



Osisko Metals Announces Sale of 1.5% NSR Royalty on Pine Point Project and \$7M Non-Brokered Private Placement

MONTREAL, Dec. 03, 2019 -- Osisko Metals Incorporated (the "**Corporation**" or "**Osisko Metals**") ([TSX-V: OM](#); [OTCQX: OMZNF](#); [FRANKFURT: 0B51](#)) is pleased to announce that it has entered into a binding term sheet (the "**Agreement**") with Osisko Gold Royalties Ltd ("**Osisko Gold Royalties**"), pursuant to which Osisko Gold Royalties will acquire, subject to the closing by the Corporation of the previously announced purchase of the Karst Royalty (see press release dated October 15, 2019), half of such Karst Royalty, representing a 1.5% net smelter return royalty (the "**Target Royalty**") on the Corporation's 100%-owned Pine Point Project, in consideration for a cash purchase price of C\$6.5M (the "**NSR Sale**"). Pursuant to the terms of the Agreement, in connection with the NSR Sale, the Corporation will grant Osisko Gold Royalties a right of first offer on any future sales by the Corporation of any additional royalties, streams or similar interests on the Pine Point Project. Additionally, the Corporation and Osisko Gold Royalties agreed to amend the terms of the Target Royalty to include, without limitation, the grant by the Corporation to Osisko Gold Royalties of a continuing senior secured interest and first priority mortgage on the Pine Point Project as security for the Corporation's obligations in respect of the Target Royalty.

Osisko Metals also wishes to announce a non-brokered private placement of 14,000,000 units of the Corporation ("**Units**") at \$0.50 per Unit for gross proceeds of up to C\$7,000,000 (the "**Offering**"). Each Unit will consist of one common share of the Corporation (each a "**Common Share**") and one quarter (1/4) of one Common Share purchase warrant (each whole Common Share purchase warrant a "**Warrant**"). Each Warrant will entitle the holder to acquire for 36 months following the closing of the Offering an additional Common Share at a price per Common Share that shall be equal to the higher of: i) a 25% premium to the 10 day volume weighted average price of the Common Shares as at the closing date of the Offering; and ii) \$0.50. Pursuant to the terms of the Agreement, Osisko Gold Royalties has agreed, subject to receipt of requisite approvals, including the approval of the TSX Venture Exchange, to acquire 14,000,000 Units pursuant to the Offering. In connection the NSR Sale, following the completion of the Offering, Osisko Gold Royalties will be granted the right, for as long as it holds at least 5% of the issued and outstanding Common Shares, to maintain its relative equity holdings in the Corporation through participation in any future equity offerings of the Corporation.

The net proceeds from the Offering shall be used by the Corporation to advance exploration on its core mineral properties, partially fund the acquisition of the previously announced purchase of the Karst transaction and for general corporate purposes.

Completion of the NSR Sale and the Offering is subject to the satisfaction of certain closing conditions, including, but not limited to receipt of all necessary approvals, including the approval of the TSX Venture Exchange. Closing of the NSR Sale is also subject to the closing by the Corporation of the previously announced purchase of the Karst Royalty. The Corporation intends to close the Offering simultaneously with the acquisition of the Karst Royalty.

Related Party Transaction and Early Warning Report

The NSR Sale and the acquisition of the Units by Osisko Gold Royalties in connection with the Offering (collectively the "**Transactions**") constitute a "related party transaction", as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (the "**MI 61-101**"). The Corporation is relying on the exemption from the formal valuation requirement of MI 61-101 available under section 5.5(a) of the MI 61-101 and on exemption from the minority shareholder approval requirements of the MI 61-101 available under section 5.7(a) of the MI 61-101 on the basis of the fair value of the Transactions not exceeding 25% of the market capitalization of the Corporation, calculated in accordance with the provisions of the MI 61-101.

Prior to the completion of the Transactions, Osisko Gold Royalties holds directly or indirectly 15,877,397 Common Shares, or approximately 10.5% of Osisko Metals' outstanding Common Shares. Osisko Gold Royalties holds no convertible securities of Osisko Metals. Following the completion of the Transactions, it is expected that Osisko Gold Royalties will hold 29,691,667 Common Shares and 3,500,000 Warrants, or approximately 19.8% of the then outstanding Common Shares, calculated on the partially diluted basis. Osisko Gold Royalties will acquire the Common Shares and Warrants in connection with the Offering for investment purposes and in accordance with applicable securities laws. Osisko Gold Royalties may, from time to time and at any time, acquire additional Common Shares and/or other equity, debt or other securities or instruments (collectively, "**Securities**") of Osisko Metals 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 Osisko Metals and other relevant factors. A copy of the early warning report to be filed by Osisko Gold Royalties in connection with the Transactions will be available on SEDAR under Osisko Metals' profile. The address of Osisko Gold Royalties is 1100 Avenue des Canadiens-de-Montréal, Suite 300, Montreal, Québec H3B 2S2. A copy of the early warning report described in this news release can be also obtained by contacting André Le Bel, Vice President, Legal Affairs and Corporate Secretary of Osisko Gold Royalties at: (514) 940-0670. This news release is issued under the early warning provisions of the Canadian securities legislation.

About Osisko Metals

Osisko Metals Incorporated is a Canadian exploration and development company creating value in the base metal space with a focus on zinc mineral assets. The Company controls Canada's two premier zinc mining camps. The Company's flagship projects are: 1) the Pine Point Mining Camp ("PPMC"), located in the Northwest Territories, has an Inferred Mineral Resource of **52.4 Mt grading 4.64% zinc and 1.83% lead (6.47% ZnEq)**, making it the largest pit-constrained zinc camp in Canada; 2) The Bathurst Mining Camp ("BMC"), located in northern New Brunswick, has Indicated Mineral Resources of **1.96 Mt grading 5.77% zinc, 2.38% lead, 0.22% copper and 68.9g/t silver (9.00% ZnEq) and Inferred Mineral Resources of 3.85 Mt grading 5.34% zinc, 1.49% lead, 0.32% copper and 47.7 g/t silver (7.96% ZnEq)** in the Key Anacon and Gilmour South deposits. In 2019, the Company will continue to develop these projects in order to upgrade and grow resources. The Company is also active in Quebec where it is advancing multiple base metal exploration projects. The Inferred Mineral Resource Estimate mentioned in this press release conforms to National Instrument 43-101 standards and were prepared by independent qualified persons, as defined by NI-43 101 guidelines. The above-mentioned mineral resources are not mineral reserves as they do not have demonstrated economic viability. The quantity and grade of the reported Inferred Mineral Resources are conceptual in nature and are estimated based on limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological, grade and/or quality continuity.

For further information on this press release, visit www.osiskometals.com or contact:

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Cautionary Statement on Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation based on expectations, estimates and projections as at the date of this news release. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, failure to complete the acquisition of the Karst Royalty, failure to obtain regulatory approvals to close the Offering, capital and operating costs varying significantly from estimates; the preliminary nature of metallurgical test results; delays in obtaining or failures to obtain required governmental, environmental or other project approvals; uncertainties relating to the availability and costs of financing needed in the future; changes in equity markets; inflation; fluctuations in commodity prices; delays in the development of projects; the other risks involved in the mineral exploration and development industry; and those risks set out in the Corporation's public documents filed on SEDAR at www.sedar.com. Although the Corporation believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Corporation disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

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