

FORM 62-103F1

EARLY WARNING REPORT

This is an initial report to reflect the acquisition of securities of the Issuer by the Acquiror (each as defined herein).

**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.*

**Issuer:** Osisko Development Corp. (formerly Barolo Ventures Corp.) (the "**Issuer**").

**Securities:** Common shares of the Issuer ("**Common Shares**").

**Address of the head office of the Issuer:**

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

**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 (the "**Acquiror**"), a corporation existing under the laws of the Province of Québec, having the address set forth below.

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 November 25, 2020, the Acquiror completed a spin-out transaction (the "**RTO**"), which resulted in, among other things, the Acquiror transferring certain direct and indirect wholly-owned subsidiaries holding, among other things, mining properties and a portfolio of marketable securities (collectively, the "**Contributed Assets**") to Osisko Development Holdings Inc. ("**Osisko Subco**"), a wholly-owned subsidiary of the Acquiror, following which Osisko Subco and 1269598 B.C. Ltd. ("**Barolo Subco**"), a wholly-owned subsidiary of the Issuer, were amalgamated by way of a triangular amalgamation under the *Business Corporations Act* (British Columbia) (the "**Amalgamation**"). Pursuant to the RTO, the Acquiror received 100,000,100 Common Shares in exchange for the Contributed Assets, representing approximately 88% of the issued and outstanding Common 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.**

Prior to the RTO, the Acquiror did not have beneficial ownership of, or control or direction over, any securities of the Issuer. Immediately following the RTO, the Acquiror has beneficial ownership of, and control and direction over, 100,000,100 Common Shares, representing approximately 88% of the issued and outstanding Common Shares.

**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 the report.**

Pursuant to the RTO, the Acquiror received 100,000,100 Common Shares in exchange for the Contributed Assets, representing approximately 88% of the issued and outstanding Common Shares, which triggered the requirement to file this report.

**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 2.2 and 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.*

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.*

Under the RTO, the Acquiror received 100,000,100 Common Shares in exchange for the Contributed Assets, which had an aggregate deemed value of CDN \$750 million, or approximately CDN \$7.50 per Common Share.

- 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 above.

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

See Item 1.2 above.

#### **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.*

The Common Shares were acquired by the Acquiror pursuant to the RTO, which was for the purpose of streamlining the royalty business of the Acquiror. The Acquiror expects the advancement of the assets held by the Issuer will be funded by the public markets such that the Acquiror's ownership and control in the Issuer will be diluted over time.

The Acquiror may, from time to time, acquire additional shares and/or other equity, debt or other securities or instruments (collectively, "**Securities**") of the Issuer 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.

Except as otherwise disclosed herein, the Acquiror currently has no plans or proposal which would relate to or would result in any of the matters described in Items 5(a)-(k) of Form 62-103F1; however, as part of its ongoing evaluation of this investment and investment alternatives, the Acquiror may consider such matters and, subject to applicable law, may formulate a plan with respect to such matters and, from time to time, may hold discussions with or make formal proposals to management or the board of directors of the Issuer, other shareholders of the Issuer or other third parties regarding such matters.

#### **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 Issuer, Osisko Subco and Barolo Subco are party to an amalgamation agreement dated October 23, 2020 (the "**Amalgamation Agreement**") in respect of the RTO, as described in the Form 3D2 (*Information Required in a Filing Statement for a Reverse Takeover or Change of Business*) of Barolo Ventures Corp. dated November 20, 2020 (the "**Filing Statement**"). Electronic copies of the Amalgamation Agreement and Filing Statement are available on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Issuer's issuer profile.

Following completion of the RTO, the Acquiror intends to enter into an investment agreement with the Issuer (the "**Investment Agreement**"), which is expected to provide for, among other things, the following:

- i. **Nomination Right:** As long as the Acquiror, together with its affiliates, beneficially owns, directly or indirectly, at least 10% of the outstanding Common Shares (calculated on a non-diluted basis), the Acquiror has the right to nominate for election to the Issuer board of directors, on an annual basis, a percentage of directors over the total number of directors of the Issuer in accordance with the below:

The Acquiror's Ownership %	Nomination right (Percentage of Directors)
+ 50	50%+1
41-50	50%
31-40	40%
16-30	30%
10-15	15% (but not less than 1)

- ii. **Participation Right on Royalties, Stream Rights and Similar Interests:** As long as the Acquiror holds Common Shares equal to at least 10% of the outstanding Common Shares, the Acquiror has a right of first refusal on any proposed sale, transfer or disposition in any royalty, stream, royalty buyback right, forward sale, gold loan or other agreement involving the sale of a similar interest in products mined or otherwise extracted from any property belonging to the Issuer or any of its subsidiaries. In addition, the Acquiror has the right to participate in the buy-back of any royalty affecting any property held directly or indirectly by the Issuer.
- iii. **Service Agreement:** As long as the Acquiror holds Common Shares equal to at least 10% of the outstanding Common Shares, the Acquiror has exclusive right to provide technical and management services to the Issuer as well as the right to request for the provision of technical services from the Issuer. For any services agreements entered between the parties, the services rendered thereunder will be provided at cost plus a reasonable administrative fee.
- iv. **Cooperation in Distribution:** The Investment Agreement will contain customary demand registration and piggyback rights in prospectus offerings in favour of the Acquiror. The Acquiror shall use commercially reasonable efforts to consult with the Issuer regarding the possibility to coordinate a sale or disposition of Common Shares that represents greater than 10% of outstanding Common Shares by the Acquiror with any offering of securities of the Issuer.

**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.

**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 President and Chief Executive Officer of the Acquiror, certify on behalf of the Acquiror, 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 27<sup>th</sup> day of November, 2020.

**OSISKO GOLD ROYALTIES LTD**

*(signed) "Sandeep Singh"*

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Sandeep Singh

President and Chief Executive Officer