

Abitibi Royalties Enters Into Transformational Agreement on the Malartic CHL Project to Create a Well Funded-Quebec Focused-Royalty Company

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VAL-D'OR, QUEBEC--(Marketwired - Feb 23, 2015) - **Abitibi Royalties Inc.** (TSX VENTURE:RZZ) ("Abitibi Royalties" or the "Company") is pleased to announce that it has entered into a binding letter of intent dated February 22, 2015 (the "LOI") with Canadian Malartic GP, [Yamana Gold Inc.](#) (TSX:YRI)(NYSE:AUY) ("Yamana") and [Agnico Eagle Mines Ltd.](#) (TSX:AEM)(NYSE:AEM) ("Agnico Eagle") (collectively, the "Purchasers") with regards to the Malartic CHL project (the "Project"), which adjoins the Canadian Malartic mine, currently the largest producing gold mine in Canada. The Project hosts the Odyssey North gold discovery and the Jeffrey and Barnat gold deposits.

Transaction Details:

- The Company will sell its 30% free carried interest in the Project to the Purchasers in exchange for:
 - a. 3,549,695 Yamana and 459,197 Agnico Eagle shares for total consideration of C\$35 million based on their respective closing prices on February 20, 2015. This consideration is equal to approximately C\$3.35 per outstanding common share of Abitibi Royalties. Based on current payout ratios of Yamana and Agnico Eagle these shares will generate approximately C\$415,000 in dividends annually should they be retained by the Company and not sold.
 - b. A significant 3% royalty from net smelter returns on the Project. The 3% NSR is believed, based on the arms' length negotiations among the parties, to have a value of approximately C\$20-C\$30 million or C\$1.90 - \$2.85 per outstanding common share of Abitibi Royalties.
- The Company will continue to own the 2% NSR royalty on a portion of the Gouldie deposit at the Canadian Malartic mine and its 100%-owned McFaulds Lake properties in the "Ring of Fire". In addition, the Company has approximately C\$1.2 million in cash and no debt.
- Abitibi Royalties has agreed to discontinue all outstanding legal claims with respect to the Project.
- Creates a unique, initially Quebec focused royalty company, with a strong balance sheet and direct exposure to an exciting gold discovery in an established mining camp.

"When I joined Abitibi Royalties in August last year the stated objective was to build the 'best gold company in the world'. The best in my view is about achieving the greatest share performance over the mid to long term. This transaction allows Abitibi Royalties shareholders to realize significant upfront value in the form of shares in two liquid gold producers, a direct interest in the Malartic CHL project through a significant 3% NSR royalty and to benefit from an aggressive exploration program by Yamana and Agnico Eagle over the next 12 months that I believe will further increase the value of the royalty. This is in addition to retaining the Company's other assets. This transaction provides immediate per share value for our owners. The 3% NSR royalty and strong treasury will become our platform as we look to achieve our stated goal," said Ian Ball, President.

The exploration team from the Canadian Malartic GP commented as follows: "The exploration results to date from Odyssey have been encouraging and both Yamana and Agnico Eagle feel there is the potential to discover more material that could become feed for the Canadian Malartic mill. Our objective over the next year is to explore the Odyssey targets to better understand the deposits, and in support of the program approximately C\$3.5 million dollars has been allocated to test the Odyssey North and South deposits on the CHL and Canadian Malartic mine properties. This funding is expected to result in a 25,500 metre drill program and to build on encouraging results to date with the goal of defining the potential size, grade and

extent of the Odyssey deposits. The top of the known mineral body begins at 450 metres beneath the surface and extends to at least 1,300 metre depth. Currently there is one rig on site testing the Odyssey South deposit on the Canadian Malartic mine property with one to two additional rigs by April to support exploration efforts at Odyssey North and South. The exploration program will be results driven and will be continuously evaluated throughout the year to determine if additional funding is warranted."

At closing Abitibi Royalties will hold a 3% NSR on the Malartic CHL project, which includes a portion of the Canadian Malartic mine's Barnat Extension gold zone and 100% of the Jeffrey zone, which are both currently being permitted for mining. In addition, the 3% NSR will apply to the Odyssey North gold discovery.

The Company will also continue to hold its 2% NSR on a portion of the Gouldie gold deposit at the Canadian Malartic mine and its 100% interest in the McFaulds Lake base metals properties in the "Ring of Fire", Ontario.

The transaction is subject to approval by the TSX Venture Exchange, Abitibi Royalties' shareholders pursuant to TSX Venture Exchange Policy 5.3 and the board of directors of Abitibi Royalties and other customary conditions.

Abitibi Royalties has engaged Maxit Capital LP as its financial advisor and Getz Prince Wells LLP as its legal advisor in connection with the transaction.

Copies of the LOI and certain related documents will be filed with securities regulators and will be available on SEDAR at www.sedar.com.

About Abitibi Royalties Inc.

Abitibi Royalties currently holds a 30% free-carried interest on the Malartic CHL Property near Val-d'Or, Québec, located beside the Canadian Malartic mine. In addition, the Company holds a 2% NSR on portions of the Gouldie and Charlie zones at the Canadian Malartic mine and 100% title to the Luc Bourdon and Bourdon West Prospects in the McFauld's Lake ("Ring of Fire") area, Ontario.

Golden Valley Mines and Rob McEwen hold approximately 56.3% and 9.1% interest in **Abitibi Royalties**, respectively.

Forward Looking Statements:

This news release contains certain statements that may be deemed "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" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company 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 or realities may differ materially from those in forward-looking statements. Forward looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by law, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

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