

CORPORATE PARTICIPANTS

Sean Roosen

Chairman & Chief Executive Officer, Osisko Gold Royalties

Oskar Lewnowski

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Chief Financial Officer & Vice President Finance, Osisko Gold Royalties

CONFERENCE CALL PARTICIPANTS

Josh Wolfson

Eight Capital

Michael Siperco

Macquarie

PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the Osisko Gold Royalties conference call concerning the Orion Mine Finance royalty portfolio acquisition. 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, June 5, 2017 at 8:30 a.m. 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; Mr. Bryan Coates, President of Osisko Gold Royalties; and Mr. Oskar Lewnowski, Chief Investment Officer of Orion. 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 de Redevances Aurifères Osisko concernant l'acquisition du portefeuille de redevances de Orion Mine Finance. 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 5 juin 2017 à 8:30 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, M. Bryan Coates, Président de Redevances Aurifères Osisko, et M. Oskar Lewnowski, Chef des placements d'Orion. 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, Osisko Gold Royalties

Merci, operator, et bienvenue tout le monde à la teleconference la transaction ou l'acquisition project Orion. Welcome, everybody, and thank you for attending to the call. This is the call regarding the acquisition of the Orion assets. We'd like to kick off this morning with a PowerPoint that we've put on our website. Please have a look at our forward-looking statement on page two of that PowerPoint, because we will be making forward-looking statements during this call.

I'd like to start off on page three, a brief history of the Osisko group and what we've achieved in the mining sector and where we're headed. Throughout the history of Osisko through Osisko one started in 2003 and up and to the sale of Osisko one for total consideration of \$4.1 billion in June of 2014 and on through the creation of Osisko Gold Royalties, which has now gone from a \$500 million company at the beginning to a \$1.5 billion company. The entire group we've returned through the creation of our accelerator model, both Osisko Mining, Barkerville, and Falco, being the accelerator companies we've added, we've created over \$8 billion of assets, including the Virginia creation of \$1 billion of wealth during the evolution of Éléonore. So it's been quite a successful platform and today we're announcing a deal that we believe is transformational and will set the stage for the next step in the journey.

On to page four. We're bringing together Osisko Gold Royalties with the assets that we've purchased from Orion today and Orion has been very successful in assembling a high-quality asset base that represents very robust cash flow and also dominantly in precious metals and mostly North American. We have with us today the founder of Orion, so I'd like to pass it over to Oskar to give a brief introduction to Orion and hear his comments as well. So, Oskar, over to you.

Oskar Lewnowski, Chief Investment Officer, Orion Mine Finance

Thank you, Sean.

Orion is at a little over \$3.5 billion today, the largest alternative finance provider to the mining space globally, and in the years since our foundation we've managed to assemble what we believe to be a compelling set of assets in the streaming, royalty, and off-take space that combines both precious metals content, a very strong sector growth profile, good cash flow over a good asset quality base, and very importantly also a good focus on low-cost production.

We've been in as a mine finance fund constantly looking for those assets that we believe on a portfolio basis will create a transformational asset group for an acquisition entity. On and throughout the sales process we've had a great deal of interest in our asset pool and we've managed to run a very tight process and we believe that at the end of the day the offer made by Osisko was by far the most compelling one, particularly very intrigued for our limited partners on the ability for our portfolio and Osisko's portfolio to rerate and thereby provide our LPs significant upside participation in the sale of our assets.

Thanks, Sean.

Sean Roosen, Chairman & Chief Executive Officer, Osisko Gold Royalties

Thank you very much, Oskar.

Throughout this transaction, it's based at C\$1.125 billion, or about US\$830 million, it will make Orion a 19.9 percent shareholder of Osisko Royalties as we go forward as well, so we're looking forward to working with Oskar, not only as a business partner but also as a shareholder, and Oskar will be joining our board if the transaction is successfully concluded through a vote by our shareholders. Coming out of this we forecast production to be about 100,000 GEOs in 2018 and ramping up to 140,000 gold equivalent ounces by 2023. We will have industry-leading cash flow growth and a precious metals and North American focus, so quite significant advancement and a rare opportunity for us to complement the existing asset base that we have now with a very significant group of assets as we move forward.

The combination of the two royalty portfolios, as we said, will be for about C\$675 million cash and a consideration of \$450 million in Osisko's shares. The creation of the

portfolio, the transaction more than triples the number of producing assets from 5 to 16 and doubles near-term cash flow and adds unparallel growth of pipeline within the expected pro forma cash flow of about 13 percent per annum from 2017 through 2023. The portfolio asset goes from 57 to 131 and a strong backing from our financial partners. Caisse de dépôt and Fonds will be contributing \$275 million via private placement in Osisko shares as part of the cash contribution to the overall deal. Le Caisse currently also owns a 4 percent stream on Renard with us, so we'll be partnered on the Renard assets as will with Caisse de dépôt.

In terms of what we have over on page six, Canadian Malartic 5 percent top line royalty, Éléonore with 2 percent sliding to 3.5 percent royalty, Renard will be a 9.6 percent diamond stream here in Quebec and based off their 22.3 million carats of reserves. Mantos is 100 percent silver stream, large producing copper mine with 3 billion pounds of resources it's a stable silver production. Brucejack, one of the more exciting gold projects to come along in a long time, we're looking forward to a 4 percent gold stream there with a 4 percent silver stream as well. There is a buyback on that asset, so we'll see where we go with that, but it is a very exciting project with over 8.1 million ounces of gold reserves at present.

In terms of other cash flowing assets, just to recap, we have the Gibraltar silver stream that we did earlier in Q1 with our friends from Taseko, the Island Gold royalty at 1.38 percent to 2.5 percent depending on where we are at the property. New to us is the SASA stream, 100 percent silver stream; Seabee 3 percent royalty; Bald Mountain, a 1 percent to 4 percent GSR; and Kwale with a 1.5 percent GRR; Brauna with a 1 percent GRR; Veza, which is a project here in Quebec, at 5 percent royalty with a 40 percent NPI; Parral with 100 percent gold silver off-take; San Ramon with 51 percent gold off-take; Matilda with a 55 percent gold off-take; and Brucejack with a 50 percent gold off-take.

Near to medium term cash flowing assets are Amulsar with 4.2 percent gold stream and a 62.5 percent silver stream. There's also an 82 percent off-take on Amulsar. Back Forty, a Michigan asset, 75 percent silver stream there; Cariboo, which is run by Barkerville, a 2.25 percent royalty there; Windfall Lake, currently one of the more exciting exploration stories out there, with a 1.5 percent royalty there; Horne 5 with a 1 percent royalty; and Hermosa, the zinc-lead discovery in Arizona run by Arizona Mining as well in the pack. So, quite a few high-quality assets in addition to what we had to start with.

Over to page seven, pro forma we're looking at 66,000 gold equivalent ounces for the year with 22,000 ounces

being from a partial year contributing from the assets that we're purchasing from Orion and looking forward to 2020 we see ourselves around 133,000 gold equivalent ounces and at 2023 up to 162,000 gold equivalent ounces, giving us a CAGR of 16 percent from here to there, so quite impressive growth. Some optionality in other assets, including Marban, the Upper Beaver project, Highland Copper, Casino's NSR, Ollachea and the Yenipazar off-take agreement and Spring Valley NSR and the Pan NSR and Nimbus off-take. So, lots to come in the portfolio as we go forward. We do have significant organic growth locked in as we move forward.

On page eight we're looking at \$96 million of free cash flow generated from the producing assets this year and \$170 million in 2020 and going up to \$200 million in 2023. So, again, very significant and lots of upside left.

From a geographical standpoint on page nine, 102 assets in North America, 8 in South America, 4 in Europe and 3 in Central Asia, 1 in Africa, and 13 in Australia, so quite a good diversification for us, all in great jurisdictions.

In terms of page 10, over 62 percent of our production by NPV is in the production assets with exploration making up 6 percent, development 18 percent, construction and ramp up 14 percent. In terms of our NPV by type, over 57 percent is in royalties, 38 percent in streams, and 5 percent in off-takes. We've already covered geography. Cash flow by metal of 70 percent gold, 16 percent silver, 12 percent diamond, and 2 percent from other metals so, again, a dominantly precious metal basis.

On to page 11, best-in-class growth. As we go forward we're looking at 53 percent consensus cash flow growth in 2017 through 2020. The asset concentration by top three assets, over 50 percent of our asset value is in the top three assets by NPV basis. Consensus by geography once again, over 81 percent in North America with only 19 percent in other jurisdictions, and in terms of our asset base, 80 percent right now is NPV by total percent of NAV.

Compelling valuation case if we look at the distribution right now. We are trading at about 1.1 times NAV with the average in the royalty group being about 1.8 times, so quite a bit of opportunity to rerate here and I think that is a significant opportunity that we all see with this transaction. It increases the size of our company and hopefully provides an opportunity for more participants in the market to become owners of Osisko as we create more liquidity off a larger asset base. Enterprise value by operating NAV, the average is 1.8, we're trading at 1.3 so, once again, some work to be done there and quite a bit of opportunity for shareholders. We are trading right

now at 14 times EBITDA and the average in the industry is 19 times EBITDA so, again, lot's to do as we go forward and hopefully we can unlock that value as we move forward.

A world class royalty company is what we set out to build three years ago. I believe that we are there with five cornerstone assets, cash flow diversification, quality growth in terms of being able to see quite a bit of growth on our balance sheet without having to pay for it again. At the conclusion of this transaction, even if we didn't do another deal, we see significantly doubling our cash flow, our revenue over the next five to six years. America focused with 80 percent again, accretive cash flow, ah, use of our cash. One of the things that was in discussion with some of our shareholders was the amount of cash that was on our balance sheet. So we have kept our powder dry waiting for a transaction like this. We have deployed and we hope that our shareholders will be very happy with the outcome as they move through this transaction.

Again, a bit of a summary on the transaction, C\$1.125 billion or US\$830 million is the total consideration, of which \$675 million in cash, 30.9 million common shares of Osisko representing C\$450 million. Oskar is to join the board of directors with us to help us take the company to the next level. Strong partnership participation from the Caisse and Fonds and it's worth noting that the Caisse de dépôt had a 15 percent participation right that they chose to convert into an equity position with us and we thank our partners at the Caisse very much for their support in this transaction as well as our partners at the Fonds. It's very good to have our current shareholder base increase their confidence in us and we'd like to thank them for all the hard work that they put into this transaction.

In terms of the acquiring international structure of certain assets from Orion, Orion has done a great job in structuring deals, so we're the beneficiary of that structure that they've created, and Renard is also structured as a Canadian transaction, so that fits well with us. We currently have tax pools of around \$150 million on our book and with this we'll significantly increase our tax pools, so that's another side benefit to the transaction that's not in the numbers but it is a fact.

In terms of what we have to do, we have to get 50 percent plus 1 of our shareholders to approve this transaction. We'll be looking for a vote once we file the circular and we're hoping to conclude that within the next 60 days. Orion also faces some restrictions on this transaction and they have a 12-month resale restriction on the stock that they own, so they are long-term

shareholders and, as Oskar said, they've been a significant participant in the market as we go through an alternative mine financing and we look forward to having them as a long-term partner and shareholder. So, the key dates right now, the transaction effective date is as of June first and we're expecting closing hopefully by the end of July or early August at the latest.

In terms of the asset base, this is obviously a very rare opportunity to see an asset base of this quality and this size come to market. We think that the transaction that we've carried out here is very much in line with market expectations on previous transactions regarding streams and royalties. Precedent transactions, as we look backwards, average about one times NAV and we believe that this transaction, depending on your commodity assumption, is around one times NAV as well. The average precedent transaction has been up to as high as 1.6 if we look at the last 84 deals so, again, we're very much in line or, we believe, a significant amount of accretion to be had as we step forward.

Again, on page 17, goes through more of the details about how we funded this transaction. Cash from the balance sheet, we're drawing down \$250 million from our bank account, \$150 million from our revolving credit line, and a private placement of \$275 million with Caisse having put \$200 million and Fonds \$75 million into that private placement to get a total cash consideration of \$675 million and, again, 30.9 million shares being issued for \$450 million of consideration.

Pro forma capitalization and the balance sheet, we would come out the other end of this transaction with approximately \$100 million in the bank account. We have \$100 million of our debt revolver drawn down, \$150 million plus the \$50 million that we have with the Quebec government already in place, we have an equity investment portfolio of over \$450 million, which is somewhat liquid, and basic shares outstanding would be 156.8 million shares with our quarterly dividend sitting at about \$0.04 per share. So if we look at what that means to us, on a net debt versus cash basis we'd be about \$0.04 per \$1.00 of debt. In terms of rights and the pro forma ownership, we would come out the other side with the general market owning 62.7 percent of the stock, Orion 19.7 percent, La Caisse at 12.1 percent, and Fonds at 5.5 percent. In terms of what Orion's right to do is to nominate one director as long as it has over 10 percent ownership, 12 months to resale restriction, and broad distribution requirement. On the side of La Caisse, a right to nominate one director as long as it has over 10 percent of the ownership and a pre-emptive financing right over 10 percent.

Benefits to the Osisko Gold Royalties shareholders, strengthens the position within the precious metals royalty sector and hopefully sets the stage for a revaluation of our metrics within the current royalty space; meaningfully increases the size of Osisko Gold Royalties as a platform and the ability to attract new generalist funds and hopefully increase the size of our audience as we increase our liquidity and the size of the company and increase traffic on our New York Stock Exchange listing, which we achieved last July. In terms of diversification, obvious this brings significant diversification to our asset base by going from 5 to 16 producing assets. The key assets that we've added and the jurisdictions are quite potent, as we know, and it'll be one of the highest quality growth profiles in the sector. The addition of international investment and tax structure also completes our business and accretively deploys cash and maintains Osisko Gold Royalties' focus on precious metal assets and also sets the stage for us to continue with a strong dividend policy with a potential for further increases in our dividend policy as the assets mature.

Page 20, just a brief evolution of Osisko. As you know, we started this company June 17, 2014, so we're coming up on our three-year anniversary, and we've grown the company from \$500 million market cap with \$157 million of cash and a \$15 million equity portfolio to a company that will have \$100 million of cash flow and hopefully a subsequent market cap significantly higher than the current \$1.5 billion and an equity portfolio of over \$450 million on it and over 160 assets in place.

So, thank you very much for listening in today. We have included in the asset portfolio in the appendix. I won't go through the assets any further in detail right now, as we'd like to open it up to Q&A. So thanks, everybody, and I'd like to especially thank the hard working people at Orion and the team at Osisko and our lawyers, Bennett Jones, and our bankers at Maxit and BMO, for all the hard work to get this transaction into the marketplace for today. Everybody's worked extremely hard and I can't say enough good words about everybody's participation in this process. And, on that note, we'll open it up to Q&A.

QUESTION AND ANSWER SESSION

Operator

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.

Si vous désirez poser une question appuyez sur la touche étoile suivie numéro un.

Your first question comes from the line of Josh Wolfson from Eight Capital. Please go ahead.

Josh Wolfson, Eight Capital

Good morning, guys, and congratulations on the transactions. A couple questions on taxes first. You mentioned an increase in the available tax pools from \$150 million previously. Would you be able to discuss how big the pools are currently or at least when you would be in a taxable position with the portfolio pro forma within Canada?

Sean Roosen, Chairman & Chief Executive Officer, Osisko Gold Royalties

I'm going to hand that over to Bryan and Elif.

Unknown Speaker

Sure. Good morning, Josh. Thanks for the question. So, basically we got a tax base of approximately between \$150 million and \$200 million. Part of the transaction is being structured as an asset purchase, which will give us a higher base. So, again, we've been always pushing the ball up with respect to deferring taxes, so I don't see us being in a taxable position until 2020, maybe late 2019.

Josh Wolfson, Eight Capital

Okay. And then in terms of the international streams, which I guess would mostly involve (inaudible) Blanco, is that taxed under the sort of traditional Canadian offshore style or is that fully taxed in Canada?

Unknown Speaker

So, as we have been talking to you for a while, we always wanted to set up an international tax structure, now we're buying into an international tax structure. So it's the traditional foreign investment so it will be taxed outside of Canada.

Josh Wolfson, Eight Capital

Okay. So which jurisdiction would that be under?

Unknown Speaker

The structure is in Bermuda. So limited tax on what we have there.

Josh Wolfson, Eight Capital

Got it. And then last question in terms of the liquidity position, just to get a better understanding, there's \$100 million of cash and then there's a remaining \$100 million of credit, is that correct, on the revolver, right?

Unknown Speaker

I think the revolver is pretty well going to be used on the transaction and we're hoping to end up with about \$100 million in cash.

Josh Wolfson, Eight Capital

In the context of the available opportunities you see in the market is there an opportunity cost, I guess, of having or that you guys see in terms of having a lower capital pool available? Or are you comfortable maintaining that sort of liquidity until the balance sheet builds up? Or is there an interest in increasing the available credit the company has with a larger portfolio now?

Unknown Speaker

I can certainly assure you that Sean is not giving us any days off. We continue to want to increase our asset base so we're still open for business.

Josh Wolfson, Eight Capital

Okay. I appreciate that. Thank you.

Operator

Again, if you would like to ask a question, please press star followed by the number one on your telephone keypad. Encore, pour poser une question s'il vous plait

appuyer sur l'étoile suivit numéro un sur votre clavier téléphonique.

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

Michael Siperco, Macquarie

Hi. Thanks very much and congratulations on the deal. I just wanted to ask, and maybe this is more of a question for Oskar, how do you see the relationship evolving between Osisko and Orion? Should we really think of this as a new financial partnership? For those who may not be familiar with the Orion business model, could you give any more colour on how you see that evolving?

Sean Roosen, Chairman & Chief Executive Officer, Osisko Gold Royalties

Well, Mike, I think first we want to get this deal done and then we'll see how things go from there, but obviously Orion is involved in many deals, as are we, so if there's something we can do together, we would do that, but Osisko will continue on with its own business plan, as I believe Orion will, and I'll ask Oskar to comment as well.

Oskar Lewnowski, Chief Investment Officer, Orion Mine Finance

Thanks. I would say that Sean and I look at the mining world in very similar ways. What attracts us to certain assets and certain management teams I've found resonates well with Sean and vice versa, so I think there's a high likelihood that we will find interesting and compelling projects to work on together. Orion is a series of private equity funds, so we're constantly raising money and deploying money, and we look forward to working with Sean on a number of different fronts as time passes but, as Sean said, let's walk before we run.

Michael Siperco, Macquarie

Great, thanks. And maybe one follow-up for Sean: Can you point to something that maybe you would have valued differently than your peers in this portfolio or maybe what stuck out in particular? I mean obviously there's some high-quality assets in here; was there more on the exploration side that you may have been more attracted to? Anything along those lines?

Sean Roosen, Chairman & Chief Executive Officer, Osisko Gold Royalties

I think in terms of historical work that we've done, Mike, we know a lot of these assets very well, either having been a participant in or looked at them in various stages, so we're quite comfortable with the assets. We maybe had a slightly more aggressive view on some of them, but that would have been based on our work, based on science, and based on engineering. So we have a pretty good comfort level with where we are on this and we knew that this was the right asset base for our shareholders, so we have pursued it with prejudice.

Michael Siperco, Macquarie

Great. And maybe, finally, one last question for me: Does this impact in any way your thinking about the incubator portfolio and the accelerator model? Should anybody be taking this as any sort of a change in direction?

Sean Roosen, Chairman & Chief Executive Officer, Osisko Gold Royalties

No. We're very happy with our accelerator model. It creates organic growth for us in terms of future streaming and royalty opportunities. And, again, if you look at our equity book, we are sitting at about \$450 million with an unrealized gain of over \$200 million, so it's a pretty potent model and it makes us a lot of money. And throughout that process of making that \$200 million we've also earned some of the best royalties that have been done in the last 24 months. So it continues to be a very big, high-return performance portion of our business.

Michael Siperco, Macquarie

Perfect. Thanks again.

Sean Roosen, Chairman & Chief Executive Officer, Osisko Gold Royalties

Thanks, Mike.

Operator

Again, to ask a question, please press star followed by the number one on your telephone keypad. Encore, pour

poser une question appuyer sur l'étoile suivit numéro un sur votre clavier téléphonique.

**Sean Roosen, Chairman & Chief Executive Officer,
Osisko Gold Royalties**

All right, everybody, thank you very much and we look forward to being on the road, so we'll probably see a lot of you as we travel around various one-on-ones as well as quite a few desk presentations to go. Thank you very much for listening. Merci beaucoup, tout le monde. Merci (inaudible) Fonds et Caisse de dépôt pour la participation avec (inaudible) transaction. Thank you very much as well to Oskar and the Orion team and we'll see you guys when we get to New York.

**Oskar Lewnowski, Chief Investment Officer, Orion
Mine Finance**

Thank you, everybody.

Operator

This concludes today's conference call. You may now disconnect. Ceci conclut l'appel conference d'aujourd'hui. Vous pouvez maintenant raccrocher.
