OSISKO GOLD ROYALTIES LTD

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Consolidated Financial Statements

For the years
ended
December 31, 2020 and 2019

Management's Report on Internal Control over Financial Reporting

Osisko Gold Royalties Ltd's (the "Company's") management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in rules 13a-15(f) and 15d-15(f) under the *Securities Exchange Act of 1934 (United States)*, as amended.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2020. The Company's management conducted an evaluation of the Company's internal control over financial reporting based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the Company's management's assessment, the Company's internal control over financial reporting is effective as at December 31, 2020.

On August 21, 2020, the Company completed its acquisition of the San Antonio gold project ("San Antonio") through the acquisition of Sapuchi Minera S. de R.L. de C.V. Accordingly, the acquired assets and liabilities of San Antonio are included in our consolidated balance sheet as at December 31, 2020 and the results of its operations and cash flows are reported in our consolidated statement of income (loss) and cash flows from August 21, 2020 to December 31, 2020. We have elected to exclude San Antonio from the Company's assessment of internal control over financial reporting as of December 31, 2020. San Antonio represented approximately 4.0% of the consolidation total assets and had no revenues for the year ended December 31, 2020.

The effectiveness of the Company's internal control over financial reporting as at December 31, 2020 has been audited by PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm, as stated in their report which is located on the next pages.

(signed) Sandeep Singh, Chief Executive Officer

(signed) Frédéric Ruel, Chief Financial Officer

February 24, 2021

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Osisko Gold Royalties Ltd

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Osisko Gold Royalties Ltd and its subsidiaries (together, the Company) as of December 31, 2020 and 2019, and the related consolidated statements of income (loss), comprehensive income (loss), cash flows and changes in equity for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

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"PwC" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded the San Antonio gold project (San Antonio) from its assessment of internal control over financial reporting as of December 31, 2020 because it was acquired by the Company during the year ended December 31, 2020. We have also excluded San Antonio from our audit of internal control over financial reporting. San Antonio's total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent 4% and 0%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2020.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of impairment indicators of royalty, stream and other interests

As described in notes 4, 6 and 16 to the consolidated financial statements, the Company's royalty, stream and other interests carrying amount was $1,116.1 million as of December 31, 2020. Management assesses at each reporting date whether there are indicators that the carrying amount may not be recoverable which give rise to the requirement to conduct a formal impairment test. Impairment is assessed at the cash-generating unit (CGU) level, which is usually at the individual royalty, stream and other interest level for each property from which cash inflows are generated. Management uses judgement when assessing whether there are indicators of impairment, including a significant change in mineral reserve and resources, significant negative industry or economic trends, significantly lower production than expected, a significant change in current or forecast commodity prices and other relevant operator and financial information.

The principal considerations for our determination that performing procedures relating to the assessment of impairment indicators of royalty, stream and other interests is a critical audit matter are (i) the judgement by management when assessing whether there were indicators of impairment which would require a formal impairment test to be performed; and (ii) a high degree of auditor judgement, subjectivity and effort in performing procedures to evaluate audit evidence related to management's assessment of impairment indicators, including a significant change in mineral reserve and resources, significant negative industry or economic trends, significantly lower production than expected, a significant change in current or forecast commodity prices and other relevant operator and financial information.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of impairment indicators of royalty, stream and other interests. These procedures also included, among others, evaluating the reasonableness of management's assessment of impairment indicators for a sample of royalty, stream and other interests, related to a significant change in mineral reserve and resources, significant negative industry or economic trends, significantly lower production than expected, a significant change in current or forecast commodity prices and other relevant operator and financial information by considering (i) current and past performance of royalty, stream and other interests; (ii) consistency with external market and industry data; (iii) publicly disclosed or other relevant information by operators of royalty, stream and other interests; and (iv) whether management's assessment of impairment indicators of royalty, stream and other interests was consistent with evidence obtained in other areas of the audit.

Impairment of royalty, stream and other interests – Renard diamond stream

As described in notes 4, 6 and 16 to the consolidated financial statements, the Company's royalty, stream and other interests carrying amount was $1,116.1 million as of December 31, 2020. In March 2020, the selling price of diamonds decreased significantly as a result of the impact of the COVID-19 pandemic on the diamond market. On March 24, 2020, activities at the Renard diamond mine were suspended, and on April 15, 2020, the operator of the Renard diamond mine announced the extension of the care and maintenance period of its operations due to depressed diamond market conditions. These were considered indicators of impairment among other facts and circumstances, and accordingly, management performed an impairment test of the Renard diamond stream as of March 31, 2020. An impairment loss is recognized for the amount by which the CGU's carrying amount exceeds its recoverable amount. On March 31, 2020, management wrote down the Renard diamond stream to its recoverable amount of $40.0 million, which resulted in an impairment charge of $26.3 million for the year ended December 31, 2020. Management estimated the recoverable amount as value-in-use using discounted cash-flows approaches and estimated probabilities of different restart scenarios. Management used judgement and assumptions when estimating cash flow projections for the Renard diamond stream, including the expected sale of diamonds from the Renard diamond stream over the estimated life of the Renard diamond mine, based on the expected long-term diamond price, discount rate and weighted probabilities of different restart scenarios.

The principal considerations for our determination that performing procedures relating to the impairment of the Company's Renard diamond stream is a critical audit matter are (i) the judgement by management when developing the recoverable amount estimate of the Renard diamond stream; (ii) a high degree of auditor judgement, subjectivity and effort in performing procedures and evaluating management's assumptions related to the expected sale of diamonds from the Renard diamond stream over the estimated life of the Renard diamond mine, based on the expected long-term diamond price, discount rate and weighted probabilities of different restart scenarios; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's recoverable amount estimate of the Company's Renard diamond stream, including controls over the assumptions used in the recoverable amount estimate. These procedures also included, among others, testing management's process for developing the recoverable amount estimate of the Renard diamond stream; evaluating the appropriateness of the discounted cash flow model; testing the completeness and accuracy of underlying data used in the model; and evaluating the reasonableness of assumptions used by management. Evaluating the reasonableness of the assumptions used by management related to the expected sale of diamonds from the Renard diamond stream over the estimated life of the Renard diamond mine, based on the expected long-term diamond price and weighted probabilities of different restart scenarios, involved considering current and past performance of the Renard diamond mine, consistency with external market and industry data, information provided by the operator of the Renard diamond mine, whether these assumptions were consistent with evidence obtained in other areas of the audit and by performing sensitivity analyses. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model and certain assumptions, such as the discount rate.

PricewaterhouseCoopers LLP[1]

Montréal, Canada
February 24, 2021

We have served as the Company's auditor since 2006.

[1] CPA auditor, CA, public accountancy permit No. A123475

Osisko Gold Royalties Ltd

Consolidated Balance Sheets
As at December 31, 2020 and 2019

(tabular amounts expressed in thousands of Canadian dollars)

	Notes	December 31, 2020 $	December 31, 2019 $
Assets			
Current assets			
Cash	10	302,524	108,223
Short-term investments	11	3,501	20,704
Amounts receivable	12	12,894	6,330
Inventories	13	10,025	1,656
Other assets	13	6,244	3,516
		335,188	140,429
Non-current assets			
Investments in associates	14	119,219	103,640
Other investments	15	157,514	67,886
Royalty, stream and other interests	16	1,116,128	1,130,512
Mining interests and plant and equipment	17	489,512	343,693
Exploration and evaluation	18	42,519	42,949
Goodwill	19	111,204	111,204
Other assets	13	25,820	6,940
		2,397,104	1,947,253
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	20	46,889	18,772
Dividends payable	23	8,358	7,874
Current portion of long-term debt	22	49,867	-
Provisions and other liabilities	21	4,431	1,289
		109,545	27,935
Non-current liabilities			
Provisions and other liabilities	21	41,536	29,365
Long-term debt	22	350,562	349,042
Deferred income taxes	26	54,429	47,465
		556,072	453,807
Equity			
Share capital	23	1,776,629	1,656,350
Warrants	24	18,072	18,072
Contributed surplus		41,570	37,642
Equity component of convertible debentures	22	17,601	17,601
Accumulated other comprehensive income		48,951	13,469
Deficit		(174,458)	(249,688)
Equity attributable to Osisko Gold Royalties Ltd's shareholders		1,728,365	1,493,446
Non-controlling interests		112,667	-
Total equity		1,841,032	1,493,446
		2,397,104	1,947,253

APPROVED ON BEHALF OF THE BOARD

(signed) Sean Roosen, Director

(signed) Joanne Ferstman, Director

Osisko Gold Royalties Ltd

Consolidated Statements of Income (Loss)
For the years ended December 31, 2020 and 2019
(tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

	Notes	2020 $	2019 $
Revenues	27	213,630	392,599
Cost of sales	27	(63,700)	(262,881)
Depletion of royalty, stream and other interests	16	(45,605)	(47,009)
Gross profit		**104,325**	**82,709**
Other operating expenses			
General and administrative	27	(25,901)	(23,682)
Business development	27	(10,290)	(6,122)
Gain on disposal of an offtake interest	16	-	7,636
Exploration and evaluation	27	(131)	(191)
Impairment of assets	16,18	(26,300)	(243,576)
Operating income (loss)		**41,703**	**(183,226)**
Interest income		4,582	4,632
Finance costs		(26,131)	(23,548)
Foreign exchange gain (loss)		1,023	(1,859)
Share of loss of associates	14	(7,657)	(22,209)
Other gains (losses), net	27	13,622	(48,385)
Earnings (loss) before income taxes		**27,142**	**(274,595)**
Income tax (expense) recovery	26	(10,913)	40,400
Net earnings (loss)		**16,229**	**(234,195)**
Net earnings (loss) attributable to:			
Osisko Gold Royalties Ltd's shareholders		16,876	(234,195)
Non-controlling interests		(647)	-
Net earnings (loss) per share attributable to Osisko Gold Royalties Ltd's shareholders			
Basic and diluted	29	0.10	(1.55)

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

Osisko Gold Royalties Ltd

Consolidated Statements of Comprehensive Income (Loss)
For the years ended December 31, 2020 and 2019
(tabular amounts expressed in thousands of Canadian dollars)

	2020	2019
	$	$
Net earnings (loss)	16,229	(234,195)
Other comprehensive income (loss)		
Items that will not be reclassified to the consolidated statement of income (loss)		
Changes in fair value of financial assets at fair value through comprehensive income	40,993	13,285
Income tax effect	(9,319)	(1,728)
Share of other comprehensive income (loss) of associates	1,506	(352)
Items that may be reclassified to the consolidated statement of income (loss)		
Currency translation adjustments	(4,555)	(29,164)
Disposal of an investment in an associate		
Reclassification to the statements of income (loss) of the other comprehensive loss	-	695
Income tax effect	-	(92)
Other comprehensive income (loss)	**28,625**	**(17,356)**
Comprehensive income (loss)	**44,854**	**(251,551)**
Comprehensive income (loss) attributable to:		
Osisko Gold Royalties Ltd's shareholders	45,501	(251,551)
Non-controlling interests	(647)	-

Osisko Gold Royalties Ltd
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019

(tabular amounts expressed in thousands of Canadian dollars)

	Notes	2020 $	2019 $
Operating activities			
Net earnings (loss)		16,229	(234,195)
Adjustments for:			
Share-based compensation		9,361	8,320
Depletion and amortization		46,904	48,270
Net gain on disposal of an offtake interest		-	(7,636)
Impairment of assets		26,300	248,300
Finance costs		8,409	7,161
Share of loss of associates		7,657	22,209
Net gain on acquisition of investments		(3,827)	(1,006)
Change in fair value of financial assets at fair value through profit and loss		(2,387)	1,089
Net (gain) loss on dilution of investments in associates		(10,381)	3,687
Net (gain) loss on disposal of investments		(5,357)	27,391
Impairment of investments		7,998	12,500
Foreign exchange loss		(652)	1,901
Deferred income tax expense (recovery)		3,760	(41,197)
Deemed listing fees of Osisko Development	7	1,751	-
Other		479	(416)
Net cash flows provided by operating activities before changes in non-cash working capital items		106,244	96,378
Changes in non-cash working capital items	30	1,734	(4,780)
Net cash flows provided by operating activities		107,978	91,598
Investing activities			
Net disposal (acquisition) of short-term investments		412	(39,597)
Cash acquired through the acquisition of Barkerville	9	-	8,312
Transaction fees paid on acquisition of Barkerville	9	-	(1,513)
Acquisition of the San Antonio gold project	8	(52,208)	-
Acquisition of investments		(49,194)	(62,815)
Proceeds on disposal of investments		10,864	130,128
Acquisition of royalty and stream interests		(66,062)	(77,814)
Proceeds on disposal of royalty and stream interests		-	57,016
Mining assets and plant and equipment		(71,828)	(6,321)
Exploration and evaluation expenses, net of tax credits		(202)	166
Reclamation deposits		4,762	-
Other		357	-
Net cash flows (used in) provided by investing activities		(223,099)	7,562
Financing activities			
Private placement of common shares	23	85,000	-
Investments from minority shareholders	23	214,323	-
Share issue expenses from investments from minority shareholders	23	(5,965)	-
Exercise of share options and shares issued under the share purchase plan		7,835	21,783
Increase in long-term debt		71,660	19,772
Repayment of long-term debt		(19,205)	(30,000)
Common shares acquired and cancelled through a share repurchase		-	(129,486)
Normal course issuer bid purchase of common shares		(3,933)	(13,533)
Dividends paid		(28,914)	(27,455)
Other		(3,940)	(2,991)
Net cash flows provided by (used in) financing activities		316,861	(161,910)
Increase (decrease) in cash before effects of exchange rate changes on cash		201,740	(62,750)
Effects of exchange rate changes on cash		(7,439)	(3,292)
Increase (decrease) in cash		194,301	(66,042)
Cash – January 1		108,223	174,265
Cash – December 31	10	302,524	108,223

Additional information related to the consolidated statements of cash flows is presented in Note 30.

Osisko Gold Royalties Ltd

Consolidated Statement of Changes in Equity

For the year ended December 31, 2020

(tabular amounts expressed in thousands of Canadian dollars)

	Notes	Number of common shares outstanding	Share capital	Warrants	Contributed surplus	Equity component of convertible debenture	Accumulated other comprehensive income (loss)(i)	Retained earnings (deficit)	Total	Non-controlling interests	Total
			Equity attributed to Osisko Gold Royalties Ltd's shareholders								
			$	$	$	$	$	$	$	$	$
Balance - January 1, 2020		156,951,952	1,656,350	18,072	37,642	17,601	13,469	(249,688)	1,493,446	-	1,493,446
Net earnings (loss)		-	-	-	-	-	-	16,876	16,876	(647)	16,229
Other comprehensive income		-	-	-	-	-	28,625	-	28,625	-	28,625
Comprehensive income (loss)		-	-	-	-	-	28,625	16,876	45,501	(647)	44,854
Private placement	23	7,727,273	85,000	-	-	-	-	-	85,000	-	85,000
Issue costs, net of taxes		-	(136)	-	-	-	-	-	(136)	-	(136)
Income tax impact on prior year issue costs		-	3,644	-	-	-	-	-	3,644	-	3,644
Net investments from minority shareholders, net of taxes	7	-	-	-	-	-	-	-	-	209,892	209,892
Deemed acquisition of Barolo Ventures Corp.	7	-	-	-	-	-	-	-	-	1,751	1,751
Acquisition of the San Antonio gold project	8	1,011,374	15,846	-	-	-	-	-	15,846	-	15,846
Gain on dilution of non-controlling interests		-	-	-	-	-	-	98,329	98,329	(98,329)	-
Acquisition of royalty interests paid in shares		250,000	3,880	-	-	-	-	-	3,880	-	3,880
Dividends declared	23	-	-	-	-	-	-	(32,838)	(32,838)	-	(32,838)
Shares issued – Dividends reinvestment plan	23	268,173	3,440	-	-	-	-	-	3,440	-	3,440
Shares issued – Employee share purchase plan		30,388	391	-	-	-	-	-	391	-	391
Share options – Shared-based compensation		-	-	-	3,104	-	-	-	3,104	-	3,104
Share options exercised		232,964	3,932	-	(857)	-	-	-	3,075	-	3,075
Replacement share options exercised		440,506	5,976	-	(1,461)	-	-	-	4,515	-	4,515
Restricted share units to be settled in common shares:											
Share-based compensation		-	-	-	5,835	-	-	-	5,835	-	5,835
Settlement		145,694	1,984	-	(4,247)	-	-	(279)	(2,542)	-	(2,542)
Income tax impact		-	-	-	358	-	-	-	358	-	358
Deferred share units to be settled in common shares:											
Share-based compensation		-	-	-	1,113	-	-	-	1,113	-	1,113
Settlement		19,330	255	-	(266)	-	-	(1)	(12)	-	(12)
Income tax impact		-	-	-	349	-	-	-	349	-	349
Normal course issuer bid purchase of common shares	23	(429,722)	(3,933)	-	-	-	-	-	(3,933)	-	(3,933)
Transfer of realized other comprehensive income of Associates, net of income taxes		-	-	-	-	-	(414)	414	-	-	-
Transfer of realized loss on financial assets at fair value through other comprehensive income, net of income taxes		-	-	-	-	-	7,271	(7,271)	-	-	-
Balance – December 31, 2020 (ii)		166,647,932	1,776,629	18,072	41,570	17,601	48,951	(174,458)	1,728,365	112,667	1,841,032

(i) As at December 31, 2020, accumulated other comprehensive income comprises items that will not be recycled to the consolidated statements of income (loss) amounting to $20.8 million and items that may be recycled to the consolidated statements of income (loss) amounting to $28.1 million.

(ii) As at December 31, 2020, there are 167,165,341 common shares issued, of which 517,409 are deemed to have been repurchased given that one of the Company's associates owns some of the Company's common shares.

Osisko Gold Royalties Ltd

Consolidated Statement of Changes in Equity

For the year ended December 31, 2019

(tabular amounts expressed in thousands of Canadian dollars)

	Notes	Number of common shares outstanding	Share capital	Warrants	Contributed surplus	Equity component of convertible debenture	Accumulated other comprehensive income (loss)(i)	Retained earnings (deficit)	Total
			$	$	$	$	$	$	$
Balance - January 1, 2019		155,443,351	1,609,162	30,901	21,230	17,601	23,499	69,202	1,771,595
Adoption of IFRS 16		-	-	-	-	-	-	(383)	(383)
Net loss		-	-	-	-	-	-	(234,195)	(234,195)
Other comprehensive loss		-	-	-	-	-	(17,356)	-	(17,356)
Comprehensive loss		-	-	-	-	-	(17,356)	(234,195)	(251,551)
Acquisition of Barkerville	9	13,560,832	160,564	-	1,912	-	-	-	162,476
Deemed repurchase of shares held by an associate		(517,409)	(6,100)	-	-	-	-	-	(6,100)
Dividends declared	23	-	-	-	-	-	-	(29,977)	(29,977)
Shares issued – Dividends reinvestment plan		198,609	2,427	-	-	-	-	-	2,427
Shares issued – Employee share purchase plan		34,550	466	-	-	-	-	-	466
Share options:									
Share options – Shared-based compensation		-	-	-	2,899	-	-	-	2,899
Share options exercised		1,355,531	25,119	-	(5,343)	-	-	-	19,776
Replacement share options exercised		148,984	2,632	-	(917)	-	-	-	1,715
Restricted share units to be settled in common shares:									
Share-based compensation		-	-	-	4,059	-	-	-	4,059
Settlement		89,246	874	-	(1,872)	-	-	(346)	(1,344)
Income tax impact		-	-	-	(57)	-	-	-	(57)
Deferred share units to be settled in common shares:									
Transfer of units from cash-settled to equity-settled		-	-	-	3,722	-	-	-	3,722
Share-based compensation		-	-	-	545	-	-	-	545
Settlement		7,875	104	-	(222)	-	-	-	(118)
Income tax impact		-	-	-	(50)	-	-	-	(50)
Normal course issuer bid purchase of common shares	23	(983,900)	(10,198)	-	-	-	-	(1,633)	(11,831)
Common shares acquired and cancelled through a share repurchase	23	(12,385,717)	(128,516)	-	(1,093)	-	-	(45,030)	(174,639)
Issue costs, net of income taxes		-	(184)	-	-	-	-	-	(184)
Warrants expired	24	-	-	(12,829)	12,829	-	-	-	-
Transfer of realized gain on financial assets at fair value through other comprehensive income		-	-	-	-	-	7,326	(7,326)	-
Balance – December 31, 2019 (ii)		156,951,952	1,656,350	18,072	37,642	17,601	13,469	(249,688)	1,493,446

(i) As at December 31, 2019, accumulated other comprehensive income comprises items that will not be recycled to the consolidated statement of income (loss) amounting to ($19.2 million) and items that may be recycled to the consolidated statement of income (loss) amounting to $32.7 million.

(ii) As at December 31, 2019, there are 157,469,361 common shares issued, of which 517,409 are deemed to have been repurchased given that one of the Company's associates owns some of the Company's common shares.

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 precious metal and other high-quality royalties, streams and similar interests in Canada and worldwide. Osisko is a public company traded on the Toronto Stock Exchange and the New York Stock Exchange constituted under the *Business Corporations Act* (Québec) and is domiciled in the Province of Québec, Canada. 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 cornerstone asset is a 5% net smelter return ("NSR") royalty on the Canadian Malartic mine, located in Canada.

In November 2020, Osisko completed the spin-out transaction of its mining assets and certain equity investments to Osisko Development Corp. ("Osisko Development"), a newly created company engaged in the exploration, evaluation and development of mining projects in Canada and in Mexico (Note 7). The common shares of Osisko Development began trading on the TSX Venture Exchange (the "TSX-V") on December 2, 2020 under the symbol "ODV". On December 31, 2020, Osisko held an interest of 84.1% in Osisko Development and, as a result, the assets, liabilities, results of operations and cash flows of the Company consolidate the activities of Osisko Development and its subsidiaries. Osisko Development's main asset is the Cariboo gold project in Canada.

2. Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with the *International Financial Reporting Standards* ("IFRS") as issued by the *International Accounting Standards Board* ("IASB"). The accounting policies, methods of computation and presentation applied in these consolidated financial statements are consistent with those of the previous financial year, except as otherwise disclosed in Note 3. The Board of Directors approved the audited consolidated financial statements for issue on February 24, 2021.

Uncertainty due to COVID-19

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty. Several of Osisko's operating counterparties announced temporary operational restrictions during the first and second quarter of 2020 due to the ongoing COVID-19 pandemic, including reduced activities and operations placed on care and maintenance. As of December 31, 2020, all operators have restarted their activities and most have reached their pre-COVID-19 level of operations. However, in the current environment, the assumptions and judgements made by the Company are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to the potential impact of COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Company's valuation of its long-term assets, including the assessment for impairment and impairment reversal. Actual results may differ materially from these estimates.

3. New accounting standard

Amendments to IAS 1 *Presentation of Financial Statements*

The IASB has made amendments to IAS 1 *Presentation of Financial Statements* which use a consistent definition of materiality throughout IFRS and the *Conceptual Framework for Financial Reporting*, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole. The Company adopted IAS 1 on January 1, 2020, which did not have a significant impact on the consolidated financial statements disclosures.

4. Significant accounting policies

The significant accounting policies applied in the preparation of the consolidated financial statements are described below.

a) *Basis of measurement*

The consolidated financial statements are prepared under the historical cost convention, except for the revaluation of certain financial assets at fair value (including derivative instruments).

b) *Business combinations*

On the acquisition of a business, the acquisition method of accounting is used whereby the identifiable assets, liabilities and contingent liabilities (identifiable net assets) of the business are measured at fair value at the date of acquisition. Provisional fair values estimated at a reporting date are finalized as soon as the relevant information is available, which period shall not exceed twelve months from the acquisition date and are adjusted to reflect the transaction as of the acquisition date. Any excess of the consideration paid is treated as goodwill, and any bargain gain is immediately recognized in the statement of income (loss) and comprehensive income (loss). If control is lost as a result of a transaction, the participation retained is recognized on the balance sheet at fair value and the difference between the fair value recognized and the carrying value as at the date of the transaction is recognized in the statement of income (loss). Acquisition costs are expensed as incurred.

The Company recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

The results of businesses acquired during the period are consolidated into the consolidated financial statements from the date on which control commences (generally at the closing date when the acquirer legally transfers the consideration).

c) *Non-controlling interests*

Non-controlling interests represent an equity interest in a subsidiary owned by an outside party. The share of net assets of the subsidiary attributable to the non-controlling interests is presented as a component of equity. Their share of net income or loss and comprehensive income or loss is recognized directly in equity. Changes in the Company's ownership interest in the subsidiary that do not result in a loss of control are accounted for as equity transactions.

d) *Consolidation*

The Company's financial statements consolidate the accounts of Osisko Gold Royalties Ltd and its subsidiaries. All intercompany transactions, balances and unrealized gains or losses from intercompany transactions are eliminated on consolidation. Subsidiaries are all entities over which the Company has the ability to exercise control. The Company controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to Osisko and are de-consolidated from the date that control ceases. Accounting policies of subsidiaries are consistent with the policies adopted by Osisko.

The principal subsidiaries of the Company, their geographic locations, related participation and principal operating segment (Note 33) at December 31, 2020 and 2019 were as follows:

Entity	Jurisdiction	Participation	Functional currency	Operating Segment
Osisko Development Corp.[i]	Québec	84.1%	Canadian dollar	Exploration/development of mining projects
Osisko Bermuda Limited	Bermuda	100%	United States dollar	Royalties, streams and similar interests
Osisko Mining (USA) Inc.	Delaware	100%	United States dollar	Royalties, streams and similar interests

[i] The following entities are wholly-owned subsidiaries of Osisko Development Corp. since November 25, 2020 (Note 7): Barkerville Gold Mines Ltd. (British Columbia), Coulon Mines Inc. (Canada), General Partnership Osisko James Bay (Québec) and Sapuchi Minera S. de R.L. de C.V. (Mexico) (Pesos as functional currency). Prior to that date, these subsidiaries were wholly-owned by the Company.

4. Significant accounting policies *(continued)*

e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each consolidated entity and associate of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the parent Company and some of its subsidiaries.

Assets and liabilities of the subsidiaries that have a functional currency other than the Canadian dollar are translated into Canadian dollars at the exchange rate in effect on the consolidated balance sheet date and revenues and expenses are translated at the average exchange rate over the reporting period. Gains and losses from these translations are recognized as currency translation adjustment in other comprehensive income or loss.

(ii) Transactions and balances

Foreign currency transactions, including revenues and expenses, are translated into the functional currency at the rate of exchange prevailing on the date of each transaction or valuation when items are re-measured. Monetary assets and liabilities denominated in currencies other than the operation’s functional currencies are translated into the functional currency at exchange rates in effect at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of those transactions and from period-end translations are recognized in the consolidated statement of income (loss).

Non-monetary assets and liabilities are translated at historical rates, unless such assets and liabilities are carried at fair value, in which case, they are translated at the exchange rate in effect at the date of the fair value measurement. Changes in fair value attributable to currency fluctuations of non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in the consolidated statement of income (loss) as part of the fair value gain or loss. Such changes in fair value of non-monetary financial assets, such as equities classified at fair value through other comprehensive income, are included in other comprehensive income or loss.

f) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is an unconditional and legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

All financial instruments are required to be measured at fair value on initial recognition. The fair value is based on quoted market prices, unless the financial instruments are not traded in an active market. In this case, the fair value is determined by using valuation techniques like the Black-Scholes option pricing model or other valuation techniques.

4. Significant accounting policies *(continued)*

f) Financial instruments (continued)

Measurement after initial recognition depends on the classification of the financial instrument. The Company has classified its financial instruments in the following categories depending on the purpose for which the instruments were acquired and their characteristics.

(i) Financial assets

Debt instruments

Investments in debt instruments are subsequently measured at amortized cost when the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and when the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments are subsequently measured at fair value when they do not qualify for measurement at amortized cost. Financial instruments subsequently measured at fair value, including derivatives that are assets, are carried at fair value with changes in fair value recorded in net income or loss unless they are held within a business model whose objective is to hold assets in order to collect contractual cash flows or sell the assets and when the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, in which case unrealized gains and losses are initially recognized in other comprehensive income or loss for subsequent reclassification to net income or loss through amortization of premiums and discounts, impairment or derecognition.

Equity instruments

Investments in equity instruments are subsequently measured at fair value with changes recorded in net income or loss. Equity instruments that are not held for trading can be irrevocably designated at fair value through other comprehensive income or loss on initial recognition without subsequent reclassification to net income or loss. Cumulative gains and losses are transferred from accumulated other comprehensive income (loss) to retained earnings upon derecognition of the investment. Dividend income on equity instruments measured at fair value through other comprehensive income or loss is recognized in the statement of income (loss) on the ex-dividend date.

(i) Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

4. Significant accounting policies *(continued)*

f) Financial instruments (continued)

The Company has classified its financial instruments as follows:

Category	**Financial instrument**
Financial assets at amortized cost	Bank balances Short-term debt securities Notes and loans receivable Trade receivables Interest income receivable Amounts receivable from associates and other receivables Reclamation deposits
Financial assets at fair value through profit or loss	Investments in derivatives and convertible debentures
Financial assets at fair value through other comprehensive income or loss	Investments in shares and equity instruments, other than in derivatives
Financial liabilities at amortized cost	Accounts payable and accrued liabilities Liability component of convertible debentures Borrowings under revolving credit facilities

Derivatives

Derivatives, other than warrants held in mining exploration and development companies, are only used for economic hedging purposes and not as speculative investments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

g) Impairment of financial assets

At each reporting date, the Company assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk or if a simplified approach has been selected.

The Company has two principal types of financial assets subject to the expected credit loss model:

- Trade receivables; and
- Investments in debt instruments measured at amortized cost.

Amounts receivable

The Company applies the simplified approach permitted by IFRS 9 for trade receivables (including amounts receivable from associates and other receivables), which requires lifetime expected credit losses to be recognized from initial recognition of the receivables.

Investments in debt instruments

To the extent that a debt instrument at amortized cost is considered to have low credit risk, which corresponds to a credit rating within the investment grade category and the credit risk has not increased significantly, the loss allowance is determined on the basis of 12-month expected credit losses. If the credit risk has increased significantly, the lifetime expected credit losses are recognized.

4. Significant accounting policies *(continued)*

h) Cash

Cash includes demand deposits held with banks.

i) Refundable tax credits for mining exploration expenses

The Company is entitled to refundable tax credits on qualified mining exploration and evaluation expenses incurred in the provinces of Québec and British-Columbia. The credits are accounted for against the exploration and evaluation expenses incurred.

j) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis.

k) Investments in associates

Associates are entities over which the Company has significant influence, but not control. The financial results of the Company's investments in its associates are included in the Company's results according to the equity method. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Company's share of profits or losses of associates after the date of acquisition. The Company's share of profits or losses is recognized in the consolidated statement of income (loss) and its share of other comprehensive income or loss of associates is included in other comprehensive income or loss.

Unrealized gains on transactions between the Company and an associate are eliminated to the extent of the Company's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising from changes in interests in investments in associates are recognized in the consolidated statement of income or loss.

The Company assesses at each reporting date whether there is any objective evidence that its investments in associates are impaired. If impaired, the carrying value of the Company's share of the underlying assets of associates is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal and value-in-use) and charged to the consolidated statement of income or loss.

l) Royalty, stream and other interests

Royalty, stream and other interests consist of acquired royalty, stream and other interests in producing, development and exploration and evaluation stage properties. Royalty, stream and other interests are recorded at cost and capitalized as tangible assets. They are subsequently measured at cost less accumulated depletion and depreciation and accumulated impairment losses. The major categories of the Company's interests are producing, development and exploration and evaluation. Producing assets are those that have generated revenue from steady-state operations for the Company. Development assets are interests in projects that are under development, in permitting or feasibility stage and that in management's view, can be reasonably expected to generate steady-state revenue for the Company in the near future. Exploration and evaluation assets represent properties that are not yet in development, permitting or feasibility stage or that are speculative in nature and are expected to require several years to generate revenue, if ever, or are currently not active.

Producing and development royalty, stream and other interests are recorded at cost and capitalized in accordance with IAS 16 *Property, Plant and Equipment*. Producing royalty, stream and other interests are depleted using the units-of-production method over the life of the property to which the interest relates, which is estimated using available estimates of proven and probable mineral reserves specifically associated with the properties and may include a portion of resources expected to be converted into mineral reserves. Management relies on information available to it under contracts with the operators and / or public disclosures for information on proven and probable mineral reserves and resources from the operators of the producing royalty, stream and other interests.

4. Significant accounting policies *(continued)*

l) Royalty, stream and other interests (continued)

On acquisition of a producing or a development royalty, stream and other interest, an allocation of the acquisition cost is made for the exploration potential based on its fair value. The estimated fair value of this acquired exploration potential is recorded as an asset (non-depreciable interest) on the acquisition date. Updated mineral reserve and resource information obtained from the operators of the properties is used to determine the amount to be converted from non-depreciable interest to depreciable interest.

Royalty, stream and other interests for exploration and evaluation assets are recorded at cost and capitalized in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*. Acquisition costs of exploration and evaluation royalty, stream and other interests are capitalized and are not depleted until such time as revenue-generating activities begin.

Producing and development royalty, stream and other interests are reviewed for impairment at each reporting date if there is any indication that the carrying amount may not be recoverable. Impairment is assessed at the level of Cash-Generating Units (''CGU'') which, in accordance with IAS 36 *Impairment of Assets*, are identified as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets. This is usually at the individual royalty, stream and other interest level for each property from which cash inflows are generated.

Royalty, stream and other interests for exploration and evaluation assets are assessed for impairment whenever indicators of impairment exist in accordance with IFRS 6. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. An interest that has previously been classified as exploration and evaluation is also assessed for impairment before reclassification to development or producing, and the impairment loss, if any, is recognized in net income.

m) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced.

Depreciation is calculated to amortize the cost of the property and equipment less their residual values over their estimated useful lives using the straight-line method and following periods by major categories:

Leasehold improvements	Lease term
Furniture and office equipment	3-7 years
Exploration equipment and facilities	3-20 years
Mining plant and equipment (development)	5-20 years
Right-of-use assets	Lessor of useful life and lease term

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of *other gains or losses, net* in the consolidated statement of income (loss).

4. Significant accounting policies *(continued)*

n) Exploration and evaluation expenditures

Exploration and evaluation assets are comprised of exploration and evaluation expenditures and mining properties acquisition costs for exploration and evaluation assets. Expenditures incurred on activities that precede exploration and evaluation, being all expenditures incurred prior to securing the legal rights to explore an area, are expensed immediately. Exploration and evaluation assets include rights in mining properties, paid or acquired through a business combination or an acquisition of assets, and costs related to the initial search for mineral deposits with economic potential or to obtain more information about existing mineral deposits. Mining rights are recorded at acquisition cost less accumulated impairment losses. Mining rights and options to acquire undivided interests in mining rights are depreciated only as these properties are put into commercial production.

Exploration and evaluation expenditures for each separate area of interest are capitalized and include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore like topographical, geological, geochemical and geophysical studies. They also reflect costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration and evaluation or acquired through a business combination or asset acquisition.

Exploration and evaluation expenditures include the cost of:

(i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities;
(ii) determining the optimal methods of extraction and metallurgical and treatment processes;
(iii) studies related to surveying, transportation and infrastructure requirements;
(iv) permitting activities; and
(v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Exploration and evaluation expenditures include overhead expenses directly attributable to the related activities.

Cash flows attributable to capitalized exploration and evaluation costs are classified as investing activities in the consolidated statement of cash flows under the heading *exploration and evaluation*.

Exploration and evaluation assets under a farm-out arrangement (where a farmee incurs certain expenditures in a property to earn an interest in that property) are accounted as follows:

(i) the Company uses the carrying value of the interest before the farm-out arrangement as the carrying value for the portion of the interest retained;
(ii) the Company credits any cash consideration received against the carrying amount of the portion of the interest retained, with an excess included as a gain in profit or loss;
(iii) in the situation where a royalty interest is retained by the Company as a result of an interest earned by the farmee, the Company records the royalty interest received at an amount corresponding to the carrying value of the exploration and evaluation property at the time of the transfer in ownership; and
(iv) the Company does not record exploration expenditures made by the farmee on the property.

o) Goodwill

Goodwill is recognized in a business combination if the cost of the acquisition exceeds the fair value of the identifiable net assets acquired. Goodwill is then allocated to the CGU or group of CGUs that are expected to benefit from the synergies of the combination. The Company performs goodwill impairment tests on an annual basis as at December 31 of each year. In addition, the Company assesses for indicators of impairment at each reporting period end and, if an indicator of impairment is identified, goodwill is tested for impairment at that time. If the carrying value of the CGU or group of CGUs to which goodwill is assigned exceeds its recoverable amount, an impairment loss is recognized. Goodwill impairment losses are not reversed.

The recoverable amount of a CGU or group of CGUs is measured as the higher of value in use and fair value less costs of disposal.

4. Significant accounting policies *(continued)*

p) Provision for environmental rehabilitation

Provision for environmental rehabilitation, restructuring costs and legal claims, where applicable, is recognized when:

(i) The Company has a present legal or constructive obligation as a result of past events.
(ii) It is probable that an outflow of resources will be required to settle the obligation.
(iii) The amount can be reliably estimated.

The provision is measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and is discounted to present value where the effect is material. The increase in the provision due to passage of time is recognized as finance costs. Changes in assumptions or estimates are reflected in the period in which they occur.

Provision for environmental rehabilitation represents the legal and constructive obligations associated with the eventual closure of the Company's property, plant and equipment. These obligations consist of costs associated with reclamation and monitoring of activities and the removal of tangible assets. The discount rate used is based on a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation, excluding the risks for which future cash flow estimates have already been adjusted.

Reclamation deposits

Reclamation deposits are term deposits held on behalf of the Government of the Province of British Columbia as collateral for possible rehabilitation activities on the Company's mineral properties in connection with permits required for exploration activities. Reclamation deposits are released once the property is restored to satisfactory condition, or as released under the surety bond agreement. As they are restricted from general use, they are included under other assets on the consolidated balance sheets.

q) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of income (loss), except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity. In this case, the tax is also recognized in other comprehensive income or loss or directly in equity, respectively.

Current income taxes

The current income tax charge is the expected tax payable on the taxable income for the year, using the tax laws enacted or substantively enacted at the balance sheet date in the jurisdictions where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates (and laws) that apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

4. Significant accounting policies *(continued)*

q) Royalty, stream and other interests (continued)

Deferred income tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

r) Convertible debentures

The liability and equity components of convertible debentures are presented separately on the consolidated balance sheet starting from initial recognition.

The liability component is recognized initially at the fair value, by discounting the stream of future payments of interest and principal at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows that do not have an associated conversion option. Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method; the liability component is increased by accretion of the discounted amounts to reach the nominal value of the debentures at maturity.

The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability from the amount of the debentures and is presented in shareholders' equity as *equity component of convertible debenture*. The equity component is not re-measured subsequent to initial recognition except on conversion or expiry. A deferred tax liability is recognized with respect to any temporary difference that arises from the initial recognition of the equity component separately from the liability component. The deferred tax is charged directly to the carrying amount of the equity component. Subsequent changes in the deferred tax liability are recognized through the consolidated statement of income (loss).

Transaction costs are distributed between liability and equity on a pro-rata basis of their carrying amounts.

s) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from the proceeds in equity in the period where the transaction occurs.

t) Warrants

Warrants are classified as equity. Incremental costs directly attributable to the issuance of warrants are recognized as a deduction from the proceeds in equity in the period where the transaction occurs.

u) Revenue recognition

Revenue comprises revenues from the sale of commodities received and revenues directly earned from royalty, stream and other interests.

For royalty and stream agreements paid in-kind and for offtake agreements, the Company's performance obligations relate primarily to the delivery of gold, silver or other products to the customers. Revenue is recognized when control is transferred to the customers, which is achieved when a product is delivered, the customer has full discretion over the product and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Control over the refined gold, silver and other products is transferred to the customers when the relevant product received (or purchased) from the operator is physically delivered and sold by the Company (or its agent) to the third party customers. For royalty and stream agreements paid in cash, revenue recognition will depend on the related agreement.

Revenue is measured at fair value of the consideration received or receivable when management can reliably estimate the amount, pursuant to the terms of the royalty, stream and other interest agreements. In some instances, the Company will not have access to sufficient information to make a reasonable estimate of revenue and, accordingly, revenue recognition is deferred until management can make a reasonable estimate. Differences between estimates and actual amounts are adjusted and recorded in the period that the actual amounts are known.

4. Significant accounting policies *(continued)*

v) Leases

The Company is committed to long-term lease agreements, mainly for office space and mining equipment.

From January 1, 2019, leases are recognized as a right-of-use asset (presented under *non-current other assets* on the consolidated balance sheet) and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases (12 months or less) and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss.

w) Share-based compensation

Share option plan

The Company and its subsidiary, Osisko Development, offer a share option plan to their respective directors, officers, employees and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

Any consideration paid on exercise of share options is credited to share capital. The contributed surplus resulting from share-based compensation is transferred to share capital when the options are exercised.

Deferred and restricted share units

The Company and its subsidiary, Osisko Development, offer a deferred share units ("DSU") plan to their respective directors and a restricted share units ("RSU") plan to their officers and employees. DSU may be granted to directors and RSU may be granted to employees, directors and officers as part of their long-term compensation package, entitling them to receive a payment in the form of common shares, cash (based on the Osisko's share price or Osisko Development's share price at the relevant time) or a combination of common shares and cash, at the sole discretion of Osisko or Osisko Development. The fair value of the DSU and RSU granted by Osisko to be settled in common shares is measured on the grant date and is recognized over the vesting period under *contributed surplus* with a corresponding charge to *share-based compensation*. The fair value of the DSU and RSU granted by Osisko Development to be settled in common shares is measured on the grant date and is recognized over the vesting period under *non-controlling interests* with a corresponding charge to *share-based* compensation. A liability for the DSU and RSU to be settled in cash is measured at fair value on the grant date and is subsequently adjusted at each balance sheet date for changes in fair value. The liability is recognized over the vesting period with a corresponding charge to *share-based compensation*.

4. Significant accounting policies *(continued)*

x) Earnings per share

The calculation of earnings per share ("EPS") is based on the weighted average number of shares outstanding for each period. The basic EPS is calculated by dividing the profit or loss attributable to the equity owners of Osisko by the weighted average number of common shares outstanding during the period.

The computation of diluted EPS assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. The treasury stock method is used to determine the dilutive effect of the warrants, share options, DSU and RSU and the if-converted method is used for convertible debentures. When the Company reports a loss, the diluted net loss per common share is equal to the basic net loss per common share due to the anti-dilutive effect of the outstanding warrants, share options, DSU and RSU and convertible debentures.

y) Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer ("CEO") who fulfills the role of the chief operating decision-maker. The CEO is responsible for allocating resources and assessing performance of the Company's operating segments. Following the acquisition of Barkerville (Note 7) in November 2019, the Company manages its business under two operating segments: (i) acquiring and managing precious metal and other royalties, streams and similar interests, and (ii) the exploration, evaluation and development of mining projects (mainly through Osisko Development).

5. Accounting standards issued but not yet effective

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than December 31, 2020. Many of these updates are not expected to have any significant impact on the Company and are therefore not discussed herein.

<u>Amendments to IAS 16 *Property, plant and equipment*</u>

The IASB has made amendments to *IAS 16 Property, plant and equipment*, which will be effective for financial years beginning on or after January 1, 2022. Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognized in profit or loss, together with the costs of producing those items. The Company will therefore need to distinguish between the costs associated with producing and selling items before the item of property, plant and equipment (pre-production revenue) is available for use and the costs associated with making the item of property, plant and equipment available for its intended use. For the sale of items that are not part of a company's ordinary activities, the amendments will require the Company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income (loss). These amendments will have an impact on the Company's consolidated financial statements.

6. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Mineral reserves and resources – Royalties, streams and other assets

Royalty, stream and other interests comprise a large component of the Company's assets and as such, the mineral reserves and resources of the properties to which the interests relate have a significant effect on the Company's consolidated financial statements. These estimates are applied in determining the depletion of the Company's royalty, stream and other interests and assessing the recoverability of the carrying value of royalty, stream and other interests. For royalty, stream and other interests, the public disclosures of mineral reserves and resources that are released by the operators of the properties involve assessments of geological and geophysical studies and economic data and the reliance on a number of assumptions, including commodity prices and production costs. These assumptions are, by their very nature, subject to interpretation and uncertainty. The estimates of mineral reserves and resources may change based on additional knowledge gained subsequent to the initial assessment, adjusted by the Company's internal geological specialists, as deemed necessary. Changes in the estimates of mineral reserves and resources may materially affect the recorded amounts of depletion and the assessed recoverability of the carrying value of royalty, stream and other interests.

Mineral reserves and resources – Exploration and development projects

Mineral reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its mineral reserve and mineral resources based on information compiled by Qualified Persons as defined by Canadian Securities Administrators National Instrument 43-101, *Standards for Disclosure of Mineral Projects*. Such information includes geological data on the size, depth and shape of the mineral deposit, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade that comprise the mineral reserves. Changes in the mineral reserve or mineral resource estimates may impact the carrying value of mineral properties and deferred development costs, property, plant and equipment, provision for site reclamation and closure, recognition of deferred income tax assets and depreciation and amortization charges.

Impairment of royalty, stream and other interests

The assessment of the fair values of royalty, stream and other interests requires the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, mineral reserve/resource conversion, net asset value multiples, foreign exchange rates, future capital expansion plans and the associated production implications. In addition, the Company may use other approaches in determining fair value which may include estimates related to (i) dollar value per ounce of mineral reserve/resource; (ii) cash-flow multiples; and (iii) market capitalization of comparable assets. Changes in any of the estimates used in determining the fair value of the royalty, stream and other interests could impact the impairment analysis.

6. Critical accounting estimates and judgements *(continued)*

Critical accounting estimates and assumptions (continued)

Impairment of exploration and evaluation assets, mining interests and plant and equipment

The Company's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalized. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalized amount will be written off to the consolidated statement of income (loss).

Development activities commence after project sanctioning by senior management. Judgement is applied by management in determining when a project has reached a stage at which economically recoverable reserves exist such that development may be sanctioned. In exercising this judgement, management is required to make certain estimates and assumptions similar to those described above for capitalized exploration and evaluation expenditure. Such estimates and assumptions may change as new information becomes available. If, after having started the development activity, a judgement is made that a development asset is impaired, the appropriate amount will be written off to the consolidated statement of income (loss).

The Company's recoverability of its recorded value of its exploration and evaluation assets, mining interests and plant and equipment is based on market conditions for metals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale.

At each reporting date, the Company evaluates each mining property and project on results to date to determine the nature of exploration, other assessment and development work that is warranted in the future. If there is little prospect of future work on a property or project being carried out within a prolonged period from completion of previous activities, the deferred expenditures related to that property or project are written off or written down to the estimated amount recoverable unless there is persuasive evidence that an impairment allowance is not required.

The recoverable amounts of exploration and evaluation assets, mining interests and plant and equipment are determined using the higher of value in use or fair value less costs of disposal. Value in use consists of the net present value of future cash flows expected to be derived from the asset in its current condition based on observable data. The calculations use cash flow projections based on financial budgets approved by management. These cash flow projections are based on expected recoverable ore reserves, selling prices of metals and operating costs. Fair value less costs of disposal consists of the expected sale price (the amount that a market participant would pay for the asset) of the asset net of transaction costs.

The Company may use other approaches in determining the fair value which may include estimates related to (i) dollar value per ounce of mineral reserve/resource; (ii) cash-flow multiples; (iii) market capitalization of comparable assets; and (iv) comparable sales transactions. Any changes in the quality and quantity of recoverable ore reserves, expected selling prices and operating costs could materially affect the estimated fair value of mining interests, which could result in material write-downs or write-offs in the future.

6. Critical accounting estimates and judgements *(continued)*

Critical accounting estimates and assumptions (continued)

Impairment of goodwill

The Company performs goodwill impairment tests on an annual basis as at December 31 of each year. In addition, the Company assesses for indicators of impairment at each reporting date and, if an indicator of impairment is identified, goodwill is tested for impairment at that time. For the purpose of impairment testing, goodwill is allocated to each CGU or group of CGUs expected to benefit from the synergies of the combination. When completing an impairment test, the Company calculates the estimated recoverable amount of CGU or group of CGUs, which requires management to make estimates and assumptions with respect to items such as future production levels, long-term commodity prices, foreign exchange rates, discount rates and exploration potential.

These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will have an impact on these projections, which may impact the recoverable amount of the CGU or group of CGUs. Accordingly, it is possible that some or the entire carrying amount of the goodwill may be further impaired with the impact recognized in the consolidated statement of income (loss).

The Company performs annual impairment tests using the fair value less cost of disposal of the group of CGUs supporting the goodwill and using discounted cash flows with the most recent budgets and forecasts available, including information from external sources. The periods to be used for the projections are based on the expected production from the mines, the proven and probable mineral reserves and a portion of the resources. The discount rate to be used takes into consideration the different risk factors of the Company.

Provision for environmental rehabilitation

Provision for environmental rehabilitation is based on management best estimates and assumptions, which management believes are a reasonable basis upon which to estimate the future liability, based on the current economic environment. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, rehabilitation standards and techniques will result in changes to the provision from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the costs are actually incurred. The final cost of the rehabilitation provision may be higher or lower than currently provided for.

Critical judgements in applying the Company's accounting policies

Business combinations

The assessment of whether an acquisition meets the definition of a business, or whether assets are acquired is an area of key judgement. The assumptions and estimates with respect to determining the fair value of assets acquired and liabilities assumed, and of royalty, stream and other interests and exploration and evaluation properties in particular, generally requires a high degree of judgement. Changes in the judgements made could impact the amounts assigned to assets and liabilities.

Investee – significant influence

The assessment of whether the Company has a significant influence over an investee requires the use of judgements when assessing factors that could give rise to a significant influence. Factors which could lead to the conclusion of having a significant influence over an investee include, but are not limited to, ownership percentage; representation on the board of directors; participation in the policy-making process; material transactions between the investor and the investee; interchange of managerial personnel; provision of essential technical information; and potential voting rights.

Changes in the judgements used in determining if the Company has a significant influence over an investee would impact the accounting treatment of the investment in the investee.

6. Critical accounting estimates and judgements *(continued)*

Critical judgements in applying the Company's accounting policies (continued)

Impairment of investments in associates

The Company follows the guidance of IAS 28 *Investments in Associates and Joint Ventures* to assess whether there are impairment indicators which may lead to the recognition of an impairment loss with respect to its net investment in an associate. This determination requires significant judgement in evaluating if a decline in fair value is significant or prolonged, which triggers a formal impairment test. In making this judgement, the Company's management evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its carrying amount, the volatility of the investment and the financial health and business outlook for the investee, including factors such as the current and expected status of the investee's exploration projects and changes in financing cash flows.

Impairment of exploration and evaluation assets and royalty, stream and other interests on exploration and evaluation properties

Assessment of impairment of exploration and evaluation assets (including exploration and evaluation assets under a farm-out agreement) and royalty, stream and other interests on exploration and evaluation properties requires the use of judgements when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Company's exploration and evaluation assets and royalty, stream and other interests on exploration and evaluation properties. Factors which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or will expire in the near future and is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area, taking into consideration such expenditures to be incurred by a farmee, is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale; significant negative industry or economic trends; interruptions in exploration and evaluation activities by the Company or its farmee; and a significant change in current or forecast commodity prices.

Changes in the judgements used in determining the fair value of the exploration and evaluation assets and royalty, stream and other interests on exploration and evaluation properties could impact the impairment analysis.

Impairment of development and producing royalty, stream and other interests and goodwill

Assessment of impairment of development and producing royalty, stream and other interests and goodwill requires the use of judgement when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Company's development and producing royalty, stream and other interests or goodwill. Factors which could trigger an impairment review include, but are not limited to, a significant market value decline; net assets higher than the market capitalization; a significant change in mineral reserve and resources; significant negative industry or economic trends; interruptions in production activities; significantly lower production than expected; and a significant change in current or forecast commodity prices.

Changes in the judgements used in determining the fair value of the producing royalty, stream and other interests or goodwill could impact the impairment analysis.

Deferred income tax assets

Management continually evaluates the likelihood that it is probable that its deferred tax assets will be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgement.

7. Spin-out transaction of the mining activities

On November 25, 2020, Osisko completed the spin-out transaction of its mining activities to Osisko Development through a reverse take-over transaction with Barolo Ventures Corp. ("Barolo"), thus forming a new gold development company in North America, with the objective of becoming a mid-tier gold producer. Upon closing, Barolo changed its name to Osisko Development Corp.

History and description of the transaction

On October 5, 2020, Osisko and Barolo had entered into a binding letter agreement (the "Letter Agreement") outlining the terms upon which Osisko would transfer certain mining properties (as described below) and a portfolio of marketable securities (together with the mining properties, the "Contributed Osisko Assets") to Barolo in exchange for common shares of Barolo (the "Barolo Shares"), which would result in a reverse take-over" of Barolo (the "RTO") under the policies of the TSX-V.

The spin-out transaction resulted in, among other things, Osisko transferring certain mining properties and a portfolio of marketable securities (through the transfer of the entities that directly or indirectly own such mining properties and marketable securities) to Osisko Development Holdings Inc. ("Osisko Subco"), following which Osisko Subco and 1269598 BC Ltd. ("Barolo Subco") were amalgamated by way of a triangular amalgamation under the Business Corporations Act (British Columbia) (the "Amalgamation") to form "Amalco". Upon the Amalgamation, Osisko exchanged its Osisko Subco shares for ODV Shares, which resulted in the RTO of Osisko Development.

Transaction costs related to the RTO transaction amounted to approximately $1.3 million and are included under *business development expenses* on the consolidated statements of income (loss).

Contributed Osisko Assets

The following assets were transferred by Osisko to Osisko Development:

- Cariboo gold project (British Columbia, Canada)
- San Antonio gold project (Sonora, Mexico)
- Bonanza Ledge II gold project (British Columbia, Canada)
- Guerrero exploration properties (Guerrero, Mexico)
- James Bay exploration properties, including the Coulon property (Québec, Canada)
- Portfolio of publicly-listed equity positions

Osisko retained the following royalty or stream interests in the assets transferred to Osisko Development:

- 5% NSR royalty on the Cariboo gold project and Bonanza Ledge II gold project
- 15% gold and silver stream on the San Antonio gold project
- 3% NSR royalty on the James Bay and Guerrero exploration properties

Osisko was also granted the following rights in Osisko Development: (i) a right of first refusal on all future royalties and streams to be offered by Osisko Development; (ii) a right to participate in buybacks of existing royalties held by Osisko Development; and (iii) other rights customary with a transaction of this nature.

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

7. Spin-out transaction of the mining activities *(continued)*

Deemed acquisition of Barolo

The net assets of Barolo acquired were recorded at their estimated relative fair market value at the date of closing of the RTO and are summarized below:

Deemed consideration paid for the deemed acquisition of Barolo	$
233,395 common shares of Osisko Development deemed issued (i)	1,751
Transaction fees	500
	2,251
Net liabilities deemed assumed	
Net liabilities of Barolo	(164)
Net cost of listing	2,415

(i) Represents the deemed listing fees of Osisko Development.

Financings of Osisko Development

RTO Financing

On November 25, 2020, prior to the effective time of the Amalgamation, upon satisfaction of the escrow release conditions, a total of 13,350,000 subscription receipts of Osisko Subco were issued at a price of $7.50 per subscription receipt under a $100.1 million concurrent financing closed by Osisko Subco on October 29, 2020 (the "RTO Financing"), were converted into 13,350,000 common shares of Osisko Subco and 6,675,000 common share purchase warrants of Osisko Subco, and the net subscription proceeds were released from escrow and paid to Osisko Subco.

Each common share purchase warrant of Osisko Subco outstanding, immediately prior to the effective time of the Amalgamation, was exchanged for one common share purchase warrant of Osisko Development, with each common share purchase warrant of Osisko Development entitling the holder to acquire one ODV Share at a price of $10 per share for a period of 18 months from the effective date of the Amalgamation (which was subsequently extended to 36 months from the date of closing). Transaction costs amounted to $3.0 million, including the Underwriters' commission.

Following completion of the Amalgamation and RTO Financing, Osisko held beneficial ownership and control over 100,000,100 Osisko Development shares, representing approximately 88.0% of the issued and outstanding Osisko Development shares.

Brokered private placement

On December 30, 2020, Osisko Development closed a brokered private placement of 5,367,050 units (the "Brokered Private Placement Units") at a price of $7.50 per Brokered Private Placement Unit for aggregate gross proceeds of approximately $40.2 million, including the exercise in full of the underwriters' option (the "Brokered Private Placement"). Each Brokered Private Placement Unit consists of one common share of Osisko Development and one-half of one common share purchase warrant of Osisko Development, with each whole warrant entitling the holder thereof to acquire one common share of Osisko Development at a price of $10.00 per share on or prior to December 1, 2023. The net proceeds of the Brokered Private Placement will be used to further develop the Cariboo gold project and other exploration assets of Osisko Development, and for general corporate purposes. Transaction costs amounted to $2.1 million, including the Underwriters' commission.

Following completion of the Brokered Private Placement, Osisko continued to hold beneficial ownership and control over 100,000,100 Osisko Development shares, representing approximately 84.1% of the issued and outstanding Osisko Development shares.

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

8. Acquisition of the San Antonio gold project

In August 2020, Osisko acquired the San Antonio gold project in the state of Sonora in Mexico for US$42.0 million through the (indirect) acquisition of Sapuchi Minera S. de R.L. de C.V. An amount of US$30.0 million was paid in cash by Osisko and the remaining US$12.0 million was paid through the issuance of common shares of Osisko. A total of 1,011,374 Osisko common shares were issued and valued at $15.8 million, based on the closing price of the Company's common shares on the transaction date. Transaction costs amounted to $5.9 million. The San Antonio gold project was subsequently transferred to Osisko Development as part of the RTO transaction (Note 7).

In accordance with IFRS 3 *Business Combinations*, the transaction has been recorded as an acquisition of assets as the acquired assets and assumed liabilities did not meet the definition of a business.

The total purchase price of $68.1 million was allocated to the assets acquired and the liabilities assumed based on the relative fair value at the closing date of the transaction. All financial assets acquired and financial liabilities assumed were recorded at fair value.

The purchase price was calculated as follows:

Consideration paid	**$**
Issuance of 1,011,374 common shares	15,846
Cash consideration	40,015
Value-added tax paid on acquisition of assets	6,328
Osisko's transaction costs	5,865
	68,054

Net assets acquired	**$**
Inventories	7,899
Inventories – non-current [(1)]	16,129
Other non-current assets	6,328
Mining interests and plant and equipment	58,368
Accounts payable and accrued liabilities	(11,369)
Provision and other liabilities	(9,301)
	68,054

(1) The inventory balance associated with the ore that was not expected to be processed within 12 months of the acquisition date was classified as non-current and is recorded in the other assets line item on the consolidated balance sheet.

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

9. Acquisition of Barkerville Gold Mines Ltd.

On November 21, 2019, the Company acquired all of the outstanding common shares of Barkerville that it did not already own at the date of the transaction. Barkerville is a Canadian exploration and development company focused on the development of its extensive land package located in the historical Cariboo Mining District of central British Columbia, Canada.

For each common share of Barkerville, shareholders received 0.0357 of a common share of Osisko. All of Barkerville's outstanding common share options have been exchanged for common share options ("Barkerville replacement share options") of Osisko using the same share exchange ratio as for the common shares valued at $1.9 million using the Black-Sholes option pricing model.

A total of 13,560,832 Osisko common shares were issued and valued at $160.6 million, based on the closing price of the Company's common shares on the transaction date. A total of 1,005,478 Barkerville replacement share options were issued and valued at $1.9 million, based on the Black-Sholes option pricing model. The fair value of the 10,000,000 Barkerville common share warrants already held by the Company and cancelled was estimated at $0.6 million, using the Black-Sholes option pricing model. Transaction costs amounted to $1.5 million and cash and cash equivalents acquired amounted to $8.3 million.

Prior to the acquisition date, Osisko held an initial investment of 183,625,585 common shares in Barkerville, which was considered as an investment in an associate, having a net book value of $101.4 million. On November 21, 2019, the date of acquisition of Barkerville, the fair value of the initial investment was $77.1 million and has been included as part of consideration for the transaction, resulting in a loss of $24.3 million recorded in the consolidated statements of loss under o*ther (gains) losses, net*. Osisko also held a 4% NSR royalty on the Cariboo gold project prior to the acquisition of Barkerville having a net book value of $56.1 million, which was transferred from royalty, stream and other interests to mining interests and plant and equipment on the consolidated balance sheets.

In accordance with IFRS 3 *Business Combinations*, the transaction has been recorded as an acquisition of assets as the acquired assets and assumed liabilities did not constitute a business.

The total purchase price of $241.7 million was allocated to the assets acquired and the liabilities assumed based on the fair value of the total consideration at the closing date of the transaction. All financial assets acquired and financial liabilities assumed were recorded at fair value.

The purchase price was calculated as follows:

Consideration paid	**$**
Issuance of 13,560,832 common shares	160,564
Fair value of 183,625,585 Barkerville common shares already held	77,123
Fair value of 1,005,478 Barkerville replacement share options issued	1,912
Fair value of 10,000,000 warrants of Barkerville already held by Osisko and cancelled	589
Osisko's transaction costs	1,513
	241,701

Net assets acquired	**$**
Cash	8,312
Other current assets	4,565
Reclamation deposits	5,361
Plant and equipment	13,968
Mineral properties	247,054
Accounts payable and accrued liabilities	(16,320)
Provision and other liabilities	(21,239)
	241,701

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

10. Cash

As at December 31, 2020 and 2019, the cash position was as follows:

	Osisko Gold Royalties (i)		Osisko Development		Total	
	2020	2019(ii)	2020	2019(iii)	2020	2019
	$	$	$	$	$	$
Cash held in Canadian dollars	**29,714**	**4,752**	**137,374**	**8,006**	**167,088**	**12,758**
Cash held in U.S. dollars	59,208	73,502	47,167	-	106,375	73,502
Cash held in U.S. dollars (Canadian equivalent)	**75,383**	**95,465**	**60,053**	**-**	**135,436**	**95,465**
Total cash	**105,097**	**100,217**	**197,427**	**8,006**	**302,524**	**108,223**

(i) Excluding Osisko Development and its subsidiaries.
(ii) Excluding the cash held by Barkerville and the other subsidiaries that were transferred to Osisko Development in 2020 as part of the RTO.
(iii) Corresponds to the cash that was held by Barkerville and the other subsidiaries that were transferred to Osisko Development in 2020 as part of the RTO.

11. Short-term investments

As at December 31, 2020, short-term investments are comprised of a $3.5 million note receivable from an exploration and development mining company, bearing an interest rate of 12.0% and maturing in March 2021.

As at December 31, 2019, short-term investments were comprised of a $15.9 million secured senior loan (Note 15) with Falco Resources Ltd. (“Falco”), an associate of Osisko, bearing interest at a rate of 7.0%. This secured senior loan was amended in November 2020 and the maturity date was extended to December 31, 2022 (Note 15). As at December 31, 2019, short-term investments also included three other notes receivable from exploration and development mining companies for an aggregate amount of $4.8 million, bearing interest rates ranging from 10.5% to 12.0%.

12. Amounts receivable

	December 31, 2020	December 31, 2019
	$	$
Revenues receivable from royalty, stream and other interests	1,044	1,257
Interest income receivable	2,474	2,133
Amounts receivable from associates (i)	813	641
Sales taxes and exploration tax credits	7,224	2,063
Other receivables	1,339	236
	12,894	6,330

(i) Amounts receivable from associates are mainly related to professional services and office rent.

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

13. Inventories and other assets

	December 31, 2020	December 31, 2019
	$	$
Current		
Ore in stockpiles (i)	8,426	-
Supplies	1,599	1,656
Total current inventories	10,025	1,656
Prepaid expenses and deposits	6,244	3,516
Total current other assets	6,244	3,516
Non-current		
Ore in stockpiles (i)	17,279	-
Sales taxes	6,775	-
Reclamation deposits	599	5,361
Deferred financing fees	1,167	1,579
Total non-current other assets	25,820	6,940

(i) The inventory balance associated with the ore that is not expected to be processed within 12 months is classified as non-current and is recorded in the *other assets* line item on the consolidated balance sheet.

14. Investments in associates

	2020	2019
	$	$
Balance – January 1	103,640	304,911
Acquisitions (i)	14,954	37,335
Interests receivable paid in shares	-	1,820
Exercise of warrants	36	2,209
Share of loss	(7,657)	(22,209)
Share of comprehensive income (loss)	1,506	(352)
Net gain (loss) on ownership dilution (i)	10,381	(3,687)
Disposals (Note 9)	-	(84,293)
Loss on disposals	-	(2,440)
Deemed disposal (Note 9)	-	(77,123)
Gain (loss) on deemed disposals (ii)	5,357	(24,255)
Transfers to other investments (ii)	(8,998)	(9,676)
Impairment (iii)	-	(12,500)
Deemed repurchase of Osisko common shares held by an associate (iv)	-	(6,100)
Balance – December 31	119,219	103,640

(i) In June 2020, Osisko participated in a private placement completed by Osisko Mining Inc. ("Osisko Mining"), an associate of the Company, and invested an additional $14.8 million to acquire 4,054,000 units, each unit being comprised of one common share and one-half of one common share purchase warrants (each full warrant allowing its holder to acquire one common share of Osisko Mining for $5.25 for a period of 18 months following the closing of the transaction). The acquisition price was allocated to the investments in associates ($13.6 million) and warrants ($1.2 million). Following the closing of the private placement, Osisko's interest in Osisko Mining was reduced at the time from 15.8% to 14.7%. As a result, a gain on ownership dilution of $10.4 million was recorded under *other gains (losses), net* on the consolidated statement of income (loss) for the year ended December 31, 2020.

14. Investments in associates *(continued)*

(ii) In 2020, the gain on deemed disposals is related to investments in associates that were transferred to *other investments* as the Company has considered that it has lost its significant influence over the investees.

In 2019, the loss on deemed disposal was mainly the result of the acquisition of Barkerville, as the Company held shares in Barkerville prior to the acquisition (Note 9).

(iii) On September 30, 2019, the Company determined that its net investment in Falco was impaired. This determination was made considering, among other factors, the duration and extent to which the fair value of an investment is less than its carrying amount, the volatility of the share price and the business outlook for the investee, including factors such as the current and expected status of the investee's development projects. The net investment in Falco was written down to its estimated fair value and, therefore, an impairment charge of $12.5 million ($10.8 million, net of income taxes) was recorded for the year ended December 31, 2019.

(iv) Osisko Mining Inc. ("Osisko Mining"), an associate of Osisko, held common shares of Barkerville prior to the acquisition (Note 9). Following the acquisition of Barkerville, Osisko Mining has received common shares of Osisko, which resulted in a deemed repurchase of common shares by the Company and a related reduction in the net investment in Osisko Mining, based on the ownership interest held in Osisko Mining as at December 31, 2019.

Material investments

Osisko Mining Inc.

Osisko Mining is a Canadian gold exploration and development company focused on its Windfall Lake gold project. Osisko holds a 2.0% – 3.0% NSR royalty on the Windfall Lake gold project, for which a positive preliminary economic assessment was released in July 2019, and a 1% NSR royalty on other properties held by Osisko Mining. The Company invested $7.7 million in Osisko Mining in 2019 and an additional $14.8 million in 2020.

As at December 31, 2020, the Company holds 50,023,569 common shares representing a 14.5% interest in Osisko Mining (15.9% as at December 31, 2019). Based on the fact that some directors of Osisko are also directors of Osisko Mining, and because of other facts and circumstances, the Company concluded that it exercises significant influence over Osisko Mining and accounts for its investment using the equity method.

Osisko Metals Incorporated

Osisko Metals Incorporated ("Osisko Metals") is a Canadian base metal exploration and development company with a focus on zinc mineral assets. The company's flagship properties are the Pine Point mining camp, located in the Northwest Territories and the Bathurst mining camp, located in northern New Brunswick. The Company owns a 2.0% NSR royalty on the Pine Point mining camp and a 1% NSR royalty on the Bathurst mining camp. The Company invested $7.8 million in Osisko Metals in 2019.

As at December 31, 2020, the Company holds 31,127,397 common shares representing a 17.4% interest in Osisko Metals (17.9% as at December 31, 2019). Based on the fact that some officers and directors of Osisko are also directors of Osisko Metals, and because of other facts and circumstances, the Company concluded that it exercises significant influence over Osisko Metals and accounts for its investment using the equity method.

14. Investments in associates *(continued)*

Material investments *(continued)*

The financial information of the individually material associates is as follows and includes adjustments to the accounting policies of the associates to conform to those of Osisko (in thousands of dollars):

	Osisko Mining		Osisko Metals	
	2020(i)	2019(i)	2020(i)	2019(i),(ii)
	$	$	$	$
Current assets	326,563	130,495	1,616	13,166
Non-current assets	486,492	526,926	91,828	81,337
Current liabilities	43,482	25,833	3,028	6,139
Non-current liabilities	79,316	68,773	2,935	3,246
Revenues	-	-	-	-
Net loss from continuing operations and net loss	(33,337)	(82,554)	(9,646)	(4,280)
Other comprehensive income (loss)	14,879	(4,453)	(9,818)	(327)
Comprehensive loss	(18,458)	(87,007)	(19,464)	(4,607)
Carrying value of investment(iii)	95,379	73,967	14,204	15,389
Fair value of investment(ii)	185,087	186,177	13,696	12,698

(i) Information is for the reconstructed twelve months ended September 30 and as at September 30.
(ii) Osisko Metals became an individually material associate during the three months period ended December 31, 2019.
(iii) As at December 31, 2020 and 2019.

Investments in immaterial associates

The Company has interests in a number of individually immaterial associates that are accounted for using the equity method. The aggregate financial information on these associates is as follows:

	2020	2019
	$	$
Aggregate amount of the Company's share of net loss	(1,981)	(2,058)
Aggregate amount of the Company's share of other comprehensive loss	(33)	-
Aggregate carrying value of investments	9,636	14,284
Aggregate fair value of investments	20,951	21,166

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

15. Other investments

	2020	2019
	$	$
Fair value through profit or loss (warrants and convertible instruments)		
Balance – January 1	1,700	3,348
Acquisitions	4,782	1,085
Exercise	(347)	(1,055)
Change in fair value	2,387	(1,089)
Amendment of a note receivable (i)	16,541	-
Deemed disposal	-	(589)
Balance – December 31	25,063	1,700
Fair value through other comprehensive income (shares)		
Balance – January 1	57,409	104,055
Acquisitions	18,602	27,259
Exercise of warrants	452	-
Transfer from associates (Note 14)	8,998	9,676
Change in fair value	40,993	13,287
Disposals – shares repurchase (Note 23)	-	(90,546)
Disposals (ii)	(10,864)	(6,322)
Balance – December 31	115,590	57,409
Amortized cost (notes)		
Balance – January 1	8,777	2,200
Acquisitions	7,998	8,777
Transfer from short-term investments	8,467	-
Transfer to short-term investments	-	(2,200)
Impairments	(7,998)	-
Foreign exchange impact revaluation	(383)	-
Balance – December 31	16,861	8,777
Total	157,514	67,886

(i) In November 2020, a $15.9 million secured senior loan with Falco was amended to become convertible after the first anniversary of its execution date into common shares of Falco at a conversion price of $0.55 per share, subject to standard anti-dilution protections. The convertible debenture continues to bear interest at a rate of 7.0% per annum compounded quarterly and has a maturity date of December 31, 2022. The accrued interest receivable of $1.7 million on the loan prior to its conversion was capitalized to the capital of the note. In addition, Falco issued to Osisko 10,664,324 warrants of Falco, each exercisable for one common share of Falco at an exercise price of $0.69 for a period of 24 months from their date of issuance. The fair value of the warrants was evaluated at $1.1 million using the Black-Scholes model.

(ii) In 2019, an investment in a company classified as an investment at fair value through other comprehensive income was acquired by way of a share exchange. This non-cash transaction resulted in the disposal of the investment in the acquiree and the acquisition of an investment in the acquirer for an amount of $5.7 million.

Other investments comprise common shares, warrants, convertible and non-convertible notes receivable, mostly from Canadian publicly traded companies and loans receivables from two private companies, which are holding the Renard diamond mine and the Amulsar gold project (the loans related to the Amulsar gold project were written-off in 2020).

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

16. Royalty, stream and other interests

				Year ended December 31, 2020
	Royalty interests	Stream interests	Offtake interests	Total
	$	$	$	$
Balance – January 1	627,567	483,164	19,781	1,130,512
Additions	54,276	11,917	-	66,193
Disposal	(357)	-	-	(357)
Depletion	(23,159)	(21,532)	(914)	(45,605)
Impairment	-	(26,300)	-	(26,300)
Translation adjustments	(1,666)	(6,308)	(341)	(8,315)
Balance – December 31	656,661	440,941	18,526	1,116,128
Producing				
Cost	621,503	512,019	18,422	1,151,944
Accumulated depletion and impairment	(367,232)	(188,281)	(13,609)	(569,122)
Net book value – December 31	254,271	323,738	4,813	582,822
Development				
Cost	185,170	168,648	31,252	385,070
Accumulated depletion and impairment	(501)	(51,445)	(26,537)	(78,483)
Net book value – December 31	184,669	117,203	4,715	306,587
Exploration and evaluation				
Cost	218,395	-	8,998	227,393
Accumulated depletion	(674)	-	-	(674)
Net book value – December 31	217,721	-	8,998	226,719
Total net book value – December 31	656,661	440,941	18,526	1,116,128

16. Royalty, stream and other interests *(continued)*

Main acquisitions - 2020

In April 2020, the Company announced an amendment to its silver stream with respect to the Gibraltar copper mine, located in British Columbia, Canada, which is operated by a wholly-owned subsidiary of Taseko Mines Limited ("Taseko"). Osisko and Taseko have amended the silver stream by reducing the price paid by Osisko for each ounce of refined silver from US$2.75 to nil in exchange for cash consideration of $8.5 million to Taseko.

In August 2020, the Company announced a definitive agreement with Caisse de dépôt et placement du Québec to acquire the outstanding 15% ownership in a portfolio of Canadian precious metals royalties for cash consideration of $12.5 million. The 15% interest represents the remaining portion of the portfolio of royalties purchased from Teck Resources Ltd. in October 2015, including the NSR royalties on the Island Gold and Lamaque mines.

In October 2020, Osisko announced a strategic partnership whereby Regulus Resources Inc. ("Regulus") has agreed to grant certain rights to Osisko in exchange for an upfront cash payment (the "Upfront Payment") of US$12.5 million ($16.4 million). These rights include the right to acquire royalties to be acquired by Regulus and a right of first refusal on all future royalty or stream transactions in relation to claims of the AntaKori project where Regulus has 100% ownership or any additional claims Regulus might acquire with 100% ownership within a certain area. As a significant initial transaction under the partnership, Regulus has acquired a royalty on the Mina Volare claim of the AntaKori project which represents a 1.5% or 3% NSR depending on location, from a private vendor. As per its right under the partnership, Osisko has elected to acquire 50% of the royalty for 75% of Regulus' purchase price with Osisko's acquisition cost for the royalty included in the Upfront Payment. Regulus has cancelled the remaining 50% of the royalty. As such, the royalty on the Mina Volare claim is now reduced to 0.75% or 1.5% depending on location, in favour of Osisko.

In January and December 2020, Osisko acquired a 2% NSR royalty on the Pine Point zinc project held by Osisko Metals, an associate of the Company, for cash consideration of $13.0 million. Osisko was also granted a right of first offer on any future sales by Osisko Metals of any additional royalties, streams or similar interests on the Pine Point project.

Impairment – 2020

<u>Renard mine diamond stream (Stornoway Diamonds (Canada) Inc.)</u>

In March 2020, the selling price of diamonds decreased significantly as a result of the impact of the COVID-19 pandemic on the diamond market. On March 24, 2020, activities at the Renard diamond mine were suspended and on April 15, 2020, despite the announcement by the Government of Québec to include mining activities as an essential service, the operator of the Renard diamond mine announced the extension of the care and maintenance period of its operations due to depressed diamond market conditions. These were considered as indicators of impairment among other facts and circumstances and, accordingly, management performed an impairment assessment as at March 31, 2020. The Company recorded an impairment charge of $26.3 million ($19.3 million, net of income taxes) on the Renard diamond stream during the three months ended March 31, 2020.

On March 31, 2020, the Renard diamond stream was written down to its estimated recoverable amount of $40.0 million, which was determined by the value-in-use using discounted cash-flows approaches and estimated probabilities of different restart scenarios. The main valuation inputs used were the cash flows expected to be generated by the sale of diamonds from the Renard diamond stream over the estimated life of the Renard diamond mine, based on expected long-term diamond price per carat, a pre-tax real discount rate of 10.0% and weighted probabilities of different restart scenarios.

A sensitivity analysis was performed by management for the long-term diamond price, the pre-tax real discount rate and the weighting of the different scenarios. If the long-term diamond price per carat applied to the cash flow projections had been 10% lower than management's estimates, the Company would have recognized an additional impairment charge of $4.1 million ($3.0 million, net of income taxes). If the post-tax real discount rate applied to the cash flow projections had been 100 basis points higher than management's estimates, the Company would have recognized an additional impairment charge of $1.9 million ($1.4 million, net of income taxes). If the probabilities of the different restart scenarios had been 10% more negative than management's estimates, the Company would have recognized an additional impairment charge of $5.5 million ($4.0 million, net of taxes).

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

16. Royalty, stream and other interests *(continued)*

				Year ended December 31, 2019
	Royalty interests	Stream interests	Offtake interests	Total
	$	$	$	$
Balance – January 1	707,723	606,410	100,535	1,414,668
Acquisitions	41,529	48,573	-	90,102
NSR royalty on the Cariboo property owned prior to the acquisition of Barkerville Gold Mines Ltd. (Note 9)	(56,070)	-	-	(56,070)
Transfer	(10,000)	10,000	-	-
Disposal	(2,277)	-	(47,116)	(49,393)
Depletion	(20,908)	(23,335)	(2,766)	(47,009)
Impairment	(27,689)	(138,689)	(27,213)	(193,591)
Translation adjustments	(4,741)	(19,795)	(3,659)	(28,195)
Balance – December 31	627,567	483,164	19,781	1,130,512
Producing				
Cost	604,950	509,179	18,792	1,132,921
Accumulated depletion and impairment	(343,677)	(141,826)	(13,001)	(498,504)
Net book value – December 31	261,273	367,353	5,791	634,417
Development				
Cost	186,137	168,290	31,881	386,308
Accumulated depletion and impairment	(501)	(52,479)	(27,070)	(80,050)
Net book value – December 31	185,636	115,811	4,811	306,258
Exploration and evaluation				
Cost	182,001	-	9,179	191,180
Accumulated depletion	(1,343)	-	-	(1,343)
Net book value – December 31	180,658	-	9,179	189,837
Total net book value – December 31	627,567	483,164	19,781	1,130,512

Main acquisitions – 2019

Horne 5 property – silver stream (Falco Resources Ltd.)

In 2018, Osisko entered into a binding term sheet to provide Falco with a senior secured silver stream credit facility ("Falco Silver Stream") with reference to up to 100% of the future silver produced from the Horne 5 property located in Rouyn-Noranda, Québec. As part of the Falco Silver Stream, Osisko will make staged upfront cash deposits to Falco of up to $180.0 million and will make ongoing payments equal to 20% of the spot price of silver, to a maximum of US$6 per ounce. The Falco Silver Stream is secured by a first priority lien on the project and all assets of Falco. The Falco Silver Stream was closed in February 2019, which triggered the payment of the first installment of $25.0 million to Falco. Two previously outstanding notes receivable amounting to $20.0 million were applied against the first installment ($10.0 million was included under *Short-term investment* on the consolidated balance sheet and $10.0 million was under *Royalty, stream and other interests* as the note was convertible into a 1% NSR royalty at the sole discretion of Osisko) and the remaining balance of $5.0 million was paid to Falco.

Dublin Gulch property – NSR royalty (Victoria Gold Corp.)

In 2018, Osisko acquired from Victoria Gold Corp. ("Victoria"), an associate of the Company at the time, a 5% NSR royalty for $98.0 million on the Dublin Gulch property which hosts the Eagle Gold project located in Yukon, Canada. Payments totaling $78.4 million were made under the royalty agreement in 2018 and the remaining balance of $19.6 million was paid in 2019.

16. Royalty, stream and other interests *(continued)*

Main acquisitions – 2019 (*continued*)

Mantos Blancos – silver stream (Mantos Copper S.A.)

In September 2019, Osisko invested an additional US$25.0 million ($33.4 million) on its existing silver stream with Mantos Copper S.A. with respect to 100% of the silver produced from the Mantos Blancos copper mine located in Chile. Under the terms of the stream amendments, the ongoing transfer price payment per ounce were reduced from 25% to 8% of the spot silver price on the date of delivery and the tail stream was increased from 30% to 40% of payable silver after 19.3 million ounces of refined silver have been delivered. In addition, Mantos Copper S.A.'s right to buy back 50% of the silver stream was terminated.

Main disposal – 2019

Brucejack offtake

In September 2019, Osisko Bermuda Limited ("OBL"), a wholly owned subsidiary of Osisko, has entered into an agreement with Pretium Exploration Inc., a subsidiary of Pretium Resources Inc. in regards to the sale of OBL's interest in the Brucejack gold offtake contract for a cash purchase price of US$41.3 million ($54.7 million), which was paid in 2019. The disposal generated a gain of US$5.8 million ($7.6 million).

Renard mine diamond stream (Credit bid transaction for Stornoway Diamond Corporation)

In September 2019, Osisko announced that it had entered into a letter of intent ("LOI") with Stornoway Diamond Corporation ("Stornoway") and certain of its subsidiaries alongside other secured creditors under the bridge financing agreement entered into with Stornoway on June 10, 2020, including Diaquem Inc., a wholly-owned subsidiary of Ressources Québec Inc. (collectively the "Secured Creditors").

Under the terms of the LOI, Osisko and the Secured Creditors have confirmed their intention to form an entity which will acquire by way of a credit bid transaction all or substantially all of the assets and properties of Stornoway, and assume the debts and liabilities owing to the Secured Creditors as well as the ongoing obligations relating to the operation of the Renard mine, subject to certain limited exceptions ("Credit Bid Transaction").

Pursuant to the Credit Bid Transaction, Osisko will maintain its 9.6% diamond stream on the Renard mine and will continue to receive stream deliveries, and has agreed to continue to reinvest its proceeds from the stream for a period of one year from the date of closing of the Credit Bid Transaction. As of December 31, 2020, an amount of $10.9 million ($6.3 million as at December 31, 2019) was advanced from the proceeds of the stream deliveries and is included in other investments.

In connection with the Credit Bid Transaction, Stornoway had applied, on September 9, 2019, to the Superior Court of Québec (Commercial Division) for protection under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA") in order to restructure its business and financial affairs.

Concurrently with entering into the LOI, Osisko and certain of the Secured Creditors have entered into a definitive and binding working capital facility agreement with Stornoway providing for a working capital facility in an initial amount of $20.0 million, which facility is secured by a priority charge over the assets of Stornoway. Osisko's attributable portion of the working capital facility will be approximately $7.0 million, of which $6.0 million was advanced as of December 31, 2020 ($2.5 million as a December 31, 2019). The working capital facility provides the financing and liquidity required to ensure that the Renard mine continues to operate in an uninterrupted manner.

The Credit Bid Transaction was closed on November 1, 2019 and Osisko became a 35.1% shareholder of the company now holding the Renard diamond mine, which is considered as an associate from that date.

Main impairments – 2019

Renard mine diamond stream (Stornoway Diamond Corporation)

In March 2019, the operator of the Renard diamond mine in Québec, Canada, announced a significant impairment charge of $83.2 million on its Renard diamond mine reflecting an outlook of lower than expected diamond pricing. This was considered an indicator of impairment among other facts and circumstances and, accordingly, management performed an impairment assessment as at March 31, 2019. The Company recorded an impairment charge of $38.9 million ($28.6 million, net of income taxes) on the Renard diamond stream.

On March 31, 2019, the Renard diamond stream was written down to its estimated recoverable amount of $122.4 million, which was determined by the fair value less cost of disposal using a discounted cash-flows approach. The fair value of the Renard diamond stream is classified as level 3 of the fair value hierarchy because the main valuation inputs used are significant unobservable inputs. The main valuation inputs used were the cash flows expected to be generated by the sale of diamonds from the Renard diamond stream over the estimated life of the Renard diamond mine, based on expected long-term diamond prices per carat and a post-tax real discount rate of 4.7%.

16. Royalty, stream and other interests *(continued)*

Main impairments – 2019 (*continued*)

In September 2019, the operator of the Renard diamond mine, Stornoway Diamond Corporation, announced that it had applied to the Superior Court of Québec (Commercial Division) for protection under the CCAA in order to restructure its business and financial affairs. This was considered an indicator of impairment among other facts and circumstances and, accordingly, management performed an impairment assessment as at September 30, 2019. The Company recorded an impairment charge of $47.2 million ($34.6 million, net of income taxes) on the Renard diamond stream.

On September 30, 2019, the Renard diamond stream was written down to its estimated recoverable amount of $70.2 million, which was determined by the fair value less cost of disposal using a discounted cash-flows approach. The fair value of the Renard diamond stream is classified as level 3 of the fair value hierarchy because the main valuation inputs used are significant unobservable inputs. The main valuation inputs used were the cash flows expected to be generated by the sale of diamonds from the Renard diamond stream over the estimated life of the Renard diamond mine, based on expected long-term diamond prices per carat and a post-tax real discount rate of 4.6%.

A sensitivity analysis was performed by management for the long-term diamond price and the post-tax real discount rate (in isolation). If the long-term diamond price per carat applied to the cash flow projections had been 10% lower than management's estimates, the Company would have recognized an additional impairment charge of $7.0 million ($5.1 million, net of income taxes). If the post-tax real discount rate applied to the cash flow projections had been 100 basis points higher than management's estimates, the Company would have recognized an additional impairment charge of $3.0 million ($2.2 million, net of income taxes).

Amulsar stream and offtake (Lydian International Limited)

In September 2019, Lydian International Limited announced a delay in the timing of the construction activities, expected first gold pour and ramp up to full production as a result of the 15-month blockade on construction as well as changes to the expected life of mine and annual production for the Amulsar project in Armenia. This was considered an indicator of impairment among other facts and circumstances and, accordingly, management performed an impairment assessment as at September 30, 2019. The Company recorded an impairment charge of US$9.9 million ($13.1 million) on the Amulsar stream and offtake.

On September 30, 2019, the Amulsar stream and offtake were written down to their estimated recoverable amount of US$73.7 million ($97.0 million), which was determined by the fair value less cost of disposal using a discounted cash-flows approach. The fair value of the Amulsar stream and offtake is classified as level 3 of the fair value hierarchy because the main valuation inputs used are significant unobservable inputs. The main valuation inputs used were the cash flows expected to be generated by the sale of gold and silver from the Amulsar stream and offtake over the estimated life of the Amulsar mine, based on expected long-term gold and silver prices per ounce of US$1,350 and US$17.75, respectively, and a post-tax real discount rate of 6.1%.

In December 2019, Lydian International Limited announced that it had applied to the Ontario Superior Court of Justice for protection under the CCAA in order to restructure its business and financial affairs. This was considered an indicator of impairment among other facts and circumstances and, accordingly, management performed an impairment assessment as at December 31, 2019. The Company recorded an impairment charge of US$51.3 million ($66.7 million) on the Amulsar stream and offtake.

On December 31, 2019, the Amulsar stream and offtake were written down to their estimated recoverable amount of US$22.3 million ($29.0 million), which was determined by the fair value less cost of disposal using discounted cash-flows approaches and estimated probabilities of different exit scenarios from CCAA. The fair value of the Amulsar stream and offtake is classified as level 3 of the fair value hierarchy because the main valuation inputs used are significant unobservable inputs. The main valuation inputs used were the cash flows expected to be generated by the sale of gold and silver from the potential amendment of the Amulsar stream over the estimated life of the Amulsar mine, based on expected long-term gold and silver prices per ounce of US$1,400 and US$17.50, respectively, a post-tax real discount rate of 10.1% and potential amendments of the Amulsar stream agreement resulting from probability weighted exit scenarios from the CCAA process.

A sensitivity analysis was performed by management for the long-term gold and silver prices and the post-tax real discount rate (in isolation). If the long-term gold and silver prices per ounce applied to the cash flow projections had been 10% lower than management's estimates, the Company would have recognized an additional impairment charge of US$2.0 million ($2.6 million). If the probabilities of the different scenarios had been 10% lower (negative) than management's estimates, the Company would have recognized an additional impairment charge of US$4.5 million ($5.8 million). If the post-tax real discount rate applied to the cash flow projections had been 100 basis points higher than management's estimates, the Company would have recognized an additional impairment charge of US$1.6 million ($2.1 million).

In addition, an impairment of US$3.6 million ($4.7 million) was taken on a note receivable and amounts receivable from Lydian in 2019 (Note 15).

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

16. Royalty, stream and other interests *(continued)*

Main impairments – 2019 *(continued)*

Éléonore royalty (Newmont Corporation)

In February 2020, the operator of the Éléonore gold mine in Québec, Canada, announced that it has updated its mineral reserve and resource estimates for the Éléonore mine as at December 31, 2019. As a result of the update, proven and probable gold mineral reserves and resources decreased by approximately 50%. This was considered an indicator of impairment among other facts and circumstances and, accordingly, management performed an impairment assessment as at December 31, 2019. The Company recorded an impairment charge of $27.2 million ($20.0 million, net of income taxes) on the Éléonore NSR royalty for the year ended December 31, 2019.

On December 31, 2019, the Éléonore NSR royalty was written down to its estimated recoverable amount of $101.3 million, which was determined by the fair value less cost of disposal using a discounted cash-flows approach. The fair value of the Éléonore NSR royalty is classified as level 3 of the fair value hierarchy because the main valuation inputs used are significant unobservable inputs. The main valuation inputs used were the cash flows expected to be generated by the sale of gold received from the Éléonore NSR royalty based on the long-term annual gold production of 355,000 ounces over the estimated life of the Éléonore mine, the long-term gold price of US$1,400 per ounce and a post-tax real discount rate of 4.1%, adjusted for the decrease in reserves and resources.

A sensitivity analysis was performed by management for the long-term gold price and the post-tax real discount rate (in isolation). If the long-term gold price applied to the cash flow projections had been 10% lower than management's estimates (US$1,260 per ounce instead of US$1,400 per ounce), the Company would have recognized an additional impairment charge of $10.1 million. If the post-tax real discount rate applied to the cash flow projections had been 100 basis points higher than management's estimates (5.1% instead of 4.1%), the Company would have recognized an additional impairment charge of $4.2 million.

17. Mining interests and plant and equipment

			2020			2019
	Mining interests	Plant and equipment (i)	Total	Mining interests	Plant and equipment (i)	Total
	$	$	$	$	$	$
Net book value – January 1	320,008	23,685	343,693	-	189	189
Adoption of IFRS 16	-	-	-	-	9,432	9,432
Acquisition of the San Antonio gold project (Note 8)	57,038	1,330	58,368	-	-	-
Acquisition of Barkerville Gold Mines Ltd. (Note 9)	-	-	-	258,153	13,968	272,121
NSR royalty held on the Cariboo property prior to the acquisition of Barkerville Gold Mines Ltd. (Note 9)	-	-	-	56,070	-	56,070
Additions	75,437	10,915	86,352	5,555	1,595	7,150
Mining tax credit	(4,608)	-	(4,608)	-	-	-
Environmental rehabilitation asset	3,414	-	3,414			
Depreciation	-	(5,340)	(5,340)	-	(1,499)	(1,499)
Depreciation capitalized	4,019	-	4,019	230	-	230
Share-based compensation capitalized	688	-	688	230	-	230
Write-off	-	(388)	(388)	-	-	-
Currency translation adjustments	3,307	7	3,314	-	-	-
Net book value – December 31	459,303	30,209	489,512	320,008	23,685	343,693
Closing balance						
Cost	459,303	37,545	496,848	320,008	25,681	345,689
Accumulated depreciation	-	(7,336)	(7,336)	-	(1,996)	(1,996)
Net book value	459,303	30,209	489,512	320,008	23,685	343,693

(i) Plant and equipment includes right-of-use assets of $10.8 million as at December 31, 2020 ($9.4 million as at December 31, 2019).

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

18. Exploration and evaluation

	2020	2019
	$	$
Net book value – January 1	42,949	95,002
Additions	201	221
Transfer to royalty, stream and other interests (i)	(631)	(2,288)
Impairment (ii)	-	(49,986)
Net book value – December 31	42,519	42,949
Closing balance		
Cost	100,709	101,139
Accumulated impairments	(58,190)	(58,190)
Net book value	42,519	42,949

(i) In 2016, the Company entered into earn-in agreements for properties in the James Bay area. In 2019 and 2020, the ownership of certain properties were transferred to the counterparty of the earn-in agreements, and the Company retained royalties on these properties. The earn-in agreements were terminated by the parties in 2020.

(ii) In 2019, the Company incurred an impairment charge of $50.0 million ($37.6 million, net of income taxes) on its Coulon zinc project in Canada for which the Company determined that further exploration and evaluation expenditures are no longer planned in the near term and that the carrying amount of the asset is unlikely to be recovered in full from a sale of the project at the current time. On December 31, 2019, the Coulon project was written down to its estimated recoverable amount of $10.0 million, which was determined by the fair value less cost of disposal using a market approach, based on a dollar value per thousand pounds of mineral reserve/resource of zinc equivalent for comparable sales transactions realized.

19. Goodwill

The Company's goodwill is allocated to a group of cash generating units: the Éléonore NSR royalty and the Canadian Malartic NSR royalty ("CGUs").

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the CGUs is determined based on the fair value less costs of disposal calculations using a discounted cash-flows approach, which require the use of assumptions and unobservable inputs, and therefore is classified as level 3 of the fair value hierarchy. The calculations use cash flow projections expected to be generated by the sale of gold and silver received from the CGUs based on annual gold and silver production over their estimated life from publicly released technical information by the operators to predict future performance.

The following table sets out the key assumptions for the CGUs in addition to annual gold and silver production over the estimated life of the Éléonore and Canadian Malartic mines:

	2020	2019
Long-term gold price (per ounce)	US$1,600	US$1,400
Long-term silver price (per ounce)	US$20	US$18
Post-tax real discount rate	3.5%	4.1%

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

19. Goodwill *(continued)*

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Long-term gold price	Based on current gold market trends consistent with external sources of information, such as long-term gold price consensus.
Long-term silver price	Based on current silver market trends consistent with external sources of information, such as long-term silver price consensus.
Post-tax real discount rate	Reflects specific risks relating to gold mines operating in Québec, Canada.

The Company's management has considered and assessed reasonably possible changes for key assumptions and has not identified any instances that could cause the carrying amount of the CGUs to exceed their recoverable amounts.

20. Accounts payable and accrued liabilities

	December 31, 2020	December 31, 2019
	$	$
Trade payables	12,771	6,836
Other payables	19,093	6,044
Income taxes payable	6,055	-
Other accrued liabilities	8,804	5,627
Accrued interests on long-term debt	166	265
	46,889	18,772

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

21. Provisions and other liabilities

	Year ended December 31, 2020			Year ended December 31, 2019				
	Environmental rehabilitation(ii)	Lease liabilities(iii)	Total	Restricted share units(i)	Deferred share units(i)	Environmental Rehabilitation(i)	Lease liabilities(iii)	Total
	$	$	$	$	$	$	$	$
Balance – January 1	20,527	10,127	30,654	32	3,462	-	-	3,494
Acquisition of the San Antonio gold project (Note 8)	9,301	-	9,301	-	-	-	-	-
Acquisition of Barkerville Gold Mines Ltd. (Note 9)	-	-	-	-	-	20,549	-	20,549
Adoption of IFRS 16	-	-	-	-	-	-	10,893	10,893
New liabilities	4,176	2,394	6,570	11	416	-	-	427
Revision of estimates	(310)	-	(310)	2	388	(111)	-	279
Accretion	820	-	820	-	-	89	-	89
Settlement/payments of liabilities	(500)	(1,155)	(1,655)	(45)	(544)	-	(766)	(1,355)
DSU to be settled in equity	-	-	-	-	(3,722)	-	-	(3,722)
Currency translation adjustments	587	-	587	-	-	-	-	-
Balance – December 31	34,601	11,366	45,967	-	-	20,527	10,127	30,654
Current portion	3,019	1,412	4,431	-	-	493	796	1,289
Non-current portion	31,582	9,954	41,536	-	-	20,034	9,331	29,365
	34,601	11,366	45,967	-	-	20,527	10,127	30,654

(i) Additional information on the Deferred Share Units ("DSU") and Restricted Share Units ("RSU") are presented in Note 23.

(ii) The environmental rehabilitation provision represents the legal and contractual obligations associated with the eventual closure of the Company's mining interests, plant and equipment and exploration and evaluation assets. As at December 31, 2020, the estimated inflation-adjusted undiscounted cash flows required to settle the environmental rehabilitation amounts to $40.7 million. The weighted average actualization rate used is 3.5% and the disbursements are expected to be made from 2021 to 2030 as per the current closure plans.

(iii) The lease liabilities are mainly related to leases for office space and mining equipment.

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

22. Long-term debt

The movements in the long-term debt are as follows:

	2020	2019
	$	$
Balance – January 1	349,042	352,769
Increase in revolving credit facility	71,660	19,772
Decrease in revolving credit facility	(19,205)	(30,000)
Amortization of transaction costs	2,238	2,134
Accretion expense	4,972	4,657
Foreign exchange revaluation impact	(8,278)	(290)
Balance – December 31	400,429	349,042

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

	December 31, 2020	December 31, 2019
	$	$
Convertible debentures[(i),(ii)]	350,000	350,000
Revolving credit facility[(iii)]	63,659	19,482
Long-term debt	413,659	369,482
Unamortized debt issuance costs	(4,495)	(6,733)
Unamortized accretion on convertible debentures	(8,735)	(13,707)
Long-term debt, net of issuance costs	400,429	349,042
Current portion	49,867	-
Non-current portion	350,562	349,042
	400,429	349,042

(i) Convertible debenture (2016)

In February 2016, the Company issued a senior non-guaranteed convertible debenture of $50.0 million to Investissement Québec. The convertible debenture bore interest at a rate of 4.0% per annum payable on a quarterly basis and had a five-year term maturing on February 12, 2021. The convertible debenture was repaid in full on February 12, 2021.

(ii) Convertible debentures (2017)

In November 2017, the Company closed a bought-deal offering of convertible senior unsecured debentures (the "Debentures") in an aggregate principal of $300.0 million (the "Offering"). The Offering was comprised of a public offering, by way of a short form prospectus, of $184.0 million aggregate principal amount of Debentures and a private placement offering of $116.0 million aggregate principal amount of Debentures.

The Debentures bear interest at a rate of 4.0% per annum, payable semi-annually on June 30 and December 31 of each year, commencing on June 30, 2018. The Debentures will be convertible at the holder's option into common shares of the Company at a conversion price equal to $22.89 per common share. The Debentures will mature on December 31, 2022 and may be redeemed by Osisko, in certain circumstances, on or after December 31, 2020. The Debentures are listed for trading on the TSX under the symbol "OR.DB".

22. Long-term debt *(continued)*

(iii) Revolving credit facility

In September 2019, the Company amended its Facility increasing the amount from $350.0 million to $400.0 million, with an additional uncommitted accordion of up to $100.0 million (for a total availability of up to $500.0 million), and extended its maturity date by one year to November 14, 2023.

The uncommitted accordion is subject to standard due diligence procedures and acceptance of 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 from the royalty, stream and other interests segment.

The Facility is subject to standby fees. Funds drawn bear interest based on the base rate, prime rate, London Inter-Bank Offer Rate ("LIBOR") or a comparable or successor rate in the event that LIBOR ceases to be available, plus an applicable margin depending on the Company's leverage ratio. As at December 31, 2020, the Facility was drawn for US$50.0 million ($63.7 million) and the effective interest rate was 2.5%, including the applicable margin. In February 2021, the Company drew an additional $50.0 million to repay the Investissement Québec convertible debenture. 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 December 31, 2020, all such ratios and requirements were met.

23. Share capital

Shares

Authorized
Unlimited number of common shares, without par value
Unlimited number of preferred shares, issuable in series

Issued and fully paid
167,165,341 common shares

<u>Year ended December 31, 2020</u>

Private Placement with Investissement Québec

In April 2020, the Company completed a private placement of 7,727,273 common shares at a price of $11.00 per common share for total gross proceeds of $85.0 million (the "Private Placement") with Investissement Québec. The net proceeds from the Private Placement was used for general working capital purposes.

Acquisition of the San Antonio gold project

In August 2020, Osisko acquired the San Antonio gold project (Note 8) in the state of Sonora in Mexico. As part of the acquisition, a total of 1,011,374 common shares of Osisko were issued and valued at $15.8 million, based on the closing price of the Company's common shares on the transaction date.

23. Share capital *(continued)*

Shares *(continued)*

Year ended December 31, 2020 *(continued)*

Osisko Development Corp. - Bought-deal private placement

Concurrent with the transaction described in Note 7, Osisko Development had entered into an engagement letter with underwriters pursuant to which the underwriters had agreed to buy, on a “bought deal” private placement basis, 13,350,000 subscription receipts (the “Subscription Receipts”) at a subscription price of $7.50 per Subscription Receipt (the “Issue Price”) for gross proceeds of approximately $100.1 million (the “Financing”). Each Subscription Receipt entitled the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, on or about the date that the transaction was completed, one common share of Osisko Development (“Osisko Development Share”) and one-half-of-one warrant to purchase an Osisko Development Share (each whole warrant, a “Warrant”). Each Warrant will entitle the holder thereof to purchase one Osisko Development Share for $10.00 for an 18-month period following the closing of the transaction (the Warrants maturity date was subsequently extended to December 1, 2023). The Financing was completed on October 29, 2020 and share issue expenses related to this private placement amounted to $3.6 million ($2.6 million, net of income taxes).

Osisko Development Corp. - Brokered private placement

On December 30, 2020, Osisko Development completed a brokered private placement through the issuance of 5,367,050 units of the Company at a price of $7.50 per unit for aggregate gross proceeds of $40.2 million. Each unit consists of one common share of Osisko Development and one-half of one common share purchase warrant of Osisko Development, which each whole warrant entitling the holder to acquire one common share of Osisko Development at a price of $10.00 per share on or prior to December 1, 2023. Share issue expenses related to this private placement amounted to $2.1 million ($1.6 million, net of income taxes).

Osisko Development Corp. - Shares to be issued

In December 2020, Osisko Development received proceeds from a private placement that was closed in 2021 (Note 36). As a result, Osisko Development recorded $73.9 million under *shares to be issued* on their consolidated balance sheet at December 31, 2020 (under *non-controlling interests* on the Company’s balance sheet).

Year ended December 31, 2019

Share repurchase and secondary offering

On June 25, 2019, Osisko announced that Betelgeuse LLC (“Orion“), a jointly owned subsidiary of certain investment funds managed by Orion Resource Partners, had entered into an agreement with a syndicate of underwriters pursuant to which the underwriters have agreed to purchase, on a bought deal basis, an aggregate of 7,850,000 common shares of the Company held by Orion (the “Secondary Offering“) at an offering price of $14.10 per common share (the “Secondary Offering Price“). Osisko has not received any of the proceeds of the Secondary Offering. Orion had granted the underwriters an over-allotment option (the “Over-Allotment Option”), exercisable at any time up to 30 days from and including the date of closing of the Secondary Offering, to purchase up to 1,177,500 additional common shares, at the Secondary Offering Price. The Secondary Offering closed on July 11, 2019 and the Over-Allotment Option was exercised in full by the underwriters on July 18, 2019.

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

23. Share capital *(continued)*

Shares *(continued)*

Year ended December 31, 2019 *(continued)*

Share repurchase and secondary offering (continued)

In a concurrent transaction, Osisko purchased for cancellation 12,385,717 of its common shares from Orion (the "Share Repurchase"), for an aggregate purchase price paid by Osisko to Orion of $174.6 million. The purchase price per common share to be paid by Osisko under the Share Repurchase was determined to be the Secondary Offering Price. Payment from Osisko to Orion consists of a combination of cash ($129.5 million) and the direct transfer of investments in associates and other investments held by Osisko ($45.1 million). In a concurrent transaction, Osisko has also sold to separate entities managed by Orion Resource Partners certain other equity securities held by Osisko for cash. The Share Repurchase resulted in an 8% reduction in basic common shares outstanding following the Share Repurchase.

On June 28, 2019, Osisko and Orion completed the first tranche of the Share Repurchase. A total of 7,319,499 common shares of Osisko were acquired from Orion and subsequently cancelled. A portion of the purchase price of $103.2 million for the first tranche of the Share Repurchase was paid in cash (from the sale of all of the common shares held by Osisko in Dalradian to another entity managed by Orion Resource Partners) and a portion was paid in the form of the transfer from Osisko to Orion of investments in associates and other investments.

On July 15, 2019, Osisko and Orion closed the second tranche of the Share Repurchase for the acquisition and cancellation of 5,066,218 common shares of Osisko. The purchase price of $71.4 million was paid in cash (from the sale of all of the common shares held by Osisko in Victoria to another entity managed by Orion Resource Partners for a cash consideration of $71.4 million).

Company	Settlement	Quarter	Value
Victoria Gold Corp. (associate)	Cash	Third	$71.4 million
Dalradian Resources Inc. (other investment)	Cash	Second	$58.1 million
Aquila Resources Inc. (associate)	Transfer	Second	$9.7 million
Highland Copper Company Inc. (associate)	Transfer	Second	$3.0 million
Other investments	Transfer	Second	$32.4 million
			$174.6 million

The transaction costs related to the Share Repurchase and Secondary Offering were reimbursed by Orion.

Employee Share Purchase Plan

The Company established an employee share purchase plan. Under the terms of the plan, the Company contributes an amount equal to 60% of the eligible employee's contribution towards the acquisition of common shares from treasury on a quarterly basis.

Osisko Development established a similar plan for its employees in 2020.

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

23. Share capital *(continued)*

Shares *(continued)*

Normal Course Issuer Bid

In December 2020, Osisko renewed its normal course issuer bid (“NCIB”) program. Under the terms of the 2020 NCIB program, Osisko may acquire up to 14,610,718 of its common shares from time to time in accordance with the normal course issuer bid procedures of the TSX. Repurchases under the 2020 NCIB program are authorized until December 11, 2021. Daily purchases will be limited to 138,366 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, 2020, being 553,464 Common Shares.

In December 2019, Osisko renewed its normal course issuer bid (“NCIB”) program. Under the terms of the 2019 NCIB program, Osisko could acquire up to 13,681,732 of its common shares from time to time in accordance with the normal course issuer bid procedures of the TSX. Repurchases under the 2019 NCIB program were authorized until December 11, 2020. Daily purchases were limited to 126,674 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, 2019, being 506,698 Common Shares.

During the year ended December 31, 2020, the Company purchased for cancellation a total of 429,722 common shares under the 2019 NCIB program for $3.9 million (average acquisition price per share of $9.15). During the year ended December 31, 2019, the Company purchased for cancellation a total of 983,900 common shares under the 2018 NCIB program for $11.8 million (average acquisition price per share of $12.02).

Dividends

The following table provides details on the dividends declared by the Company for the years ended December 31, 2020 and 2019:

Declaration date	Dividend per share	Record date	Payment date	Dividend payable	Dividend reinvestment plan[(i)]
	$			$	
February 19, 2020	0.05	March 31, 2020	April 15, 2020	7,879,000	24,809,311
May 12, 2020	0.05	June 30, 2020	July 15, 2020	8,259,000	27,492,302
August 5, 2020	0.05	September 30, 2020	October 15, 2020	8,342,000	9,822,963
November 9, 2020	0.05	December 31, 2020	January 15, 2021	8,358,000	11,525,456
	0.20			32,838,000	
February 20, 2019	0.05	March 29, 2019	April 15, 2019	7,757,000	5,087,058
May 1, 2019	0.05	June 28, 2019	July 15, 2019	7,145,000	8,157,756
July 31, 2019	0.05	September 30, 2019	October 15, 2019	7,201,000	5,672,755
November 6, 2019	0.05	December 31, 2019	January 15, 2020	7,874,000	6,666,723
	0.20			29,977,000	

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

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

23. Share capital *(continued)*

Dividends *(continued)*

Dividend reinvestment plan

The Company has a dividend reinvestment plan ("DRIP") that allows Canadian and U. S. shareholders to reinvest their cash dividends into additional common shares either purchased on the open market through the facilities of the TSX or the NYSE, or issued directly from treasury by the Company, or acquired by a combination thereof. In the case of a treasury issuance, the price will be the weighted average price of the common shares on the TSX or the NYSE during the five trading days immediately preceding the dividend payment date, less a discount, if any, of up to 5%, at the Company's sole election.

As at December 31, 2020, the holders of 11,525,456 common shares had elected to participate in the DRIP, representing dividends payable of $0.6 million. During the year ended December 31, 2020, the Company issued 268,173 common shares under the DRIP, at a discount rate of 3% (198,609 common shares in 2019 at a discount rate of 3%). On January 15, 2021, 37,545 common shares were issued under the DRIP at a discount rate of 3%.

Capital management

The Company's primary objective when managing capital is to maximize returns for its shareholders by growing its asset base, both organically through strategic investments in exploration and development companies and through accretive acquisitions of high-quality royalties, streams and other similar interests, while ensuring capital protection. The Company defines capital as long-term debt and total equity, including the undrawn portion of the revolving credit facility. Capital is managed by the Company's management and governed by the Board of Directors.

	December 31, 2020	December 31, 2019
	$	$
Long-term debt	400,429	349,042
Total equity	1,841,032	1,493,446
Undrawn revolving credit facility(i)	336,340	380,518
	2,577,801	2,223,006

(i) Excluding the potential additional available credit (accordion) of $100.0 million as at December 31, 2020 and 2019 (Note 22).

There were no changes in the Company's approach to capital management during the year ended December 31, 2020, compared to the prior year. The Company is not subject to material externally imposed capital requirements and is in compliance with all its covenants under its revolving credit facility (Note 22) as at December 31, 2020.

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

24. Warrants

The following table summarizes the Company's movements for the warrants outstanding:

	2020			2019		
	Number of Warrants[i]	Amount	Weighted average exercise price	Number of Warrants	Amount	Weighted average exercise price
		$	$		$	$
Balance – January 1	5,480,000	18,072	36.50	11,195,500	30,901	27.61
Expired	-	-	-	(5,715,500)	(12,829)	19.08
Balance – December 31	5,480,000	18,072	36.50	5,480,000	18,072	36.50

(i) 5,715,500 warrants entitling the holder to purchase one common share of Osisko at a price of $19.08 expired unexercised on February 26, 2019.
(ii) 5,480,000 warrants entitling the holder to purchase one common share of Osisko at a price of $36.50 until March 5, 2022.

25. Share-based compensation

Share options

The Company and its subsidiary, Osisko Development, offer a share option plan (the "Plans") to their directors, officers, management, employees and consultants. Options may be granted at an exercise price determined by the respective Board of Directors but shall not be less than the closing market price of the common shares of the Company on the TSX on the day prior to their grant. No participant shall be granted an option which exceeds 5% of the issued and outstanding shares of the issuer at the time of granting of the option. The number of common shares issued to insiders of the issuer within one year and issuable to the insiders at any time under the Plans or combined with all other share compensation arrangements, cannot exceed 8% (10% under Osisko Development's plan) of the issued and outstanding common shares of the related issuer. The duration and the vesting period are determined by the Board of Directors. However, the expiry date may not exceed 7 years (10 years under Osisko Development's plan) after the date of granting.

Osisko Gold Royalties Ltd

The following table summarizes information about the movement of the share options outstanding under the Osisko's plan:

	2020		2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Balance – January 1	4,939,344	14.40	4,305,980	14.49
Granted [i]	1,201,100	13.51	1,292,200	13.51
Issued – Barkerville replacement share options [ii]	-	-	1,005,478	14.89
Exercised	(673,470)	11.27	(1,504,515)	14.29
Forfeited	(341,300)	13.61	(151,800)	13.74
Expired	(884,805)	16.56	(7,999)	15.80
Balance – December 31	4,240,869	14.22	4,939,344	14.40
Options exercisable – December 31	2,208,070	14.96	2,988,713	14.87

(i) Options were granted to officers, management, employees and/or consultants.
(ii) Share options issued as replacement share options following the acquisition of Barkerville (Note 9).

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

25. Share-based compensation *(continued)*

Share options *(continued)*

Osisko Gold Royalties Ltd (continued)

The weighted average share price when share options were exercised during the year ended December 31, 2020 was $14.83 ($16.24 for the year ended December 31, 2019).

The following table summarizes the Osisko's share options outstanding as at December 31, 2020:

	Options outstanding			Options exercisable	
Exercise price range	Number	Weighted average exercise price	Weighted average remaining contractual life (years)	Number	Weighted average exercise price
$		$			$
9.83 – 12.97	888,414	12.70	3.3	489,580	12.66
13.10 – 14.78	2,505,546	13.55	3.0	901,581	13.56
15.97 – 18.07	763,014	16.79	1.5	733,014	16.82
24.72 – 27.77	83,895	27.12	1.1	83,895	27.12
	4,240,869	14.22	2.8	2,208,070	14.96

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:

	2020	2019
Dividend per share	1%	1%
Expected volatility	39%	34%
Risk-free interest rate	0.3%	2%
Expected life	46 months	49 months
Weighted average share price	$13.51	$13.51
Weighted average fair value of options granted	$3.56	$3.41

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. In 2020, the total share-based compensation related to share options granted under the Osisko's plan on the consolidated statements of income (loss) amounted to $2.8 million ($2.9 million in 2019), including $0.3 million capitalized to mining assets and plant and equipment.

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

25. Share-based compensation *(continued)*

Share options *(continued)*

Osisko Development Corp.

In 2020, 1,199,100 share options were granted under the Osisko Development's plan at an exercise price of $7.62. As at December 31, 2020, no options were exercisable and the remaining contractual life of these options, which vest over 3 years starting two years after the grant, was 5.0 years.

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:

	2020
Dividend per share	-
Expected volatility	63%
Risk-free interest rate	0.4%
Expected life	48 months
Weighted average share price	$7.62
Weighted average fair value of options granted	$3.64

The expected volatility was estimated by benchmarking with companies having businesses similar to Osisko Development. The historical volatility of the common share price of these companies was used for benchmarking back from the date of grant and for a period corresponding to the expected life of the options.

The fair value of the share options is recognized as compensation expense over the vesting period. In 2020, the total share-based compensation related to share options granted under the Osisko Development plan on the consolidated statement of income (loss) was insignificant.

Deferred and restricted share units

The Company and its subsidiary, Osisko Development, offer a DSU plan and a RSU plan, which allow DSU and RSU to be granted to directors, officers and employees as part of their long-term compensation package. Under the plans, payments may be settled in the form of common shares, cash or a combination of common shares and cash, at the sole discretion of the issuer.

Osisko Gold Royalties Ltd

The following table summarizes information about the movement of the DSU and RSU outstanding under the Osisko's plan:

	2020		2019			
	DSU[(i)] (equity)	RSU[(ii)] (equity)	DSU (cash)	DSU[(i)] (equity)	RSU (cash)	RSU[(ii)] (equity)
Balance – January 1	325,207	1,190,038	317,209	-	3,046	848,759
Granted	97,995	504,560	-	66,000	-	592,300
Reinvested dividends	5,558	17,143	2,352	2,529	23	14,600
Settled	(20,196)	(365,399)	(37,185)	(16,866)	(3,069)	(176,704)
Transfer from cash-settled to equity-settled [(iii)]	-	-	(282,376)	282,376	-	-
Forfeited	-	(103,440)	-	(8,832)	-	(88,917)
Balance – December 31	408,564	1,242,902	-	325,207	-	1,190,038
Balance – Vested	309,862	-	-	267,565	-	70,320

25. Share-based compensation *(continued)*

Deferred and restricted share units *(continued)*

Osisko Gold Royalties Ltd (continued)

(i) Unless otherwise decided by the board of directors of the Company, the DSU 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 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 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. On the settlement date, one common share will be issued for each DSU, after deducting any income taxes payable on the benefit earned by the director that must be remitted by the Company to the tax authorities. The DSU granted in 2020 have a weighted average value of $12.35 per DSU ($13.61 per DSU in 2019).

(ii) On December 31, 2019, 150,000 RSU were granted to an officer (with a value of $12.70 per RSU) and will vest and be payable in equal tranches over a three-year period (1/3 per year), in common shares, cash or a combination of common shares and cash, at the sole discretion of the Company. An additional 75,000 RSU were also granted (with a value of $12.70 per RSU) and vested during the three months ended March 31, 2020 following the acquisition by the officer of a total of 75,000 common shares of the Company. A total of 34,852 common shares were issued to the officer (after deducting the income taxes payable on the benefit earned by the employee that must be remitted by the Company to the tax authorities). The remaining RSU 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 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 in function of the applicable terms for the performance-based components, when applicable. On the settlement date, one common share is issued for each RSU, after deducting any income taxes payable on the benefit earned by the employee that must be remitted by the Company to the tax authorities. The RSU granted in 2020 have a weighted average value of $13.56 per RSU ($13.61 per RSU in 2019).

(iii) In May 2019, following an amendment to the DSU Plan, all outstanding DSU were transferred from cash-settled to equity-settled as the Company now intends to settle these DSU in equity instead of cash. The Company has reclassified the fair value at the date of transfer from provisions and other liabilities to contributed surplus.

The total share-based compensation expense related to the Osisko's DSU and RSU plans in 2020 amounted to $6.8 million ($5.4 million in 2019), including $0.6 million capitalized to mining assets and plant and equipment expenses (nil in 2019).

Based on the closing price of the common shares at December 31, 2020 ($16.13), 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 RSU and DSU to be settled in equity amounts to $2.7 million ($2.3 million as at December 31, 2019) and to $14.2 million based on all RSU and DSU outstanding ($10.2 million as at December 31, 2019).

Osisko Development Corp.

In 2020, 170,620 DSU were granted under the Osisko Development's plan. The DSU granted will vest the day prior to the annual general meeting to be held in 2022. The value of the payout is determined by multiplying the number of DSU 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. On the settlement date, one common share will be issued for each DSU, after deducting any income taxes payable on the benefit earned by the director that must be remitted by the Company to the tax authorities. The DSU granted in 2020 have a weighted average value of $7.62 per DSU.

The total share-based compensation expense related to the Osisko Development's DSU plan in 2020 was insignificant.

Based on the closing price of the common shares at December 31, 2020 ($7.59), and considering a marginal income tax rate of 53.3%, the estimated amount that Osisko Development is expected to transfer to the tax authorities to settle the employees' tax obligations related to the DSU outstanding amounts to $0.7 million. No RSU were granted in 2020.

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

26. Income taxes

(a) Income tax expense

The income tax recorded in the consolidated statements of income (loss) for the years ended December 31, 2020 and 2019 is presented as follows:

	2020	2019
	$	$
Current income tax		
Expense for the year (i)	7,153	797
Current income tax expense	7,153	797
Deferred income tax (Note 26 (b)):		
Origination and reversal of temporary differences	(1,062)	(45,186)
Impact of changes in tax rates	11	98
Change in unrecognized deductible temporary differences	6,570	3,891
Other	(1,759)	-
Deferred income tax expense (recovery)	3,760	(41,197)
Income tax expense (recovery)	10,913	(40,400)

(i) In 2020, the current income tax expense includes an amount of US$4.5 million ($5.8 million) resulting from the San Antonio stream transaction (payable in 2021).

The provision for income taxes presented in the consolidated statements of income (loss) differs from the amount that would arise using the statutory income tax rate applicable to income of the consolidated entities, as a result of the following:

	2020	2019
	$	$
Income (loss) before income taxes	27,142	(274,595)
Income tax provision calculated using the combined Canadian federal and provincial statutory income tax rate	7,193	(73,042)
Increase (decrease) in income taxes resulting from:		
Non-deductible expenses, net	1,142	738
(Non-deductible) non-taxable portion of capital losses, net	(2,908)	7,186
Non-taxable foreign exchange gain	(1,153)	(357)
Differences in foreign statutory tax rates	(408)	19,758
Share of equity loss of associates	1,015	2,954
Tax benefits not recognized	6,570	1,582
Foreign withholding taxes	778	584
Taxable foreign accrual property income	432	99
Tax rate changes of deferred income taxes	11	98
Other	(1,759)	-
Total income tax recovery (expense)	10,913	(40,400)

The 2020 Canadian federal and provincial statutory income tax rate is 26.5% (26.6% in 2019).

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

26. Income taxes *(continued)*

(b) Deferred income taxes

The components that give rise to deferred income tax assets and liabilities are as follows:

	December 31, 2020	December 31, 2019
	$	$
Deferred tax assets:		
Stream interests	34,278	28,826
Non-capital losses	8,195	170
Deferred and restricted share units	4,008	2,865
Share and debt issue expenses	4,562	(113)
	51,043	31,748
Deferred tax liabilities:		
Royalty interests and exploration and evaluation assets	(93,266)	(77,641)
Investments	(9,437)	1,911
Convertible debentures	(2,315)	(3,632)
Other	(454)	149
	(105,472)	(79,213)
Deferred tax liability, net	(54,429)	(47,465)

Deferred tax assets and liabilities have been offset in the balance sheets where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

The 2020 movement for deferred tax assets and deferred tax liabilities may be summarized as follows:

	Dec. 31, 2019	Statement of income (loss)	Equity	Other comprehensive income (loss)	Benefit from flow-through shares	Translation adjustments	Dec. 31, 2020
	$	$	$	$	$	$	$
Deferred tax assets:							
Stream interests	28,826	5,452	-	-	-	-	34,278
Non-capital losses	170	8,025	-	-	-	-	8,195
Deferred and restricted share units	2,865	435	708	-	-	-	4,008
Share and debt issue expenses	(113)	(569)	5,244	-	-	-	4,562
Deferred tax liabilities:							
Royalty interests and exploration and evaluation assets	(77,641)	(16,204)		388	66	125	(93,266)
Investments	1,911	(1,613)	-	(9,707)	(28)	-	(9,437)
Convertible debentures	(3,632)	1,317	-	-	-	-	(2,315)
Other	149	(603)	-	-	-	-	(454)
	(47,465)	(3,760)	5,952	(9,319)	38	125	(54,429)

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

26. Income taxes *(continued)*

(b) Deferred income taxes *(continued)*

The 2019 movement for deferred tax assets and deferred tax liabilities may be summarized as follows:

	Dec. 31, 2018	Statement of income (loss)	Equity	Other comprehensive loss	Translation adjustments	Dec. 31, 2019
	$	$	$	$	$	$
Deferred tax assets:						
Stream interests	7,133	21,693	-	-	-	28,826
Share and debt issue expenses	989	(1,036)	(66)	-	-	(113)
Deferred and restricted share units	2,032	726	107	-	-	2,865
Non-capital losses	-	170	-	-	-	170
Other assets	120	29	-	-	-	149
Deferred tax liabilities:						
Royalty interests and exploration and evaluation assets	(88,787)	11,769	-	(949)	326	(77,641)
Investments	(3,898)	6,612	-	(803)	-	1,911
Convertible debentures	(4,866)	1,234	-	-	-	(3,632)
	(87,277)	41,197	41	(1,752)	326	(47,465)

(c) Unrecognized deferred tax liabilities

The aggregate amount of taxable temporary differences associated with investments in subsidiaries, for which deferred tax liabilities have not been recognized as at December 31, 2020, is $110.8 million ($73.4 million as at December 31, 2019). No deferred tax liabilities are recognized on the temporary differences associated with investments in subsidiaries because the Company controls the timing of reversal and it is not probable that they will reverse in the foreseeable future.

(d) Unrecognized deferred tax assets

As at December 31, 2020, the Company had temporary differences with a tax benefit of $15.2 million ($4.9 million as at December 31, 2019) which are not recognized as deferred tax assets. The Company recognizes the benefit of tax attributes only to the extent of anticipated future taxable income that can be reduced by these attributes.

	December 31, 2020	December 31, 2019
	$	$
Mineral stream interests - Mexico	5,796	-
Unrealized losses on investments in associates	2,850	3,109
Unrealized losses on investments available for sale	3,679	-
Non-capital losses carried forward	1,130	1,756
Other	1,711	19
	15,166	4,884

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

27. Additional information on the consolidated statements of income (loss)

	2020	2019
	$	$
Revenues		
Royalty interests	111,305	97,146
Stream interests	45,269	42,976
Offtake interests	57,056	252,477
	213,630	392,599
Cost of sales		
Royalty interests	512	272
Stream interests	8,988	13,437
Offtake interests	54,200	249,172
	63,700	262,881

	2020	2019
	$	$
Operating expenses by nature		
Impairment of assets	26,300	243,576
Depletion and depreciation	46,904	48,270
Employee benefit expenses (see below)	20,142	20,701
Professional fees	7,631	3,453
Insurance costs	1,820	812
Communication and promotional expenses	1,265	1,006
Rent and office expenses	1,052	828
Public company expenses	971	822
Travel expenses	413	1,108
Gain on disposal of stream and offtake interests	-	(7,636)
Deemed listing fees of Osisko Development (Note 7)	1,751	-
Cost recoveries from associates	(618)	(595)
Other expenses	596	599
	108,227	312,944
Employee benefit expenses		
Salaries and wages	12,282	15,122
Share-based compensation	9,361	8,328
Cost recoveries from associates	(1,501)	(2,749)
	20,142	20,701

27. Additional information on the consolidated statements of income (loss) ***(continued)***

Other gains (losses), net

Change in fair value of financial assets at fair value through profit and loss	2,386	(1,089)
Net gain (loss) on dilution of investments in associates (Note 14)	10,381	(3,687)
Net gain on acquisition of investments(i)	3,827	1,006
Net gain (loss) on disposal of investments(ii)	5,357	(27,391)
Impairment of an investment in an associate (Note 14)	-	(12,500)
Impairment of other investments	(7,998)	(4,724)
Other	(331)	-
	13,622	(48,385)

(i) Represents changes in the fair value of the underlying investments between the respective subscription dates and the closing dates.
(ii) In 2019, the net loss on disposal of investments includes the net losses realized on the deemed disposal of associates (Note 14).

28. Key management

Key management includes directors (executive and non-executive) and the executive management team. The compensation paid or payable to key management for employee services is presented below:

	2020	**2019**
	$	**$**
Salaries and short-term employee benefits	5,776	6,182
Share-based compensation	6,665	5,151
Cost recoveries from associates	(300)	(600)
	12,141	10,733

Key management employees are subject to employment agreements which provide for payments on termination of employment without cause or following a change of control providing for payments of between once to twice base salary and bonus and certain vesting acceleration clauses on restricted and deferred share units and share options.

29. Net earnings (loss) per share

	2020	**2019**
	$	**$**
Net earnings (loss) attributable to Osisko Gold Royalties Ltd’s shareholders	16,876	(234,195)
Basic weighted average number of common shares outstanding (in thousands)	162,303	151,266
Dilutive effect of share options	125 -	-
Diluted weighted average number of common shares	162,428	151,266
Net earnings (loss) per share attributable to Osisko Gold Royalties Ltd’s shareholders		
Basic and diluted	0.10	(1.55)

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

29. Net earnings (loss) per share *(continued)*

For the year ended December 31, 2020, 3,031,912 share options, 5,480,000 outstanding warrants and the 15,726,705 common shares underlying the convertible debentures were excluded from the computation of diluted earnings per share as their effect was anti-dilutive.

As a result of the net loss for the year ended December 31, 2019, all potentially dilutive common shares are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share.

30. Additional information on the consolidated statements of cash flows

	2020	2019
	$	$
Interests received measured using the effective rate method	1,673	2,583
Interests paid on long-term debt	17,308	15,680
Dividends received	-	150
Income taxes paid	1,358	797
Changes in non-cash working capital items		
Decrease (increase) in amounts receivable	(4,678)	4,929
Increase in other current assets	(1,311)	(1,449)
Increase (decrease) in accounts payable and accrued liabilities	7,723	(8,260)
	1,734	(4,780)
Tax credits receivable related to the exploration and evaluation assets		
January 1	936	281
December 31	5,546	936

31. Financial risks

The Company’s activities expose it to a variety of financial risks: market risks (including interest rate risk, foreign currency risk and other price risk), credit risk and liquidity risk. The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company’s performance.

Risk management is carried out under policies approved by the Board of Directors. The Board of Directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and investment in excess liquidities.

(a) Market risks

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The Company’s interest rate risk on financial assets is primarily related to cash, which bear interest at variable rates. However, as these investments come to maturity within a short period of time, the impact would likely be not significant. Short-term investments and other financial assets are not exposed to interest rate risk because they are mostly non-interest bearing or bear interest at fixed rates, except for derivative financial instruments (warrants). Short-term investments bearing interest at variable rates are not significant, and therefore, a 0.5% increase (decrease) in interest rates would result in an immaterial impact.

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

31. Financial risks *(continued)*

(a) Market risks (continued)

(i) Interest rate risk *(continued)*

Financial liabilities are not exposed to interest rate risk because they are non-interest bearing or bear a fixed interest rate, except for the revolving credit facility which bears a variable interest rate. Based on the revolving credit facility's balances as at December 31, 2020 and 2019, the impact on net financial expenses over a 12-month horizon of a 0.5% shift in interest rates would not be significant.

(ii) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from currency volatility, primarily with respect to the US dollar. The Company holds balances in cash denominated in U.S. dollars and can draw on its credit facility in U.S. dollars and is therefore exposed to gains or losses on foreign exchange.

As at December 31, 2020 and 2019, the balances in U.S. dollars held by entities having the Canadian dollar as their functional currency were as follows:

		December 31,
	2020	**2019**
	$	**$**
Cash and cash equivalents	90,638	46,267
Amounts receivable	1,709	-
Other assets	1,327	567
Accounts payable and accrued liabilities	(110)	(86)
Revolving credit facility	(50,000)	(15,000)
Net exposure, in US dollars	43,564	31,748
Equivalent in Canadian dollars	55,466	41,234

Based on the balances as at December 31, 2020, a 5% fluctuation in the exchange rates on that date (with all other variables being constant) would have resulted in a variation of net earnings of approximately $1.2 million in 2020 ($1.3 million in 2019).

(iii) Other price risk

The Company is exposed to equity price risk as a result of holding long-term investments in other exploration and development mining companies. The equity prices of long-term investments are impacted by various underlying factors including commodity prices. Based on the Company's long-term investments held as at December 31, 2020, a 10% increase (decrease) in the equity prices of these investments would increase (decrease) the net earnings by $1.7 million and the other comprehensive income (loss) by $10.0 million for the year ended December 31, 2020. Based on the Company's long-term investments held as at December 31, 2019, a 10% increase (decrease) in the equity prices of these investments would have decreased (increased) the net earnings by $0.4 million and would have increased (decreased) the other comprehensive income (loss) by $5.7 million for the year ended December 31, 2019.

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

31. Financial risks *(continued)*

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, short-term investments, amounts receivable, notes receivable, other financing facilities receivable and reclamation deposits. The Company reduces its credit risk by investing its cash in high interest savings accounts with Canadian and U.S. recognized financial institutions and its reclamation deposits in guaranteed investments certificates issued by Canadian chartered banks. In the case of amounts receivable, notes receivable and other financing facilities, the Company performs either a credit analysis or ensures that it has sufficient guarantees in case of a non-payment by the third party to cover the net book value of the note. A provision is recorded if there is an expected credit loss based on the analysis. In some cases, the loans receivable could be applied against stream deposits due by the Company or converted into a royalty if the third party is not able to reimburse its loan. As at December 31, 2020, a provision of $12.7 million ($4.7 million as at December 31, 2019) is recorded as a result of the expected credit loss analysis.

The maximum credit exposure of the Company corresponds to the respective instrument's net carrying amount.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. The Company manages the liquidity risk by continuously monitoring actual and projected cash flows, taking into account the requirements related to its investment commitments, mining properties and exploration and evaluation assets and matching the maturity profile of financial assets and liabilities. The Board of Directors reviews and approves any material transaction out of the ordinary course of business, including proposals on mergers, acquisitions or other major investment or divestitures. The Company also manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 23. As at December 31, 2020, cash is invested in interest savings accounts held with Canadian and U.S. recognized financial institutions.

As at December 31, 2020, all financial liabilities to be settled in cash or by the transfer of other financial assets mature within 90 days, except for the convertible debentures, the revolving credit facility and the lease liabilities, which are described below:

			As at December 31, 2020				
	Amount payable at maturity	Maturity	Estimated annual payments				
			2021	2022	2023	2024	2025-2029
	$		$	$	$	$	
Conv. debenture (2016)	50,000	February 12, 2021	50,236	-	-	-	-
Conv. debentures (2017)	300,000	December 31, 2022	12,000	312,000	-	-	-
Lease liabilities	-	December 31, 2029	1,915	2,135	1,920	1,284	6,422
Revolving credit facility[(i)]	63,660	November 14, 2023	2,716	2,716	66,150	-	-
	413,660		66,867	316,851	68,070	1,284	6,422

(i) The interest payable is based on the actual interest rate as at December 31, 2020.

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

32. 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).

				December 31, 2020
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Recurring measurements				
Financial assets at fair value through profit or loss(i)				
Warrants on equity securities				
Publicly traded mining exploration and development companies				
Precious metals	-	-	23,904	23,904
Other minerals	-	-	1,159	1,159
Financial assets at fair value through other comprehensive income (loss)(i)				
Equity securities				
Publicly traded mining exploration and development companies				
Precious metals	95,796	-	-	95,796
Other minerals	19,794	-	-	19,794
	115,590	-	25,063	140,653

				December 31, 2019
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Recurring measurements				
Financial assets at fair value through profit or loss(i)				
Warrants on equity securities				
Publicly traded mining exploration and development companies				
Precious metals	-	-	1,067	1,067
Other minerals	-	-	633	633
Financial assets at fair value through other comprehensive income (loss)(i)				
Equity securities				
Publicly traded mining exploration and development companies				
Precious metals	48,295	-	-	48,295
Other minerals	9,114	-	-	9,114
	57,409	-	1,700	59,109

(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.

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

32. Fair value of financial instruments *(continued)*

During the years ended December 31, 2020 and 2019, there were no transfers among Level 1, Level 2 and Level 3.

Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices on a recognized securities exchange at the balance sheet dates. The quoted market price used for financial assets held by the Company is the last transaction price. Instruments included in Level 1 consist primarily of common shares trading on recognized securities exchanges, such as the TSX or the TSX Venture.

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the Company's specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2. Instruments included in Level 2 consist of notes receivable and the liability related to share exchange rights. If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3.

Financial instruments in Level 3

Financial instruments classified in Level 3 include investments in private companies and warrants held by the Company that are not traded on a recognized securities exchange. At each balance sheet date, the fair value of investments held in private companies is evaluated using a discounted cash-flows approach. The main valuation inputs used in the cash-flows models being significant unobservable inputs, these investments are classified in Level 3. The fair value of the investments in warrants is determined using the Black-Scholes option pricing model which includes significant inputs not based on observable market data. Therefore, investments in warrants are included in Level 3.

The following table presents the changes in the Level 3 investments (warrants, convertible debentures and investments in private companies) for the years ended December 31, 2020 and 2019:

	2020	2019
	$	$
Balance – January 1	1,700	59,600
Acquisitions	4,782	2,885
Amendment of a note receivable (Note 15)	16,541	-
Disposal (Note 23)	-	(58,641)
Warrants exercised	(347)	(1,055)
Change in fair value - warrants exercised(i)	102	(250)
Change in fair value - warrants expired(i)	(48)	(165)
Change in fair value - investments held at the end of the period(i)	2,333	(674)
Balance – December 31	25,063	1,700

(i) Recognized in the consolidated statements of income (loss) under *other gains* (*losses), net* for the warrants and in the consolidated statements of other comprehensive income (loss) under *changes in fair value of financial assets at fair value through comprehensive income (loss)* for the investments in common shares in private companies.

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

32. Fair value of financial instruments *(continued)*

Financial instruments in Level 3 *(continued)*

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 debenture 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 lead to an insignificant variation in the fair value of the warrants and the convertible debenture as at December 31, 2020 and 2019.

Foreign exchange contracts

In 2019, the Company entered into foreign exchange contracts (collar options) to sell U.S. dollars and buy Canadian dollars for a total nominal amount of US$12.0 million. The contracts were put in place to protect revenues in Canadian dollars (from the sale of gold ounces received from royalty interests which are denominated in U.S. dollars) from a stronger Canadian dollar. The fair value of the contracts is booked at each reporting period on the consolidated balance sheets. As at December 31, 2020, there were no foreign exchange contracts outstanding.

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, trade receivables, amounts receivable from associates and other receivables, notes receivable, other financing facilities receivable, accounts payable and accrued liabilities and the long-term debt. The fair values of cash, short-term investments, trade receivables, 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 values 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 risks parameters since the issuance/acquisition or assumptions of those financial instruments.

The following table presents the carrying amount and the fair value of long-term debt:

	December 31, 2020		**December 31, 2019**	
	Fair value	**Carrying amount**	**Fair Value**	**Carrying amount**
	$	**$**		
Long-term debt – Level 1	318,000	286,903	303,240	280,807
Long-term debt – Level 2	49,928	49,866	49,103	48,753
Balance	367,928	336,769	352,343	329,560

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

33. Segment disclosure

Following the acquisition of Barkerville in November 2019, the chief operating decision-maker organizes and manages the business under two operating segments: (i) acquiring and managing precious metal and other royalties, streams and similar interests, and (ii) the exploration, evaluation and development of mining projects. The assets, liabilities, revenues, expenses and cash flows of Osisko and its subsidiaries, other than Osisko Development and its subsidiaries, are attributable to the precious metal and other royalties, streams and similar interests operating segment. The assets, liabilities, revenues, expenses and cash flows of Osisko Development and its subsidiaries are attributable to the exploration, evaluation and development of the mining projects operating segment. Prior to the acquisition of Barkerville, the Company had only one operating segment, which was the acquiring and managing precious metal and other royalties, streams and similar interests. The comparative figures have been restated to conform to the actual segments.

The following table presents the main assets, liabilities, revenues, expenses and cash flows per operating segment:

	Year ended December 31, 2020			
	Royalties, streams and similar interests (i)	Mining exploration, evaluation and development (ii)	Intersegment transactions(iii)	Consolidated
	$	$	$	$
Cash	105,097	197,427	-	302,524
Current assets	117,592	218,478	(882)	335,188
Investments in associates and other investments	166,589	110,144	-	276,733
Royalty, stream and other interests	1,203,781	-	(87,653)	1,116,128
Mining interests and plant and equipment	9,011	407,000	73,501	489,512
Exploration and evaluation assets	-	41,869	650	42,519
Goodwill	111,204	-	-	111,204
Total assets	1,609,349	802,144	(14,384)	2,397,104
Long-term debt	400,429	-	-	400,429
Revenues	213,630	-	-	213,630
Gross profit	104,325	-	-	104,325
Operating expenses	(28,021)	(8,301)	-	(36,322)
Impairments	(36,298)	-	-	(36,298)
Net earnings (loss)	23,501	(7,272)	-	16,229
Cash flows from operating activities	113,962	(5,984)	-	107,978
Cash flows from investing activities	(161,131)	(61,968)	-	(223,099)
Cash flows from financing activities	109,444	207,417	-	316,861

	Year ended December 31, 2019			
	Royalties, streams and similar interests (i)	Mining exploration, evaluation and development (ii)	Intersegment transactions(iii)	Consolidated
	$	$	$	$
Cash	100,217	8,006	-	108,223
Current assets	127,547	12,882	-	140,429
Investments in associates and other investments	113,169	58,357	-	171,526
Royalty, stream and other interests	1,187,082	-	(56,570)	1,130,512
Mining interests and plant and equipment	9,915	277,208	56,570	343,693
Exploration and evaluation assets	-	42,949	-	42,949
Goodwill	111,204	-	-	111,204
Total assets	1,608,353	338,900	-	1,947,253
Long-term debt	349,042	-	-	349,042
Revenues	392,599	-	-	392,599
Gross profit	82,709	-	-	82,709
Operating expenses	(26,151)	(3,844)	-	(29,995)
Gain on disposal of an offtake interest	7,636	-	-	7,636
Impairments	(198,315)	(62,485)	-	(260,800)
Net loss	(158,493)	(75,702)	-	(234,195)
Cash flows from operating activities	99,266	(7,668)	-	91,598
Cash flows from investing activities	4,854	2,708	-	7,562
Cash flows from financing activities	(161,910)	-	-	(161,910)

(i) Osisko Gold Royalties Ltd and its subsidiaries, excluding Osisko Development Corp. and its subsidiaries.
(ii) Osisko Development Corp. and its subsidiaries as at December 31, 2020 (represents the assets of Barkerville and the other mining assets transferred to Osisko Development through the RTO transaction (Note 7) as at December 31, 2019).
(iii) The adjustments are related to intersegment balances and to royalties and streams held by Osisko Gold Royalties on assets held by Osisko Development, which are cancelled on the consolidation.

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

33. Segment disclosure *(continued)*

Royalty, stream and other interests - Geographic revenues

All of the Company's revenues are attributable to the precious metal and other royalties, streams and similar interests operating segment. 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 years ended December 31, 2020 and 2019, royalty, stream and other interest revenues were mainly earned from the following jurisdictions:

	North America	South America	Australia	Africa	Europe	Total
	$	$	$	$	$	$
2020						
Royalties	106,780	554	52	3,919	-	111,305
Streams	13,999	19,862	2,098	-	9,310	45,269
Offtakes	57,056	-	-	-	-	57,056
	177,835	20,416	2,150	3,919	9,310	213,630
2019						
Royalties	93,092	330	59	3,665	-	97,146
Streams	21,588	11,849	2,005	-	7,535	42,977
Offtakes	252,476	-	-	-	-	252,476
	367,156	12,179	2,064	3,665	7,535	392,599

For the year ended December 31, 2020, one royalty interest generated revenues of $66.8 million ($61.1 million for the year ended December 31, 2019), which represented 43% of revenues (44% of revenues for the year ended December 31, 2019) (excluding revenues generated from the offtake interests).

For the year ended December 31, 2020, revenues generated from precious metals and diamonds represented 94% and 4%, respectively, of total revenues (92% and 6% excluding offtakes, respectively). For the year ended December 31, 2019, revenues generated from precious metals and diamonds represented 94% and 5%, respectively, of total revenues (84% and 13% excluding offtakes, respectively).

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

33. Segment disclosure *(continued)*

Royalty, stream and other interests - Geographic net assets

The following table summarizes the royalty, stream and other interests by country, as at December 31, 2020 and 2019, which is based on the location of the property related to the royalty, stream or other interests:

	North America	South America	Australia	Africa	Asia	Europe	Total
	$	$	$	$	$	$	$
December 31, 2020							
Royalties	576,835	46,374	9,924	8,313	-	15,215	656,661
Streams	172,879	183,679	1,481	-	28,392	54,510	440,941
Offtakes	5,690	-	8,119	-	4,717	-	18,526
	755,404	230,053	19,524	8,313	33,109	69,725	1,116,128
December 31, 2019							
Royalties	560,246	31,657	9,961	10,488	-	15,215	627,567
Streams	194,344	198,021	2,435	-	28,963	59,401	483,164
Offtakes	6,689	-	8,282	-	4,810	-	19,781
	761,279	229,678	20,678	10,488	33,773	74,616	1,130,512

Exploration, evaluation and development of mining projects

The inventories, mining interests, plant and equipment and exploration and evaluation assets related to the exploration, evaluation and development of mining projects (excluding the intersegment transactions) are located in Canada and in Mexico, and are detailed as follow as at December 31, 2020 and 2019:

	December 31, 2020			December 31, 2019		
	Canada	Mexico	Total	Canada	Mexico	Total
	$	$	$	$	$	$
Assets						
Inventories	1,599	25,705	27,304	1,656	-	1,656
Mining interests, plant and equipment	344,903	62,097	407,000	277,208	-	277,208
Exploration and evaluation assets	40,680	1,189	41,869	41,725	1,224	42,949
Total assets	704,998	97,146	802,144	337,615	1,285	338,900

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

34. Related party transactions

An amount of $0.8 million (including sales taxes) is receivable from associates and included in amounts receivable as at December 31, 2020 ($0.5 million as at December 31, 2019).

In 2020, interest revenues of $1.0 million ($0.9 million in 2019) were accounted for with regards to notes receivable from associates. As at December 31, 2020, interests receivable from associates of $1.9 million are included in amounts receivable ($0.9 million as at December 31, 2019). Loans, notes receivable, and the convertible debenture from associates amounted to $33.4 million as at December 31, 2020 ($24.7 million as at December 31, 2019) and are included in short-term investments and other investments on the consolidated balance sheets.

In 2019, two notes receivable from Falco amounting to $20.0 million were applied against the first installment of a secured silver stream credit facility (Note 16) and the related interests receivable of $1.8 million were converted into common shares of Falco.

Additional transactions with related parties are described under Notes 11, 14, 16, 18, 23 and 28.

35. Commitments

<u>Offtake and stream purchase agreements</u>

The following table summarizes the significant commitments to pay for gold, silver and diamonds to which Osisko has the contractual right pursuant to the associated precious metals and diamond purchase agreements:

	Attributable payable production to be purchased			Per ounce/carat cash payment (US$)			Term of agreement	Date of contract
Interest	**Gold**	**Silver**	**Diamond**	**Gold**	**Silver**	**Diamond**		
Amulsar stream[(1),(7)]	4.22%	62.5%		$400	$4		40 years	November 2015
Amulsar offtake[(2),(7)]	81.91%			Based on quotational period			Until delivery of 2,110,425 ounces Au	November 2015
Back Forty stream[(3)]	18.5%	85%		30% spot price (max $600)	$4		Life of mine	March 2015 (silver) Nov. 2017 (gold) Amended June 2020
Mantos Blancos stream[(4)]		100%			8% spot		Life of mine	September 2015 Amended Aug. 2019
Renard stream			9.6%			Lesser of 40% of sales price or $40	40 years	July 2014 Amended Oct. 2018
Sasa stream[(5)]		100%			$5		40 years	November 2015
Gibraltar stream[(6)]		75%			nil		Life of mine	March 2018 Amended April 2020

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

35. Commitments *(continued)*

Offtake and stream purchase agreements *(continued)*

(1) Stream capped at 89,034 ounces of gold and 434,093 ounces of silver delivered. Subject to multiple buy-down options: 50% for US$34.4 million and US$31.3 million on 2nd and 3rd anniversary of commercial production, respectively.
(2) Offtake percentage will increase to 84.87% if Lydian elects to reduce the gold stream as outlined above. The Amulsar offtake applies to the sales from the first 2,110,425 ounces of refined gold, of which 1,853,751 ounces are attributable to Osisko (less any ounces delivered pursuant to the Amulsar stream).
(3) The gold stream will be reduced to 9.25% after the delivery of 105,000 gold ounces.
(4) The stream percentage shall be payable on 100% of silver until 19,300,000 ounces have been delivered, after which the stream percentage will be 40%.
(5) 3% or consumer price index (CPI) per ounce price escalation after 2016.
(6) Under the silver stream, transfer payments were totaling US$2.75 per ounce of silver delivered up to April 24, 2020 and nil thereafter following an amendment to the silver stream agreement in April 2020. Osisko will receive from Taseko an amount equal to 100% of Gibco's share of silver production, which represents 75% of Gibraltar mine's production, until reaching the delivery to Osisko of 5.9 million ounces of silver, and 35% of Gibco's share of silver production thereafter.
(7) In December 2019, Lydian International Limited, the owner of the Amulsar project, was granted protection under the *Companies' Creditors Arrangement Act.* In July 2020, Osisko became a shareholder of Lydian following a credit bid transaction (36.2% as at December 31, 2020).

Investments in royalty and stream interests

As at December 31, 2020, significant commitments related to the acquisition of royalties and streams are detailed in the following table:

Company	Project (asset)	Installments	Triggering events
Aquila Resources Inc.	Back Forty project (gold stream)	US$2.5 million	Completion of an equity financing for proceeds of no less than US$6.0 million.
		US$5.0 million	Receipt of all material permits for the construction and operation of the project.
		US$25.0 million	Pro rata to drawdowns on debt finance facility.
Falco Resources Ltd.	Horne 5 project (silver stream)	$20.0 million	Receipt of all necessary material third-party approvals, licenses, rights of way and surface rights on the property.
		$35.0 million	Receipt of all material construction permits, positive construction decision, and raising a minimum of $100.0 million in non-debt financing.
		$60.0 million	Upon total projected capital expenditure having been demonstrated to be financed.
		$40.0 million (optional)	Payable with fourth installment, at sole election of Osisko, to increase the silver stream to 100% of payable silver (from 90%).

36. Subsequent events

Dividend

On February 24, 2021, the Board of Directors declared a quarterly dividend of $0.05 per common share payable on April 15, 2021 to shareholders of record as of the close of business on March 31, 2021.

Financings – Osisko Development Corp.

On January 8, 2021, Osisko Development closed the first tranche of non-brokered private placement for 9,346,464 units of Osisko Development at a price of $7.50 per unit for aggregate gross proceeds of approximately $68.6 million. Each unit consists of one common share of Osisko Development and one-half of one common share purchase warrant of Osisko Development, with each whole warrant entitling the holder thereof to acquire one common share of Osisko Development at a price of $10.00 per share on or prior to December 1, 2023.

On February 5, 2021, Osisko Development closed the final tranche of non-brokered private placement for 1,515,731 units of Osisko Development at a price of $7.50 per unit for aggregate gross proceeds of approximately $11.2 million. Each unit consists of one common share of Osisko Development and one-half of one common share purchase warrant of Osisko Development, with each whole warrant entitling the holder thereof to acquire one common share of Osisko Development at a price of $10.00 per share.

The proceeds of the financing will be used to further develop the Cariboo gold project, advance the San Antonio gold project towards production and for general corporate purposes.

After these financings, the Company's interest in Osisko Development decreased to 77.0%.

On February 16, 2021, Osisko Development announced a $30.0 million flow-through private placement of 1,657,800 flow-through shares at a price of $9.05 per share and 1,334,500 charity flow-through shares at a price of $11.24 per share. In addition, the underwriters have been granted an option, exercisable in whole or in part up to 48 hours prior to the closing of the private placement, to purchase up to 15% of the number of offered shares at their respective issue price. The private placement is expected to close on or about March 18, 2021, and is subject to certain conditions including, but not limited to, regulatory approvals, including conditional listing approval of the TSX-V.

Management's Discussion and Analysis

For the year ended December 31, 2020

The following management discussion and analysis ("MD&A") of the consolidated operations and financial position of Osisko Gold Royalties Ltd ("Osisko Gold Royalties") and its subsidiaries ("Osisko" or the "Company") for the year ended December 31, 2020 should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended December 31, 2020. The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Management is responsible for the preparation of the consolidated financial statements and other financial information relating to the Company included in this report. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting. In furtherance of the foregoing, the Board of Directors has appointed an Audit Committee composed of independent directors. The Audit Committee meets with management and the auditors in order to discuss results of operations and the financial condition of the Company prior to making recommendations and submitting the consolidated financial statements to the Board of Directors for its consideration and approval for issuance to shareholders. The information included in this MD&A is as of February 24, 2021, the date when the Board of Directors has approved the Company's audited consolidated financial statements for the year ended December 31, 2020 following the recommendation of the Audit and Risk Committee. All monetary amounts included in this report are expressed in Canadian dollars, the Company's reporting and functional currency, unless otherwise noted. Assets and liabilities of the subsidiaries that have a functional currency other than the Canadian dollar are translated into Canadian dollars at the exchange rate in effect on the consolidated balance sheet date and revenues and expenses are translated at the average exchange rate over the reporting period. This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "Forward-Looking Statements" section.

Table of Contents

Description of the Business

Osisko Gold Royalties Ltd is engaged in the business of acquiring and managing precious metal and other high-quality royalties, streams and similar interests in Canada and worldwide. Osisko is a public company traded on the Toronto Stock Exchange and the New York Stock Exchange constituted under the *Business Corporations Act* (Québec) and is domiciled in the Province of Québec, Canada. 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 cornerstone asset is a 5% net smelter return ("NSR") royalty on the Canadian Malartic mine, located in Canada.

In November 2020, Osisko completed the spin-out transaction of its mining assets and certain equity investments to Osisko Development Corp. ("Osisko Development"), a newly created company engaged in the exploration, evaluation and development of mining projects in Canada and in Mexico. The common shares of Osisko Development began trading on the TSX Venture Exchange (the "TSX-V") on December 2, 2020 under the symbol "ODV". On December 31, 2020, Osisko held an interest of 84.1% in Osisko Development and, as a result, the assets, liabilities, results of operations and cash flows of the Company consolidate the activities of Osisko Development and its subsidiaries. On February 24, 2021, following financings completed by Osisko Development, the holding was reduced to 77.0%. Osisko Development's main asset is the Cariboo gold project in Canada.

Business Model and Strategy

Osisko is a growth-oriented and Canadian-focused precious metal royalty and streaming company that is focused on maximizing returns for its shareholders by growing its asset base, both organically and through accretive acquisitions of precious metal and other high-quality royalties, streams and similar interests, and by returning capital to its shareholders through a quarterly dividend payment and share repurchases.

Osisko Gold Royalties' main focus is on high quality, long-life precious metals assets located in favourable jurisdictions and operated by established mining companies, as these assets provide the best risk/return profile. The Company also evaluates and invests in opportunities in other commodities and jurisdictions. Given that a core aspect of the Company's business is the ability to compete for investment opportunities, Osisko plans to maintain a strong balance sheet and ability to deploy capital.

Highlights – 2020

- Gold equivalent ounces ("GEOs[1]") earned of 66,113, excluding 1,754 GEOs earned from the Renard diamond stream in the fourth quarter of 2020 (compared to 78,006 in 2019), above revised guidance;
- Record cash flows provided by operating activities of $108.0 million (compared to $91.6 million in 2019);
- Record revenues from royalties and streams of $156.6 million (compared to $140.1 million in 2019);
- Net earnings attributable to Osisko Gold Royalties' shareholders of $16.9 million, $0.10 per basic share (compared to a net loss of $234.2 million, $1.55 per basic share in 2019);
- Adjusted earnings[2] of $43.7 million, $0.27 per basic share (compared to $41.9 million, $0.28 per basic share in 2019);
- As a result of the COVID-19 pandemic, several of Osisko's assets were temporarily placed on care and maintenance by our operating partners mostly during the second quarter;
- Completed the spin-out of mining assets and certain equity positions through a reverse take-over transaction and the creation of a North American gold development company, Osisko Development, which concurrently completed a $100.1 million bought deal financing;
- Closed a non-brokered private placement of $85.0 million with Investissement Québec;
- In December, Osisko Development closed a brokered private placement for gross proceeds of $40.2 million and received proceeds of $73.9 million from a private placement that closed in 2021 (for a total additional financing of $79.8 million);
- Improved its silver stream on the Gibraltar mine by investing $8.5 million to reduce the transfer price from US$2.75 per ounce of silver to nil;
- Commercial production was declared by the operator of the Eagle Gold mine on July 1, 2020, on which the Company holds a 5% NSR royalty;
- Acquired the San Antonio gold project in Mexico for US$42.0 million, which was transferred to Osisko Development in November 2020 ;
- Acquired an additional 15% ownership in a Canadian precious metal royalty portfolio, including royalties on the Island Gold and Lamaque mines;

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1 GEOs are calculated on a quarterly basis and include royalties, streams and offtakes. Silver earned from royalty and stream agreements was converted to gold equivalent ounces by multiplying the silver ounces by the average silver price for the period and dividing by the average gold price for the period. Diamonds, other metals and cash royalties were converted into gold equivalent ounces by dividing the associated revenue by the average gold price for the period. Offtake agreements were converted using the financial settlement equivalent divided by the average gold price for the period. Refer to the *Portfolio of Royalty, Stream and Other Interests* section for average metal prices used.

2 "Adjusted earnings" and "Adjusted earnings per basic share" are non-IFRS financial performance measures which have no standard definition under IFRS. Refer to the non-IFRS measures provided under the *Non-IFRS Financial Performance Measures* section of this Management's Discussion and Analysis.

- Announced that the Renard diamond mine, operated by Stornoway Diamonds (Canada) Inc., restarted operations in September 2020;
- In February 2021, Agnico Eagle Mines Limited ("Agnico Eagle") and Yamana Gold Inc. ("Yamana") announced a positive construction decision for the Odyssey underground mine project. The preliminary economic study shows a total of 7.29 million ounces of production (6.18 million tonnes at 2.07 g/t Au indicated resources and 75.9 million tonnes at 2.82 g/t Au inferred resources). Underground mine production is planned to start in 2023 and is expected to ramp up to an average of 545,400 gold ounces per year from 2029 to 2039;
- Announced a strategic partnership with Regulus Resources Inc. whereby Regulus has agreed to grant Osisko an initial NSR royalty of 0.75%-1.5% on the Mina Volare claim, part of the larger AntaKori project and certain future royalty rights in exchange for an upfront cash payment of US$12.5 million ($16.6 million);
- Acquired for cancellation 429,722 common shares for $3.9 million (average acquisition cost of $9.15 per share); and
- Declared quarterly dividends totaling $0.20 per common share for 2020.

Highlights – Subsequent to December 31, 2020

- On February 12, 2021, Osisko repaid a $50.0 million convertible debenture and drew its credit facility by the same amount, thereby reducing the interest payable by approximately 1.5% per annum; and
- Declared a quarterly dividend of $0.05 per common share payable on April 15, 2021 to shareholders of record as of the close of business on March 31, 2021.

Uncertainty due to COVID-19

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty. Several of Osisko's operating partners announced temporary operational restrictions during the first and second quarter of 2020 due to the ongoing COVID-19 pandemic, including reduced activities and operations placed on care and maintenance. As of December 31, 2020, all operators have restarted their activities and have reached their pre-COVID-19 level of operations. However, in the current environment, the assumptions and judgements made by the Company are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Company's valuation of its long-term assets, including the assessment for impairment and impairment reversal. Actual results may differ materially from these estimates.

As a result of the COVID-19 pandemic, the Company took action to protect its employees, contractors and the communities in which it operates. As part of the contingency plan developed by the Company, it closed its offices in March 2020 and provided employees with adequate equipment to allow them to safely work remotely from home.

Spin-out of Mining Assets and Creation of Osisko Development Corp.

On October 5, 2020, Osisko Gold Royalties and Barolo Ventures Corp. ("Barolo") announced a binding letter agreement (the "Letter Agreement") outlining the terms upon which Osisko would transfer certain mining properties (or securities of the entities that directly or indirectly own such mining properties), including the Cariboo gold project, and a portfolio of marketable securities, to Barolo in exchange for common shares of Barolo ("Barolo Shares"), which resulted in a "Reverse Take-Over" of Barolo (the "RTO") under the policies of the TSX-V.

As part of the RTO, Osisko Gold Royalties and Barolo entered into an engagement letter with Canaccord Genuity Corp. and National Bank Financial Inc., on behalf of a syndicate of underwriters (collectively, the "Underwriters"), pursuant to which the Underwriters agreed to sell, on a "bought deal" private placement basis, 13,350,000 subscription receipts of Osisko Subco (as defined below under the section *Transaction Particulars*) (the "Subscription Receipts") at a subscription price of $7.50 per Subscription Receipt (the "Issue Price") for gross proceeds of $100.1 million (the "Financing"). Each Subscription Receipt entitled the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, on or about the date that the RTO is completed, one common share of Osisko Development after giving effect to a 60:1 consolidation of the common shares of Barolo (each, a "Osisko Development Share") and one-half-of-one warrant to purchase an Osisko Development Share (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Osisko Development Share for $10.00 for an 18-month period following the closing of the RTO (the maturity date was subsequently extended to December 1, 2023).

The Underwriters received a cash commission equal to 5.0% of the gross proceeds of the Financing; provided that a reduced cash commission equal to 2.0% was payable to the Underwriters in respect of subscribers on the President's List.

The Financing was closed on October 29, 2020, with the gross proceeds of the Financing held in escrow until the closing of the transaction on November 25, 2020.

Acquisition of Barolo

The net assets of Barolo acquired were recorded at their estimated relative fair market value at the date of closing of the RTO and are summarized below:

Deemed consideration paid for the deemed acquisition of Barolo	$
233,395 common shares of Osisko Development deemed issued	1,751
Transaction fees	500
	2,251
Net liabilities deemed assumed	
Net liabilities of Barolo	(164)
Net cost of listing	2,415

Attributes of Osisko Development

The formation of Osisko Development creates a leading North-American mine development company with a focus on becoming a significant intermediate gold miner with opportunities for near-term production. Osisko Development will target near-term gold production of over 75,000 ounces per year from Bonanza Ledge II and the San Antonio gold project, followed by production from the company's flagship Cariboo asset. The following mining properties (or securities of the entities that directly or indirectly own such mining properties) and marketable securities were transferred by Osisko to Osisko Development:

- Cariboo gold project (Permitting – British Columbia, Canada)
- San Antonio gold project (Permit Amendment – Sonora, Mexico)
- Bonanza Ledge II (Permit amendment and Construction – British Columbia, Canada)
- James Bay properties (Exploration – Canada)
- Guerrero properties (Exploration – Mexico)
- A portfolio of publicly-listed equity positions

The Cariboo gold project is advancing through permitting as a 4,750 tonne per day underground operation with a feasibility study on track for completion in the second half of 2021. A start of construction is expected in the fourth quarter of 2022 and production is expected to start in 2023.

Osisko Gold Royalties facilitated the acquisition of the San Antonio gold project in the state of Sonora, Mexico for US$42.0 million in return for a 15% precious metal stream. San Antonio provides Osisko Development with potential near-term production and significant upside potential.

The exploration package and equity portfolio contributed to Osisko Development provide further optionality and exposure to highly prospective projects in mining friendly jurisdictions.

Osisko Gold Royalties' Strategy with Respect to Osisko Development

Osisko Gold Royalties acquired or retained the following royalty or stream interests in the assets of Osisko Development:

- 5% NSR royalty on the Cariboo gold project and Bonanza Ledge II
- 15% gold and silver stream (with ongoing per-ounce payments equal to 15% of the prevailing price of gold and silver, as applicable) on the San Antonio gold project
- 3% NSR royalties on the James Bay properties and the Guerrero property

In addition, Osisko Gold Royalties was granted by Osisko Development and its subsidiaries a right of first refusal on all future royalties and streams to be offered by them, a right to participate in buybacks of existing royalties on properties held by them, and other rights customary with a transaction of this nature.

After the closing of the RTO on November 25, 2020, Osisko Gold Royalties held an 88% interest in Osisko Development (reduced to 77.0% on February 24, 2021, taking into account the financings closed up to that date). Osisko expects the advancement of the assets held by Osisko Development to be funded through the public markets such that Osisko Gold Royalties' ownership in Osisko Development will be diluted as the assets are advanced. Osisko Gold Royalties will also seek to promote a larger trading float for Osisko Development as opportunities arise, while aiming to maximize the value of its investment for shareholders of Osisko Gold Royalties.

Transaction Particulars

On October 23, 2020, a definitive amalgamation agreement (the "Amalgamation Agreement") in respect of the RTO was executed among Osisko Gold Royalties, Barolo, Osisko Development Holdings Inc. ("Osisko Subco"), a wholly-owned subsidiary of Osisko Gold Royalties incorporated under the Business Corporations Act (British Columbia) (the "BCBCA"), and a wholly-owned subsidiary of Barolo ("Barolo Subco").

The Amalgamation Agreement provided for, among other things, a three-cornered amalgamation (the "Amalgamation") pursuant to which (i) Osisko Subco amalgamated with Barolo Subco under Section 269 of the BCBCA to form one corporation ("Amalco"), (ii) the securityholders of Osisko Subco received securities of Osisko Development in exchange for their securities of Osisko Subco, (iii) Amalco merged into Barolo (by way of a voluntary dissolution) to form Osisko Development, and (iv) the transactions resulted in a RTO of Barolo in accordance with the policies of the TSX-V, all in the manner contemplated by, and pursuant to, the terms and conditions of the Amalgamation Agreement.

The Amalgamation Agreement was negotiated at arm's length between representatives of Osisko and Barolo. As part of the RTO, Barolo: (i) changed its name to "Osisko Development Corp."; (ii) changed its stock exchange ticker symbol to "ODV"; (iii) consolidated its common shares on a 60:1 basis; (iv) adopted new by-laws and other corporate policies; adopted new security-based compensation arrangements; (vi) reconstituted the board of directors and management of Osisko Development; and continued its corporate existence under the Canada Business Corporations Act.

Pursuant to the RTO, Osisko received 100,000,100 Osisko Development Shares at a deemed price of $7.50 per share, in exchange for the transfer of the contributed assets (valued at approximately $750 million) to Osisko Development.

For further information on the particulars of the RTO, please refer to the joint news release of Osisko Gold Royalties and Barolo dated October 5, 2020. The full particulars of the RTO, the contributed assets and Osisko Development are described in a Filing Statement prepared in accordance with the policies of the TSX-V. A copy of the Filing Statement is available on SEDAR (www.sedar.com) under Barolo's issuer profile.

Management and Board Composition

The Board of Directors of Osisko Development includes: Sean Roosen (Chair); Charles E. Page (Lead Director); John Burzynski; Joanne Ferstman; Michele McCarthy; Duncan Middlemiss; and Éric Tremblay. Osisko has the right to appoint nominees to the board of Osisko Development; such number of nominees will decrease if Osisko decreases its ownership in Osisko Development over time.

Management of Osisko Development, following the closing of the RTO, includes Sean Roosen (Chair and Chief Executive Officer); Chris Lodder (President); Luc Lessard (Chief Operating Officer); Benoit Brunet (Vice President, Finance, Chief Financial Officer and Corporate Secretary), which has since then resigned and will be replaced by Mr. Alexander Dann; François Vézina (Vice President, Technical Services); Chris Pharness (Vice President, Sustainable Development); Maggie Layman (Vice President, Exploration); and a further technical team that was transferred from Osisko to Osisko Development.

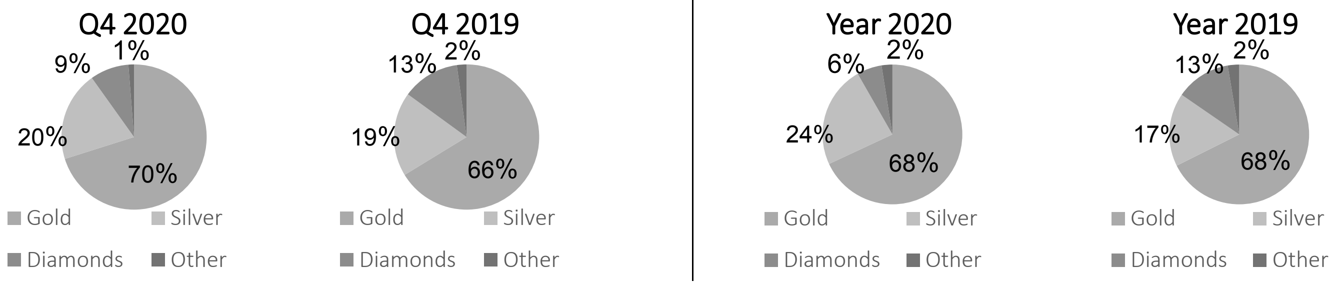
Portfolio of Royalty, Stream and Other Interests

The following table details the GEOs earned from Osisko Gold Royalties Ltd's producing royalty, stream and other interests:

	Three months ended December 31,		Years ended December 31,	
	2020	2019	2020	2019
Gold				
Canadian Malartic royalty	8,544	8,382	27,964	33,048
Éléonore royalty	1,377	2,115	4,797	7,699
Seabee royalty (i)	961	712	2,390	3,130
Eagle Gold royalty (ii)	1,609	646	4,953	646
Island Gold royalty (iii)	582	509	1,860	1,947
Pan royalty	506	369	1,752	1,537
Matilda stream/offtake	267	391	886	1,069
Lamaque royalty (iii)	359	229	884	1,053
Brucejack offtake (iv)	-	-	-	1,216
Vezza royalty (v)	-	24	-	623
Bald Mountain royalty	72	140	104	466
Others	156	54	601	316
	14,433	13,571	46,191	52,750
Silver				
Mantos Blancos stream	2,375	1,970	8,547	6,329
Sasa stream	950	1,031	3,933	4,023
Gibraltar stream	477	551	2,284	1,969
Canadian Malartic royalty	118	130	400	465
Others	197	157	897	457
	4,117	3,839	16,061	13,243
Diamonds				
Renard stream (vi)	1,754	2,574	3,809	9,725
Others	21	53	108	224
	1,775	2,627	3,917	9,949
Other metals				
Kwale royalty	258	436	1,675	2,031
Others	-	6	23	33
	258	442	1,698	2,064
Total GEOs	**20,583**	**20,479**	**67,867**	**78,006**
Total GEOs, excluding GEOs earned on the Renard stream in Q4 2020	**18,829**	**20,479**	**66,113**	**78,006**

(i) The Seabee mine restarted its operations during the third quarter of 2020 (after a shut-down due to COVID-19), and deliveries to Osisko restarted in October 2020.
(ii) The Company received its first royalty from the Eagle Gold mine in October 2019. The operator declared commercial production on July 1, 2020.
(iii) In August 2020, Osisko acquired the remaining 15% ownership that it did not already own on the Island Gold and Lamaque mines royalties.
(iv) The Brucejack offtake was sold on September 15, 2019.
(v) The Vezza mine ceased its operations in 2019.
(vi) In April 2020, the mine was placed on care and maintenance, given the structural challenges affecting the diamond market sales as well as the depressed prices for diamonds due to COVID-19. In September 2020, the mine restarted its operations.

GEOs by Product



Average Metal Prices and Exchange Rate

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
Gold(1)	$1,874	$1,481	$1,770	$1,393
Silver(2)	$24.39	$17.32	$20.54	$16.21
Exchange rate (US$/Can$)(3)	1.3030	1.3200	1.3413	1.3269

(1) The London Bullion Market Association's pm price in U.S. dollars.
(2) The London Bullion Market Association's price in U.S. dollars.
(3) Bank of Canada daily rate.

Royalty, Stream and Other Interests Portfolio Overview

As at year-end, Osisko owned a portfolio of 144 royalties, streams and offtakes assets, as well as 38 royalty options. The portfolio consists of 131 royalties, 9 streams and 4 offtakes. Currently, the Company has 17 producing assets. The Cariboo royalty and the San Antonio stream are excluded from the number of assets, as these assets, held by Osisko, are cancelled on the accounting consolidation of Osisko Development.

Portfolio by asset stage

Asset stage	Royalties	Streams	Offtakes	Total number of assets
Producing	11	5	1	17
Development (construction)	9	4	2	15
Exploration and evaluation	111	-	1	111
	131	9	4	144

Producing assets

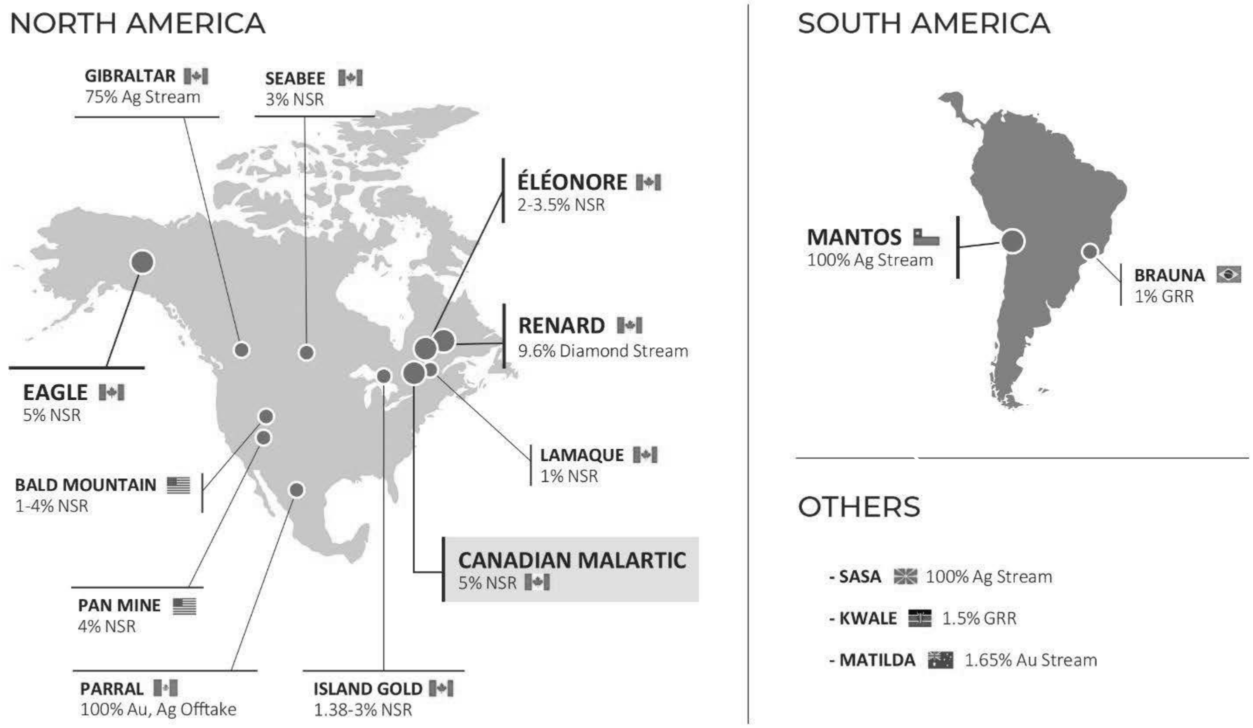
Asset	Operator	Interest	Commodity	Jurisdiction
North America				
Canadian Malartic	Agnico Eagle Mines Limited Yamana Gold Inc.	5% NSR royalty	Au, Ag	Canada
Éléonore	Newmont Corporation	2.2-3.5% NSR royalty	Au	Canada
Eagle Gold[(i)]	Victoria Gold Corp.	5% NSR royalty	Au	Canada
Renard[(ii)]	Stornoway Diamonds (Canada) Inc.	9.6% stream	Diamonds	Canada
Gibraltar	Taseko Mines Limited	75% stream	Ag	Canada
Seabee	SSR Mining Inc.	3% NSR royalty	Au	Canada
Island Gold[(iii)]	Alamos Gold Inc.	1.38-3% NSR royalty	Au	Canada
Bald Mtn. Alligator Ridge / Duke & Trapper	Kinross Gold Corporation	1% / 4% NSR royalty	Au	USA
Pan	Fiore Gold Ltd.	4% NSR royalty	Au	USA
Parral	GoGold Resources Inc.	100% offtake	Au, Ag	Mexico
Lamaque South[(iii)]	Eldorado Gold Corporation	1% NSR royalty	Au	Canada
Outside of North America				
Mantos Blancos	Mantos Copper Holding SpA	100% stream	Ag	Chile
Sasa	Central Asia Metals plc	100% stream	Ag	Macedonia
Kwale	Base Resources Limited	1.5% GRR[(iv)]	Rutile, Ilmenite, Zircon	Kenya
Brauna	Lipari Mineração Ltda	1% GRR[(iv)]	Diamonds	Brazil
Matilda	Blackham Resources Limited	1.65% stream	Au	Australia
Fruta del Norte	Lundin Gold Inc.	0.1% NSR royalty	Au	Ecuador

Key development / exploration and evaluation assets (v)

Asset	Operator	Interest	Commodities	Jurisdiction
Altar	Aldebaran and Sibanye-Stillwater	1% NSR royalty	Cu, Au	Argentina
Arctic	South 32 / Trilogy Metals Inc.	1% NSR royalty	Cu	USA
Amulsar(vi)	Lydian Canada Ventures Corporation	4.22% Au / 62.5% Ag stream	Au, Ag	Armenia
Amulsar	Lydian Canada Ventures Corporation	81.9% offtake	Au	Armenia
Back Forty	Aquila Resources Inc.	18.5% Au / 85% Ag streams	Au, Ag	USA
Canadian Malartic Underground	Agnico Eagle Mines Limited Yamana Gold Inc.	3.0 – 5.0% NSR royalty	Au	Canada
Cariboo(v)	Osisko Development	5% NSR royalty	Au	Canada
Casino	Western Copper & Gold Corporation	2.75% NSR royalty	Au, Ag, Cu	Canada
Cerro del Gallo	Argonaut Gold Inc.	3% NSR royalty	Au, Ag, Cu	Mexico
Copperwood	Highland Copper Company Inc.	3% NSR royalty(vii)	Ag, Cu	USA
Ermitaño	First Majestic Silver Corp.	2% NSR royalty	Au, Ag	Mexico
Hammond Reef	Agnico Eagle Mines Limited	2% NSR royalty	Au	Canada
Hermosa	South 32 Limited	1% NSR royalty	Zn, Pb, Ag	USA
Horne 5	Falco Resources Ltd.	90%-100% stream	Ag	Canada
Ollachea	Kuri Kullu / Minera IRL	1% NSR royalty	Au	Peru
San Antonio(v)	Osisko Development	15% Au stream	Au	Mexico
Santana	Minera Alamos Inc.	3% NSR royalty	Au	Mexico
Spring Valley	Waterton Global Resource Management	0.5% NSR royalty	Au	USA
Upper Beaver	Agnico Eagle Mines Limited	2% NSR royalty	Au, Cu	Canada
Wharekirauponga (WKP)	OceanaGold Corporation	2% NSR royalty	Au	New Zealand
Windfall Lake	Osisko Mining Inc.	2.0 – 3.0% NSR royalty	Au	Canada

(i) The Eagle Gold mine poured its first gold bar in September 2019 and the Company received its first royalty in October 2019. The operator declared commercial production at the Eagle Gold mine on July 1, 2020.
(ii) Osisko became a 35.1% shareholder of the private entity holding the Renard diamond mine on November 1, 2019 (refer to section *Credit Bid Transaction - Renard Diamond Mine*). In April 2020, the mine was placed on care and maintenance, given the structural challenges affecting the diamond market sales as well as the depressed prices for diamonds due to COVID-19. In September 2020, the mine restarted its operations.
(iii) In August 2020, Osisko acquired the remaining 15% ownership that it did not already own on the Island Gold and Lamaque mines royalties.
(iv) Gross revenue royalty ("GRR").
(v) The 5% NSR royalty on the Cariboo gold project and the 15% gold and silver stream on the San Antonio gold project held by Osisko are not presented as Osisko consolidates the assets of Osisko Development.
(vi) As at December 31, 2019, Lydian International Limited, the owner of the Amulsar project, was granted protection under the *Companies' Creditors Arrangement Act.* In July 2020, a credit bid was completed and Osisko became a 36.2% shareholder of Lydian Canada Ventures Corporation, which is the private entity now holding the Amulsar project in Armenia.
(vii) 3.0% NSR royalty on the Copperwood project. Upon closing of the acquisition of the White Pine project, Highland Copper Company will grant Osisko a 1.5% NSR royalty on all metals produced from the White Pine project, and Osisko's royalty on Copperwood will be reduced to 1.5%.

Main Producing Assets



Geographical Distribution of Assets

Canadian Malartic Royalty (Agnico Eagle Mines Limited and Yamana Gold Inc.)

The Company's cornerstone asset is a 5% NSR royalty on the Canadian Malartic open pit mine which is located in Malartic, Québec, and operated by the Canadian Malartic General Partnership (the "Partnership") formed by Agnico Eagle Mines Limited ("Agnico Eagle") and Yamana Gold Inc. ("Yamana") (together the "Partners"). Canadian Malartic is Canada's largest and the world's 14^{th} largest producing gold mine.

Osisko also holds a 5.0% NSR royalty on the East Gouldie and Odyssey South deposits, a 3.0% NSR royalty on the Odyssey North deposit and a 3-5% NSR on the East Malartic deposit, which are located adjacent to the Canadian Malartic mine.

Update on operations

On January 25, 2021, Yamana reported production guidance of 700,000 ounces of gold at Canadian Malartic for the year 2021.

On January 25, 2021, Yamana reported gold production of 172,742 ounces of gold during the fourth quarter at Canadian Malartic and 568,634 ounces of gold for the year, the latter of which is nearly 10,000 higher than original guidance provided in April. The operation processed a record 62,000 tonnes per day during the fourth quarter. Mining is transitioning from the Canadian Malartic pit to the Barnat pit, which is now in commercial production, and 70% of the total tonnes mined in 2021 are expected to come from the higher grade Barnat pit. Production last year was impacted by COVID-19 related restrictions on mining in Québec.

For more information, refer to Yamana's press release dated January 25, 2021 entitled "*Yamana Gold Provides 2021-2023 Guidance and Ten-Year Overview*" and Yamana's press release dated January 25, 2021 entitled "*Yamana Gold Announces Preliminary 2020 Fourth Quarter and Full Year Production, Financial, and Corporate Results*", both filed on www.sedar.com as well as the Canadian Malartic mine website at www.canadianmalartic.com.

Odyssey Underground Mine Project Construction

Following the completion of an internal technical study in late 2020, the Partnership has approved the construction of a new underground mining complex at the Odyssey project. The project will be described in a NI 43-101 Preliminary Economic Assessment technical report expected to be filed on SEDAR in March 2021. The basis for the mine plan is a potentially mineable resource of 7.29 million ounces (6.18 million tonnes of 2.07 g/t Au indicated resources and 75.9 million tonnes of 2.82 g/t Au inferred resources). The East Gouldie deposit makes up most of this mineral inventory, whose total inferred resources contains 6.42 million ounces (62.9 million tonnes of 3.17 g/t Au). Combined with the East Malartic and Odyssey deposits the total underground inferred resources contains 13.8 million ounces (177.5 million tonnes of 2.42 g/t Au), as well as indicated resources of 0.86 million ounces (13.3 million tonnes of 2.01 g/t Au). More detail can be found in Agnico Eagles' press release dated February 11, 2021 entitled "*Agnico Eagle Reports Fourth Quarter and Full Year 2020 Results*" and filed on www.sedar.com.

The Odyssey project hosts three main underground-mineralized zones, which are East Gouldie, East Malartic, and Odyssey, the latter of which is sub-divided into the Odyssey North, Odyssey South and Odyssey Internal zones. For the purpose of the technical study, mineable stope shapes were generated using a gold price of US$1,250 per ounce, consistent with the price used for estimating Canadian Malartic open pit mineral reserves. The shallow mineralized zones located above 600 metres below surface will be mined using a ramp from surface. The deeper mineralized zones below 600 metres from surface will be mined with a production shaft. In December 2020, ramp development was started on the Odyssey project in order to facilitate underground conversion drilling in 2021 and provide access to the Odyssey and East Malartic deposits. At year-end 2020, the ramp had progressed 102 metres, and an additional 1,500 metres of ramp development is planned in 2021.

Production via the ramp is expected to begin at Odyssey South in late 2023, increasing up to 3,500 tonnes per day in 2024. Collaring of the shaft and installation of the headframe is expected to commence in the second quarter of 2021, with shaft sinking activities expected to begin in late 2022. The shaft will have an estimated depth of 1,800 metres, an expected capacity of approximately 20,000 tonnes per day, and the first loading station is expected to be commissioned in 2027 with modest production from East Gouldie. The East Malartic shallow area and Odyssey North are scheduled to enter into production in 2029 and 2030 respectively.

The forecast parameters surrounding the Company's proposed operations at the Odyssey project were based on the CM Report, which is preliminary in nature and includes inferred mineral resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the forecast production amounts will be realized.

Average annual payable production is approximately 545,400 ounces of gold from 2029 to 2039, with total cash costs per ounce of approximately US$630. Sustaining capital expenditures are expected to gradually decline from 2029 to 2039, with an expected average of approximately US$56 million per year. Using a gold price of US$1,550 per ounce and a C$/US$ foreign exchange rate assumption of 1.30, the Odyssey project has an after-tax internal rate of return of 17.5% and an after-tax net present value (at a 5% discount rate) of US$1.143 billion. The project has excellent exploration potential and is currently expected to have a mine life of 17 years, including 10 years of payable gold production averaging 545,400 ounces per year (all numbers on a 100% basis).

At Odyssey, the East Gouldie deposit has the highest tonnage and grade and contains more than 70% of the total ounces produced. The focus of the ongoing diamond drilling campaign from surface is to further define high quality mineral resources by the beginning of 2023 with a drill hole spacing of 75 metres. Improving the geological confidence of the mineral resources is expected to further de-risk the future production. With additional exploration, the Company believes that additional mineralization will come into the mine plan in the coming years.

Mantos Blancos Stream (Mantos Copper Holding SpA)

Osisko owns a 100% silver stream on the Mantos Blancos mine, which is owned and operated by Mantos Copper Holding SpA ("Mantos"), a private mining company focused on the extraction and sale of copper. The company owns and operates the Mantos Blancos mine and Mantoverde project, located in the Antofagasta and Atacama regions in northern Chile.

Under the stream, Osisko will receive 100% of the payable silver from the Mantos Blancos copper mine until 19.3 million ounces have been delivered (2.1 million ounces have been delivered at December 31, 2020), after which the stream percentage will be 40%. The purchase price for the silver under the Mantos Blancos stream is 8% of the monthly average silver market price for each ounce of refined silver sold and delivered and/or credited by Mantos to Osisko Bermuda Limited ("OBL"), a wholly-owned subsidiary of Osisko.

Update on operations

As per Mantos, production of silver at the Mantos Blancos mine and concentrator plant for the fourth quarter of 2020 of 188,703 ounces of payable silver was lower than the third quarter at 210,040 ounces, due to lower grade (7.08 g/t vs 9.51 g/t), lower recovery (79.9% vs 81.9 %) and lower material milled.

The Mantos Blancos Concentrator Debottlenecking Project ("MB-CDP") has achieved a total progress of 66%, below the targeted progress of 78%. The critical path to completion is the installation of the Ball Mill, which has been delayed by a combination of COVID-related impacts and the final alignment of the mill taking longer than planned. Construction is now scheduled to be completed in the second quarter of 2021, and the completion date is now scheduled for the fourth quarter of 2021.

The expansion is expected to increase the throughput of the operation's sulphide concentrator plant from 4.3 million tonnes per year to 7.3 million tonnes per year by the fourth quarter of 2021 and extend the life of the mine to 2035. Annual deliveries of refined silver to Osisko during the first five years following commissioning of the expansion are expected to average approximately 1.2 million ounces of silver per year.

Eagle Gold Royalty (Victoria Gold Corp.)

Osisko owns a 5% NSR royalty on the Dublin Gulch property, which hosts the Eagle Gold mine, owned and operated by Victoria Gold Corp ("Victoria"). The Dublin Gulch gold property is situated in central Yukon Territory, Canada. The Eagle Gold mine poured its first gold on September 18, 2019.

On October 8, 2019, Victoria made its first shipment of doré from the Eagle Gold mine for refining and Osisko received its first delivery under the royalty agreement in October 2019. Commercial production was declared on July 1, 2020.

Update on operations

On January 6, 2021, Victoria reported gold production of 77,748 ounces in the second half of 2020, exceeding the revised guidance of 72,000 to 77,000 ounces. Ore placement on the heap leach pad increased by more than 20% quarter over quarter including over 1 million tonnes of ore stacked on the pad in December. Effective health protection measures are continuing and have safeguarded
employees and local residents and enabled mine operations to continue, with no suspected or confirmed cases of COVID-19 at site. Gold production in the fourth quarter of 2020 was 20% higher than in the third quarter of 2020. Ore stacked on the heap leach pad increased by 21% while ore mined increased by 7% quarter over quarter. Ore stacked improved considerably in the fourth quarter and particularly during the second half of November through the end of the year. Total tonnes mined were 19% lower in the fourth quarter versus the third quarter as a result of reduced waste mining. Waste mining was lower in the fourth quarter as considerable waste mining was advanced in the third quarter, setting the

Company up well for mining operations in the first quarter of 2021. Both gold grade and metallurgical recovery continue to reconcile well against the reserve model and a significant gold inventory is building on the heap leach pad.

Reserve and resource estimates

The Eagle and Olive deposits include proven and probable reserves of 3.3 million ounces of gold at July 1, 2019, from 155 million tonnes of ore with an average grade of 0.65 g/t Au, as outlined in a new Technical Report, dated December 6, 2019. At July 1, 2019, the Eagle pit was estimated to contain 4.4 million ounces of gold in the measured and indicated category (217 million tonnes averaging 0.63 g/t Au), inclusive of proven and probable reserves, and a further 0.4 million ounces in the inferred category (21 million tonnes averaging 0.52 g/t Au). The Olive pit was estimated to contain 0.3 million ounces of gold in the measured and indicated category (10 million tonnes averaging 1.07 g/t Au), inclusive of proven and probable reserves, and a further 0.2 million ounces in the inferred category (7 million tonnes averaging 0.89 g/t Au).

For additional information, please refer to Victoria's press release dated January 6, 2021 entitled *"Victoria Gold: Eagle Gold Mine Q4 2020 Production Results",* filed on www.sedar.com.

Éléonore Royalty (Newmont Corporation)

Osisko owns a sliding scale 2.0% to 3.5% NSR royalty on the Éléonore gold property located in the Province of Québec and operated by Newmont Corporation ("Newmont"). Osisko currently receives a NSR royalty of 2.2% on production at the Éléonore mine.

Update on operations

On December 8, 2020, Newmont provided 2021 guidance for the Éléonore mine of 270,000 ounces of gold.

On March 23, 2020, Newmont withdrew its 2020 guidance as a result of the COVID-19 pandemic and on July 30, 2020, Newmont released new guidance of 190,000 ounces of gold for 2020 for Éléonore as a result of the COVID-19 pandemic impact on production. In addition, during the Newmont second quarter 2020 earnings conference call held July 30, 2020, Newmont mentioned that it had revised its annual long-term production target for Éléonore to 250,000 ounces of gold.

On March 23, 2020, the operation was placed into care and maintenance after consultation with the local First Nation communities in an effort to mitigate the risk of transmission of the virus to the remote northern communities and to comply with the Québec government's restriction on non-essential travel within the province. In early May, Éléonore began ramping-up operations and the mill restarted at the end of May. The operations continued to ramp up in the third quarter.

Reserve and resource estimates

On February 10, 2021, Newmont updated its mineral reserve and resource estimates for the Éléonore mine as at December 31, 2020. Proven and probable gold mineral reserves and resources remained relatively unchanged after depletion. Proven and probable gold mineral reserves as of December 31, 2020 totaled 1.26 million ounces (7.8 million tonnes grading 5.0 g/t Au). Measured and indicated gold mineral resources as of December 31, 2020 were estimated at 0.44 million ounces (3 million tonnes grading 4.51 g/t Au). Inferred gold mineral resources as of December 31, 2020 were estimated at 0.46 million ounces (2.5 million tonnes grading 5.65 g/t Au).

For additional information, please refer to Newmont press release dated February 10, 2021 entitled *"Newmont Reports 2020 Mineral Reserves of 94 Million Gold Ounces Replacing 80 Percent of"*, Newmont's press release dated July 30, 2020 entitled *"Newmont Announces Solid Second Quarter 2020 Results"* and Newmont's press release dated December 8, 2020 entitled "*Newmont Provides 2021 and Longer-term Outlook"*, all filed on www.sedar.com.

Sasa Stream (Central Asia Metals plc)

Osisko, through OBL, owns a 100% silver stream on the Sasa mine, operated by Central Asia Metals plc ("Central Asia") and located in Macedonia. The Sasa mine is one of the largest zinc, lead and silver mines in Europe, producing approximately 30,000 tonnes of lead, 22,000 tonnes of zinc and 400,000 ounces of silver in concentrates per annum. OBL's entitlement under the Sasa stream applies to 100% of the payable silver production in exchange for US$5 per ounce (plus refining costs) of refined silver increased annually from 2017, based on inflation (currently US$5.50 per ounce).

Update on operations

On January 11, 2021, Central Asia reported sales of 72,057 ounces of payable silver in the fourth quarter of 2020 for a total of 341,633 ounces of silver in 2020.

Central Asia is transitioning to cut and fill mining at the Sasa mine which should provide for higher mine recovery and reduced dilution while also leading to an increased production rate targeting 900,000 tonnes per year compared to current guidance of 825,000 to 850,000 tonnes per year.

For more information on the Sasa mine, refer to Central Asia's press release dated January 11, 2021, entitled *"2020 Operations Update"* available on their website at www.centralasiametals.com.

Seabee Royalty (SSR Mining Inc.)

Osisko holds a 3% NSR royalty on the Seabee gold operations operated by SSR Mining Inc. ("SSR Mining") and located in Saskatchewan, Canada.

Update on operations

On January 19, 2021, SSR Mining reported that it expects to produce 95,000 to 105,000 ounces of gold at Seabee in 2021. It also reported gold production of 82,000 ounces for 2020, in-line with the updated full-year guidance. Gold production was 32,000 ounces in the fourth quarter of 2020.

On September 18, 2020, SSR Mining released updated 2020 guidance at Seabee for 80,000 to 90,000 ounces of gold, compared to SSR Mining's previous guidance of 110,000 to 120,000 ounces, prior to the mine being put on care and maintenance. With respect to the COVID-19 pandemic, Seabee operations were suspended in March 2020 and limited underground development and ore mining operations re-commenced in June 2020. Ore extraction and development rates ramped up through July and milling operations at Seabee commenced in early August. Milling operations re-commenced with ore stockpile providing mill operating flexibility relative to mine extraction. The deliveries under the royalty restarted in October 2020.

SSR Mining continues its strong history of consistent production as well as reserve replacement at the Seabee operation and in 2020, the company announced further investment in exploration at the project. 2020 exploration results include drill intercepts of 7.64 meters of 14.75 g/t Au and 2.62 meters of 28.92 g/t Au in the Santoy Gap Hanging Wall. Additionally, a new discovery was made at Batman Lake including 3.6 meters of 37.95 g/t Au.

For more information, refer to SSR Mining's press release dated September 18, 2020 entitled *"SSR Mining Provides Updated Full Year 2020 Outlook of 680,000 to 760,000 Gold Equivalent Ounces at AISC of $965 to $1,040 per Ounce"* and SSR Mining's press release dated January 19, 2021 entitled "SSR Mining Achieves 2020 Production Guidance and Provides Full Year 2021 Outlook of 720,000 to 800,000 Gold Equivalent Ounces at AISC of $1,050 to $1,110 per Ounce", both filed on www.sedar.com.

Gibraltar Stream (Taseko Mines Limited)

Osisko owns a 100% silver stream on Taseko Mines Limited's ("Taseko") attributable portion of the Gibraltar copper mine ("Gibraltar"), held by Gibraltar Mines Ltd. ("Gibco") and located in British Columbia, Canada. Under the stream agreement, Osisko will receive from Taseko an amount equal to 100% of Gibco's share of silver production until the delivery to Osisko of 5.9 million ounces of silver and 35% of Gibco's share of silver production thereafter. As of December 31, 2020, a total of 0.7 million ounces of silver have been delivered under the stream agreement.

In April 2020, Osisko invested an additional $8.5 million to amend the silver stream to reduce the transfer price from US$2.75 per ounce of silver to nil. The amendment is effective for ounces deliverable after April 25, 2020.

After a period of cost containment in early 2020, rebounding copper prices allowed Taseko to revert to normal mining rates which started increasing in September 2020.

Island Gold Royalty (Alamos Gold Inc.)

Osisko owns NSR royalties ranging from 1.38% to 3.00% on the Island Gold mine, operated by Alamos Gold Inc. ("Alamos") and located in Ontario, Canada. In August 2020, the Company acquired the remaining 15% royalty interests that it did not already hold in a portfolio of assets, including NSR royalties on the Island Gold mine.

On December 9, 2020, Alamos reported its 2021 guidance for Island Gold of 130,000 to 145,000 ounces of gold. It also reported that its production remained on track to achieve full year 2020 updated guidance.

On December 11, 2019, Alamos provided its 2020 guidance for Island Gold of 130,000 to 145,000 ounces of gold. Due to COVID-19, operations were suspended on March 25, 2020 given the large portion of the workforce operating on a fly-in, fly-out basis and being housed within a camp located directly within the local community. Alamos withdrew its 2020 guidance on April 2, 2020. Island restarted the Island Gold mine operations in May 2020. On July 29, 2020, Alamos updated its production guidance for Island Gold at 130,000 to 140,000 ounces of gold following the impact of COVID-19.

On July 14, 2020, Alamos reported results of the positive Phase III Expansion Study conducted on its Island Gold mine. Based on the results of the study, the company announced that it would be proceeding with an expansion of the operation to 2,000 tonnes per day ("Shaft Expansion"). This follows a detailed evaluation of several scenarios which demonstrated the Shaft Expansion as the best option, having the strongest economics, being the most efficient and productive scenario, and the best positioned to capitalize on further growth in mineral reserves and resources. The Phase III Expansion Study highlights a potential average annual gold production of 236,000 ounces per year starting in 2025 upon completion of the shaft, representing a 72% increase from the mid-point of previously issued 2020 production guidance. In addition, it forecast a 16-year mine life, double the current eight year mineral reserve life. This estimate is based on a potentially mineable mineral resource of 9.6 million tonnes grading 10.45 g/t Au containing 3.2 million ounces of gold.

Reserves and resources update

On February 18, 2020, Alamos reported that mineral reserves and resources increased at Island Gold by a combined 921,000 ounces of gold, net of mining depletion, including a 21% increase in proven and probable mineral reserves to 1.22 million ounces (3.6 million tonnes grading 10.37 g/t Au), a 46% increase in inferred mineral resources to 2.30 million ounces (5.4 million tonnes grading 13.26 g/t Au) with grades also increasing 13% reflecting higher grade additions in Island East.

The company has also intersected exceptional drill results within Osisko's 2% NSR royalty claims, including 28.97 g/t Au over 21.76 meters and 15.38 g/t Au over 15.02 meters.

For more information, refer to Alamos' press release dated December 11, 2019 entitled *"Alamos Gold Provides 2020 Production and Operating Guidance"*, Alamos' press release dated February 18, 2020 entitled *"Alamos Gold Reports Mineral Reserves And Resources For The Year-Ended 2019"*, Alamos' press release dated March 24, 2020 entitled *"Alamos Gold Announces 14 Day Suspension of Operations at Island Gold and Provides Update on Other COVID-19 Measures"*, Alamos' press release dated April 2, 2020 entitled *"Alamos Gold Provides Update on Mulatos and Island Gold Operations",* Alamos' press release dated April 29, 2020 entitled *"Alamos Reports First Quarter 2020 Results",* Alamos press release dated July 13, 2020 entitled *"Alamos Gold Reports Additional High-Grade Intercepts Beyond Existing Mineral Resources Across Multiple Areas of Focus at Island Gold"*, Alamos' press release dated July 14, 2020 entitled *"Alamos Gold Announces Phase III Expansion of Island Gold to 2,000 tpd"* and Alamos' press release dated October 28, 2020 entitled *"Alamos Gold Reports Third Quarter 2020 Results"*, and Alamos' press release dated December 9, 2020 entitled "*Alamos Gold Provides 2021 Production and Operating Guidance*", all filed on www.sedar.com.

Renard Stream (Stornoway Diamonds (Canada) Inc.)

Osisko owns a 9.6% diamond stream on the Renard diamond mine operated by Stornoway Diamonds (Canada) Inc. ("Stornoway") and located approximately 350 kilometres north of Chibougamau in the James Bay region of north-central Québec. The Renard stream is secured by a first-ranking security interest over all assets and properties of Stornoway.

A credit bid transaction was closed on November 1, 2019 and Osisko became a 35.1% shareholder of the company holding the Renard diamond mine, Stornoway Diamonds (Canada) Inc., which is considered as an associate since that date.

Under the stream agreement, upon the completion of a sale of diamonds, Osisko remits to Stornoway a cash transfer payment which equals to the lesser of 40% of achieved sales price and US$40 per carat. For the purpose of calculating stream remittances, Stornoway shall separately sell any diamonds smaller than the +7 DTC sieve size that are recovered in excess of the maximum agreed-upon proportion within a sale of run of mine ("ROM") diamonds (the excess small diamonds, or incidentals). In this manner, Stornoway shall restrict the proportion of small diamonds contained in a ROM sale such that the streamers and Stornoway will be fully aligned on upside price exposure with downside protection on price and product mix.

Update on operations

Stornoway announced in April that it has decided to keep the mine on care and maintenance, given the structural challenges still affecting the diamond market sales as well as the depressed prices for diamonds due to COVID-19. The mine restarted its activities in September 2020 and the first sale from the restart of operations occurred in January 2021.

Stornoway's focus has been on cost reduction while the diamond market recovers. In the fourth quarter of 2020, Stornoway conducted two sales. In the first sale the company sold 203,491 carats at an average price per carat of US$70.66 and in the second sale, the company sold 253,842 carats at a price of US$79.70 per carat, a significant improvement over pre-COVID pricing levels. Stornoway's cost reductions, coupled with strengthening diamond prices resulted in positive cash generation from Renard and no additional drawdowns on the company's working capital facility. Osisko has a 9.6% diamond stream on the Renard mine but has agreed to defer payments from the stream until April 2022. Payments can be made prior to this date if the financial situation of Stornoway permits.

Impairment of assets

Renard mine diamond stream (Stornoway Diamonds (Canada) Inc.)

In March 2020, the selling price of diamonds decreased significantly as a result of the impact of the COVID-19 pandemic on the diamond market. On March 24, 2020, activities at the Renard diamond mine were suspended following the order by the Government of Québec to close all non-essential businesses in response to the COVID-19 outbreak, and on April 15, 2020, despite the announcement by the Government of Québec to include mining activities as an essential service, Stornoway announced the extension of the care and maintenance period of its operations due to depressed diamond market conditions. These were considered as indicators of impairment among other facts and circumstances and, accordingly, management performed an impairment assessment as at March 31, 2020. The Company recorded an impairment charge of $26.3 million ($19.3 million, net of income taxes) on the Renard diamond stream.

On March 31, 2020, the Renard diamond stream was written down to its estimated recoverable amount of $40.0 million, which was determined by the value-in-use using discounted cash-flows approaches and estimated probabilities of different restart scenarios. The main valuation inputs used were the cash flows expected to be generated by the sale of diamonds from the Renard diamond stream over the estimated life of the Renard diamond mine, the expected long-term diamond prices per carat, a pre-tax real discount rate of 10.0% and weighted probabilities of different restart scenarios.

A sensitivity analysis was performed by management for the long-term diamond price, the post-tax real discount rate and the weighting of the different scenarios (in isolation). If the long-term diamond price per carat applied to the cash flow projections had been 10% lower than management's estimates, the Company would have recognized an additional impairment charge of $4.1 million ($3.0 million, net of income taxes). If the post-tax real discount rate applied to the cash flow projections had been 100 basis points higher than management's estimates, the Company would have recognized an additional impairment charge of $1.9 million ($1.4 million, net of income taxes). If the probabilities of the different restart scenarios had been 10% more negative than management's estimates, the Company would have recognized an additional impairment charge of $5.5 million ($4.0 million, net of taxes).

Equity Investments

The Company's assets include a portfolio of shares, mainly of publicly traded exploration and development mining companies. Osisko invests, and intends to continue to invest, from time to time in companies where it holds a royalty, stream or similar interest and in various companies within the mining industry for investment purposes and with the objective of improving its ability to acquire future royalties, streams or similar interests. In addition to investment objectives, in some cases, the Company may decide to take a more active role, including providing management personnel and/or administrative support, as well as nominating individuals to the investee's board of directors. These investments are reflected in investments in associates in the consolidated financial statements and include mainly Osisko Mining Inc. ("Osisko Mining"), Osisko Metals Inc. ("Osisko Metals") and Falco Resources Ltd. ("Falco"). Certain equity positions, including Falco, were transferred to Osisko Development as part of the RTO transaction (please refer to the section *Spin-out of Mining Assets and Creation of Osisko Development Corp.* of this MD&A for more details).

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

During the year ended December 31, 2020, Osisko acquired equity investments for $32.5 million and disposed investments for $10.9 million, respectively.

Fair value of marketable securities

The following table presents the carrying value and fair value of the investments in marketable securities (excluding notes and warrants) as at December 31, 2020 (in thousands of dollars):

	Osisko Gold Royalties		Osisko Development (i)		Consolidated	
Investments	Carrying value (ii)	Fair Value (iii)	Carrying value (ii)	Fair value (iii)	Carrying value (ii)	Fair value (iii)
	$	$	$	$	$	$
Associates	109,583	198,783	9,636	20,951	119,219	219,734
Other	16,974	16,974	98,616	98,616	115,590	115,590
	126,557	215,757	108,252	119,567	234,809	335,324

(i) The investments are held by Barkerville Gold Mines Ltd, a wholly-owned subsidiary of Osisko Development.
(ii) The carrying value corresponds to the amount recorded on the consolidated balance sheet, which is the equity method for investments in associates and the fair value for the other investments, as per IFRS 9, *Financial Instruments*.
(iii) The fair value corresponds to the quoted price of the investments in a recognized stock exchange as at December 31, 2020.

Main Investments

The following table presents the main investments of the Company in marketable securities as at December 31, 2020 (in thousands of dollars):

Investment	Company holding the investment	Number of Shares Held	Ownership
			%
Osisko Mining	Osisko Gold Royalties	50,023,569	14.5
Osisko Metals	Osisko Gold Royalties	31,127,397	17.4
Falco	Osisko Development (i)	41,385,240	18.2

(i) The investments are held by Barkerville Gold Mines Ltd, a wholly-owned subsidiary of Osisko Development.

Osisko Mining Inc.

Osisko Mining is a Canadian gold exploration and development company focused on its Windfall Lake gold project. Osisko holds a 2.0% – 3.0% NSR royalty on the Windfall Lake gold project, for which a positive preliminary economic assessment was released in July 2018.

In January 2021, Osisko Mining announced a "bought deal" private placement financing of an aggregate of 11,215,000 common shares of the company that will qualify as "flow-through shares" for aggregate gross proceeds of $60.0 million. Osisko Mining granted the underwriters an option to sell an additional 1,870,000 flow-through shares for additional gross proceeds of $10.0 million exercisable 48 hours prior to closing. Osisko did not participated in this financing.

In June 2020, Osisko Mining closed a $177 million "bought deal" brokered private placement. The net proceeds received from the placement will be used to advance the company's Windfall Lake gold project as well as for working capital and general corporate purposes. Osisko participated in the private placement and bought 4,054,000 units for a subscription amount of $14.8 million. Each unit was comprised of one common share and one-half of one common share purchase warrant. Each full warrant entitles the holders to acquire one common share of Osisko Mining for 18 months from the closing date of the placement at a price of $5.25.

In February 2020, Osisko Mining announced an updated mineral resource estimate on Windfall Lake, increasing the indicated mineral resource estimate by 60% (added 452,000 ounces) and the inferred mineral resource estimate by 66% (added 1,572,000 ounces). The indicated mineral resources on the Windfall Lake gold project are now estimated at 1,206,000 ounces (4,127,000 tonnes grading 9.1 g/t Au) and inferred mineral resources are estimated at 3,938,000 ounces (14,532,000 tonnes grading 8.4 g/t Au), entirely above 1,200 metres vertical depth. For more information, refer to Osisko Mining's press release dated February 19, 2020 entitled *"Osisko Windfall Updated Mineral Resource Estimate"*, filed on www.sedar.com.

In December 2020, Osisko Mining announced a summary of its best exploration results for the year, which included two meters of 13,634 g/t Au, 28 meters of 202 g/t Au and 14.5 meters of 86 g/t Au. These intervals are uncut and have a true thickness is estimated at 55-80% of drill length. Osisko Mining has over 30 surface and underground drills on site to complete the infill program and explore extensions of the principal mineralized zones, all of which remain open down plunge. The exploration ramp has continued to advance towards Triple Lynx for the next planned bulk sample, and at present they have eight underground rigs on the Lynx infill program. Osisko Mining is working towards the delivery of the next resource update and advancing the feasibility work for the Windfall project. For more information, refer to Osisko Mining's press release dated December 3, 2020 entitled *"Osisko Windfall Infill Drill Program 2020 Top 20 Hit Parade"*, filed on www.sedar.com.

As at December 31, 2020, the Company holds 50,023,569 common shares representing a 14.5% interest in Osisko Mining (15.9% as at December 31, 2019). The Company concluded that it exercises significant influence over Osisko Mining and accounts for its investment using the equity method.

Osisko Metals Incorporated

Osisko Metals is a Canadian base metal exploration and development company with a focus on zinc mineral assets. The company's flagship properties are the Pine Point mining camp, located in the Northwest Territories and the Bathurst mining camp, located in northern New Brunswick. The Company owns a 2.0% NSR royalty on the Pine Point mining camp (acquired in January 2020) and a 1% NSR royalty on the Bathurst mining camp.

Pine Point

On January 11, 2021, Osisko Metals announced its 2021 exploration and development plans for Pine Point, including an updated preliminary economic assessment and submitting the environmental assessment initiation package. On receipt of a positive decision on the environmental assessment, expected in the third quarter of 2023, the project permitting phase will then commence and is expected to be completed by the third quarter of 2024.

On December 30, 2020, Osisko Metals closed a royalty financing with Osisko Gold Royalties Ltd for a further 0.5% NSR royalty on the Pine Point project for cash consideration of $6.5 million (for a total 2% NSR royalty on the Pine Point project, which is not subject to buy-back rights in favor of Osisko Metals). The company also announced that it has closed a non-brokered private placement, pursuant to which Osisko Metals sold an aggregate of 4,130,250 units of the company at a price of $0.48 per unit for aggregate gross proceeds of $2.0 million. The net proceeds from the financing will be used for the development of Osisko Metals' Pine Point project, specifically drilling and hydrogeological studies, as well as general corporate purposes.

On June 15, 2020, Osisko Metals released a positive independent preliminary economic assessment on the Pine Point project, including the results of an updated mineral resource estimate that converted approximately 25.5% of the global resource to the indicated mineral resource category. The preliminary economic assessment showed an estimated internal rate of return of 29.6% and a mine life of 10 years. The updated mineral resource estimate highlighted indicated mineral resources of 12.9 million tonnes grading 6.29% zinc equivalent ("ZnEq") (4.56% Zn and 1.73% Pb), representing approximately 25.5% of the declared tonnage in the updated 2020 mineral resource estimate. Inferred mineral resources are estimated at 37.6 million tonnes grading 6.80% ZnEq (4.89% Zn and 1.91% Pb). For more information, refer to Osisko Metals' press release dated June 15, 2020 entitled *"Osisko Metals Releases Positive Pine Point PEA",* filed on www.sedar.com.

The Pine Point mining camp has an inferred mineral resource of 52.4 million tonnes grading 4.64% zinc and 1.83% lead (6.47% ZnEq) as per the 2019 mineral resource estimate. Please refer to the National Instrument 43-101 – Standards of

Disclosure for Mineral Projects ("NI 43-101") Technical Report entitled *"Mineral Resource Estimate Update Pine Point Lead-Zinc Project"* dated December 19, 2019 and filed on www.sedar.com for further information.

As at December 31, 2020, the Company holds 31,127,397 common shares representing a 17.4% interest in Osisko Metals (17.9% as at December 31, 2019). The Company concluded that it exercises significant influence over Osisko Metals and accounts for its investment using the equity method.

Falco Resources Ltd.

Falco's main asset is the Horne 5 gold project, for which a positive feasibility study was released in October 2017. For more information, refer to Falco's press release dated October 16, 2017 and entitled: "*Falco Announces Positive Feasibility Study Results on Horne 5 Gold Project*" and filed on www.sedar.com.

On October 27, 2020, Falco announced it has entered into agreements with Glencore Canada Corporation and its affiliated companies ("Glencore") related to its flagship Horne 5 project, located in Rouyn-Noranda, Québec. The agreements include a $10.0 million senior secured convertible debenture bridge financing to fund the continued advancement of the Horne 5 project and life of mine copper and zinc concentrate offtake agreements.

In addition to being subject to the applicable legal framework, the development of the Horne 5 project is subject to a contractual framework whereby the obtaining of the required license to operate from Glencore, is subordinated to the entering into a comprehensive financial guarantee arrangement in order to provide adequate financial protection to Glencore's neighboring Horne smelter. Once this condition precedent will be achieved, Falco and Glencore will establish a work plan for the further development of the Horne 5 project, including operational parameters to be complied with by Falco in order to maintain the primacy of Glencore's operation, the whole, in accordance with the agreed upon contractual framework. Based on the foregoing, Falco will not be carrying any dewatering activities prior to finalizing a satisfactory comprehensive financial guarantee framework with Glencore and thereafter agreeing on a mutually satisfactory work plan for the conduct of such activities. A comprehensive financial guarantee framework has been submitted to Glencore.

In February 2019, Osisko provided Falco with a senior secured silver stream credit facility ("Falco Silver Stream") with reference to up to 100% of the future silver produced from the Horne 5 property ("Horne 5") located in Rouyn-Noranda, Québec. As part of the Falco Silver Stream, Osisko will make staged upfront cash deposits to Falco of up to $180.0 million and will make ongoing payments equal to 20% of the spot price of silver, to a maximum of US$6.00 per ounce. The Falco Silver Stream is secured by a first priority lien on the Project and all assets of Falco. The first installment of $25.0 million was made at the closing of the Falco Silver Stream.

In November 27, 2020, a $15.9 million secured senior loan from Osisko Gold Royalties to Falco was amended to become convertible after the first anniversary of its execution date into common shares of Falco at a conversion price of $0.55 per share, subject to standard anti-dilution protections. The convertible debenture continues to bear interest at a rate of 7.0% per annum compounded quarterly and has a maturity date of December 31, 2022. The accrued interest receivable of $1.7 million on the loan prior to its conversion was capitalized to the capital of the note. In addition, Falco issued to Osisko 10,664,324 warrants of Falco, each exercisable for one common share of Falco at an exercise price of $0.69 for a period of 24 months from their date of issuance. The fair value of the warrants was evaluated at $1.1 million using the Black-Scholes model.

For more information, refer to Falco's press release dated August 19, 2019 entitled: "*Falco provides Horne 5 project development update*", Falco's press release dated October 27, 2020 entitled *"Falco Enters Into Agreements With Glencore"* and Falco's press release dated November 27, 2020 entitled "*Falco completes extension of maturity of its senior loan"*, all filed on www.sedar.com.

As at December 31, 2020, the Company holds 41,385,240 common shares representing an 18.2% interest in Falco (19.9% as at December 31, 2019). The Company concluded that it exercises significant influence over Falco and accounts for its investment using the equity method.

Sustainability Activities

Osisko views sustainability as a key part of its strategy to create value for its shareholders and other stakeholders.

The Company focuses on the following key areas:

- Promoting the mining industry and its benefits to society;
- Maintaining strong relationships with the Federal government and the Provincial, Municipal and First Nations governments;
- Supporting the economic development of regions where Osisko operates (directly or indirectly through its interests);
- Supporting university education in mining fields and employee development;
- Promoting diversity throughout the organization and the mining industry; and
- Encouraging our partners companies to adhere to the same areas of focus in sustainability.

Mining Exploration and Evaluation / Development Activities

Following the spin-out of the mining activities of Osisko Gold Royalties to Osisko Development in November 2020, all mining exploration, evaluation and development activities are now managed and financed exclusively by Osisko Development.

Cariboo gold project

In 2020, investments in mining assets and plant and equipment amounted to $86.3 million, mostly on the Cariboo gold property, including $17.1 million in exploration and evaluation activities ($12.5 million, net of exploration credits).

On November 21, 2019, Osisko acquired the Cariboo gold project located in the historical Cariboo Mining District of central British Columbia, Canada, through the acquisition of Barkerville. In November 2020, Osisko transferred its mining assets, including the Cariboo gold project, to a new mining company, Osisko Development, that will concentrate on exploration and development activities of mining projects. Please refer to the section *Spin-out of Mining Assets and Creation of Osisko Development Corp.* of this MD&A for more details.

Exploration activities and updated mineral resource estimate

In 2020, a total of 59,500 meters and 216 holes were drilled as part of the exploration and category conversion program on the Cariboo gold project on Mosquito Creek (9,400 meters), Lowhee (10,000 meters), Cow (5,300 meters), Valley (25,000 meters), Shaft (3,400 meters), Proserpine (2,800 meters), BC Vein (2,800 meters) and holes drilled for metallurgical or geotechnical purposes (800 meters). Up to eight diamond drill rigs were utilized. The drilling confirmed down dip extensions of mineralized veins and high grade intercepts within the current resource. Osisko Development expanded the new discoveries from 2019 on Lowhee and Proserpine. The objectives of the 2020 exploration program were to test the new brownfield targets adjacent to known deposits, infill high grade Mine Stope Optimizer stopes modelled from the PEA currently classified as inferred and explore depth and strike potential of the known deposits.

In October 2020, Osisko announced an updated mineral resource estimate for the Cariboo gold project of 3.2 million ounces of gold (21.4 million tonnes grading 4.6 g/t Au) in the measured and indicated resource category, and 2.7 million ounces of gold (21.6 million tonnes grading 3.9 g/t Au) in the inferred resource category. Metallurgical testing has shown that the mineralization can be effectively upgraded by flotation and x-ray transmission ore-sorting, owing to the strong association of gold with pyrite. The concentrates can then be processed at the wholly-owned QR mill. This mill is currently being refurbished to treat ore from the BC Vein mine being developed near Wells.

For more information, refer to Barkerville Gold Mines NI 43-101 Technical Report entitled "NI 43-101 Technical Report and Mineral Resource Estimate for the Cariboo Gold Project, British Columbia, Canada" (the "Technical Report") filed on SEDAR (www.sedar.com) on November 17, 2020 under Osisko Gold Royalties' profile.

2021 objectives

Osisko Development is currently conducting an extensive drilling program to expand and delineate the known and new vein corridors and deposits. This exploration is focused on the expansion of the Lowhee Zone and further delineation of the Cow, Valley, Mosquito and Shaft deposits with ten diamond drill rigs. Regional greenfields exploration will occur along the Burns, Yanks and Cariboo Hudson targets and will include geological mapping and geochemical surface sampling.

In 2021, Osisko Development anticipates starting mining operations at its Bonanza Ledge Phase 2 project once all the required permits are obtained. Furthermore, Osisko Development also plans to start the development of an underground portal for the Cow deposit once all required permits are obtained. Finally, Osisko Development will continue developing the Cariboo gold deposit and is working at completing a feasibility study for the second half of 2021.

San Antonio gold project

In 2020, Osisko acquired the San Antonio gold project in Sonora, Mexico for US$42.0 million. As part of the RTO transaction, Osisko Gold Royalties contributed the San Antonio gold project assets to Osisko Development at the closing of the RTO transaction and retained a 15% gold and silver stream (with ongoing per-ounce payments equal to 15% of the prevailing price of gold and silver, as applicable) on the San Antonio gold project.

In accordance with IFRS 3 *Business Combinations*, the transaction has been recorded as an acquisition of assets as the acquired assets and assumed liabilities did not meet the definition of a business.

The total purchase price of $68.1 million was allocated to the assets acquired and the liabilities assumed based on the relative fair value at the closing date of the transaction. All financial assets acquired and financial liabilities assumed were recorded at fair value.

The purchase price was calculated as follows:

Consideration paid	**$**
Issuance of 1,011,374 common shares	15,846
Cash consideration	40,015
Value-added tax paid on acquisition of assets	6,328
Osisko's transaction costs	5,865
	68,054

Net assets acquired	**$**
Inventories	7,899
Inventories – non-current (1)	16,129
Other non-current assets	6,328
Mining interests and plant and equipment	58,368
Accounts payable and accrued liabilities	(11,369)
Provision and other liabilities	(9,301)
	68,054

(1) The inventory balance associated with the ore that was not expected to be processed within 12 months of the acquisition date was classified as non-current and is recorded in the other assets line item on the consolidated balance sheets.

In 2020, following the acquisition, Osisko Development has concentrated its efforts in obtaining the required permits and amendments to permits to perform its activities. Osisko Development has filed preventive reports for the processing of the gold stockpile on site and for a 15,000-meter drilling program for the Sapuchi, Golfo de Oro and California zones. Osisko Development also initiated the following activities :

- Commencement of the Environmental Impact Manifest (or Manifestacion de Impacto Ambiental or "MIA");
- A baseline study;
- Awarding the Engineering, Procurment, Construction, Management contract for the process of the stockpile; and
- Purchased a mobile crushing unit that is anticipated to be delivered on site towards the end of the first quarter of 2021.

Mineral resource estimate

The processing scenario assumes heap leaching of the mineralized material sourced from open pit mining. The mineral resource has been limited to mineralized material that occurs within optimized pit shells.

San Antonio Gold Project Mineral Resource Estimate

Category	Deposit	Tonnes ('000)	Gold Grade g/t	Silver Grade g/t	Gold Ounces ('000)	Silver Ounces ('000,000)
Inferred	Golfo de Oro	11,700	1.3	2.7	503	1.0
	California	4,900	1.2	2.1	182	0.3
	Sapuchi	11,100	1.0	3.4	364	1.2
Total Inferred Resources		**27,600**	**1.2**	**2.9**	**1,049**	**2.5**

Mineral Resource Estimate notes:

1. The independent and qualified person for the mineral resource estimates, as defined by NI 43-101, is Leonardo de Souza, MAusIMM (CP), of Talisker Exploration Services Inc.
2. The gold cut-off grade applied to oxide, transition and sulphide ore are 0.32 g/t Au, 0.36 g/t Au and 0.42 g/t Au, respectively.
3. These mineral resources are not mineral reserves as they do not have demonstrated economic viability.
4. The mineral resource estimate follows CIM Definition Standards.
5. The estimate is reported for a potential open pit scenario assuming US$1,550 per ounce of gold.
6. Results are presented in-situ. Ounce (troy) = metric tonnes x grade / 31.103. Calculations used metric units (metres, tonnes, g/t). Any discrepancies in the totals are due to rounding effects. Rounding followed the recommendations as per NI 43-101.
7. Talisker Exploration Services Inc. is not aware of any known environmental, permitting, legal, title-related, taxation, socio- political, marketing or other relevant issues that could materially affect the mineral resource estimate other than those that may be disclosed in a NI 43-101 compliant technical report.

2021 Objectives

Osisko Development is focusing on various activities in 2021 that pertain to permitting, local communities relations, exploration and finally the processing of the ore stockpile on site.

Osisko Develpopment will continue the various permitting activities started in 2020. These activities consist of obtaining the permits for the MIA and the change of Use of Land while continuing the work required to complete the environmental baseline study and the social/community baseline study. As part of the social/community activities, Osisko Development will continue advancing discussions with the impacted local communities with the objective to reach a long term agreement.

Furthermore, Osisko Development will continue to work on the details of the plan to start processing the stockpile currently on site with the objective to have loaded carbon available to be shipped to produce gold before the end of 2021.

Finally, a two phase 35,000-meter drilling campaign is expected to start in the first quarter of 2021 with the objective of delineating high grade zones, expanding resources and reducing strip ratio. Osisko Development expects exploration potential to expand both oxide and sulphide resources as recent metallurgical testing has shown that the sulphide resources are amenable to heap leaching.

James Bay area properties

In October 2020, Osisko announced the spin-out of its mining assets, including the properties in the James Bay area, to Osisko Development. As part of the transaction, the earn-in agreements with O3 Mining were terminated, so Osisko Development has now complete control over the properties for their exploration and development activities. Osisko Development intends to review each property to maximize their potential value. Please refer to the section *Spin-out of Mining Assets and Creation of Osisko Development Corp.* of this MD&A for more details.

As at December 31, 2020, the net book value of the James Bay properties, excluding the Coulon zinc project, amounted to $31.1 million.

Coulon zinc project

As part of the RTO transaction, Osisko Gold Royalties transferred the Coulon zinc project to Osisko Development. The Coulon zinc project is located in the Middle North of the Province of Québec, Canada, and has a net book value of $10.0 million as at December 31, 2020. It is close to an hydroelectric dam and the project can be accessed year-round via the Trans-Taïga road. In 2009, a NI 43-101 Technical Report and Resource Estimate was filed. Indicated resources were estimated at 3,675,000 tonnes grading on average 3.61% Zn, 1.27% Cu, 0.40% Pb, 37.2 g/t Ag et 0.25 g/t Au and inferred resources were estimated at 10,058,000 tonnes grading on average 3.92% Zn, 1.33% Cu, 0.19% Pb, 34.5 g/t Ag et 0.18 g/t Au.

Dividend Reinvestment Plan

Osisko Gold Royalty has a dividend reinvestment plan ("DRIP") that allows Canadian and U. S. shareholders to reinvest their cash dividends into additional common shares either purchased on the open market through the facilities of the TSX or the NYSE, or issued directly from treasury by the Company, or acquired by a combination thereof. In the case of a treasury issuance, the price will be the weighted average price of the common shares on the TSX or the NYSE during the five trading days immediately preceding the dividend payment date, less a discount, if any, of up to 5%, at the Company's sole election.

As at December 31, 2020, the holders of 11,525,456 common shares had elected to participate in the DRIP, representing dividends payable of $0.6 million. During the year ended December 31, 2020, the Company issued 268,173 common shares under the DRIP, at a discount rate of 3% (198,609 common shares in 2019 at a discount rate of 3%). On January 15, 2021, 37,545 common shares were issued under the DRIP at a discount rate of 3%.

Normal Course Issuer Bid

In December 2020, Osisko Gold Royalties renewed its normal course issuer bid ("NCIB") program. Under the terms of the 2020 NCIB program, Osisko Gold Royalties may acquire up to 14,610,718 of its common shares from time to time in accordance with the normal course issuer bid procedures of the TSX. Repurchases under the 2020 NCIB program are authorized until December 11, 2021. Daily purchases will be limited to 138,366 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, 2020, being 553,464 common Shares.

During the year ended December 31, 2020, Osisko Gold Royalties purchased for cancellation a total of 429,722 common shares under the 2019 NCIB program for $3.9 million (average acquisition price per share of $9.15). During the year ended December 31, 2019, Osisko Gold Royalties purchased for cancellation a total of 983,900 common shares under the 2018 NCIB program for $11.8 million (average acquisition price per share of $12.02).

Gold Market and Currency

Gold Market

Gold prices gained 24.6% in 2020, the biggest annual increase in a decade. Prices have posted a major increase closing 2020 at US$1,888 per ounce compared to the last pm fix of the previous year of US$1,515 per ounce. The average price for the year was US$377 per ounce higher at US$1,770 per ounce compared to US$1,393 per ounce in 2019. During the fourth quarter of 2020, the gold price remained stable on the London pm fix, closing at US$1,888 per ounce. The average price amounted to US$1,874 per ounce, slightly lower compared to the previous quarter average price of US$1,909, but US$393 higher on a year-over-year basis.

The historical price is as follows:

(US$/ounce of gold)	High	Low	Average	Close
2020	$2,067	$1,474	$1,770	$1,888
2019	1,545	1,270	1,393	1,515
2018	1,355	1,178	1,268	1,279
2017	1,346	1,151	1,257	1,291
2016	1,366	1,077	1,251	1,146

In Canadian dollar terms, the average price per ounce of gold averaged $2,442 in the fourth quarter of 2020, compared to $2,542 in the third quarter, $2,370 in the second quarter and $2,129 in the first quarter. The gold price closed 2020 at $2,403 per ounce, down $114 per ounce from September 30, 2020.

Currency

The dollar traded between a range of 1.2718 to 1.3349 in the fourth quarter of 2020 to close at 1.3339 on December 31, 2020 compared to a close of 1.3339 on September 30, 2020 and 1.2988 on December 31, 2019. The Canadian dollar averaged 1.3030 in the fourth quarter of 2020 compared to 1.3321 in the third quarter of 2020 and 1.3200 in the fourth quarter of 2019.

The Bank of Canada has taken proactive measures in light of the negative effects to Canada's economy arising from the COVID-19 pandemic and the drop in oil prices. The Bank of Canada lowered its target for the overnight rate by 150 points in just 23 days in March bringing it to an historic low of 0.25%.

The exchange rate for the U.S./Canadian dollar is outlined below:

	High	Low	Average	Close
2020	1.4496	1.2718	1.3415	1.2732
2019	1.3600	1.2988	1.3269	1.2988
2018	1.3642	1.2288	1.2957	1.3642
2017	1.3743	1.2128	1.2986	1.2545
2016	1.4589	1.2544	1.3248	1.3427

Selected Financial Information
(in thousands of dollars, except figures for ounces and amounts per ounce and per share) (1)

	2020	2019	2018
	$	$	$
Revenues	213,630	392,599	490,472
Cash margin (2)	149,930	129,718	119,167
Gross profit	104,325	82,709	66,555
Impairment of assets (3)	(34,298)	(260,800)	(166,316)
Operating income (loss)	41,703	(183,226)	(113,531)
Net earnings (loss) (4)	16,876	(234,195)	(105,587)
Basic and diluted net earnings (loss) per share (5)	0.10	(1.55)	(0.67)
Total assets	2,397,104	1,947,253	2,234,646
Total long-term debt	400,429	349,042	352,769
Average selling price of gold (per ounce sold)			
In C$ (6)	2,373	1,817	1,649
In US$	1,782	1,371	1,273
Operating cash flows	107,978	91,598	82,158
Dividend per common share	0.20	0.20	0.20
Weighted average shares outstanding *(in thousands)*			
Basic	162,303	151,266	156,617
Diluted (5)	162,428	151,266	156,617

(1) Unless otherwise noted, financial information is in Canadian dollars and prepared in accordance with IFRS.
(2) Cash margin is a non-IFRS financial performance measure which has no standard definition under IFRS. It is calculated by deducting the cost of sales from the revenues. Please refer to the *Overview of Financial Results* section of this MD&A for a reconciliation of the cash margin per interest.
(3) Including impairment on royalties, streams and other interests, on exploration and evaluation assets, and on investments.
(4) Attributable to Osisko Gold Royalties Ltd's shareholders.
(5) As a result of the net losses for the years 2019 and 2018, all potentially dilutive common shares are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share.
(6) Using actual exchange rates at the date of the transactions.

Overview of Financial Results

Financial Summary –2020

- Record revenues from royalties and streams of $156.6 million ($213.6 million including offtakes) compared to $140.1 million ($392.6 million including offtakes) in 2019;
- Record gross profit of $104.3 million compared to $82.7 million in 2019;
- Impairment charge on royalty, stream and other interests of $26.3 million ($19.3 million, net of income taxes), compared to impairment charges of $193.6 million ($163.4 million, net of income taxes) in 2019;
- Operating income of $41.7 million compared to an operating loss of $183.2 million in 2019;
- Net earnings attributable to Osisko Gold Royalties shareholders of $16.9 million or $0.10 per basic and diluted share, compared to a net loss of $234.2 million or $1.55 per basic and diluted share in 2019;
- Adjusted earnings[1] of $43.7 million or $0.29 per basic share[1] compared to $41.9 million or $0.28 per basic share in 2019; and
- Record cash flows provided by operating activities of $108.0 million compared to $91.6 million in 2019.

Revenues from royalties and streams increased by $16.5 million in 2020 compared to 2019 as a result of higher gold prices, partially offset by reduced deliveries of precious metals under the royalty and stream agreements as a result of the COVID-19 pandemic. Total revenues, including offtakes, decreased, mainly as a result of the sale of the Brucejack gold offtake on September 15, 2019, partially offset by higher gold prices. Under the offtake agreements, the metal is acquired from the producers at the lowest market price over a certain period of time (quotational period), and is subsequently sold by OBL, resulting in a net profit that will usually vary between 0% and 5% of the sales proceeds. The profit margin is highly impacted by the volatility of commodity prices during the quotational period.

Gross profit amounted to $104.3 million in 2020 compared to $82.7 million in 2019. The increase is mainly due to a higher cash margin as a result of a higher gold price, partially offset by the negative impact of the COVID-19 pandemic on the deliveries of precious metals.

In 2020, the Company generated an operating income of $41.7 million compared to an operating loss of $183.2 million in 2019. The operating income is the result of a higher gross profit, partially offset by an impairment charge on the Renard stream of $26.3 million and higher general and administrative ("G&A") expenses and business development expenses. G&A expenses and business development expenses increased in 2020 as a result of the integration of Barkerville in November 2019, higher professional fees related to the RTO transaction, a non-cash listing fee and higher share-based compensation. In 2019, the Company recorded impairment charges of $243.6 million and a gain on the sale of the Brucejack offtake of $7.6 million.

In 2020, the Company generated net earnings attributable to Osisko Gold Royalties' shareholders of $21.3 million compared to a net loss of $234.2 million in 2019. The variance is mainly due to the impairment charges on royalty, stream and offtake interests of $243.6 million in 2019 compared to $26.3 million in 2020.

Adjusted earnings[1] were $43.7 million in 2020, compared to $41.9 million in 2019. The higher gross profit of $21.6 million in 2020 was offset by the gain on disposal of the Brucejack offtake in 2019, higher G&A expenses and business development expenses, higher finance costs and income taxes payable on the San Antonio stream closed prior to the RTO.

Net cash flows provided by operating activities in 2020 was $108.0 million compared to $91.6 million in 2019 as a result of the higher cash margin, partially offset by higher operating expenses.

1 "Adjusted earnings" and "Adjusted earnings per basic share" are non-IFRS financial performance measures which have no standard definition under IFRS. Refer to the non-IFRS measures provided under the *Non-IFRS Financial Performance Measures* section of this Management and Discussion Analysis.

Consolidated Statements of Income (Loss)

The following table presents summarized consolidated statements of income (loss) for the years ended December 31, 2020 and 2019 (in thousands of dollars, except amounts per share):

		2020	2019
		$	$
Revenues	(a)	**213,630**	**392,599**
Cost of sales	(b)	(63,700)	(262,881)
Depletion of royalty, stream and other interests	(c)	(45,605)	(47,009)
Gross profit	(d)	**104,325**	**82,709**
Other operating expenses			
General and administrative	(e)	(25,901)	(23,682)
Business development	(f)	(10,290)	(6,122)
Exploration and evaluation		(131)	(191)
Gain on disposal of stream and offtake interests	(g)	-	7,636
Impairment of assets	(h)	(26,300)	(243,576)
Operating income (loss)		**41,703**	**(183,226)**
Other expenses, net	(i)	(14,561)	(91,369)
Earnings (loss) before income taxes		**27,142**	**(274,595)**
Income tax (expense) recovery	(j)	(10,913)	40,400
Net earnings (loss)		**16,229**	**(234,195)**
Net earnings (loss) attributable to:			
Osisko Gold Royalties Ltd's shareholders		16,876	(234,195)
Non-controlling interests		(647)	-
Net earnings (loss) per share attributable to Osisko Gold Royalties Ltd's shareholders			
Basic and diluted		0.10	(1.55)

(a) Revenues are comprised of the following:

	Years ended December 31,					
	2020			2019		
	Average selling price per ounce / carat ($)	Ounces / carats sold	Total revenues ($000's)	Average selling price per ounce / carat ($)	Ounces / Carats sold	Total revenues ($000's)
Gold sold	2,373	53,276	126,415	1,817	174,185	316,549
Silver sold	27	2,524,469	67,167	22	2,228,306	48,124
Diamonds sold [(i)]	94	92,200	8,692	100	179,571	17,967
Other (paid in cash)	-	-	11,356	-	-	9,959
			213,630			392,599

(i) The Renard diamond mine was put on care and maintenance in March 2020, given the structural challenges affecting the diamond market sales as well as the depressed prices for diamonds due to COVID-19. In September 2020, the mine restarted its activities.

The decrease in gold ounces sold in 2020 is mainly the result of the sale of the Brucejack offtake in September 2019 as well as the impact of the COVID-19 pandemic (to a lesser degree). The increase in silver ounces sold in 2020 is mainly the result of higher silver ounces acquired under the stream and offtake agreements.

(b) Cost of sales represents mainly the acquisition price of the metals and diamonds under the offtake and stream agreements, as well as minimal refining, insurance and transportation costs related to the metals received under royalty agreements. The decrease in 2020 is mainly the result of sale of the Brucejack offtake in September 2019 and the impact of the COVID-19 pandemic (to a lesser degree).

(c) The royalty, stream and other interests are depleted using the units-of-production method over the estimated life of the properties or the life of the agreement. The decrease in 2020 is due to the reduced deliveries of precious metals due to the COVID-19 pandemic, the mix of sales in 2020 compared to 2019, the sale of the Brucejack offtake in September 2019 as well as the impact of the impairments on the royalty, stream and offtake interests recognized in 2019.

(d) The breakdown of gross profit per nature of interest is as follows (in $000's):

	Years ended December 31,	
	2020	**2019**
	$	**$**
Royalty interests		
Revenues	111,305	97,146
Cost of sales	(512)	(272)
Cash margin	**110,793**	**96,874**
Depletion	(23,161)	(20,908)
Gross profit	87,632	75,966
Stream interests		
Revenues	45,269	42,976
Cost of sales	(8,988)	(13,437)
Cash margin	**36,281**	**29,539**
Depletion	(21,531)	(23,533)
Gross profit	14,750	6,006
Royalty and stream interests		
Cash margin	**147,074**	**126,413**
	93.9%	**90.2%**
Offtake interests		
Revenues	57,056	252,477
Cost of sales	(54,200)	(249,172)
Cash margin	**2,856**	**3,305**
	5.0%	**1.3%**
Depletion	(913)	(2,568)
Gross profit	1,943	737
Total – Gross profit	**104,325**	**82,709**

(e) G&A expenses increased to $25.9 million in 2020 compared to $23.7 million in 2019, as a result of higher share-based compensation, higher professional fees and the integration of Barkerville to the consolidated results.

(f) Business development expenses increased to $10.3 million in 2020 compared to $6.1 million in 2019, mainly as a result of additional professional fees related to the RTO transaction ($2.0 million) and a non-cash listing fees ($1.7 million), also related to the RTO transaction.

(g) In 2019, the Company sold back its Brucejack offtake to the operator of the mine for US$41.3 million ($54.8 million) and generated a gain on the sale of US$5.8 million ($7.6 million).

(h) In 2020, the Company recorded an impairment charge of $26.3 million ($19.3 million, net of income taxes) on its Renard diamond stream. The impairment charge is explained in the *Impairment of assets* section of this MD&A.

In 2019, the Company recorded impairment charges of $86.1 million ($63.2 million, net of income taxes) on its Renard diamond stream, US$61.2 million ($79.8 million) on its Amulsar stream and offtake interests, $27.2 million ($20.0 million, net of income taxes) on its Éléonore royalty and $50.0 million ($37.6 million, net of income taxes) on its Coulon zinc project.

(i) Other expenses, net, of $14.6 million in 2020 include finance costs of $26.1 million, gains on investments of $13.6 million (including a gain on dilution of investments in associates of $10.4 million) and a share of loss of associates of $7.7 million, partially offset by interest income of $4.6 million and a gain on foreign exchange of $1.0 million.

Other expenses, net, of $91.4 million in 2019 include finance costs of $23.5 million, a share of loss of associates of $22.2 million and losses on investments of $48.4 million (mainly from a net loss on disposal of investments (related to the Barkerville shares held prior to the acquisition)) and an impairment charge of $12.5 million ($10.8 million, net of income taxes) on its net investment in Falco), partially offset by interest and dividend income of $4.6 million.

(j) The effective income tax rate for 2020 is 40.2% compared to 14.7% in 2019. The statutory rate is 26.5% in 2020 and 26.6% in 2019. The elements that impacted the effective income taxes are the non-taxable (or deductible) part of capital gains (or losses) (50%) and non-deductible expenses. Cash taxes of $1.1 million were paid in 2020 and $0.8 million in 2019 and were related to taxes on royalties earned in foreign jurisdictions. In addition, income taxes of US$4.5 million ($5.7 million) will be payable in Mexico in the first quarter of 2021 as a result of the acquisition of the San Antonio stream in 2020.

Liquidity and Capital Resources

As at December 31, 2020, the Company's consolidated cash position amounted to $302.5 million, including cash held by Osisko Development and its subsidiaries amounting to $197.4 million, compared to $108.2 million as at December 31, 2019. Significant variations in the liquidity and capital resources in 2020 are explained below under the *Cash Flows* section.

On April 1, 2020, the Company completed a private placement of 7,727,273 common shares at a price of $11.00 per common share for total gross proceeds of $85.0 million with Investissement Québec. The net proceeds from the private placement was used for general working capital purposes. The common shares issued under the private placement were subject to a four-month hold period from the date of issuance.

Osisko Development completed a $100.1 million equity financing concurrently with the RTO transaction in October 2020. In addition, on December 30, 2020, Osisko Development completed a brokered private placement of $40.2 million. In December 2020, Osisko Development also received proceeds of $73.9 million from a private placement that was closed in 2021.

The Company has a revolving credit facility (the "Facility") of $400.0 million with a maturity date of November 14, 2023. The Facility has an additional uncommitted accordion of up to $100.0 million for a total availability of up to $500.0 million. The uncommitted accordion is subject to standard due diligence procedures and acceptance of 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 royalty, stream and other interests. In March 2020, the Company drew US$50.0 million on its credit facility to increase its liquidities in light of the uncertainties created by the COVID-19 pandemic (for a total of US$65.0 million drawn) and repaid US$15.0 million in December 2020. The amount outstanding as at December 31, 2020 was US$50.0 million ($63.7 million). As at December 31, 2020, the unused portion of the credit facility, excluding the $100.0 million accordion, was $336.3 million. In February 2021, the Company drew an additional $50.0 million under the credit facility to repay the outstanding convertible debenture with Investissement Québec.

Cash Flows

The following table summarizes the cash flows (in thousands of dollars):

	Years ended December 31, 2020	2019
	$	$
Cash flows		
Operations	106,244	96,378
Working capital items	1,734	(4,780)
Operating activities	**107,978**	**91,598**
Investing activities	(223,099)	7,562
Financing activities	316,861	(161,910)
Effects of exchange rate changes on cash and cash equivalents	(7,439)	(3,292)
Increase (decrease) in cash	194,301	(66,042)
Cash – beginning of period	108,223	174,265
Cash – end of period	302,524	108,223

Operating Activities

Cash flows provided by operating activities in 2020 amounted to $108.0 million compared to $91.6 million in 2019. The increase is mainly the result of higher cash margins (revenues less cost of sales) in 2020 resulting from higher gold and silver prices, partially offset by higher G&A expenses and business development expenses.

Investing Activities

Cash flows used in investing activities amounted to $223.1 million in 2020 compared to cash provided by investing activities of $7.6 million in 2019.

In 2020, Osisko acquired the San Antonio gold project for US$42.0 million, including US$30.0 million ($40.0 million) in cash and US$12.0 million ($15.8 million) in shares. In addition, the Company paid US$4.8 million ($6.3 million) in value-added tax on the acquisition of the assets and $5.9 million in transaction costs. Osisko also invested $49.2 million in marketable securities and notes receivable (including $14.8 million for an additional investment in Osisko Mining and $6.0 million to acquire common shares of Minera Alamos Inc.), and $66.1 million in acquisitions of royalty and stream interests (including US$12.5 million through a strategic partnership with Regulus Resources Inc. where Osisko acquired a NSR royalty on the Antakori copper-gold project, $12.5 million to acquire the remaining 15% royalty interests that it did not already hold in a portfolio of assets, including NSR royalties on the Island Gold and Lamaque mines, $8.5 million to improve the Gibraltar silver stream, $13.0 million to acquire a 2.0% NSR royalty on the Pine Point project and $5.0 million to acquire a 3% NSR royalty on the Santana gold project being developed by Minera Alamos Inc.). The Company received proceeds of $10.9 million from the sale of marketable securities and generated $4.8 million following a reduction in restricted cash (from a bond held for site restoration on the Cariboo property). Investments in mining interests and plant and equipment were $71.8 million, mainly on the Cariboo gold property (now managed and financed exclusively by Osisko Development).

In 2019, Osisko invested $62.8 million to acquire investments, including $15.0 million in Victoria, $7.8 million in Osisko Metals, $7.7 million in Osisko Mining and $7.5 million in Barkerville. The Company also invested $77.8 million in acquisitions of royalty and stream interests, including US$25.0 million ($33.4 million) to improve its Mantos Blancos silver stream, the last payments totalling $19.6 million on the Dublin Gulch property NSR royalty (hosting the Eagle Gold project which started production in the third quarter of 2019) and a net payment of $5.0 million on the Falco Silver Stream. The Company also disbursed $39.6 million in short-term investments, including a $15.9 million loan to Falco. Proceeds on disposal of investments generated $130.1 million (mainly for the disposal of the investments in Dalradian Resources Inc. and Victoria) and proceeds from disposal of royalty and offtake interests generated $57.0 million, mainly from the sale of the Brucejack offtake. Cash acquired through the acquisition of Barkerville amounted to $8.3 million and investments in mining interests, plant and equipment and exploration and evaluation assets were $6.2 million, net of tax credits received.

Financing Activities

In 2020, cash flows provided by financing activities amounted to $316.9 million compared to cash used in financing activities of $161.9 million in 2019.

In 2020, the Company completed a private placement of $85.0 million with Investissement Québec. Osisko drew its revolving credit facility by US$50.0 million ($71.7 million), of which it repaid US$15.0 million ($19.2 million), paid dividends of $28.9 million to its shareholders and invested $3.9 million under its NCIB program. The exercise of share options and shares issued under the share purchase plan generated $7.8 million. Osisko Development completed equity financings of

$140.3 million and received proceeds of $73.9 million in 2020 from a private placement that was closed in 2021. Share issue expenses related to Osisko Development financings amounted to $6.0 million.

In 2019, Osisko repaid its revolving credit facility by a net amount of $10.2 million, paid $129.5 million to acquire and cancel common shares held by Betelgeuse LLC ("Orion"), $13.5 million under the NCIB program and $27.5 million in dividends to its shareholders. The exercise of share options and shares issued under the share purchase plan generated $21.8 million.

Quarterly Information

The selected quarterly financial information(1) for the past eight financial quarters is outlined below:
(in thousands of dollars, except for amounts per share)

	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
GEOs(2)	18,829	16,739	12,386	18,159	20,479	18,123	19,651	19,753
Cash and cash equivalents	302,524	160,705	201,971	158,325	108,223	123,702	83,589	108,497
Short-term investments	3,501	21,568	21,105	21,228	20,704	25,844	16,165	13,119
Working capital	225,643	110,333	162,996	117,090	112,494	150,845	89,668	107,328
Total assets	2,397,104	2,200,070	2,128,588	2,016,189	1,947,253	1,948,355	2,042,960	2,160,816
Total long-term debt	400,429	421,590	421,652	423,499	349,042	347,638	326,050	324,355
Equity	1,841,032	1,638,178	1,604,676	1,492,346	1,493,446	1,506,287	1,534,872	1,727,396
Revenues	213,630	55,707	40,758	52,605	51,032	109,235	131,606	100,726
Net cash flows from operating activities	32,633	36,123	15,422	23,800	17,204	28,294	21,350	24,750
Impairment of assets, net of income taxes	(3,600)	(1,281)	(3,117)	(19,300)	(148,600)	(58,952)	-	(28,600)
Net earnings (loss)(3)	4,632	12,514	13,048	(13,318)	(155,175)	(45,924)	(6,547)	(26,549)
Basic and diluted net earnings (loss) per share	0.03	0.08	0.08	(0.09)	(1.04)	(0.32)	(0.04)	(0.17)
Weighted average shares outstanding (000's)								
- Basic	166,093	166,110	164,733	155,374	149,912	144,446	154,988	155,059
- Diluted	166,321	166,397	164,815	155,374	149,912	144,446	154,988	155,059
Share price – TSX – closing	16.13	15.75	13.56	10.50	12.62	12.31	13.65	15.01
Share price – NYSE – closing	12.68	11.83	10.00	7.44	9.71	9.30	10.44	11.24
Warrant price – TSX – closing OR.WT	0.32	0.34	0.31	0.16	0.25	0.445	0.51	0.80
Debenture price – TSX – closing(4) OR.DB	106.00	104.00	101.34	94.75	101.08	101.75	102.90	103.00
Price of gold (average US$)	1,874	1,909	1,711	1,583	1,481	1,485	1,309	1,304
Closing exchange rate(5) (US$/Can$)	1.2732	1.3339	1.3628	1.4187	1.2988	1.3243	1.3087	1.3363

(1) Unless otherwise noted, financial information is in Canadian dollars and prepared in accordance with IFRS.
(2) Excluding GEOs for the fourth quarter of 2020 from the Renard diamond stream of 1,754.
(3) Attributable to Osisko Gold Royalties Ltd's shareholders
(4) Osisko 4% convertible debentures is presented by tranche of nominal value of $100.00.
(5) Bank of Canada Daily Rate.

During the fourth quarter of 2020, Osisko Development completed two financings for gross proceeds of $140.3 million. In addition, Osisko Development received gross proceeds of $73.9 million in 2020 from a private placement closed in 2021.

During the third quarter of 2020, the Company acquired the San Antonio gold project in Mexico for US$42.0 million, including $US30.0 million paid in cash and US$12.0 million paid in shares. During the second quarter of 2020, the Company completed a private placement of $85.0 million with Investissement Québec. During the first quarter of 2020, the Company drew US$50.0 million on its revolving credit facility and recorded an impairment charge of $26.3 million ($19.3 million, net of income taxes) on its Renard diamond stream.

During the fourth quarter of 2019, the Company acquired Barkerville for $241.7 million, paid in shares. The Company also incurred impairment charges on assets of $148.6 million ($129.0 million, net of income taxes).

During the third quarter of 2019, the Company repurchased 5,066,218 of its common shares from Orion for $71.4 million, paid in cash (from the sale of all common shares held by Osisko in Victoria). The Company sold its Brucejack offtake for US$41.3 million, of which US$31.2 million ($41.3 million) were received on September 30, 2019. The Company also incurred impairment charges of $48.1 million (net of income taxes) on its royalty, stream and other interests and an impairment charge of $10.8 million (net of income taxes) on a net investment in an associate.

During the second quarter of 2019, the Company repurchased 7,319,499 of its common shares from Orion for $103.2 million, paid in cash (from the sale of all of the common shares held by Osisko in Dalradian) and in the form of the transfer of investments in associates and other investments. During the first quarter of 2019, the Company recorded an impairment charge of $38.9 million ($28.6 million, net of income taxes) on the Renard diamond stream and fully reimbursed the outstanding amount of $30.0 million under its revolving credit facility.

Fourth Quarter Results

- Revenues from royalties and streams of $48.8 million ($64.6 million including offtakes) compared to $38.9 million ($51.0 million including offtakes) in the fourth quarter of 2019;
- Gross profit of $32.8 million compared to $23.9 million in the fourth quarter of 2019;
- Operating income of $19.3 million compared to an operating loss of $129.9 million in the fourth quarter of 2019;
- Net earnings attributable to Osisko Gold Royalties' shareholders of $4.6 million or $0.03 per basic and diluted share, compared to a net loss of $155.2 million or $1.04 per basic and diluted share in the fourth quarter of 2019;
- Adjusted earnings[1] of $12.0 million or $0.07 per basic share[1] compared to $10.3 million or $0.07 in the fourth quarter of 2019; and
- Cash flows provided by operating activities of $32.6 million compared to $17.2 million in the fourth quarter of 2019.

Revenues increased by $9.9 million in the fourth quarter of 2020 compared to the fourth quarter of 2019 as a result of higher gold and silver prices.

Gross profit amounted to $32.8 million in the fourth quarter of 2020 compared to $23.9 million in the corresponding period of 2019. The increase is mainly due to the increase in the gold and silver prices in 2020, which increased the cash margins. Depletion expense increased by $1.7 million mainly as a result of the mix of sales in the fourth quarter of 2020 compared to 2019.

In the fourth quarter of 2020, the Company generated operating earnings of $19.3 million compared to an operating loss of $129.9 million in the fourth quarter of 2019. The operating loss in 2019 is the result of impairment charges on royalty, stream and other interests of $93.9 million, including impairment charges of US$51.3 million ($66.7 million) on the Amulsar stream and offtake interests, $27.2 million on the Éléonore royalty, and an impairment charge of $50.0 million on the Coulon zinc project. Excluding the impairment charges, operating income would have been $14.0 million in the fourth quarter of 2019.
The increase in operating income in 2020 (excluding the impairment charges) is mainly the result of higher gross profit and lower G&A expenses, partially offset by higher business development expenses. The decrease in G&A expenses is mainly due to severance payments incurred in the fourth quarter of 2019 following the acquisition of Barkerville. The increase in business development expenses is mainly due to the professional fees related to the RTO transaction of $1.8 million in the fourth quarter of 2020 as well as a non-cash listing fee of $1.7 million.

During the fourth quarter of 2020, the Company generated net earnings attributable to Osisko Gold Royalties' shareholders of $4.6 million compared to a net loss of $155.2 million in the corresponding period of 2019. The variance is mainly due to the higher operating loss in 2019 as well as a net loss on disposal of investments in 2019 (related to the Barkerville shares held prior to the acquisition).

Adjusted earnings[(1)] were $12.0 million in the fourth quarter of 2020 compared to $10.3 million in the fourth quarter of 2019. The increase was mainly the result of a higher gross profit, partially offset by higher G&A and business development expenses and a higher cash income tax in 2020 (as a result of the acquisition of the San Antonio stream).

Net cash flows provided by operating activities in the fourth quarter of 2020 was $32.6 million compared to $17.2 million in the fourth quarter of 2019. In 2019, an impact on the non-cash working capital items of $8.0 million had negatively impacted the net cash flows provided by operating activities. The higher cash margin also improved the net cash flows provided by operating activities in the fourth quarter of 2020.

1 "Adjusted earnings" and "Adjusted earnings per basic share" are non-IFRS financial performance measures which have no standard definition under IFRS. Refer to the non-IFRS measures provided under the Non-IFRS Financial Performance Measures section of this Management and Discussion Analysis.

Consolidated Statements of Income (Loss)

The following table presents summarized consolidated statements of income (loss) for the fourth quarters of 2020 and 2019 (in thousands of dollars, except amounts per share):

		Three months ended December 31, 2020	Three months ended December 31, 2019
		$	$
Revenues	(a)	**64,560**	**51,032**
Cost of sales	(b)	(18,236)	(15,265)
Depletion of royalty, stream and other interests	(c)	(13,548)	(11,843)
Gross profit	(d)	**32,776**	**23,924**
Other operating expenses			
General and administrative	(e)	(7,842)	(8,648)
Business development	(f)	(5,608)	(1,223)
Exploration and evaluation		(23)	(52)
Impairment of assets	(g)	-	(143,876)
Operating income (loss)		**19,303**	**(129,875)**
Other expenses, net	(h)	(6,973)	(45,074)
Earnings (loss) before income taxes		**12,330**	**(174,949)**
Income tax (expense) recovery	(i)	(8,345)	19,774
Net earnings (loss)		**3,985**	**(155,175)**
Net earnings (loss) attributable to:			
Osisko Gold Royalties Ltd's shareholders		4,632	(155,175)
Non-controlling interests		(647)	-
Net earnings (loss) per share attributable to Osisko Gold Royalties Ltd's shareholders			
Basic and diluted		0.03	(1.04)

(a) Revenues are comprised of the following:

	Three months ended December 31, 2020			2019		
	Average selling price per ounce / carat ($)	Ounces / carats sold	Total revenues ($000's)	Average selling price per ounce / carat ($)	Ounces / Carats sold	Total revenues ($000's)
Gold sold	2,444	16,174	39,528	1,945	14,872	28,920
Silver sold	32	551,065	17,637	23	645,497	14,657
Diamonds sold (i)	98	43,904	4,284	95	53,238	5,031
Other (paid in cash)	-	-	3,111	-	-	2,424
			64,560			51,032

(i) The Renard diamond mine was put on care and maintenance in March 2020, given the structural challenges affecting the diamond market sales as well as the depressed prices for diamonds due to COVID-19. In September 2020, the mine restarted its activities.

The increase in gold ounces sold in the fourth quarter of 2020 was mainly the result of higher deliveries under the Parral offtake and the Eagle Gold NSR royalty. The decrease in silver ounces sold in the fourth quarter of 2020 is mainly the result of lower silver ounces acquired under the Parral offtake.

(b) Cost of sales represents mainly the acquisition price of the metals and diamonds under the offtake and stream agreements, as well as minimal refining, insurance and transportation costs related to the metals received under royalty agreements. The decrease in the fourth quarter of 2020 is mainly the result of sale of the Brucejack offtake on September 15, 2019.

(c) The royalty, stream and other interests are depleted using the units-of-production method over the estimated life of the properties or the life of the agreement The increase in the fourth quarter of 2020 is due to the mix of sales in 2020 compared to 2019 as well as the impact of the impairments on the royalty, stream and offtake interests recognized in 2019.

(d) The breakdown of gross profit per nature of interest is as follows (in $000's):

	Three months ended December 31,	
	2020	**2019**
	$	**$**
Royalty interests		
Revenues	34,393	26,327
Cost of sales	(94)	(18)
Cash margin	**34,299**	**26,309**
Depletion	(7,400)	(5,614)
Gross profit	26,899	20,695
Stream interests		
Revenues	14,371	12,593
Cost of sales	(3,056)	(3,527)
Cash margin	**11,315**	**9,066**
Depletion	(5,940)	(5,996)
Gross profit	5,375	3,070
Royalty and stream interests		
Cash margin	**45,614**	**35,375**
	93.5%	**90.9%**
Offtake interests		
Revenues	15,796	12,112
Cost of sales	(15,086)	(11,720)
Cash margin	**710**	**392**
	4.5%	**3.2%**
Depletion	(208)	(233)
Gross profit	502	159
Total – Gross profit	**32,776**	**23,924**

(e) G&A decreased to $7.8 million in the fourth quarter of 2020 compared to $8.6 million in the fourth quarter of 2019. The decrease in G&A expenses is mainly due to severance payments following the Barkerville acquisition in the fourth quarter of 2019.

(f) Business development expenses increased to $5.6 million in the fourth quarter of 2020 compared to $1.2 million in the fourth quarter of 2019. The increase is mainly due additional professional fees related to the RTO transaction ($1.8 million) and a non-cash listing fee of $1.7 million, also related to the RTO transaction.

(g) In the fourth quarter of 2019, the Company recorded impairment charges of $US51.3 million ($66.7 million) on its Amulsar stream and offtake interests, $27.2 million ($20.0 million, net of income taxes) on its Éléonore royalty and $50.0 million ($37.6 million, net of income taxes) on its Coulon zinc project.

(h) Other expenses, net, of $7.0 million in the fourth quarter of 2020 include finance costs of $6.2 million and a share of loss of associates of $3.7 million, partially offset by a net gain on investments of $2.2 million and interest income of $1.1 million.

Other expenses, net, of $45.1 million in the fourth quarter of 2019 include finance costs of $6.2 million and a share of loss of associates of $7.5 million and a net loss on investments of $32.1 million, partially offset by interest income of $1.4 million.

(i) The effective income tax rate for the fourth quarter of 2020 is 67.7% compared to 11.3% in the fourth quarter of 2019. The statutory rate is 26.5% in 2020 and 26.6% in 2019. The elements that impacted the effective income taxes are the non-taxable (or deductible) part of capital gains (or losses) (50%) and non-deductible expenses. Cash taxes of $0.2 million were paid in the fourth quarters of 2020 and 2019 and were related to taxes on royalties earned in foreign jurisdictions. In addition, income taxes of US$4.5 million ($5.7 million) will be payable in Mexico in the first quarter of 2021 as a result of the acquisition of the San Antonio stream in the fourth quarter of 2020.

Outlook

Osisko's 2021 outlook on royalty, stream and offtake interests is largely based on publicly available forecasts from our operating partners. When publicly available forecasts on properties are not available, Osisko obtains internal forecasts from the producers or uses management's best estimate.

GEOs and cash margin by interest, excluding the Renard stream, are estimated as follows for 2021:

	Low (GEOs)	High (GEOs)	Cash margin (%)
Royalty interests	59,750	62,800	100
Stream interests	17,400	18,250	87
Offtake interests	850	950	3
	78,000	82,000	97*

* Excluding the offtake interests

For the 2021 guidance estimate, deliveries of silver and cash royalties have been converted to GEOs using commodity prices of US$1,800 per ounce of gold, US$25 per ounce of silver and an exchange rate (US$/C$) of 1.28. Any GEOs (and the related cash margin) from the Renard diamond stream were excluded from the outlook above. For 2021, GEOs from the Renard diamonds stream are estimated at 8,126 GEOs; however, for the remainder of 2021, Osisko has committed to reinvest the net proceeds from the stream through the bridge loan facility provided to the operator.

Corporate Update

Following the closing of the RTO transaction, Mr. Sean Roosen was appointed executive chair of Osisko Gold Royalties and Chair and Chief Executive Officer of Osisko Development, and Mr. Sandeep Singh was appointed President and Chief Executive Officer of Osisko Gold Royalties.

On January 13, 2021, Osisko Gold Royalties announced the appointment of Ms. Heather Taylor as Vice President, Investor Relations.

On January 20, 2021, Osisko Gold Royalties announced the appointment of Ms. Candace MacGibbon to its board of directors.

Segment Disclosure

Following the acquisition of Barkerville in November 2019, the chief operating decision-maker organizes and manages the business under two operating segments: (i) acquiring and managing precious metal and other royalties, streams and similar interests, and (ii) the exploration, evaluation and development of mining projects. The assets, liabilities, revenues, expenses and cash flows of Osisko and its subsidiaries, other than Osisko Development and its subsidiaries, are attributable to the precious metal and other royalties, streams and similar interests operating segment. The assets, liabilities, revenues, expenses and cash flows of Osisko Development and its subsidiaries are attributable to the exploration, evaluation and development of the mining projects operating segment. Prior to the acquisition of Barkerville, the Company had only one operating segment, which was the acquiring and managing precious metal and other royalties, streams and similar interests. The comparative figures have been restated to conform to the actual segments.

The following table presents the main assets, liabilities, revenues, expenses and cash flows per operating segment (in thousands of dollars):

	Year ended December 31, 2020			
	Royalties, streams and similar interests (i)	Mining exploration, evaluation and development (ii)	Intersegment transactions(iii)	Consolidated
	$	$	$	$
Cash	105,097	197,427	-	302,524
Current assets	117,592	218,478	(882)	335,188
Investments in associates and other investments	166,589	110,144	-	276,733
Royalty, stream and other interests	1,203,781	-	(87,653)	1,116,128
Mining interests and plant and equipment	9,011	407,000	73,501	489,512
Exploration and evaluation assets	-	41,869	650	42,519
Goodwill	111,204	-	-	111,204
Total assets	1,609,349	802,144	(14,384)	2,397,104
Long-term debt	400,429	-	-	400,429
Revenues	213,630	-	-	213,630
Gross profit	104,325	-	-	104,325
Operating expenses	(28,021)	(8,301)	-	(36,322)
Impairments	(36,298)	-	-	(36,298)
Net earnings (loss)	23,501	(7,272)	-	16,229
Cash flows from operating activities	113,962	(5,984)	-	107,978
Cash flows from investing activities	(161,131)	(61,968)	-	(223,099)
Cash flows from financing activities	109,444	207,417	-	316,861

	Year ended December 31, 2019			
	Royalties, streams and similar interests (i)	Mining exploration, evaluation and development (ii)	Intersegment transactions(iii)	Consolidated
	$	$	$	$
Cash	100,217	8,006	-	108,223
Current assets	127,547	12,882	-	140,429
Investments in associates and other investments	113,169	58,357	-	171,526
Royalty, stream and other interests	1,187,082	-	(56,570)	1,130,512
Mining interests and plant and equipment	9,915	277,208	56,570	343,693
Exploration and evaluation assets	-	42,949	-	42,949
Goodwill	111,204	-	-	111,204
Total assets	1,608,353	338,900	-	1,947,253
Long-term debt	349,042	-	-	349,042
Revenues	392,599	-	-	392,599
Gross profit	82,709	-	-	82,709
Operating expenses	(26,151)	(3,844)	-	(29,995)
Gain on disposal of an offtake interest	7,636	-	-	7,636
Impairments	(198,315)	(62,485)	-	(260,800)
Net loss	(158,493)	(75,702)	-	(234,195)
Cash flows from operating activities	99,266	(7,668)	-	91,598
Cash flows from investing activities	4,854	2,708	-	7,562
Cash flows from financing activities	(161,910)	-	-	(161,910)

(i) Osisko Gold Royalties Ltd and its subsidiaries, excluding Osisko Development Corp. and its subsidiaries.
(ii) Osisko Development Corp. and its subsidiaries as at December 31, 2020 (represents the assets of Barkerville and the other mining assets transferred to Osisko Development through the RTO transaction (Note 7) as at December 31, 2019).
(iii) The adjustments are related to intersegment balances and to royalties and streams held by Osisko Gold Royalties on assets held by
(iv) Osisko Development, which are cancelled on the consolidation.

Royalty, stream and other interests - Geographic revenues

All of the Company's revenues are attributable to the precious metal and other royalties, streams and similar interests operating segment. 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 years ended December 31, 2020 and 2019, royalty, stream and other interest revenues were mainly earned from the following jurisdictions (in thousands of dollars):

	North America	South America	Australia	Africa	Europe	Total
	$	$	$	$	$	$
2020						
Royalties	106,780	554	52	3,919	-	111,305
Streams	13,999	19,862	2,098	-	9,310	45,269
Offtakes	57,056	-	-	-	-	57,056
	177,835	20,416	2,150	3,919	9,310	213,630
2019						
Royalties	93,092	330	59	3,665	-	97,146
Streams	21,588	11,849	2,005	-	7,535	42,977
Offtakes	252,476	-	-	-	-	252,476
	367,156	12,179	2,064	3,665	7,535	392,599

For the year ended December 31, 2020, one royalty interest generated revenues of $66.8 million ($61.1 million for the year ended December 31, 2019), which represented 43% of revenues (44% of revenues for the year ended December 31, 2019) (excluding revenues generated from the offtake interests).

For the year ended December 31, 2020, revenues generated from precious metals and diamonds represented 94% and 4%, respectively, of total revenues (92% and 6% excluding offtakes, respectively). For the year ended December 31, 2019, revenues generated from precious metals and diamonds represented 94% and 5%, respectively, of total revenues (84% and 13% excluding offtakes, respectively).

Royalty, stream and other interests - Geographic net assets

The following table summarizes the royalty, stream and other interests by country, as at December 31, 2020 and 2019, which is based on the location of the property related to the royalty, stream or other interests (in thousands of dollars):

	North America	South America	Australia	Africa	Asia	Europe	Total
	$	$	$	$	$	$	$
December 31, 2020							
Royalties	576,835	46,374	9,924	8,313	-	15,215	656,661
Streams	172,879	183,679	1,481	-	28,392	54,510	440,941
Offtakes	5,690	-	8,119	-	4,717	-	18,526
	755,404	230,053	19,524	8,313	33,109	69,725	1,116,128
December 31, 2019							
Royalties	560,246	31,657	9,961	10,488	-	15,215	627,567
Streams	194,344	198,021	2,435	-	28,963	59,401	483,164
Offtakes	6,689	-	8,282	-	4,810	-	19,781
	761,279	229,678	20,678	10,488	33,773	74,616	1,130,512

Exploration, evaluation and development of mining projects

The inventories, mining interests, plant and equipment and exploration and evaluation assets related to the exploration, evaluation and development of mining projects (excluding the intersegment transactions) are located in Canada and in Mexico, and are detailed as follow as at December 31, 2020 and 2019 (in thousands of dollars):

	December 31, 2020			December 31, 2019		
	Canada	Mexico	Total	Canada	Mexico	Total
	$	$	$	$	$	$
Assets						
Inventories	1,599	25,705	27,304	1,656	-	1,656
Mining interests, plant and equipment	344,903	62,097	407,000	277,208	-	277,208
Exploration and evaluation assets	40,680	1,189	41,869	41,725	1,224	42,949
Total assets	704,998	97,146	802,144	337,615	1,285	338,900

Related Party Transactions

An amount of $0.8 million (including sales taxes) is receivable from associates and included in amounts receivable as at December 31, 2020 ($0.5 million as at December 31, 2019).

In 2020, interest revenues of $1.0 million ($0.9 million in 2019) were accounted for with regards to notes receivable from associates. As at December 31, 2020, interests receivable from associates of $1.9 million are included in amounts receivable ($0.9 million as at December 31, 2019). Loans, notes receivable, and the convertible debenture from associates amounted to $33.4 million as at December 31, 2020 ($24.7 million as at December 31, 2019) and are included in short-term investments and other investments on the consolidated balance sheets.

In 2019, two notes receivable from Falco amounting to $20.0 million were applied against the first installment of a secured silver stream credit facility (Note 16) and the related interests receivable of $1.8 million were converted into common shares of Falco.

Additional transactions with related parties are described under the sections: *Spin-out of Mining Assets and Creation of Osisko Development Corp.; Portfolio of Royalty, Stream and Other Interests;* and *Equity Investments*.

Contractual Obligations and Commitments

Investments in royalty and stream interests

As at December 31, 2020, significant commitments related to the acquisition of royalties and streams are detailed in the following table:

Company	Project (asset)	Installments	Triggering events
Aquila Resources Inc.	Back Forty project (gold stream)	US$2.5 million	Completion of an equity financing for proceeds of no less than US$6.0 million.
		US$5.0 million	Receipt of all material permits for the construction and operation of the project.
		US$25.0 million	Pro rata to drawdowns on debt finance facility.
Falco Resources Ltd.	Horne 5 project (silver stream)	$20.0 million	Receipt of all necessary material third-party approvals, licenses, rights of way and surface rights on the property.
		$35.0 million	Receipt of all material construction permits, positive construction decision, and raising a minimum of $100.0 million in non-debt financing.
		$60.0 million	Upon total projected capital expenditure having been demonstrated to be financed.
		$40.0 million (optional)	Payable with fourth installment, at sole election of Osisko, to increase the silver stream to 100% of payable silver (from 90%).

Offtake and stream purchase agreements

The following table summarizes the significant commitments to pay for gold, silver and diamonds to which Osisko has the contractual right pursuant to the associated precious metals and diamond purchase agreements:

Interest	Attributable payable production to be purchased			Per ounce/carat cash payment (US$)			Term of agreement	Date of contract
	Gold	Silver	Diamond	Gold	Silver	Diamond		
Amulsar stream(1),(7)	4.22%	62.5%		$400	$4		40 years	November 2015
Amulsar offtake(2),(7)	81.91%			Based on quotational period			Until delivery of 2,110,425 ounces Au	November 2015
Back Forty stream(3)	18.5%	85%		30% spot price (max $600)	$4		Life of mine	March 2015 (silver) Nov. 2017 (gold) Amended June 2020
Mantos Blancos stream(4)		100%			8% spot		Life of mine	September 2015 Amended Aug. 2019
Renard stream			9.6%			Lesser of 40% of sales price or $40	40 years	July 2014 Amended Oct. 2018
Sasa stream(5)		100%			$5		40 years	November 2015
Gibraltar stream(6)		75%			nil		Life of mine	March 2018 Amended April 2020

(1) Stream capped at 89,034 ounces of gold and 434,093 ounces of silver delivered. Subject to multiple buy-down options: 50% for US$34.4 million and US$31.3 million on 2nd and 3rd anniversary of commercial production, respectively.
(2) Offtake percentage will increase to 84.87% if Lydian elects to reduce the gold stream as outlined above. The Amulsar offtake applies to the sales from the first 2,110,425 ounces of refined gold, of which 1,853,751 ounces are attributable to OBL (less any ounces delivered pursuant to the Amulsar stream).
(3) The gold stream will be reduced to 9.25% after the delivery of 105,000 gold ounces.
(4) The stream percentage shall be payable on 100% of silver until 19,300,000 ounces have been delivered, after which the stream percentage will be 40%.
(5) 3% or consumer price index (CPI) per ounce price escalation after 2016.
(6) Under the silver stream, transfer payments were totaling US$2.75 per ounce of silver delivered up to April 24, 2020 and nil thereafter following an amendment to the silver stream agreement in April 2020. Osisko will receive from Taseko an amount equal to 100% of Gibco's share of silver production, which represents 75% of Gibraltar mine's production, until reaching the delivery to Osisko of 5.9 million ounces of silver, and 35% of Gibco's share of silver production thereafter.
(7) In December 2019, Lydian International Limited, the owner of the Amulsar project, was granted protection under the *Companies' Creditors Arrangement Act.* In July 2020, Osisko became a shareholder of Lydian following a credit bid transaction (36.2% as at December 31, 2020).
(8) The San Antonio stream was not included because it is cancelled on the accounting consolidation of Osisko Development.

Financial liabilities

As at December 31, 2020, all financial liabilities to be settled in cash or by the transfer of other financial assets mature within 90 days, except for the convertible debentures, the revolving credit facility and the lease liabilities, which are described below (in thousands of dollars):

As at December 31, 2020	Amount payable at maturity	Maturity	Estimated annual payments				
			2021	2022	2023	2024	2025-2029
	$		$	$	$	$	
Conv. debenture (2016)(i)	50,000	February 12, 2021	50,236	-	-	-	-
Conv. debentures (2017)	300,000	December 31, 2022	12,000	312,000	-	-	-
Lease liabilities	-	December 31, 2029	1,915	2,135	1,920	1,284	6,422
Revolving credit facility(i),(ii)	63,660	November 14, 2023	2,716	2,716	66,150	-	-
	413,660		66,867	316,851	68,070	1,284	6,422

(i) The convertible debenture was repaid in February 2021, and the Company drew its credit facility for the same amount.
(2) The interest payable is based on the actual interest rate as at December 31, 2020.

Off-balance Sheet Items

There are no significant off-balance sheet arrangements, other than the contractual obligations and commitments mentioned above.

Outstanding Share Data

As of February 24, 2021, 167,332,681 common shares were issued and outstanding. A total of 4,127,690 share options and 5,480,000 warrants were outstanding to purchase common shares. Convertible senior unsecured debentures of $300.0 million are outstanding and convertible at the holder's option into Osisko common shares at a conversion price of $22.89 per common share, representing a total of 13,106,160 common shares if all the debentures were converted.

Subsequent Events to December 31, 2020

Dividend

On February 24, 2021, the Board of Directors declared a quarterly dividend of $0.05 per common share payable on April 15, 2021 to shareholders of record as of the close of business on March 31, 2021.

Financings – Osisko Development Corp.

On January 8, 2021, Osisko Development closed the first tranche of non-brokered private placement for 9,346,464 units of Osisko Development at a price of $7.50 per unit for aggregate gross proceeds of approximately $68.6 million. Each unit consists of one common share of Osisko Development and one-half of one common share purchase warrant of Osisko Development, with each whole warrant entitling the holder thereof to acquire one common share of Osisko Development at a price of $10.00 per share on or prior to December 1, 2023.

On February 5, 2021, Osisko Development closed the final tranche of non-brokered private placement for 1,515,731 units of Osisko Development at a price of $7.50 per unit for aggregate gross proceeds of approximately $11.2 million. Each unit consists of one common share of Osisko Development and one-half of one common share purchase warrant of Osisko Development, with each whole warrant entitling the holder thereof to acquire one common share of Osisko Development at a price of $10.00 per share.

The proceeds of the financing will be used to further develop the Cariboo gold project, advance the San Antonio gold project towards production and for general corporate purposes.

After these financings, the Company's interest in Osisko Development decreased to 77.0%.

On February 16, 2021, Osisko Development announced a $30.0 million flow-through private placement of 1,657,800 flow-through shares at a price of $9.05 per share and 1,334,500 charity flow-through shares at a price of $11.24 per share. In addition, the underwriters have been granted an option, exercisable in whole or in part up to 48 hours prior to the closing of the private placement, to purchase up to 15% of the number of offered shares at their respective issue price. The private placement is expected to close on or about March 18, 2021, and is subject to certain conditions including, but not limited to, regulatory approvals, including conditional listing approval of the TSX-V.

Risks and Uncertainties

The Company is a royalty, stream, and offtake interests holder and investor that operates in an industry that is dependent on a number of factors that include environmental, legal and political risks, the discovery of economically recoverable resources and the conversion of these mineral resources to mineral reserves and the ability of third-party partners to maintain an economic production. An investment in the Company's securities is subject to a number of risks and uncertainties. An investor should carefully consider the risks described in Osisko's most recent Annual Information Form and the other information filed with the Canadian securities regulators and the U.S Securities and Exchange Commission ("SEC") as well as the additional risks listed below before investing in the Company's securities. If any of such described risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lose a significant proportion of their investment.

There are important risks which management believes could impact the Company's business. For information on risks and uncertainties, please also refer to the *Risk Factors* section of Osisko's most recent Annual Information Form filed on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

Disclosure Controls and Procedures

The Chief Executive Officer (the "CEO") and the Chief Financial Officer (the "CFO") of the Company are responsible for establishing and maintaining the Company's disclosure controls and procedures ("DCP") including adherence to the Disclosure Policy adopted by the Company. The Disclosure Policy requires all staff to keep senior management fully apprised of all material information affecting the Company so that they may evaluate and discuss this information and determine the appropriateness and timing for public disclosure.

The Company maintains DCP designed to ensure that information required to be disclosed in reports filed under applicable Canadian securities laws and the U.S. Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the appropriate time periods and that such information is accumulated and communicated to the Company's management, including the CEO and CFO, to allow for timely decisions regarding required disclosure.

As required by applicable Canadian securities laws and Rule 13a-15(b) under the Exchange Act, the Company conducted an evaluation, under the supervision and with the participation of the management, including the CEO and CFO, of the effectiveness of the design and operation of the Company's DCP as of December 31, 2020. Based on this evaluation, the CEO and CFO concluded that the design and operation of the Company's DCP were effective as of December 31, 2020.

In designing and evaluating DCP, the Company recognizes that any disclosure controls and procedures, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met, and management is required to exercise its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

The CEO and CFO have evaluated whether there were changes to the DCP during the year ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, the DCP. No such changes were identified through their evaluation.

Internal Control over Financial Reporting

The Company's management, including the CEO and the CFO, are responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") for the Company to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The fundamental issue is ensuring all transactions are properly authorized and identified and entered into a well-designed, robust and clearly understood accounting system on a timely basis to minimize risk of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions necessary to present financial statements in accordance with IFRS, unauthorized receipts and expenditures, or the inability to provide assurance that unauthorized acquisitions or dispositions of assets can be detected.

The CEO and CFO have also evaluated the effectiveness of the Company's ICFR as required by National Instrument 52-109 issued by the Canadian Securities Administrators and rules 13a-15 and 15d-15 under the Exchange Act based on the framework and criteria established in Internal Control – Integrated Framework (2013) as issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this evaluation, the CEO and CFO concluded that the Company's ICFR was effective as of December 31, 2020.

On August 21, 2020, the Company completed its acquisition of the San Antonio gold project ("San Antonio") through the acquisition of Sapuchi Minera S. de R.L. de C.V. Accordingly, the acquired assets and liabilities of San Antonio are included in the consolidated balance sheet as at December 31, 2020 and the results of its operations and cash flows are reported in the consolidated statement of income (loss) and cash flows from August 21, 2020 to December 31, 2020. The Company has elected to exclude San Antonio from the Company's assessment of internal control over financial reporting as of December 31, 2020. San Antonio represented approximately 4.0% of the consolidation total assets and had no revenues for the year ended December 31, 2020.

The Company's ICFR may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because changes in conditions or deterioration in the degree of compliance with the Company's policies and procedures.

The CEO and CFO have evaluated whether there were changes to the ICFR during the year ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, the ICFR. No such changes were identified through their evaluation.

The Company's independent registered public accounting firm, PricewaterhouseCoopers LLP, have audited the Company's consolidated financial statements for the year ended December 31, 2020 and have issued an audit report dated February 24, 2021 on the Company's ICFR based on the framework and criteria established in Internal Control – Integrated Framework (2013) as issued by COSO of the Treadway Commission.

Basis of Presentation of Consolidated Financial Statements

The consolidated financial statements for the year ended December 31, 2020 have been prepared in accordance with the IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in the consolidated financial statements are consistent with those of the previous financial year, except as otherwise disclosed below.

The significant accounting policies of Osisko are detailed in the notes to the audited consolidated financial statements for the year ended December 31, 2020, filed on SEDAR at www.sedar.com, EDGAR at www.sec.gov and on Osisko's website at www.osiskogr.com.

Amendments to IAS 1 *Presentation of Financial Statements*

The IASB has made amendments to IAS 1 *Presentation of Financial Statements* which use a consistent definition of materiality throughout IFRS and the *Conceptual Framework for Financial Reporting*, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole. The Company adopted IAS 1 on January 1, 2020, which did not have a significant impact on the consolidated financial statements disclosures.

Critical Accounting Estimates and Judgements

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Critical accounting estimates and assumptions as well as critical judgements in applying the Company's accounting policies are detailed in the audited consolidated financial statements for the year ended December 31, 2020, filed on SEDAR at www.sedar.com, EDGAR at www.sec.gov and on Osisko's website at www.osiskogr.com.

Financial Instruments

All financial instruments are required to be measured at fair value on initial recognition. The fair value is based on quoted market prices, unless the financial instruments are not traded in an active market. In this case, the fair value is determined by using valuation techniques like discounted cash flows, the Black-Scholes option pricing model or other valuation techniques. Measurement in subsequent periods depends on the classification of the financial instrument. A description of financial instruments and their fair value is included in the audited consolidated financial statements for the year ended December 31, 2020, filed on SEDAR at www.sedar.com, EDGAR at www.sec.gov and on Osisko's website at www.osiskogr.com

Technical information

The scientific and technical information contained in this MD&A has been reviewed and approved by Mr. Guy Desharnais, who is "Qualified Persons" ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Non-IFRS Financial Performance Measures

The Company has included certain non-IFRS measures including *"Adjusted Earnings"* and *"Adjusted Earnings per basic share"* to supplement its consolidated financial statements, which are presented in accordance with IFRS.

The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Adjusted Earnings and Adjusted Earnings per Basic Share

"Adjusted earnings" is defined as "Net earnings (loss)" adjusted for certain items: "Foreign exchange gain (loss)", "Impairment of assets", including impairment on financial assets and investments in associates, "Gains (losses) on disposal of exploration and evaluation assets", "Unrealized gain (loss) on investments", "Share of loss of associates", "Deferred income tax expense (recovery)" and other unusual items such as transaction costs.

Adjusted earnings per basic share is obtained from the "adjusted earnings" divided by the "Weighted average number of common shares outstanding" for the period.

	Three months ended December 31,		Years ended December 31,	
	2020	2019	2020	2019
(in thousands of dollars, except per share amounts)	$	$	$	$
Net earnings (loss) attributable to Osisko Gold Royalties' shareholders	4,632	(155,175)	16,876	(234,195)
Adjustments:				
Impairment of royalty, stream and other interests	-	148,600	26,300	248,300
Impairment of investments	2,694	-	7,998	12,500
Foreign exchange loss (gain)	514	756	(652)	1,901
Unrealized (gain) loss on investments	(5,186)	27,357	(21,952)	31,161
Share of loss of associates	3,723	7,521	7,657	22,209
Deferred income tax expense (recovery)	2,170	(19,930)	3,760	(41,197)
Costs related to the acquisition of Barkerville	-	1,216	-	1,216
Costs related to the RTO transaction, including the deemed listing fees of Osisko Development	3,453	-	3,729	-
Adjusted earnings	12,000	10,345	43,716	41,895
Weighted average number of common shares outstanding (000's)	166,093	149,912	162,303	151,266
Adjusted earnings per basic share	0.07	0.07	0.27	0.28

Forward-looking Statements

Certain statements contained in this MD&A may be deemed "forward-looking statements" within the meaning of applicable Canadian and U.S. securities laws. All statements in this MD&A, other than statements of historical fact, that address future events, developments or performance that Osisko expects to occur including management's expectations regarding Osisko's growth, results of operations, estimated future revenues, carrying value of assets, requirements for additional capital, mineral reserve and mineral resource estimates, production estimates, production costs and revenue estimates, future demand for and prices of commodities, business prospects and opportunities and outlook on gold, silver, diamonds, other commodities and currency markets are forward-looking statements. In addition, statements (including data in tables) relating to mineral reserves and resources and gold equivalent ounces are forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates will be realized. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "scheduled" and similar expressions or variations (including negative variations), or that events or conditions "will", "would", "may", "could" or "should" occur including, without limitation, the performance of the assets of Osisko, any estimate of gold equivalent ounces to be received in 2021, the realization of the anticipated benefits deriving from Osisko's investments and transactions, Osisko's ability to seize future opportunities. Although Osisko believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of Osisko, and are not guarantees of future performance and actual results may accordingly differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, without limitation: fluctuations in the prices of the commodities that drive royalties, streams, offtakes and investments held by Osisko; fluctuations in the value of the Canadian dollar relative to the U.S. dollar; regulatory changes by national and local governments, including permitting and licensing regimes and taxation policies; regulations and political or economic developments in any of the countries where properties in which Osisko holds a royalty, stream or other interest are located or through which they are held; risks related to the operators of the properties in which Osisko holds a royalty, stream or other interests; the unfavorable outcome of litigation relating to any of the properties in which Osisko holds a royalty, stream or other interests; business opportunities that become available to, or are pursued by Osisko; continued availability of capital and financing and general economic, market or business conditions; litigation; title, permit or license disputes related to interests on any of the properties in which Osisko holds a royalty, stream or other interest; development, permitting, infrastructure, operating or technical difficulties on any of the properties in which Osisko holds a royalty, stream or other interest; rate and timing of production differences from resource estimates or production forecasts by operators of properties in which Osisko holds a royalty, stream or other interest; risks and hazards associated with the business of exploring, development and mining on any of the properties in which Osisko holds a royalty, stream or other interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, flooding and other natural disasters or civil unrest or other uninsured risks, the integration of acquired assets and the responses of relevant governments to the COVID-19 outbreak and the effectiveness of such response and the potential impact of COVID-19 on Osisko's business, operations and financial condition and the integration of acquired assets. The forward-looking statements contained in this MD&A are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which Osisko holds a royalty, stream or other interest by the owners or operators of such properties in a manner consistent with past practice; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no material adverse change in the market price of the commodities that underlie the asset portfolio; the Company's ongoing income and assets relating to determination of its PFIC status; no adverse development in respect of any significant property in which Osisko holds a royalty, stream or other interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. For additional information on risks, uncertainties and assumptions, please refer to the Annual Information Form of Osisko filed on SEDAR at www.sedar.com and EDGAR at www.sec.gov which also provides additional general assumptions in connection with these statements. Osisko cautions that the foregoing list of risk and uncertainties is not exhaustive. Investors and others should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. Osisko believes that the assumptions reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. Osisko undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

Cautionary Note to U.S. Investors Regarding the Use of Mineral Reserve and Mineral Resource Estimates

Osisko is subject to the reporting requirements of the applicable Canadian securities laws, and as a result reports its mineral reserves according to Canadian standards. Canadian reporting requirements for disclosure of mineral properties are governed by National Instrument 43-101, *Standards of Disclosure for Mineral Properties* ("NI 43-101"). The definitions of NI 43-101 are adopted from those given by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"). U.S. reporting requirements are currently governed by the SEC's Industry Guide 7 ("Guide 7"). This MD&A includes estimates of mineral reserves and mineral resources reported in accordance with NI 43-101. These reporting standards have similar goals in terms of conveying an appropriate level of confidence in the disclosures being reported, but embody different approaches and definitions. For example, under Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Consequently, the definitions of "Proven Mineral Reserves" and "Probable Mineral Reserves" under CIM standards differ in certain respects from the standards of Guide 7. Osisko also reports estimates of "mineral resources" in accordance with NI 43-101. While the terms "Mineral Resource," "Measured Mineral Resource," "Indicated Mineral Resource" and "Inferred Mineral Resource" are recognized by NI 43-101, they are not defined terms under Guide 7 and, generally, U.S. companies reporting pursuant to Guide 7 are not permitted to report estimates of mineral resources of any category in documents filed with the SEC. As such, certain information contained in this MD&A concerning descriptions of mineralization and estimates of mineral reserves and mineral resources under Canadian standards is not comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the SEC pursuant to Guide 7. Readers are cautioned not to assume that all or any part of Measured Mineral Resources or Indicated Mineral Resources will ever be converted into Mineral Reserves. Readers are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable. Further, an "Inferred Mineral Resource" has a great amount of uncertainty as to its existence and as to its economic and legal feasibility, and a reader cannot assume that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies.

(Signed) Sandeep Singh
Sandeep Singh
President and Chief Executive Officer

February 24, 2021

Corporate Information

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Joanne Ferstman, Lead Director
The Hon. John R. Baird
Françoise Bertrand
John F. Burzynski
Christopher C. Curfman
Candace MacGibbon
William Murray John
Pierre Labbé
Charles E. Page
Sandeep Singh

Officers
Sean Roosen, Executive Chair
Sandeep Singh, President and Chief Executive Officer
Guy Desharnais, Vice President, Project Evaluation
Iain Farmer, Vice President, Corporate Development
André Le Bel, Vice President, Legal Affairs and Corporate Secretary
Frédéric Ruel, Vice President, Finance and Chief Financial Officer
Heather Taylor, Vice President, Investor Relations

Qualified Person (as defined by NI 43-101)
Guy Desharnais, P. Geo, Vice-President, Project Evaluation

Exchange listings
Toronto Stock Exchange
- Common shares: OR
- Warrants: OR.WT (Exercise price: $36.50 / Expiry date: March 5, 2022)
- Convertible debentures: OR.DB (Conversion price: $22.89 / Maturity date: December 31, 2022)

New York Stock Exchange
- Common shares: OR

Dividend Reinvestment Plan
Information available at http://osiskogr.com/en/dividends/drip/

Transfer Agents
Canada: AST Trust Company (Canada)
United States of America: American Stock Transfer & Trust Company, LLC

Auditors
PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.