

# Abitibi Royalties Inc.: Royalties & Corporate Update

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Val-d'Or, May 4, 2020 - [Abitibi Royalties Inc.](#) (TSXV: RZZ) (OTC: ATBYF) ("Abitibi Royalties" or the "Company") is pleased to provide an update on the Company's net smelter royalties (NSRs) at the Canadian Malartic Mine, Canada's largest gold mine, near Val-d'Or, Québec. The Company is unique among its peers due to its strong treasury, no debt, new monthly dividend, share buyback program and limited number of shares outstanding.

## Royalties at Canadian Malartic Mine

The Canadian Malartic Mine, where Abitibi Royalties owns various NSRs and a net profit interest ("NPI"), is jointly operated by [Agnico Eagle Mines Ltd.](#) ("Agnico Eagle") and Yamana Gold Inc. ("Yamana"). Abitibi Royalties' NSRs and NPI cover portions of East Malartic (3% NSR), Odyssey (3% NSR), Sladen (3% NSR), Sheehan (3% NSR), Jeffrey (3% NSR), Barnat Extension (3% NSR), Gouldie Zone (2% NSR) and the Charlie Zone (2% NSR). In addition, the Company holds a 1.5% NSR on the Midway Project and a 15% NPI on the Radium Property, which are all operated and located at, or proximate to, the Canadian Malartic Mine (Fig. 1).

### 1) Covid-19 - Return to Production Status

As previously announced, the Canadian Malartic Mine resumed operations on April 15, 2020, following the Government of Québec's decision to authorize the resumption of mining activities. Canadian Malartic entered care and maintenance on March 24, 2020, in response to the government restrictions related to COVID-19 that required mining companies to minimize operational activities. The resumption of mining activity is stated to occur over a period of several weeks.

### 2) Q1-2020 Canadian Malartic Mine Exploration (Odyssey, East Malartic & East Gouldie)

Agnico Eagle and Yamana continue to advance and evaluate several deposits and prospective exploration areas to the east of the Canadian Malartic open pit where the Company holds a 3% NSR, including Odyssey, East Malartic, Sladen, and Sheehan. These discoveries have the potential to provide new sources of mineralization for the Canadian Malartic mill, replacing a portion of the lower grade open pit mineralization, which would increase production and extend mine life. At East Gouldie, two drill rigs focused on expanding the zone at depth and along strike. Exploration drilling suggests that East Gouldie may potentially trend onto the Company's 3% NSR at depth. However, additional drilling and information is required to make this determination.

In 2020, Canadian Malartic is planning the development of an exploration ramp into Odyssey and East Malartic, with the purpose of eventually mining their respective upper zones and provide further exploration access to allow resource drilling at tighter spacing.

To view the updated reserve and resource estimate pertaining to Abitibi Royalties NSR interests at Canadian Malartic Mine, please see the Company's news release dated March 23, 2020.

### 3) Canadian Malartic Regional Exploration (Midway)

Regional exploration during Q1-2020 included 41 drill holes for 15,200 metres (five drill rigs) in order to test near-surface targets on the Rand Malartic and Midway properties (Fig. 1). Abitibi Royalties holds a 1.5% NSR on the Midway property (for more details regarding this NSR please see news release dated July 9,

2018). The NSR covers Shaft 1 of the formerly producing Malartic Goldfields Mine, which operated from 1939 to 1965, to a depth of approximately 800 metres below surface. The Malartic Goldfields Mine produced approximately 1.7 million ounces of gold (A breakdown of the gold production covered by the Company's 1.5% NSR is unknown). A decline ramp into the near surface zones, believed to be covered by the Company's NSR, was most recently advanced up until 2010.

## Early Stage Royalties

### 1) New Alger (1% NSR)

Abitibi Royalties holds a 1% NSR on the New Alger Project, which contains the historic Thompson-Cadillac Mine, located in the Abitibi region of northwest Quebec and adjoins Agnico Eagle's LaRonde Mine to the southeast (Fig. 2). [Renforth Resources Inc.](#) ("Renforth"), which owns 100% of the New Alger Project, announced on April 15, 2020 that new drilling successfully extended the mine area veins down dip.

## Other Corporate Activity

### 1) Normal Course Issuer Bid & Treasury Update

Since the Company's last update on September 23, 2019, approximately 36,900 additional common shares under the Normal Course Issuer Bid ("NCIB") have been repurchased by Abitibi Royalties at an average price of CDN\$16.29 per share. The Company now has 12,503,210 shares outstanding and on a fully diluted basis. As of May 1, 2020 the Company's treasury totaled CDN\$60.6 million (cash and securities) and remains debt free. The increasing treasury is due to higher equities values in the Company's securities portfolio, investment and royalty cash generation. For more information on the Company's investments, dividends, covered call and put contracts, please see the Company's Q4-2019 MD&A (prepared as of April 23, 2020) and Q4-2019 Financial Statements, which can be found on the Company's website [www.abitibiroyalties.com](http://www.abitibiroyalties.com).

### 2) Dividend Payments to Shareholders

On January 20, 2020, the Company's board of directors 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 was also changed from quarterly to monthly. The Company's first monthly payment of CDN\$0.012 per share was paid on April 30, 2020. The remaining monthly dividend payments for the second quarter are shown in Table 1. below.

Table 1. Q2-2020 Dividend Schedule

Record Date	Payment Date	Payment Amount (\$CDN)
May 6, 2020	May 29, 2020	\$0.012
June 5, 2020	June 30, 2020	\$0.012

## Technical Information

Abitibi Royalties has not received any of the recent drill hole data that was completed during Q1-2020 for Canadian Malartic. There can be no assurances that all or any of the recent drill holes intersected mineralization where the Company holds an NSR.

## About Abitibi Royalties

Abitibi Royalties owns various royalties at the Canadian Malartic Mine near Val-d'Or Quebec. In addition, the Company is building a portfolio of royalties on early stage properties near producing mines. The Company is unique among its peers due to its strong treasury, no debt, new monthly dividend, share buyback program and limited number of shares outstanding.

## QUALIFIED PERSON

Glenn Mullan, Chairman, is the Qualified Person (as defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects) who has reviewed this news release based solely on the public disclosure provided by Agnico Eagle, Yamana and Renforth and without independent verification and is responsible for the technical information reported herein.

For additional information, please contact:

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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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Figure 1. Abitibi Royalties' Canadian Malartic Royalties  
Figure 2. Abitibi Royalties - New Alger Royalty Location

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