

Abitibi Royalties Inc.



“Gold Royalties in World-Class Malartic Camp”

September 2014
Corporate Presentation

TSX.V: RZZ





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Investment Highlights

Near-Term Cash Flow

Production from portion of **Gouldie Zone** (2% NSR royalty)

Potential contribution from **Charlie Zone** (2% NSR royalty)

New Discoveries

Game-changing NEW discoveries: North Odyssey + Norrie

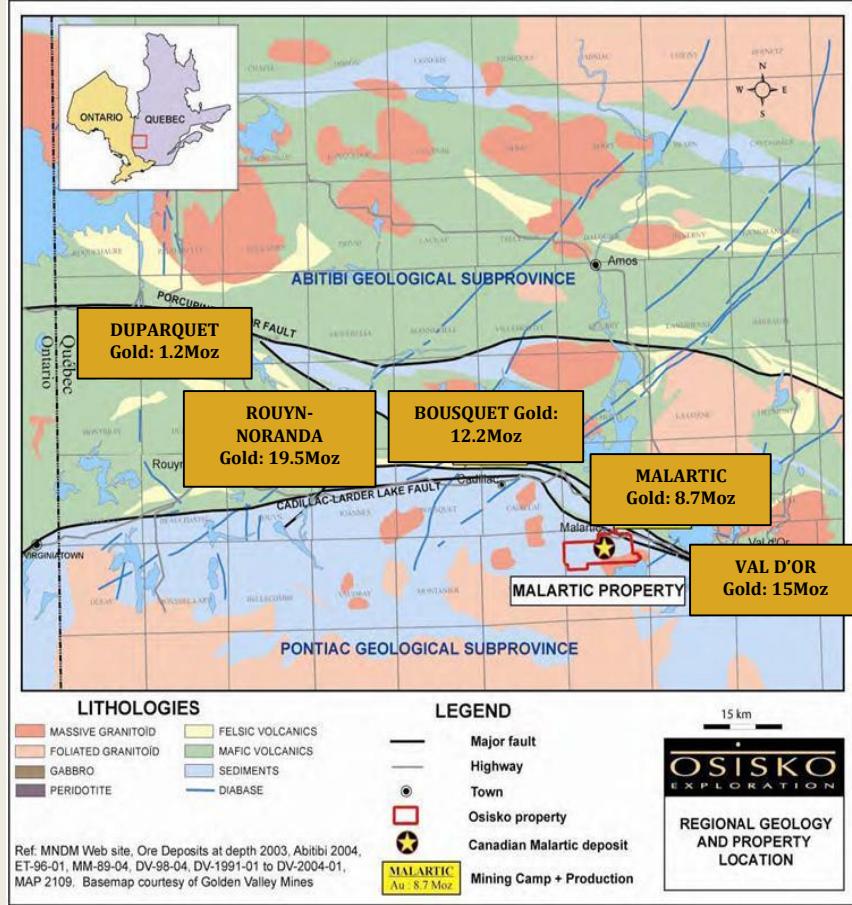
Fully Funded

Funded to production by Agnico-Eagle & Yamana
Through 30% Free Carried Interest



Abitibi Royalties

- Spun out of Golden Valley Mines ("GZZ") in 2011¹
- Key assets in the heart of the **Abitibi Greenstone belt in Quebec**
- Royalties associated with the Canadian Malartic Mine (Agnico Eagle & Yamana); **Canada's largest producing gold mine**²



Source: Abitibi Royalties Technical Report (April 17, 2013)

1. GZZ has a 58.8% interest in RZZ
2. Agnico-Eagle / Yamana Offer for Osisko Presentation (April 16, 2014): "Partnering to Provide Superior Value"



Corporate History

2006: GZZ staked Malartic CHL property and claim on which RZZ holds a 2% NSR

2006: Signed Option Agreement with Osisko on Malartic CHL property (30% FCI GZZ:70% OSK) and signed Agreement for the NSR Property with Osisko

2010: Formed RZZ

2011: GZZ spins out a portion of the shares held in RZZ to the GZZ shareholders pursuant to a plan of arrangement. Subsequent listing of RZZ on TSX.V

2012: Resource estimate on Jeffrey Zone

2012: Reserve and resource estimates for portion of Gouldie Zone (RZZ 2% NSR)

March 2014: Announced updated reserves from Osisko for Malartic CHL and Gouldie Zone

April 2014: Agnico Eagle & Yamana buy Osisko for \$3.9 billion

April 2014: **Drill results from new North Odyssey Zone by Osisko**

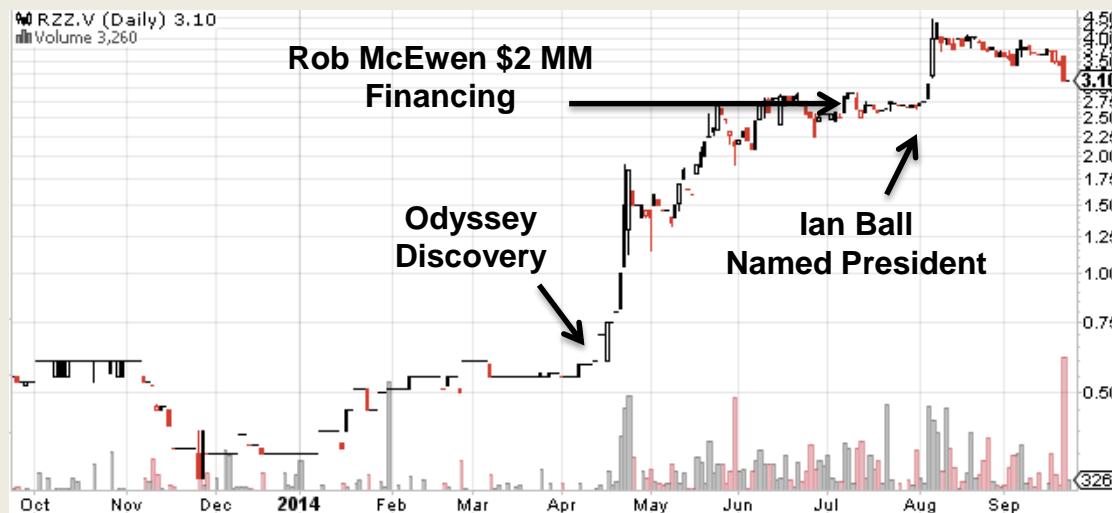
July 2014: **Rob McEwen \$2 million private placement (owns 9.3% of RZZ)**

August 2014: **Ian Ball named President**



Share Structure

| Share Structure | |
|-------------------------------|----------------|
| Ticker Symbol | TSX.V:RZZ |
| Price (Sept. 23, 2014) | \$3.10 |
| 52 Week Range | \$0.30- \$4.44 |
| Shares Outstanding | 10,251,000 |
| Options | 1,740,000 |
| Market Cap | \$31.8 million |
| GZZ Ownership | 58.8% |
| Rob McEwen | 9.3% |





Management & Board of Directors

Management

- Glenn J. Mullan, Chairman & CEO
 - President, CEO and Chairman of the Board, Golden Valley Mines
- Ian Ball, President
- Daniel Poisson, CFO & Corporate Secretary

Board of Directors

- Glenn J. Mullan
- Andrew T. Pepper
- Dr. C. Jens Zinke
- Ian Ball
- Joseph Groia



Low Cost Corporate Structure

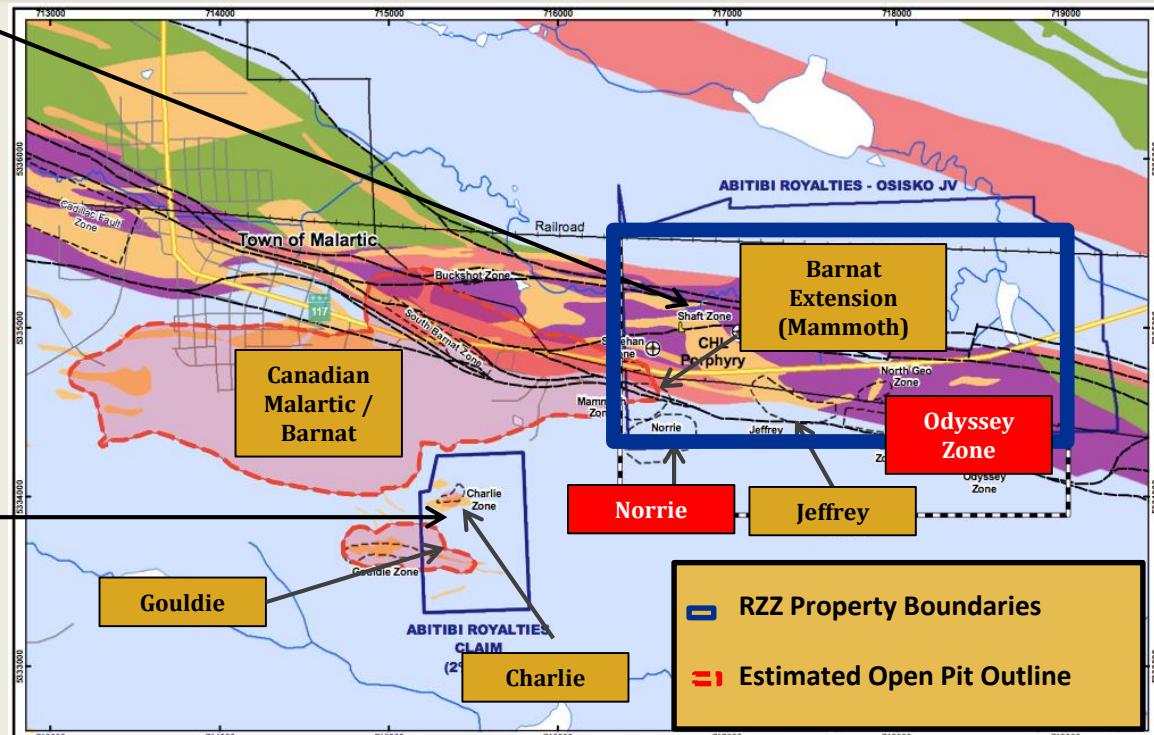
- Golden Valley provides most management services to Abitibi
- All operating and capital expenses ***paid in full*** on ‘Malartic 2% NSR’
- All capital expenses to be paid by Operator on ‘30% Free Carried Interest’ (See Appendix 1 for select agreement details)



Overview of Assets

1. RZZ 30% Free Carried Interest

- No expenditure by RZZ until production
- 'Implied Value' \$36 M at \$1,300/oz²
- Upside: North Odyssey + Norrie



Canadian Malartic Largest producing gold mine in Canada

Annual production of 500k - 600k ounces of gold

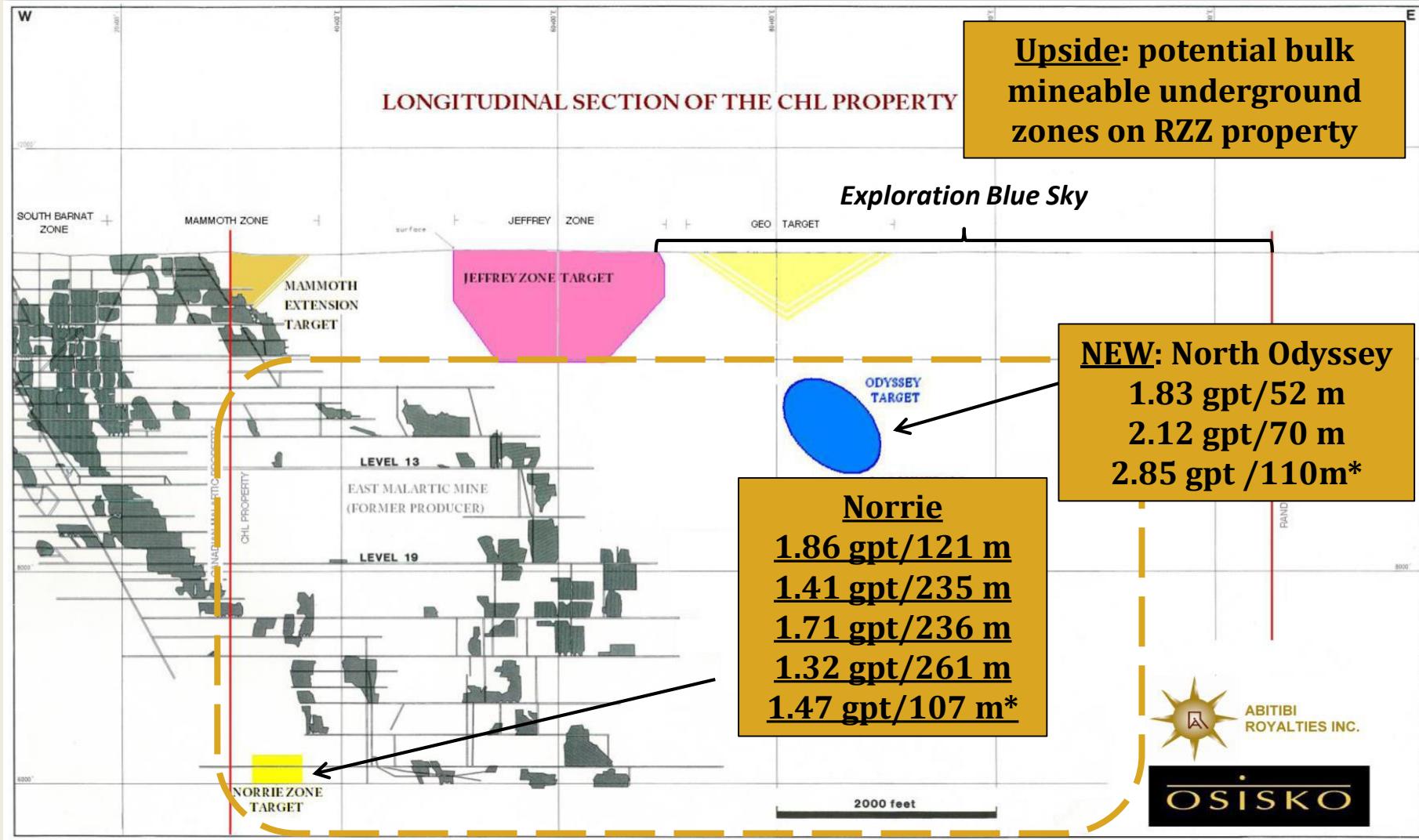
Previously owned and operated by Osisko; acquired by Agnico & Yamana

Game-changing upside: Odyssey + Norrie

1. Please refer to Appendix 1: "30% JV Terms of Agreement" for details
2. Please refer to p. 16 for valuation assumptions and summary



Malartic CHL 30% FCI: Long-Section





Malartic CHL 30% FCI: Odyssey North

New 'Odyssey' Zone - Odyssey North and Odyssey South

- "Odyssey North" is on RZZ claims

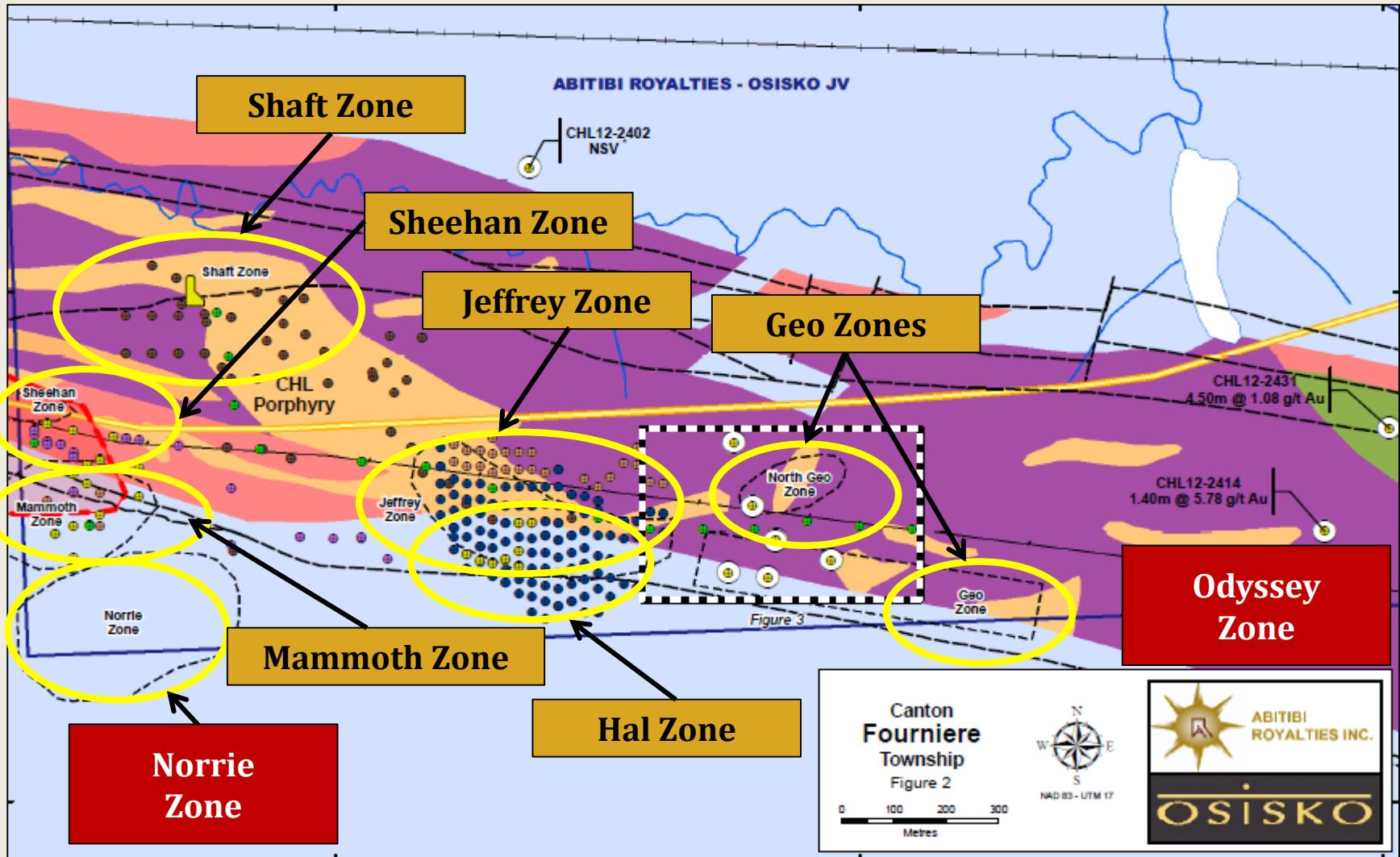
Osisko Press Release April 2, 2014: "The Odyssey zones are of interest from an underground bulk tonnage mining perspective... located at vertical depths of 400 m... North Odyssey... target is a mineralized tabular body measuring **450 m along strike, 600 m in vertical depth with an average true thickness of 40 m at an average grade between 2.0-2.5 g/t gold.**"

Subsequent to description above: Odyssey North Intersection of 2.85g/t Au over 110 m
(Osisko Press Release April 23, 2014)

Osisko Press Release April 23, 2014: Osisko intersects 2.85 g/t Au over 110 m at Odyssey North "intersection **true width of 70 m**... middle of intersection at a **true depth of approximately 1,150 m**... tabular body dipping 70 degrees..."



Malartic CHL 30% FCI: Exploration Targets



Source: Abitibi Royalties Press Release (July 15, 2013)



Valuation based on Company Estimates

Disclaimer: This material is not a complete analysis of all material facts respecting any issuer, industry or security or of your investment objectives, parameters, needs or financial situation, and therefore is not a sufficient basis alone on which to base an investment decision.

| After-tax Valuation* | Discount Rate | NAV | P/NAV ¹ | Implied Value | Assumptions |
|-------------------------------|---------------|---------------------|--------------------|---------------------|---------------------------|
| Gouldie 2% NSR: | 5% | \$2,115,169 | 1.4 | \$2,961,236 | Gold Price (USD): \$1,300 |
| Jeffrey 30% FCI: | 5% | \$12,470,023 | 1.4 | \$17,458,032 | CAD/USD Exchange: 1.05 |
| Mammoth 30% FCI: | 5% | \$13,140,577 | 1.4 | \$18,396,808 | Assumed Tax Rate: 26.9% |
| TOTAL Net Asset Value: | | \$27,725,769 | | \$38,816,077 | Reserves Included: 100% |

↓

| Sensitivity Analysis \$ CAD | \$900 USD/oz | | \$1,100 USD/oz | | \$1,300 USD/oz | | \$1,500 USD/oz | | \$1,700 USD/oz | |
|--------------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|
| | NAV | Implied Value ¹ |
| Gouldie 2% NSR: | \$1,462,213 | \$2,047,098 | \$1,788,691 | \$2,504,167 | \$2,115,169 | \$2,961,236 | \$2,441,647 | \$3,418,305 | \$2,768,125 | \$3,875,374 |
| Jeffrey 30% FCI: | \$2,381,325 | \$3,333,855 | \$7,425,674 | \$10,395,944 | \$12,470,023 | \$17,458,032 | \$17,514,372 | \$24,520,121 | \$22,558,721 | \$31,582,210 |
| Mammoth 30% FCI: | \$6,478,180 | \$9,069,452 | \$9,809,378 | \$13,733,130 | \$13,140,577 | \$18,396,808 | \$16,471,776 | \$23,060,486 | \$19,802,975 | \$27,724,165 |
| TOTAL NAV: | \$10,321,718 | \$14,450,405 | \$19,023,743 | \$26,633,241 | \$27,725,769 | \$38,816,077 | \$36,427,795 | \$50,998,913 | \$45,129,821 | \$63,181,749 |
| Per Share: | \$1.01 | \$1.41 | \$1.86 | \$2.60 | \$2.70 | \$3.79 | \$3.55 | \$4.98 | \$4.40 | \$6.16 |

Base case NAV valuation does not include “Odyssey”, Norrie or other high-potential exploration targets

1. ‘Implied Value’ assumes a P/NAV multiple of 1.4x based on consensus royalty company multiples



Conclusions

- **Near-term cash flow:** production anticipated from a portion of the Gouldie Zone 2% NSR
- **Free Carried Interest** on Malartic CHL
- **Game-changing exploration upside:** North Odyssey + Norrie and other identified targets
- **Value:** attractive valuation relative to NAV North Odyssey + Norrie not included in valuation



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Appendix





Appendix 1: 30% JV Terms of Agreement

8. Formation of Joint Venture

8.1. *Option Exercise.* If the Optionee has made the payments referred to in Section 3.2 and incurred the Expenditures referred to in Section 3.4, all within the prescribed periods, then the Optionee has the right, by giving written notice to the Optionor on or before June 20, 2010 to become the owner of a 70% undivided interest in all or that part(s) of the Property as the Optionee may elect.

8.2. *Joint Venture.* If the Optionee exercises its right under Section 8.1, and becomes the owner of a 70% undivided interest in the Property, the Optionee and Optionor shall be deemed conclusively without executing any further agreement, to have formed a joint venture (the "Joint Venture") for the purposes of further exploring the Property and, if deemed warranted, of developing, constructing and operating a mine on the Property or a part of it and marketing the Minerals derived therefrom all according to the

terms and conditions contained in a customary joint venture agreement (the "Joint Venture Agreement"). The Joint Venture Agreement shall govern the subsequent relationship of the Optionee and Optionor in all subsequent Mining Operations on the Property. Each party shall negotiate in good faith the terms of the Joint Venture Agreement, which terms shall be customary for an agreement of that sort and not inconsistent with the terms of this Agreement, and shall use reasonable commercial efforts to settle, execute and the Joint Venture Agreement as soon as possible after the Optionee exercises its right under Section 8.1 of this Agreement.

2. Section 8.3 (a) of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"(a) *the Optionee shall be responsible to incur all of the expenditures relating to Mining Operations, the Optionor shall have no obligation to incur any of the expenditures relating to Mining Operations and the interest of the Optionor in the Joint Venture shall in no event be diluted on account of any expenditures made by the Optionee and expenditures not made by the Optionor prior to the date of Commercial Production; and*"

'Optionee': Agnico + Yamana

'Optioner': Abitibi

70% undivided interest in the property

"The Optionee shall be responsible to incur all of the expenditures relating to Mining Operations...prior to the date of Commercial Production"



Appendix 2: 2% NSR Reserves & Resource

Gouldie Reserves & Resource Estimates

| Category | Tonnes | Grade (g/t) | Contained Ounces |
|----------------------------------------------------------------|------------------|-------------|------------------|
| Proven Reserves | 914,362 | 1.09 | 32,167 |
| Probable Reserves | 224,701 | 0.67 | 4,811 |
| Total Proven and Probable | 1,139,063 | 1.01 | 36,978 |
| Measured Resources | 1,033,226 | 1.11 | 36,900 |
| Indicated Resources | 5,199,310 | 0.90 | 149,865 |
| Total Measured and Indicated⁽¹⁾ | 6,232,536 | 0.93 | 186,765 |
| Inferred Resources (exclusive of M&I)⁽²⁾ | 1,094,300 | 0.72 | 25,180 |

Source: Abitibi Royalties Inc. Press Release Dated: March 28, 2014

1. Measured and Indicated resources subject to 2% net smelter return royalty interest to Abitibi outside the Gouldie pit area
2. In-situ Inferred resources (not constrained in pit) subject to a 2% net smelter return royalty interest to Abitibi in the Gouldie area
3. Reserves and resources calculated using gold price of \$1,300/oz



Appendix 3: 30% FCI Reserves & Resource

Jeffrey Reserves & Resource Estimates (100% Basis)

| Category | Tonnes | Grade (g/t) | Contained Ounces |
|----------------------------------------------------------------|------------------|-------------|------------------|
| Proven Reserves | - | - | - |
| Probable Reserves | 4,737,199 | 0.68 | 103,260 |
| Total Proven and Probable | 4,737,199 | 0.68 | 103,260 |
| Measured Resources | - | - | - |
| Indicated Resources | 4,792,778 | 0.61 | 94,593 |
| Total Measured and Indicated⁽¹⁾ | 4,792,778 | 0.61 | 94,593 |
| Inferred Resources (exclusive of M&I)⁽²⁾ | 381,520 | 0.90 | 10,991 |

Barnat (Mammoth) Reserves & Resource Estimates (100% Basis)

| Category | Tonnes | Grade (g/t) | Contained Ounces |
|----------------------------------------------------------------|------------------|-------------|------------------|
| Proven Reserves | 422,299 | 0.94 | 12,712 |
| Probable Reserves | 1,703,725 | 0.98 | 53,738 |
| Total Proven and Probable | 2,126,024 | 0.97 | 66,450 |
| Measured Resources | 174,482 | 1.07 | 5,978 |
| Indicated Resources | 1,722,404 | 0.76 | 42,023 |
| Total Measured and Indicated⁽¹⁾ | 1,896,886 | 0.79 | 48,001 |
| Inferred Resources (exclusive of M&I)⁽²⁾ | 1,580,054 | 1.03 | 52,532 |

Source: Abitibi Royalties Inc. Press Release Dated: March 28, 2014

1. Measured and Indicated resources outside the Jeffrey/Barnat pit areas subject to a 30% free carried interest to Abitibi
2. In-situ Inferred resources (not constrained in pit) in Jeffrey/Barnat Pit areas is subject to a 30% free carried interest to Abitibi
3. Reserves and resources calculated using gold price of \$1,300/oz