

VAL-D'OR, QUEBEC--(Marketwired - Feb 21, 2017) - Abitibi Royalties Inc. (TSX VENTURE:RZZ) ("Abitibi Royalties" or the "Company") is pleased to provide an update on the Company's various assets, including its net smelter royalties ("NSR") at the Canadian Malartic Mine, near Val-d'Or, Québec. In addition, the Company has acquired two new royalties, which are located near New Gold's Rainy River Mine and Hudbay's 777 Mine.

#### Malartic CHL - Odyssey North Zone (3% NSR)

Abitibi Royalties holds a 3% NSR on the Odyssey North Zone located within the Malartic CHL Property. Odyssey North is proximate to the Odyssey South Zone and together, these zones comprise the "Odyssey Zones", "Odyssey deposit", "Odyssey", "Odyssey property" or "deposits" that is east of the main Canadian Malartic Mine open pit. The Canadian Malartic Mine and Malartic CHL Property are jointly operated by [Agnico Eagle Mines Ltd.](#) ("Agnico Eagle") and [Yamana Gold Inc.](#) ("Yamana") through the Canadian Malartic General Partnership. The information in this news release regarding the Odyssey Project and the internal zones is based on and derived from information contained in Agnico Eagle's Q4-2016 news release (February 15, 2017), Yamana's Q4-2016 news release (February 16, 2017) Agnico Eagle's Q2-2016 news release (July 27, 2016) and Yamana's Q2-2016 news release (July 28, 2016) and without independent verification.

##### a) Initial Resource Estimate Odyssey Property

The mine operators reported that during 2016, a total of 155 holes (119,396 metres) were completed at the Odyssey Property. The 2016 results have been incorporated with previous work to estimate an initial mineral resource for the Odyssey Property (inclusive of Odyssey North and South zones). The initial inferred mineral resource was estimated by the mine operators at 1.43 million ounces of gold (20.7 million tonnes grading 2.15 g/t gold). The Company anticipates receiving in Q2 2017 a separate report from the mine operators that outlines the total resource attributable to the Malartic CHL Property where Abitibi Royalties holds a 3% NSR.

##### b) New Internal Zone

The mine operators also announced a number of significant drill results from the newly discovered internal zones that extend from the Odyssey North Zone. These results were not included in the initial Odyssey Project resource calculation stated above.

The mine operators state that the drilling carried out to date indicates that the internal zones could increase mineral resources and enhance the economics of the Odyssey Project by adding higher grade ounces that would require minimal additional infrastructure to access.

In the first half of 2017, the mine operators note that drilling activities at the Odyssey Property will focus on further defining these internal zones and expanding the mineral resources in Odyssey North and South.

#### Update on Barnat Extension and Jeffrey Deposits (3% NSR)

Following the Quebec Bureau des Audiences Publiques sur l'Environnement ("*BAPE*") public hearings in June and July 2016, permitting of the Canadian Malartic extension project (that includes the eastern portion of the Barnat Extension and Jeffrey deposit where the Company holds a 3% NSR) and Highway 117 deviation reached an important milestone with the issue of the BAPE report on October 5, 2016. The BAPE report concluded that the project is acceptable and provides several recommendations intended to enhance social acceptability.

The next step in the permitting process is for the Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques to review the report and present their decision to Cabinet for approval. No date for the approval has been set, but mine operators anticipate that this may occur in the first half of 2017. Production activities at the Barnat Extension are currently forecast by the mine operators to begin in late 2018, depending on the timing of the start of construction of the road deviation. The Company anticipates production from Jeffrey would commence before the Barnat Extension based solely on prior disclosure from the mine operators. The Company expects to receive an updated production schedule and reserve/resource estimate for the two areas from the mine operators in Q2 2017.

#### Possible Production Near Pit Zones 2018-2020 (2-3% NSR)

Agnico Eagle states that it is evaluating several potential opportunities (which have not been approved) at a number of existing operations to enhance its production profile in 2018 through 2020. The near pit zones around the Canadian Malartic Mine were identified as one possible opportunity. Abitibi Royalties holds an NSR on several of the near pit zones that were previously outlined by the mine operators that include the eastern portion of the Gouldie Zone (2% NSR), Charlie Zone (2% NSR), eastern portion of the Barnat Extension/Barnat South Wall Contact (3% NSR) and the Sheehan Zone (3% NSR). Reserve and resources estimates for the Company's royalty interests at the various zones (as of December 31, 2015) can be found on the Company's website. Exploration programs are ongoing by the mine operators to evaluate a number of near pit/underground

targets.

## Canadian Malartic Mine Exploration Budget

The mine operators announce that they have budgeted USD\$11 million (CDN\$14.4 million using a 1.31 USD/CDN exchange ratio) for a total of 99,700 metres in 2017.

## Abitibi "Royalty Search" - Two New Royalties Acquired

The Company has acquired two additional NSRs near existing mines in Canada through the Royalty Search. The first agreement, in partnership with [AuRico Metals Inc.](#) ("AuRico"), gives each company a 0.75% NSR on 9 exploration properties located throughout the Rainy River district in Ontario, located near New Gold's Rainy River Mine (Fig. 1). This purchase continues to build on the Company's other royalty in the immediate area. Consideration paid to the private owner totaled approximately CDN\$10,000.

The second NSR is an additional 1% royalty on Nordic Minerals Ltd. ("Nordic") exploration property located approximately 5 kilometres southwest of [HudBay Minerals Inc.](#)'s 777 mine in Manitoba (Fig. 2). The acquisition brings the Company's total royalty interest on the property to 3%. Consideration paid totaled approximately CDN\$4,950.

The Royalty Search ([www.abitibiroyalties.com](http://www.abitibiroyalties.com)) is an easy to use website that allows mining companies and prospectors a quick way of accessing capital.

Abitibi Royalties is offering to pay the annual claim fees/taxes related to:

- 1) Existing mineral properties or
- 2) Staking of new mineral properties

In return for paying these fees, Abitibi Royalties would be granted an NSR on the property. To date over 100 properties have been submitted through the website and 17 agreements have been finalized. For a full list of the various royalties please click [here](#).

## Securities Portfolio Update

Abitibi Royalties delivered 108,700 shares of Agnico Eagle under its covered call contracts for gross proceeds of approximately CDN\$6.1 million on January 20, 2017. The Company plans to enter into short-term put contracts to reacquire the 108,700 Agnico Eagle shares at a price below the value they were sold. The Company will update shareholders should the Agnico Eagle shares be reacquired.

## Resource and Drill Hole Data Confirmation

Abitibi Royalties has not received all, or, in most cases any, of the drill hole data that makes up the Odyssey resource estimate or from the internal zones. The Company anticipates receiving in Q2 2017 a separate report from the mine operators that indicates the portion of the Odyssey resource located inside the Malartic CHL Property and subject to the Company's 3% NSR. Odyssey North has been traced from a depth of 600 to 1,300 metres below surface along a strike length of approximately 1.5 kilometres, which strikes east-southeast and dips deeply to the south, with the mineralization on the eastern portion of the discovery appearing to straddle the Malartic CHL Property boundary at depth. Previous disclosure by the mine operators stated that the Odyssey North Zone varies from 5 to 35 metres with local wider intercepts, with grades generally ranging from 1.5 to 3.0 g/t gold and that the Odyssey South Zone is located at depths varying from 200 to 550 metres and ranges from 5 to 15 metres thick with grades from 1.5 to 5 g/t gold. The internal zones are north to south trending higher-grade structures at the Odyssey Project. The majority of the drill intercepts released from the internal zone by the mine operators appear to be close to the Malartic CHL Property boundary. The Company believes that the majority of intercepts released to date appear to be within the Malartic CHL Property or straddle the boundary. Although the Company believes the recent drill results from the internal zones could have a positive impact on its 3% NSR, the Company has not independently verified the drill hole data and cannot confirm, nor can there be any assurance, that all or any of the recent drilling encountered additional mineralization on the Malartic CHL Property. The full impact of the internal zones will not be known until the mine operators calculate a resource for the portion that is attributable to the Company's NSR interest. Full details of the drill assay results, coordinates for the internal zones and plan map for the Odyssey Project can be found in Agnico Eagle's or Yamana's Q4 2017 news release dated February 15, 2017 and February 16, 2017, respectively. Additional information for the Odyssey Project can be found on the Company's website [www.abitibiroyalties.com](http://www.abitibiroyalties.com).

## QUALIFIED PERSON

Glenn J. Mullan, Chairman, is the Qualified Person (as that term is defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects) who has reviewed the technical sections of this news release which are solely based on and derived from information contained in Agnico Eagle's Q4-2016 news release (February 15, 2017), Yamana's Q4-2016 news release (February 16, 2017) Agnico Eagle's Q2-2016 news release (July 27, 2016) and Yamana's Q2-2016 news release (July 28, 2016) and without independent verification.

#### About Abitibi Royalties

Abitibi Royalties holds a 3% NSR on the Odyssey North discovery, Jeffrey Zone and the eastern portion of the Barnat Extension, located inside the Malartic CHL property 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 (market value), plus cash (Q3 September 30, 2016 cash balance, plus proceeds from January 20, 2017 Agnico Eagle share sale) of approximately CDN\$43 million. 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.*

Fig. 1 - Rainy River District Abitibi Royalties NSR Interest

Fig. 2 - Abitibi Royalties NSR Interest Near HudBay Minerals 777 Mine

#### Contact

[Abitibi Royalties Inc.](#)

Shanda Kilborn

Director, Corporate Development

1-888-392-3857

[info@abitibiroyalties.com](mailto:info@abitibiroyalties.com)

[www.abitibiroyalties.com](http://www.abitibiroyalties.com)