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CONFERENCE CALL PARTICIPANTS

Cosmos Chiu

CIBC World Markets

John Tumazos

John Tumazos Very Independent Research

George Topping

Industrial Alliance Securities

PRESENTATION

Operator

Good morning, ladies and gentlemen and welcome to the Osisko Gold Royalties' Q1 2019 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, May 2, 2019, at 10:00 a.m. eastern time.

Today on the call we have Mr. Sean Roosen, Chair of the Board of Directors and CEO of Osisko Gold Royalties; Mr. Bryan Coates, President; and Ms. Elif Lévesque, Chief Financial Officer and VP, Finance. I would now like to turn the meeting over to your host for today's call, Mr. Sean Roosen.

Bonjour mesdames et messieurs et bienvenue à l'appel conférence des résultats du premier trimestre de l'année 2019 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 2 mai 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; 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

Merci beaucoup et bienvenue à l'appel conférence du premier trimestre de Osisko Gold Royalties.

Welcome to the call, everybody. We're working from our presentation on our website, Q1 results for Osisko Gold Royalties.

If you look at the presentation we have a forward-looking statement there that we would like everybody to review, because we will be making some forward-looking statements and examining some other aspects that are outside of our control.

On to page three of the presentation, the highlights for Q1 of 2019. We earned just under 20,000 GEOs at 19,753 ounces, revenues from royalties and streams sat at \$33.5 million, up nearly \$1 million quarter on quarter for 2018, and net cash flows from operating activities stood at \$24.8 million, up another \$1 million from quarter on quarter from 2018.

We have a net loss of \$26.5 million attribute to us which is the extension of the impairment of a tax pool. Incurred an impairment charge of \$38.9 million on the Renard stream, which we'll talk about. We have adjusted earnings for C\$5.8 million or \$0.04 per basic share for the quarter.

We recorded cash operating margins of 89% from royalty and streaming interests. We closed the previously announced senior secured silver stream referenced to 100% of the future stream from the Horne 5 property owned by Falco Resources. We also repaid in full our revolving credit facility. We now have \$450 million available on our credit facility.

We acquired for cancellation 852,500 common shares of the company for \$10.2 million on our NCIB, the normal course issuer bid, at an average of \$11.96 per share. We also declared a quarterly dividend of \$0.05 per common share paid April 15, 2019 for shareholders on that record date.

We're going to talk first about the Renard impairment that we took this quarter and I'm going to pass to Elif Lévesque to run you through that.

Elif Lévesque, Chief Financial Officer & Vice President, Finance

Good morning, everyone.

One of our cornerstone assets is a 9.6% undivided interest in all diamonds produced from the Renard mine in Canada, as you know, and it's actually secured ranking in terms of its position. And in March 28, 2019, Stornoway, the operator of the Renard mine, announced a significant impairment charge, which was \$83.2 million on the Renard mine, which was reflecting an outlook of lower-than-expected diamond pricing, and this was determined to be an indicator of impairment and we had to actually test our asset as well, and it results an impairment of \$38.9 million, \$28.6 million net of income taxes. I think what is encouraging to note is that the operations at the Renard mine are going well and the diamonds coming out of the mine is of good quality with a good, loyal demand from the buyers. So the pressure is really coming from the current diamond pricing environment, but I think it's also important to note that we do see a steady growth in the demand for diamonds.

If we go to the next page, in terms of the GEO production, actually this year, other than the Renard mine, diamond mine impairment charge, was quite in line with same period last year. We stand at 19,753 GEOs compared to a little over 20,000 GEOs last year, with 89% cash operating margin compared to 91% last year, which is pretty much in line, as I mentioned. The slight reduction is really kind of a result of the mix of streams versus royalties. So we're still anticipating to meet our guidance with stronger GEOs this year between 85,000 to 95,000 GEOs with an 88% cash margin.

Slide six kind of shows the mixture of the GEOs by asset and by product. You will see again a strong quarter from Canadian Malartic coming out from the royalty side. We're still pretty much focused on precious metals. If you look at GEOs by product, gold and silver together result in 85% from precious metals GEOs.

Sean Roosen, Chairman & Chief Executive Officer

If we have a look at our cornerstone asset, the Canadian Malartic mine, we continue to see exceptional performance from this mine, over 697,000 ounces produced in 2018 and Q1 produced 167,300 ounces for a net royalty to us of 8.3 million, 8,300 ounces so far in Q1 this year on a year-to-date. So Canadian Malartic continues to be a great performer.

Over to page eight, as you look at our growth for the GEOs of the company in 2014, we've seen continued growth from a first full year of 30,500 ounces to our current 80,000 ounces from 2018 and on to our guidance for this year for 85,000 to 95,000 of GEOs and still maintaining high margins, looking at 88% operating margins on that.

Elif, over to you for the financial performance results, please.

Elif Lévesque, Chief Financial Officer & Vice President, Finance

Sure, Sean.

So again, if you look at the performance in terms of financials, the revenues, cash flow from operating activities and earnings were pretty much in line with the same period last year. We had slightly higher cash flows from operating activities, which results a little better working capital impacts as well as some lower interest as we pay down our debts. If we look at the earnings and loss year over year or quarter over quarter compared to last year, again, the loss is a result of the impairment charge from Renard. Other than that, if it wasn't for that, I think we would be sitting at \$2.1 million earnings, which would be very similar to the same period last year.

Page 10 is a kind of a revenue breakdown as well as our cash margins in terms of the different interests that we own. If you look at the royalties and streams together, this year was slightly better than last year, \$29.9 million compared to \$29.5 million last year. Off-takes as a result of last year having a more steady increasing gold price was sitting at \$0.7 million compared to \$2.4 million last year with our cash margin still standing pretty strong at 89% for 2019 first quarter.

Page 11 is kind of a summary. We've kind of mostly went through all of those items. I would go actually to page 12, which kind of talks a little bit about different activities affecting our cash flow. If you look at the investing items, we invested \$28 million in acquisitions in royalty and stream interest. Of that, \$19.6 million was actually for the Eagle Gold project. If you remember, we had committed \$98 million last year for acquisition of a 5% NSR. And of that, the \$19.6 million represents the remaining amount to have been paid and now it's completely paid and the construction is going very well at the Eagle project with 90% complete.

Another \$5 million was on the Falco silver stream. We closed during the first quarter as the Falco silver stream. We had originally paid \$20 million before this year, so the \$5 million represents the remaining amount of the first

tranche on the payment of \$25 million. The future payments will be depending on obtaining some of the milestones by Falco, the first one being the receipt of all the material third-party approvals. We also disbursed \$13.1 million in short-term investments and \$5.8 million in acquisition of marketable securities.

If you look on the financing side, the financing activities amounted to \$42.7 million. Of that, \$30 million was the payment of the revolving credit facility. With that, we have no amount remaining drawn on our credit facility. And also in January we paid \$11.9 million under the 2018 NCIB program with an acquisition price just a little under \$12 per share. And we also continued our payments for the dividend representing \$6.3 million for the first quarter.

Sean Roosen, Chairman & Chief Executive Officer

Thank you, Elif.

The financial position as we sit today is very strong, \$108 million in cash. We have a convertible outstanding at \$324 million that's not due for another two to three years. Investment portfolio is valued at \$403 million and, as Elif said, our debt credit facility sits at an undrawn amount of \$450 million. So, between the credit facility and the cash, about \$550 million available for investment plus the \$403 million of investment portfolio for over \$1 billion of liquidity on the balance sheet.

Page 14, cumulative return to shareholders. This is a slide that we as a management team are particularly proud of. We started giving dividends in the first year of the existence of this company and to date we've returned \$139 million to shareholders since 2014, of which in 2019 cumulative was \$94 million of dividends in addition to \$45 million in share buybacks to get to that \$139 million. So, from our standpoint, we continue to work on our balance sheet, but we're in great financial shape and continue to return investment to shareholders.

On page 15, in terms of our growth, we see the 85,000 to 95,000 ounces from this year and as we go forward in the period from 2020 to 2023 we see, at the Canadian Malartic project, the Odyssey zone developing, Back Forty in Michigan. We have the Amulsar project as well. The Eagle at, ah, the Victoria asset in the Yukon is scheduled to come on line with ore going on the pad at the end of the month, and also the first gold pour in the second half of the year. Windfall Lake is our lead project in our accelerator model with over 21 drills turning there at an exceptional team and also they've been underground to take bulk samples. We're also a participant in the Mantos Blancos expansion located at Chile, which we have a silver stream on, and they're looking to get about 10,000 GEOs a year from that asset.

And then within the other internal growth assets within the group we see another 10,000 to 15,000 ounces in that period coming up. After the 2023 period, I won't go into it in too big a detail, but we see continued expanded resource growth in the existing pipeline and that means that there is no further investment required from Osisko to earn this growth. It's already baked into our existing portfolio. So we have a lot of growth built into for the next five years into the existing portfolio.

Just a quick update on the Eagle project owned by Victoria on page 16. I went to visit this operation last week. We're plus 90% complete on the construction. Things have gone exceptionally well and it's going to begin the heap leach here at the end of the month. It's worth noting that the Eagle project, the weather conditions there, they have the same level of precipitation as Phoenix, Arizona, so we we're able to carry out construction all 12 months of the year, we didn't lose any days through the winter, and we're quite excited to see what happens this year as we get that mine into operation and continue to go forward with that. It's a \$550 million mine. Build, it's on time, on budget as we speak and looking great to provide us with the gold if that mine comes on line at about 180,000 ounces a year, of which we have a 5% royalty. So, that's going to add significantly to our GEOs, representing somewhere between 8,000 and 10,000 ounces GEOs per year on a go-forward basis.

Page 17, a brief summary of the company. As we talked about, the cash position sitting at \$108 million with our investment portfolio at \$403 million and our debt facility at \$450 million. We're close to \$1 billion available liquidity on the balance sheet and are on schedule to beat our guidance for this year at 85,000 to 95,000 ounces, still paying a dividend of 1.3% and still executing our strategy on the accelerator model where we've had some exceptional results on our development assets led by Windfall and then Barkerville and Falco is in the permitting cycle and then of course Victoria, which is ready to come on line.

In terms of where we fit in the pack of royalty companies, we continue to be a growth portfolio and I think that as we move forward and these assets start to mature, we're going to be able to deliver some significant returns to shareholders on it. On that, I would only offer one summary comment. 2018 was a pretty good building year and 2019 is starting strong and I think here at Osisko we're pretty excited about what the prospects are for this year and as we go forward we're quite optimistic in terms of where we can see further investment in the sector as well. Lots of things are going on in the space and we continue to see significant opportunity for us on the growth side from both streaming and royalties.

And at that point, I'll pass it over for questions. Thank you very much, everyone.

QUESTION AND ANSWER SESSION

Operator

Thank you. At this time I would like to remind everyone that in order to ask a question, please press star then the number one on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

En ce moment, si vous voulez poser une question appuyer sur l'étoile suivit numéro un sur votre clavier téléphonique.

Your first question, votre première question, comes from the line of Cosmos Chiu with CIBC. Your line is open. Votre ligne est ouverte.

Cosmos Chiu, CIBC World Markets

Hi, Sean. Hi, Elif. Thanks for the conference call here. Maybe first off if I could start off with Stornoway and what's happening at Renard. You know, clearly the market was concerned. Yesterday your share price was down 8% with the write down. Sean, how concerned are you? Clearly they've been in production for two years, they're not really making a lot of money yet or no money yet, you know, the open pit has been shut down, there was some mechanical issues in January and February, there's been management changes, Orion selling out. I know you wrote down your investment by \$20 million. You still have about \$100 million in book value in Renard. How close are you to it? How concerned are you with it?

Sean Roosen, Chairman & Chief Executive Officer

Well, I think where we sit, Cosmos, actually, you know, we're trying to lead the charge and make sure that we're a part of the solution here. Both on a technical side and a financial side, we're teamed up to help the company. Our partners at the Caisse de dépôt, Investissement Québec, which is the government of Québec, and also partners at Triple Flag, we've all been working to shore up the balance sheet. As you know, we did a financing earlier. We continue to be very positive on the mine.

The shutdown of the open pit doesn't really concern us because the transition to the underground is what's important. The underground is fully online and working right now. We see the diamond quality having been well accepted by the diamond market. We're seeing the product has a loyal following. Obviously, commodity

prices are what they are, they come and they go. We think that the natural diamond market is strong and we've reviewed with the diamond people what they see and, you know, there is a supply/demand story developing in the sector as some of the other mines like Argyle will come offline.

So I think it's a standard ramp-up story. We're not too concerned about it at this point in time from an overall medium-term basis, obviously the short-term, we're there to work with our other partners. And the good thing for this company is they have great sponsorship, both from the government of Québec and the Caisse de dépôt and the other streamers such as ourselves and Triple Flag. We're pretty close to the story, Cosmos, and, you know, it's here in Québec, so we have the benefit of the Canadian dollar, and I think that this is going to be a great mine. But like all great mines, the ramp-ups are always tough.

Cosmos Chiu, CIBC World Markets

You know, certainly Elif sort of mentioned that as well, saying that you have secured ranking on the asset here, but could you remind us, like not saying it's going to happen but, you know, in the case where it does go through bankruptcy, ceases to be a going concern, how does your investment rank against all the other investments?

Elif Lévesque, Chief Financial Officer & Vice President, Finance

So, we are senior secured and we share (inaudible) with only one other lender. I think that's as far as we can go at this point.

Cosmos Chiu, CIBC World Markets

So there's nothing ahead of you, Elif?

Elif Lévesque, Chief Financial Officer & Vice President, Finance

No.

Cosmos Chiu, CIBC World Markets

Okay. And how much is the other lender's investment?

Elif Lévesque, Chief Financial Officer & Vice President, Finance

About C\$120 million.

Cosmos Chiu, CIBC World Markets

Okay. Okay, got it. And I don't know if this is, Sean, I'm not sure if you're the best person to ask here, clearly you might not be the target market, I'm not the target market either, but you mentioned diamond prices here. We've been hearing a lot about synthetic diamonds and that's, you know, its impact on real diamonds or whatever you want to call it. How do you see the competition coming from synthetic diamonds and is that going to have any kind of long-term impact on what they're producing at Stornoway?

Sean Roosen, Chairman & Chief Executive Officer

As you said, Cosmo, I'm not the target audience. The millennials are.

Cosmos Chiu, CIBC World Markets

Yeah.

Sean Roosen, Chairman & Chief Executive Officer

We had an update on diamond pricing a couple days ago and we still haven't found a millennial man who would buy a diamond and propose to their wife using a synthetic.

Cosmos Chiu, CIBC World Markets

That's good research.

Sean Roosen, Chairman & Chief Executive Officer

That's a fairly risky proposition from what we were led to believe. We do see growth in the diamond market and, as you know, we also worked on a project with Lucara on the blockchain traceability of a real diamond. So we're fairly well up to speed on the space and what's happening there and we think that provenance of luxury goods is on the growth side of it and people are spending money, especially millennials, on things that they see as

genuine. So we actually think is a good space, especially anything that has provenance, is a very strong growth (inaudible) right now. Obviously, there's a bit of a transition. So we're quite optimistic.

When we originally got into this investment we had looked at a 2021/2022 sort of increased diamond price. We knew that there were probably some choppy markets to get through when we took on the investment. Unfortunately, that prediction has proven true. But as we look forward and everything that we're seeing on the diamond space, especially the Canadian diamond side, you know, the Canadian diamond side still has a brand. And here in Canada we see other mines shutting down like Victor. Ekati doesn't have much mine life left. And then of course we have the bigger ones like Argyle and the rest that are, you know, fairly short mine life.

So, all in all, as I said, Cosmo, I think that this is a medium-term issue, but obviously we're dealing with the short-term stuff.

Cosmos Chiu, CIBC World Markets

Yeah. And maybe switching gears a little bit, turning to another sort of problem child for you, Amulsar, operated by Lydian. Number one, what's your current book value on that investment? And number two, reading up on this forbearance facility that you and the other creditors have in place with Lydian, you know, essentially helping them through this more difficult period, but there's also sort of—I don't want to call it like a debt line but there's a date here, June 30, 2019, in terms of they need to figure out if there's any alternative ways or alternative strategies. I guess my second question after the book value is how rigid is that date and what do you need to see to continue with this forbearance?

Sean Roosen, Chairman & Chief Executive Officer

Book value is on at US\$83 million. In terms of what's going on directly on the project, I'd rather not comment on any specifics on that situation, as it is somewhat political. There are ongoing discussions with the government. There have been a couple of court dates they went through that were positive for the project in terms of dealing with the access site closure. So (inaudible) but I don't think it's productive for us to do too much deep dive on it right now, because I'm not directly involved with the execution of that work. However, on the financial side of it, we are very active with our other partners on this. Again, it's a good investor group that's

quite capable of dealing with this, including EBRD, that's involved in it.

So I think, you know, there's been evolution on it. The management team of the company has done their work and we continue to deal with it. It really revolves around the continued concern over water quality there, which I think has been dealt with by a few different consulting groups, and hopefully we can put that issue behind us and get on with the project. It really is a spectacular project at, ah, from a heap leach standpoint. About 1.2 to 1.4 grams. So all the equipment is on site, so unfortunately they've experienced this delay, but the project is exceptionally high quality so we continue to be a participant and a monitor on this. We feel that this project goes forward but obviously we're not going to predict time schedules at this point in time.

Cosmos Chiu, CIBC World Markets

And I know you can't tell us much, Sean, but should we expect a lot of increased activity around the June 30, 2019 date or is that really just a number?

Sean Roosen, Chairman & Chief Executive Officer

We'll have to see how it evolves, Cosmos. I don't really want to comment further than that because there are ongoing issues there that are beyond our control.

Cosmos Chiu, CIBC World Markets

Okay. That's all I have. Thanks a lot, Sean and Elif.

Sean Roosen, Chairman & Chief Executive Officer

Thank you, Cosmos.

Operator

Your next question, votre prochaine question, comes from the line of George Topping with Industrial Alliance. Your line is open. Votre ligne est ouverte.

Sean Roosen, Chairman & Chief Executive Officer

Hi, George. Are you there?

Operator

Go ahead, Mr. Topping. Your line is open.

And we'll proceed to the next question. Your next question, votre prochaine question, comes from the line of John Tumazos with John Tumazos Very Independent Research. Go ahead, your line is open.

John Tumazos, John Tumazos Very Independent Research

Thank you very much for taking my question. In the first quarter for several projects your revenues didn't seem to exactly coincide with the mines. Maybe there's delays and different payment cycles. For example, the Brucejack off-take revenues were off about 40%. The other category in gold fell 137 from 782 GEOs. Could you give us a little explanation of the Sasa stream and the Kwale base metals royalty that also had declines? The flagship projects were up. These other little things I guess are a little more volatile.

Sean Roosen, Chairman & Chief Executive Officer

John, in terms of where we are, obviously Q1 seasonality, there is some weather issues around different mining operations. But specifically on Brucejack, you know, the off-take agreement can vary a bit because it's really a volatility trade. So if gold prices are stable, volatility is down and the earnings on the trade are down. So if we have significant volatility within the gold price we can see that revenue go up. In terms of what we're doing, you know, it's not a super significant amount of gold that comes to us.

In terms of what we're doing with other operations, and we'd have to take a deep dive into which ones you're referring to exactly, but we've seen good growth in most of our assets and the variation from Q1 quarter on quarter from year to year is less than 1,000 ounces. So, you know, we're pretty happy to see some of those things. And we did take a little bit less on our GEOs on Stornoway again, which was part of the difference.

I don't know if I've answered your question completely or not but let me know if that helps.

John Tumazos, John Tumazos Very Independent Research

Thank you.

Sean Roosen, Chairman & Chief Executive Officer

And thank you, John, and continue on with your very independent research and hoping to see you soon down in New York.

John Tumazos, John Tumazos Very Independent Research

Thank you.

Sean Roosen, Chairman & Chief Executive Officer

We have, as of now, no other questions. I'd just offer a final comment. In terms of our opportunities in this space, we see quite a bit going on, both in M&A and project financing, so we're full out working right now and I think that our growth pattern in the company, as we see our other projects evolve, continues to offer us a significant amount of value building that we can create for the shareholders.

I'd also like to say André Gaumond retired from our board to go and continue his hobbies of hunting moose and making maple syrup. And we'd like to thank André Gaumond, who has been an exceptional friend to the company and supporter and a board member for a long time, having joined us when we acquired his company, Virginia, and we'd like to wish André a very happy retirement.

I see we have Mr. Topping maybe back on the line. Operator, can you see if George Topping's question can be asked?

Operator

Yes, certainly. Mr. Topping with Industrial Alliance Securities, go ahead, your line is open.

George Topping, Industrial Alliance Securities

Great. Can you hear me this time?

Sean Roosen, Chairman & Chief Executive Officer

We have you now, George.

George Topping, Industrial Alliance Securities

Okay, great. Some technical error there. I apologize if it's already been asked but on Mantos, the \$70 million buy-

down option, are you expecting that to be exercised or is your base case not to be?

Sean Roosen, Chairman & Chief Executive Officer

It's contingent on market conditions, obviously, George. I mean we buy stock back when we feel it's appropriate. We don't have any set schedule for it and it's sort of a quarter-by-quarter thing. But most of the time we keep a normal course issuer bid in place in terms of market volatility management. We believe in our own stock and we believe in our company and if it is undervalued we will participate.

George Topping, Industrial Alliance Securities

Understood. I was meaning on Mantos where they have an option to buy down the stream for \$70 million.

Sean Roosen, Chairman & Chief Executive Officer

Sorry. I'll pass it over to Joseph, who is on the call.

Joseph de la Plante, Vice President, Corporate Development

Hi, George. They do have that option and the option was conditional on them delivering a certain number of ounces before them being able to execute on it. We foresee that those numbers of ounces will be met; however, in discussions with the operator, what we can understand is their capital allocation decisions right now are focused on expanding the mine over allocating money to the buy back.

George Topping, Industrial Alliance Securities

Right. Great. And then just lastly on the James Bay area, obviously it's a very exciting area right now. You do have an earn-in there with Osisko Mining. Are you actively looking for other properties and perhaps getting more involved in the funding of exploration in that area?

Sean Roosen, Chairman & Chief Executive Officer

Well, as you know, we picked up the Virginia portfolio of projects in James Bay, which were subsequently transferred to Osisko Mining. Osisko Mining is continuing

to evaluate and, you know, they have one of the largest exploration budgets if not the largest exploration budget in Canada this year with the focus being on the Windfall camp, which they have 2,000 square kilometres of land on. Osisko Metals is also working in the area and we continue to evaluate those areas.

Maybe one more comment on the James Bay area. With Newmont taking on Éléonore we expect to see intensified exploration on the Éléonore site as well. So, anything we can do to support in the James Bay area, obviously it's a very significant interest for the group and we continue to see what can happen there. As we have seen, Osisko Mining is also generating an exploration SpinCo for some of these things called O3 and they're going to prioritize their opportunities but we think, you know, we're obviously very Canadian-centric and very Québec focused and because it's an area part of Plan Nord we see that as a place of significant opportunity and investment for us as a Québec specialist.

George Topping, Industrial Alliance Securities

Sure. Good. Okay, thank you.

Sean Roosen, Chairman & Chief Executive Officer

All right, thanks, everybody, and have a great day.

Operator

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

Ceci met fin l'appel conférence d'aujourd'hui. Vous pouvez maintenant raccrocher.