may affect Osisko in the areas of corporate governance and nomination generally; (ii) recommend actions or measures to the Osisko Board to be taken in connection with these two areas; and (iii) monitor the implementation and administration of such actions or measures, or of corporate policies and guidelines adopted by regulatory authorities or the Osisko Board with respect to said two areas.

Corporate governance practices determine the process and structure used to manage and run the internal and commercial business of Osisko with a view to preserving its financial and operational integrity, complying with all applicable rules in general and increasing its value to Osisko Shareholders.

As regards corporate governance matters, the Governance / Nomination Committee is responsible for establishing practices which must be followed and should be in line with corporate governance rules and guidelines in effect from time to time as adopted by relevant authorities. The Governance / Nomination Committee is also responsible for recommending to the Osisko Board new candidates for directors and to assist the Osisko Board in the assessment of the performance of senior officers, of the Osisko Board and its committees and of individual directors.

The Governance / Nomination Committee met three times during the most recently completed financial year. The Governance / Nomination Committee is composed of three Independent Directors, namely:

- Gary A. Sugar (Chair)
- Marcel Côté
- Staph Leavenworth Bakali

### **Audit Committee**

The Audit Committee meets regularly in order to assist the Osisko Board: (i) in its oversight of Osisko's accounting and financial reporting principles and policies and internal audit controls and procedures; (ii) in its oversight of the integrity and transparency of Osisko's financial statements and the independent audit thereof; (iii) in selecting, evaluating and, where deemed appropriate, replacing the external auditors; (iv) in evaluating the independence of the external auditors; (v) in its oversight of Osisko's risk identification, assessment and management program; and (vi) in Osisko's compliance with legal and regulatory requirements in respect of the above.

The function of the Audit Committee is to provide independent and objective oversight. The management of the Company is responsible for the preparation, presentation and integrity of Osisko's financial statements. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The external auditors are responsible for planning and carrying out a proper audit of Osisko's annual financial statements and other procedures. In fulfilling their responsibilities hereunder, it is recognized that members of the Audit Committee are not full-time employees of Osisko and are not, and do not represent themselves to be, accountants or auditors by profession or experts in the fields of accounting or auditing including in respect of auditor independence. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct "**field work**" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Audit Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and external to Osisko from which it receives information, (ii) the accuracy of the financial and other information provided to the Audit Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Osisko Board) and (iii) representations made by management as to non-audit services provided by the auditors to Osisko.

The Audit Committee met five times during the most recently completed financial year. The Audit Committee is composed of four Independent Directors, namely:

- William A. MacKinnon (Chair)
- Victor H. Bradley
- Joanne Ferstman
- Gary A. Sugar

Additional reference is made to Section 13.1 entitled "**Audit Committee**" of Osisko's Annual Information Form that contains the information required by section 5.1 of Form 52-110F1 of Regulation 52-110. The Osisko AIF is available on SEDAR at [www.sedar.com](http://www.sedar.com) and a copy of same will be provided free of charge, upon request, to any Osisko Shareholder.

### **Human Resources Committee**

The Human Resources Committee is responsible for reviewing, approving, and, if applicable, recommending to the Osisko Board the approval of policies, programs and practices on matters of remuneration, succession planning, human resources recruitment, development, retention and performance evaluations, which policies are developed and implemented in conformity with Osisko's objectives with the view to attracting and retaining the best qualified management and employees.

The Human Resources Committee met five times during the most recently completed financial year. The Human Resources Committee is composed of three Independent Directors, namely:

- Marcel Côté (Chair)
- Victor H. Bradley
- Michèle Darling

## **Environment, Health and Safety Committee**

The Environment, Health and Safety Committee is responsible for overseeing various aspects of the activities of Osisko in respect of the work environment (occupational health, safety and training matters), the human environment (corporate social responsibility matters) and the physical environment (environmental matters).

The Environment, Health and Safety Committee also determined in November 2013 to hold at least once annually a meeting at any location where Osisko conducts operations.

The Environment, Health and Safety Committee met four times during the most recently completed financial year. The Environment, Health and Safety Committee is composed of two Independent Directors and one Non-Executive Director, namely:

- Serge Vézina (Chair);
- Michèle Darling; and
- Charles E. Page (since May 2013).

## **Nomination of Directors**

In consultation with the Osisko Board Chair, the Governance / Nomination Committee annually reviews the competencies and skills the members of the Osisko Board should possess as well as the skills, areas of expertise, background, independence and qualifications credentials of nominees for election or re-election as members of the Osisko Board. If vacancies occur on the Osisko Board, the Governance / Nomination Committee would recommend nominees to the Osisko Board, consider their qualifications, the validity of the credentials underlying each nomination, and, for nominees who are already directors of Osisko, an evaluation of their effectiveness and performance as members of the Osisko Board, including their attendance at Osisko Board and Committee meetings. The use of a skills matrix is also an additional tool in recommending nominees to the Osisko Board. The Osisko Board's current skills matrix is set out under the heading "*Statement of Corporate Governance Practices – Osisko Board's Skills Matrix*" in this Schedule "M".

The Governance / Nomination Committee is required to maintain and update, as needed, a list of potential director candidates for planned and unforeseen vacancies through an evergreen list, which includes over 40% of women candidates.

## **Assessments**

### ***Osisko Board and Committees***

Following the implementation of a formal procedure for assessing the performance of the Osisko Board and its Committee members in January 2012, a detailed questionnaire is distributed annually to each member of the Osisko Board in order to enable individual directors to provide feedback on the effectiveness of the Osisko Board and its standing Committees as well as the contribution of each member. In addition, the results of the questionnaires are compiled by the Vice President, Legal Affairs and Corporate Secretary and sent to the Chair of the Osisko Board as well as the Chair of the Governance / Nomination Committee. In November 2013, the Osisko Board established an annual review process for its Environment, Health and Safety Committee and Human Resources Committee. As part of the assessment process review, detailed questionnaires are also distributed to each member of the respective Committees. The results of such are compiled by the Vice President, Finance and Chief Financial Officer and sent to the Chair of the Osisko Board as well as to the Chair of the Governance / Nomination Committee. Thereafter, the Chair of the Osisko Board contacts every director and conducts open and confidential one-on-one meetings to discuss the results and any issues arising from the performance assessments.

The Governance / Nomination Committee assesses the operation of the Osisko Board and its standing Committees, the adequacy of information given to directors, communication between the Osisko Board and management, the Osisko Board size and overall skills. The Governance / Nomination Committee also recommends changes to the Osisko Board in order to enhance its performance based on the survey feedback. An annual questionnaire is also

distributed to each member of the Osisko Board, except the Chair, in order to assess the performance of the Chair of the Osisko Board. Accordingly, completed questionnaires are sent directly by the directors to the Chair of the Governance / Nomination Committee who then has an open and confidential one-on-one meeting with the Chair of the Osisko Board to discuss the results and any issues arising from such performance assessments.

### ***President and Chief Executive Officer***

In November 2013, following recommendations of the Human Resources Committee, the Osisko Board approved the implementation of an annual performance process review of the President and CEO to be carried out starting in 2014. In essence, in structuring the performance process review, four key elements were retained, namely: (i) reviewing of objectives; (ii) identifying criteria to assess the President and CEO; (iii) tailoring a process review for the President and CEO, which should gradually be implemented within the next twelve months; and (iv) exploring the possibility of extending this process to all other Named Executives and to all the management team.

### **Performance Review**

The first objective of the annual performance review of the President and CEO is to provide him feedback, which is essential for his personal development, for maintaining good relations with the Osisko Board and for continuous improvement. This element on feedback is structured in such a way that not only does it occur for all key elements, but it is well documented and allows management's response to be monitored annually. Compensation decisions, such as annual increases and short term incentives, are also derived based on annual performance reviews, but this qualifies as a secondary objective of the annual evaluation, given that the alignment of management interests is achieved mainly through stock ownership. Moreover, performance is already at the center of the variable compensation determination, through the use of quantifiable objectives for management which are disclosed under the heading "*Statement of Executive Compensation – Annual Incentive Compensation*" in this Schedule "M".

These objectives, which are closely aligned with Osisko Shareholders' interest, are shared by the management team. The "team approach" is kept as the main basis of feedback to management and for determining variable compensation.

The Osisko Board has a special responsibility with respect to assessing the President and CEO's performance, given that such assessment is done on a broader canvas, including leadership of Osisko, critical people decisions and relations with stakeholders.

On each of these three broad personal dimensions, leadership, people and relations with stakeholders, directors may identify strengths, and conversely, shortfalls and areas of improvement. Moreover, although some of these criteria are personality and character based, as amended from time to time, feedback on all these elements is important for any President and CEO, particularly our President and CEO. The purpose of the proposed process review, is to entice a dialogue with the President and CEO and discuss the views received from the Osisko Board on his management skills and leadership.

### **The Process**

On an annual basis, Directors are required to complete a questionnaire as part of the performance review of the Osisko Board, which will include a section on the assessment of the President and CEO's performance review. Thereafter, the Chair conducts one-on-one confidential meetings with each director and compiles their respective views on the President and CEO performance which are based on those three dimensions. A one-on-one confidential meeting is also conducted with the President and CEO.

The Human Resources Committee integrates the compiled results at its February meeting and reports to the full Osisko Board during the private session of the Osisko Board meeting. Following which, the Chair and Vice-Chair of the Osisko Board will hold a confidential meeting with the President and CEO to discuss the results and views. This process review is in addition to the assessment of achievement of the most recently completed financial year corporate performance objectives for management and the establishment of new corporate objectives.



### **Succession Planning**

The members of the Human Resources Committee, through their annual organizational examination, have reviewed, in conjunction with the Osisko Board, the succession planning pertaining to key positions and assessed potential impacts on whether there is a readiness to fill vacancies in the event a key position becomes vacant, both on an immediate and long term basis. Consequently, Osisko has implemented an action plan in order to manage any emergency need for an immediate replacement of key positions within the rankings of Osisko. Furthermore, the Human Resources Committee and the Osisko Board continually monitor and evaluate succession plans for its management team, and more importantly focus on the succession of the CEO of Osisko as well as development considerations for each potential successor candidate and the performance of individual executives in their current roles. In order to strengthen and facilitate their assessment on potential successors, the Osisko Board meets with members of the management team of Osisko and other key employees, on a quarterly basis, through their participation in meetings and presentations to the Osisko Board. Osisko Board dinner sessions are also scheduled the evening prior to regularly scheduled Osisko Board meetings and encourage them to attend all other informal social functions.

### **Liability Insurance**

Osisko subscribes liability insurance for the benefit of its directors and officers to cover them against certain liabilities contracted by them in such capacity. For the most recently completed financial year, this insurance provided for a coverage limit of \$100 million per loss and policy year and the premium paid by Osisko amounted to \$186,350. When Osisko is authorized or required to indemnify an insured, a deductible of \$50,000 applies. The policy contains standard industry exclusions.

Osisko renewed its liability insurance for the benefit of its directors and officers during the first quarter of 2013 2014 providing coverage of \$100 million per loss and policy year and the total premium to be paid by Osisko will amount to \$199,491. When Osisko is authorized or required to indemnify an insured, a deductible of \$50,000 applies. The policy contains standard industry exclusions.

## APPENDIX A

### OSISKO MINING CORPORATION

#### BOARD OF DIRECTORS CHARTER

##### **I: OVERALL ROLE AND RESPONSIBILITY**

The Board of Directors (the "**Board**") of Osisko Mining Corporation (the "**Corporation**") is elected by the Corporation's shareholders to supervise the management of the business and affairs of the Corporation.

The Board monitors the manner in which the Corporation conducts its business as well as the senior management responsible for the day-to-day operations of the Corporation. It sets the Corporation's policies, assesses their implementation by management and reviews the results.

The prime stewardship responsibility of the Board is to ensure the viability of the Corporation and to ensure that it is managed in the best interest of its shareholders as a whole while taking into account the interests of other stakeholders.

The Board's main expectations of the Corporation's management are to protect the Corporation's interests and ensure the long term growth of shareholder value.

##### **II: MEMBERSHIP AND QUORUM**

The Board shall be composed of a minimum of 3 and a maximum of 15 members. The Board shall also be constituted with a majority of individuals who qualify as independent directors, as per the standards of independence established in the Regulation 58-101 respecting Disclosure of Corporate Governance Practices.

The quorum at any meeting of the Board is a majority of directors in office.

##### **III: DUTIES AND RESPONSIBILITIES OF THE BOARD**

In addition to statutory responsibilities, the Board, either directly or through one of its committees, assumes responsibility for:

- (a) satisfying itself, to the extent feasible, as to the integrity of the Chief Executive Officer ("**CEO**") and other senior officers, and that the CEO and other senior officers maintain a culture of integrity throughout the Corporation;
- (b) ensuring that the Corporation is operated so as to preserve its financial integrity and in accordance with policies approved by the Board;
- (c) ensuring, through the Governance / Nomination Committee, that appropriate structures and procedures are in place so that the Board and its committees can function independently of management and in accordance with sound corporate governance practices;
- (d) reviewing and approving key policy statements developed by management on various issues such as ethics, regulatory compliance, protection of environment, sustainable development, health and safety and communications with shareholders, other stakeholders and the general public;
- (e) adopting a strategic planning process and thereafter reviewing and, where appropriate, approving, annually, a strategic plan and a budget which takes into account, among other things, the opportunities and risks of the business (all of which are developed at first by management), and monitoring the Corporation's performance with reference to the adopted budget and strategic plan;

- (f) identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate controls, measures and systems to manage these risks;
- (g) appointing the CEO, setting forth the position description, as well as planning for the succession of the CEO with the recommendation of the Governance / Nomination Committee and the Human Resources Committee respectively;
- (h) evaluating the performance and reviewing the compensation of the CEO with the Human Resources Committee, and ensuring that such compensation is competitive and measured according to appropriate benchmarks which reward contribution to shareholder value;
- (i) appointing, training, evaluating and monitoring officers as well as planning for their succession with the recommendations of the Governance / Nomination Committee; determining management compensation with the recommendations of the Governance / Nomination Committee and the Human Resources Committee, respectively and ensuring that such compensation is competitive and measured according to appropriate industry benchmarks;
- (j) overseeing, through the Audit Committee, the quality and integrity of the Corporation's accounting and financial reporting systems, and disclosure controls and procedures;
- (k) ensuring, through the Audit Committee, the integrity of the Corporation's internal controls and management information systems;
- (l) overseeing, through the Audit Committee, the process for evaluating the adequacy of internal control structures and procedures of financial reporting, and satisfy itself as to the adequacy of such process;
- (m) advising management on critical and sensitive issues;
- (n) ensuring that the Board's expectations of management are understood, that all appropriate matters come before the Board in a timely and effective manner and that the Board is kept informed of shareholder feedback;
- (o) conducting annually, through the Governance / Nomination Committee, a review of Board practices and the Board's and committees' performance (including director's individual contributions), to ascertain that the Board, its committees and the directors are capable of carrying out and do carry out their roles effectively;
- (p) ensuring with the Human Resources, the adequacy and form of the compensation of non-executive directors taking into account the responsibilities and risks involved in being an effective director;
- (q) determining, with the Governance / Nomination Committee, in light of the opportunities and risks facing the Corporation, what competencies, skills and personal qualities the Board should seek in recruiting new Board members, and the appropriate size of the Board to facilitate effective decision-making;
- (r) determining, annually, with the Governance / Nomination Committee, the independence of each member of the Board as such term is defined by applicable laws and regulations including, rules and guidelines of stock exchanges to which the Corporation is subject;
- (s) setting forth, with the recommendation of the Governance / Nomination Committee, the position description for the Chair of the Board and the Chairmen of the committees of the Board;

- (t) determining annually, with the Audit Committee, if each member of the Audit Committee is "**financially literate**" as such terms are defined under applicable laws and regulations including rules and guidelines of stock exchanges to which the Corporation is subject;
- (u) selecting, upon the recommendation of the Governance / Nomination Committee, nominees for election as directors;
- (v) selecting the Chair of the Board and ensuring that the director appointed as Chair of the Board is and remains independent;
- (w) ensuring, through the Governance / Nomination Committee, that new directors have a good understanding of their role and responsibilities and of the contribution expected of them (including as regards attendance at, and preparation for, meetings), and that they are provided with adequate education and orientation as regards the Corporation, its business and activities;
- (x) approving unbudgeted capital expenditures, or significant divestiture, as well as acquisitions where environmental or other liabilities exist and which could result in significant exposure to the Corporation;
- (y) reviewing alternate strategies in response to any possible takeover bid in order to maximize value for shareholders;
- (z) discussing and developing the Corporation's approach to corporate governance issues in general, with the involvement of the Governance / Nomination Committee;
- (aa) discussing and developing the Corporation's approach to the work, human and physical environments in general, with the involvement of the Environment, Health and Safety Committee;
- (bb) discussing and developing the Corporation's approach to sustainable development, with the involvement of the Environment, Health and Safety Committee;
- (cc) reviewing and approving, with the involvement of the Disclosure Committee, the content of the principal communications by the Corporation to its shareholders and the public, such as quarterly and annual financial statements and management's discussion and analysis, annual information form, information circulars, prospectuses and other similar documents which may be issued and distributed, provided that the quarterly and annual financial statements and related management's discussion and analysis and earnings press releases and any other public disclosure document containing financial information may be reviewed and approved by the Audit Committee instead of the Board;
- (dd) ensuring ethical behavior and compliance with laws;
- (ee) monitoring, directly or through one of its committees, compliance with all codes of ethics; and
- (ff) consider the means by which stakeholders can communicate with the members of the Board (including independent directors).

Directors are expected to make reasonable efforts to attend all Board meetings and to review materials distributed to them in advance of Board meetings.

#### **IV: CHARTER**

The Governance / Nomination Committee shall periodically review this Charter and recommend appropriate changes to the Board.

**This Charter was approved by the Board of Directors on April 7, 2008. The Governance / Nomination Committee reviews periodically for recommendation to the Board of Directors. The Charter was last reviewed on November 7, 2013 and was last amended on November 8, 2013.**















**ANY QUESTIONS AND REQUESTS FOR ASSISTANCE  
MAY BE DIRECTED TO THE  
PROXY SOLICITATION AGENT AND THE DEPOSITARY:**



**NORTH AMERICAN TOLL-FREE  
1-877-452-7184  
Collect Calls Outside North America: 416-304-0211  
Email: [assistance@laurelhill.com](mailto:assistance@laurelhill.com)**