

FALCO RESOURCES LTD.
- and -
OSISKO GOLD ROYALTIES LTD

INVESTOR RIGHTS AGREEMENT

November 27, 2020

THIS INVESTOR RIGHTS AGREEMENT is made as of November 27, 2020

BETWEEN: **FALCO RESOURCES LTD.**, a corporation existing under the laws of Canada having its head office at 1100, avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, H3B 2S2
(the "**Corporation**")

AND: **OSISKO GOLD ROYALTIES LTD**, a corporation existing under the laws of Québec having its head office at 1100, avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, H3B 2S2
("**Osisko**")

WHEREAS concurrently with the signing hereof, the parties have entered into an agreement (the "**A&R Loan Agreement**") in order to amend and restate the provisions of an existing senior loan agreement entered into among the parties on February 22, 2019, as amended on November 22, 2019, without novation, providing for a loan in the principal amount of \$17,596,136 (the "**Loan**");

WHEREAS the Loan is convertible into Shares (as defined below) of the Corporation (the "**Conversion**");

WHEREAS in consideration for the Loan, the Corporation issued to Osisko 10,664,324 warrants of the Corporation (the "**Warrants**"), each exercisable for one Share at an exercise price of \$0.69 for a period of 24 months from their date of issuance;

WHEREAS the Corporation and Osisko wish to enter into this Agreement in order to, among other things, confer on Osisko nomination, participation and registration rights in accordance with the terms and subject to the conditions set forth herein;

NOW THEREFORE, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

The following definitions apply to this Agreement:

"A&R Loan Agreement" has the meaning ascribed thereto in the recitals.

"Affiliates" has the meaning ascribed thereto in *Regulation 45–106 respecting Prospectus Exemptions* (Quebec).

"Agreement" means this Investor Rights Agreement, as it may be amended from time to time in accordance with the terms hereof.

"Board" means the board of directors of the Corporation.

"Bought Deal" means an underwriting offering through a bought deal pursuant to which an underwriter agrees to acquire securities of the Corporation in a bought deal letter prior to the filing of a preliminary Prospectus or supplement thereto, as the case may be.

"Business Day" means any day other than Saturday, Sunday and holidays in the Province of Quebec.

"CBCA" means the *Canada Business Corporations Act*, as it may be amended from time to time, as well as any legislation replacing it.

"Conversion" has the meaning ascribed thereto in the recitals.

"Corporation" has the meaning ascribed thereto in the recitals.

"Demand Registration" has the meaning ascribed thereto in Section 4.1(1).

"Distribution Expenses" means any and all fees and expenses incidental to the Corporation's performance of, or compliance with, the terms of an Offering that is a Demand Registration or a Piggy-Back Registration hereunder, including without limitation: (i) fees and expenses of compliance with Securities Laws, including any filing fees or listing fees; (ii) printing, copying and translation expenses; (iii) expenses incurred in connection with any "road show" and marketing activities; (iv) fees, expenses and disbursements of legal counsel to the Corporation; (v) fees, expenses and disbursements of the Corporation's auditors in connection with an Offering; (vi) expenses and disbursements, including of legal counsel, of the underwriters or agents, as applicable; and (vii) all transfer agents', depositaries' and registrars' fees, provided, however (for greater certainty), that Distribution Expenses shall not include any Selling Expenses of the Holder or Selling Expenses of the Corporation or any fees, expenses, and/or commissions payable to an underwriter, investment banker, manager, or agent by the Corporation or any liabilities or obligations of the Corporation under any underwriting or agency or other agreement or under applicable laws or regulations;

"Equity Securities" means the Shares and any other security of the Corporation that carries a residual right to participate in the earnings of the Corporation and, on liquidation or winding up of the Corporation, in its assets.

"Exempted Securities" means: (i) Equity Securities or Share Rights issued pursuant to, or upon the exercise, exchange or conversion of Share Rights issued pursuant to, compensation plans that have been approved by the Shareholders and any required stock exchange or issued to management, directors or employees of the Corporation as consideration for services provided to the Corporation; (ii) Equity Securities or Share Rights issued in connection with any rights offering, stock split, stock dividend or recapitalization by the Corporation in which all Shareholders or recipients are affected equally; and (iii) Equity Securities issued in connection with the exercise, exchange or conversion of: (A) Share Rights outstanding on the date hereof or issued pursuant to contractual arrangements in force on the date hereof or (B) Share Rights issued after execution of this Agreement in accordance with Article 3; and (iv) Equity Securities or Share Rights issued as consideration for an acquisition or business combination or merger.

"Holder" means Osisko or any of its permitted assigns pursuant to Section 6.8 which is, at the relevant time, a holder of Registrable Securities.

"Indemnified Party" has the meaning ascribed thereto in Section 4.7(3).

"Indemnifying Party" has the meaning ascribed thereto in Section 4.7(3).

"Initiating Holder" has the meaning ascribed thereto in Section 4.1(1).

"Loan" has the meaning ascribed thereto in the recitals.

"New Securities" means any Equity Securities or Share Rights which are issued by the Corporation after the date of this Agreement, provided, however, that "New Securities" will not include Exempted Securities.

"New Securities Offering" has the meaning ascribed thereto in Section 3.1(1).

"Offering" means a Private Placement or a Public Placement, as the case may be.

"Offering Notice" has the meaning ascribed thereto in Section 3.1(2).

"Osisko" has the meaning ascribed thereto in the recitals.

"Osisko Nominee" has the meaning ascribed thereto in Section 2.1a).

"Participation Exercise Notice" has the meaning ascribed thereto in Section 3.1(3).

"Participation Securities" has the meaning ascribed thereto in Section 3.1(3).

"Participation Rights" has the meaning ascribed thereto in Section 3.1(1).

"Parties" means the Corporation, Osisko as well as their respective successors and permitted assigns.

"Person" means a natural or legal person, business corporation, partnership, joint venture, association, syndicate, sole proprietorship, company, trust, trustee, testamentary executor, estate administrator or other assign, bank, trust company, pension fund, commercial trust, governmental authority or other organization, whether or not a legal entity.

"Piggy-Back Notice" has the meaning ascribed thereto in Section 4.2(1).

"Piggy-Back Registration" has the meaning ascribed thereto in Section 4.2(1).

"Private Placement" means a distribution of Equity Securities or Share Rights to subscribers in Canada, in reliance on an exemption from the Prospectus Requirements under Securities Laws or in any other jurisdiction outside Canada in such manner that the sale is exempt from requirements which are substantially equivalent to the Prospectus Requirements in the territory in question in accordance with the securities laws of such territory, including a sale in the United States under *Rule 144A* under the United States *Securities Act of 1933*.

"Prospectus" means a prospectus or preliminary prospectus, as the case may be, as those terms are defined in the QSA, as it may be amended or supplemented.

"Prospectus Requirements" means the obligation to prepare a Prospectus and obtain a receipt in connection with a distribution of securities in accordance with section 11 of the QSA, as well as the equivalent obligations prescribed by other Securities Laws.

"Public Placement" means any distribution of Equity Securities or Share Rights to the public, under a Prospectus in accordance with applicable Securities Laws of the relevant province or territory in Canada.

"QSA" means the Quebec *Securities Act*, as it may be amended from time to time, as well as any legislation replacing it.

"Registrable Securities" means (a) any Shares beneficially owned or over which control or direction is exercised by a Holder as of the date hereof, including Shares acquired by or issued to a Holder without contravening the terms hereof, and (b) any Shares issued or issuable in respect of Shares referred to in clause (a) above to a Holder in connection with share splits, share dividends, reclassifications, recapitalizations, or other similar events, and such Shares referred to in clauses (a) and (b) shall cease to be Registrable Securities when they (i) have been assigned other than in accordance with Section 6.8 or (ii) have been distributed to the public pursuant to a Public Placement or sold to the public through a broker, dealer or market maker in compliance with applicable Securities Laws.

"Responding Holder" has the meaning ascribed thereto in Section 4.2(1).

"Securities Laws" means: (i) the QSA and any other similar legislation in any other province or territory of Canada in which the Corporation is or becomes a reporting issuer or the equivalent; and (ii) the rules and policies of the TSXV or such other stock exchange on which the Shares may be listed;

"Securities Regulators" has the meaning ascribed thereto in Schedule "A".

"Selling Expenses of the Holder" means any and all underwriting discounts and commissions attributable to the Registrable Securities to be sold by the Holder and any Affiliate thereof in a Demand Registration or Piggy-Back Registration, as the case may be;

"Selling Expenses of the Corporation" means any and all underwriting discounts and commissions attributable to the securities to be sold by the Corporation in a Demand Registration or Piggy-Back Registration, as the case may be;

"Selling Holder" has the meaning ascribed thereto in Schedule "A".

"Share Rights" means warrants, stock options, exchangeable or convertible securities, or other instruments or securities entitling the Holder to purchase or otherwise acquire Equity Securities.

"Shareholders" means, at any relevant time, the registered holders or beneficial owners of one or more Shares.

"Shares" means the common shares in the share capital of the Corporation.

"TSXV" means the TSX Venture Exchange.

"Underwritten Offering" means the sale of securities of the Corporation to an underwriter in connection with an Offering.

"Warrants" has the meaning ascribed thereto in the recitals.

1.2 Interpretation

For the purposes hereof, unless indicated otherwise or unless the context requires otherwise:

- a) the descriptive headings used herein are inserted solely for convenience of reference and may not be used to interpret, define or limit the scope or meaning of this Agreement or any term hereof;
- b) words in the singular include the plural and vice versa and words in one gender include all genders;
- c) all monetary amounts herein are denominated in Canadian dollars;
- d) whenever any action to be taken pursuant to this Agreement would otherwise be required to be taken or made on a day that is not a Business Day, such action shall be taken at or before the time indicated on the first Business Day following such day; and
- e) any reference to a statute shall include all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto.

1.3 Time of the Essence

Time shall be of the essence in this Agreement.

1.4 Recitals and Schedule

The recitals in this Agreement and the following Schedule form an integral part hereof:

Schedule "A" – Registration Procedures

1.5 Meaning of Affiliates

For the purposes of this Agreement, the term Affiliates does not include Osisko Development Corp. or any of its successor.

ARTICLE 2 NOMINATION RIGHTS

2.1 Board Nomination Right

As long as Osisko's holds 5% or more of the outstanding Shares (on a partially-diluted basis, assuming the conversion of all of its Share Rights):

- a) Osisko shall be entitled to designate one individual for election or appointment to the Board from time to time (the "**Osisko Nominee**"), provided that (i) any Osisko Nominee shall consent in writing to his or her appointment as director of the Corporation, and (ii) any Osisko Nominee must be approved by the Corporation, such approval not to be unreasonably withheld. The Osisko Nominee shall meet the individual qualification requirements for directors under: (x) the CBCA; and (y) applicable Securities Laws; and shall have delivered to the Corporation written consent to act as director, and a declaration as to citizenship;
- b) the Osisko Nominee may be a current director of the Corporation. As of the date hereof, the Osisko Nominee is Mr. Bryan A. Coates;
- c) at the next annual meeting of Shareholders at which directors of the Corporation are to be elected, and at each meeting of Shareholders thereafter at which directors are to be elected, the Corporation shall cause the Osisko Nominee to be included in the slate of nominees proposed by the Corporation to the Shareholders of the Corporation for election as directors;
- d) the Corporation shall use commercially reasonable efforts to cause the election of the Osisko Nominee, including soliciting proxies in favour of the election of the Osisko Nominee, provided that the Corporation shall not be required to retain a proxy solicitation firm in order to solicit such proxies;
- e) the Corporation shall notify Osisko in writing at least 20 Business Days before publicly filing the management information circular in respect of any meeting of Shareholders at which directors of the Corporation are to be elected, of the upcoming Shareholder meeting date and a request for information regarding the Osisko Nominee, and Osisko shall advise the Corporation and the Board of the

name and relevant information of the Osisko Nominee within 10 Business Days after receiving such notice;

- f) if Osisko does not advise the Corporation and the Board of the identity of its Osisko Nominee(s) within the time set forth in Section 2.1e), then Osisko shall be deemed to have designated its incumbent nominee for nomination for election at the relevant meeting of Shareholders, and, if there is no incumbent nominee, to have waived its rights to appoint or nominate an Osisko Nominee with respect to the relevant meeting of Shareholders;
- g) if an Osisko Nominee is elected at a meeting of Shareholders, but ceases to hold office as a director of the Corporation for any reason, Osisko shall be entitled to nominate an individual to replace him or her and the Corporation shall promptly take all steps as may be necessary to appoint such individual to the Board to replace the Osisko Nominee who has ceased to hold office, in all cases subject to the requirements of Section 2.1a);
- h) so long as an Osisko Nominee serves as a member of the Board, such Osisko Nominee shall be eligible to serve on any committee of the Board, provided that such Osisko Nominee satisfies the Corporation's eligibility criteria for such committee and the Board has approved, and has received regulatory approval, if required, of the Osisko Nominee serving as a member of such committee;
- i) the Osisko Nominee shall be provided with equivalent directors' insurance and indemnification as the other members of the Board and with a written indemnification agreement in the form provided to the other members of the Board; and
- j) the Corporation will use reasonable efforts to provide the Osisko Nominee with as much notice of Board and committee meetings as possible and shall make reasonable efforts to facilitate the attendance of the Osisko Nominee at Board and committee meetings, and in any event shall provide such notice as is required to be given to Board or committee members under the constating documents of the Corporation.

ARTICLE 3 PARTICIPATION RIGHTS

3.1 Preemptive Right

- (1) As long as Osisko's holds 5% or more of the outstanding Shares (on a partially-diluted basis, assuming the conversion of all of its Share Rights), if the Corporation proposes to issue or sell any New Securities (including pursuant to any exercise of pre-emptive or similar rights held by any other person) (a "**New Securities Offering**"), then Osisko has the right (the "**Participation Right**") to subscribe for and purchase, each type, class or series of New Securities, as applicable, on terms and conditions not less favorable than those provided to the other subscribers of such New Securities in the New Securities Offering, up to an amount sufficient to maintain its aggregate *pro rata* ownership interest in the outstanding Shares (on a partially-diluted basis, assuming the conversion of all of its Share Rights), immediately prior to the closing of the New Securities Offering. Osisko may exercise its Participation Right with respect to any underwritten New Securities

Offering through a concurrent and separate Private Placement, in which case Osisko and the Corporation shall use commercially reasonable efforts to cause the announcement of such Private Placement to occur at the same time as the announcement of such New Securities Offering, being understood that the closing of any such Private Placement may take place after the closing of any such New Securities Offering as contemplated in Section 3.1(4).

- (2) If the Corporation proposes to issue or sell New Securities pursuant to a New Securities Offering giving rise to the Participation Right, the Corporation will give written notice to Osisko (the "**Offering Notice**") [redacted delay]. The Offering Notice will contain the following information, to the extent known at the time:
- a) the total number of each type, class and series of Equity Securities outstanding as at the date of the Offering Notice;
 - b) the total number of each type, class and series of New Securities to be offered in such New Securities Offering, and the rights, privileges, restrictions, terms and conditions of each such type, class and series;
 - c) the proposed price (on a per security basis) payable for the New Securities upon which Osisko is entitled to purchase pursuant to the Participation Right;
 - d) the maximum number of New Securities that Osisko is entitled to subscribe for;
 - e) the proposed announcement date, and the proposed closing date for such New Securities Offering; and
 - f) any other material terms of such New Securities Offering, including a statement as to the expected use of proceeds;

and the Corporation will use its commercially reasonable efforts to consult with Osisko and the TSXV (or any other stock exchange on which the Corporation's securities are listed) as to the size, structure and other characteristics of the New Securities Offering with a view to giving full effect to the intention of the Parties that Osisko will be able to fully exercise its Participation Right in connection therewith. Further, any material information not provided to Osisko in the Offering Notice because it is not then known shall be provided forthwith upon becoming known to the Corporation. In the case of a New Securities Offering that is implemented by way of Bought Deal offering, the Corporation shall provide notice to Osisko of such potential Bought Deal offering [redacted delay].

- (3) If Osisko wishes to exercise the Participation Right in respect of a particular New Securities Offering, Osisko shall give written notice to the Corporation (the "**Participation Exercise Notice**") of the exercise of its Participation Right and of the number of each type, class and series of New Securities Osisko wishes to purchase (the "**Participation Securities**"), [redacted delay]. In the case of a New Securities Offering that is implemented by way of a Bought Deal offering, Osisko shall use commercially reasonable efforts to provide its Participation Exercise Notice [redacted delay] so that the participation by Osisko can be announced concurrently with the Bought Deal, provided that failure to do so shall not prevent Osisko from providing a Participation Exercise Notice [redacted delay] of the Offering Notice and shall not prevent Osisko from

exercising its Participation Right through a concurrent Private Placement as contemplated in Section 3.1(1).

- (4) If Osisko exercises its Participation Right, subject to the receipt of any required regulatory approvals (including of the TSXV or any stock exchange on which the Corporation's securities are listed), which approvals the Corporation will use its commercially reasonable efforts to promptly obtain (including applying for any necessary price protection confirmations), the closing of the purchase by Osisko of its New Securities will occur on the date indicated by Osisko in the Participation Exercise Notice, [redacted delay].

ARTICLE 4 REGISTRATION RIGHTS

4.1 Demand Registration

- (1) So long as a Holder of Registrable Securities (the "**Initiating Holder**"), collectively with its Affiliates, beneficially owns at least 10% of the outstanding Shares, such Initiating Holder, collectively with its Affiliates, may, at any time and from time to time, require the Corporation to file one or more Prospectuses and take such other steps as may be reasonably necessary to facilitate a secondary offering in Canada of all or any portion of the Shares held by such Initiating Holder (the "**Demand Registration**"), by giving written notice of such Demand Registration to the Corporation. The Corporation shall, subject to applicable Securities Laws, use its commercially reasonable efforts to file one or more Prospectuses under applicable Securities Laws in order to permit the Offering of all or any portion of the Initiating Holder's Registrable Securities requested to be included in such Demand Registration. The Parties shall cooperate in a timely manner in connection with such secondary offering and the procedures in Schedule "A" shall apply.
- (2) The Corporation shall not be obliged to effect:
- a) more than two (2) Demand Registration by all Holders in any twelve (12) month period or more than four (4) Demand Registrations in the aggregate;
 - b) a Demand Registration in the event the Corporation determines in good faith that (i) either (A) the independent directors of the Corporation determine that the effect of the filing of a Prospectus could impede the ability of the Corporation to consummate a significant transaction (including, without limitation, an acquisition, a merger, or a financing transaction) or proceed with or continue negotiations or discussions in relation thereto, or (B) there exists at the time material non-public information relating to the Corporation the disclosure of which would be adverse to the Corporation; and (ii) it is therefore determined by the independent directors of the Corporation to be in the best interests of the Corporation to defer the filing of a Prospectus at such time; in which case the Corporation's obligations under this Section 4.1 shall be deferred for a period of not more than ninety (90) days from the date of receipt of the request of an Initiating Holder;
 - c) a Demand Registration in respect of a number of Shares that is expected to result in gross proceeds of less than [redacted amount]; or

- d) a Demand Registration before the 90th day following the date on which a receipt was issued to the Corporation with respect to any (final) Prospectus filed by the Corporation.
- (3) Any request by the Initiating Holder pursuant to Section 4.1(1) shall (a) specify the number of Shares which such Initiating Holder intends to offer and sell, (b) express the intention of such Initiating Holder to offer or cause the offering of such Shares, (c) describe the nature or methods of the proposed offer and sale thereof and the provinces and territories of Canada in which such offer shall be made, (d) contain the undertaking of such Initiating Holder to provide all such information regarding its holdings and the proposed manner of distribution thereof as may be required in order to permit the Corporation to comply with all applicable Securities Laws, and (e) specify whether such Offering and sale shall be made by an Underwritten Offering.
- (4) In the case of an Underwritten Offering initiated pursuant to Section 4.1(1), the Initiating Holder shall have the right to select the managing underwriter or underwriters of such Registrable Securities, provided, however, that such selection shall also be reasonably satisfactory to the Corporation. The Corporation shall be entitled to retain counsel of its choice to assist it in fulfilling its obligations under this Section 4.1.
- (5) In the case of an Underwritten Offering initiated pursuant to Section 4.1(1), an Initiating Holder may participate in the negotiations of the terms of any underwriting agreement. An Initiating Holder's participation in, and the Corporation's completion of, the Underwritten Offering is conditional upon the Initiating Holder and the Corporation agreeing that the terms of any underwriting agreement are satisfactory to them, acting reasonably.
- (6) The Corporation shall be entitled to include for sale in any Prospectus filed pursuant to the Demand Registration right, any Shares to be sold by the Corporation for its own account. Notwithstanding this Section 4.1(6), if, in connection with a Demand Registration, the managing underwriter or underwriters impose a limitation on the number of Shares or on the number or kind of other securities which may be included in any such Offering because, in its or their reasonable judgment all of the Shares that are proposed to be include in such Offering may not be sold in an orderly manner within a price range reasonably acceptable to the Holder or marketing factors require the limitation of the number of securities which may be included in such Public Placement, the Corporation shall be required to include in such Public Placement the part of the Registrable Securities which is determined by such managing underwriters according to the following priority:
- a) first, the Registrable Securities requested to be included by the Holder;
 - b) second, if there are additional securities which may be underwritten within a price range reasonably acceptable to the Holder, considering marketing factors, without leading to undue repercussions on the Public Placement of the securities offered after taking into account the inclusion of all the securities required under paragraph a) above, the Registrable Securities which the Corporation have required to be included.

4.2 Piggy-Back Registration Rights

- (1) If the Corporation is formally considering making a Public Placement for its own account or if an existing Shareholder proposes to make a Public Placement through a secondary offering, the Corporation shall, at that time, promptly, and, in any event, [redacted delay], give the Holders of Registrable Securities written notice of such proposed Offering (the "**Piggy-Back Notice**"). Upon the written request of any Holder of Registrable Securities [redacted delay] after receipt of the Piggy-Back Notice, provided that at the time it receives the Piggy-Back Notice, the Holder, collectively with its Affiliates (the "**Responding Holder**"), beneficially owns at least 10% of the outstanding Shares, the Corporation shall, subject to Section 4.2(2):
- a) use reasonable commercial efforts to, in conjunction with the proposed Offering, cause to be included in such Offering all of the Shares that such Responding Holders have requested to be included in such Offering pursuant to applicable Securities Laws (the "**Piggy-Back Registration**"); and
 - b) use reasonable commercial efforts to qualify the Registrable Securities covered by such Prospectus under the Securities Laws of such jurisdictions in Canada as the Holder or, in the case of a Bought Deal, the lead underwriter, or in the case of any other Public Placement, the lead agent, shall reasonably request; provided, however, that the Corporation shall not be required for any such purpose to: (i) qualify generally to do business as an extraprovincial corporation in any Canadian jurisdiction wherein it would not otherwise be required to qualify but for the requirements of this Section 4.2(1)(b); (ii) consent to general service of process in any such jurisdiction; (iii) subject itself to taxation in any jurisdiction wherein it would not otherwise be subject to taxation but for the requirements of this Section 4.2(1)(b); or (iv) register its securities under the United States *Securities Act of 1933*, as amended.

Notwithstanding any provision hereof to the contrary, if the Public Placement is carried out as a Bought Deal, or any other type of Public Placement which does not include a road show, and the Corporation has formally begun to consider a possible Offering fewer than [redacted delay] before conducting such Offering, [redacted delay] following receipt of the Piggy-Back Notice described in this Section 4.2(1) shall not apply and the Corporation shall give the Holders the most notice as is practicable in the circumstances which shall at a minimum be [redacted delay], provided that such minimum notice period may be waived in writing by any officer of Osisko irrespective of the notice provisions set forth herein in Section 6.1. Any Holder shall only have such amount of time to notify the Corporation whether or not it will participate in the Bought Deal or such other Public Placement, failing which the Corporation shall be free to conduct the Bought Deal or such other Public Placement without the Holder's participation.

- (2) Notwithstanding Section 4.2(1), if, in connection with a Piggy-Back Registration, the managing underwriter or underwriters impose a limitation on the number of Shares or on the number or kind of other securities which may be included in any such Offering because, in its or their reasonable judgment all of the Shares that the Corporation proposes to include in such Offering may not be sold in an orderly manner within a price range reasonably acceptable to the Corporation or marketing factors require the limitation of the number of securities which may be included in such Public Placement, the Corporation shall be required to include in such Public Placement the part of the

Registrable Securities which is determined by such managing underwriters according to the following priority:

- a) first, the securities offered by the Corporation on its own behalf;
- b) second, if there are additional securities which may be underwritten within a price range reasonably acceptable to the Corporation, considering marketing factors, without leading to undue repercussions on the Public Placement of the securities offered after taking into account the inclusion of all the securities required under paragraph a) above, the Registrable Securities which the Responding Holders have required to be included, pro rata among such Responding Holders based on the number of Registrable Securities which each Responding Holder owns or over which its exercises control.

4.3 Private Placement

The Corporation shall, in connection with any sale of Registrable Securities through a Private Placement by a Holder which, collectively with its Affiliates, beneficially owns at least 10% of the outstanding Shares: (a) use its commercially reasonable efforts to assist any Holder and its representatives in the preparation of documentation (including any offering memorandum) required in order to effect such Private Placement, and (b) subject to the entering into of a confidentiality and standstill agreement on customary terms, allow any prospective buyer of Registrable Securities to conduct reasonable due diligence on the Corporation and, without limiting the generality of the foregoing, make available its senior management and use its commercially reasonable efforts to make available its auditors and its legal counsel to answer any questions in one or more due diligence sessions.

4.4 Registration in the United States

If the Corporation proposes to file a registration statement for the distribution of Shares to the public in the United States, the Parties shall, prior to such distribution taking place, supplement this Agreement so as to provide Holders of Registrable Securities with registration rights enabling the distribution of Shares to the public in the United States that are substantially equivalent to the registration rights provided under this Agreement, including, without limitation, demand registration rights and piggyback registration rights upon terms and conditions substantially equivalent to the terms and conditions set forth in Sections 4.1 and 4.2.

4.5 Withdrawal of Registrable Securities

Any Initiating Holder or Responding Holder shall have the right to withdraw its request for inclusion of its Registrable Securities in any Offering pursuant to Section 4.1 or 4.2 by giving written notice to the Corporation of its request to withdraw; provided, however, that (a) such request must be made in writing prior to the execution of the binding bought deal letter or underwriting agreement with respect to such Offering, or with the consent of the underwriters and without prejudice or losses suffered by the Corporation, and (b) such withdrawal shall be irrevocable and, after making such withdrawal, the Holder of Registrable Securities shall no longer have any right to include its Registrable Securities in the Offering pertaining to which such withdrawal was made. Provided that an Initiating Holder or Responding Holder withdraws all of its Registrable Securities from a Demand Registration or a Piggy-Back Registration in accordance with this Section 4.5 prior to the execution of a binding bought deal letter or underwriting agreement and prior to the filing of a preliminary Prospectus in connection

therewith, such Initiating Holder or Responding Holder shall be deemed not to have initiated or participated in such Demand Registration or Piggy-Back Registration, as applicable, including, without limitation, for purposes of determining the number of Demand Registrations that the Corporation shall be obliged to effect pursuant to paragraph 4.1(2)a). Notwithstanding the foregoing, if such Initiating Holder or Responding Holder makes a withdrawal as contemplated in this Section 4.5, such Initiating Holder or Responding Holder shall be precluded from making another Demand Registration in accordance with Section 4.1 for a period of sixty (60) days from the date the written notice to the Corporation of its request to withdraw was provided.

4.6 Expenses

[redacted expenses]

4.7 Indemnification

- (1) In connection with any Demand Registration or any Piggy-Back Registration, the Corporation shall indemnify and hold harmless the Initiating Holder and the Responding Holder, as the case may be, their Affiliates, and each of their respective directors and officers from and against any loss (excluding loss of profits), liability, claim, damage and expense whatsoever, including any amounts paid in settlement of any investigation, litigation, proceeding or claim, joint or solidary, incurred, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any Prospectus, or any amendment thereto, covering Registrable Securities, including all documents incorporated therein by reference, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances under which they were made, provided that the Corporation shall not be liable under this Section 4.7(1) for any settlement of any action effected without its written consent, which consent shall not be unreasonably withheld or delayed, and provided further that the indemnity provided for in this Section 4.7(1) shall not apply to any loss, liability, claim, damage or expense to the extent arising out of or based upon any untrue statement or omission or alleged untrue statement or omission (a) made in reliance upon and in conformity with written information furnished to the Corporation by the Initiating Holder or Responding Holder stating that such information is being provided for use in the Prospectus; or (b) contained in any Prospectus if the underwriter in question failed to send or deliver a copy of the Prospectus to the Person asserting such losses, liabilities, claims, damages or expenses on or prior to the delivery of written confirmation of any sale of securities covered thereby to such Person in any case where such Prospectus (as amended or supplemented) corrected such untrue statement or omission. Any amounts advanced by the Corporation to an Indemnified Party pursuant to this Section 4.7(1) as a result of such losses shall be returned to the Corporation if it is finally determined by a court in a judgment not subject to appeal or final review that such Indemnified Party was not entitled to indemnification by the Corporation.
- (2) In connection with any Demand Registration or Piggy-Back Registration, the Initiating Holder or the Responding Holder, as the case may be, on a several (not solidary) basis and with respect to itself only, shall indemnify and hold harmless the Corporation and each of the Corporation's directors and officers from and against any loss (excluding loss of profits), liability, claim, damage and expense whatsoever, including any amounts paid in settlement of any investigation, litigation, proceeding or claim, joint or solidary, as incurred, arising out of or based upon any untrue statement or alleged untrue statement

of a material fact contained in any Prospectus (or any amendment thereto) covering Registrable Securities, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, in the light of the circumstances under which they were made, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Prospectus (or any amendment thereto) included in reliance upon and in conformity with written information furnished to the Corporation by the Initiating Holder or the Responding Holder, as the case may be, in writing expressly stating that such information is being provided by the Initiating Holder or the Responding Holder, as the case may be, for use in the Prospectus (or any amendment thereto); provided that the Initiating Holder or the Responding Holder, as the case may be, shall not be liable under this Section 4.7(2) for any settlement of any action effected without its written consent, which consent shall not be unreasonably withheld or delayed; provided further that the indemnity provided for in this Section 4.7(2) shall not apply to any loss, liability, claim, damage or expense to the extent arising out of an untrue statement or omission or alleged untrue statement or omission contained in any Prospectus if the Corporation failed to send or deliver a copy of the Prospectus to the Person asserting such losses, liabilities, claims, damages or expenses on or prior to the delivery of written confirmation of any sale of Equity Securities or Share Rights covered thereby to such Person in any case where such Prospectus (or any amendment or supplement thereto) corrected such untrue statement or omission. Any amounts advanced by the Initiating Holder or the Responding Holder to an Indemnified Party pursuant to this Section 4.7(2) as a result of such losses shall be returned to the Initiating Holder or the Responding Holder, as the case may be, if it is finally determined by such a court in a judgment not subject to appeal or final review that such Indemnified Party was not entitled to indemnification by the Initiating Holder or the Responding Holder, as the case may be.

- (3) Each party entitled to indemnification under this Section 4.7 (the "**Indemnified Party**") shall give notice to the party required to provide indemnification (the "**Indemnifying Party**") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, but the omission to so notify the Indemnifying Party shall not relieve it from any liability which it may have to the Indemnified Party pursuant to the provisions of this Section 4.7 except to the extent of the actual damages caused by such delay in notification. At its expenses, the Indemnifying Party shall defend such action and retain counsel to be chosen by the Indemnifying Party to be reasonably satisfactory to the Indemnified Party. The Indemnified Party shall have the right to retain its own counsel in any such case, but the legal fees and expenses of such counsel shall be at the expense of the Indemnified Party, unless (i) the employment of such counsel has been authorized in writing by the Indemnifying Party in connection with the defense of such action, (ii) the Indemnifying Party shall not have employed counsel to take charge of the defense of such action, or (iii) the Indemnified Party shall have reasonably concluded, based on the advice of outside counsel, that representation of the Indemnified Party and the Indemnifying Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (in which cases the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party); provided that the Indemnifying Party shall under no circumstances be required to pay the legal fees and expenses of more than one law firm acting as legal counsel with respect to all the Indemnified Parties in accordance herewith. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or

enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

- (4) If a Party which would have been an Indemnified Party pursuant to this Section 4.7 cannot take advantage of the indemnification contemplated therein with respect to any loss, obligation, claim, damage and cost referred to herein, each Party which would have been an Indemnifying Party hereunder shall, rather than indemnifying such Indemnified Party, contribute to the sum paid or payable by the Indemnified Party as a result of such loss, obligation, claim, damage and cost in a proportion which reflects the relative fault of each of the Indemnifying Party and the Indemnified Party with respect to the statement or omission which caused such loss, obligation, claim, damage and cost, and according to other relevant fairness considerations. The relative fault is established in particular according to whether the real or alleged statement about a material fact or the real or alleged omission of a material fact relates to information given by the Indemnifying Party or the Indemnified Party as well as according to the relative intention of the Parties and the extent to which they were aware of such information, had access to it and had the opportunity to correct or prevent the statement or omission. The Corporation, the Initiating Holder and the Responding Holder agree that it would not be fair if the contribution contemplated by this Section 4.7(4) were established by proportionate attribution or another means of attribution which does not take into account the fairness considerations referred to above in this Section 4.7(4).
- (5) Notwithstanding any provision of this Agreement or another agreement, the Initiating Holder and the Responding Holder shall in no event be liable for the indemnification contemplated herein for an amount greater than the net proceeds which either of them, as the case may be, receives in connection with a given Offering of Registrable Securities.
- (6) The Corporation hereby acknowledges and agrees that, with regard to this Section 4.7, each Initiating Holder or Responding Holder undertakes on its own behalf and as mandatory for the other Indemnified Parties the commitments of the Corporation under this Section 4.7 toward such Indemnified Parties and accepts such mandates and will cause such undertakings to be performed on behalf of such Indemnified Parties.
- (7) Each Initiating Holder or Responding Holder hereby acknowledges and agrees that, with regard to this Section 4.7, the Corporation undertakes on its own behalf and as mandatory for the other Indemnified Parties the commitments of each Initiating Holder or Responding Holder pursuant to this Section 4.7 toward such Indemnified Parties and accepts such mandates and will cause such undertakings to be performed on behalf of such Indemnified Parties.

ARTICLE 5 OTHER RIGHTS AND UNDERTAKINGS

5.1 Registration of Shares

Throughout the term hereof, the Corporation shall make commercially reasonable efforts to maintain its status as a reporting issuer in all Canadian provinces and maintain the listing of the Shares for trading on the TSXV or another recognized stock exchange, and shall file, within the required deadlines, the documents prescribed by applicable Securities Laws and the rules of

the TSXV (or such other recognized stock exchange, as applicable). For greater certainty, the Corporation shall not be required to maintain such status or listing if to do so would hinder or impede any amalgamation or business combination (whether by way of a merger, plan of arrangement, consolidation, share or other security exchange transaction, recapitalization, asset acquisition, takeover bid, or other transaction) involving the Corporation and completed in accordance with applicable Securities Laws, if the holders of Shares have approved the transaction or otherwise tendered a sufficient number of Shares in connection with such transaction for the transaction to proceed.

ARTICLE 6 GENERAL

6.1 Notices

Any notice, direction or other communication to be given under this Agreement shall, except as otherwise permitted, be in writing and given by delivering it or sending it by email or other similar form of recorded communication addressed:

a) To the Corporation:

Falco Resources Ltd.
1100, avenue des Canadiens-de-Montréal, Suite 300
Montréal, Québec, Canada H3B 2S2

Attention: Andre Le Bel, Vice-President, Legal Affairs and Corporate Secretary
E-mail: aabel@falcores.com

b) To Osisko:

Osisko Gold Royalties Ltd
1100, avenue des Canadiens-de-Montréal, Suite 300
Montréal, Québec, Canada H3B 2S2

Attention: Iain Farmer, Vice-President, Corporate Development
E-mail: corporatesecretary@osiskogr.com

Any such communication shall be deemed to have been validly and effectively given if (i) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Montreal time), otherwise on the next Business Day, (ii) transmitted by email or similar means of recorded communication on the Business Day following the date of transmission. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the Party at its changed address.

6.2 Further assurances

The Parties agree to execute and deliver from time to time all further documents and instruments, and to take any action, which the other Party may reasonably require for the purposes of giving effect to this Agreement or to better attest or complete the meaning and intention of this Agreement.

6.3 Entire agreement

The Parties acknowledge that this Agreement constitutes a complete, true and inclusive reproduction of the agreement entered into between them and that it cancels any prior agreement, with the Parties formally waiving their right to rely on any discussions and negotiations which preceded its signing.

6.4 Severability

If any term or other provision of this Agreement is invalid, illegal or unenforceable under any rule or law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon any determination that any term or other provision is invalid, illegal or unenforceable, the Parties to this Agreement shall negotiate in good faith to amend this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner such that the transactions contemplated by this Agreement are fulfilled to the fullest extent possible.

6.5 Amendment and waiver

This Agreement may not be amended or modified, or any provision hereof waived, except by an agreement in writing executed by all the Parties.

6.6 Termination

This Agreement shall come into force and effect as of the date set out on the first page hereof and shall continue in force until the earlier of: (a) the date on which this Agreement is terminated by the mutual consent of the Parties; and (b) the date on which Osisko's holdings of Shares falls below five percent (5%) (on a partially-diluted basis, assuming the conversion of all of its Share Rights), provided that in all cases the provisions of Section 4.6, Section 4.7 and this Article 6 shall survive termination of this Agreement and shall remain in full force and effect.

6.7 Enurement

This Agreement shall be binding upon and enure to the benefit of the Parties to this Agreement and, from time to time, their respective successors and permitted assigns as provided under Section 6.8.

6.8 Assignment

This Agreement and any right, benefit or obligation resulting herefrom may not be assigned by a Party without the prior written consent of the other Parties, provided that (a) each Holder (including Osisko in its capacity as Initial Holder) may assign this Agreement or the rights, benefits or obligations resulting herefrom to an assignee which is an Affiliate without the prior consent of the Corporation, and (b) Osisko shall not be entitled to assign the nomination rights contemplated by Article 2.

6.9 Third party beneficiaries

The terms and conditions of this Agreement shall apply only for the benefit of the Parties and their respective successors and permitted assigns, and other than as indicated in Sections 4.7(6) and 4.7(7), the Parties do not intend to confer rights on third party beneficiaries, and this Agreement does not confer any such right on third parties (including on Shareholders other than the Holders) who are not parties to this Agreement.

6.10 Remedies

Each Party acknowledges that its failure to observe or perform its covenants and agreements herein contained shall result in damages to another Party which could not be adequately compensated for by a monetary award and accordingly each Party hereto agrees that in addition to all other remedies available to a Party at law or in equity in the event another Party fails to observe or perform its covenants herein, a Party shall be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree of specific performance or otherwise, as may be appropriate to ensure compliance by each Party with this Agreement.

6.11 Governing law

This Agreement shall be governed by and construed in accordance with the laws in force in the Province of Quebec and the federal laws of Canada applicable therein.

6.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. A signed signature page of this Agreement delivered by a Party electronically shall have the same effect as an original of the signed copy of this Agreement delivered by such Party.

[The rest of the page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date first hereinabove written.

FALCO RESOURCES LTD.

By: (s) Luc Lessard
Name: Luc Lessard
Title: President and Chief Executive Officer

By: (s) Anthony Glavac
Name: Anthony Glavac
Title: Chief Financial Officer

OSISKO GOLD ROYALTIES LTD

By: (s) Frederic Ruel
Name: Frederic Ruel
Title: VP Finance and Chief Financial Officer

By: (s) Iain Farmer
Name: Iain Farmer
Title: VP Corporate Development

SCHEDULE A REGISTRATION PROCEDURES

(1) Obligations of the Corporation

In connection with the Corporation's registration obligations with respect to the Demand Registration and the Piggy-Back Registration pursuant to this Agreement, the Corporation shall use its commercially reasonable efforts to effect the qualification of the Offering of Registrable Securities of any Holder (the "**Selling Holder**") and, for such purpose, the Corporation shall as expeditiously as possible:

- a) prepare and file with the applicable Canadian Securities Regulators (collectively, the "**Securities Regulators**") a preliminary Prospectus and Prospectus relating to the applicable Demand Registration or Piggy-Back Registration including all exhibits and financial statements required by the Securities Regulators to be filed therewith, and use its commercially reasonable efforts to cause such preliminary Prospectus and Prospectus to be receipted; provided, that the Corporation shall furnish to each Selling Holder and the managing underwriters, if any, copies of such preliminary Prospectus and Prospectus and any amendments or supplements in the form filed with the Securities Regulators, simultaneously with the filing of such preliminary Prospectus and Prospectus, amendments or supplements;
- b) prepare and file with the Securities Regulators such amendments to the preliminary Prospectus and Prospectus as may be necessary to complete the Offering of all such Registrable Securities and as required under the QSA or under any applicable provisions of Securities Laws;
- c) allow the Selling Holders, each of the managing underwriters, if any, and their respective representatives to (i) participate in the preparation of the Prospectus, and (ii) conduct reasonable due diligence on the Corporation in order to enable such Persons to execute any certificate required to be executed by them under applicable Securities Laws, and, without limiting the generality of the foregoing, make available its senior management and use its commercially reasonable efforts to make available its auditors and its legal counsel to answer any questions in one or more due diligence sessions;
- d) notify the Selling Holders and the managing underwriters, if any, and (if requested) confirm such advice in writing, as soon as practicable after notice thereof is received by the Corporation (i) when the preliminary Prospectus and Prospectus or any amendment thereto has been filed or been receipted, and to furnish such Selling Holders and managing underwriters with copies thereof; (ii) of any request by the Securities Regulators for amendments to the preliminary Prospectus, the Prospectus or for additional information, (iii) of the issuance by the Securities Regulators of any stop order or cease trade order relating to the Prospectus or any order preventing or suspending the use of any preliminary Prospectus or Prospectus or the initiation or threatening of any proceedings for such purposes; (iv) of the receipt by the Corporation of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

- e) promptly notify the Selling Holders and the managing underwriters, if any, at any time during the Offering period, when the Corporation becomes aware of the happening of any event as a result of which the preliminary Prospectus or the Prospectus contains any untrue statement of a material fact or omits to state a material fact necessary to make the statement therein (in the case of the preliminary Prospectus or Prospectus in light of the circumstances under which they were made) when such preliminary Prospectus or the Prospectus was delivered not misleading or, if for any other reason it shall be necessary during such time period to amend or supplement the preliminary Prospectus or the Prospectus in order to comply with Securities Laws and, in either case as promptly as practicable thereafter, prepare and file with the Securities Regulators, and furnish without charge to the Selling Holders and the managing underwriters, if any, a supplement or amendment to such preliminary Prospectus or Prospectus which shall correct such statement or omission or effect such compliance;
- f) make every commercially reasonable effort to obtain the withdrawal of any stop order, cease trade order or other order suspending the use of any preliminary Prospectus or Prospectus or suspending any qualification of the Registrable Securities covered by the Prospectus;
- g) furnish to each Selling Holder and each managing underwriter, one executed copy and as many conformed copies as they may reasonably request, of the preliminary Prospectus and Prospectus and any amendment thereto, including financial statements and schedules, all documents incorporated therein by reference, and provide Selling Holders and their counsel with an opportunity to review, and provide comments to the Corporation on the Prospectus;
- h) deliver to each Selling Holder and the underwriters, if any, as many copies of the preliminary Prospectus and the Prospectus and any amendment or supplement thereto as such Persons may reasonably request (it being understood that the Corporation consents to the use of the preliminary Prospectus and the Prospectus or any amendment thereto by each of the Selling Holders and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by the preliminary Prospectus and the Prospectus or any amendment or supplement thereto) and such other documents as such Selling Holder may reasonably request in order to facilitate the Offering of the Registrable Securities by such Person;
- i) on or prior to the date on which a receipt is issued for the Prospectus by the applicable Securities Regulators, use its commercially reasonable efforts to qualify the Registrable Securities for offer and sale under the Securities Laws of each province of Canada and cooperate with the Selling Holders, the managing underwriter or agent, if any, and their respective counsel in connection therewith, as any such Person, underwriter or agent reasonably requests in writing provided that the Corporation shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

- j) in connection with any Underwritten Offering, enter into customary agreements, including an underwriting agreement on normal market terms;
- k) use its commercially reasonable efforts to obtain a customary legal opinion addressed to the Selling Holders and the underwriters, if any, as well as a customary comfort letter from the auditor or auditors of the Corporation for the financial statements included or incorporated by reference in a Prospectus;
- l) participate in the marketing efforts which the Selling Holders or the managing underwriters, if any, consider reasonably necessary, such as a road show, meetings with institutional investors and other similar events; and
- m) take any other steps and sign and deliver any other documents which may be reasonably necessary to give full effect to the rights of each Selling Holders pursuant to this Agreement.

(2) Selling Holders' Obligations

The Corporation may require each Selling Holder as to which any registration is being effected hereunder to furnish to the Corporation such information regarding the Offering of such Registrable Securities and such other information relating to such Holder and its ownership of Shares as the Corporation may from time to time reasonably request in writing. Each such Selling Holders agrees to furnish such information to the Corporation and to cooperate with the Corporation as necessary to enable the Corporation to comply with the provisions of this Agreement. Such Selling Holders shall notify the Corporation immediately upon the occurrence of any event as a result of which any of the aforesaid Prospectuses includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they are made.