



OSISKO PROVIDES SENIOR SECURED LOAN TO HIGHLAND COPPER

(Montreal, December 16, 2014) Osisko Gold Royalties Ltd (OR:TSX) ("Osisko" or the "Company") is pleased to announce the closing of a transaction (the "Transaction") with Highland Copper Company Inc. ("Highland") whereby Osisko has provided Highland with a C\$10 million secured loan in exchange for, among other things, a 3% sliding-scale NSR royalty on all metals produced from the White Pine North project to be acquired by Highland. Under the Transaction, Highland also granted Osisko an exclusive option to purchase a 100% silver NSR royalty on all future silver production from Highland's White Pine North and Copperwood Projects (collectively, the "Michigan Projects").

Secured Note and White Pine North Royalty

Under the terms of the Transaction, Osisko has provided Highland with a C\$10 million loan, secured against all of Highland's assets (the "Secured Loan"), until the earlier of such time that Highland completes its acquisition of the White Pine North project, or December 31st 2015. Upon Highland completing its acquisition of the White Pine North project, the Secured Loan will be assigned to Highland in exchange for a 3% sliding-scale NSR royalty on all metals from the White Pine North project (the "White Pine North Royalty"). The White Pine North Royalty has a base rate 3% NSR and increases by 0.01% NSR for every \$0.01 increase in the copper price above \$3.00 per pound.

Silver Royalty Option

Additionally, Osisko has been granted an option to purchase a 100% silver NSR royalty on the Michigan Projects (the "Silver Royalty") for future cash consideration of US\$26 million should Osisko exercise its exclusive option to acquire the Silver Royalty. At its sole discretion the Company may elect to purchase the Silver Royalty within 60 days following the delivery by Highland of a feasibility study on the Michigan Projects.

Board Representation

Osisko will have the right to nominate one director to the Highland board following the completion of the Secured Loan. Osisko has the right to nominate one additional director to the Highland board upon exercise of the Silver Royalty option.

About the Michigan Projects

Highland Copper Company Inc. is a Canadian mining company focused on exploring and developing copper projects within the Upper Peninsula of Michigan, United States of America ("USA"). Highland's portfolio of projects includes the recently acquired Copperwood project, the White Pine North project and the Keweenaw project. The Upper Peninsula of Michigan is well known for hosting significant economic concentrations of copper in stratabound deposits. These deposits are unique for their uniform copper grade distribution over several tens of km² in sub horizontal ore bodies suitable for high tonnage underground mining with minimum environmental impact. During its historical productive period from 1845 to 1977, the area produced in excess of 11 billion pounds of copper. It is one of the major copper mining districts in the USA. Highland has put in place an experienced technical team with the objectives of confirming the historical resources on the White Pine North and Copperwood projects

White Pine North

The White Pine North copper deposit is located in the western Upper Peninsula of Michigan on the south side of Lake Superior. The White Pine mine produced 4.5 billion pounds of copper between 1952 and 1995. In 1995, Upper Copper Range Company ("CRC"), a subsidiary of First Quantum Minerals, estimated a historical resource of 118.7 million short tons averaging 1.04% Cu, for a total contained 2.52 billion pounds of copper.

This historical estimate was made prior to the existence of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and does not use the categories set out in the CIM Definition Standards on Mineral Resources and Mineral Reserves and mandated by NI 43-101. The terms "proven and probable reserves" are historical terms used by CRC, not comparable to the CIM defined Probable Mineral Reserve and Proven Mineral Reserve, and should be compared to a potential mineral deposit requiring further exploration drilling to define an initial resource. A qualified person (QP) has not done sufficient work to classify the historical estimate as a current mineral resource and the historical estimate is not being treated as current mineral resources and should not be relied upon.

Copperwood Project

The Copperwood deposit is located in Gogebic County in the Upper Peninsula of Michigan, USA, about 35 kilometers west of the White Pine mine. Copperwood is a feasibility stage project. Highland acquired the Copperwood Project from Orvana Minerals Corp. ("Orvana") on June 17, 2014. In 2008 Orvana began delineation drilling and environmental baseline studies that led to engineering studies and a proposed mine plan. In early 2013, the permits that would allow the development and mining of the deposit were granted.

Copperwood was discovered in 1956 and boasts the highest-grade of all known sediment-hosted copper deposits in the Upper Peninsula. It is geologically very similar to the White Pine deposit. Golder Associates Ltd. prepared a NI 43-101 technical report on the Copperwood Project effective as of March 17, 2014. Highland is reporting the Orvana Minerals mineral reserve and resource estimates as historical data. At a 0.8% copper cut-off grade, the historical estimate totals 30.1 million tonnes at 1.65% copper and 4.34 g/t silver in the measured and indicated resource category. At a 0.8 wt. % copper cut-off grade, the historical estimate totals 2.9 Mt at 1.07 wt.% copper and 2.01 g/t silver in the inferred resource category. A qualified person (QP) has not done sufficient work to classify the historical estimate as a current mineral resource and the historical estimate is not being treated as current mineral resources and should not be relied upon.

About Osisko Gold Royalties Ltd

Osisko is a gold-focused royalty company whose cornerstone asset is a 5% Net Smelter Royalty ("NSR") royalty on the world-class Canadian Malartic gold mine, located in Malartic, Quebec. The Company also holds a 2% NSR royalty on the Upper Beaver, Kirkland Lake and Hammond Reef gold exploration projects in Northern Ontario. The Company has over \$170 million in cash resources, no debt and a portfolio of investments in emerging exploration companies. As announced on November 17, 2014, Osisko and Virginia have entered into a definitive agreement to combine the two companies to create a new leading intermediate royalty company with two world-class gold royalty assets in Québec.

Forward-looking statements

Certain statements contained in this press release may be deemed "forward-looking statements". All statements in this release, other than statements of historical fact, that address future events, developments or performance that Osisko expects to occur including managements' expectations regarding the Osisko's growth, business combination with Virginia Mines Inc., results of operations, estimated future revenues, requirements for

additional capital, future demand for and prices of commodities, business prospects and opportunities are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "scheduled" and similar expressions or variations (including negative variations), or that events or conditions "will", "would", "may", "could" or "should" occur including, without limitation, that all conditions will be met to enable Osisko to assign the Secured Loan to Highland in exchange for the White Pine North Royalty and/or exercise its option to purchase the Silver Royalty, that Highland Copper will put the Michigan Projects in production, that Highland will close its acquisition of the Pine North project, that Osisko will exercise its right to appoint the nominees to Highland's board of directors, that Highland will be able to confirm historical resources on its Michigan Projects, that all conditions precedent to the business combination of Osisko and Virginia Mines be met and the potential of the combined entity. Although Osisko believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements involve known and unknown risks, uncertainties and other factors and are not guarantees of future performance and actual results may accordingly differ materially from those in forward looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, without limitation: fluctuations in the prices of the commodities that drive royalties held by Osisko; fluctuations in the value of the Canadian dollar relative to the U.S. dollar; risks related to the operators of the properties in which Osisko holds a royalty; development, permitting, infrastructure, operating or technical difficulties on any of the properties in which Osisko holds a royalty or other interest; rate and timing of production differences from resource estimates or production forecasts by operators of properties in which Osisko holds a royalty or other interest; risks and hazards associated with the business of exploring, development and mining on any of the properties in which Osisko holds a royalty or other interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, flooding and other natural disasters or civil unrest; regulatory changes by national and local government, including corporate law, permitting and licensing regimes and taxation policies; regulations and political or economic developments in any of the countries where properties in which Osisko holds a royalty or other interest are located or through which they are held); continued availability of capital and financing and general economic, market or business conditions; business opportunities that become available to, or are pursued by Osisko; the impossibility to acquire royalties and to fund precious metal streams; other uninsured risks. The forward looking statements contained in this press release are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which Osisko hold a royalty or other interest by the owners or operators of such properties in a manner consistent with past practice; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no material adverse change in the market price of the commodities that underlie the asset portfolio; no adverse development in respect of any significant property in which Osisko holds a royalty, stream or other interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. For additional information on risks, uncertainties and assumptions, please refer to the factors described, referred to, or incorporated by reference in the section entitled "Risk Factors" in the Joint Circular, which should be reviewed in conjunction with the information found in this press release, all of which is available on SEDAR at www.sedar.com. Risks and uncertainties relating to Osisko are also discussed under the header "Risks and Uncertainties" in Osisko's management's discussion and analysis for its most recent interim financial statements, which are available on SEDAR at www.sedar.com. Osisko cautions that the foregoing list of risk and uncertainties is not exhaustive. Investors and others who base themselves on the forward looking statements contained herein should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. Osisko believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release. Osisko undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

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