



## OSISKO REPORTS FOURTH QUARTER AND FULL YEAR 2015 RESULTS

**(Montreal, March 14, 2016)** Osisko Gold Royalties Ltd (the “Company” or “Osisko”) (OR: TSX) reports today fourth quarter net earnings<sup>1</sup> of \$4.5 million (\$0.05 per share). Net earnings for the full year 2015 reached \$28.5 million (\$0.33 per share).

### Highlights – 2016

- Closed a \$50.0 million financing in the form of a convertible debenture with Investissement Québec;
- Closed a bought deal financing for total gross proceeds of \$172.6 million;
- Declaration of a quarterly dividend of \$0.04 per common share on February 17, 2016, payable on April 15, 2016 to shareholders of record as of the close of business on March 31, 2016.

### Highlights - 2015

- 30,125 gold ounces earned and 30,104 ounces sold (2014 – 12,327 ounces earned and sold);
- 31,318 silver ounces earned and 31,263 ounces sold (2014 – 11,915 ounces earned and sold);
- Revenues of \$45.4 million (2014 - \$17.2 million);
- Dividend income mainly from holdings in Labrador Iron Ore Royalty Corporation (“LIORC”) of \$5.9 million;
- Net earnings of \$28.5 million, \$0.33 per basic share (2014<sup>1</sup> – net loss of \$2.1 million, \$0.05 per basic share);
- Adjusted earnings<sup>2</sup> of \$40.4 million, \$0.46 per basic share<sup>2</sup> (2014 – \$10.1 million and \$0.22 per basic share);
- Net cash flows provided by operating activities<sup>3</sup> of \$32.2 million (2014<sup>1</sup> – \$5.9 million);
- Total value of working capital and marketable securities of \$380.5 million at December 31, 2015;
- Completed the friendly acquisition of Virginia Mines Inc. (“Virginia”);
- Full repayment of US\$5 million advanced royalty payment to Goldcorp Inc. (“Goldcorp”) (4,328 gold ounces);
- Completed a bought deal private placement for total gross proceeds of over \$200.0 million;
- Acquisition of a 9.8% interest in LIORC;
- Announced the acquisition of a portfolio of Canadian royalties held by Teck Resources Limited and its subsidiary Teck Metals Ltd. for a cash consideration of \$28.0 million, with an additional \$2.5 million payable on confirmation of certain rights;
- Implementation of a Dividend Reinvestment Plan;
- Increased its revolving credit facility from \$100.0 million to \$150.0 million with a possibility to increase by \$50 million; and
- Increased fourth quarter dividend to \$0.04 per common share and declared on November 4, 2015 and payable on January 15, 2016 to shareholders of record as of the close of business on December 31, 2015.

<sup>1</sup> From continuing operations.

<sup>2</sup> “Adjusted earnings” and “Adjusted earnings per share” are non-IFRS financial performance measures which have no standard definition under IFRS. Refer to the non-IFRS measures provided under the Non-IFRS Financial Performance Measures section of this Management and Discussion Analysis.

<sup>3</sup> Before change in non-cash working capital items.

## **Highlights – Fourth Quarter 2015**

- 7,989 gold ounces earned and 8,437 ounces sold (2014 – 5,010 ounces earned and 5,484 ounces sold);
- 8,574 silver ounces earned and 9,019 ounces sold (2014 – 4,902 ounces earned and 5,392 ounces sold);
- Revenues of \$12.8 million (2014 – \$7.6 million);
- Dividend income from holdings in LIORC of \$1.6 million;
- Net earnings of \$4.5 million or \$0.05 per basic and diluted share (2014 – net loss of \$2.2 million or \$0.04 per basic and diluted share);
- Adjusted earnings of \$10.5 million or \$0.11 per share (2014 – adjusted earnings of \$3.1 million or \$0.06 per share);
- Operating income of \$4.0 million in 2015 (2014 – operating loss of \$0.4 million); and
- Net cash flows provided by operating activities before change in non-cash working capital items of \$8.2 million (2014 – \$2.6 million).

Sean Roosen, Chair and Chief Executive Officer, commenting on the fourth quarter and full year results:

“In its first 20 months of existence, Osisko has raised a total of approximately \$500 million in capital (including convertible debt), completed over \$775 million in transactions, and has diversified its portfolio of Canadian gold royalties through the addition of the Éléonore, Island Gold and Lamaque royalties. Osisko is in a unique position to deliver on its strategy of growing its gold royalty portfolio with current cash and cash equivalents of approximately \$450 million following its recent financings, with another \$150-200 million of available credit.”

## **Fourth Quarter and Full Year 2015 Results**

For the fourth quarter of 2015, Osisko’s net earnings amounted to \$4.5 million or net earnings per share of \$0.05 compared to a net loss \$2.2 million or \$0.04 per share in the fourth quarter of 2014. Revenues in the fourth quarter of 2015 amounted to \$12.8 million from the sale of gold and silver from the net smelter return (“NSR”) royalties received from the Canadian Malartic and Éléonore mines compared to \$7.6 million in the fourth quarter of 2014. The Company received its first gold delivery from its NSR royalty from the Éléonore mine in December 2015 and sold these ounces during the same month. Virginia had received advance royalty payments of US\$5.0 million from 2009 to 2013 for the Éléonore NSR royalty. The advance payment received was reduced to nil through royalty payment calculations in November 2015 (for a total of 4,328 gold ounces).

For the full year 2015, Osisko’s net earnings from continuing operations amounted to \$28.5 million or net earnings per share of \$0.33 compared to a net loss of \$2.1 million or \$0.05 per share in the corresponding period of 2014. Revenues in 2015 amounted to \$45.4 million compared to \$17.2 million in 2014.

## **Royalty Interests**

### **Canadian Malartic**

Agnico Eagle Mines Limited (“Agnico”) and Yamana Gold Inc. (“Yamana”), (together referred to as the “Partners”) indicated that during the fourth quarter of 2015, the Canadian Malartic mill processed an average of 52,780 tonnes per day compared with an average of 53,232 tonnes per day in the corresponding period of 2014. In the fourth quarter of 2015, throughput was lower primarily due to a longer than planned mill shutdown in December 2015. For the full year 2015, the Partners indicated

that the Canadian Malartic mill processed an average of 52,300 tonnes per day compared with an average of 51,248 tonnes per day in 2014.

For the fourth quarter of 2015, the Partners indicated that production at the Canadian Malartic mine reached 145,744 ounces of gold. This compares with the fourth quarter of 2014 production of 132,738 ounces of gold. Production was higher in the 2015 period primarily due to higher grades. For the full year 2015, the Partners indicated that production at the Canadian Malartic mine was 571,618 ounces of gold, 11,618 ounces, or 2% above the previous guidance.

On September 22, 2015, the mine poured its two millionth ounce of gold since commencement of mining in April 2011.

The Partners indicated the following forecast of annual gold production for the Canadian Malartic mine: 560,000 – 580,000 ounces in 2016, 590,000 – 600,000 ounces in 2017 and 610,000 ounces in 2018. The Partners indicated that the 2016 guidance has been slightly reduced as throughput levels are forecast to be approximately 53,000 tonnes per day. Any increase in throughput above this 53,000 tonnes per day level remains contingent upon updating the existing operating permits. Several opportunities have been recognized to further optimize productivity, which could provide additional operational flexibility and result in increased production at the mine.

At Canadian Malartic, the Partners indicated proven and probable mineral reserves of 7.72 million ounces of gold contained in 221.5 million tonnes of ore at 1.08 g/t Au. The decrease in mineral reserves, compared to prior year, of 0.93 million ounces was principally due to mining extraction and production in 2015 which totalled 571,618 ounces of gold after recovery (644,000 ounces of in-situ gold mined), a lower price of US\$1,150 per ounce used for the current year mineral reserve calculation, versus \$1,300 per ounce in the prior year, a change in the cut-off grade to include the NSR royalty payable to Osisko which was not included in 2014 and the termination of the Gouldie open pit. Proven and probable gold mineral reserve grades increased to 1.08 g/t Au as compared to 1.06 g/t Au in the prior year.

The Partners indicated that mineral resources have decreased from 2014 levels as all mineral resources outside of the current pit have been revaluated at a 1.0 g/t Au cut-off. The higher cut-off reflects the decision that mineral resources outside the current pit will not be open-pit mined although the underground mining potential may be evaluated in the future.

The reserve and resources estimate at December 31, 2015 is presented in the table below:

**Reserve and resource estimates**

<b>Category</b>	<b>Tonnes (M)</b>	<b>Grade (g/t Au)</b>	<b>Au (M oz)</b>
Proven Reserves	54.9	0.97	1.72
Probable Reserves	166.6	1.12	6.00
<b>Proven &amp; Probable Reserves</b>	<b>221.5</b>	<b>1.08</b>	<b>7.72</b>
Measured and Indicated Resources <sup>(1)</sup>	25.7	1.51	1.25
Inferred Resources <sup>(1)</sup>	9.0	1.47	0.43

(1) Excludes proven & probable reserves.

The Partners indicated that at Canadian Malartic, the approach of tripling the cut-off grade of the out-pit mineral resources had the effect of removing 686,000 ounces from the measured and indicated mineral resources, leaving 1,250,000 ounces (25.6 million tonnes of ore grading 1.51 g/t Au) in

measured and indicated mineral resources. The same approach resulted in removing 688,000 ounces from the inferred mineral resource base, leaving 426,000 ounces (9.0 million tonnes of ore grading 1.47 g/t Au) of inferred mineral resources.

The Partners continue to work on initiatives to optimize throughput and costs at Canadian Malartic.

The Partners indicated that permitting activities for the Barnat extension and deviation of Highway 117 are continuing on schedule as indicated by the Partners. An Environmental Impact Assessment (“EIA”) for this project was submitted in February 2015. A second series of questions from the Québec government was received in December 2015, and final responses were submitted in January 2016. Public hearings are expected to be held later in 2016. Granting of final permits is expected to occur after the completion of the public consultation process. In parallel, the Partners are currently working on permitting for improving the efficiency and environmental performance of the existing mobile crusher.

On the exploration side, the Partners reported that at the end of the fourth quarter of 2015, 44 holes (35,870 metres) of drilling had been completed on the Odyssey zone. Drilling and data compilation will continue in the fourth quarter. Osisko holds a 5% NSR royalty on the Odyssey South Zone and a 3% NSR royalty on the Odyssey North Zone.

For more information, please refer to the press release of Agnico Eagle dated February 10, 2016 and the press releases of Yamana dated January 13, 2016 and February 18, 2016 filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

### Éléonore

Osisko, through its wholly-owned subsidiary Osisko Exploration James Bay Inc. (formerly Virginia Mines Inc.), owns a 2.0% to 3.5% NSR royalty in the Éléonore gold property located in the Province of Québec and operated by Goldcorp.

Éléonore declared commercial production on April 1, 2015.

Goldcorp indicated that following the resolution of initial mill throughput issues, the processing plant achieved average throughput of 5,700 tonnes per day over the last six months of 2015 and validated nameplate design capacity of 7,000 tonnes per day on several days during the fourth quarter. Production increased over the prior quarter as a result of increasing gold grades as mining moved further into higher-grade horizons. For the fourth quarter of 2015, gold production totaled 105,100 ounces to reach 268,100 ounces for the year.

Osisko was not entitled to receive any gold or silver ounces until a US\$5 million non-interest bearing royalty advance payment had been recovered from production of Éléonore by Goldcorp, which was completed in November 2015. The Company received its first royalties from Éléonore in December 2015 (402 gold ounces).

For 2016, Goldcorp indicated that a conservative ramp-up schedule at Éléonore is expected to lead to gold production of between 250,000 and 280,000 ounces. Mine throughput is expected to average 4,900 tonnes per day from four production horizons following the depletion of the pre-production stockpile at the end of 2015. The focus in 2016 is on increasing underground mining rates, mill throughput and improved dilution through adjustment of stope design. The production shaft is expected to be operational by the end of 2016, eliminating the need to truck or hoist ore through the exploration shaft. Gold recoveries are also expected to increase following successful lab and plant work on isolated reactive sulphide ore. Full ramp-up to 7,000 tonnes per day remains on track for the first half of 2018.

Goldcorp also indicated that a successful 2015 drilling program targeting the conversion of resources to reserves in the center and southern portion of the deposit contributed to a 7.7% increase in proven and probable gold mineral reserves to 5.35 million ounces and extended the deposit at depth, which remains open including the core area. The 2015 drilling program was completed with 40,400 metres drilled from the underground ramp, targeting the center and southern portion of the ore body. The program also completed 1,350 metres in the 494 area (Northern portion) where results continue to improve the confidence level regarding the size and the importance of this target. The 2015 positive results contributed to the successful conversion of resources to reserves and extended the deposit at depth, which remains open including the core area.

Éléonore completed the pre-feasibility study on mining the crown pillar in the fourth quarter of 2015. The study results did not pass the economic threshold for reserves and as a result, this material remains classified as mineral resource at December 31, 2015. Additionally, the results indicate no tangible benefit in accelerating the crown pillar and support its mining as planned at the end of Éléonore's life of mine plan.

Goldcorp also published in February 2016 updated mineral reserve and resource estimates as at December 31, 2015 for the Éléonore mine. Proven and probable mineral reserves were estimated at 5.35 million ounces of gold based on a price of US\$1,100 per ounce of gold.

The reserve base is presented in the table below:

#### Reserve and resource estimates

Category	Tonnes (M)	Grade (g/t Au)	Au (M oz)
<b>Proven and Probable Reserves</b>	<b>28.32</b>	<b>5.87</b>	<b>5.35</b>
Measured and Indicated Resources <sup>(1)</sup>	4.58	5.49	0.81
Inferred Resources	9.97	7.11	2.28

(1) Excludes proven & probable reserves.

For more information, refer to the press release of Goldcorp dated February 25, 2016 and the Management Discussion and Analysis for the year ended December 31, 2015, both filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

#### Acquisition of Royalty Interests

##### Teck Canadian Royalties

The Company announced in October that it has entered into a definitive agreement to acquire a portfolio of Canadian royalties held by Teck Resources Limited and its subsidiary Teck Metals Ltd. ("Teck") for a cash consideration of \$28.0 million, with an additional \$2.5 million payable on confirmation of certain rights.

The portfolio consists of 31 royalties, most of which are NSR royalties, including the following key royalties (before the sale of a 15% interest to Caisse de dépôt et placement du Québec as described below):

- Three NSR royalties from 2% to 3% on the producing Island Gold Mine properties located in Northern Ontario owned by Richmond Mines Inc.;
- 2% NSR royalty on the Lamaque property located in the Abitibi owned by Integra Gold Corp.;
- 2% NSR royalty on the Hewfran Block located in Northern Québec owned by Metanor Resources Inc.;
- 0.5% NSR royalty and right to \$5 million payment upon commercial production on the Marban property Québec owned by NioGold Mining Corp. (“NioGold”) and located near the Canadian Malartic mine in Malartic;
- 1.5% NSR royalty on a portion of the Fenn-Gib property located in northern Ontario owned by Lake Shore Gold Corp.; and
- 1.5% to 2% NSR royalty on the Garrcon property located in northern Ontario and owned by Northern Gold Mining Inc.

The portfolio also includes other precious metal royalty assets on exploration and development properties. Certain NSR royalties are subject to buy-back clauses.

The first portion of the transaction with Teck was closed in November 2015, consisting of a portfolio of 28 royalties acquired for a cash consideration of \$24.2 million with an additional \$2.5 million to be paid on confirmation of certain rights. This portfolio includes the royalties on Richmond Mines Inc.’s producing Island Gold Mine and Integra Gold Corp.’s Lamaque property. The Company expects to close the second portion of its transaction with Teck in the first half of 2016.

Caisse de dépôt et placement du Québec ("CDPQ") and Fonds de solidarité des travailleurs du Québec (F.T.Q.) have a combined 15% right to participate in all future royalty or stream transactions entered into by Osisko. CDPQ has exercised its participation right to acquire 15% of the Teck royalty interests acquired by Osisko to date. The transaction was completed in February 2016 for \$3.6 million.

#### Veza Royalties

The Company acquired a 5% NSR royalty and a 40% net profit interest royalty in the Veza gold property operated by Ressources Nottaway Inc. for a total acquisition price of \$10.0 million. A first payment of \$5.0 million was made in 2015 and the balance was paid in January and March 2016. The property is located 25 kilometres from Matagami, Québec. Commercial production is forecasted for the second quarter of 2016.

#### Cariboo Gold Project

On November 30, 2015, Osisko entered into a binding letter agreement with Barkerville Gold Mines Ltd. (“Barkerville”) whereby Osisko has agreed to purchase a 1.5% NSR royalty on the Cariboo Gold Project (the “Royalty Financing”), located in British Columbia, Canada, for a cash consideration of \$25.0 million,

The Cariboo Gold Project consists of 1,164 square kilometres of land along a strike length of 60 kilometres which includes several past producing mines in the Cariboo Gold District, a historically profitable yet still underexplored area of south-central British Columbia. Based upon historic estimates, historical gold production in the Cariboo area is approximately 3.8 million ounces. At Cariboo, the Cow Mountain deposit contains a NI 43-101 compliant mineral resource totaling 2.8 million ounces Au in the indicated category (35.8 million tonnes at 2.4g/t) with an additional 2.0 million ounces Au in the inferred category (27.4 million tonnes at 2.3g/t), both using a 0.5g/t cut-off grade.

As part of the Royalty Financing, Osisko and Barkerville have also agreed to negotiate a gold stream agreement (“Gold Stream Agreement”) following the completion by Barkerville of a feasibility study on the Cariboo Gold Project. Following a 60 day negotiation period, if Osisko and Barkerville have not

entered into a Gold Stream Agreement, Barkerville shall either grant a right to Osisko to purchase an additional 0.75% NSR royalty for consideration of \$12.5 million, or make a payment of \$12.5 million to Osisko.

The Royalty Financing was closed on February 5, 2016.

#### Summary of Producing and Advanced Non-producing Royalty Interests

<b>Asset</b>	<b>Operator</b>	<b>Interest<sup>(4)</sup></b>	<b>Commodities</b>	<b>Jurisdiction</b>	<b>Stage</b>
Island Gold	Richmont Mines	1.7-2.55% NSR royalty	Au	Ontario	Production
Veza	Ressources Nottaway Inc.	5% NSR royalty	Au	Québec	Development
Veza	Ressources Nottaway Inc.	40% NPI royalty <sup>(1)</sup>	n/a	Québec	Development
Lamaque	Integra Gold	1.7% NSR royalty	Au	Québec	Development
Hewfran Block	Metanor Resources	1.7% NSR royalty	Au	Québec	Exploration
Windfall	Oban Mining Corporation	0.5% NSR Royalty	Au	Québec	Exploration
Cariboo	Barkerville	1.5% NRS royalty	Au	British Columbia	Development
Marban	NioGold Mining	0.425% NSR royalty	Au	Québec	Exploration
Pandora	Agnico/Yamana	2% NSR royalty	Au	Québec	Exploration
Malartic CHL – Odyssey North	Agnico/Yamana	3% NSR royalty	Au	Québec	Exploration
Hammond Reef	Agnico/Yamana	2% NSR royalty	Au	Ontario	Permitting
Upper Beaver	Agnico/Yamana	2% NSR royalty	Au, Cu	Ontario	Exploration
Kirkland Lake Camp	Agnico/Yamana	2% NSR royalty	Au, Cu	Ontario	Exploration
White Pine North - Copperwood	Highland Copper	3% sliding-scale NSR royalty <sup>(2)</sup>	Ag, Cu	Michigan, USA	Exploration

#### Summary of Royalty Options

<b>Asset</b>	<b>Operator</b>	<b>Interest</b>	<b>Price to Exercise</b>	<b>Commodities</b>	<b>Jurisdiction</b>	<b>Stage</b>
Neita	Unigold	2% NSR Royalty	\$2 million	Au	Dominican Republic	Exploration
Yellowknife City Gold	TerraX	3% NSR Royalty	\$4 million	Au	Northwest Territories	Exploration
Oban Mining Projects <sup>(3)</sup>	Oban Mining Corporation	1% NSR Royalty	\$5 million	n/a	n/a	n/a

(1) NPI: Net Profit Interest

(2) Subject to conversion of Osisko's \$10.0 million convertible loan with Highland Copper Company Inc.

(3) Osisko has a one-time right to purchase a 1% NSR royalty on Oban Mining Corporation's projects upon Oban's future financing completed prior to August 25, 2020.

(4) After the sale of a 15% interest in the Teck royalties to Caisse de dépôt et placement du Québec.

## **Portfolio of Investments**

The Company's assets include a portfolio of shares of publicly traded companies. Osisko invests, and intends to continue from time to time investing, in various companies within the mining industry for investment purposes, and with the objective of improving its ability to acquire interests in exploration assets, future royalties or revenue streams. In addition to investment objectives, in some cases, the Company may decide to take a more active role, including providing management personnel, technical

and/or administrative support, as well as nominating individuals to the investee's board of directors. These investments are reflected in investments in associates in the consolidated financial statements and include Oban Mining Corporation ("Oban"), NioGold and Falco Resources Ltd. In February 2016, Barkerville became a new associate following the nomination of Sean Roosen, Chair and Chief Executive Officer of Osisko, as Co-Chairman of the board of directors of Barkerville.

Osisko may, from time to time and without further notice except as required by law, increase or decrease its investments at its discretion.

#### Investment in Associates - Oban Mining Corporation ("Oban")

In August 2015, Oban acquired Eagle Hill Exploration Corporation, Ryan Gold Corp. and Corona Gold Corporation to combine leadership, treasuries and assets to form a new leading Canadian focused gold exploration and development company. As part of this transaction, Osisko invested \$17.8 million in common shares of Oban and Osisko was granted a right to acquire a 1% NSR on all properties held by Oban. Mr. John Burzynski has been appointed President and Chief Executive Officer of Oban and Mr. Sean Roosen was appointed co-Chair of the Board of Directors.

Oban also completed a \$13.1 million financing in September 2015 and announced in February 2016 an additional financing of \$12.6 million to be completed in March 2016. As of December 31, 2015, Osisko has a 15.7% interest in Oban. In January 2016, Oban and NioGold announced that they had entered into an agreement where Oban will acquire all of the outstanding shares of NioGold. The transaction was completed on March 11, 2016.

Oban's flagship project is the high-grade Windfall Lake gold project located between Val-d'Or and Chibougamau in Québec, Canada. Oban also holds a 100% undivided interest in a large area of claims in the Urban Barry area (82,400 hectares) of Québec. Oban also holds a 100% interest in the Roach Property in northern Ontario and has options with other third parties to acquire a 100% undivided interest in the Côté Property, the Golden Dawn Project, the Hunter Property and other properties in the vicinity.

In April 2015, an independent Preliminary Economic Assessment was released for the Windfall Lake Gold Project, outlining the design for a 1,200 tonnes per day underground mine producing 106,200 ounces of payable gold annually for 7.8 years. Oban is actively advancing the Windfall Lake Gold Project, with the objective of moving the project to a production stage as quickly as possible. In October 2015, it announced the commencement of a 55,000 metre drill program on the Windfall Lake gold project.

For more information, please refer to Oban's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

#### Other Investments - Barkerville (associate since February 5, 2016)

On November 30, 2015, Osisko and Barkerville announced that they had entered into a binding letter agreement whereby Osisko agreed to purchase 32.0 million common shares of Barkerville, issued on a flow-through basis.

On December 24, 2015, Barkerville announced the completion of the first portion of the Private Placement, whereby Osisko subscribed for 18,750,000 Flow-Through Shares at a price of \$0.32 per share for gross proceeds of \$6.0 million.

On February 5, 2016, Osisko acquired the additional 13,250,000 flow-through shares of Barkerville at a price of \$0.32 per flow-through common share for total gross proceeds of \$4.2 million. Osisko now holds 47,625,000 common shares and 4,687,500 common share purchase warrants of Barkerville.

Osisko's Chair and Chief Executive Officer, Sean Roosen, was appointed as Co-Chairman of Barkerville. As a result, Barkerville became an associate on February 5, 2016.

### Labrador Iron Ore Royalty Corporation ("LIORC")

Since the beginning of 2015, Osisko has acquired a 9.8% interest in LIORC. The Company views this investment as a great opportunity to provide asset/commodity diversification to its current portfolio of royalties while maintaining the gold focus through exposure to a world-class, long-life iron ore asset in a stable jurisdiction. LIORC is entirely focused on the Iron Ore Company of Canada ("IOC") operations through:

- 7% gross royalty on the IOC iron ore operations;
- A \$0.10 per tonne marketing fee on all products sold by IOC; and
- 15% direct interest in IOC.

IOC is a major Canadian iron ore producer held by Rio Tinto (59%), Mitsubishi Corporation (26%) and LIORC. The mine located in the Newfoundland and Labrador Province in Canada has been producing and processing iron ore concentrate and pellets since 1954. The crude ore is processed into iron ore concentrate and then either sold or converted into many different qualities of iron ore pellets to meet its customers' needs. IOC is strategically situated to serve the markets of the Great Lakes and the balance of the world from its year-round port facilities at Sept-Îles, Quebec. The iron ore concentrate and pellets are transported to IOC's port facilities at Sept-Îles, Quebec via its wholly-owned Quebec North Shore and Labrador Railway, a 418 kilometre rail line which links the mine and the port. From there, the products are shipped to markets throughout North America, Europe, the Middle East and the Asia-Pacific region

As per LIORC's press release dated March 3<sup>rd</sup> 2016 (filed on SEDAR ([www.sedar.com](http://www.sedar.com))), the mine has reserves to continue operations for 28 years at current production rate with additional resources of a greater magnitude.

In 2015 and for the first quarter of 2016, LIORC declared quarterly dividends of \$0.25 per share. Osisko's share of dividends in 2015 amounted to \$5.8 million. Osisko's expected share of dividends for the first quarter of 2016 amounts to \$1.6 million. Based on its current holding and on the historical information for the years 2009 to 2014, the Company's investment in LIORC would have provided for cash dividends of \$6.2 million to \$14.0 million on an annual basis.

The investment in LIORC provides diversification to gold production and is consistent with Osisko's philosophy of investing in long-life mines operated by world-class mining companies in safe jurisdictions.

### **Exploration and Evaluation**

#### James Bay and Labrador Trough areas, Québec

Osisko acquired exploration and evaluation projects through the acquisition of Virginia. Since the acquisition date, Osisko invested \$8.0 million (\$9.8 million before investment tax credits) in exploration and evaluation activities on the James Bay territory.

Since the acquisition of Virginia, the exploration program continued on the Coulon project (James Bay area), focusing mainly on a diamond drilling program on Lens 257 and on regional targets. Exploration work also includes ground and borehole geophysical surveys. The winter 2015 exploration program was completed during the year and consisted of 33 holes for a total of 18,036 metres. The fall 2015 drilling program included 10 holes totaling 5,008 metres, targeting again Lens 257 as well as the fertile

stratigraphic contact on the west flank of the main fold area. Directional drilling extended Lens 257 towards the south-south-west and the north-north-east. Lens 257 is now followed over more than 720 metres laterally and remains open at both ends along its long axis. It could extend for an additional 250 metres towards south-south-west and could merge at depth with lens 9-25 to the north-north-east. Drilling over regional targets explained most of the geophysical anomalies, but failed to return any significant values.

A 22,800 metre drill program will be started on the Coulon project in 2016. This program will continue to test the upper and lower extensions of Lens 257 and the west flank of the main fold structure. Several other geological and geophysical targets will also be tested during this program.

## **Significant Financing Activities**

### 2015 Bought Deal Private Placement of \$200 million

On January 21, 2015, Osisko announced that it had entered into an agreement with a syndicate of underwriters who had agreed to buy, on a bought deal private placement basis, 10,960,000 special warrants of the Company (“Special Warrants”) at a price of \$18.25 per Special Warrant, representing aggregate gross proceeds of \$200 million. Each Special Warrant entitled the holder to acquire, for no additional consideration, one unit (“Unit”) of Osisko, with each Unit comprised of one common share (“Common Share”) of Osisko and one-half of one common share purchase warrant (each whole common share purchase warrant a “Warrant”) of Osisko. Each Warrant entitles the holder thereof to purchase one Common Share of Osisko at a price of \$36.50, for a period of 84 months following the closing date.

The bought deal offering was closed on February 18, 2015 and Osisko issued 10,960,000 Special Warrants for gross proceeds of \$200 million. On March 5, 2015, further to delivery to Osisko of a final receipt by regulators for its final short form prospectus, the Special Warrants were converted into 10,960,000 common shares of the Company and 5,480,000 Warrants having a maturity date of March 5, 2022. Transaction costs amounted to \$10,399,000.

The Common Shares and Warrants (TSX: OR.WT) trade on the Toronto Stock Exchange (“TSX”) since March 5, 2015.

### Convertible Debenture

On February 12, 2016, the Company closed a financing with Ressources Québec, a wholly-owned subsidiary of Investissement Québec. Ressources Québec subscribed to a \$50.0 million convertible debenture of Osisko, which will mature in five years and will bear interest at an annual rate of 4% payable quarterly. Ressources Québec will be entitled, at its option, to convert the debenture into common shares of the Company at a price of \$19.08 at any time during the term of the debenture. Osisko paid a 1% financing fee to Ressources Québec and reimbursed its costs incurred in connection with the financing.

### 2016 Bought Deal Financing of \$173 million

On February 26, 2016, the Company closed a bought deal public offering (the “Offering”) of 11,431,000 units of Osisko (“Units”), including the full exercise of the over-allotment option by the underwriters of the Offering, at a price of \$15.10 per Unit for aggregate gross proceeds of \$172.6 million (estimated net proceeds of \$164.6 million).

The Units were sold on a bought-deal basis through a syndicate of underwriters, co-led by BMO Capital Markets and RBC Capital Markets. Osisko plans to use the net proceeds from the Offering for working capital and general corporate purposes, including funding resource royalty and stream acquisitions.

Each Unit is comprised of one Common Share and one-half of one common share purchase warrant (each whole common share purchase warrant a "Warrant") of the Company. Each whole Warrant entitles the holder thereof to purchase one Common Share of the Company at a price of \$19.08 per Common Share, for a period of 36 months following the closing date.

The Common Shares and Warrants (TSX: OR.WT.A) trade on the TSX since February 26, 2016.

### **Revolving Credit Facility**

In 2015, the Company increased its revolving credit facility ("Facility") from \$100.0 million to \$150.0 million. The Facility was extended by one year and was led by National Bank of Canada and syndicated between National Bank of Canada and Bank of Montreal. The Facility may be increased by \$50.0 million at Osisko's request, subject to standard due diligence procedures. The Facility is to be used for investments in the mineral industry, including the acquisition of royalties and the funding of precious metal streams. The Facility is secured by the Company's assets (including the royalty interests) and has a two-year term (December 23, 2017), which can be extended by one year on each of the first two anniversary dates of the amendments. As at December 31, 2015, the Facility was not drawn.

### **Quarterly Dividend**

On February 17, 2016, the Board of Directors has declared the sixth quarterly dividend of \$0.04 per common share payable on April 15, 2016 to shareholders of record as of the close of business on March 31, 2016.

In September 2015, the Company implemented a dividend reinvestment plan (the "DRIP"). Shareholders who are residents of Canada may elect to participate in the DRIP which commenced with the dividend that was paid on October 15, 2015 to shareholders on record as of September 30, 2015. Participation in the DRIP is optional and will not affect shareholders' cash dividends unless they elect to participate in the DRIP. In connection with the October 15, 2015 dividend payment date, the dividend paid to participants in the DRIP was by way of common shares issued from treasury at a 3% discount to the Average Market Price, as defined in the DRIP (available at <http://osiskogr.com/en/dividends/drip/>).

### **Financial Position**

The Company completed the quarter with a strong balance sheet. Cash and cash equivalents totaled \$258.5 million and net working capital stood at \$248.9 million.

The Company is unhedged and, as of today, has approximately \$450 million in cash and cash equivalents in addition to its revolving \$150 million credit facility (which can be increased by \$50 million), giving it the financial flexibility to enhance its royalty portfolio.

### **Outlook**

Osisko Gold Royalties' 2016 outlook on royalties is based on the publicly available forecast for the Canadian Malartic mine published by Yamana and Agnico Eagle, and for the Éléonore mine published by Goldcorp.

Attributable royalty production for 2016 is estimated at 28,000 to 29,000 gold ounces for the Canadian Malartic mine, between 5,500 and 6,200 gold ounces for the Éléonore mine and between 1,000 and 2,000 ounces from other royalties. The Company also expects to continue its exploration programs in the James Bay area for approximately \$10.3 million (\$8.3 million net of estimated exploration tax credits), of which about \$3.8 million will be financed by Québec institutions and other partners.

#### **Q4 and Full Year 2015 Conference Call Information**

Osisko will host a conference call on Monday, March 14, 2016 at 10:00 EDT, where senior management will discuss the financial results and provide an update on the Company's activities. Those interested in participating in the conference call should dial in approximately five to ten minutes before the start of the conference to allow ample time to access at 1-(617)-826-1698 (international), or 1-(877)-648-7976 (North American toll free). An operator will direct participants to the call.

The conference call replay will be available from 1:00 pm EDT on March 15, 2016 until 11:59 pm EDT on March 21, 2016 with the following dial in numbers: 1-(855)-859-2056 (North American toll free) or 1-(404)-537-3406, access code 23394275.

#### **About Osisko Gold Royalties Ltd**

Osisko is an intermediate mining royalty and exploration company with two world-class gold royalty assets. These two cornerstone assets are a 5% NSR royalty on the world-class Canadian Malartic gold mine, located in Malartic, Québec, and a 2.0-3.5% NSR on the Éléonore gold mine, located in James Bay, Québec. Osisko also holds a 1.7-2.55% NSR royalty on certain claims comprising the Island Gold Mine, a 1.7% NSR royalty on the Lamaque South Project, a 3% NSR royalty on the Malartic CHL property as well as a 2% NSR royalty on the Upper Beaver, Kirkland Lake and Hammond Reef gold exploration projects in Northern Ontario. The Company also owns a 9.8% equity interest in Labrador Iron Ore Royalty Corporation.

Osisko's head office is located at 1100 Avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, H3B 2S2.

#### **Forward-looking statements**

*Certain statements contained in this press release may be deemed "forward-looking statements". All statements in this release, other than statements of historical fact, that address future events, developments or performance that Osisko expects to occur including management's expectations regarding Osisko's growth, results of operations, estimated future revenues, requirements for additional capital, mineral reserve and mineral resource estimates, production estimates, production costs and revenue, future demand for and prices of commodities, business prospects and opportunities are forward looking statements. In addition, statements (including data in tables) relating to reserves and resources and gold equivalent ounces are forward looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates will be realized. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "scheduled" and similar expressions or variations (including negative variations), or that events or conditions "will", "would", "may", "could" or "should" occur including, without limitation, the performance of the assets of Osisko, the realization of the anticipated benefits deriving from the Virginia acquisition and its portfolio of investments, achievement of production forecasts published by operators of properties in which Osisko holds a royalty, realization of optimization process put forward by the operators at Canadian Malartic, timeliness of public hearings and grant of permits at Canadian Malartic, timeliness of full ramp-up by the operator at Éléonore, timely closing of second part of transaction with Teck, timely achievement of commercial production by operator at Vezza, extension of 257 lens at the Coulon project and successful completion of the 2016 drilling program at Coulon and in James Bay. Although Osisko believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements involve known and unknown risks, uncertainties and other factors and are not guarantees of future performance and actual results may accordingly differ materially from those in forward looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, without limitation: fluctuations in the prices of the commodities that drive royalties held by Osisko (gold and silver); fluctuations in the value of the Canadian dollar relative to the U.S. dollar; regulatory changes in national and local government, including permitting and licensing regimes and taxation policies; regulations and political or economic developments in any of the countries where properties in which Osisko holds a royalty or other interest are located or through which they are held; risks related to the operators of the*

*properties in which Osisko holds a royalty, influence of macroeconomic developments; business opportunities that become available to, or are pursued by Osisko; continued availability of capital and financing and general economic, market or business conditions; litigation; title, permit or license disputes related to interests on any of the properties in which Osisko holds a royalty or other interest; development, permitting, infrastructure, operating or technical difficulties on any of the properties in which Osisko holds a royalty or other interest; rate and timing of production differences from resource estimates or production forecasts by operators of properties in which Osisko holds a royalty or other interest ; risks and hazards associated with the business of exploring, development and mining on any of the properties in which Osisko holds a royalty or other interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, flooding and other natural disasters or civil unrest or other uninsured risks. The forward looking statements contained in this press release are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which Osisko holds a royalty or other interest by the owners or operators of such properties in a manner consistent with past practice; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no material adverse change in the market price of the commodities that underlie the asset portfolio; no adverse development in respect of any significant property in which Osisko holds a royalty, stream or other interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended.*

*For additional information with respect to these and other factors and assumptions underlying the forward-looking statements made in this press release, see the section entitled "Risk Factors" in the most recent Annual Information Form of Osisko which is filed with the Canadian securities commissions and available electronically under Osisko's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com). The forward-looking information set forth herein reflects Osisko's expectations as at the date of this press release and is subject to change after such date. Osisko disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.*

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**For further information please contact, please contact Osisko Gold Royalties:**

John Burzynski  
Senior Vice President, New Business Development  
Tel. (416) 363-8653  
[jburzynski@osiskogr.com](mailto:jburzynski@osiskogr.com)

Joseph de la Plante  
Vice President, Corporate Development  
Tel. (514) 940-0670  
[jdelaplante@osiskogr.com](mailto:jdelaplante@osiskogr.com)

**Osisko Gold Royalties Ltd**  
**Consolidated Balance Sheets**  
**As at December 31, 2015 and 2014**

(tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

	<b>December 31, 2015</b>	<b>December 31, 2014</b>
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	258,509	175,171
Short-term investments	200	-
Accounts receivable	6,244	562
Other assets	508	315
	<u>265,461</u>	<u>176,048</u>
<b>Non-current assets</b>		
Investments in associates	44,011	14,052
Other investments	105,485	65,692
Royalty interests	449,439	1,591
Property and equipment	835	125
Exploration and evaluation	96,220	823
Goodwill	111,204	-
Deferred income taxes	8,778	11,634
	<u>1,081,433</u>	<u>269,965</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	11,469	2,987
Dividends payable	3,783	1,551
Provisions and other liabilities	1,264	375
	<u>16,516</u>	<u>4,913</u>
<b>Non-current liabilities</b>		
Provisions and other liabilities	8,912	386
Deferred income taxes	118,766	1,440
	<u>144,194</u>	<u>6,739</u>
<b>Equity</b>		
Share capital	745,007	69,716
Warrants	18,072	-
Contributed surplus	10,164	681
Accumulated other comprehensive income (loss)	(41,203)	5,549
Retained earnings	203,800	187,280
	<u>935,840</u>	<u>263,226</u>
<b>Equity attributable to Osisko Gold Royalties Ltd shareholders</b>	<u>935,840</u>	<u>263,226</u>
Non-controlling interests	1,399	-
<b>Total equity</b>	<u>937,239</u>	<u>263,226</u>
	<u>1,081,433</u>	<u>269,965</u>

**Osisko Gold Royalties Ltd**  
**Consolidated Statements of Income (Loss)**  
**For the periods ended December 31, 2015 and 2014**

(tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

	Three months ended December 31,		Years ended December 31,	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Revenues</b>	12,811	7,608	45,415	17,179
<b>Expenses</b>				
Depletion of royalty interests	(588)	-	(588)	-
General and administrative	(4,240)	(3,095)	(15,046)	(5,285)
Business development	(3,491)	(2,711)	(10,982)	(3,344)
Exploration and evaluation	(964)	(750)	(2,409)	(6,010)
Write-off of exploration and evaluation assets	(192)	(1,444)	(192)	(4,275)
Gain on disposal of exploration and evaluation assets	-	-	500	-
Cost recoveries from associates	688	-	1,526	-
<b>Operating income (loss)</b>	<b>4,024</b>	<b>(392)</b>	<b>18,224</b>	<b>(1,735)</b>
Interest income	747	560	4,055	2,115
Dividend income	1,560	-	5,855	-
Finance costs	(165)	(43)	(609)	(43)
Foreign exchange gain	4,464	426	11,117	611
Share of loss of associates	(1,248)	(242)	(3,519)	(824)
Other gains (losses), net	(2,877)	(1,045)	1,599	1,072
<b>Earnings (loss) before income taxes</b>	<b>6,505</b>	<b>(736)</b>	<b>36,722</b>	<b>1,196</b>
Income tax expense	(1,957)	(1,446)	(8,194)	(3,291)
<b>Net earnings (loss) from continuing operations</b>	<b>4,548</b>	<b>(2,182)</b>	<b>28,528</b>	<b>(2,095)</b>
Net earnings from discontinued operations	-	-	-	1,675,263
<b>Net earnings (loss)</b>	<b>4,548</b>	<b>(2,182)</b>	<b>28,528</b>	<b>1,673,168</b>
<b>Net earnings (loss) attributable to:</b>				
Osisko Gold Royalties Ltd's shareholders	4,614	(2,182)	28,749	1,673,168
Non-controlling interests	(66)	-	(221)	-
<b>Net earnings (loss) per share from continuing operations</b>				
Basic	0.05	(0.04)	0.33	(0.05)
Diluted	0.05	(0.04)	0.32	(0.05)
<b>Net earnings (loss) per share</b>				
Basic	0.05	(0.04)	0.33	36.40
Diluted	0.05	(0.04)	0.32	36.40
<b>Weighted average number of common shares outstanding ('000)</b>				
Basic	94,445	48,534	87,856	45,964
Diluted	95,698	48,534	88,938	45,964

**Osisko Gold Royalties Ltd**  
**Consolidated Statements of Cash Flows**  
**For the periods ended December 31, 2015 and 2014**

(tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

	Three months ended December 31,		Years ended December 31,	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Operating activities</b>				
Net earnings (loss) from continuing operations	4,548	(2,182)	28,528	(2,095)
Adjustments for:				
Share-based compensation	802	555	2,911	681
Write-off of exploration and evaluation assets	192	1,444	192	4,275
Gain on disposal of exploration and evaluation assets	-	-	(500)	-
Accretion on note receivable	(305)	(59)	(1,382)	(59)
Depletion and amortization	645	12	765	14
Share of loss of associates	1,248	242	3,519	824
Net gain (loss) on available-for-sale financial assets	764	440	(4,826)	(2,556)
Net loss on financial assets at fair value through profit and loss	248	297	484	236
Impairment of associates and other financial assets	1,035	-	1,035	1,612
Deferred income tax expense	1,957	1,446	8,194	3,291
Provisions and other liabilities	628	641	2,548	761
Foreign exchange gain	(4,459)	412	(11,100)	(593)
Other	851	(649)	1,813	(497)
	8,154	2,599	32,181	5,894
Changes in non-cash working capital items	238	1,514	(3,043)	2,127
Net cash flows provided by operating activities from continuing operations	8,392	4,113	29,138	8,021
Net cash flows provided by operating activities from discontinued operations	-	-	-	116,066
Net cash flows provided by operating activities	8,392	4,113	29,138	124,087
<b>Investing activities</b>				
Cash acquired – acquisition of Virginia	-	-	34,900	-
Net decrease in short-term investments	1,802	-	34,498	-
Acquisition of investments	(31,958)	(23,782)	(171,540)	(30,681)
Proceeds on disposal of investments	-	16	-	66
Royalty interests	(26,200)	(1,441)	(32,200)	(1,591)
Property and equipment	(157)	(48)	(300)	(139)
Exploration and evaluation, net of government tax credits	(184)	-	(6,293)	(944)
Net cash flows used in investing activities from continuing operations	(56,697)	(25,255)	(140,935)	(33,289)
Net cash flows used in investing activities from discontinued operations	-	-	-	(77,735)
Net cash flows used in investing activities	(56,697)	(25,255)	(140,935)	(111,024)
<b>Financing activities</b>				
Issuance of common shares	1,176	39,364	4,887	197,631
Issuance of special warrants	-	-	200,020	-
Issue expenses	(68)	-	(10,862)	-
Dividends paid	(2,668)	-	(9,834)	-
Financing fees	(176)	(220)	(176)	(220)
Net cash flows provided by (used in) financing activities from continuing operations	(1,736)	39,144	184,035	197,411
Net cash flows used in financing activities from discontinued operations	-	-	-	(197,301)
Net cash flows provided by (used in) financing activities	(1,736)	39,144	184,035	110
Increase (decrease) in cash and cash equivalents before effects of exchange rate changes on cash and cash equivalents	(50,041)	18,002	72,238	13,173
Effects of exchange rate changes on cash and cash equivalents	4,459	412	11,100	593
<b>Increase in cash and cash equivalents</b>	<b>(45,582)</b>	<b>18,414</b>	<b>83,338</b>	<b>13,766</b>
<b>Cash and cash equivalents – beginning of period</b>	<b>304,091</b>	<b>156,757</b>	<b>175,171</b>	<b>161,405</b>
<b>Cash and cash equivalents – end of period</b>	<b>258,509</b>	<b>175,171</b>	<b>258,509</b>	<b>175,171</b>