

CORPORATE PARTICIPANTS

Sean Roosen

Chairman & Chief Executive Officer

Bryan Coates

President

Elif Lévesque

Chief Financial Officer & Vice-President, Finance

Joseph de la Plante

Vice-President, Corporate Development

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, and miss Elif Lévesque, Chief Financial Officer and Vice-President of Finance. I would now like to turn the meeting over to our host for today's call, Mr. Sean Roosen.

Bonjour mesdames et messieurs et bienvenue à l'appel conférence des résultats du troisième trimestre de 2018 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 appuyer sur la touche étoile suivie du numéro un. Veuillez prendre note que cet appel est enregistré aujourd'hui, le 7 novembre 2018, à 10:00 heure, 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, et Mme Elif Lévesque, chef de la direction financière et vice-présidente aux finances. J'aimerais maintenant céder la parole à votre hôte, M. Sean Roosen.

Sean Roosen, Chairman & Chief Executive Officer

Merci Simon et bienvenue à l'appel conférence du troisième trimestre de Osisko. Aujourd'hui on se trouve à Zurich, alors le téléphone est un peu moins bon que d'habitude, mais on va essayer quand même.

Welcome everybody to the Q3 conference call, we are in Zurich today, so we may have a little bit of sound quality issues, in terms of the call, if we do we will refer back to Montreal. As noted today, we have most of the management team with us today, a good quarter, again, within our boundaries of our guidance. Three months headed of September 30th at 20,000 GEOs, 9 months in, 60,500 GEOs, so right down in the middle of the fairway, in terms of what we were expecting. Cash flow continues to come through at 20 million dollars this quarter, 63.6 million dollars to date. Adjusted earnings are now at \$5.7 million for the Q3 bringing year's total to 18.3 million. GEO during Q3 was at 20,000 ounces, up from 16,600 in 2017 for the same quarter. We also reported a 87% cash operating margin on our ounces to date with 60,548 ounces reported for the first nine months operating. So we continue to hold our ground on margins. Page 5 of the Power Point presentation, on the website, gives you a breakdown by mine bases so by basis obviously the Canadian Malartic seems by far the strongest asset at this point in time, with 8,930 ounces for the quarter, Eleanor at 2,000 ounces, Seabee at 691 and Brucejack reported about 361, all of the other assets are in between

PRESENTATION

Operator

Good morning, ladies and gentlemen and welcome to the Osisko Gold Royalties' Q3 2018 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 please press star followed by the number one on your telephone keypad. Please note that this call is being recorded today, November 7, 2018, at 10:00 a.m. eastern time.

2 to 500 ounces range for the quarter. I think a good interest today is that 71% of our royalties are in gold, 18% silver, and 8% in Diamond so definitely on the precious metal side and continue to dominate with the gold assets. On to the next slide, a performance to the Canadian malartic that we talked about, with mine having produced over 527,000 ounces so for the first nine months of the year, making it Canada's largest gold mining by production, and the world's 12th as we sit today for the first quartile of cost profile. It is also located in Québec, one of the best jurisdictions in the world, and continues to have exploration success and developments to the success to the push forward on the scene on Barnett Odyssey eastern malartic zones, in the development program there, so continues to see good upside at Canadian malartic, we are delivering here on growth and continue to do so, in 2017, we have 58 933 GEOs, with this year our guidance is set between 77 500 and 82 500 we are on track to make that happen. Revenues from royalties and streams are up 57% year on year, for the first nine months, so you know, it's a pretty good growth cycle we are in right now. And I am going to let Elif take you thru the next couple of slides here.

Elif Lévesque, Chief Financial Officer & Vice President, Finance

Thank you Sean. So we have seen another steady growth in our revenue, from royalties and streams in 2018 like Sean mentioned. At \$31.4 million for the quarter and \$96.8 million for year to date, which is a 20% increase for the quarter and 57% increase for year to date compared to the same period last year. This growth is mainly due to another strong performance from our main asset which is Canadian malartic royalty and from the assets acquired last year like Mantos, Sasa and Renard to name a few. Our stream growth was also reflected in cash flows, from operating activities reaching \$20.6 million for the quarter and \$63.6 million for year to date. The same period last year was affected by transaction cost related to the Renard transaction of 7.8 million for the quarter, and 8.9 million for the year to date, but even when we exclude the impacts of that, we are still looking at 132% growth in operating cash load for the quarter, and 76% growth for year to date. Existing earnings, on the other hand, stood at 5.7 million compared to 8 million for the same quarter last year. And 18.3 million for the current year to date compared to 21.7 million last year. We have seen an increase in gross profit this year and a considerable reduction in G&A, with the higher related to the interest expense on the \$300 million venture, resulting in the lower adjusted earnings. Going to page 9 of the deck, the gold price was under pressure during the third quarter of 2018 and pretty much in line with the same period last year for the nine-

month period, regardless, we have another strong quarter in terms of revenues from royalties and streams at 90% cash operating margin of 28.1 million dollars for the quarter, and a 89% cash operating margin, up \$86.6 million for year to date period. Off take interest provided the company with an additional 0.8 million for the quarter, and a \$4.1 million for the year. With that Sean, back to you.

Sean Roosen, Chairman & Chief Executive Officer

Thank you Elif. So we are on to slide 10 now, activities for Q3, most recently 1.75% NSR additional royalty purchased on the Cariboo property held by Barkerville Gold in British Columbia Canada. Giving us a total of royalty thereof 4% According to the new agreement. The company has the option to ask to sell another 1% under the agreement. The second big item was the receipt from Pretium on the Brucejack, they did want to repurchase the stream, which was an option on the contract we purchased from Orion last year. They will pay us, we received notice they will pay us US\$118.5 million, roughly 153.4 million in Canadian on December 31, 2018. This will reinforce our treasury and give us some dry powder to continue to transact. We are also declaring a dividend of 5 cents per common share in the quarter, as the record closed of business on September 28, 2018, paid on October 15th 2018. Subsequent to September 30th we have done an amendment on the Renard stream, and I'll get Joseph De La Plante to take a quick pass at what that means, we also repaid US\$10 million in debt or CAD 12.9 million and extend the maturity date by one year till November 14, 2022. So that's good progress there and as we said we have to clear the dividend of \$0.05 for next quarter as well to be paid on January 15, 2019. So on the stream repurchase we have received the notice, this will give us our purchase back on December 31 2018, Pretium had the option of doing this year on December 31st or in 2019 so they would like to come early which is probably good for us in terms of there is definitely opportunities that we see in the space, as of today. Slide 12 goes thru, the Renard diamond stream amendments I will have Joseph De La Plante to take you through what that means to the Osisko shareholders.

Joseph de la Plante, Vice-President Corporate Development

Thanks Sean so subsequent to quarter end Osisko did enter into an amendment of the Renard stream as part of a larger comprehensive set of financing agreement that was done between Stornoway and its creditors. The total stream amendment was for an additional proceeds to Stornoway of 45 million dollars of which \$21.6M came from Osisko and essentially the main amendment to the

contract was to the transfer pricing structure, so if you recall originally, the stream had a fix \$50 per karat transfer price, after this amendment we had modified that to \$40 per karat, or 40% so it's the lesser of those two amounts. The other additional thing that we changed is that the stream now applies to all diamonds for all mine life coming from the entire property, previously it applied to mined diamonds for only the 5 kimberlite that were part of the original mine plan. So it is an important amendment for us, ultimately this better aligns us with Stornoway, we resolved with immediate increased cash margins on the stream and increased cash flow we have better downside exposure to diamond price and to over recovery of small stones from the mine. And as a reminder, this becomes effective October 2nd and was subsequent to quarter end but it will be reflected on our Q4 results.

Sean Roosen, Chairman & Chief Executive Officer

Page 13, goes through the increase of royalty land package for the Cariboo region of British Columbia, the royalty covers over 2,000 km². One of the most prolific gold belts in the world. This is the campsite where are the main structures. We have gain exposure to this landpackage. Which has been accelerating quickly, in terms of knowledge of the project and the potential we see there, the company published a resource update in the spring about 1.6 million ounces at 6 grams and measured and indicated another 2 million ounces at over 5 grams so it's moving well, we see intensified drilling there as well as we unlock the geological knowledge that we need to figure this one out, it's come a long way in a very short time.

Page 14, just to summarize our investment pieces, we have early opportunities, development opportunities and producing opportunities, what this slide shows you is the time value of money, as projects go through various stages of de-risking and evolution so in terms of early stage things we try to invest about 20 to 25% of our portfolio, in this window, good example of that would be Windfall Lake when we purchased \$5 million royalty on the company assets 30 months ago. Cariboo which is on BGM and the Horne 5 assets that we initiated with our catalyst investors, to incubate that company in 2012, we carried it forward as to the evolution. Now these assets move thru, a lot of these assets are moving thru into the development stage which involves feasibility studies, permitting and Construction. And then the third piece that we invest in is existing production opportunities like we did with Gibraltar and the purchase of the Orion mine finance package. Those are the three areas where we see our investment strategies playing out and to develop an opportunity to produce an opportunity that represents about 75% of our investments to date, and we stuck with that rock number. It will fluctuate sometimes but it seems

to work pretty well so far. Page 15 is an example of an early stage successful investment, we bought 5 million dollars' worth of equity of Arizona mining and we purchased a 1% royalty for \$10 million, at the same time, this project moves quickly, with a \$2 billion NPV, a 100 million tons, 10% zinc and a 20-year mine life production expected to start in 2020, it was acquired by South32 in 2018. The result for us, is that we were able to monetize in that investment and we had a net game of \$34 million dollars on the equity and the warrants, and we still retain the royalties which as very significant value. So this was a relatively short investment for us, for significant returns in the 1000 of per cent. Page 16, shows you our Investment Portfolio we have heavily weighed in Canada with 75% compared to the peer group we have been successful in Canada, as you know, our origins are in Quebec where we have the Canadian market success we continue with that strategy with the focus on brown field camps in good Canadian areas and jurisdictions. Where we think things can move quick and get to fruition for the royalty. Summary of the financial position we have an available credit of \$450 million, which a \$100 million has run so \$350 million are available there, cash on hand of \$137 million for now we will be receiving another \$150 million at the end of the year. Long-term debt we paid down some of it we are now down to 419 and our Investment Portfolio as value of \$364 million at the end of the quarter. Shares outstanding for the Company now are standing 156 million and our dividend is set at 5 cents. We have also paid back \$12.9 million in debt this quarter and 51.8 million in Q2, so continue to make progress on that front. Page 18, gives you the escalation of the dividend, since we started this company 4.5 years ago, with over \$78.5 million returns to shareholders in that period. We are currently yielding just under 2%, which gives us one of the highest yields dividends in all of the, all of the mining category. Page 19 is the investment opportunity, we are trading at a 70% discount to our peer group of Franco and Royal Gold right now at .79 times NAV so therein lies the opportunities for shareholders at this point. We feel that that gap will close, we have a bit of noise on a couple of ramp ups earlier in 2018 but I think that as we fast-forward most of these things are turning the corner, we should have a lot less to talk about in third party asset, as we get further into the piece, in terms of other things we've done this year we also purchased the 5% royalty on Victoria gold Yukon project Eagle. I think that it's going to be a good asset for us next year, construction is on target there, moving forward as well. On page 20, I think I covered most of it in the presentation, but you know, in the end of the year assuming that our friends execute their buy back we will have over \$280 million in cash available for future investments. In addition to our credit facilities, so lots of ability to get things done. And we continue to work hard to add to our portfolio. On that note I'd like to open the

session of the questions, please feel free to ask question in French or English and we will answer.

QUESTION AND ANSWER SESSION

Operator

As a reminder, you can ask a question by pressing star followed by the number one on your telephone keypad. On vous rappelle vous pouvez demander une question en composant l'étoile suivie du numéro 1 sur votre clavier téléphonique. We'll pause for just a moment to compile the Q&A roster. On va prendre une pause lorsque nous compilons la liste des questions. 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, veuillez composer l'étoile suivie du numéro 1 sur votre clavier téléphonique.

Sean Roosen, Chairman & Chief Executive Officer

All right, well it looks like we got everybody covered, if there are any more questions, please feel free to give any of us a call, our telephone numbers are available on the website, we will be glad to take up any question that didn't make it into this call, thank you very much everybody, merci beaucoup, on se voit au prochain trimestre.

Operator

Ladies and gentlemen this concludes today's conference call, you may now disconnect.
