



EARLY WARNING REPORT

(Montréal, December 31, 2015) Osisko Gold Royalties Limited (TSX:OR) ("Osisko") has entered into a binding letter agreement (the "Agreement") with Falco Resources Ltd. (TSXV:FPC) ("Falco"), pursuant to which Osisko has agreed to subscribe for 5,900,000 common shares (the "Purchased Shares") in the capital of Falco, to be issued as "flow-through shares" (within the meaning of the *Income Tax Act* (Canada)), at a price of \$0.32 per share for an aggregate subscription price of \$1,888,000 (the "Private Placement"). The common shares in the capital of Falco ("Falco Shares") trade on the TSX Venture Exchange under the symbol "FPC".

After giving effect to the Purchased Shares to be acquired by Osisko pursuant to the Private Placement, Osisko would own 17,857,255 Falco Shares, representing approximately 16.2% of the issued and outstanding Falco Shares on a non-diluted basis. The Purchased Shares were acquired by Osisko for investment purposes. Osisko may increase or decrease its ownership interest in Falco depending on, among other factors, market conditions and other factors relevant to Osisko's investment decisions. Other than the Purchased Shares, Osisko has no current intention to increase its beneficial ownership of, or control or direction over, additional securities of Falco.

This news release is being issued in accordance with National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*. An early warning report respecting the Private Placement will be filed on System for Electronic Document Analysis and Review ("SEDAR") at www.sedar.com under Falco's issuer profile.

About Osisko Gold Royalties Ltd

Osisko is an intermediate mining royalty and exploration company with two world-class gold royalty assets. These two cornerstone assets are a 5% net smelter return ("NSR") royalty on the world-class Canadian Malartic gold mine, located in Malartic, Québec, and a 2.0-3.5% NSR on the Éléonore gold mine, located in James Bay, Québec. Osisko also holds a 2-3% NSR royalty on the Island Gold Mine, a 2% NSR royalty on the Lamaque South Project, a 3% NSR royalty on the Malartic CHL property as well as a 2% NSR royalty on the Upper Beaver, Kirkland Lake and Hammond Reef gold exploration projects in Northern Ontario. The Company also owns a 9.75% equity interest in Labrador Iron Ore Royalty Corporation.

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

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