

**FORM 62-103F1
EARLY WARNING REPORT**

Item 1 — Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities

This report relates to the disposition of common shares (“**Common Shares**”) of Highland Copper Company Inc. (the “**Issuer**”).

The address of the head office of the Issuer is the following:

1055 Georgia St. W., Suite 1500
Vancouver, British Columbia V6E 4N7

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place

Not applicable.

Item 2 — Identity of the Acquiror

2.1 State the name and address of the acquiror

Osisko Gold Royalties Ltd (“**Osisko**”)

1100 avenue des Canadiens-de-Montréal, Suite 300
Montréal, Québec H3B 2S2

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence

On June 28, 2019, Osisko completed the first tranche of a purchase for cancellation transaction (the “**Osisko Share Repurchase**”) pursuant to a transaction agreement dated June 25, 2019 (the “**Transaction Agreement**”) entered into among Osisko and Betelgeuse LLC (“**Orion**”), whereby Osisko agreed to repurchase certain common shares of Osisko (the “**Osisko Shares**”) held by Orion. The consideration for the 7,319,499 Osisko Shares repurchased as part of the first tranche of the Osisko Share Repurchase consisted of cash and the direct transfer of other equity securities held by Osisko, including Common Shares of the Issuer. Osisko agreed to transfer 74,420,434 Common Shares (the “**Consideration Shares**”) of the Issuer as consideration for 211,122 Osisko Shares.

2.3 State the names of any joint actors

Not applicable.

Item 3 — Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the Acquiror's securityholding percentage in the class of securities

Osisko disposed of the 74,420,434 Consideration Shares pursuant to the first tranche of the Osisko Share Repurchase.

Immediately prior to the closing of the first tranche of the Osisko Share Repurchase, Osisko had beneficial ownership of, or control and direction over, 74,420,434 Common Shares of the Issuer, representing approximately 15.7% of the Issuer's issued and outstanding Common Shares. Immediately following the closing of the first tranche of the Osisko Share Repurchase, Osisko did not have beneficial ownership of, or control or direction over, any of the Issuer's issued and outstanding Common Shares.

Osisko does not own any other securities of the Issuer.

3.2 State whether the Acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report

Osisko disposed of the Consideration Shares pursuant to the first tranche of the Osisko Share Repurchase.

See Items 2.2 and 3.1 above.

3.3 If the transaction involved a securities lending arrangement, state that fact

Not applicable.

3.4 State the designation and number or principal amount of securities and the Acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report

See Item 3.1 above.

3.5 State the designation and number or principal amount of securities and the Acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) **the Acquiror, either alone or together with any joint actors, has ownership and control;**

See Item 3.1 above.

(b) **the Acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the Acquiror or any joint actor, and**

Not applicable.

- (c) ***the Acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.***

Not applicable.

- 3.6 ***If the Acquiror or any of its joint actors has an interest in, or right or obligation Associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the Acquiror's securityholdings***

Not applicable.

- 3.7 ***If the Acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement***

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104

Not applicable.

- 3.8 ***If the Acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the Acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding***

Not applicable.

Item 4 — Consideration Paid

- 4.1 ***State the value, in Canadian dollars, of any consideration paid or received per security and in total***

The Consideration Shares were transferred as consideration for a portion of the Osisko Shares repurchased by Osisko as part of the first tranche of the Osisko Share Repurchase. The Consideration Shares were transferred by Osisko to Orion at a deemed value of C\$2,976,820.20 in the aggregate, or C\$0.04 per Common Share, being the closing price of the Common Shares on the trading day prior to the signing of the Transaction Agreement.

- 4.2 ***In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the Acquiror***

See Item 4.1.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition

Not applicable.

Item 5 — Purpose of the Transaction

State the purpose or purposes of the Acquiror and any joint actors for the acquisition or disposition of securities of the reporting Issuer. Describe any plans or future intentions which the Acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting Issuer, or the disposition of securities of the reporting Issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting Issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting Issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting Issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting Issuer;**
- (f) a material change in the reporting Issuer's business or corporate structure;**
- (g) a change in the reporting Issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting Issuer by any person or company;**
- (h) a class of securities of the reporting Issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting Issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

Osisko disposed of the Consideration Shares through the Osisko Share Repurchase and in accordance with applicable securities laws. Osisko may, from time to time and at any time, acquire Common Shares and/or additional other equity, debt or other securities or instruments (collectively "**Securities**") of the Issuer as the case may be, in the open market or otherwise, and reserves the right to dispose of any or all of its Securities in the open market or otherwise at any time and from time to time, and to engage in similar transactions with respect

to the Securities, the whole depending on market conditions, the business and prospects of the Issuer, and other relevant factors.

Item 6 — Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the Acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

The Consideration Shares were transferred pursuant to the Osisko Share Repurchase on terms and conditions set out in the Transaction Agreement entered into between Osisko and Orion on June 25, 2019. The Transaction Agreement provides for the repurchase by Osisko of the Osisko Shares held by Orion in a two-tranche transaction, with 7,319,499 Osisko Shares repurchased on closing of the first tranche (which closed on June 28, 2019), and 5,066,218 Osisko Shares to be repurchased on closing of the second tranche. The Transaction Agreement includes covenants, representations, warranties and closing conditions for each tranche of the Osisko Share Repurchase.

Item 7 — Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the Acquiror under the early warning requirements or Part 4 in respect of the reporting Issuer's securities.

Not applicable other than described above.

Item 8 — Exemption

If the Acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 — Certification Certificate

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED this 3rd day of July 2019.

Osisko Gold Royalties Ltd

(s) Joseph de la Plante

Joseph de la Plante
Vice President, Corporate Development