

Abitibi Royalties Q2-2020 Royalty and Corporate Update

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Val-d'Or, July 27, 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 and on earlier stage royalties. The Company is unique among its peers due to its strong treasury, no debt, monthly dividend, share buyback program and limited number of shares outstanding.

ROYALTY & CORPORATE HIGHLIGHTS

- Exploration ramp into Odyssey and East Malartic zones at the Canadian Malartic Mine approved by Yamana and Agnico Eagle. Construction of surface infrastructure and the portal in preparation for development of the ramp to begin in August 2020.
- Renforth has completed blasting on the Discovery Veins at New Alger Project. Samples sent to SGS. Work being completed in order to negotiate with regional mills for potential processing.
- Pacton Gold to begin Phase 2 drilling on Red Lake Project in August 2020. AI specialists, Windfall Geotek, has helped Pacton identify numerous priority target areas on Abitibi Royalties NSR ground.
- Corporate treasury (cash and investments) reaches approximately CDN\$63.5 million (as of July 24, 2020). The Company remains debt free.
- Q3-2020 monthly dividends of CDN\$0.0125 (CDN\$0.15 annually) declared by the board of directors.
- Share count continues to decrease. Now below 12.5 million shares (outstanding and fully diluted share totals are the same).

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) Odyssey & East Malartic Exploration Ramp Approved For Construction

Yamana and Agnico Eagle have authorized the construction of surface infrastructure and an exploration ramp into the Odyssey and East Malartic zones, with the purpose of eventually mining their respective upper zones and providing further exploration access to allow drilling in tighter spacing to continue studies with greater detail. Construction of surface infrastructure and the portal in preparation for development of the ramp is expected to begin in August 2020, with a budget of CDN\$12 million for the remainder of the year. The objective is to commence development of the ramp in the Q4-2020, which is anticipated to take approximately two years to complete and will require approximately 60 workers, in addition to the 2,000 personnel currently working on site. The new ramp will provide the ability to carry out ore bulk sampling.

2) Canadian Malartic Exploration

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.

The main focus of exploration during Q2-2020 was to provide support for an infill drill program at East Gouldie, with 10 diamond drill rigs to define and expand underground mineral resources. 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.

Yamana and Agnico Eagle have increased the exploration budget due to positive exploration drilling results to CDN\$30.0 million from C\$25.0 million. The CDN\$5.0 million increase will allow for approximately 17,000 more exploration metres to be drilled with a target to complete 126,000 metres of drilling by year-end. As announced earlier in the year, an additional 22,000 metres of exploration drilling will test other regional targets at Canadian Malartic.

A further update by Yamana, including exploration, is expected in Q3-2020. To view the updated reserve and resource estimate pertaining to Abitibi Royalties' NSR interests at Canadian Malartic Mine (as of December 31, 2019), please see the Company's news release dated March 23, 2020 and maps (plan and long section) in Fig 1 and 2.

Early Stage Royalties

1) New Alger (1% NSR)

Abitibi Royalties holds a 1% NSR on the New Alger Project, which contains two primary mineralized areas 1) historic Thompson-Cadillac Mine and the 2) Discovery Veins (Fig. 3). The New Alger Project is located in the Abitibi region of northwest Quebec and adjoins Agnico Eagle's LaRonde Mine to the southeast (Fig. 3). [Renforth Resources Inc.](#) ("Renforth"), which owns 100% of the New Alger Project, announced that it has recently completed blasting on the Discovery Veins and taken 18 (100 lbs) bags of representative material from the pits. The material is being sent to SGS for characterization work to determine the average grade, gold recovery and the amount of reagents needed to recover the gold. This work is being completed in order to negotiate with regional mills for potential processing. An updated resource for the New Alger Project can be viewed in Abitibi Royalties' news release dated May 13, 2020.

Renforth also announced that it has begun drilling on the Discovery Veins. The objective of the exploration is to initially complete infill drilling and then move west outside of the 275 metres that has been cleared, but within the 500 metres of the strike (length of the mineralized zone) that has been sampled. Renforth anticipates releasing results as they are received.

2) Red Lake Project (1% NSR)

The Company holds various NSR interests located near Evolution Mining's Red Lake Mine and adjacent to Pure Gold Mining's Madsen Mine and Great Bear Resources' Dixie Project (Fig. 4) in Red Lake, Ontario. On June 24, 2020, [Pacton Gold Inc.](#) ("Pacton") announced that it has commenced fieldwork for the 2020 exploration program at its Red Lake Gold Project in Ontario. Pacton, working with AI specialists, Windfall Geotek, has identified priority target areas, which includes several areas covered by the Company's 1% NSR. Pacton also announced the results of their Phase 1 drilling, which is located on their website (www.pactongold.com). Phase 2 drilling is scheduled to begin in late August. Abitibi Royalties believes the most exciting potential and the rationale for originally acquiring the royalty, is for the mineralization at Pure Gold's Madsen Mine to continue into the royalty ground at depth.

Other Corporate Activity

1) Normal Course Issuer Bid & Treasury Update

Since the Company's last update on May 4, 2020, approximately 14,200 additional common shares under

the Normal Course Issuer Bid ("NCIB") have been repurchased by Abitibi Royalties at an average price of CDN\$21.70 per share. The Company now has 12,488,810 shares both on an outstanding and fully diluted basis. The Company is believed to have one of the fewest outstanding shares of any gold mining company that has a market capitalization greater than CDN\$100 million and has not completed a share consolidation.

As of July 24, 2020, the Company's treasury totalled CDN\$63.5 million (cash and securities) and remains debt free. The increased 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 Q1-2020 MD&A and Q1-2020 Financial Statements, which can be found on the Company's website 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\$0.0125 per share was paid on April 30, 2020. The monthly dividend payments for the third quarter (as announced June 22, 2020) are shown in Table 1. below.

Table 1. Q3-2020 Dividend Schedule

Record Date	Payment Date	Payment Amount (\$CDN)
July 6, 2020	July 31, 2020	\$0.0125
August 6, 2020	August 31, 2020	\$0.0125
September 4, 2020	September 30, 2020	\$0.0125

About Abitibi Royalties

Abitibi Royalties owns various royalties 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 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, Renforth and Pacton and without independent verification and is responsible for the technical information reported herein.

For additional information, please contact:

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Figure 1. Abitibi Royalties' Canadian Malartic Royalties Plan Map

Figure 2. Schematic Longitudinal Section of Canadian Malartic Mine

Figure 3. Abitibi Royalties - New Alger Royalty Mineralized Zones

Figure 4. Abitibi Royalties' NSRs in the Red Lake District

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