

February 24, 2018

Wisconsin Resources Protection Council
Box 263
Tomahawk, WI 54487

Mr. Sean Roosen, CEO and Chair of Board
Osisko Gold Royalties Ltd.
1100 Avenue des Canadiens-de-Montreal
Suite 300
Montreal, Quebec H3B 2S2
Canada

Dear Mr. Roosen,

We are writing in regard to Osisko's 15% ownership of Aquila Resources' Back Forty metallic sulfide deposit in Michigan's Upper Peninsula. Aquila has promoted the idea that this project is a done deal. However, recent events should give your shareholders cause for concern. The Michigan Department of Environmental Quality's (DEQ) public hearing on Aquila's wetland permit demonstrated serious technical problems with the permit application as well as continuing widespread public opposition to this controversial project.

Nearly five hundred members of the public attended the January 23rd hearing in Stephenson, Michigan. Over one hundred people provided testimony. All but four speakers spoke in opposition to the project. Over half the speakers represented Native American Nations, including the Menominee, Ho Chunk, Oneida, Stockbridge-Munsee, and Mole Lake Sokaogon Ojibwe.

Prior to the public hearing the DEQ's Water Resources Division informed Aquila's CEO, Mr. Barry Hildred, of serious inconsistencies and inaccuracies in the wetland permit application that required further information and explanation before the DEQ could make a determination of whether the permit met the conditions of the law. The deficiencies in the application took nine single-spaced pages to document.

Ms. Kimberly Fish who works in the Water Resources Division of the DEQ told a reporter after the public hearing that the expected time frame for a decision on the permit would extend beyond the original April deadline because of deficiencies in the application (Mark Cowman, "Packed, orderly crowd for Back Forty Mine public hearing, www.uppermichiganssource.com 1/24/18).

However, the permitting delay may be the least of Aquila's problems. The day before the hearing the Menominee Indian Tribe of Wisconsin filed a lawsuit in U.S. District Court for the Eastern District of Wisconsin in Green Bay alleging that the federal Environmental Protection Agency and the U.S. Army Corps of Engineers did not have

authority to delegate the permitting process affecting an interstate and international watershed to the State of Michigan. The lawsuit, if successful, will require the federal agencies to assume primary control over the wetland permitting process for the mine.

Former Menominee Tribal Chairman Gary Besaw said he expects the EPA and Army Corps of Engineers would reject Aquila's wetlands permit application if the tribe prevails and forces the issue back on federal regulators (Jeff Bollier, "Tribe sues feds over Back 40 Mine permits, *Green Bay Press Gazette*, 1/23/18). "As chairman of the Tribal Legislature, I see this as a battle for the future of a healthy environment in the region. It is also a battle about showing proper respect for the Menominee Tribe's traditional cultural landscape that contains ancient garden beds, burial mounds and sacred sites" (Gary Besaw, *Earthjustice Guest Blogger*, 1/22/18).

Guy Reiter, a Menominee tribal organizer, spoke at the public hearing and asked the DEQ to apply environmental justice appropriate to tribal interests, but declared "For 500 years we've been lied to and I think this is no different. You say you want to hear from us, but your minds are made up! You will not break our spirits. We will stand on the shoulders of our ancestors. We will always be here. This is our land. We will not give up!" At the conclusion of his remarks, he asked all the people wearing blue "Save the Menominee River" t-shirts to stand. Several hundred people stood in solidarity with Menominee water protectors.

Opposition to the project goes far beyond the five hundred people who attended the public hearing. Seven local counties, two towns, two cities, dozens of tribal governments and intertribal organizations, environmental, sportfishing and faith-based organizations have all passed resolutions opposing the Back Forty project.

The most recent and dramatic show of solidarity to protect the water occurred on February 17 when four "Adventurers with a Cause" from Egg Harbor, Wisconsin walked 15 miles across the Bay on the ice from Egg Harbor to Menominee, Michigan to focus public attention on the threat to Green Bay and Lake Michigan from the Back Forty project.

"It's my sense," said Ryan Heise, Village Administrator for Egg Harbor, Wisconsin, and organizer of the walk, "that the residents of Door County share an understanding for the significance of protecting our natural resources. However, I'm not too sure everyone is aware of both the proximity of the Menominee River to Door County and the long-term consequences of environmental degradation that are likely to result from open-pit metallic sulfide mining operations. Egg Harbor is a tourist-based economy, and clean water is essential to our social and economic health. Egg Harbor without a harbor is just an egg. We all need to stay awake and aware." (*Green Bay Press Gazette*, 2/15/18).

The solidarity to protect the Menominee River demonstrated by the ice walkers is just the latest example of Aquila's failure to obtain a social license to operate from the communities most directly affected by this project. This raises an important question for your shareholders: will the Back Forty project join the growing list of mine projects that

have been threatened or are under threat because of an inability of companies and local stakeholders to come to an agreement about whether mining is compatible with the values of a community?

Aquila's rosy profit projections are at odds with the consensus view of industry risk analysts who emphasize that "The acquisition and maintenance of a Social License to Operate has always been relevant to mining companies. Without the consent of local stakeholders operating and developing a specific asset is exceedingly challenging. Over the last century the rights of local, and indigenous, populations proximate to mine sites have increased significantly and with these rights has come greater leverage over mining companies... failure to gain a social license can lead to an inability to develop economically valuable assets." (Rory Pike, "The Relevance of Social License to Operate for Mining Companies, Schrodgers Research Paper, July 2012. www.schrodgers.com/staticfiles/schrodgers/sites/americas/us...)

We urge you to seriously consider the widespread public opposition to this project and the financial risks of continuing to invest in a project that is unlikely to produce a single ounce of gold or zinc. Do not be fooled by Aquila's false promises of an economically viable mining project.

Sincerely,

Al Gedicks, Wisconsin Resources Protection Council, Tomahawk, WI

Guy Reiter, Menikanehkem (Community Rebuilders), Keshena, WI

Kathleen Heideman, Mining Action Group of the Upper Peninsula Environmental Coalition, Houghton, MI

Jane A. Tan Eyck, Chippewa Ottawa Resource Authority, Sault Ste. Marie, MI

Aaron Payment, United Tribes of Michigan, Harbor Springs, MI

Ron Henriksen, Front 40 Environmental Fight, Stephenson, MI

Dale and Lea Jane Burie, Coalition to SAVE the Menominee River, Inc. Marinette, WI

Seth Hoffmeister, Wisconsin League of Conservation Voters, Green Bay, WI

Dean Hoegger, Clean Water Action Council, Green Bay, WI

Kimberlee Wright, Midwest Environmental Advocates, Madison, WI

Frank Koehn, Mining Impact Coalition of Wisconsin, Madison, WI

Dave Blouin, Sierra Club – John Muir Chapter, Madison, Wisconsin

Marc Rosenthal and Steve Watrous, Midwest Coalition Against Lethal Mining (MCALM), Madison, WI

Linda Rulison, Friends of the Land of Keweenaw (FOLK), Houghton, MI

Lori Andresen, Save Our Sky Blue Waters, Duluth, MN

Horst Schmidt, Upper Peninsula Environmental Coalition, Houghton, MI

Pam Kritz, Rise UP Indivisible Iron County, Michigan

Laura Gauger, Deer Tail Press, Duluth, MN

Paula Maccabee, Water Legacy, Duluth, MN

Lee Stedman and Kesha Patel, Gaia Coalition Network, Waukesha, WI

Jonathan Roberts, Students Allied for a Green Earth, University of Wisconsin-Whitewater

Lelah-Allen and Shannon Sloan Spice, Water Protectors of Milwaukee

Hannah Badeau, Students for an Environmentally Active Campus, Marquette University, Milwaukee, WI

Jessycah Andersen, 350.org, Stevens Point, WI

Elizabeth Smith, Public and Environmental Affairs Council, University of Wisconsin-Green Bay

Kellie Lutz, Environmental Club, University of Wisconsin-Parkside

Ryan Schroeder, Sunrise Movement, Whitewater, WI

Laura Donovan, Sunrise Menomonie, University of Wisconsin-Stout, Menomonie, WI

Pamela Richards, Peace Action Wisconsin, Milwaukee

John McCune, The Flood, Milwaukee

John Hadder, Great Basin Resource Watch, Reno, Nevada

Jill Ryan, Freshwater Future, Petoskey, MI

Aaron Mintzes, Earthworks, Washington, DC

Randi Spivak, Center for Biological Diversity, Washington, DC

Paul Cienfuegos, Community Rights US, Portland, Oregon

David Barnhill, Our Wisconsin Revolution, Northwoods Chapter

Le Roger Lind, Save Lake Superior Association, Two Harbors, MN

Bob Tammen, Wetlands Action Group, Soudan, MN

Darwin Adams, Northern Illinois Fly Tyers (NIFT), Grayslake, IL

Barry Coddens, Gary Borger Trout Unlimited, Grayslake, IL

Bob Becker, Lee Wulf Chapter of Trout Unlimited, West Dundee, IL

Bob Harrison, Badger Fly Fishers, Madison, WI

Jerry Pasdo, Wisconsin Smallmouth Alliance, Verona, WI

Matt Norton, Northeastern Minnesotans for Wilderness, Ely, MN

Karl Fate and Sarah Juon, Oneida County Clean Waters Action, Rhinelander, WI

Dace A. Zeps, Wisconsin Network for Peace, Justice and Sustainability, Madison, WI

Raj Shukla, River Alliance of Wisconsin, Madison, WI

Bill Van Lopik, ESTHER, Fox Valley, WI

Toni Harris, OP, Dominicans of Sinsinawa Leadership Council, Sinsinawa, WI

Jim Soletski and Amy Bozzacco, JOSHUA (Justice Organization Sharing Hope United for Action), Green Bay, WI

Rev. Wille Brisco, WISDOM Statewide Network, Milwaukee, WI

Dawn Ankney, CUSH (Congregations United to Serve Humanity) Kenosha, WI