

Abitibi Royalties: Q4 2019 Royalty Payment

20.01.2020 | [GlobeNewswire](#)

VAL-D’OR, Jan. 20, 2020 - [Abitibi Royalties Inc.](#) (RZZ-TSX-V, ATBYF-OTC-Nasdaq Intl: “Abitibi Royalties” or the “Company”) is pleased to announce its Q4 2019 royalty payment from the Canadian Malartic Mine, located near Val-d’Or, Québec and total cash¹ generated during the quarter. In addition, the Company’s board of directors has approved, effective April 2020, a 25% dividend increase to the Company’s outstanding common shares from CDN\$0.12 to CDN\$0.15 per common share on an annualized basis. The frequency of the payment of dividends will be changed from quarterly to monthly, also effective April 2020. The Company is unique among its peers due to its strong treasury, no debt, new monthly dividend, share buyback program and limited number of outstanding shares (approximately 12.5 million).

Q4 2019 Royalty Payment

During Q4 2019, the Company generated total cash of approximately CDN\$2.1 million, with approximately CDN\$999,000 coming from royalties on the open pit portion contained within the Company’s 3% NSR at the Canadian Malartic Mine. Royalties from the open pit portion of the Canadian Malartic Mine commenced at the end of Q4 2018 (the Company’s core underground royalties at East Malartic and Odyssey are not in production). The Canadian Malartic Mine is the largest gold mine in Canada and is operated by [Agnico Eagle Mines Ltd.](#) (“Agnico Eagle”) and [Yamana Gold Inc.](#) (“Yamana”). The remainder of the cash generated during the quarter came from option premiums (CDN\$268,000), Dividends (CDN\$140,000) and taxable capital gains from equity investments (CDN\$697,000).

During the twelve months ended December 31, 2019, the Company generated cash of approximately CDN\$5.3 million (See news release dated April 16, 2019 for Q1 2019, July 17, 2019 for Q2 2019 and October 16, 2019 for Q3 2019 breakdowns).

The Company has 12,521,610 issued shares, with no warrants, stock options or other forms of share-based compensation outstanding.

25% Dividend Increase to be paid Monthly

The Company’s board of directors has approved a 25% dividend increase from CDN\$0.12 to CDN\$0.15 per common share on an annualized basis. The frequency of dividend payments will also be changed from quarterly to monthly. The increased dividend amount and the payment of monthly dividends will begin in April 2020. Table 1. below sets out the record and payment dates for shareholders for Q1 and Q2 2020.

¹ *Non-IFRS Measure:* The Company has calculated the measure “cash” using the cash basis of accounting. This is a non-IFRS measure as IFRS requires the Company’s cash in its financial statements to be recognized using the accrual basis of accounting. The Company believes that this measure, while not a substitute for measures of performance prepared in accordance with IFRS, provides investors an improved ability to evaluate the underlying performance of the Company.

Table. 1
Q1-Q2 2020 Dividend Schedule

Record Date	Payment Date	Payment Amount (\$CDN)
March 6, 2020	March 30, 2020	\$0.03 (quarterly payment)
April 6, 2020	April 30, 2020	\$0.0125 (monthly payment)

May 6, 2020 May 29, 2020 \$0.0125 (monthly payment)
June 5, 2020 June 30, 2020 \$0.0125 (monthly payment)

The full amount of the dividend will be designated as an "eligible dividend" as defined in the *Income Tax Act (Canada)*. Before approving an increase in the dividend, the Company's board of directors and management reviewed Abitibi Royalties' business of acquiring additional royalties, in addition to further reducing issued share capital through the purchases conducted under the Normal Course Issuer Bid program. From this review, it was determined the Company has sufficient resources to meet its business objectives.

The declaration, amount and payment of future dividends are subject to the board of directors' continuing determination that the payment is in the best interests of the Company, its shareholders and is in compliance with all applicable laws.

Securities Portfolio Update

During December 2019 and January 2020, Abitibi Royalties delivered 356,800 shares of Agnico Eagle and 857,400 shares of Yamana that were in the money under its covered call contracts and that expired on Jan 17, 2020, for gross proceeds of approximately CDN\$26.7 million. No out of the money call options that expired on January 17, 2020 were exercised or call option contracts that expire at a later date. The Company intends to use the proceeds in a disciplined manner that will include the continuation of building the royalty portfolio in areas where management has prior working experience, particularly within the Abitibi region. For a detailed overview of the type of royalties the Company will focus on and how it intends to grow the business, please see the 2018 Letter to Shareholders (section titled "Growing the Business"), which can be read here.

The Company may also consider entering into put option contracts to reacquire the delivered shares of Agnico Eagle and Yamana should the purchases occur below the price that the shares were sold and also providing additional returns of capital to shareholders.

About Abitibi Royalties

Abitibi Royalties owns various royalty interests at the Canadian Malartic near Val-d'Or, Québec. In addition, the Company is building a portfolio of royalties on early stage properties near producing mines. The Company has approximately CDN\$46.3 million* (as of January 17, 2020) in cash and investments and is debt free.

*Investment values calculated based on closing prices and certain share price limits due to call option contracts.

For additional information, please contact:

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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.

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