Management's Discussion and Analysis

For the three and six months ended June 30, 2014

The following management discussion and analysis ("MD&A") of the consolidated operations and financial position of Osisko Gold Royalties Ltd. ("Osisko", "Osisko Gold Royalties" or the "Company") and its wholly owned subsidiaries for the three and six months ended June 30, 2014 should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the Accounting Standards Board. Management is responsible for the preparation of the consolidated financial statements and other financial information relating to the Company included in this report. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting. In furtherance of the foregoing, the Board of Directors has appointed an Audit Committee composed of independent directors and not members of management. The Audit Committee meets with management and the auditors in order to discuss results of operations and the financial condition of the Company prior to making recommendations and submitting the financial statements to the Board of Directors for its consideration and approval for issuance to shareholders. The information included in this MD&A is as of July 30 2014. All monetary amounts included in this report are expressed in Canadian dollars, the Company's reporting currency, unless otherwise noted. This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "Forward-Looking Statements" section.

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Description of the Business

Osisko Gold Royalties was formed following the friendly acquisition of Osisko Mining Corporation ("OMC") by Yamana Gold Inc. ("Yamana") and Agnico Eagle Mines Limited ("Agnico Eagle") on June 16, 2014. The Company is incorporated under the Québec Business Corporations Act and is a royalty company focused on acquiring precious metals royalties and similar interests. Osisko's cornerstone asset is a 5% net smelter return ("NSR") royalty on the Canadian Malartic mine located in Malartic, Québec. The Company also owns 2% NSR royalties in two advanced exploration projects, Hammond Reef and Upper Beaver located in Ontario, Canada, as well as a 2% NSR royalty on other Canadian properties. In addition, the Company owns exploration properties on the Guerrero belt in Mexico and in the USA, a portfolio of publicly traded exploration companies and holds cash and cash equivalent resources of $156.7 million.

Business Model & Strategy

The Company's objective is to become a leading royalty company and to maximize returns for its shareholders by growing its asset base, both organically and through accretive acquisitions of high-quality royalties and streams, and by returning capital to its shareholders by dividend payments. The Company believes it can achieve this by putting its team's strong technical expertise to work seeking out high margin growth opportunities that provide exposure to the upside of commodity prices and optionality of reserve growth and new discoveries. Osisko will remain focused on high quality gold assets located in favourable jurisdictions, as these assets will support a premium valuation in the marketplace, but will continually evaluate all opportunities in all commodities and jurisdictions. Given that a core aspect of the Company's business is the ability to compete for investment opportunities, Osisko will aim to maintain a strong balance sheet and ability to deploy capital.

Basis of Financial Presentation

Although Osisko Gold Royalties is a new legal entity, it has been determined under International Financial Reporting Standards ("IFRS") that for financial reporting purposes, the Company is considered to be a continuation of OMC, as at the closing of the friendly transaction all of its shareholders became the shareholders of Osisko Gold Royalties. The results also reflect a 10 to 1 share consolidation which occurred on June 16, 2014, and accordingly all prior share-related information has been adjusted to reflect this share consolidation.

The Osisko Mining Corporation Transaction

OMC was an intermediate gold producer, which was the subject of a hostile take-over initiated against it on January 13, 2014. Following an extensive shareholder value enhancing process, a friendly transaction was announced with Agnico Eagle and Yamana on April 16, 2014, and concluded on June 16, 2014. Under the terms of the agreement, each shareholder of OMC received:

i. $2.09 in cash;
ii. 0.26471 of a Yamana share; and
iii. 0.07264 of an Agnico Eagle share; and
iv. 1/10th of a share of Osisko Gold Royalties.

Osisko Gold Royalties initial asset base included:

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;
vi. Portfolio of publicly traded securities in exploration companies; and
vii. Canadian tax base of $50 million related to the 5% NSR on the Canadian Malartic mine to be used to shelter income from Federal and Québec income taxes.

For financial reporting purposes, the transaction was accounted as a deemed disposition of the majority of OMC's net assets to the OMC shareholders and then to Agnico Eagle and Yamana. The transaction resulted in a net gain on the deemed disposal of the net assets as follows:

Cash and cash equivalents	128,502
Inventories	84,427
Other current assets	48,145
Property, plant and equipment	1,888,040
Restricted cash – non current	48,490
Accounts payable and accrued liabilities	(98,202)
Provisions and other liabilities	(22,944)
Long-term debt (including current portion)	(296,022)
Deferred income and mining taxes	(166,118)
Net assets deemed disposed of	1,614,318
Estimated deemed net proceeds on disposal	3,358,433
Net gain on deemed disposal	1,744,115

This net gain is included in the net earnings from discontinued operations in the unaudited condensed interim consolidated financial statements.

Portfolio of Main Royalty Interests

Canadian Malartic

The Company's cornerstone asset is a 5% NSR on the Canadian Malartic property which is located in Malartic, Québec. The property extends over 220km^2 and is located in the prolific gold corridor which hosts current and past producers and has produced over 50 million ounces of gold.

The Canadian Malartic property includes the Canadian Malartic Mine, which was constructed and developed by OMC at a cost of approximately $1.2 billion and commenced production in April 2011. Since commencement of the production, it has produced approximately 1.3 million ounces of gold and 1.0 million ounces of silver. Quarterly gold production since inception is as follows:

	Q1	Q2	Q3	Q4	Total
2011	--	46.6	73.8	79.7	200.1
2012	91.2	92.0	103.8	101.5	388.5
2013	106.0	111.7	120.2	137.3	475.3
2014	140.0	133.2			273.2

The steady progression in gold production results from the progress towards reaching the nameplate throughput capacity of 55,000 tonnes per day at the milling plant, increasing the footprint of the open pit operations, and gaining access to higher grade material in the north wall area. Canadian Malartic cash production costs per ounce have been declining with the increased gold output and with continued operating efficiencies. The Canadian Malartic Mine is expected to be a top quartile low cost producer.

As of January 1, 2014, the updated ore reserve estimates stood at 9.37 million ounces at the Canadian Malartic mine. The reserve base is calculated at US$1,300 per ounce of gold and is presented in the table below:

Reserve and resource estimates
with a lower cut-off grade of 0.263 to 0.332 g/t Au

Category	Tonnes (M)	Grade (g/t Au)	Au (M oz)
Proven Reserves	65.9	0.92	1.94
Probable Reserves	215.3	1.07	7.43
Proven & Probable Reserves	**281.2**	**1.04**	**9.37**
Measured and Indicated Resources(1)	327.0	1.06	11.10
Inferred Resources	48.1	0.75	1.16

(1) Includes proven & probable reserves

Upper Beaver and Kirkland Lake Properties

Osisko owns a 2% royalty on the Upper Beaver Project and on the Kirkland Lake properties. The land package covers 220km^2 in the prolific Kirkland Lake Mining Camp in Ontario, which has historical production totalling 20 million ounces. The properties were acquired by OMC in late 2012 through the acquisition of Queenston Mining Inc.

The Upper Beaver project has 1,461,000 ounces gold of indicated resources at an average grade of 6.62 g/t Au and 712,000 ounces gold of inferred resources at an average grade of 4.85 g/t Au, as calculated by SRK Consulting in November 2012.

Hammond Reef Project

The Company owns a 2% NSR property on the Hammond Reef Project, which is located near Atikokan in Ontario. The property was acquired by OMC following the take-over of Brett Resources in 2010. OMC conducted a 629,367 meter drilling program and established in 2013 global measured and indicated resources which currently stand at 5.4 million ounces gold at an average grade of 0.86 g/t Au and the global inferred resource stands at 1.8 million ounces gold at an average grade of 0.72 g/t (based on 0.50 g/t Au lower cut-off).

Other Canadian Properties

The Company owns royalty interest on various other Canadian properties that were held by OMC, including a 2% NSR on the Pandora property, which is located near Agnico Eagle's Lapa Mine near Cadillac, Québec and 2% NSR on tin properties in the Yukon, which were acquired by OMC as part of the Brett Resources acquisition.

Guerrero (Mexico)

The Company has been active in Mexico in acquiring prospective ground to conduct grassroots activities. The Company currently holds approximately 900,000 hectares in the prolific Guerrero Gold Belt ("GGB"). In the past years, the GGB has produced over 30 million ounces of gold discoveries, including Goldcorp's Los Filos Mine and Torex's El Limon Project.

The Company continues to pursue initial grassroots activities including trenching and sampling, studying geochemistry and geophysical data, identifying drill targets and conducting initial drilling.

Osisko Gold Royalties will pursue value maximization alternatives in relation to the Guerrero property in order to align its interest in the property in a manner that is consistent with its key business focus.

Alaskan Tin Properties (USA)

The Company owns the Sleitat and Coal Creek Tin-Silver properties, located in Alaska, USA. Osisko has no plans to pursue any exploration activities on these properties and will pursue value maximization alternatives in order to align its interest in the property in a manner that is consistent with its key business focus.

Investment in exploration companies

In its search for exploration opportunities within the Americas, the Company may invest in junior mining companies. As at June 30, 2014, Osisko Gold Royalties has investments in several junior mining companies, including in Ryan Gold, Bowmore Exploration, Oban Mining, Threegold Resources, Falco Resources, Nighthawk Gold, NioGold Mining, Pershimco Resources, Orex Exploration and Mistango River Resources.

On July 25, 2014, the Company announced that it had entered into an agreement to subscribe to 14,000,000 flow-through shares at a price of $0.35 per share of NioGold Mining Inc, which will result in Osisko increasing its ownership in the Company to 19.5%. As part of the transaction, the Company will acquire the right to acquire certain interests on royalties held in the NioGold properties under buy-back agreements in exchange for a fee of $150,000. Under the terms of the agreement, Osisko will name two directors to NioGold's five member Board of Directors. NioGold holds property near the Canadian Malartic Mine.

Human Resources

Osisko currently has 11 employees, including 5 officers. All of the individuals were previously employed by OMC and have in-depth knowledge of the Company's asset base.

Gold Market and Currency

Gold Market

Precious metals were under pressure in 2013 and started to recover in 2014. The market progressed constructively and looked more robust in the first half of 2014 mainly driven by geopolitics and rising macro level risks. During the first three months of 2014 gold prices rose to an intra-day high of $1,392, the highest level for year-to-date. During the three months ended June 30, 2014, the gold price varied between a high of $1,326 and a low $1,243 and averaged $1,288.

The market was driven by the following developments during the first half of 2014 and Osisko Gold Royalties believes the fundamentals of the gold market remains well in place:

- U.S. economic data coming below expectations, such as retail sales and employment
- The Federal Reserve started the asset purchase program in January, but will continue its monetary stimulus for some time to cut unemployment
- Currency crisis in emerging markets
- Weak economic data from China and concerns on default risk
- Geopolitical unrest

Global gold mine production continues to be relatively stable. The challenges of new production discoveries, high capital costs, suspension of major projects and permitting issues lead Osisko Gold Royalties to believe that global production will remain stable or decline in the near/medium term.

The 5-year historical price is as follows:

(US$/ounce)	High	Low	Average	Close
2014 (H1)	1,385	1,221	1,291	1,315
2013	1,694	1,192	1,411	1,205
2012	1,792	1,540	1,669	1,658
2011	1,895	1,319	1,572	1,531
2010	1,421	1,058	1,225	1,406
2009	1,213	810	972	1,088

Currency

The Company is subject to currency fluctuations as its revenues are in US dollars and its expenses are mainly denominated in Canadian dollars.

The exchange rate for the Canadian/US is outlined below:

	High	Low	Average	Close
2014 (H1)	1.1251	1.0614	1.0968	1.0676
2013	1.0697	0.9839	1.0299	1.0636
2012	1.0418	0.9710	0.9996	0.9949
2011	1.0604	0.9449	0.9891	1.0170
2010	1.0778	0.9946	1.0299	0.9946

Selected Quarterly Financial Information
(in thousands of dollars, except figures for ounces and amounts per ounce and per share)

	Three months ended June 30,		Six months ended June 30,	
	2014[(2)]	**2013[(2)]**	**2014[(2)]**	**2013[(2)]**
Continuing operations:				
Earnings from operations	(3,248)	(7,852)	(7,239)	(11,125)
Net loss	(2,250)	(11,345)	(5,746)	(16,339)
Basic and diluted net loss per share	(0.05)	(0.26)	(0.13)	(0.37)
Total assets	189,287	2,168,856	189,287	2,168,856
Total non-current liabilities	-	311,860	-	311,860
Capital expenditures	169	1,324	831	3,284
Operating cash flows from continuing operations	(660)	(2,172)	(3,183)	(4,337)
Discontinued operations:				
Revenues	135,532	159,195	347,663	318,576
Expenses (including income and mining tax expense)	232,121	640,612	416,525	777,583
Net loss	(96,589)	(481,417)	(68,852)	(459,007)
Net gain on deemed disposal	1,744,115	-	1,744,115	-
Net earnings (loss) from discontinued operations	1,647,526	(481,417)	1,675,263	(459,007)
Gold ounces produced	109,425	111,701	249,454	217,748
Gold ounces sold	95,574	109,503	241,707	205,014
Average selling price of gold (per ounce sold)				
In CAD	1,399	1,434	1,418	1,532
In USD [(1)]	1,282	1,396	1,290	1,503
Shares outstanding *(in thousands)*				
Basic and diluted weighted average	44,845	43,670	44,402	43,660

(1) Using actual exchange rates at the date of the transactions.
(2) Financial information in Canadian dollars and prepared in accordance with IFRS.

The average prices of gold and silver in US$ are summarized below:

	76-day period ended June 15, 2014		Six months ended June 30, 2014	
	Realized prices per ounce	**Market prices per ounce [(i)]**	**Realized prices per ounce**	**Market prices per ounce [(i)]**
Gold	1,282	1,286	1,290	1,290
Silver	19	19	20	20

(1) Market prices are based on the average London PM fixing for gold and average fixing for silver.

During the second quarter of 2014, operating loss amounted to $3.2 million and net loss was $2.3 million, compared to operating loss of $7.9 million and net loss of $11.3 million in the second quarter of 2013. For the six months ended June 30, 2014, operating loss amounted to $7.2 million and net loss was $5.7 million, compared to operating loss of $11.1 million and net loss of $16.3 million for the comparative periods of 2013.

For 2013 and prior to June 16, 2014, allocation of general and administrative expenses to continuing operations was estimated according to the activities transferred to the Company to support exploration activities in Mexico and USA and the management of the investment portfolio. From June 16, 2014 onwards, general and administrative expenses reflect the current activities of the Company.

The net loss for the three and six months ended periods is mainly due to the fact that the Company did not record any revenues from its 5% NSR on the Canadian Malartic mine, which has been in effect since June 16, 2014 only.

Discontinued operations reflect results of the Canadian mining, exploration and evaluation activities until June 15, 2014 of OMC that are deemed to have been disposed, and includes the gain on the deemed disposal of net assets realized on June 16, 2014.

Overview of Financial Results

Financial Summary – Second quarter of 2014 (compared to second quarter of 2013)

- Net loss from continuing operations of $2.2 million or $0.05 per basic and diluted share compared to net loss of $11.3 million or $0.26 per basic and diluted share in 2013;
- Net earnings from discontinued operations of $1,647,526 compared to net loss of $481,417 in 2013
- Operating loss of $3.2 million in 2014 compared to $7.9 million in 2013;

During the second quarter and the six months ended June 30, 2014, Osisko incurred net losses from continuing operations of $2.2 million and $5.7 million, respectively (net loss per share of $0.05 and $1.13) compared to net loss of $11.3 million and $16.3 million in the corresponding periods of 2013 (net loss per share of $0.26 and $0.37) respectively. The net loss for 2014 and 2013 is mainly due to the fact that the Company did not record any revenues from its 5% NSR on the Canadian Malartic mine, which has been in effect since June 16, 2014 only. The company did however end the quarter with 958 ounces of gold and 962 ounces of silver in inventory.

The results of the Canadian mining, exploration and evaluation operations of OMC that are deemed to have been disposed of have been reclassified as discontinued operations as follows:

	Three months ended June 30,		Six months ended June 30,	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Results from discontinued operations:				
Net gain on deemed disposal	1,744,115	-	1,744,115	-
Results of discontinued operations:				
Revenues	135,532	159,195	347,663	318,576
Expenses	(172,340)	(672,534)	(333,536)	(796,263)
Net (loss) earnings before income and mining taxes	(36,808)	(513,339)	14,127	(477,687)
Income and mining tax recovery (expense)	(59,781)	31,922	(82,979)	18,680
Net loss	(96,589)	(481,417)	(68,852)	(459,007)
Net earnings (loss) from discontinued operations	1,647,526	(481,417)	1,675,263	(459,007)
Net earnings (loss) per share from discontinued operations	36.74	(11.02)	37.73	(10.51)

In 2013, net loss from discontinued operations was the result of the impairment charge for the Hammond Reef gold project of $530.9 million, partially compensated by a related deferred tax recovery of $43.1 million.

Consolidated Statement of Income (Loss)

The following table presents a summarized Consolidated Statement of Income (Loss) for the Company's most recently completed and comparative three and six month periods (in thousands of dollars):

		Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Expenses					
General and administrative	(a)	(403)	(228)	(674)	(491)
Exploration and evaluation	(b)	(1,830)	(2,037)	(3,734)	(4,415)
Write-off of property, plant and equipment	(c)	(1,015)	(5,587)	(2,831)	(6,219)
Operating loss		**(3,248)**	**(7,852)**	**(7,239)**	**(11,315)**
Other income (expenses) - net	(d)	757	(3,470)	1,263	(5,168)
Loss before income taxes		**(2,491)**	**(11,322)**	**(5,976)**	**(16,293)**
Income tax recovery (expense)	(e)	241	(23)	230	(46)
Net loss from continuing operations		**(2,250)**	**(11,345)**	**(5,746)**	**(16,339)**
Net earnings (loss) from discontinued operations	(f)	1,647,526	(481,417)	1,675,263	(459,007)
Net earnings (loss)		**1,645,276**	**(492,762)**	**1,669,517**	**(475,346)**
Basic and diluted net earnings (loss) per share		36.69	(11.28)	37.60	(10.89)

(a) In 2014, general and administrative expenses (G&A) are higher than 2013 amounts for the corresponding periods at $0.4 million in the second quarter and $0.7 million in the first six months of 2014. For 2013 and up to June 15, 2014, allocation of G&A to continuing operations was estimated according to the activities transferred to the Company to support exploration activities in Mexico and USA and the management of the investment portfolio. Since June 16, 2014, G&A includes actual salaries and expenses to support the royalty agreement as well as start-up related costs.

(b) In the second quarter and the first six months of 2014, exploration and evaluation amounted to $1.8 million and $3.7 million respectively, compared to $2.0 million and $4.4 million in corresponding periods in 2013 as a result of decreased activities in Mexico and USA.

(c) In the second quarter and the first six months of 2014, write-off of property, plant and equipment amounted to $1.0 million and $2.8 million respectively, compared to $5.6 million and $6.2 million in corresponding periods in 2013 as a result of abandoned grassroots projects in Mexico and the USA in 2014 and Mexico, the USA and Argentina in 2013.

(d) Other net income in the second quarter of 2014 includes share of income of associates of $0.2 million and interest income of $0.5 million. For the six months ended June 30, 2014 other net income includes net gain on financial assets of $0.3 million and share of loss of associates of $0.1 million and interest income of $1.1 million.

In the second quarter of 2013, other net expenses include net loss on financial assets of $3.2 million and share of loss of associates of $0.6 million, partially offset by interest income of $0.3 million. For the six months ended June 30, 2013 other net expenses include net loss on financial assets of $5.1 million and share of loss of associates of $0.7 million, partially offset by interest income of $0.7 million.

(e) The effective income tax rates for the second quarter and first six months of 2014 are 10% and 4% compared to 0% for the corresponding periods in 2013. The variation in the effective tax rates is mainly due to the non-recognition of tax benefits relating to losses with regard to impairment on available-for-sale financial assets and the non-recognition of tax benefits for losses and other deductible amounts generated in foreign jurisdictions where the probable criteria for the recognition of deferred tax assets has not been met.

(f) Discontinued operations reflect results of the Canadian mining, exploration and evaluation activities until June 15, 2014 of OMC that are deemed to have been disposed, and includes the gain on the deemed disposal of net assets realized on June 16, 2014.

Liquidity and Capital Resources

As at June 30, 2014, the Company's cash and cash equivalents amounted to $156.7 million compared to $210.5 million as at December 31, 2013, as summarized below:

(In thousands of dollars)	June 30, 2014	December 31, 2013
Cash and cash equivalents	156,741	161,405
Restricted cash		
Current	-	560
Non-current	-	48,490
	156,741	210,455

As part of the transaction with Yamana and Agnico Eagle, $157.0 million was transferred to the Company.

Cash Flows

The following table summarizes the cash flows (in thousands of dollars):

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Cash flows from continuing operations				
Operations	(2,235)	(2,249)	(4,405)	(4,748)
Working capital items	1,575	77	1,222	411
Operating activities	(660)	(2,172)	(3,183)	(4,337)
Investing activities	(736)	34	(778)	(1,581)
Financing activities	155,336	775	158,267	1,383
Change in cash and cash equivalents from continuing operations	153,940	(1,363)	154,306	(4,535)
Change in cash and cash equivalents from discontinued operations	(206,227)	16,491	(158,970)	26,792
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

Operating Activities

Cash flows used in operating activities amounted to $0.7 million and $3.2 million for the three and six months ended June 30, 2014 compared to $2.2 million and $4.3 million in the corresponding periods of 2013, respectively. The change is mainly due to variation in working capital items for the three months ending period and also due to higher exploration and evaluation expenses in 2013 for the six months ending period.

Investing Activities

Cash flows used in investing activities amounted to $0.7 million and $0.8 million for the three and six months ended June 30, 2014 compared to $34,000 and $1.6 million in the corresponding periods of 2013, respectively.

Cash outflows related to investments in property, plant and equipment amounted to $0.2 million and $0.8 million for the three and six months ended June 30, 2014 compared to $1.3 million and $3.3 million in the comparative periods of 2013, respectively. Investments were related to exploration projects in Mexico and USA.

During the first semester of 2014, Osisko invested $1.0 million in a private placement of Nighthawk Gold Corp. and received proceeds of $1.0 million from the sale of investments for the same period in 2013.

Interest received amounted to $0.4 million and $1.0 million respectively in the second quarter and the first six months of 2014 compared to $0.3 million and 0.7 million in the corresponding periods of 2013.

Financing Activities

Cash provided by financing activities for the three and six months ended June 30, 2014 amounted to $155.3 million and $158.3 million respectively, compared to $0.8 million and $1.4 million in the corresponding periods of 2013.
During the second quarter of 2014, cash was provided by the issuance of shares from the exercise of options, warrants and share purchase plan. In 2013, the share issuance was related to exercise of options and share purchase plan.

The following table summarizes the financings completed in the first half of 2014 and 2013 on a pre-consolidation basis:

	No of Shares/ Units	Price ($)	Gross Proceeds ($000's)	Net Cash Proceeds ($000's)
First six months of 2014				
Exercise of Options	12,415,151	6.33	78,575	78,575
Exercise of warrants	12,500,000	6.25	78,125	78,125
Employee Share Purchase Plan – Employee Portion	261,970	5.97	1,567	1,567
Total	25,177,121		158,267	158,267
First six months of 2013				
Exercise of Options	91,000	3.09	281	281
Employee Share Purchase Plan – Employee Portion	168,134	6.82	1,147	1,147
Total	259,134		1,428	1,428

Quarterly Information

The selected quarterly financial information for the past eight financial quarters is outlined below:
(in thousands of dollars, except for amounts per share)

	2014(3)		2013(3)				2012(3)	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Cash (1)	156,741	258,078	210,455	171,590	153,695	139,278	155,511	114,874
Working capital	155,588	178,409	132,350	80,055	83,595	68,731	91,951	36,177
Total assets	189,287	2,266,385	2,222,001	2,188,005	2,168,856	2,716,288	2,687,905	2,246,923
Total long-term debt	-	311,046	316,951	328,568	331,459	335,949	337,412	327,916
Shareholders' equity	187,742	1,761,244	1,731,068	1,706,919	1,690,138	2,180,064	2,162,018	1,765,295
Earnings (loss) attributable to Osisko shareholders from continuing operations	(2,250)	(3,496)	(8,468)	(3,877)	(11,345)	(4,994)	(10,819)	234
Basic net earnings (loss) per share from continuing operations	(0.05)	(0.08)	(0.19)	(0.09)	(0.26)	(0.11)	(0.28)	0.01
Earnings (loss) attributable to Osisko shareholders	1,645,276	24,241	10,488	9,755	(492,762)	17,416	12,866	28,343
Basic net earnings (loss) per share	36.69	0.55	0.24	0.22	(11.28)	0.40	0.33	0.73
Weighted average shares outstanding (000's) - Basic and diluted	44,845	43,955	43,837	43,719	43,670	43,650	39,154	38,815
Price of gold (average US$)	1,288	1,293	1,276	1,326	1,415	1,632	1,722	1,652
Closing exchange rate(2) (US$/Can$)	1.0676	1.1053	1.0636	1.0285	1.0512	1.0156	0.9949	0.9837

(1) Includes cash and cash equivalents, restricted cash and short-term investments.
(2) Bank of Canada Noon Rate.
(3) Financial information in Canadian dollars and prepared in accordance with IFRS.

During the second quarter of 2014, the Company recognized a net gain of $1.7 billion from the deemed disposal of the majority of its assets further explained under section *Discontinued Operations*. In the second quarter of 2014, the

reduction in total assets and shareholders' equity and elimination of total long-term debt are also explained by such deemed disposal.

Outlook

Osisko Gold Royalties' 2014 outlook is based on the publically available forecast for the Canadian Malartic mine published by Yamana Gold and Agnico Eagle.

Attributable royalty production for 2014 (from June 16 to December 31, 2014) is estimated between 12,800 to 13,800 gold ounces for the Canadian Malartic mine. This does not include delivery of silver ounces.

Contractual Obligations and Commitments

There were no contractual obligations and commitments.

Related Party Transactions

There were no related party transactions other than the compensation paid or payable to key management for employee services.

Off-balance Sheet Items

There are no off-balance sheet arrangements.

Outstanding Share Data

As of July 30, 2014, 47,900,457 common shares were issued and outstanding, which includes a total of 1,200,000 common shares held in escrow in the event of a conversion of the convertible debentures contracted by Osisko Mining Corporation.

Risks and Uncertainties

The Company is a royalty holder and investor that operates in an industry that is dependent on a number of factors that include environmental, legal and political risks, the discovery of economically recoverable reserves, and the ability of the Company to maintain an economic production. An investment in the Company's common shares is subject to a number of risks and uncertainties. An investor should carefully consider the risks described below and the other information filed with the Canadian securities regulators before investing in the Company's common shares. If any of the following risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lose a significant proportion of their investment.

The following discussion reviews a number of important risks which management believes could impact the Company's business. There are other risks, not identified below, which currently, or may in the future, exist in the Company's operating environment.

Commodity Prices

Gold and silver prices fluctuate widely and are affected by various factors beyond the Company's control, including but not limited to: the sale or purchase of metals by various central banks and financial institutions, inflation or deflation, fluctuation in the value of the United States dollar, and global political and economic conditions. Declines in the prices of gold may adversely affect the Company's activities, common shares price, financial results, life-of-mine plans of Canadian Malartic Mine and viability of mining projects. Although the Company believes that the fundamentals of supply and demand will remain robust in the future and participants in various sectors will continue to support the gold price despite uncertainties in the global economy, there is no guarantee that the gold price will not materially decrease. For the quarter ended June 30, 2014, the Company did not utilize any hedging programs to mitigate the effect of commodity price movement.

Canadian Malartic Risk

The Canadian Malartic net smelter return royalty is currently the only revenue-generating royalty held by Osisko. Therefore, any adverse issues with the production or financial viability from this project could have a material adverse effect on the Company's profitability and financial condition.

Third Party Operator Risk

Osisko Gold Royalties is not the operator of any of the mines or projects on which it owns royalties. Mining operations may be faced with various operational risks which may affect the production and financial performance of the mining unit, such as the accuracy of reserves and resources, workforce availability and stoppages, loss of the social license to operate, mechanical breakdown, environmental incidents or adverse environmental conditions, parts and supplies availability, dilution, flooding, availability of process water, power outages, and theft. As such, Osisko relies on the operators of its projects to manage these risks accordingly to ensure the continued operation or development of its royalty assets.

Financial Risk

In addition to the organic growth inherent to its current assets, the Company pursues its growth through acquisition of production and exploration stage royalties and streams. If additional funds are required, the source of funds that may be available to the Company, in addition to cash flows, is through the sale of additional equity capital or borrowings. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is available, there can be no assurance that it will be obtained on terms favourable to the Company or provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial condition.

Currency Fluctuations May Affect the Costs of Doing Business

The Company's main activities and offices are currently located in Canada and the costs associated with the Company's activities are in majority denominated in Canadian dollar. However, the Company's revenues from the sale of gold and silver are in U.S. dollars and some of the costs associated with the Company's activities in Canada are denominated in currencies other than the Canadian dollar. Any appreciation of the Canadian dollar vis-à-vis these currencies could increase the Company's cost of doing business, mainly by reducing its revenues in Canadian dollars. For the quarter ended June 30, 2014, the Company did not utilize any hedging programs to mitigate the effect of currency movement.

Risk Linked with Industry Conditions

In order to pursue its growth, the Company must acquire and hold royalties on operations for which it is not the operator. Mineral exploration and development is extremely competitive and involves a high degree of risk. The Company must compete with a number of other companies that have greater technical and financial resources. It involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Most exploration programs do not result in the discovery of significant mineralization and any mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Commercial viability of exploiting any deposits encountered depends on a number of factors including infrastructure, commodity prices, energy costs, inflation, interest rates, financial market conditions, potential litigation, availability of qualified labour and governmental regulations, in particular those in relation to price, taxes, royalties, land use, governmental involvement in the project, importation and exportation duties. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered of sufficient quantity, quality, size and grade on any of the Company's exploration properties to justify commercial operations nor that any exploration property will be brought into production.

Insurance Risk

Although the Company maintains industry standard insurances to protect against certain risks, the Company's insurance may not cover all the potential risks associated with a company's operations.

Risk on the Uncertainty of Title

Although the Company has obtained title opinions with respect to its key properties and has taken all possible measures to ensure proper title to its properties, including filing of necessary documents and payment of rents to local regulatory authorities, there is no guarantee that the title to any of its properties will not be challenged. Third parties may, unbeknownst to the Company, have valid claims underlying portions of the Company's interests.

Risk Linked to Conflict of Interest

Certain directors and officers of the Company may also serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. Furthermore, certain directors and officers of the Company may also serve as directors of other companies involved in mineral exploration and development. Consequently, the possibility of conflict of interest exists at several levels.

To the extent that such other companies may participate in ventures in which the Company is also participating, or participate in business transactions with the Company, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. Canadian law and Company policy require the directors and officers of the Company to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, our directors and officers may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions, or declare and refrain from voting on any matters in which such directors have a conflict of interest.

Human Resource Risk

The Company is dependent on its ability to attract, retain and develop highly skilled individuals and key management employees. The loss of these employees may adversely affect its business and operations. To this effect, the Company offers competitive remuneration and benefits.

Reputational Risk

The consequence of reputational risk is a negative impact to the Company's public image, which may influence its ability to acquire future royalties and projects and retain or attract key employees. Reputational risk may arise under many situations including, among others, cyber-attacks and media crisis. Prior to acquire a particular project or interest therein, the Company mitigates reputational risk by performing due diligence, which includes a review of the mining project, the country, the scope of the project and local laws and culture. Once the decision to participate in a mining project has been taken, the Company continues to assess and mitigate reputational risk through regular Board and Board's Committees reviews.

Disclosure Controls and Internal Controls over Financial Reporting

The Chief Executive Officer (the "CEO"), and the Chief Financial Officer (the "CFO") of the Company are responsible for establishing and maintaining the Company's disclosure controls and procedures ("DCP") including adherence to the Disclosure Policy adopted by the Company. The Disclosure Policy requires all staff to keep senior management fully apprised of all material information affecting the Company so that they may evaluate and discuss this information and determine the appropriateness and timing for public release.

The CEO and the CFO are also responsible for the design of internal controls over financial reporting ("ICFR"). The fundamental issue is ensuring all transactions are properly authorized and identified and entered into a well-designed, robust and clearly understood accounting system on a timely basis to minimize risk of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions necessary to present financial statements in accordance with IFRS, unauthorized receipts and expenditures, or the inability to provide assurance that unauthorized acquisitions or dispositions of assets can be detected.

The CEO and CFO have evaluated whether there were changes to the ICFR during the three months ended June 30, 2014 that have materially affected, or are reasonably likely to materially affect, the ICFR. The ICFR have been modified to reflect the changes resulting from the transition of the business to a royalty company.

The Company's management, including the CEO and CFO, believe that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

Basis of Presentation of Consolidated Financial Statements

The unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2014 have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard 34, *Interim Financial Reporting*. The unaudited condensed interim consolidated financial statements of Osisko for the three and six months ended June 30, 2014 should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2014 are consistent with those applied by the Company to the audited consolidated financial statements for the year ended December 31, 2013, except for the changes in accounting policies presented in Note 3 of the unaudited condensed interim consolidated financial statements. The Board of Directors has approved the unaudited condensed interim consolidated financial statements on July 30, 2014.

Financial Instruments

All financial instruments are required to be measured at fair value on initial recognition. The fair value is based on quoted market prices, unless the financial instruments are not traded in an active market. In this case, the fair value is determined by using valuation techniques like the Black-Scholes option pricing model or other valuation techniques. Measurement in subsequent periods depends on the classification of the financial instrument. A description of financial instruments and their fair value is included in the condensed interim consolidated financial statements for the three and six months ended June 30, 2014.

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. 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 report should not be unduly relied upon. These statements speak only as of the date of this report. 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.

The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company also cautions readers not to place undue reliance on these forward looking statements. Moreover, these forward-looking statements may not be suitable for establishing strategic priorities and objectives, future strategies or actions, financial objectives and projections other than those mentioned above. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

(Signed) Sean Roosen
Sean Roosen
Chairman and Chief Executive Officer

(Signed) Elif Lévesque
Elif Lévesque
Vice President Finance and Chief Financial Officer

July 30, 2014

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John Burzynski, Senior Vice President, New Business Development
Charles E. Page, Director
Bryan A. Coates, President
Joseph de la Plante, Vice President, Corporate Development
Elif Lévesque, Vice President, Finance and Chief Financial Officer

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Transfer Agent
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