



OSISKO GOLD ROYALTIES REPORTS SECOND QUARTER RESULTS

(Montreal, July 31, 2014) Osisko Gold Royalties (the “Company” or “Osisko”) (OR: TSX) reported today the second quarter net earnings of \$1,645,276,000 (\$36.69 per share), including a gain of \$1,647,526,000 (\$36.74 per share) from discontinued operations. For the year-to-date, the Company generated net earnings of \$1,669,517,000 (\$37.60 per share), including net earnings from discontinued operations of \$1,675,263,000 (\$37.73 per share).

Basis of Presentation

The Company has been formed following the agreement between Osisko Mining Corporation, Agnico Eagle Mines Limited (“Agnico Eagle”) and Yamana Gold Inc (“Yamana”). For financial reporting purposes, the Company is considered to be a continuation of Osisko Mining Corporation and as at the closing of the transaction, all its shareholders became shareholders of Osisko Gold Royalties. The results are presented in accordance with International Financial Reporting Standards (“IFRS”) and reflect a 10 to 1 share consolidation that occurred on June 16, 2014. On that date, the Company completed a transaction which resulted in the acquisition of the majority of its assets by Agnico Eagle and Yamana. Osisko shareholders received the following consideration from Agnico Eagle and Yamana:

- i. \$2.09 in cash;
- ii. 0.26471 of a Yamana share; and
- iii. 0.07264 of an Agnico Eagle share;

Osisko retained the following main assets as part of the transaction:

- i. Cash of \$157 million;
- ii. 5% net smelter royalty (“NSR) on the Canadian Malartic mine;
- iii. 2% NSR on the Upper Beaver and Kirkland Lake properties;
- iv. 2% NSR on the Hammond Reef Project and other Canadian exploration projects;
- v. Mexican exploration properties; and
- vi. Portfolio of publicly traded securities in exploration companies.

For continuing activity, the financial results consist of the exploration activities in Mexico and USA, the variation in the equity portfolio held, an estimated allocation of general and administration costs, and the corporate activities of Osisko Gold Royalties from June 16, 2014 to June 30, 2014.

Osisko Gold Royalties

During the period between June 16 and June 30, 2014, the Company has:

- i. Received 958 ounces of gold and 962 ounces of silver under the terms of the Canadian Malartic Royalty Agreement;
- ii. Invested \$1.0 million in a private placement of Nighthawk Gold Corp.;
- iii. Continued grassroots exploration efforts on its Mexican properties;

On July 25, 2014, announced a transaction with NioGold Mining for the subscription of 14,000,000 flow-through shares at \$0.35 per share, and the payment of \$150,000 for the acquisition of NioGold's right to buy-back certain royalties on its properties. The transaction is expected to close in early August 2014.

Sean Roosen, Chair and CEO, commenting on the quarter activities: "We had an extremely active quarter as we negotiated and concluded the friendly transaction with Agnico Eagle and Yamana for the sale of Osisko Mining Corporation. We also focused on establishing Osisko Gold Royalties' new business activities. We have an outstanding platform to grow our royalty business with our flagship 5% royalty on Canadian Malartic".

Financial Position

The Company completed the quarter with a strong balance sheet. Cash resources totaled \$156.7 million, net working capital stood at \$155.6 million. The Company is debt-free and totally unhedged.

Discontinued Operations

For the second quarter, gold production at Canadian Malartic up to June 15, 2014, totaled 109,425 ounces, and for the year-to-date 249,454 ounces. Under the ownership of Osisko Mining Corporation, the Company produced 1.3 million ounces.

The discontinued operations include a gain of \$1,744,115,000, from the deemed disposition of the net assets of the Canadian Malartic mine and other Canadian exploration projects.

About Osisko Gold Royalties Ltd

Osisko is a gold-focused royalty and stream company whose cornerstone asset is a 5% NSR royalty on the 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.

Osisko's head office is located at 1100 Avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, H3B 2S2.

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 events or developments that Osisko expects to occur, 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 that events or conditions "will", "would", "may", "could" or "should" occur including, without limitation, the performance of the assets of Osisko and any acquired assets the potential of Osisko, the satisfaction of conditions to the completion of the transactions described herein, and the realization of the anticipated benefits of the transactions described herein. Although Osisko believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may 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, gold prices, Osisko's royalty interest, access to skilled consultants, results of mining operation, exploration and development activities, with production and development stage mining operations, uninsured risks, regulatory changes, defects in title, availability of personnel, materials and equipment, timeliness of government or court approvals, actual performance of facilities, equipment and processes relative to specifications and expectations, unanticipated environmental impacts on operations market prices, the results of

efforts to satisfy the conditions, including regulatory approvals, continued availability of capital and financing and general economic, market or business conditions. These factors are discussed in greater detail in Schedule I to the management information circular of Osisko Mining Corporation which created Osisko and which is filed on SEDAR and also provide additional general assumptions in connection with these statements. Osisko cautions that the foregoing list of important factors 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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Osisko Gold Royalties Ltd

Consolidated Statements of Income (Loss)

For the three and six months ended June 30, 2014 and 2013

(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2014	2013 ¹	2014	2013 ¹
	\$	\$	\$	\$
Expenses				
General and administrative	(403)	(228)	(674)	(491)
Exploration and evaluation	(1,830)	(2,037)	(3,734)	(4,415)
Write-off of property, plant and equipment	(1,015)	(5,587)	(2,831)	(6,219)
Operating loss	(3,248)	(7,852)	(7,239)	(11,125)
Interest income	506	313	1,076	658
Foreign exchange gain (loss)	(2)	16	3	19
Share of income (loss) of associates	210	(623)	(96)	(744)
Other gains (losses)	43	(3,176)	280	(5,101)
Loss before income taxes	(2,491)	(11,322)	(5,976)	(16,293)
Income tax recovery (expense)	241	(23)	230	(46)
Net loss from continuing operations	(2,250)	(11,345)	(5,746)	(16,339)
Net earnings (loss) from discontinued operations	1,647,526	(481,417)	1,675,263	(459,007)
Net earnings (loss)	1,645,276	(492,762)	1,669,517	(475,346)
Net loss per share from continuing operations				
Basic and diluted	(0.05)	(0.26)	(0.13)	(0.37)
Net earnings (loss) per share				
Basic and diluted	36.69	(11.28)	37.60	(10.89)
Weighted average number of common shares outstanding (in thousands)				
Basic and diluted	44,845	43,670	44,402	43,660

¹ Comparative information has been reclassified to reflect the estimated allocation of continuing activities

Osisko Gold Royalties Ltd

Consolidated Statements of Cash Flows

For the three and six months ended June 30, 2014 and 2013

(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	Three months ended		Six months ended	
	2014	2013 ²	2014	2013 ²
	\$	\$	\$	\$
Operating activities				
Net earnings (loss) from continuing operations	(2,250)	(11,345)	(5,746)	(16,339)
Adjustments for:				
Interest income	(506)	(313)	(1,076)	(658)
Write-off of property, plant and equipment	1,015	5,587	2,831	6,219
Share of (income) loss of associates	(210)	623	96	744
Net loss (gain) on available-for-sale financial assets	665	(140)	426	851
Net loss (gain) on financial assets at fair value through profit and loss	(36)	32	(34)	1,105
Impairment on available-for-sale financial assets	-	3,284	-	3,284
Income tax expense (recovery)	(241)	23	(230)	46
Other non-cash gain	(672)	-	(672)	-
	(2,235)	(2,249)	(4,405)	(4,748)
Change in non-cash working capital items	1,575	77	1,222	411
Net cash flows used in operating activities from continuing operations	(660)	(2,172)	(3,183)	(4,337)
Net cash flows provided by operating activities from discontinued operations	21,676	58,119	116,066	122,762
Net cash flows provided by operating activities	21,016	55,947	112,883	118,425
Investing activities				
Acquisition of investments	(1,000)	-	(1,000)	-
Proceeds on disposal of investments	-	1,045	50	1,045
Exploration and evaluation	(169)	(1,324)	(831)	(3,284)
Interest received	433	313	1,003	658
Net cash flows used in (provided by) investing activities from continuing operations	(736)	34	(778)	(1,581)
Net cash flows used in investing activities from discontinued operations	(45,702)	(26,626)	(77,735)	(66,944)
Net cash flows used in investing activities	(46,438)	(26,592)	(78,513)	(68,525)
Financing activities				
Issuance of common shares, net of share issue expenses	155,336	775	158,267	1,383
Net cash flows provided by financing activities from continuing operations	155,336	775	158,267	1,383
Net cash flows used in financing activities from discontinued operations	(182,201)	(15,002)	(197,301)	(29,026)
Net cash flows provided by (used in) financing activities	(26,865)	(14,227)	(39,034)	(27,643)
Increase (decrease) in cash and cash equivalents	(52,287)	15,128	(4,664)	22,257
Cash and cash equivalents - beginning of period	209,028	100,358	161,405	93,229
Cash and cash equivalents - end of period	156,741	115,486	156,741	115,486

² Comparative information has been reclassified to reflect the estimated allocation of continuing activities

Osisko Gold Royalties Ltd

Consolidated Balance Sheets

(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	June 30, 2014	December 31, 2013
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	156,741	161,405
Restricted cash	-	560
Accounts receivable	178	24,552
Inventories	5	79,247
Prepaid expenses and other assets	209	24,260
	<u>157,133</u>	<u>290,024</u>
Non-current assets		
Restricted cash	-	48,490
Investments in associates	3,461	3,557
Other investments	13,169	8,998
Property, plant and equipment	2,154	1,870,932
Deferred income taxes	13,370	-
	<u>189,287</u>	<u>2,222,001</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,545	78,967
Current portion of long-term debt	-	71,794
Provisions and other liabilities	-	6,913
	<u>1,545</u>	<u>157,674</u>
Non-current liabilities		
Long-term debt	-	245,157
Provisions and other liabilities	-	18,499
Deferred income and mining taxes	-	69,603
	<u>1,545</u>	<u>490,933</u>
Equity attributable to Osisko Gold Royalties shareholders		
Share capital	1	2,060,810
Warrants	-	20,575
Contributed surplus	-	75,626
Equity component of convertible debentures	-	8,005
Accumulated other comprehensive income	2,561	16
Retained earnings (deficit)	185,180	(433,964)
	<u>187,742</u>	<u>1,731,068</u>
	<u>189,287</u>	<u>2,222,001</u>