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Sean Roosen

Chairman & Chief Executive Officer

Elif Lévesque

Chief Financial Officer

CONFERENCE CALL PARTICIPANTS

Don Blyth

Paradigm Capital

Adrian Day

Adrian Day Asset Management

Mark Mihaljevic

RBC Capital Markets

Kerry Smith

Haywood Securities

Carey MacRury

TD Securities

Michael Siperco

Macquarie

PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the Osisko Gold Royalties Q4 and Year End 2016 Results Conference Call. After the presentation we will conduct a question and answer session. If you would like to ask a question, please pick up your receiver and press star followed by the number one on your telephone keypad. Please note that this call is being recorded, today March 16, 2017 at 11:00 Eastern Time. Today on the call we have Mr. Sean Roosen, Chair of the Board of Directors and Chief Executive Officer of Osisko Gold Royalties, and Mr. Brian Coates, President of Osisko Gold Royalties. I would now like to turn the meeting over to our host for today's call, Mr. Sean Roosen, Chair of the Board of Directors and Chief Executive Officer of Osisko Gold Royalties

Bonjour Mesdames et Messieurs et bienvenue à l'appel conférence du quatrième trimestre de 2016 de Redevances aurifères Osisko Ltée. Après la

présentation, nous procéderons à une séance de questions et réponses. Si vous désirez poser une question, veuillez décrocher le combiné du téléphone et appuyez sur la touche étoile suivi du numéro un. Veuillez prendre note que cet appel est enregistré, aujourd'hui le 16 mars 2017 à 11:00 heure de l'est. Nous avons sur l'appel d'aujourd'hui M. Sean Roosen, Président du conseil d'administration et Chef de la direction de Redevances Aurifères Osisko, et M. Bryan Coates, Président de Redevances Aurifères Osisko. J'aimerais maintenant céder la parole à votre hôte, M. Sean Roosen, Président du conseil d'administration et Chef de la direction de Redevances aurifères Osisko.

Sean Roosen, Chairman & Chief Executive Officer

Merci beaucoup, operator, et bienvenue du quatrième trimestre pour Osisko Gold Royalties.

Welcome, everybody. We will be using a PowerPoint that's found on our website titled 2016 Q4 and Year End Results and ask you to have a look at the forward-looking statement as we will be making some forward-looking statements in this presentation.

To begin, we'll start on page three of the PowerPoint. In 2016, a very big year for Osisko Gold Royalties as we move forward as the fourth largest precious metal royalty company in the world with record gold equivalent ounces earned at 38,270 ounces, up 25 percent from 2015; record revenues at C\$63.7 million, plus 38 percent from 2015; and net cash flows at \$53.4 million compared to \$28.9 million for 2015. So, on all metrics, moving ahead well. Well prepared for 2017.

We ended the year with \$499.2 million for December 31, 2016. We added significant assets to the company throughout the 2016 period, both through royalties and some of our other investments. The significant ones in North America were the Windfall royalty, owned and operated by Osisko Mining; Horne 5 royalty operated by Falco Resources; and the Cariboo royalty operated by BGM; and Hermosa operated by Arizona Mining. So, pretty good progress on the royalty front. We were also able to achieve a listing on the New York Stock Exchange in 2016 and as of this quarter we've paid our tenth dividend.

2017 has been off to a good start with the addition of the silver stream from Taseko Mines, a deal that we closed about two weeks ago. This immediately increases the cash flow from our profile at Osisko with over 200,000 ounces of silver for the next 14 years including 2017 with an average of 350,000 ounces a year for the remainder

of the 23-year reserve life. So, a significant asset add in the first quarter. As a note, we received our first delivery of silver on March 15th, which was for all of January and part of February. So we are up and running on our silver stream with our third big asset and cash flow to the company.

Onto page four, production and guidance. 2015 we're about 30,000 gold equivalent, 2016 we're 38,270 ounces, and our guidance for 2017, we're looking to achieve somewhere between 43,300 and 46,100 ounces. So, again, an increase of 13 percent to 20 percent year in and year out from 2016 to 2017, so we are seeing organic growth in our existing assets, and that does not assume any new assets being added to the company that may come in 2017.

Onto page five, net cash flow from operating activities from \$28.9 million in 2015 up to \$53.4 million this year, so a very good acceleration in our net cash flows. Record revenues at \$62.7 million as opposed to \$45 million last year and net earnings sitting at \$42.1 million from \$28 million in 2015, so, on all metrics, the company is moving forward in a very steady fashion right now.

A little look at the balance sheet. The cash and equivalents has increased. In 2015 we were sitting about \$258 million and now sitting at just a tick under \$500 million. Cash and equivalents are in pretty good shape. We have a debt of \$45 million, which is in our convertible, but total assets in the company now sitting at \$1.4 billion with equity sitting at \$1.2 billion. A strong cash position going forward with over \$700 million of cash in our revolver available to us and \$221 million in investments in liquid assets.

2016 saw us complete several financings, \$172 million straight equity deal, a \$50 million convertible with Investissement Québec for a total of \$222.6 million raised in 2016. Expanding the portfolio of the Canadian development stage royalties we entered into agreement with Barkerville Gold to acquire 1.5 percent on the Cariboo Gold Project and consideration for \$25 million. We also added a 1 percent royalty at the Arizona Mining Hermosa project for \$10 million and we also added a convertible royalty, a debt financing royalty to the investment that we had in Falco Resources to earn us a 1 percent royalty on the Horne 5 project. We also exercised our purchase right for the 1 percent royalty on Windfall Lake, which is currently probably Canada's largest exploration program with over 16 drills turning and the \$8 million drilling budget this year, so a very significant add to our royalty base as we see the successful discovery at Windfall Lake continuing to evolve. That's, you know, we now have a 1.5 percent total operating royalty on that

asset, so I think that's going to be a great asset for us as we move forward.

2016 we listed on the New York Stock Exchange in July. We continue to see development of our market in New York as we see volume increase in the US. We started at about 10 percent of our daily volume was in New York and we're now sitting around 25 percent. So we expect to see that continue to grow and it will be a focus as we work through our 2017 investor relations program and initiatives.

We had the earn-in on the Osisko Mining projects where we had the assets that we acquired during the Virginia acquisition, which we transferred in exchange for royalty considerations and investment considerations to Osisko Mining and we generated proceeds of \$129.2 million on the sale of other investments, the bulk of that being from our sale of our LIF position, which we had earned, between capital gains and dividends, a \$17 million profit on that investment alone.

Very happy and proud to report that we've declared our tenth dividend and we've paid over \$30.8 million in dividends since we started the company in June 2014.

Page 10 shows the attributable breakdown of ounces. Obviously the bulk of our ounces coming from Canadian Malartic, which continues to be Canada's largest producer of gold, with a top-line royalty of 5 percent, generating in excess of 30,000 ounces from that asset. (Inaudible) Éléonore has continued to ramp up. We're expecting somewhere between 6,800 and 7,000 ounces based on the guidance from our partners at Goldcorp, and we also have Island gold, which has been contributing as well, \$1,400 to \$1,600 from Richmond's Island gold project in Western Ontario, and 2,600 to 3,000 ounces gold equivalent from the Gibraltar stream at Taseko Mines and with our small investment in Vezza and some other smaller assets making up another 2,000 to 3,000 ounces for our guidance, all of it being Canadian-based assets so we're in pretty good shape here.

Page 11 just shows a bit of our distribution of where our assets, I think we've covered most of this ground but obviously a big Canadian focus. With the exception of Highland Copper and Hermosa, all of our assets are essentially located in Canada. We also still retain our ground position in Guerrero state with over 9,600 square kilometres of exploration ground there. We still own 85 percent of our Coulon polymetallic project located in Northern Québec. So, in addition to that, we have several other assets that are in development, including the Integra Lamaque assets, Marban, Windfall, Horne 5, the

Upper Beaver project, and also the Hammond Reef project as well.

On an individual asset basis, we looked at Canadian Malartic. Obviously a big success there with the addition of the Odyssey zone adding another 1.4 million ounces of measured and indicated. The current mine plan has 7.1 million ounces in it with current production for 2017 guidance sitting at 600,000 ounces and then in 2018 looking for 650,000 and 2019 640,000 ounces. So it is Canada's, by mine, single largest producer of gold in the near term and we continue to enjoy the continuing success through our partners at Yamana and Agnico, who've done a great job of keeping that mine moving forward and with the addition Odyssey they've added some significant measured and indicated ounces to it. So outside of the known mine plan there's now about three million plus ounces of measured and indicated material to look at as possible additions to that mine plan as that project evolves.

Page 14 is a bit of an overview on Odyssey. Again, 1.43 million ounces of measured and indicated there from 155 holes of drilling. It was completed in 2016. Great success on both the South zone and North zone. And grades there running about 2.4 grams on average, sorry, 2.15 grams, which is actually significantly higher than the Goldex grade and almost double the grade of the Canadian Malartic pit. So, there's potential to see increased throughput, increased ounce production if they're able to blend that higher-grade material in the mine plan.

On Éléonore, we have a sliding royalty from 2 percent to 3.5 percent. Currently we're getting about 2.25 percent royalty based on current gold prices. Over 4.57 million ounces in the current mine plan with significantly more ounces outside in the measured and indicated and inferred categories, so we see upside there and this is a big growth asset and we hope to see that grow to, ah, there's significant production currently, the production for 2016 was 278,000 ounces, netting us about 5,500 ounces, and guidance for this year is 315,000 ounces, which would net us somewhere between 6,800 and 7,000 ounces, so a good increase as we watch that mine continue to evolve and to ramp up.

The most recent asset we've added is the Gibraltar stream, 100 percent attributable payable silver. Taseko is a 75 percent owner of that asset located in the Cariboo district about 90 kilometres from Barkerville's asset. A 23-year mine life, so it's an exceptional mine life, and we have 100 percent of the Taseko share of the payable silver for the first 5.9 million ounces of production and 35 percent payable silver thereafter at an off-take cost of

\$2.75 per ounce, fixed silver payability of 90 percent. Silver production for 2017 to 2030 is set to look like about 200,000 ounces and then after that about 350,000 ounces from 2031 to 2039. The good news of course is that the stream is effective as of January 1st, so we received our first shipment of silver as of March 15th and we continue to look forward to the increased success that Taseko's had in terms of getting their cost structure in place and moving forward with one of the largest open-pit mines in all of Canada at this point in time.

In terms of our accelerator model, we've been quite successful, I think, in terms of adding our accelerator model as part of our business plan, Osisko Mining being our preeminent success at this point in time. We've invested about \$9.8 million to purchase the royalty, 1 percent royalty, and we have an unrealized gain on the investment of about \$20.2 million. So we have a positive, we own the royalty outright and we have a positive gain of over \$10.4 million over and above the original cost of the royalty. Falco Resources, we got the royalty there for about \$10 million, unrealized gain of about \$7.1 million, so net cost of the royalty of about \$2.9 million thus far. Barkerville, \$25 million for the royalty, unrealized gain of about \$5 million on that asset so, again, as we see that asset develop we expect the net cost of that royalty to continue to go our way. Arizona Mining, exceptional outcome there with a \$10 million royalty purchase, \$16.6 million of unrealized gains on our share position there, for a net cost of the royalty of \$6.6 million gain to us. So, when our royalty accelerator model is working well, this is what we expect to see.

Page 19 is an overview of our equity portfolio. We have a total investment of about \$155 million, of which \$35.5 million was done through the acquisition of flow-through shares, which we can use to protect our tax pools and defer taxes on our existing royalty revenues, so quite an important benefit on those flow-through share investments. Market value at December 31st of 2016 was sitting at \$205 million and at March 13th we were sitting at \$255 million for an unrealized gain of over \$100 million on the equity portfolio at this point in time. We also had a realized gain of \$15.9 million on equities last year outside of dividends and we have book value of the royalties that we acquired through that process of \$62 million. So this has been a pretty exceptional outcome, we believe, in terms of increasing net assets to the company and also keeping our AUM in good shape as we roll over some of those investments and redeploy them, once again, into flow-through shares to continue to build and protect our tax pools.

Again, a summary of the company, over 50 royalties and one stream at this point in time. Two of the preeminent

assets in the space, the Canadian Malartic royalty is considered the second most valuable in the world and Éléonore the sixth most valuable, so great cornerstone assets there, and with the addition of the Taseko silver stream we've added another great cash flowing asset, a long life asset. Over \$700 million available for investment between cash and available credit and paying a dividend yield of about 1.1 percent on our current dividend policy. We are gold focused. I believe we've demonstrated a significant track record of success as we've built the company over the last 30 months, and 38,270 ounces of zero cost gold equivalent ounces from our Canadian assets in 2016 and, again, looking for 43,300 to 46,100 ounces of gold equivalent ounces for 2017.

There are some items in the appendix for further details. There was a press release issued earlier today. I'd like to thank everybody for listening and now we would open the presentation up for Q&A. So, operator, if you could initiate the Q&A process please? Thank you.

QUESTION AND ANSWER SESSION

Operator

Certainly. At this time I would like to remind everyone if you would like to ask a question you may press star followed by the number one on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Your first question comes from the line of Don Blyth with Paradigm Capital. Please go ahead.

Don Blyth, Paradigm Capital

Hi. Congratulations on a great year, guys. I have more of a broad question on strategy. You guys have telegraphed that you would like to add a third producing royalty of similar quality to your flagships, Canadian Malartic and Éléonore. You've certainly got the cash to do so. Do you really believe there are opportunities out there to do this or is the market starting to move more towards the line of the incubator model as development projects move closer to production?

Sean Roosen, Chairman & Chief Executive Officer

Well, we'll have to see how the rest of the year plays out. Obviously, you know, we saw a bit of an increase in access to capital through equity markets in the second half of 2016 but as we look forward, you know, we look at the gold price play action in Q1. We see some

opportunities there but I think, you know, we're focused on making sure that we don't miss any of the development asset opportunities that may be generated with the increased enthusiasm on gold projects. But, that said and done, the cost of capital on streams is still very comparable to the equity market, so we think there is work to be done.

Don Blyth, Paradigm Capital

Great. Thanks, guys.

Operator

And again, if you'd like to ask a question, that is star one on your telephone keypad.

Your next question comes from the line of Adrian Day with Adrian Day Asset Management.

Adrian Day, Adrian Day Asset Management

Yeah, good morning. My question kind of follows on from the last one. Sean, I was wondering how do you view sort of one large cash flowing royalty and stream versus, you know, buying three or four smaller ones, as you've just done with Taseko? What do you see as the advantage of one big one?

Sean Roosen, Chairman & Chief Executive Officer

Obviously, if we get exposure to an exceptional world-class asset with a long mine life we would not want to miss that opportunity but, at the end of the day, you know, big mines are found with small mines.

So our belief is that small mines usually have the potential to become big mines if we're in the right jurisdiction and the right plumbing system, so we're pretty diligent about smaller projects, deals of sort of \$50 million to \$100 million size are well within our wheelhouse, but we would certainly enjoy the opportunity to do \$500 million to \$1 billion deals if we see them around.

Adrian Day, Adrian Day Asset Management

Okay. Okay, great. Thank you.

Operator

Your next question comes from the line of Mark Mihaljevic with RBC Capital Markets. Please go ahead.

Mark Mihaljevic, RBC Capital Markets

Good morning, everyone. Just a couple quick ones for me. First off, do you have an update on that land package you have in Guerrero, whether there's been any movement on potentially monetizing that?

Sean Roosen, Chairman & Chief Executive Officer

We've had several approaches. There's been quite a few proposals. We'll probably make a decision sometime over the next three to six months. We haven't, you know, last year was pretty busy with other things and we didn't see that there was that much exploration, international exploration on the go. This year we're seeing more interest in that and obviously with the resolution of the Los Filos deal at Goldcorp and from the evolution of the Guerrero camp, that's kind of what we were waiting for. So we'll see where that goes but we'd obviously retain royalty rights on it if we were to put it into another asset group. But we haven't made any final decisions as of yet.

Mark Mihaljevic, RBC Capital Markets

That's great. And then just one little modelling question: Can you just give a breakdown of the tax pools you still have in Canada and what type of cash taxes you'd expect to, ah, or when you'd start to expect, expect to start paying cash takes.

Sean Roosen, Chairman & Chief Executive Officer

Certainly. I'm going to ask—Elif Lévesque, our CFO, is with us this morning, so I'll ask Elif to give you an overview.

Elif Lévesque, Chief Financial Officer

Hi. So we have currently tax pools about a total of \$100 million, which is mainly CEEs and CDEs, and we have some additional, about \$15 million in terms of share issue expenses. So let's say \$100 million for CEEs and CDEs. And right now, if we don't do anything else, I guess we

would be expecting to be taxable in 2018 payable in 2019.

Mark Mihaljevic, RBC Capital Markets

Perfect. Thank you.

Elif Lévesque, Chief Financial Officer

But this is an ongoing strategy for us, so we'll be working on it.

Operator

And your next question comes from the line of Kerry Smith with Haywood Securities. Please go ahead.

Kerry Smith, Haywood Securities

Sean, just on the Guerrero land package, it's really large; is there a big holding cost to hold that ground?

Sean Roosen, Chairman & Chief Executive Officer

Not at present. It's less than \$0.5 million at present. But as we move closer to initiating exploration the land package costs will go up and holding costs, but right now it's relatively low.

Kerry Smith, Haywood Securities

Okay. Good. Thanks.

Operator

Your next question comes from the line of Carey MacRury with TD Securities. Please go ahead.

Carey MacRury, TD Securities

Hi. Good morning. I'm just wondering if you could provide some guidance on what you're expecting for 2017 for G&A and business development.

Sean Roosen, Chairman & Chief Executive Officer

It's an ongoing piece and we haven't put out any guidance on it as of yet, but if you look at what we did last year, cash costs, G&A, separated from equity-based compensation, was somewhere between somewhere around \$15 million and the actual cost of the equity position around would probably put is in the \$20 million, \$22 million, depending on share price, as we move forward. So we did see reduction in direct cash costs but as some of the RSUs and option packages come forward, we will have to consider them in our G&A.

Carey MacRury, TD Securities

Great, thank you.

Operator

Your next question comes from the line of Michael Siperco with Macquarie. Please go ahead.

Michael Siperco, Macquarie

Hi. Thanks, Sean and team, for taking my question. A couple of quick ones. Maybe given that you did sign your first stream deal in the quarter and the ongoing CRA issues that some of your peers are seeing, can you give us your thoughts on how you're thinking about the future structure of these deals? Should we expect to see anything offshore or is it just a case-by-case basis?

Sean Roosen, Chairman & Chief Executive Officer

For us it's case by case. Obviously our chosen path forward has been by investing through flow-through to continue to protect our cash flows and we're able to roll those investments over. So it's been a pretty successful strategy for us, especially if we've been able to buy flow-through in companies where the assets are moving up the value chain, as we have to date. So that's our current strategy and we'll see where we get to.

Unknown Speaker

I'd also add, Michael, that we have always, we have told you that we're continuing to review international structures and most of our deals so far have been focused in Canada. We are looking to establish the

platforms that would allow us to compete internationally, structure internationally, and we're working towards that in ensuring that the structure also works well.

Michael Siperco, Macquarie

Prefect. Thank you. Makes sense. And then one other for me, just on the dividend. In 2016, by my math anyways, you paid out about 25 percent of operating cash flow. Can you talk a little bit, I guess, in the context of the balance sheet, which is a little stronger now with the sale of the LIF investment and the cash that you're generating going forward, how you think about the dividend?

Sean Roosen, Chairman & Chief Executive Officer

Yeah, I think we want to stay in that 20 percent, 25 percent payout range. We want to make sure that we're growing our cash flow assets in accordance with our dividend expectations and we don't ever want to find ourselves in a position where we can't maintain it. So we've taken a very prudent but steady approach to it and that's going to be our methodology on a go-forward basis. We want to be a steady Eddie on the dividend scheme.

Michael Siperco, Macquarie

So that's the range that we should be looking at, sort of similar payout ratio to what we've seen in 2016.

Sean Roosen, Chairman & Chief Executive Officer

That's correct.

Michael Siperco, Macquarie

Okay. Great. Thank you very much.

Sean Roosen, Chairman & Chief Executive Officer

Thanks, Mike. All right, we have no further questions so I'd like to thank everybody for participating in the call today and we certainly look forward to catching up with everybody as we get into more of the marketing session for April and May, and I think that we've set the stage for a pretty good year in 2017 and we hope that you'll join us as we participate in this gold rally.

Operator

This concludes today's conference call. You may now disconnect.
