

VAL-D'OR, QUEBEC--(Marketwired - Jul 6, 2016) - [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 with [Frontline Gold Corp.](#) ("Frontline") to acquire an additional 1% net smelter royalty ("NSR") on its Menderes Gold Project, increasing the Company's NSR interest to 3%. The Menderes Gold Project surrounds [Eldorado Gold Corp.](#)'s Efemcukuru gold mine in Turkey on three sides (Fig. 1).

#### Additional 1% NSR's Purchased on Menderes Gold Project (Fig. 1)

In exchange for the additional 1% NSR on the 6,194 hectare Menderes Gold Project, Abitibi Royalties has paid Frontline Cdn\$20,000. Abitibi Royalties will pay the cash consideration from its treasury. The Company's NSR interest on the Menderes Gold Project now totals 3%.

#### Frontline Gold's Proposed Exploration Program

Frontline has informed the Company that it intends to begin a 2,000-3,000 metre exploration drill program at the Menderes Gold Project in September-October 2016. The proposed exploration program includes 5 drill holes that would target possible extensions of the veins found at Eldorado's Efemcukuru gold mine.

#### About Abitibi Royalties Inc.

Abitibi Royalties holds a 3% NSR on the Odyssey North discovery, Jeffrey Zone and the eastern portion of the Barnat Extension and a 2% NSR on portions of the Gouldie and Charlie zones all at the Canadian Malartic mine near Val-d'Or, Québec. In addition, the Company is building a portfolio of royalties on early stage properties near producing mines. The Company owns common shares in Yamana Gold and Agnico Eagle Mines that have an approximate market value of CDN\$56.2 million and approximately CDN\$2.9 million in cash (as reported on June 2, 2016). The Company is debt free.

[Golden Valley Mines Ltd.](#) and Rob McEwen hold approximately 49.4% and 12.3% 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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