



**Unaudited Condensed Interim  
Consolidated Financial Statements**

**For the three and six months  
ended  
June 30, 2023**

# Osisko Gold Royalties Ltd

## Consolidated Balance Sheets

(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	Notes	June 30, 2023 \$	December 31, 2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash	3	70,033	90,548
Short-term investments		3,732	-
Amounts receivable		5,505	11,700
Other assets		4,619	2,546
		<u>83,889</u>	<u>104,794</u>
<b>Non-current assets</b>			
Investments in associates	4	324,411	319,763
Other investments	5	116,108	73,504
Royalty, stream and other interests	6	1,546,181	1,378,253
Goodwill		111,204	111,204
Other assets		9,335	8,783
		<u>2,191,128</u>	<u>1,996,301</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		6,626	6,825
Dividends payable		11,103	10,121
Lease liabilities		1,112	921
		<u>18,841</u>	<u>17,867</u>
<b>Non-current liabilities</b>			
Lease liabilities		7,420	6,701
Long-term debt	7	319,650	147,950
Deferred income taxes		97,120	86,572
		<u>443,031</u>	<u>259,090</u>
<b>Equity</b>			
Share capital	8	2,092,786	2,076,070
Contributed surplus		76,029	77,295
Accumulated other comprehensive income		26,963	47,435
Deficit		(447,681)	(463,589)
		<u>1,748,097</u>	<u>1,737,211</u>
		<u>2,191,128</u>	<u>1,996,301</u>

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

# Osisko Gold Royalties Ltd

## Consolidated Statements of Income

For the three and six months ended June 30, 2023 and 2022

(Unaudited)

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

	Notes	Three months ended		Six months ended	
		June 30,		June 30,	
		2023	2022	2023	2022
		\$	\$	\$	\$
			(Note 2)		(Note 2)
<b>Revenues</b>	10	<b>60,500</b>	<b>51,545</b>	<b>120,087</b>	<b>102,234</b>
Cost of sales	10	(4,260)	(3,756)	(8,301)	(6,937)
Depletion	10	(12,967)	(11,851)	(26,462)	(23,149)
<b>Gross profit</b>		<b>43,273</b>	<b>35,938</b>	<b>85,324</b>	<b>72,148</b>
<b>Other operating expenses</b>					
General and administrative		(7,308)	(4,940)	(13,517)	(9,776)
Business development		(1,297)	(1,260)	(2,793)	(2,681)
Impairment of royalty interests		(6,629)	-	(6,629)	-
<b>Operating income</b>		<b>28,039</b>	<b>29,738</b>	<b>62,385</b>	<b>59,691</b>
Interest income		2,170	1,858	4,233	2,966
Finance costs		(3,445)	(5,543)	(6,315)	(11,469)
Foreign exchange (loss) gain		(172)	7,711	(153)	8,529
Share of income (loss) of associates		19,167	(1,078)	13,022	1,526
Other losses, net	10	(23,926)	(5,958)	(22,100)	(12,318)
<b>Earnings before income taxes</b>		<b>21,833</b>	<b>26,728</b>	<b>51,072</b>	<b>48,925</b>
Income tax expense		(3,872)	(8,669)	(12,263)	(14,062)
<b>Net earnings from continuing operations</b>		<b>17,961</b>	<b>18,059</b>	<b>38,809</b>	<b>34,863</b>
Net loss from discontinued operations	2	-	(1,487)	-	(23,820)
<b>Net earnings</b>		<b>17,961</b>	<b>16,572</b>	<b>38,809</b>	<b>11,043</b>
<b>Net earnings (loss) attributable to:</b>					
Osisko Gold Royalties Ltd's shareholders		17,961	17,159	38,809	17,485
Non-controlling interests		-	(587)	-	(6,442)
<b>Net earnings per share from continuing operations attributable to Osisko Gold Royalties Ltd's shareholders</b>	11				
Basic and diluted		0.10	0.10	0.21	0.20
<b>Net earnings per share attributable to Osisko Gold Royalties Ltd's shareholders</b>	11				
Basic and diluted		0.10	0.09	0.21	0.10

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

# Osisko Gold Royalties Ltd

## Consolidated Statements of Comprehensive (Loss) Income For the three and six months ended June 30, 2023 and 2022 (Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
		(Note 2)		(Note 2)
<b>Net earnings</b>	<b>17,961</b>	<b>16,572</b>	<b>38,809</b>	<b>11,043</b>
<b>Other comprehensive (loss) income</b>				
<i>Items that will not be reclassified to the consolidated statement of income</i>				
Changes in fair value of financial assets at fair value through comprehensive income	(1,244)	(15,508)	(2,682)	(31,277)
Income tax effect	(325)	1,460	(323)	3,523
Share of other comprehensive loss of an associate	(1,339)	-	(1,339)	-
<i>Items that may be reclassified to the consolidated statement of income</i>				
Cumulative translation adjustments	(14,022)	17,992	(14,469)	11,186
Deemed disposal of an investment in an associate Reclassification to the statements of loss of the other comprehensive income, net of income tax	-	(294)	-	(294)
Share of other comprehensive loss of an associate	(1,661)	-	(1,661)	-
<b>Other comprehensive (loss) income</b>	<b>(18,591)</b>	<b>3,650</b>	<b>(20,474)</b>	<b>(16,862)</b>
<b>Comprehensive (loss) income</b>	<b>(630)</b>	<b>20,222</b>	<b>18,335</b>	<b>(5,819)</b>
<b>Comprehensive (loss) income attributable to Osisko Gold Royalties Ltd's shareholders:</b>				
From continuing operations	(630)	22,304	18,335	18,685
From discontinued operations	-	(900)	-	(17,378)
<b>Comprehensive (loss) income attributable to:</b>				
Osisko Gold Royalties Ltd's shareholders	(630)	21,404	18,335	1,307
Non-controlling interests	-	(1,182)	-	(7,126)

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

**Osisko Gold Royalties Ltd**  
**Consolidated Statements of Cash Flows**  
**For the three and six months ended June 30, 2023 and 2022**  
**(Unaudited)**

(tabular amounts expressed in thousands of Canadian dollars)

Notes	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
		(Note 2)		(Note 2)
<b>Operating activities</b>				
Net earnings from continuing operations	17,961	18,059	38,809	34,863
Adjustments for:				
Share-based compensation	2,868	1,208	5,157	2,958
Depletion and amortization	13,271	12,112	27,025	23,685
Impairment of royalty interests	6	-	6,629	-
Expected credit losses of other investments	10	384	20,131	904
Finance costs	124	1,804	247	3,502
Share of (income) loss of associates	(19,167)	1,078	(13,022)	(1,526)
Net gain on acquisition of investments	-	(48)	-	(48)
Change in fair value of financial assets at fair value through profit and loss	1,009	7,118	3,754	15,066
Net gain on dilution of investments	-	(1,544)	(4,842)	(3,604)
Loss on the deemed disposal of an associate	4	3,057	3,057	-
Foreign exchange loss (gain)	9	(7,593)	25	(8,469)
Deferred income tax expense	3,270	8,214	10,730	13,373
Other	323	78	236	58
Net cash flows provided by operating activities before changes in non-cash working capital items	49,214	40,870	97,936	80,762
Changes in non-cash working capital items	12	(1,822)	(5,094)	(5,290)
Net operating cash flows provided by continuing operations	47,392	34,965	92,842	75,472
Net operating cash flows used by discontinued operations	-	(35,189)	-	(52,086)
Net cash flows provided (used) by operating activities	47,392	(224)	92,842	23,386
<b>Investing activities</b>				
Acquisitions of short-term investments	(2,154)	-	(3,797)	-
Acquisitions of investments	(53,008)	(384)	(53,279)	(6,680)
Proceeds on disposal of investments	6	2,960	6	2,960
Acquisitions of royalty and stream interests	6	-	(212,762)	(9,290)
Other	(6)	(3)	(6)	(3)
Net investing cash flows (used) provided by continuing operations	(267,924)	2,573	(269,838)	(13,013)
Net investing cash flows used by discontinued operations	-	(97,759)	-	(94,445)
Net cash flows used in investing activities	(267,924)	(95,186)	(269,838)	(107,458)
<b>Financing activities</b>				
Bought deal equity financing	-	-	-	311,962
Share issue costs	-	(1,125)	-	(13,941)
Increase in long-term debt	7	186,909	186,909	-
Repayment of long-term debt, net of discount on banker's acceptances	-	(113,120)	(13,463)	(113,120)
Exercise of share options and shares issued under the share purchase plan	1,662	312	10,562	934
Normal course issuer bid purchase of common shares	-	-	-	(4,879)
Dividends paid	(9,292)	(9,755)	(19,045)	(18,478)
Withholding taxes on settlement of restricted and deferred share units	(3,893)	(1,800)	(4,349)	(2,224)
Other	(234)	(217)	(446)	(431)
Net financing cash flows provided (used) by continuing operations	175,152	(125,705)	160,168	159,823
Net financing cash flows provided by discontinued operations	-	210,225	-	247,362
Net cash flows provided by financing activities	175,152	84,520	160,168	407,185
(Decrease) increase in cash before effects of exchange rate changes on cash	(45,380)	(10,890)	(16,828)	323,113
Effects of exchange rate changes on cash				
Continuing operations	(3,671)	8,500	(3,687)	8,408
Discontinued operations	-	2,223	-	2,064
<b>(Decrease) increase in cash</b>	(49,051)	(167)	(20,515)	333,585
<b>Cash – beginning of period</b>	119,084	449,450	90,548	115,698
<b>Cash – end of period</b>	3	70,033	449,283	70,033

Additional information on the consolidated statements of cash flows is presented in Note 12.

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

# Osisko Gold Royalties Ltd

## Consolidated Statement of Changes in Equity

For the six months ended June 30, 2023

(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	Number of common shares outstanding	Share capital	Contributed surplus	Accumulated other comprehensive Income <sup>(i)</sup>	Deficit	Total
		\$	\$	\$	\$	\$
<b>Balance - January 1, 2023</b>	184,037,728	2,076,070	77,295	47,435	(463,589)	1,737,211
Net earnings	-	-	-	-	38,809	38,809
Other comprehensive loss	-	-	-	(20,474)	-	(20,474)
Comprehensive (loss) income	-	-	-	(20,474)	38,809	18,335
Dividends declared	-	-	-	-	(21,263)	(21,263)
Shares issued – Dividends reinvestment plan	62,296	1,237	-	-	-	1,237
Shares issued – Employee share purchase plan	8,820	163	-	-	-	163
Share options – Share-based compensation	-	-	1,820	-	-	1,820
Share options exercised	777,935	13,099	(2,638)	-	-	10,461
Restricted share units to be settled in common shares:						
Share-based compensation	-	-	2,724	-	-	2,724
Settlement	164,249	2,217	(4,475)	-	(1,636)	(3,894)
Income tax impact	-	-	217	-	-	217
Deferred share units to be settled in common shares:						
Share-based compensation	-	-	612	-	-	612
Income tax impact	-	-	474	-	-	474
Transfer of realized loss on financial assets at fair value through other comprehensive income, net of income taxes	-	-	-	2	(2)	-
<b>Balance – June 30, 2023</b>	<b>185,051,028</b>	<b>2,092,786</b>	<b>76,029</b>	<b>26,963</b>	<b>(447,681)</b>	<b>1,748,097</b>

(i) As at June 30, 2023, accumulated other comprehensive income comprises items that will not be recycled to the consolidated statements of income amounting to (\$14.1 million) and items that may be recycled to the consolidated statements of income amounting to \$41.1 million.

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

**Osisko Gold Royalties Ltd**  
**Consolidated Statement of Changes in Equity**  
**For the six months ended June 30, 2022**  
**(Unaudited)**

(tabular amounts expressed in thousands of Canadian dollars)

	Equity attributed to Osisko Gold Royalties Ltd's shareholders									
	Number of common shares outstanding	Share capital		Contributed surplus	Equity component of convertible debentures	Accumulated other comprehensive Income <sup>(i)</sup>		Total	Non- controlling interests	Total
		Warrants	Deficit			Income	Deficit			
		\$	\$			\$	\$			
<b>Balance - January 1, 2022</b>	166,493,597	1,783,689	18,072	42,525	14,510	58,851	(283,042)	1,634,605	145,456	1,780,061
Net earnings (loss)	-	-	-	-	-	-	17,485	17,485	(6,442)	11,043
Other comprehensive loss	-	-	-	-	-	(16,178)	-	(16,178)	(684)	(16,862)
Comprehensive (loss) income	-	-	-	-	-	(16,178)	17,485	1,307	(7,126)	(5,819)
Bought deal financing	18,600,000	311,962	-	-	-	-	-	311,962	-	311,962
Share issue costs, net of income taxes of \$3.7 million	-	(10,247)	-	-	-	-	-	(10,247)	-	(10,247)
Net investments from minority shareholders	-	-	-	-	-	-	-	-	210,303	210,303
Acquisition of Tintic by Osisko Development	-	-	-	-	-	-	-	-	109,657	109,657
Effect of changes in ownership of a subsidiary on non controlling interest	-	-	-	-	-	-	(32,879)	(32,879)	32,879	-
Dividends declared	-	-	-	-	-	-	(20,344)	(20,344)	-	(20,344)
Shares issued – Dividends reinvestment plan	54,344	846	-	-	-	-	-	846	-	846
Shares issued – Employee share purchase plan	9,561	152	-	-	-	-	-	152	-	152
Share options – Share-based compensation	-	-	-	1,266	-	-	-	1,266	1,457	2,723
Share options exercised	57,811	1,046	-	(206)	-	-	-	840	-	840
Restricted share units to be settled in common shares:										
Share-based compensation	-	-	-	1,336	-	-	-	1,336	440	1,776
Settlement	135,789	1,523	-	(3,084)	-	-	(227)	(1,788)	270	(1,518)
Income tax impact	-	-	-	(316)	-	-	-	(316)	-	(316)
Deferred share units to be settled in common shares:										
Share-based compensation	-	-	-	468	-	-	-	468	268	736
Settlement	29,975	395	-	(407)	-	-	-	(12)	95	83
Income tax impact	-	-	-	(271)	-	-	-	(271)	-	(271)
Normal course issuer bid purchase of common share:	(347,492)	(3,724)	-	-	-	-	(1,155)	(4,879)	-	(4,879)
Warrants expired unexercised	-	-	(18,072)	18,072	-	-	-	-	-	-
Transfer of realized gain on financial assets at fair value through other comprehensive income, net of income taxes	-	-	-	-	-	(14,663)	14,663	-	-	-
<b>Balance – June 30, 2022</b>	<b>185,033,585</b>	<b>2,085,642</b>	<b>-</b>	<b>59,383</b>	<b>14,510</b>	<b>28,010</b>	<b>(305,499)</b>	<b>1,882,046</b>	<b>493,699</b>	<b>2,375,745</b>

(i) As at June 30, 2022, accumulated other comprehensive income comprises items that will not be recycled to the consolidated statement of income amounting to (\$8.3) million and items that may be recycled to the consolidated statement of income amounting to \$36.3 million.

# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 1. Nature of activities

Osisko Gold Royalties Ltd and its subsidiaries (together, "Osisko" or the "Company") are engaged in the business of acquiring and managing royalties, streams and similar interests on precious metals and other commodities that fit the Company's risk/reward objectives. Osisko is a public company domiciled in the Province of Québec, Canada, whose shares trade on the Toronto Stock Exchange and the New York Stock Exchange, and is constituted under the *Business Corporations Act* (Québec). The address of its registered office is 1100, avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec. The Company owns a portfolio of royalties, streams, offtakes, options on royalty/stream financings and exclusive rights to participate in future royalty/stream financings on various projects. The Company's main asset is a 5% net smelter return ("NSR") royalty on the Canadian Malartic mine, located in Canada.

### 2. Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with *International Financial Reporting Standards* ("IFRS") as issued by the *International Accounting Standards Board* ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the years ended December 31, 2022 and 2021, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these unaudited condensed interim consolidated financial statements are consistent with those of the previous financial year.

Certain new accounting standards and interpretations have been published that are currently effective requirements or forthcoming requirements. These standards are not expected to have a material impact on the Company's current or future reporting periods and are therefore not discussed herein.

On September 30, 2022, Osisko ceased to consolidate Osisko Development Corp. ("Osisko Development") as management determined that Osisko was no longer in a position of control over Osisko Development. Immediately after, management determined it was able to exert significant influence on Osisko Development and subsequently accounted for its investment as an associate under the equity method. On September 30, 2022, the Company derecognized the assets and liabilities of Osisko Development from its consolidated balance sheet and recorded its interest in Osisko Development at fair value as an investment in an associate at \$207.0 million. The activities of Osisko Development represented one of two distinct business segments of the Company, namely the exploration, evaluation and development of mining projects segment. This segment was deemed to have been disposed of on September 30, 2022 and its results of operations and cash flows have been reclassified as discontinued operations. Refer to the annual consolidated financial statements of Osisko for the years ended December 31, 2022 and 2021 for more details.

### 3. Cash

As at June 30, 2023 and December 31, 2022, the cash balances were as follows:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	\$	\$
Cash held in Canadian dollars	27,189	24,192
Cash held in U.S. dollars (US\$32,360; US\$48,993)	42,844	66,356
Total cash	<u>70,033</u>	<u>90,548</u>



**Osisko Gold Royalties Ltd**  
Notes to the Condensed Consolidated Financial Statements  
For the three and six months ended June 30, 2023 and 2022  
(Unaudited)

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

**4. Investments in associates**

	<b>Six months ended June 30, 2023</b>	<b>Year ended December 31, 2022</b>
	<b>\$</b>	<b>\$</b>
Balance – Beginning of period	319,763	125,354
Acquisitions	271	2,361
Share of income (loss), net <sup>(i)</sup>	13,022	(2,438)
Share of other comprehensive loss	(3,000)	(1,368)
Net gain on ownership dilution	4,842	3,604
(Loss) gain on deemed disposal <sup>(ii)</sup>	(3,057)	11,854
Transfers to other investments (Note 5)	(7,159)	(15,343)
Impairments	(271)	(2,361)
Investments in associates held by Osisko Development and deconsolidated on September 30, 2022 (Note 2)	-	(8,900)
Reclassification of interest held by the Company in Osisko Development (Note 2)	-	207,000
Balance – End of period	<u>324,411</u>	<u>319,763</u>

- (i) The net share of income or loss is adjusted to the extent that management is aware of material events that affect the associates' net income or loss during the period. For the six months ended June 30, 2023, the net share of income includes the estimated impact of a gain arising from the sale of an interest in a property by an associate.
- (ii) In 2023, the loss on deemed disposal is related to an investment in an associate that was transferred to other investments as the Company has considered that it has lost its significant influence over the investee.

**5. Other investments**

	<b>Six months ended June 30, 2023</b>	<b>Year ended December 31, 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Fair value through profit or loss (warrants and convertible instruments)</b>		
Balance – Beginning of period	24,217	47,981
Acquisitions	-	4,438
Exercise of warrants	-	(80)
Change in fair value <sup>(i)</sup>	(866)	(17,236)
Acquisition of Tintic by Osisko Development (Note 2)	-	(10,827)
Foreign exchange revaluation impact	-	50
Investments held by Osisko Development and deconsolidated on September 30, 2022 (Note 2)	-	(109)
Balance – End of period	<u>23,351</u>	<u>24,217</u>
<b>Subtotal reported to next page</b>	<u><b>23,351</b></u>	<u><b>24,217</b></u>

- (i) In January 2023, a convertible secured senior note of \$17.6 million was amended. The accrued interest receivable of \$2.8 million was capitalized to the capital of the note, the interest rate was increased from 7% to 8% per annum, the conversion price of the note was reduced from \$0.55 to \$0.50 per common share and the maturity date of the note was extended to December 31, 2024. In addition, the Company has the ability to apply the loan or a portion of the loan against future stream payments due to the operator when certain triggering events will be met.

**Osisko Gold Royalties Ltd**  
Notes to the Condensed Consolidated Financial Statements  
For the three and six months ended June 30, 2023 and 2022  
(Unaudited)

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

**5. Other investments (continued)**

	Six months ended June 30, 2023	Year ended December 31, 2022
	\$	\$
<b>Subtotal from previous page</b>	23,351	24,217
<b>Fair value through other comprehensive income (common shares)</b>		
Balance – Beginning of period	18,337	94,231
Acquisitions (Note 6)	53,008	5,260
Transfer from associates (Note 4)	7,159	15,343
Change in fair value	(2,682)	(43,486)
Disposals	(6)	(21,634)
Foreign exchange revaluation impact	(48)	-
Investments held by Osisko Development deconsolidated on September 30, 2022 (Note 2)	-	(31,377)
Balance – End of period	75,768	18,337
<b>Amortized cost (notes)</b>		
Balance – Beginning of period	30,950	26,798
Acquisitions	-	5,175
Repayments	-	(2,960)
Allowance for expected credit loss <sup>(i)</sup>	(13,266)	-
Foreign exchange revaluation impact	(695)	1,937
Balance – End of period	16,989	30,950
<b>Total</b>	116,108	73,504

Other investments comprise common shares, warrants and convertible instruments, mostly from companies publicly traded in Canada and in the United States of America, as well as loans receivable (notes) from associates (private companies).

- (i) On June 30, 2023, the Company determined that the credit risk related to one of its loans had increased significantly since initial recognition. As a result, the Company recorded an allowance for expected credit loss of \$13.3 million (US\$10.0 million) against the loan receivable (\$11.5 million, net of income taxes) and \$6.6 million (US\$5.0 million) related to accrued interest against the amounts receivable for an aggregate expected credit losses of \$19.9 million (US\$15.0 million). The lifetime expected credit loss was estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. Cash flows expected to be received are based on the expected capacity of the borrower to repay the financial instrument, which is highly dependent on a number of factors and assumptions, including: forecast market prices of commodities, production levels, operating costs, internal capital investments required to maintain the operations and other factors related to mining operations. A sensitivity analysis was performed on the impaired loan, and if the long-term forecast weighted average commodity prices were 10% lower, an additional allowance of \$3.0 to \$5.0 million would be required, depending on the probabilities of the scenarios.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportive, including forward-looking information that is available without undue cost of effort.

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the allowance for expected credit loss calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. The key assumptions and inputs are disclosed in the paragraphs above. Changes in the judgements used in determining the risk of default and the expected loss rates could materially impact the allowance.

# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 6. Royalty, stream and other interests

	Six months ended June 30, 2023			
	Royalty interests	Stream interests	Offtake interests	Total
	\$	\$	\$	\$
Balance – January 1	879,075	484,590	14,588	1,378,253
Additions	-	212,762	-	212,762
Depletion	(12,458)	(14,004)	-	(26,462)
Impairment	(6,629)	-	-	(6,629)
Currency conversion adjustments	(2,792)	(8,624)	(327)	(11,743)
Balance – June 30	<u>857,196</u>	<u>674,724</u>	<u>14,261</u>	<u>1,546,181</u>
Producing				
Cost	643,178	771,044	-	1,414,222
Accumulated depletion and impairment	(435,386)	(250,920)	-	(686,306)
Net book value – June 30	<u>207,792</u>	<u>520,124</u>	<u>-</u>	<u>727,916</u>
Development				
Cost	365,289	207,822	32,499	605,610
Accumulated depletion and impairment	(794)	(54,155)	(27,595)	(82,544)
Net book value – June 30	<u>364,495</u>	<u>153,667</u>	<u>4,904</u>	<u>523,066</u>
Exploration and evaluation				
Cost	294,892	933	9,357	305,182
Accumulated depletion and impairment	(9,983)	-	-	(9,983)
Net book value – June 30	<u>284,909</u>	<u>933</u>	<u>9,357</u>	<u>295,199</u>
Total net book value – June 30	<u>857,196</u>	<u>674,724</u>	<u>14,261</u>	<u>1,546,181</u>

### Main acquisitions

#### Silver stream – CSA mine

In June 2023, Osisko Bermuda Limited (“Osisko Bermuda”), a wholly-owned subsidiary of the Company, closed the previously announced silver purchase agreement (the “CSA Silver Stream”) with Metals Acquisition Limited (“Metals Acquisition”) concurrently with the closing of the acquisition by Metals Acquisition of the producing CSA mine in New South Wales, Australia (“CSA”) from a subsidiary of Glencore plc (the “CSA Acquisition Transaction”). The closing date of the CSA Acquisition Transaction and the Silver Stream was June 15, 2023 (the “Closing Date”).

Pursuant to the CSA Silver Stream, Osisko Bermuda paid an upfront cash deposit to Metals Acquisition of US\$75.0 million (\$99.4 million) (the “Silver Deposit”). Osisko Bermuda will purchase an amount of refined silver equal to 100% of the payable silver produced from CSA for the life of the mine and will make ongoing payments for refined silver delivered equal to 4% of the spot silver price at the time of delivery. The CSA Silver Stream is effective as of February 1, 2023. Metals Acquisition and certain of its subsidiaries, including the operating subsidiary following closing of the CSA Acquisition Transaction, provided Osisko Bermuda with corporate guarantees and other security over their assets for its obligations under the CSA Silver Stream.

# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 6. Royalty, stream and other interests (continued)

#### Main acquisitions (continued)

##### Silver stream – CSA mine (continued)

Metals Acquisition has granted Osisko Bermuda a right of first refusal in respect of the sale, transfer or buy-back of any royalty, stream or similar interest in the products mined or otherwise extracted from any property owned or acquired by Metals Acquisition or an affiliate between the closing date and the later of the seventh anniversary of the Closing Date or the date on which Osisko Bermuda or any affiliate ceases to hold or control more than 5% of the issued and outstanding common shares of Metals Acquisition.

In conjunction with the CSA Silver Stream, Osisko Bermuda subscribed for US\$15.0 million (\$19.9 million) in equity of Metals Acquisition as part of its concurrent equity financing.

##### Copper stream – CSA mine

In June 2023, Osisko Bermuda closed the previously announced copper purchase agreement (the “CSA Copper Stream”) with Metals Acquisition concurrently with the closing of the CSA Acquisition Transaction. Deliveries under the CSA Copper Stream will commence on June 15, 2024.

Pursuant to the CSA Copper Stream, Osisko Bermuda paid an upfront cash deposit to Metals Acquisition of US\$75.0 million (\$99.4 million). Osisko Bermuda will be entitled to receive refined copper equal to 3.0% of payable copper produced from CSA until the 5<sup>th</sup> anniversary of the Closing Date (the “First Threshold Stream”), then 4.875% of payable copper produced from CSA until 33,000 metric tonnes have been delivered in aggregate (the “Second Threshold Stream”), and thereafter 2.25% of payable copper produced from CSA for the remaining life of the mine. Osisko Bermuda will make ongoing payments for refined copper delivered equal to 4% of the spot copper price at the time of delivery. On the 5<sup>th</sup> anniversary of the Closing Date, Metals Acquisition will have the option to exercise certain buy-down rights by paying a one-time cash payment to Osisko Bermuda. Metals Acquisition and certain of its subsidiaries, including the operating subsidiary following closing of the CSA Acquisition Transaction, provided Osisko Bermuda with corporate guarantees and other security over their assets for its obligations under the CSA Copper Stream.

In conjunction with the CSA Copper Stream, Osisko Bermuda subscribed for US\$25.0 million (\$33.1 million) in equity of Metals Acquisition as part of its concurrent equity financing.

##### Gibraltar silver stream amendments

On June 29, 2023, Osisko completed certain amendments to its 75% silver stream (the “Gibraltar Silver Stream”) with respect to the Gibraltar copper mine (“Gibraltar”), located in Canada, which is operated by a wholly-owned subsidiary of Taseko Mines Limited (“Taseko”). On March 15, 2023, Taseko announced the completion of its acquisition of an additional 12.5% interest in Gibraltar from Sojitz Corporation giving Taseko an effective 87.5% interest. Osisko and Taseko have amended the Gibraltar Silver Stream to increase Osisko’s effective stream percentage by 12.5% to 87.5%. Further to this, Osisko and Taseko have also extended the step-down silver delivery threshold to coincide with Taseko’s recently updated mineral reserve estimate for Gibraltar. Osisko paid a total consideration of US\$10.25 million (\$13.6 million) to Taseko, and committed to help support ongoing Environmental, Social and Governance initiatives at Gibraltar with \$50,000 per year for the following three years.

# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 6. Royalty, stream and other interests (continued)

	Year ended December 31, 2022			
	Royalty interests	Stream interests	Offtake interests	Total
	\$	\$	\$	\$
Balance – January 1	703,113	438,032	13,656	1,154,801
Acquisitions	123,359	850	-	124,209
Depletion	(27,362)	(23,993)	-	(51,355)
Impairment	(1,818)	-	-	(1,818)
Currency conversion adjustments	8,282	21,149	932	30,363
Recognition of royalty and stream interests following the deconsolidation of Osisko Development (Note 2)	73,501	48,552	-	122,053
<b>Balance – December 31</b>	<b>879,075</b>	<b>484,590</b>	<b>14,588</b>	<b>1,378,253</b>
<b>Producing</b>				
Cost	634,058	566,348	-	1,200,406
Accumulated depletion and impairment	(423,634)	(238,938)	-	(662,572)
<b>Net book value – December 31</b>	<b>210,424</b>	<b>327,410</b>	<b>-</b>	<b>537,834</b>
<b>Development</b>				
Cost	367,845	211,755	33,245	612,845
Accumulated depletion and impairment	(753)	(55,252)	(28,229)	(84,234)
<b>Net book value – December 31</b>	<b>367,092</b>	<b>156,503</b>	<b>5,016</b>	<b>528,611</b>
<b>Exploration and evaluation</b>				
Cost	304,685	677	9,572	314,934
Accumulated depletion and impairment	(3,126)	-	-	(3,126)
<b>Net book value – December 31</b>	<b>301,559</b>	<b>677</b>	<b>9,572</b>	<b>311,808</b>
<b>Total net book value – December 31</b>	<b>879,075</b>	<b>484,590</b>	<b>14,588</b>	<b>1,378,253</b>

# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 7. Long-term debt

The summary of the long-term debt is as follows:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>
	<b>\$</b>	<b>\$</b>
Revolving credit facility	320,360	150,000
Unamortized discount on banker's acceptances	(710)	(2,050)
Long-term debt, net of discount on banker's acceptances	<u>319,650</u>	<u>147,950</u>
Current portion	-	-
Non-current portion	<u>319,650</u>	<u>147,950</u>
	<u>319,650</u>	<u>147,950</u>

#### Revolving credit facility

A total amount of \$550.0 million is available under the revolving credit facility (the "Facility"), with an additional uncommitted accordion of up to \$200.0 million (for a total availability of up to \$750.0 million).

The Facility has a maturity date of September 29, 2026. The annual extension of the Facility and the uncommitted accordion are subject to acceptance by the lenders. The Facility is to be used for general corporate purposes and investments in the mineral industry, including the acquisition of royalty, stream and other interests. The Facility is secured by the Company's assets.

The Facility is subject to standby fees. Funds drawn bear interest based on the base rate, prime rate or secured overnight financing rate ("SOFR"), plus an applicable margin depending on the Company's leverage ratio. In March 2023, the Company repaid an amount of \$15.0 million on the Facility. In June 2023, the Company drew US\$140.0 million (\$186.9 million) under the Facility to finance acquisitions of stream interests, including the acquisition of the CSA Silver Stream and CSA Copper Stream (Note 6). As at June 30, 2023, the effective interest rate on the drawn balance was 6.6%, including the applicable margin.

The Facility includes covenants that require the Company to maintain certain financial ratios, including the Company's leverage ratios and meet certain non-financial requirements. As at June 30, 2023, all such ratios and requirements were met.

# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 8. Share capital

#### Shares

##### Authorized

Unlimited number of common shares, without par value

Unlimited number of preferred shares, issuable in series

##### Issued and fully paid

185,051,028 common shares

#### Normal Course Issuer Bid

In December 2022, Osisko renewed its normal course issuer bid ("NCIB") program. Under the terms of the 2022 NCIB program, Osisko may acquire up to 18,293,240 of its common shares from time to time in accordance with the normal course issuer bid procedures of the TSX. Repurchases under the 2022 NCIB program are authorized from December 12, 2022 until December 11, 2023. Daily purchases will be limited to 81,963 common shares, other than block purchase exemptions, representing 25% of the average daily trading volume of the common shares on the TSX for the six-month period ending November 30, 2022, being 327,853 Common Shares.

During the six months ended June 30, 2023, the Company did not purchase any common shares under the NCIB program (347,492 common shares for \$4.9 million during the six months ended June 30, 2022).

#### Dividends

The following table provides details on the dividends declared for the six months ended June 30, 2023:

<u>Declaration date</u>	<u>Dividend per share</u>	<u>Record date</u>	<u>Payment date</u>	<u>Dividend payable</u>	<u>Dividend reinvestment plan <sup>(i)</sup></u>
	\$			\$	
February 23, 2023	0.055	March 31, 2023	April 14, 2023	10,160,000	15,788,335
May 10, 2023	0.060	June 30, 2023	July 14, 2023	11,103,000	13,024,196
	0.115			21,263,000	

(i) Number of common shares held by shareholders participating in the dividend reinvestment plan ("DRIP").

During the three and six months ended June 30, 2023, the Company issued respectively 40,284 and 62,296 common shares under the DRIP, at a discount rate of 3%.

As at June 30, 2023, the holders of 13,024,196 common shares had elected to participate in the DRIP, representing dividends payable of \$0.8 million. Therefore, 41,763 common shares were issued on July 14, 2023 at a discount rate of 3%.

# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 9. Share-based compensation

#### Share options

The Company offers a share option plan to its directors, officers, management, employees and consultants.

The following table summarizes information about the movement of the share options outstanding:

	Six months ended June 30, 2023		Year ended December 31, 2022	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Balance – Beginning of period	3,511,922	13.55	3,730,580	14.09
Granted <sup>(i)</sup>	573,700	17.93	684,100	14.25
Exercised	(777,935)	13.45	(309,749)	13.56
Forfeited / Cancelled	(22,135)	13.67	(35,135)	13.48
Expired	<u>(5,333)</u>	13.50	<u>(557,874)</u>	18.02
Balance – End of period	<u>3,280,219</u>	14.34	<u>3,511,922</u>	13.55
Options exercisable – End of period	<u>1,938,051</u>	13.48	<u>1,916,888</u>	13.40

(i) Options were granted to officers, management, employees and/or consultants.

The weighted average share price when share options were exercised during the six months ended June 30, 2023 was \$22.45 (\$16.26 for the year ended December 31, 2022).

The following table summarizes the share options outstanding as at June 30, 2023:

Exercise price range \$	Options outstanding			Options exercisable	
	Number	Weighted average exercise price \$	Weighted average remaining contractual life (years)	Number	Weighted average exercise price \$
12.70 – 14.50	2,607,786	13.46	2.57	1,876,118	13.38
15.97 – 21.64	672,433	17.76	4.39	61,933	16.73
	<u>3,280,219</u>	14.34	2.94	<u>1,938,051</u>	13.48



# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 9. Share-based compensation (continued)

#### Share options (continued)

The options, when granted, are accounted for at their fair value determined by the Black-Scholes option pricing model based on the vesting period and on the following weighted average assumptions:

	<u>Six months ended June 30, 2023</u>	<u>Year ended December 31, 2022</u>
Dividend per share	1.5%	1.5%
Expected volatility	41%	41%
Risk-free interest rate	3.7%	2.6%
Expected life	46 months	47 months
Weighted average share price	\$17.93	\$14.25
Weighted average fair value of options granted	\$5.80	\$4.38

The expected volatility was estimated using Osisko's historical data from the date of grant and for a period corresponding to the expected life of the options. Share options are exercisable at the closing market price of the common shares of the Company on the day prior to their grant.

The fair value of the share options is recognized as compensation expense over the vesting period. During the three and six months ended June 30, 2023, the total share-based compensation related to share options amounted to \$1.0 million and \$1.8 million, respectively (\$0.6 million and \$1.3 million during the three and six months ended June 30, 2022, respectively).

#### Deferred and restricted share units

The Company offers a DSU plan and a RSU plan, which allow DSU and RSU units to be granted to directors, officers and/or employees as part of their long-term compensation package.

The following table summarizes information about the DSU and RSU units movements:

	<u>Six months ended June 30, 2023</u>		<u>Year ended December 31, 2022</u>	
	<u>DSU <sup>(i)</sup></u>	<u>RSU <sup>(ii)</sup></u>	<u>DSU <sup>(i)</sup></u>	<u>RSU <sup>(ii)</sup></u>
Balance – Beginning of period	429,575	852,803	376,203	878,397
Granted	47,315	235,540	78,200	275,520
Reinvested dividends	2,397	5,482	6,018	13,483
Settled	-	(294,218)	(30,846)	(278,806)
Forfeited	-	-	-	(35,791)
Balance – End of period	<u>479,287</u>	<u>799,607</u>	<u>429,575</u>	<u>852,803</u>
Balance – Vested	<u>431,972</u>	<u>-</u>	<u>350,822</u>	<u>-</u>

- (i) Unless otherwise decided by the Board of Directors of the Company, the DSU units vest the day prior to the next annual general meeting and are payable in common shares, cash or a combination of common shares and cash, at the sole discretion of the Company, to each non-executive director when he or she leaves the board or is not re-elected. The value of the payout is determined by multiplying the number of DSU units expected to be settled at the payout date by the closing price of the Company's shares on the day prior to the grant date. The fair value is recognized over the vesting period. On the settlement date, one common share will be issued for each DSU unit, after deducting any income taxes payable on the benefit earned by the director that must be remitted by the Company to the tax authorities.

**Osisko Gold Royalties Ltd**  
Notes to the Condensed Consolidated Financial Statements  
For the three and six months ended June 30, 2023 and 2022  
(Unaudited)

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

**9. Share-based compensation (continued)**

**Deferred and restricted share units (continued)**

- (ii) The RSU units vest and are payable in common shares, cash or a combination of common shares and cash, at the sole discretion of the Company, three years after the grant date, one half of which depends on the achievement of certain performance measures. The value of the payout is determined by multiplying the number of RSU units expected to be vested at the payout date by the closing price of the Company's shares on the day prior to the grant date. The fair value is recognized over the vesting period and is adjusted for the performance-based components, when applicable. On the settlement date, one common share is issued for each RSU units, after deducting any income taxes payable on the benefit earned by the employee that must be remitted by Osisko to the tax authorities. The RSU units granted in the first six months of 2023 have a weighted average value of \$17.87 per RSU unit (RSU units granted during the first six months of 2022 having a weighted average value of \$14.27 per RSU unit).

The total share-based compensation expense related to the DSU and RSU plans for the three and six months ended June 30, 2023 amounted to \$1.9 million and \$3.3 million, respectively (\$0.7 million and \$1.8 million for the three and six months ended June 30, 2022, respectively).

Based on the closing price of the common shares at June 30, 2023 (\$20.36), and considering a marginal income tax rate of 53.3%, the estimated amount that Osisko is expected to transfer to the tax authorities to settle the employees' tax obligations related to the vested DSU and RSU units to be settled in equity amounts to \$4.7 million (\$3.1 million as at December 31, 2022) and to \$13.9 million based on all DSU and RSU units outstanding (\$11.2 million as at December 31, 2022).

**10. Additional information on the consolidated statements of income**

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
<u>Revenues</u>				
Royalty interests	39,323	34,583	78,501	69,572
Stream interests	21,177	16,962	41,586	32,662
	<u>60,500</u>	<u>51,545</u>	<u>120,087</u>	<u>102,234</u>
<u>Cost of sales</u>				
Royalty interests	205	188	340	282
Stream interests	4,055	3,568	7,961	6,655
	<u>4,260</u>	<u>3,756</u>	<u>8,301</u>	<u>6,937</u>
<u>Depletion</u>				
Royalty interests	5,610	6,202	12,458	13,057
Stream interests	7,357	5,649	14,004	10,092
	<u>12,967</u>	<u>11,851</u>	<u>26,462</u>	<u>23,149</u>

# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 10. Additional information on the consolidated statements of income (continued)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
<u>Other losses, net</u>				
Change in fair value of financial assets at fair value through profit and loss	(1,009)	(7,118)	(3,754)	(15,066)
Net gain on dilution of investments in associates	-	1,544	4,842	3,604
Net gain on acquisition of investments <sup>(i)</sup>	-	-	-	48
Net loss on deemed disposal of an associate <sup>(ii)</sup>	(3,057)	-	(3,057)	-
Expected credit losses of other investments <sup>(iii)</sup>	(19,860)	(384)	(20,131)	(904)
	<u>(23,926)</u>	<u>(5,958)</u>	<u>(22,100)</u>	<u>(12,318)</u>

(i) Represents changes in the fair value of the underlying investments between the respective subscription dates and the closing dates.

(ii) Refer to Note 4.

(iii) Refer to Note 5.

### 11. Net earnings per share

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Net earnings from continuing operations attributable to Osisko Gold Royalties Ltd's shareholders	17,961	18,059	38,809	34,863
Net earnings attributable to Osisko Gold Royalties Ltd's shareholders	17,961	17,159	38,809	17,485
Basic weighted average number of common shares outstanding (in thousands)	185,302	185,316	184,990	176,182
Dilutive effect of share options	965	314	875	330
Diluted weighted average number of common shares (in thousands)	<u>186,267</u>	<u>185,630</u>	<u>185,865</u>	<u>176,512</u>
Net earnings per share from continuing operations				
Basic and diluted	0.10	0.10	0.21	0.20
Net earnings per share				
Basic and diluted	0.10	0.09	0.21	0.10

For the three and six months ended June 30, 2023, 573,700 share options were excluded from the computation of diluted earnings per share as their effect was anti-dilutive. For the three and six months ended June 30, 2022, 921,073 share options and the 13,106,160 common shares underlying the convertible debentures (which were repaid on December 31, 2022) were excluded from the computation of diluted earnings per share as their effect was anti-dilutive.

# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 12. Additional information on the consolidated statements of cash flows

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Interests received measured using the effective rate method	1,793	1,969	3,224	2,164
Interests paid on long-term debt	2,450	6,638	5,080	7,731
Income taxes paid	602	455	931	689
Changes in non-cash working capital items				
Increase in amounts receivable	(3,228)	(3,593)	(3,287)	(5,563)
(Increase) decrease in other current assets	(1,409)	533	(2,064)	773
Increase (decrease) in accounts payable and accrued liabilities	2,815	(2,845)	257	(500)
	(1,822)	(5,905)	(5,094)	(5,290)

### 13. Fair value of financial instruments

The following table provides information about financial assets and liabilities measured at fair value in the consolidated balance sheets and categorized by level according to the significance of the inputs used in making the measurements.

Level 1– Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2– Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Recurring measurements</b>				
<b>Financial assets at fair value through profit or loss <sup>(i)</sup></b>				
Warrants on equity securities and convertible debentures and notes				
Publicly traded mining exploration and development companies				
Precious metals	-	-	18,008	18,008
Other minerals	159	-	5,184	5,343
<b>Financial assets at fair value through other comprehensive income <sup>(i)</sup></b>				
Equity securities				
Publicly traded mining exploration and development companies				
Precious metals	58,448	-	530	58,978
Other minerals	16,790	-	-	16,790
	75,397	-	23,722	99,119

(i) On the basis of its analysis of the nature, characteristics and risks of equity securities, the Company has determined that presenting them by industry and type of investment is appropriate.

# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 13. Fair value of financial instruments (continued)

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Recurring measurements</b>				
<b>Financial assets at fair value through profit or loss <sup>(i)</sup></b>				
Warrants on equity securities and convertible debentures and notes				
Publicly traded mining exploration and development companies				
Precious metals	-	-	18,026	18,026
Other minerals	844	-	5,347	6,191
<b>Financial assets at fair value through other comprehensive income <sup>(i)</sup></b>				
Equity securities				
Publicly traded mining exploration and development companies				
Precious metals	6,288	-	3,530	9,818
Other minerals	8,519	-	-	8,519
	15,651	-	26,903	42,554

- (i) On the basis of its analysis of the nature, characteristics and risks of equity securities, the Company has determined that presenting them by industry and type of investment is appropriate.

During the six months ended June 30, 2023, common shares having a fair value of \$3.0 million were transferred from Level 3 to Level 1 as these common shares began trading on a recognized stock exchange. During the six months ended June 30, 2022, there were no transfers among Level 1, Level 2 and Level 3.

The following table presents the changes in the Level 3 investments (comprised of common shares, warrants and convertible instruments) for the six months ended June 30, 2023 and 2022:

	2023	2022
	\$	\$
Balance – January 1	26,903	34,934
Acquisitions	-	4,438
Acquisition of Tintic by Osisko Development (Note 2)	-	(10,827)
Transfer of common shares from level 3 to level 1	(3,000)	-
Change in fair value - warrants expired <sup>(i)</sup>	-	(287)
Change in fair value - investments held at the end of the period <sup>(i)</sup>	(181)	(4,476)
Foreign exchange revaluation impact	-	50
Balance – June 30	23,722	23,832

- (i) Recognized in the consolidated statements of income (loss) under *other gains (losses), net*.

The fair value of the financial instruments classified as Level 3 depends on the nature of the financial instruments.

The fair value of the warrants on equity securities and the convertible instruments of publicly traded mining exploration and development companies, classified as Level 3, is determined using directly or indirectly the Black-Scholes option pricing model. The main non-observable input used in the model is the expected volatility. An increase/decrease in the expected volatility used in the models of 10% would have resulted in an insignificant variation of the fair value of the warrants and convertible instruments as at June 30, 2023 and December 31, 2022.

# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 13. Fair value of financial instruments (continued)

#### Financial instruments not measured at fair value on the consolidated balance sheets

Financial instruments that are not measured at fair value on the consolidated balance sheets are represented by cash, short-term investments, revenues receivable from royalty, stream and other interests, amounts receivable from associates and other receivables, notes receivable, other financing facilities receivable, accounts payable and accrued liabilities and long-term debt. The fair values of cash, short-term investments, revenues receivable from royalty, stream and other interests, amounts receivable from associates and other receivables and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature. The carrying value of the liability under the revolving credit facility approximates its fair value given that the credit spread is similar to the credit spread the Company would obtain under similar conditions at the reporting date. The fair value of the non-current notes receivable and other financing credit facilities receivable approximate their carrying value as there were no significant changes in economic and risk parameters or assumptions related to the instruments since the issuance, acquisition or renewal of those financial instruments, with the exception of one note receivable for which an allowance was recorded on June 30, 2023 (Note 5) as the credit risk related to this note receivable had increased significantly.

### 14. Segment disclosure

The Chief Executive Officer (chief operating decision-maker) organizes and manages the business under a single operating segment, consisting of acquiring and managing precious metals and other royalties, streams and other interests. All of the Company's assets, liabilities, revenues, expenses and cash flows from continuing operations are attributable to this single operating segment. The following tables present segmented information for this single segment.

#### Geographic revenues

Geographic revenues from the sale of metals and diamonds received or acquired from in-kind royalties, streams and other interests are determined by the location of the mining operations giving rise to the royalty, stream or other interest. For the six months ended June 30, 2023 and 2022, royalty, stream and other interest revenues were earned from the following jurisdictions:

	North America <sup>(i)</sup>	South America	Australia	Africa	Europe	Total
	\$	\$	\$	\$	\$	\$
<b>2023</b>						
Royalties	77,401	725	89	286	-	78,501
Streams	18,425	18,265	-	-	4,896	41,586
	<u>95,826</u>	<u>18,990</u>	<u>89</u>	<u>286</u>	<u>4,896</u>	<u>120,087</u>
<b>2022</b>						
Royalties	67,378	658	61	1,475	-	69,572
Streams	17,496	9,587	739	-	4,840	32,662
	<u>84,874</u>	<u>10,245</u>	<u>800</u>	<u>1,475</u>	<u>4,840</u>	<u>102,234</u>

(i) 91% of North America's revenues are generated from Canada during the six months ended June 30, 2023 (93% during the six months ended June 30, 2022).

For the six months ended June 30, 2023, three royalty/stream interests generated revenues of \$74.9 million (\$63.0 million for the six months ended June 30, 2022), which represented 62% of revenues (62% of revenues for the six months ended June 30, 2022), including one royalty interest that generated revenues of \$43.3 million (\$39.2 million for the six months ended June 30, 2022). For the six months ended June 30, 2023, revenues generated from precious metals and diamonds represented 88% and 11% of revenues, respectively (84% and 14% of revenues for the six months ended June 30, 2022).

# Osisko Gold Royalties Ltd

## Notes to the Condensed Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Unaudited)

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

### 14. Segment disclosure (continued)

#### Geographic net assets

The following table summarizes the royalty, stream and other interests by jurisdiction, as at June 30, 2023 and December 31, 2022, which is based on the location of the properties related to the royalty, stream or other interests:

	North America <sup>(i)</sup>	South America	Australia	Africa	Asia	Europe	Total
	\$	\$	\$	\$	\$	\$	\$
<b>June 30, 2023</b>							
Royalties	649,977	157,057	11,042	24,252	-	14,868	857,196
Streams	230,699	167,644	198,600	-	29,525	48,256	674,724
Offtakes	-	-	9,357	-	4,904	-	14,261
	<b>880,676</b>	<b>324,701</b>	<b>218,999</b>	<b>24,252</b>	<b>34,429</b>	<b>63,124</b>	<b>1,546,181</b>
<b>December 31, 2022</b>							
Royalties	664,985	157,552	17,345	24,228	-	14,965	879,075
Streams	225,517	177,853	-	-	30,203	51,017	484,590
Offtakes	-	-	9,572	-	5,016	-	14,588
	<b>890,502</b>	<b>335,405</b>	<b>26,917</b>	<b>24,228</b>	<b>35,219</b>	<b>65,982</b>	<b>1,378,253</b>

(i) 81% of North America's net interests are located in Canada as at June 30, 2023 (81% as at December 31, 2022).

### 15. Related party transactions

As at June 30, 2023, notes receivables from associates of \$20.7 million (\$30.9 million as at December 31, 2022) are included in short-term investments and other investments on the consolidated balance sheet and interest receivable from associates of \$0.1 million is included in amounts receivable (\$5.2 million as at December 31, 2022). As of June 30, 2023, Osisko acts as a guarantor towards an insurance company that has issued environmental bonds to governmental authorities in the name of Osisko Development valued at approximately \$17.9 million.

### 16. Subsequent events

#### Dividends

On August 9, 2023, the Board of Directors declared a quarterly dividend of \$0.06 per common share payable on October 16, 2023 to shareholders of record as of the close of business on September 29, 2023.

#### Costa Fuego Project

On July 24, 2023, Osisko closed the acquisition of a 1.0% copper NSR royalty and a 3.0% gold NSR royalty from Hot Chili Limited ("Hot Chili") covering the Costa Fuego Copper-Gold Project in Chile, for total cash consideration of US\$15.0 million. Osisko has granted Hot Chili an option to buy down a portion of the royalty, which can only occur upon a change of control and which is exercisable until the fourth anniversary of the transaction close. The buydown option reduces the copper and gold royalties by 0.5% respectively (resulting in a 0.5% copper NSR royalty and 2.5% gold NSR royalty), in exchange for payment in an amount equal to 130%, 140%, or 150% of the up-front price paid by Osisko if exercised before the 2<sup>nd</sup>, 3<sup>rd</sup> or 4<sup>th</sup> anniversary of the transaction close. Hot Chili has granted Osisko a corporate right of first offer on all future potential royalty and streaming opportunities, as well as certain other rights on proposed future royalty financings.