

CORPORATE PARTICIPANTS

Sean Roosen

Chairman & Chief Executive Officer

Elif Lévesque

Chief Financial Officer & Vice President, Finance

CONFERENCE CALL PARTICIPANTS

Dan Rollins

RBC Capital Markets

Kerry Smith

Haywood Securities

PRESENTATION

Operator

Good morning, ladies and gentlemen. Welcome to the Osisko Gold Royalties' Q4 and Year End 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, February 21, 2019, at 10:00 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 Ms. Elif Lévesque, Chief Financial Officer and Vice President, 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 quatrième trimestre et de l'année 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 appuyez sur la touche étoile suivi du numéro un. Veuillez prendre note que cet appel est enregistré, aujourd'hui le 21 février 2019 à 10:00 heure de l'est.

Nous avons sur l'appel d'aujourd'hui Mr. Sean Roosen, Président du conseil d'administration et Chef de la direction de Redevances Aurifères Osisko; Mr. Bryan Coates, Président de Redevances Aurifères Osisko; et Ms. Elif Lévesque, Chef de la directeur financier et vice-

président, finances. J'aimerais maintenant céder la parole à votre hôte, Mr. Sean Roosen.

Sean Roosen, Chairman & Chief Executive Officer

I'll ask everybody to have a look at the forward-looking statements. We will be going from the PowerPoint that is on our website that is titled 2018 Q4 and Year End Results and I'm going to start on page three. I want to make sure everybody has a look at the forward-looking statement prior to that.

2018, an interesting year in terms of market conditions, gold price, and a bit of a disconnect between capital markets and the commodity price. Here today we're enjoying an increased share price from last year. We're currently trading around the C\$14.50 rate, up from a low of C\$9-and-change in 2018.

Highlights from Q4 2018, starting with starting a little over 20,000 gold equivalent ounce earned in the fourth quarter, revenue of C\$30.7 million, creating net cash flow from operating activities of C\$18.6 million. We did, however, take a write-down on Éléonore, which resulted in a C\$0.73 per share impairment, and we'll talk more about that when we get into Éléonore and we'll give you more details on that.

Adjusted earnings for the year at C\$13 million or C\$0.08 per basic share. Overall, for 2018 a record of just over 80,500 ounces produced with a significant margin of just under 90%. Record revenues of C\$127.6 million. Cash flows again at an all-time high of C\$82.2 million. The loss, of course, attributed to the property through the write-down of C\$105.6 million, which is a special write-down which we'll get into later. We also repaid C\$123.5 million on our revolving credit facility, making that we are completely paid down with what we paid down in 2019 as well. And we received C\$159.4 million from Pretium Exploration to repay and purchase back the stream that we had acquired during the Orion transaction in 2013 for a net profit to Osisko shareholders of C\$9.1 million. So, all in all, a pretty good return considering the amount of time that we were invested.

We also acquired a 5% net smelter return on the Eagle project owned by Victoria in the Yukon and we'll have a look at that a little bit later in the presentation. Another unsung item from 2018 was the amended Renard stream where we invested an extra C\$21.6 million and significant improved the economics to the Osisko shareholders on that asset, which we'll touch on in more detail. We acquired a 1.75% royalty for C\$20 million on the Cariboo property held by Barkerville Gold, increasing our overall net smelter return on that property to 4%. We also have an option to increase it to 5%.

Subsequent to December 31st we repaid the remaining C\$30 million that was out on our revolver, meaning that we now have a full C\$450 million available to us on our revolver, if required. We acquired also 852,000 shares for C\$10.2 million at an average price of C\$11.95 of Osisko common stock, which will be cancelled and returned to treasury. We declared a quarterly dividend of C\$0.05 per common share payable on April 15, 2019 and bringing us to the record date of March 29, 2019 if you want to qualify for that dividend.

On page five, production in terms of gold equivalent ounces in our guidance last year, we significantly outperformed in terms of our margins and we were mid of our guidance 80,553 ounces, up from 58,933 ounces in 2017. Our guidance for 2019 is 85,000 to 95,000 GEOs and we're looking for about an 88% operating margin, making one of the highest in the sector. We did achieve just under 90% margins in 2018.

In terms of production, mine production, we saw our key asset, which is the 5% top-line royalty at Canadian Malartic, performing well with the mine having produced just under 700,000 ounces at 697,200 ounces with gold attributable ounces of zero cost to Osisko Gold Royalties of 35,400 ounces being a record royalty earner for us on that. We would highlight that Canadian Malartic is Canada's largest gold mine and it's 14th in the world with cash costs in the first quartile running at C\$579 an ounce and it is one of the world's-best mining jurisdictions being between Val-d'Or and Rouyn-Noranda with significant amount of mine life left to go and significant upside as they start to develop the Barnat portion of the project. And also there's been some significant resources added in the Odyssey and East Malartic zones, which will be going through feasibility and preparing for mine development as we get further into 2019 and 2020.

A little more detail on Eagle construction, which is owned by Victoria Gold, of which we own 15.5% of the equity as well as a 5% royalty on the asset. The project is now 75% complete. The team there, the management team has done an excellent job. We're only a degree and half off the Arctic Circle and they've been able to carry through most of the winter with all of the mining fleet being fully commissioned and construction progressing well. Even at this time in the colder months of the year, being January and February, work construction continues to proceed and they're looking forward to putting first ore on the pad in July and having the first gold pour sometime in the last half of 2019. And we applaud the efforts of management and the team at Eagle for having fought through a bit of a wet spring and some hard weather earlier in 2018 and then really stepped on the gas in the last half of 2018 and into 2019 working well.

Page eight, a look at where our assets are performing. Obviously, Canadian Malartic remains the cornerstone asset with Éléonore in second place at about 7,500 zero cost royalty being delivered to it. I won't go through the rest of the assets. They all range between sort of 1,000 and 3,500 ounces earned. And in terms of silver, still getting good GEO equivalent ounces from Mantos and Sasa. Gibraltar continues to contribute as well and a little bit of silver coming out of Malartic here. Diamonds, obviously a big portion of our story right now, representing 11% of our GEOs, a gold equivalent ounce of about 8,400 ounces. This leaves us, if we look at the way that our revenue is split up, 69% from gold, 17% from silver, for a total of 86% represented by precious metals, and if we add diamonds into that mix we get to 97% with only 3% coming from other metal. So, it's pretty much a pure precious metals play if you like diamonds as well.

I'm going to hand it over to Elif to go through the impairment charge that we took for Éléonore now.

Elif Lévesque, Chief Financial Officer & Vice President, Finance

Thank you, Sean.

So, we have reviewed our assets for impairment indicator for the fourth quarter and recognized impairment charges of C\$166.3 million, amounting to C\$123.7 million net of income taxes. The most important component of that was on Éléonore for C\$148.5 million and C\$109.1 million net of income taxes.

During the fourth quarter Goldcorp issued updated reserve and resource estimates on the Éléonore gold mine, which led to a total loss of mineral inventory of over two million ounces. In January, Newmont also announced the acquisition of Goldcorp in a deal valued at about US\$10 billion. So, consequently, on February 13, 2019, Goldcorp announced an impairment of US\$1.6 billion, representing US\$1.4 billion net of income taxes on the Éléonore gold mine due to the decrease in the reserve and resources and reduction in the estimated fair value of Éléonore's exploration potential.

Osisko evaluated all the tax and circumstances and concluded an impairment of C\$123.7 million net of income taxes. We still believe that the exploration potential on the Éléonore project is there, it's just a valuation currently not reflecting the potential. So, going forward, based on Goldcorp's guidance, we would still be expecting about 8,800 ounces of gold annually from this royalty.

If you go to the next page, on page 10, we have record cash flow from operating activities of C\$82.2 million and even with a higher finance cost, compared to previous year of C\$13 million we still had a pretty good year. And that's really a reflection of the chart that you see on the right that's kind of based on the record revenues basically from a very good year from Canadian Malartic as well as reflecting a full year of results and cash margins from the Orion portfolio that we acquired in 2017.

And if you look at the net loss for the year, 2018 and 2017 both reflecting the impairment charges, we stand at a loss of C\$105.6 million for 2018 and operating loss of C\$113.5 million. But if we do exclude the impairment charges the operating income would be at C\$52.8 million versus C\$18.6 million in 2017, which shows the growth in cash margin and the C\$9.1 million gain that we made, as Sean said, on buyback of the Brucejack stream. So, if you look at the adjusted earnings, that actually also reflects the positive impact that we just talked about previously standing at C\$31.4 million for 2018 compared to C\$22.7 million for 2017.

Page 11 gives you a breakdown of the revenues by our different interests and I think the strong cash margins showing at 89% for the year 2018, which reflects almost 100% of cash margins from our royalties and 63% on the streams as well as 1.4% on the off-take. And of course the royalty interest, being the majority of the interest that we hold, reflects for 2018 a strong outcome of 89%.

Going on to page 12, kind of the results at a summary level as we previously discussed. I guess I would just like to draw your attention here on to the realized gold price and in Canadian dollars we're standing at C\$1,649 per ounce this year and we have seen over C\$1,700 per ounce at the end of 2018 as well as the beginning of 2019. So this is quite a big, I guess, increase level if we look at five years back when we just started the business, 2014, when we were mainly in the C\$1,400 level. In US dollars we may look at a more even line, but in Canadian dollars we have seen some increases since we started operations.

Page 13 shows the stable and growing dividends that we've been declaring. We have declared another C\$0.05 per share dividend for this quarter as well. Currently, the amount returned to shareholders stands at C\$86.3 million since our inception in 2014.

Going on to page 14, we do finish the year with a very strong balance sheet. And, as you have seen, we have used the payment that we received from the buyback of the Brucejack stream to pay down our debts. We had been very disciplined about that in 2018 and we had already started the program paying down our debt using our operating cash flows. With the Brucejack stream buy

down, we actually reduced this now as of January, so the full credit facility remains available at this point.

With that, Sean, back to you.

Sean Roosen, Chairman & Chief Executive Officer

Thank you, Elif.

As you know, we announced a normal course issuer bid of C\$400 million, up C\$200 million. The normal course issuer bid is still active and we use our discretion as to when and where. We may purchase stock at any given time. We have purchased 1.7 million shares at an average cost of C\$11.95 for a total investment of C\$20 million under our normal course issuer bid to date.

Page 16 has a bit more detail on the Eagle project and you can see some of the photos there. This is a 30,000 tonnes per day heap leach operation being built just north of Mayo in the Yukon, 64.5 degrees latitude. Just to put things in context, precipitation at the Eagle mine site is the same as Phoenix, Arizona. So, it doesn't get a lot of snow. It can be cold in January and February. And the average, the reserve life here gives us 10 years at about 10,000 ounces to our royalty. So we're quite keen to see this mine get up and going and right now construction is very much on track for gold production in the second half of the year as we move forward.

Page 17, a bit more detail and colour on the amendment of the Stornoway stream. We paid C\$21.6 million to reinforce the Stornoway balance sheet and we still hold a clear and concise stream of 9.6% of all the diamonds produced at Renard. What changed in the deal was the way the transfer price is structured. The transfer price is 40% of achieved diamond sale price or maximum US\$40 per carat with no escalation, so it's much easier and cleaner for us to understand. And we make money on each and every diamond that is produced through our stream at that point in time. This applies to the life of mine production over the entire diamond property, so we've expanded the footprint and increased our cash margins on the stream and we also have better downside protection on any pressure that may come to bear in the diamond market itself. And we also captured the exploration upside as well to create a liquidity for Stornoway to carry out the optimization work needed at the mill site and to continue their underground development at the time. So, we see that as a pretty good win-win on that project and we look forward to 2019 being a pretty good year over at Stornoway in terms of getting into some of the better-grade zones in the underground and to see the final optimizations in the mill process.

Barkerville Gold, a large play here. Over 2,000 square kilometres of mineral rights contained here. Historic production in this camp has been north of four million ounces. For those of you who followed the story, we really got involved in a significant way in 2016. We have increased our 2.25% royalty to 4% during 2018. We have an option to buy another 1% for C\$13 million on the project. The benefit to Osisko, of course, is that we're exposed to all the exploration in this land package. We've seen a significant amount of drill results with over 120,000 metres of drilling carried out in 2018, very much positive.

The mine also carried out small mine, which generated a little over 21,000 ounces of gold production last year, and it's fully permitted to continue on with explorable vein mining in 2019 and 2020. And optics on the development of the resource there, which currently stands at 1.6 million ounces of measured and indicated with another inferred resource there of 2.1 million ounces for an overall resource, if you looked at it just from an inferred level, sitting at about 3.7 million ounces there. So, more to come. One of the more exciting drill stories out there at this point in time and an increased royalty for us on that.

In terms of our asset distribution on page 19, you can see we have over 100 assets in North America, Éléonore, Renard, Lamaque, and Canadian Malartic being the top producers for us at this point in time with Island Gold coming on strong with a reported increase in resource last week and a significant amount of assets in North America as we move forward. Our main asset in South America at this point in time is the Mantos silver stream and we also have Brauna, 1% there. Others that are outside of North America would be Sasa, Kwale, and Matilda.

Continue on page 20 is just sort of a graphic representation of that. We have over 130 royalties right now with streams and precious metal off-takes included within that number, 103 in North America, nine in South America, and the rest mostly in Europe and Australia.

The simple story on Osisko at this point in time, very strong balance sheet between our acquisition line, cash on hand, and our portfolio of equities. We have more than C\$1 billion available for investment and we continue to generate strong cash flows.

Page 22. Before I summarize I just want to say thank you to Mr. André Gaumont, who has served with the board for a little over five years, since we acquired Virginia Gold and the Éléonore royalty. André has taken his retirement from the board right now and if I was a moose I would be very scared, because he's hunting in several jurisdictions as we speak. And I look forward to working with André as we go forward. André pioneered the Éléonore discovery

in the James Bay area and really set the stage for discovery and development in a territory that most people had shied away from prior to André carrying out the successful discovery of Éléonore there and Goldcorp subsequently building that mine, setting a beachhead in a brand new mining camp that we think will be around for a long time to come.

We also have the retirement of Pierre Chenard because he has a new position. He's assumed the role of Executive Vice President of Strategy and Business Development at Anglo Gold. Pierre was previously the nominee for the Caisse de dépôt on our board and a legal advisor at Rio Tinto. We're excited to see Pierre in his new role and we look forward to working with Pierre as he takes on that role. And it should be an exciting time for Pierre and he's done a great job helping us with his insight and his long history in Québec and knows our team very well. We wish him luck and hopefully his fortune will be ours as well.

Summary for the day, obviously the cornerstone assets in Osisko being Canadian Malartic and Éléonore and the attributable earned ounces this year of over 80,000 ounces. Looking for 85,000 to 95,000 GEOs for 2019. Dividend yield currently at above 1.5%. I think we've demonstrated that our accelerator model is starting to provide benefits to us, generating significantly higher returns on our royalties and stream acquisitions through that model as we move forward and we see a lot of opportunity in the current environment.

Obviously, the theme for 2019, there seems to be a lot of consolidation discussion going on and we see streaming and royalties as part of a finance package to be incorporated in some of those transactions as well as we hope to see more project finance come to be. And I think that in 2019 we have significant amount of opportunities in front of us to deliver performance to our shareholders as we move forward.

We're celebrating our fifth year of business. We're sitting at about C\$2.2 billion market cap now, having IPO'd at around C\$700 million market cap, so it's been pretty good growth all in all and we are cash flow profitable and we make money every day of the week seven days a week. So, I think where we're sitting right now is Osisko is one of the stronger companies in the space and we move forward with our business plan into 2019.

And at that, I will open up for any questions that we may have regarding 2018 year end.

QUESTION AND ANSWER SESSION

Operator

Votre première question, your first question comes from the line of Dan Rollins with RBC Capital Markets. Your line is open. Votre ligne est ouverte.

Dan Rollins, RBC Capital Markets

Thanks very much. Sean, I was just wondering if you could provide a little bit of colour around the strategy of the company going forward. Obviously it starts to devolve here as you start to build the base. But my first question on that is with respect to the incubator model, realizing that you have done some deals through equity that have gotten you some pretty nice royalties, but you also continue to take equity stakes without royalties. Is there a thought process of what differentiates between buying an equity stake in a company versus taking an equity stake and then actually clipping that royalty coupon as well? I'm just wondering if that's going to change and you're going to get a little bit more aggressive and start to say like if you want money we're going to need a royalty and here's some equity as well.

Sean Roosen, Chairman & Chief Executive Officer

Dan, the only equity position, I think, that we own where we didn't have a royalty, we actually earned a financing right. So, typically speaking, our equity investments are tied to either a royalty opportunity or a project financing opportunity. But to my knowledge we've not issued too many equity positions. IDM and some of the smaller stocks which were sort of chip shots to set the stage on an exploration story, but typically we'll stick to our strategy of equity as a means to an end in terms of setting the stage for another project financing or royalty streaming opportunity.

I don't think you'll see us do a lot of straight equity that's not incorporated in a deal. The big equity deal that we did do last year was C\$50 million in the Victoria, which was tied to a C\$98 million acquisition of a 5% royalty on the Eagle project. Subsequent to that, we did put some more equity into Barkerville, but we also have a 4% royalty with the right to go to 5% on that project. So, we'll continue to stick to that theme, Dan, and our equity, as we say, it's part of a package and a ways to an end.

Dan Rollins, RBC Capital Markets

Okay. So even on these smaller deals we see like, you know, the C\$2.5 million, C\$3 million here or there, they tend to have a financing link to them through that equity, we just don't see it when it's press released.

Sean Roosen, Chairman & Chief Executive Officer

That's correct. They'd have first offer or some other financing right.

Dan Rollins, RBC Capital Markets

Okay. That's great. And then just, you know, obviously there's struggle for small single-asset companies. There are struggles for development-stage companies. You seem to have built yourselves a bit of a portfolio of high-quality projects in Canada. Is there any thought process of trying to massage the various equity vehicles to put themselves together to create something with a little bit of critical mass once one gets into production and then you can start to lever it and then sort of use that as a growth vehicle and then you could help fund it through royalties going down the road?

Sean Roosen, Chairman & Chief Executive Officer

I don't think I'd want to get into any specifics on—

Dan Rollins, RBC Capital Markets

Not, specifics, but just do you see an opportunity on that?

Sean Roosen, Chairman & Chief Executive Officer

As a general trend I think that we're all looking at the cost of running a single-asset public company and trying to manage that G&A exposure and to consolidate expertise and focus on getting money into the ground. So, as a general theme, the answer is definitely, we do see advantages there, but my key criteria to all that is access to capital. Our strategy is twofold; we like to be at the very beginning of an incubation where we own royalty on an equity and then we also like to be in the last-money-in strategy, which is essentially coming to the value, time value curve out the other side where we're partner in a fully financed package. So, those are our two main drivers and anything in between there that would involve consolidation to the advantage of those outcomes we would be supportive. But we stick pretty much to first principals about how we earn a royalty and then get paid on the equity, as we did in Arizona, or in the case of Victoria where we're part of the project financing on the last-money-in strategy.

Dan Rollins, RBC Capital Markets

Okay. And then last one for me, just on the return of capital to investors. With the share price sort of coming off the lows of late last year, are you still committed to completing the share buyback? And, number two, depending on what your deal flow is, is a potential dividend increase in the cards here for 2019?

Sean Roosen, Chairman & Chief Executive Officer

Well, being a shareholder myself, I always like the dividend. In terms of our use of capital this year, it is a bit of a target-rich environment out there, so the decision process to decide whether we buy our own stock or whether we're investing in something else will be opportunity-driven.

If we have better returns on a growth story that we could bring onto the balance sheet, we would focus on that; however, if we feel that our stock is undervalued, we will act, as we did last year, in terms of purchasing our stock back if that's the best use of shareholders' capital. We think we were pretty effective last year on the buy back and we're certainly happy to see the share price rebounded up about 45% from the lows of last year this year. So we're happy to see that valuation coming back into the marketplace, which is more in line with our belief system of what the asset base at Osisko should be earning in the marketplace and, as I said, it'll be opportunity-driven depending on what we have in front of us.

Dan Rollins, RBC Capital Markets

Okay, that's great. Appreciate the colour and good luck in 2019.

Sean Roosen, Chairman & Chief Executive Officer

Thank you, Dan.

Operator

Your next question, votre prochaine question, comes from the line of Kerry Smith with Haywood. Your line is open. Votre ligne est ouverte.

Kerry Smith, Haywood Securities

Thanks, operator. Elif, when you went through your assets and looked at the write-down on the Éléonore,

what was the thought process as it relates to Amulsar with what's happening over there? And could you just remind me what your book value is on that asset?

Sean Roosen, Chairman & Chief Executive Officer

The thought process on Amulsar is there's been a delay pattern, but I'll defer to Elif, who's more masterful at these things than I.

Elif Lévesque, Chief Financial Officer & Vice President, Finance

Yeah, so, as you know, we have two interests in the Amulsar project, we have the stream and the off-take, and together they're about C\$150 million. We hold this asset in USA. And the thought process was when we did the acquisition, as you know, we still had some time ahead in terms of the on going construction process and it was about a year.

And I guess the thing is right now, what we were really waiting on that was happening was the government over there. They went through elections again in December and now actually the popular person in terms of the PM was elected and so far we're seeing that movement in terms of trying to get the project going. Of course, it still depends on the speed of how things will go through. So far what happened, what we've seen is that they've elected a third-party consulting company just to go through their impact again overall. And we think that process should probably take about two to three months and we're hoping that with the new government in place things will take a little bit of speed. But of course that's going to be a project that we're going to be following very closely in 2019.

Sean Roosen, Chairman & Chief Executive Officer

And just for clarity's sake, it was C\$115 million, not C\$150 million.

Kerry Smith, Haywood Securities

Sorry, one-one-five, Sean? Okay. Thank you. Yeah, I thought it was one-five-zero. I appreciate that. Thanks very much.

Elif Lévesque, Chief Financial Officer & Vice President, Finance

Yeah, the stream and the off-take, so the off-take is there as well.

Kerry Smith, Haywood Securities

Correct. Okay. Thank you.

Sean Roosen, Chairman & Chief Executive Officer

If there are no further questions, I thank everybody for their time this morning. Good luck out there and we appreciate any inbound. If you didn't get a chance to ask your question now, please give us a call at your leisure. We are happy to answer questions at this point. Good luck, everyone. Thank you.