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PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the Osisko Gold Royalties Fourth Quarter and Year-end 2017 Results Conference Call. (Operator Instructions) Please note that this call is being recorded today, February 20, 2018, at 11:00 a.m. Eastern Time. Today on the call, we have Mr. Sean Roosen, Chair of the Board of Directors and Chief Executive Officer; and Ms. Elif Lévesque, Chief Financial Officer and Vice President, Finance.

I would now like to turn the meeting over to Mr. Sean Roosen. (foreign language)

Sean E. O. Roosen - *Osisko Gold Royalties Ltd. - Chair of the Board & CEO*

(foreign language) Welcome everybody to the 2017 Year-end and Q4 Results for Osisko Royalties Corporation. We will be making forward-looking statements, so I would refer you to the disclaimer that is found on Page 2 of our PowerPoint that's on our website and we will be following for the course of this call.

As we sit here today, we see markets are down. Osisko is trading at about \$12.28. We have a lot of good things that happened in 2017, so I suppose I'll start out the call there's never been a better time to fly so high and I've never been more disappointed with the share price, but I'm still happy with the company. And as we get started, I would point out that we have, between cash, undrawn debt facility and equities, over \$1,073,000,000 available for the company to move forward at this point in time.

And as move forward on Page 3, in Q4 2017, we had almost 23,000 ounces -- or 21,000 ounces of gold equivalent -- gold equivalent ounces, sorry, earned in the fourth quarter. Revenues were CAD 32.2 million with over \$109 million if you include the offtake agreements, which is 135% compared to Q4 2016 increase. Net cash flows from operating activities of \$21.5 million, up 68% compared to 2016 for the same quarter. Net loss attributable to Osisko shareholders of \$64.3 million, which closely reflects the write-down impairment charge that we took on the Éléonore change-in-mine plan, so these are noncash attributable losses that we took in the course of the revision of guidance from Gold Corp. on the Éléonore mine plan. This is compared to \$8.7 million earned in Q4 of 2016.

In terms of overall. Moving into 2017, as we look back, record year for gold equivalent ounces, almost 59,000 ounces earned, up 54% from 2016. Record revenues of \$93.8 million, excluding the offtake agreements, up 50% compared to 2016. Net cash flows from operating activities of \$48.7 million with -- against \$53.4 million from 2016. However, 2017 was a very special growth year for us with a lot of different moving parts, at least we'll get into those numbers as we get further in the presentation. Net loss attributable to Osisko was \$42.5 million, these are all noncash items, including the Éléonore revision on the mine plan. Acquisition of precious metals portfolio from Orion capital for \$1.1 billion. The acquisition of 100% stream from Taseko and 18.5% gold stream from Aquila Michigan Properties. We also completed a \$300 million convertible debenture bought



deal increasing revolving credit -- we also increased the revolving credit facility to \$350 million; quarterly dividend is totaling \$0.18 a share for 2017, so the overall dividend for the year, up from 2016. 2018, we've declared our first quarterly dividend for Q1, which is \$0.05 a share for the year.

Page 4 reflects what we see as we go forward. We have increased -- historically, we've increased a total of about 75% since inception, 25% happening in -- from 2014 to '16, a 54% increase from '16 -- 2016 to 2017. And looking forward, significant growth as our growth portfolio continues to execute. And we're also operating at 87% cash margin on our GEOs. So these are as close to royalties as anybody in the sector is going to get. 54% increase in GEOs, just in 2016 with '18 looking for 77,000 to 82,000 ounces. It's a pretty strong performance in terms of being able to grow in a very competitive space.

On Page 5, a little bit about the Éléonore royalty. We have seen the Éléonore royalty continue to grow in its contribution, even though we did have the impairment, which Elif is going to talk about. But we started out in 2015 and delivered 402 ounces; 2016, a little over 6,500 ounces; 2017, just under 6,400 ounces; and in 2018, we're looking forward to see that increase to 7,900 ounces. And 2019 guidance based on the current mine plan, would deliver 8,800 ounces to us. So we're seeing significant performance from that investment. However, due to accounting rules, we will have to face an impairment of \$65 million on the acquisition costs of that asset.

In terms of where we are on the rest of the portfolio, I'm going to hand it over to Elif to take you through from Page 6 forward. Elif, over to you.

Elif Lévesque - Osisko Gold Royalties Ltd. - CFO & VP of Finance

Thank you, Sean. So looking at our 2017 financial performance, like Sean mentioned, this was quite a transformational year for us, and the Orion transaction being closed on July 31, 2017, we only got to see 5 months of production in 2017 and we're looking forward to have the full year portfolio benefit in 2018.

Looking at the net cash flow from operating activities. The 2017 numbers had a few specific items to it, the initial one being of almost \$9 million of Orion-related transaction fees, which was included in 2017 compared to 2016. And I would also like to note that 2017 was actually the first year we had the full amortization of our long-term incentive program, which is over a period of 3 years. So since inception in the company in 2014, this was the first year we actually have the full cost, and accordingly, we also have the first payment of our RSUs in 2017, which will be actually on a regular annual basis going forward. In 2017, this represents the payment of \$5.5 million, which is reflected in the 2017 numbers. Going forward, we expect this number to be slightly lower since the initial grant was slightly higher than the following RSU grant.

Now if we look at the net earnings loss. As Sean mentioned, the \$42.5 million loss for 2017 reflects the impairment charge of \$65.4 million net of income taxes on the Éléonore royalty. This royalty has been paying out in terms of gold ounces on a growing basis since 2015, and we're expecting actually 24% increase in terms of our 2018 guidance and an additional 11% increase 2019 going forward. That being said, for accounting purposes, we need to monitor the indicators of impairment and the sustainable level of production being lower than design capacity has led to an impairment assessment, in which reflects in terms of a reduction of \$89 million and the carrying value and \$65.4 million net of taxes. And this impairment is reversible in nature. And other than that, the net earnings or loss for 2017 was mainly reflective of the same similar items as the cash flow as well as higher finance costs.

Now if we look at the revenues, which shows a record quarterly of record -- actually, annual revenues of 50% higher compared to 2016, we're at \$94 million if you look at the royalties and streams.

If we look at the revenues without the offtakes, as we have mentioned, previously, the offtake was a nice add-on in terms of the portfolio we purchased from Orion. Unfortunately, due to their material nature and their contractual nature, we have to present them separately in terms of the revenues and the cost of goods sold as per IFRS. But on a net basis, they do provide us with the marginal profit. And I think the next slide presents the situation well in terms of the breakdown of the royalties for the gross profit before depletion as well as the streams and the offtake.

Now looking at all of this, we see that in terms of the cash operating margins, without the offtake, we're looking at 92% for the 12-month period and 86% for the 3-month period for December 31, 2018 -- '17. And we expect pretty 2018 going forward to be around that level of 86%.



The next slide, I don't want to go into detail, but this slide basically lays out some of the details for the GEOs by product and the earnings per period. You can note that we have received 90% of our GEOs from precious metals in 2017.

The next slide on the dividends. We've always said that we want to reflect the growth profile in our cash flows into our dividends as well. This will be our 14th consecutive dividend payment, which is going to be based on the March 30 shareholder base payable on April 16. In 2017 in pretty much half year, we increased our dividend -- quarterly dividend from \$0.04 to \$0.05, and we're looking forward to growing our dividend base as our cash flow is also growing.

In terms of our financial position. At year-end, we stood at over \$300 million in cash. And in terms of debt, with the \$300 million lower debentures that we added in the fourth quarter, we're actually looking at \$148 million as our credit facility, \$350 million in convertible debentures left, some unamortized debt issuance costs and accretion, which comes up to \$464 million on the balance sheet. All in all, if you look at in terms of the available capacity that we have, we have an additional \$300 million on our credit facility, which includes the \$100 million accordion, which is available to us. And if we look at our cash and the available credit facility, we're over \$600 million terms of what we have, not even including the marketable securities.

Sean E. O. Roosen - *Osisko Gold Royalties Ltd. - Chair of the Board & CEO*

Thank you, Elif. So on Page 11, we're just going to take a quick pass through the 2017 activities. It was a very active year and I think that, as we reflect on it, the \$1.1 billion deal done with Orion, that was probably the largest royalty deal we did since the IPO of Franco back in the day.

As we look back on the year, we closed on a \$300 million debenture with proceeds being attributed to our balance -- cash balances we see today post acquisition of Orion. At the face, we increased the credit facility to \$350 million with another \$100 million of undrawn. So as Elif had stated, we have quite a bit of firepower left on our debt portfolio as well, significant expansion through the royalty and streaming portfolio.

We have also added Taseko in addition to Orion and Aquila. I won't go into too many details here, but I mean, these are significant assets that have been added, the 9.6% stream on Renard, the 4% silver stream on the Brucejack gold mine in addition to the offtake agreement that we have there and 100% silver stream on Mantos copper mine in Chile, which is currently in transition, and we expect good things from that asset as we move forward. We also acquired for \$44 million the Gibraltar copper mine stream -- the Gibraltar copper mine silver stream from Taseko. We also acquired the offer of Osisko Bermuda Limited with the acquisition of gold stream for \$69.8 million on the Back Forty of Aquila Resources, which is an asset located in Michigan. We also increased our royalties to 2.25% at Barkerville Gold Mines and that was a pretty good step forward as we're waiting for resource to come out from Barkerville in the first half of this year and that's a significant performer, we believe, in the -- in 2007 -- 2018 and 2019 as that asset continues to mature.

Over to Page 12. Just to reinforce, the bulk of our assets are Canadian. We have given you a sheet here of the producing assets that are noted in the yellow color. We consider those to be cornerstone assets. Obviously, Brucejack, Mantos, Canadian Malartic, Éléonore and Renard. And then we see some of the other assets, Gibraltar is a good silver stream. Seabee has been a great performer, a bit of a surprise and a small investment in Quebec with Veza, which continues to deliver cash to it. And also Sasa in Eastern Europe has been a good start to us. Finally, in Africa as well as Matilda in Australia are also providing us with revenue from offtake agreements.

Page 13 is a bit of a swatch summary of these producing assets. Obviously, Canadian Malartic continues to be our cornerstone asset and outperformed this year in terms of what we'd expected from it and it continues to be a great asset with evolution not only in terms of production, but also in terms of increasing mineable reserves.

The Éléonore project continues to advance, and it's worth noting that we have a sliding scale royalty here that increases as total production is increased. So even at steady-state, our royalty goes up as more ounces are produced and we get further into that. Although guidance for 2018 is looking good, but it did 305,000 ounces in 2017, making it one of the world's top 30 gold mines.

Diamond stream had started in the Renard mine. 9.6% of the diamonds comes to us. This mine has produced 1.6 -- will produce 1.6 million carats in 2018. And 50% of steel erection for the ore waste sorting facility is complete now, so we're all going to see the completion and evolution of that

ramp-up continue to contribute to the overall value of the diamonds that are produced and to look into broker -- the breakage that they have there. And we should see some increase throughput with that added facility.

Brucejack. Obviously, discussion -- a lot of discussion in the marketplace around this volume. It's a long-term asset. I think that the company's guidance for this year looks pretty solid. It is a world-class asset. And having visited the site myself in October, I was very impressed with what's going on there. And I think that, that is a world-class asset that's going to be around for an awful long time. And I think that IRR on assets like that don't really do it justice. However, we have at 4% gold and silver stream there as well as we have an offtake agreement on that project.

Mantos is a privately run company, so we don't have as much guidance as we might like for Mantos. But from what we see, it's a great project. And they're making the transition from oxides to sulfides and we're very optimistic about what happens with that project as they evolve through that step and also as they continue to drill out where they have significant upside to add to the mine plan.

Sasa, we have 100% silver stream, one of the biggest zinc and lead mine -- lead, silver mines in Europe. This was an acquisition by Central Asia Metals in 2017. It continues to be very strong performer.

Gibraltar, having a great year, located in B.C., but 90 kilometers from our Barkerville assets. One of the biggest silver operations in Canada, 85,000 tons a day throughput, and we have significant amount of upside. They require (inaudible) system there. Another great Canadian asset.

Seabee, a bit of a surprise, I think, for a lot of people, as the ounces there will increase from previous management as silver standard gets into the piece. It's been getting stronger quite a bit and they'll have record throughput in Q4 of 2017. And we think that, that asset continues to grow.

Page 14, just to reinforce a little bit about what's coming. This is a growth portfolio and I think that's part of the problem of what we're seeing in the market. We are exposed to several ramp-ups, 5 to be -- 5 ramp-ups to be precise. And we also have quite a few development assets within the portfolio. So we have set the stage for the future. Ancillary is under construction in Armenia as we speak today, as it's shown in the cutout on Page 14. We think that's a good project that's going to come online in the second half of this year. And we have quite a strong stream there and we see that as a long-term asset. The country of Armenia has done quite well in terms of where it stands financially and fiscally in the world. So we're happy to see the program there. I was over to visit the asset myself during the construction in the fall and I think the management team there has things well at hand.

In terms of other assets, Barkerville is progressing well. You've seen the drill results on that one. The Osisko Royalties also owns 32% of equity in this company plus the royalty. So we see a lot of programs there. Its underground test mining has begun and the resource is scheduled to come out in the first half of this year, which should be a welcome reinforcement to value there.

We see the Windfall Lake project, obviously quite a big asset in terms of where we're going. That's the recipient of the largest drill program in the world, as far as I know. For development asset with, at the end of 2017, more than 24 rigs turning and evolving from -- to publish a resource hopefully in the first half of this year and get on with an CEAA study. But obviously, here in Québec, Windfall is a very significant asset to us and we expect big things from that camp. It is an overall camp play and our royalty does not cover just the deposit. It covers over 2,000 square kilometers of real estate in that package.

So we've laid a lot of foundation, cornerstone blocks for the future where the portfolio should continue to evolve and mature regardless of any future acquisitions.

Falco, obviously a big, strong deposit, showing over 7 million ounces of measured and indicated in the mine plan currently gold equivalent. And currently, feasibility of EIA has been deposited and working towards construction financing and permitting on that project. It could be one of the largest gold mines built in North America, scheduled to look at 15,000 to 16,000 tonnes per day.

Other assets of significance we've listed here, but I won't go into them right now. Probably a good one to mention is Odyssey, which is a discovery east of Canadian Malartic, which is continuing to demonstrate what we believed all along, that Canadian Malartic asset is going to be one of the biggest gold belts in the world at 8 million ounces of historic production. Currently the mine plan and the mineable resources will bump another



15 million ounces to that and discovery continues at that site. So that's really the cornerstone of where we started, where we came from. And we continue to benefit from that with a 5% top line royalty on that asset and plus some royalties on the Odyssey.

Page 15, really a summary of jurisdictional risk, 104 assets in North America, another 9 in the South America and premium jurisdictions, Peru and Chile, for the most part bringing us to 140 -- 113 ounces to the Americas and a very small exposure to assets in Europe and in Central Asia, only 1 asset in Africa at this point and another 13 royalties that are not producing in Australia except for 1 offtake agreement.

So I think in terms of what we set out to do in 2017, we've achieved all of our expectations. We do have exposure to the ramp-ups. We do have development assets. We just set the stage to be the strongest growth company in the royalty space as we go forward.

Page 16. A couple of details that I want to get into here. We've talked about the equities -- our accelerator model, and the simple numbers, \$364 million invested, of which \$70 million was flow-through shares, which provides less than 0 cost on our taxes. So we're protecting our cash flows by making these investments. As we move forward, we're able to protect our royalty income from taxes with those investments. Current book value of those assets at the end of the year was \$439 million, so we have an unrealized gain of almost \$80 million in that book. We also had a realized gain last year of \$70 million within the equity book, which includes last year included AuRico and Arizona and a few other assets. So we've already harvested \$70 million from this strategy. We invested \$90 million to buy new royalties in conjunction with those accelerator companies. So as we reduce the realized gains from the accelerator model, from the cost of royalties, we would have been paid \$20 million for that royalty book, which gives us significantly higher returns than our traditional royalty investment that's run through a bank process or a trading opportunity. So the potency of the returns within the accelerator model has clearly been demonstrated over the last 42 months. It went from conception to fact really in 2017. I don't think that there's a lot of value being attributed for this within the marketplace, but the royalties that we did earn within the accelerator model are pretty valuable, 1% on the Arizona Mining assets, 204% on the Barkerville asset, 1.5% on Windfall and on to the highlights, but these are much more valuable than the book values that we have attributed to them. We cannot speak to them because they have unpublished resources, but some of these assets are very significant and our cost base is one of the lowest in the industry for acquiring them. So I think that we've proven that it works. It's not -- in terms of the amount of capital we've deployed overall, we don't have a lot of capital at risk in the accelerator model if you look at the net returns that we've achieved already.

Page 17, a summary. Over 130 royalty streams and metal offtakes, 5 cornerstone assets, 16 cash-flowing assets. Our dividend yield today is actually higher than 1.3% because of the market conditions that we're all facing. We do have a dominant precious metal exposure, dominantly exposed to Canada and North America and especially the Americas. A record number of GEOs presented at just under 59,000 ounces. And guidance for this year, looking 77,500 to 82,500 for 2018. Over 430 -- \$439 million in investments, \$334 million in cash on the bank account as we sit today and another \$250 million in undrawn debt to bring us to over \$1 billion of available liquidity in a company whose market cap right now is below \$2 billion.

So all in all, I think we're in pretty good shape. We shall prevail, and I look forward to taking questions as we move forward. Thank you very much.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Your first question comes from the line of Cosmos Chiu of CIBC.

Cosmos Chiu - CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst

Maybe a few questions from here. Maybe, first off, on the 2018 guidance, what you put out there was a bit lower than what I had expected in 2018. And -- but Sean, looking through the numbers, it looks like the difference, at least compared to my model here, is the timing of the start-up of Amulsar. As you said operated by Lydian international, and also on Éléonore. So I guess, my question is on the Amulsar, as you said, Sean, you've been overseas to go visit the assets, how confident are you with that start-up? And could you maybe talk a bit about the potential or the option -- the option of the company to buy it back as well?



Sean E. O. Roosen - *Osisko Gold Royalties Ltd. - Chair of the Board & CEO*

I'll start with the technical visit of the site. The site is potentially at work with the heap leach operation. So depending on the weather conditions in which they execute this winter, whether it's a severe winter or a light winter, it's going to guide a little bit on how those works could execute and I think that's going to drive their start-up date. And obviously, when you load a heap leach pad, you're not really sure exactly when returns are going to start because it takes a while to get the leach cycle started. It's somewhat the function of energy and temperature. So all in all, we've looked at what the company has said. We provided guidance that we believe is somewhat conservative. But we've been around to see investors and analysts and we've always tried to provide relatively conservative guidance, and we continue to work with that being our motto. If we get surprised, that's great. But this is the mine business, we're aware of it and we think a lot of these things have some upside to them. At the moment, we're not going to put them into numbers for you right now. We'll wait and see. In terms of the buyback, I'll hand it over to Joe -- Joseph de la Plante, to give you little bit more insight on the buyback.

Joseph de la Plante - *Osisko Gold Royalties Ltd. - VP of Corporate Development*

Cosmos, yes, in terms of the buyback, I mean this is a single-asset company that is going through construction right now and our current understanding is that we don't expect that buyback to be a priority for the company at this point in time, given both, I guess, the financial condition of the company and the pricing of the buyback. At this point in time, I'd say we are not expecting it to be bought back.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

And Joe, can you remind me again like how -- when the option to buy it back, when does it end?

Joseph de la Plante - *Osisko Gold Royalties Ltd. - VP of Corporate Development*

It's essentially a 1-day option for 50% buyback.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

And when is it?

Joseph de la Plante - *Osisko Gold Royalties Ltd. - VP of Corporate Development*

I believe that to be 2019.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

2019, okay. And then maybe switching gears a little bit on Éléonore. It's ramping up and -- but I guess, compared, as Elif had sort of mentioned, as compared to the technical model, it's sort of -- it's lower than what was previously expected, and so hence, the write-down here. So after the write-down, Elif, how much book value do you still have on Éléonore?

Elif Lévesque - *Osisko Gold Royalties Ltd. - CFO & VP of Finance*

So we're right now sitting at about \$300 million.



Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Okay. And can you remind me again, under IFRS, do you check the impairments once a year?

Elif Lévesque - *Osisko Gold Royalties Ltd. - CFO & VP of Finance*

No, it's actually on every period. So on a quarterly basis, you have to look at the indicators and since it's all of our assets.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

But I guess, as you mentioned now, the accounting rules have changed. You can actually write it back up later on if it turns out to be better than sort of expected?

Elif Lévesque - *Osisko Gold Royalties Ltd. - CFO & VP of Finance*

Exactly. So let's say there was sustained improvement to approach the [step back] in their design capacity, then it's possible to reverse the impairment.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Okay. And then maybe one last question from me here, Sean, in terms of Pretium. Clearly, they've had some issues in the past in Q4. On the one hand, you have a royalty on it, so you wanted to do well. On the other hand, there's a buyback right on that royalty, on that stream. So how would you look at it, Sean, from your perspective at this point in time? And has the possibility or the probability of the stream being bought back eventually decreased?

Sean E. O. Roosen - *Osisko Gold Royalties Ltd. - Chair of the Board & CEO*

I think it's probably too early to say. I mean, you're looking at 5 months' worth of results in a very high-grade sort of -- variable grade deposits. So I think it's going to take more than 5 months to come up with an opinion on where they are. Obviously, typically, underground mines and we look at Éléonore as the example, it often takes a while to get things up and running, get enough lateral development and get lined up on scope preparation. I did visit the site. The infrastructure is impeccable. It's a very, very strong mill. I don't really see a lot of problems there, just -- it's really more about the execution of underground development. The market has 0 patience for that. In terms of the buyback, we've assumed that if it did get back, we would receive USD 116 million on -- in December 31, 2018. And if there's a step-out to 2019, we would receive over USD 130 million back. So that's kind of how we look at the value of it. However, if things change and the buyback doesn't happen, the value of that asset could go up significantly, but what we've included in our model assumes the buyback. So it makes a nice profit for us on our investment, but we -- I would remind you that we still have the offtake agreement that only a portion of it have buybacks on it. So we will have exposure to that asset on the long term as we move forward. And it's just an exceptional -- it's just an exceptional deposit that's going to take some time. And I know that everybody is quite nervous whenever we do a line start-up on a high-grade asset like this. But having been there and looked at it and having worked on the geology of it, we're pretty comfortable that in the medium term things are fine. Short term, it's a bump-and-grind.

Operator

(Operator Instructions) Your next question comes from the line of Kerry Smith from Haywood Securities.

Kerry Smith - *Haywood Securities Inc., Research Division - VP & Senior Mining Analyst*

Elif, for the guidance that you've kind of given out for 2018 G&A and business development expenses, it's about \$6.5 million higher than what it was, say, in 2016 before you had all the onetime costs. But it looks to me like the bulk of that increase is related to the RSUs. Would that be correct?

Elif Lévesque - *Osisko Gold Royalties Ltd. - CFO & VP of Finance*

Yes, exactly. So the bulk of that would be the transaction cost for Orion, which is almost \$9 million, and the rest is related to some of the price adjustments. As we know, the RSUs are marked to market on a regular basis. So as the price goes up within a few years, actually it hits the P&L on a higher level and 2015 year-end versus -- 2016 year-end versus '17 year-end, the price went up for our share price, so that reflects itself on the P&L. But I think, on an ongoing basis, it's safe to assume probably a level of USD 20 million all-in, which would include the G&A business development net of the back charges that we have.

Kerry Smith - *Haywood Securities Inc., Research Division - VP & Senior Mining Analyst*

And in that USD 20 million...

Elif Lévesque - *Osisko Gold Royalties Ltd. - CFO & VP of Finance*

Which is the cash basis, yes.

Kerry Smith - *Haywood Securities Inc., Research Division - VP & Senior Mining Analyst*

Right. So in that USD 20 million this year, how much are you assuming for the RSUs then?

Elif Lévesque - *Osisko Gold Royalties Ltd. - CFO & VP of Finance*

So like I said, for this year, there were rather high for the RSUs, so going forward we're expecting them to be lower, but then again it depends on the mark-to-market of the RSUs going forward.

Kerry Smith - *Haywood Securities Inc., Research Division - VP & Senior Mining Analyst*

Okay, okay. And then in the guidance for this year on production, how many GEOs have you assumed coming from Amulsar and Lamack?

Elif Lévesque - *Osisko Gold Royalties Ltd. - CFO & VP of Finance*

So Amulsar, on the conservative side, and we assume that it's going to go into production at the end of the year, so we only assumed a marginal GEO from Amulsar's 1,200 ounces -- 1,200 GEOs from the offtake and the streams. And from Lamack, we did not budget anything.

Operator

Your next question comes from the line of Dan Rollins from RBC Capital Markets.

Dan Rollins - *RBC Capital Markets, LLC, Research Division - Head of Global Mining Research and Analyst*

Sean, maybe you could provide a little commentary on what you're seeing out there in the marketplace for new royalties and streams. Are there any other packages sitting around? And if so, what are the size of the packages that you're looking at? And if they are sort of in that \$300 million range, how can you do more than one or two this year with the current balance sheet?



Sean E. O. Roosen - *Osisko Gold Royalties Ltd. - Chair of the Board & CEO*

Sure. We are seeing packages come out. There's been activity. Obviously, it's not like 2015 and '16 where there were streams being issued every quarter. Most of them have to do with other expansions or people putting -- taking stuff off their balance sheet as they kind of flex it up. And the real opportunities right now are mostly on development projects as we see project financings come together. So right now, we have firepower. I would argue now for a -- between cash on the balance sheet and under our debt facilities CAD 500 million, quite relaxed. We see some opportunities in terms of projects that are getting permanent and heading into development stage where we would want to deploy. But obviously some of those assets would be in our accelerator group as we see Windfall and Falco and Barkerville move towards that end of the cycle as they move from resource definition to the feasibility, permitting and on to mine construction. So there's quite a bit to do. We did lay a lot of the groundwork for growth in 2017, Dan, so it'll probably be significantly less active year than 2017. However, we're going to play the ball in the fairway this year and just play a very conservative game as we go back. And to your point on strategy and current share price, we do have an exhibit in place. So you could probably expect to see us maybe take a look at our own stock as a better investment than some of the other market conditions that are out there right now. If the market remains where it is on the OR stock, we're probably going to end up as an executor as soon as we're out of blackout, to be honest.

Operator

Your next question comes from the line of John Tumazos from John Tumazos Very Independent Research.

John Charles Tumazos - *John Tumazos Very Independent Research, LLC - President and CEO*

If the Éléonore output were only 400,000 ounces, how much would the gold price have to rise for the price effect to reverse the impairment?

Elif Lévesque - *Osisko Gold Royalties Ltd. - CFO & VP of Finance*

Well, actually, for the reversal of the impairment, we have to look at the same reasons for taking the impairment initially, so we would be actually looking at the change in the sustainable level of production.

John Charles Tumazos - *John Tumazos Very Independent Research, LLC - President and CEO*

Do you have to get all the way back to 600,000 ounces? And does it matter if it's from Éléonore? Or if it were from Azimuth exploration, Sirius Resources, East Made and those others...

Elif Lévesque - *Osisko Gold Royalties Ltd. - CFO & VP of Finance*

Yes, as long as it comes from that property, if we do see that at a sustainable level, if they were to get closer to their capacity, we would redo our testing.

Sean E. O. Roosen - *Osisko Gold Royalties Ltd. - Chair of the Board & CEO*

And then, John, just to add to that, I think, where we see it, obviously, Éléonore is a camp (inaudible) and that royalty covers the entire camp, so exploration begins there. We saw Éléonore as a long-term play. And there are also -- there are underground facilities that are maturing. I think that Goldcorp is in the same situation as we are. IFRS rules don't really take into account anything about the what the potential is. It's only about looking backwards. So what we think there's significant upside in the asset and we're there for the long term. And as you know, the drill bit's been very kind to Goldcorp on that project as we move forward regardless of what's happened on the accounting front.

John Charles Tumazos - *John Tumazos Very Independent Research, LLC - President and CEO*

If I could ask one more. Why did you choose Arizona Mining to take a profit as opposed to other things in your portfolio? Is it that you don't like (inaudible)

Sean E. O. Roosen - *Osisko Gold Royalties Ltd. - Chair of the Board & CEO*

Well, let's be clear, John. I'm still for Arizona Mining, but to prove that our accelerator model continues to work, we have to rotate through some investments. So Arizona had one of the highest gains in 2017, and if we do see that stock go back down, we may be a player again. But we have a 1% royalty there. I'm very bullish on zinc, and as you saw, we also started to sponsor the start-up of Osisko Metals this year, which is mostly dedicated to zinc assets. So it's not prejudice against the metal and certainly not a prejudice against Arizona. I think it's one of the best zinc companies out there. However, what our commitment to the marketplace was that we would rotate these accelerator assets as we move through this cycle. We needed to demonstrate to the marketplace that these were not unrealized gains, but realized gains. Left to my own behest, I probably would have kept the position, John. But we felt, from a market standpoint, that we had to prove that our investment strategy was sound and we had to demonstrate the returns in an empirical way. So that's where we are in terms of what we do and that was the first one that we had in (inaudible), John, and they only got the basically feasibility study and then entering the permitting cycle. So I won't go out too much more, but we're quite supportive of Arizona. I think they've done a fantastic job. And obviously, it's gone up in value since we sold it. So...

Operator

Your next question comes from private investor, [George Jay].

Unidentified Shareholder

I've been a long-term shareholder in Barkerville Gold and predecessor companies, and I have a really strong belief in the value -- long-term value of the Cariboo Mining District. And what I'd like to know is what outside shareholders at Barkerville are curious about, you had drilling going on for the last year or so with up to 10 drill rigs going. We've had some great intercepts. But at the same time, we haven't had this 43-101 new statement of exactly what kind of an increase we'd built in the resource up there. So would you comment on that, please?

Sean E. O. Roosen - *Osisko Gold Royalties Ltd. - Chair of the Board & CEO*

Well, obviously, given the history of resources on this property, we're extremely prudent in terms of what we would put out in a 43-101 qualified resource. The definition drilling is still ongoing. We had quite a success in defining resources outside of the previous known zones of Cow Mountain. So we continue to work on that and we are closing up the database and doing wire framing as we speak on that asset. And obviously, whatever resource does come out of there, it has to be extremely conservative in the history of the public property. This narrow-vein high-grade systems, which are demonstrably hard to manage under 43-101, but we think that we've done a pretty good job of introducing a high level of QA/QC in terms of what's there now. And when we do publish a resource, we expect it to be very solid. So you'll see something hopefully the first half of this year, as I'd mentioned earlier in the presentation. It would be my hope.

Unidentified Shareholder

Okay, Sean. Then one more would be you obviously have a lot of influence on the Barkerville board and encourage Chris Lodder in so many ways. I'd like to know whether you are encouraging him with regard to promotional work and getting institutional interest in Barkerville.



Sean E. O. Roosen - *Osisko Gold Royalties Ltd. - Chair of the Board & CEO*

Short answer is yes. Chris has been on the road quite a bit and I think that the really -- between the legacy issues surrounding Barkerville and the pending resource, that's where the market sits. We're in a show-me market and will have to get a resource out to take advantage of all the work that Chris has done. I know he was in Europe last week and he's been significantly working out there as we speak. But we're battling the history of the project. And I think that till the new resource is published, we're just probably still facing a bit of a headwind, to be honest.

That concludes our conference call for today. Ladies and gentlemen, I encourage you to buy low and sell high. I will as soon as I am out of the blackout.

Operator

This concludes today's conference call. You may disconnect. (foreign language)

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