ABITIBI ROYALTIES INC.

Interim Financial Statements
Third Quarter 2015

Unaudited

Content

IMPORTANT NOTICE

The attached financial statements have been prepared by Management of Abitibi Royalties Inc. The Company's independant auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Abitibi Royalties Inc.

Interim Statements of Financial Position

(In Canadian dollars) Unaudited

	Notes	September 30, 2015	December 31, 2014
		$	$
ASSETS			
Current			
Cash and cash equivalents	6	1,743,077	1,233,307
Receivables	7	68,740	-
Sales taxes recoverable		11,594	18,210
Prepaid expenses		15,792	16,073
Total current assets		1,839,203	1,267,590
Non-current			
Exploration and evaluation assets	8	35,147	168,064
Investments	9	23,013,998	-
Total non-current assets		23,049,145	168,064
Total assets		24,888,348	1,435,654
LIABILITIES			
Current			
Accounts payable and accrued liabilities		171,975	253,641
Short term portion of success fee liability	20	3,425,000	-
Total current liabilities		3,596,975	253,641
Non-current			
Long term portion of success fee liability	20	790,000	
Deferred tax liabilities		1,398,165	-
Total non-current liabilities		2,188,165	-
EQUITY (DEFICIENCY)			
Capital stock	10	5,258,125	3,523,469
Contributed surplus		2,951,507	3,635,646
Retained earnings (deficit)		10,893,576	(5,977,102)
Total Equity (Deficiency)		19,103,208	1,182,013
Total liabilities and equity		24,888,348	1,435,654

The accompanying notes are an integral part of the financial statements.

These financial statements were approved and authorized for issue by the Board of Directors on November 23, 2015

"Glenn J. Mullan"
(signed Glenn J. Mullan)
Director

"Ian J. Ball"
(signed Ian J. Ball)
Director

Abitibi Royalties Inc.

Interim Statements of Comprehensive Income (Loss)

(In Canadian dollars)

	Notes	Three-month period ended September 30, 2015	Three-month period ended September 30, 2014	Nine-month period ended September 30, 2015	Nine-month period ended September 30, 2014
		$	$	$	$
Revenues					
Royalties		48,492	-	320,597	
Dividend		115,540	-	295,593	-
		164,032	-	616,190	-
Operating expenses					
Exploration expenses		502		2,566	
Royalty purchase	8	63,573		73,573	
Office expenses	13	12,729	15,928	40,816	27,512
Shared-based payments	11.2		214,173		448,046
Salaries and employee benefits expense	11.1	168,367	121,901	369,287	331,901
Travel and transport		3,160	13,160	13,096	37,398
Professional fees	14	72,773	182,739	344,559	470,201
Management fees	15	24,000	24,000	72,000	48,000
Advertising and promotion		1,757	654	5,748	4,392
Gain on disposal of exploration and evaluation assets	16			(25,246,624)	
		346,861	572,555	(24,324,979)	1,367,450
Operating income (loss)		(182,829)	(572,555)	24,941,169	(1,367,450)
Financial costs					
Interest income		(10,761)	(19)	(10,999)	(516)
Interest expense		191	131	1,092	214
Commissions		3,125		3,125	
Change in fair value of financial assets at fair value through profit and loss	9	4,912,309		6,679,108	
		4,904,864	112	6,672,326	(302)
Net income (loss) before income tax		(5,087,693)	(572,667)	18,268,843	(1,367,148)
Deferred income tax expense		(406,356)	-	1,398,165	-
Net income (loss) and comprehensive income (loss) for the period		(4,681,337)	(572,667)	16,870,678	(1,367,148)
Earnings (loss) per share					
Basic	12	$ (0.43)	$ (0.06)	$ 1.57	$ (0.14)
Diluted	12	$ (0.43)	$ (0.06)	$ 1.47	$ (0.14)
Weighted average number of common shares outstanding					
Basic	12	10,912,398	10,112,274	10,774,026	9,451,319
Diluted	12	10,912,398	10,112,274	11,447,268	9,451,319

The accompanying notes are an integral part of the interim financial statements.

Abitibi Royalties Inc.

Interim Statement of Changes in Equity

(In Canadian dollars) Unaudited

	Notes	Common shares outstanding Number	Capital Stock $	Contributed Surplus $	Retained earnings (deficit) $	Total Equity (Deficiency) $
Balance at January 1, 2015		10,466,555	3,523,469	3,635,646	(5,977,102)	1,182,013
Common shares issued upon the exercise of options	**10.2**	358,792	1,367,156	(684,139)	-	683,017
Common shares issued in payment of professional fees	**10.3**	100,791	367,500			367,500
Net income and total comprehensive income					16,870,678	16,870,678
Balance at September 30, 2015		10,926,138	5,258,125	2,951,507	10,893,576	19,103,208
Balance at Januray 1, 2014		8,701,000	630,823	1,869,496	(2,558,377)	(58,058)
Common shares issued by private placement	**10.4**	1,300,000	2,150,000			2,150,000
Common shares issued from exercise of warrant	**10.5**	250,000	112,500			112,500
Common shares issued for debt	**10.6**	38,055	140,803			140,803
Share-based payments				448,046		448,046
Net loss and total comprehensive loss					(1,367,148)	(1,367,148)
Balance at September 30, 2014		10,289,055	3,034,126	2,317,542	(3,925,525)	1,426,143

The accompanying notes are an integral part of the financial statements.

Abitibi Royalties Inc.
Interim Statements of Cash Flows
(In Canadian dollars)

	Notes	Three-month period ended September 30, 2015	Three-month period ended September 30, 2014	Nine-month period ended September 30, 2015	Nine-month period ended September 30, 2014
		$	$	$	$
OPERATING ACTIVITIES					
Net income (loss)		**(4,681,337)**	(572,667)	**16,870,678**	(1,367,148)
Adjustment					
Share-based payments			214,173		448,046
Remuneration paid in shares			140,803		140,803
Gain on disposal of exploration and evaluation assets				**(25,246,624)**	
Change in fair value of financial assets		**4,912,309**		**6,679,108**	
Deferred income tax expense		**(406,356)**		**1,398,165**	
Changes in working capital items					
Sales taxes recoverable		**12,060**	(1,075)	**6,616**	(26,198)
Receivables		**(2,322)**		**(68,740)**	
Prepaid expenses		**(14,556)**	(23,164)	**281**	(18,096)
Accounts payable and accrued liabilities		**(241,379)**	(156,912)	**(82,969)**	202,113
Cash flows from operating activities		**(421,581)**	(398,842)	**(443,485)**	(620,480)
INVESTING ACTIVITIES					
Additions to exploration and evaluation assets				**(7,100)**	(3,884)
Disposal of exploration and evaluation assets transaction costs				**(149,562)**	
Disposal of investment less transaction costs		**426,900**		**426,900**	
Cash flows from investing activities		**426,900**		**270,238**	(3,884)
FINANCING ACTIVITIES					
Issue of capital stock and					
Cash flows from financing activities		**62,767**	2,000,000	**683,017**	2,262,500
Net decrease in cash and cash equivalents		**68,086**	1,601,158	**509,770**	1,638,136
Cash and cash equivalents, beginning of period		**1,674,991**	66,143	**1,233,307**	29,165
Cash and cash equivalents, end of period		**1,743,077**	1,667,301	**1,743,077**	1,667,301

Additional cash flow information (Note 16)				
Cash transactions:				
Interest received related to operating activities:	**10,761**	19	**10,999**	516

The accompanying notes are an integral part of the interim financial statements.

1 - NATURE OF OPERATIONS

Abitibi Royalties Inc. (the "Company") has the objective to build a premium quality royalty company by acquiring of first class royalties and by exploring, evaluating and promoting its mineral properties and other projects.

2 - BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE WITH IFRS

These interim financial statements are covering the nine months and three month periods ended September 30, 2015 and were prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), under International Accounting Standard ("IAS") 34 - Interim Financial Reporting and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. These interim financial statements were prepared using the same accounting policies, methods of computation and basis of presentation as outlined in Note 5 - Summary of Accounting Policies, as described in the Company's annual audited financial statements for the year ended December 31, 2014. Interim financial statements do not include all the notes required in annual financial statements and, accordingly, should be read in conjunction with with the annual financial statements for the year ended December 31, 2014.
The financial statements of the Company will be included in the consolidation perimeter of its controlling shareholder Golden Valley Mines Ltd. ("Golden Valley").

3 - GENERAL INFORMATION

The Company was incorporated on February 18, 2010 under the Business Corporations Act of British Columbia. The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Quebec, Canada. The Company's registered and records office is located at #1810 - 1111 West Georgia Street, Vancouver, B.C. V6E 4M3. The Company also has administrative offices located at 800 René-Lévesque Boulevard West, Suite 425, Montréal, Quebec, H3B 1X9.

4 - SUMMARY OF ACCOUNTING POLICIES

4.1 - Overall considerations

The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 5 - Summary of Accounting Policies, of the Company's annual audited financial statements for the year ended December 31, 2014.

4.2 - Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

4.3 - Earnings per share

Basic earnings per share is calculated by dividing net income attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive share equivalents, such as stock options and warrants.

(In Canadian dollars)

4.3 - Earnings per share **(continued)**

To determine the dilutive impact of stock options, the Company uses the Treasury Stock Method which assumes that any proceeds from the exercise of in-the-money stock options would be used to purchase the maximum number of common shares of the Company at the average market price during the period. The assumption of exercise is not reflected in the calculation of earnings per share when the exercise price of the share equivalents considered individually exceeds the average market price for the period.

Basic loss per share is calculated by dividing the loss attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the same period. Diluted earnings per share is calculated by adjusting loss attributable to common equity holders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which includes stock options. When a loss is incurred during a period, basic and diluted loss per share are the same because the exercise of share equivalents is then considered to be anti-dilutive.

5 - JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. These judgements, estimates and assumptions are summarized in Note 6 - Judgements Estimates and Assumptions, of the Company's annual audited financial statements for the year ended December 31, 2014.

5.1 - Impairment of exploration and evaluation assets

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

No impairment loss was recognized during the period ended September 30, 2015 and during the year ended December 31, 2014.

6 - CASH AND CASH EQUIVALENTS

	September 30, 2015	December 31, 2014
	$	$
Cash	1,743,077	108,307
Demand deposit, 0.925% redeemable at any time		1,125,000
	1,743,077	1,233,307

7 - RECEIVABLES

	September 30, 2015
	$
Dividend receivable from Yamana Gold Inc	68,740

(In Canadian dollars)

8 - EXPLORATION AND EVALUATION ASSETS

The summary of carrying amount can be analyzed as follows:

Properties	Balance as at January 1, 2015 $	Additions $	Disposal $	Balance as at September 30, 2015 $
Malartic CHL Prospect (Quebec)	135,500	770	136,270	-
Bourdon Prospects (Ontario)	32,564	2,583		35,147
	168,064	3,353	136,270	35,147

Properties	Balance as at January 1, 2014 $	Additions $	Disposal $	Balance as at September 30, 2014 $
Malartic CHL Prospect (Quebec)	124,395	4,502		128,897
Bourdon Prospects (Ontario)	31,985	579		32,564
	156,380	5,081	-	161,461

***8 - EXPLORATION AND EVALUATION ASSETS* (continued)**

Malartic CHL Prospect - Malartic, Quebec

On March 19, 2015, the Company sold its 30% free carried interest in the Malartic CHL Prospect for a consideration in shares and a 3% net smelter return royalty. For more information on the transaction, please refer to Note 16 - Sale of Malartic CHL Prospect.

Malartic CHL 3% Royalty - Malartic, Quebec

The area covered by the 3% net smelter royalty is located immediately east of the Canadian Malartic Mine operated by Agnico Eagle and Yamana. The 3% net smelter royalty covers a number of known mineralized zones; the eastern extension of the Barnat Zone, the Jeffrey Zone, the Shaft Zone and Porphyry 12 Zone, the Norrie Zone, the Hal Zone, the Geo Zones and the recent Odyssey North discovery. No value has been assigned to the 3% NSR royalty; the Project still being at the early stage, future cash flow could not be reliably estimated.

The mine operators recently reported that as of the end of the third quarter, 28 holes totaling 24,537 metres had been completed on the Odyssey Zones and that drilling and data compilation is continuing into the fourth quarter. During the Yamana third quarter conference call (October 30, 2015), it was stated that the operators are continuing to have exploration success at Odyssey. However, no additional assay results have yet been released by the mine operators and there are no assurances that all or any of the recent drilling since April 2015 has encountered mineralization on the property covered by the Company's 3% NSR. The Barnat Extension and the Jeffrey Zone were included in the submitted initial Environmental Impact Assessment ("EIA") Project Notification Form. The formal EIA was submitted in February 2015. The mine operators have indicated that the process remains on schedule for receipt of the necessary permits by year-end 2016.

Canadian Malartic 2% Royalty - Malartic, Quebec

The NSR is located on a single claim located just to the south of the Canadian Malartic main pit, and covers the historic Charlie Zones and the Eastern portion of the Gouldie Zone. On May 21, 2015, the Company announced the receipt of the year-end 2014 gold reserve and resource estimate completed by Canadian Malartic GP in respect of the Company's interests in the 2% NSR, details of which can be found by accessing the Company's issuer profile through the internet on the SEDAR website at www.sedar.com. Production on the 2% net smelter royalty area started in 2014 and the first royalty payment of $272,105, covering the last two quarters of 2014 and the first quarter of 2015 (to March 31, 2015), was received in the second quarter. The mine operators indicated that mining at the Gouldie deposit, stopped at the end of June 2015. The Company has yet to receive the final report which will detail the final amount mined and stockpiled for future processing.

Luc Bourdon and Bourdon West Prospects - James Bay, Ontario

The Luc Bourdon and Bourdon West Prospects (the "Bourdon Prospects") were acquired from Golden Valley pursuant to an Amended and Restated Transfer, Assignment, and Assumption Agreement dated March 30, 2011 among Abitibi Royalties, then Optionees, and Golden Valley. The Company owns a 100% interest in the Bourdon Prospects located in the lowland region of James Bay, Ontario. The Company is seeking new partnerships to fund future exploration programs and, if warranted by the results, to further develop the Bourdon Prospects.

Abitibi Royalty Search

On June 9, 2015, the Company launched the "Abitibi Royalty Search", by which it would reimburse a company for the renewal fees on existing claims or staking fees on new claims and receive in exchange a net smelter return royalty. The program offers junior mining companies an alternative to dropping potentially interesting claims or projects due to a lack of funds. Projects have to meet specific criteria to be eligible, such as being located in the close vicinity of an existing mine and showing good geology or signs of mineralization. As of the end of September 2015, the Company had closed seven NSR royalty acquisitions for a total investement of $73,573. The amounts spent to acquire mining royalties are expensed.

(In Canadian dollars)

9 - INVESTMENTS

	Number of shares	Market value	September 30, 2015
		$	$
Yamana Gold Inc	3,549,695	2.25	7,986,814
Agnico Eagle Mines Limited	444,197	33.83	15,027,185
			23,013,998

Investments are presented at their fair value. A fair value adjustment of $6,686,236 has been recorded for the nine months ended September 30, 2015 ($4,919,437 in the quarter ended on September 30, 2015).

Sale of Agnico Eagle Shares

On August 5, 2015, the Company sold 15,000 of its Agnico Eagle shares at price of $28.49 for a net proceed after brokerage commission of $426,900.

Sale of Call Options

The Company sold 1,947 call option contracts, covering 194,700 shares of its holding in Yamana and Agnico Eagle, for total cash proceeds of US $42,238. The call options are exercisable until January 20, 2017 at prices varying from US $40 to $45 for the contracts covering the Agnico Eagle shares and from US $7 to $12 for those on Yamana Shares. The obligations related to the call option contracts has been valued at September 30, 2015 at $64,987 and as been included in the accrued liabilities.

10 - EQUITY

10.1 - Capital stock

The capital stock of the Company consists only of fully paid common shares.

Authorized
Unlimited number of common shares, without par value, voting and participating.

Unlimited number of preferred shares, without par value, non-participating. The directors will define the rights, privileges, restrictions and conditions of these shares upon issuance.

10.2 - Options exercised

During the nine month period ended on September 30, 2015, the Company issued 358,792 of its common shares for a total consideration of $683,017 from the exercise of stock options. In the first quarter a total of 330,000 stock options were exercised: 225,000 options at $2.50 and 105,000 at $0.55. The share price on the market at the day before the exercise was $3.65. In the third quarter 28,792 stock options were exercised at $2.18. The share prices on the market at the day before the exercise were $1.80 (19,848 stock options) and $2.50 (8,944 stock options).

10.3 - Shares for professionnal fees

The Company elected to settle the fairness opinion fee and the advisory fee of $367,500, incurred in the sale process of its Malartic CHL Property by issuing 100,791 of its common shares. This transaction has been reflected at March 31, 2015 although the shares were issued subsequently.

(In Canadian dollars)

10.4 - Private Placements

On February 5, 2014, the Company closed a non-brokered private placement pursuant to which it has issued 500,000 units at a per unit price of $0.30 for a gross proceed of $150,000. Each unit consists of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant entitling the purchase of one common share of the Company at a per share price of $0.45 until August 5, 2015. No value has been assigned to the warrants. Golden Valley was the sole subscriber under the offering.

On July 17, 2014, the Company closed the non-brokered private placement it had previously announced. The Company has issued 800,000 of its common shares at a price of $2.50 per share for gross proceeds of $2,000,000. Mr. Rob McEwen who was the sole subscriber for this offering has also been granted the right to maintain his pro-rata ownership in the Company on future financings. Mr. McEwen now owns 951,515 common shares or 9.28% of the Company outstanding equity and has become the second largest shareholder of the Company after Golden Valley.

10.5 - Warrants

On June 20, 2014, Golden Valley has exercised the warrants described above in Note 10.4. Accordingly the Company issued 250,000 common shares of its capital against a payment of $112,500. There are no other warrants outstanding.

10.6 - Shares for debts

On September 8, 2014, after receiving Exchange approval and pursuant to share for debt subscription agreements between the Company and its executive officers and directors, the Company issued 38,055 common shares, at a price of $3.70 per common share, in settlement of $140,803 in accrued executive officer salary and director fees, covering the period from June 1, 2013 to July 31, 2014. This is the maximum number of shares in replacement of cash that could be issued in accordance with the policies of the Exchange.

11 - EMPLOYEE REMUNERATION

11.1 - Salaries and employee benefits expense

The Company has implemented an Executive Compensation Policy which approved certain payments being paid and accrued to directors and officers. The Company's executives are receiving a salary in accordance with the amounts approved in the Policy and monthly accruals are being recorded to cover the total estimated meeting fee remuneration payable to directors. The directors and executive officers are also entitled to receive incentive stock options and the Company has adopted a Restricted Share Unit Plan. The Company does not offer any other benefits or perquisites to its directors and executive officers.

The compensation paid or payable to directors and executive officers for the periods indicated are shown below:

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	$	$	$	$
Salaries and benefits	116,000	64,946	240,000	144,946
Meeting fees	30,000	27,419	68,629	157,419
Share-based compensation	-	214,173	-	448,046
Payroll levies (1)	22,367	29,536	60,658	29,536
	168,367	336,074	369,287	779,947

(1) The payroll levies are the Company's contributions to mandatory governmental benefits plans related to salaries, meetings fees and taxable benefits on exercise of incentive stock options.

(In Canadian dollars)

11.2 - Share-based payments

The Company has adopted a further amended and restated incentive stock option plan so as to convert its rolling 10% plan into a 20% fixed option plan (the "New Plan"). Pursuant to the New Plan, options, for an aggregate total of 1,740,200 common shares, may be granted to its directors, officers, employees, consultants or management companies employees from time to time. The exercise price of each option is fixed by the Board of Directors, but shall not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the Exchange; if no sales were reported, it shall be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported. The vesting period of the options shall be determined by the Board of Directors, in accordance with the rules and regulations of the TSX Venture Exchange (the "Exchange").

The New Plan has been approved by the disinterested shareholders of the Company at the Company's annual general meeting and by the Exchange subsequently.

There has been no incentive stock option issued in the nine month period ended September 30, 2015.

On June 2, 2014, the four directors at the time, agreed to surrender for cancellation a portion of their stock options entitling them to purchase an aggregate of 130,000 common shares (32,500 each) such that the reserve under the Company's plan had sufficient room to provide for the grant of stock options to new directors.

On June 2, 2014, the Company granted an aggregate 150,000 incentive stock options at an exercise price of $2.18 per common share to two consultants (who were subsequently elected to the Company's Board on June 30, 2014). The options are exercisable at the date of grant and expire 5 years from the date of grant on June 2, 2019. The fair value of the options granted, calculated using the Black-Scholes option-pricing model at the date of grant, was estimated to $247,771.

All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options, in cash.

The Company's stock options are as follows for the reporting periods presented:

	2015		2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Outstanding at January 1	1,612,500	1.69	1,720,000	1.53
Granted	-	-	150,000	2.18
Exercised	(358,792)	1.90	-	-
Cancelled	-	-	(130,000)	2.50
Outstanding at September 30	1,253,708	1.63	1,740,000	1.53
Exercisable at September 30	1,253,708	1.63	880,000	2.50

Abitibi Royalties Inc.

Notes to Financial Statements
September 30, 2015 and 2014
(In Canadian dollars)

11.2 - Share-based payments **(continued)**

The table below summarizes the information related to outstanding share options as at September 30, 2015 and 2014:

Range of exercise price	2015 Outstanding options		2014 Outstanding options	
	Number of options	Weighted average remaining contractual life (year)	Number of options	Weighted average remaining contractual life (year)
$0.55 to $1.00	587,500	3.00	860,000	4.00
$2.01 to $3.00	586,208	1.55	840,000	2.48
$3.01 to $4.00	80,000	3.96	80,000	4.96
	1,253,708		1,780,000	

11.3 - Restricted Share Unit Plan

The Company's Board of Directors has implemented a Restricted Share Unit Plan (the "RSU Plan"), which provides that restricted share units ("Share Units") may be granted by the Company's Compensation and Corporate Governance Committee (the "Committee") to executive officers, directors, bona-fide full or part-time employees and consultants (each a "Participant") as a bonus or similar payment in respect of services rendered or otherwise as compensation, including as an incentive for future performance, or in satisfaction of dividends declared by the Company and payable to Participants. The aggregate number of common shares issuable pursuant to Share Units granted under the RSU Plan will not, at any given time, exceed 896,769 common shares, among other limits with respect to individual grants under the RSU Plan. At the time Share Units are granted to a Participant, the Committee will determine any time-based or other conditions as to the vesting of the Share Units and the expiry date (the "Expiry Date") for such Share Units. The Expiry Date of a Share Unit will be the tenth anniversary of its date of grant, unless the Committee determines an earlier date, or subject to accelerated expiry in the event of a change of control of the Company. As of September 30, 2015, no Share Units have been granted.

12 -EARNINGS (LOSS) PER SHARE

	Quarter ended September 30, 2015	Nine months ended September 30, 2015	2014
Net income (loss) for the period attributable to shareholders	$ (4,681,337)	$ 16,870,678	$ (1,367,148)
Weighted average number of common shares outstanding - basic	10,912,398	10,774,026	9,451,319
Dilutive effect of stock options	-	673,242	-
Weighted average number of common shares outstanding - diluted	10,912,398	11,447,268	9,451,319
Basic earnings (loss) per share	$ (0.43)	$ 1.57	$ (0.14)
Diluted earnings (loss) per share	$ (0.43)	$ 1.47	$ (0.14)

Abitibi Royalties Inc.

Notes to Financial Statements
September 30, 2015 and 2014
(In Canadian dollars)

12 -EARNINGS (LOSS) PER SHARE (continued)

Both the basic and diluted earnings (loss) per share have been calculated using the net loss attributable to owners of the Company as the numerator, i.e. no adjustment to the net loss were necessary in either of the periods ended September 30, 2015 and 2014.

Only share equivalents with exercise prices exceeding the average market price for the period ($3.19 for the nine month period and $2.44 for the quarter) have been considered in the calculation of the diluted earnings per share.

13 - OFFICE EXPENSES

	Three months September 30, 2015	Nine months September 30, 2015	Nine months September 30, 2014
	$	$	$
Insurance premium	5,392	20,229	11,632
Communications	3,561	10,523	8,408
Office rental	2,536	6,271	-
Others	1,240	3,793	7,472
	12,729	40,816	27,512

14 - PROFESSIONAL FEES

	Three months September 30, 2015	Nine months September 30, 2015	Nine months September 30, 2014
	$	$	$
Audit, tax and accounting fees	4,680	47,840	15,600
Legal fees	23,079	156,315	293,399
Exchange, regulatory and transfer agent fees	12,530	41,344	39,874
Media relations and other	32,484	99,060	121,328
	72,773	344,559	470,201

15 - MANAGEMENT FEES

On October 1, 2010 the Company entered into a Management and Administrative Services Agreement (the "Management Agreement") with Golden Valley pursuant to which Golden Valley will provide certain administrative, management and financial services such as office space, administrative support, including the use of Golden Valley's in house legal counsel for day to day general enquiries, services of a chief financial officer and investors relations services to the Company in consideration of $96,000 per year (the "Fee"), payable on a monthly basis, plus applicable taxes. The provision of services by Golden Valley commenced on October 1, 2010, but payment of monthly fees started as of July 15, 2011 (the "Trading Date").

15 - MANAGEMENT FEES (continued)

From July 1, 2013, Golden Valley agreed to provide the services but suspended the management fees to enable the Company to conserve cash for its operations. Accordingly, from July 1, 2013 to March 31, 2014, the Company did not pay any management fees to Golden Valley. Effective April 1, 2014, as its cash situation permitted such payment, the Company resumed payment of the management fees. For the nine months ended September 30, 2015, the Company has paid management fees of $72,000 ($48,000 for the nine months ended September 30, 2014) to Golden Valley.

The Management Agreement is for an initial term of two years commencing on the Trading Date, and will be automatically renewed after the initial term for successive period of 12 months. The Management Agreement can be terminated at any time and by either party, upon delivery of a twelve month written notice. The Management Agreement provides for the Fee to be reviewed on an annual basis.

The Company entered into an amending agreement (an "Amending Agreement") with Golden Valley dated as of May 21, 2014, amending the terms of the Management Agreement. The Amending Agreement confirms, among other things, that:

- if there is a change of control of the Company and Golden Valley terminates the Management Agreement within six months of the change of control;
- if the Company terminates the Management Agreement within twelve months of the change of control; or
- if the Company and Golden Valley agree to terminate the Management Agreement within six months of the change of control.

Then the Company will pay Golden Valley a termination payment equal to the aggregate of the amounts that would have been payable by the Company to Golden Valley as the fee for the period from the date of the Amending Agreement to the date on which the Management Agreement is terminated if payment of the fee had not been suspended during such period.

16- SALE OF MALARTIC CHL PROSPECT

On March 19, 2015, the Company entered into an acquisition agreement with Canadian Malartic GP, a general partnership, Yamana and Agnico Eagle to sell its 30% free carried interest in the Malartic CHL Prospect (the "Project") in consideration for 3,549,695 shares of Yamana and 459,197 shares of Agnico Eagle and a 3% net smelter return royalty on the Project. Based on the closing prices of the shares of Yamana ($4.74) and Agnico Eagle ($36.29) on the TSX the day before the closing of the transaction the consideration received is worth $33,489,813 excluding the 3% NSR royalty. No value has been assigned to the 3% NSR royalty; the Project still being at the early stage of exploration, future cash flow could not be reliably estimated.

After this transaction the Company retains the following:

a) Shares in Yamana and Agnico Eagle for a value of $33.5 million (as at March 19, 2015)

b) a 3% net smelter return royalty on the Project

c) a 2% net smelter return royalty on a portion of the Gouldie gold deposit at the Canadian Malartic mine

d) its 100% interest in the Luc Bourdon and Bourdon West Prospects in the McFauld's Lake ("Ring of Fire") area, Ontario.

The Company has engaged Maxit Capital LP as its financial advisor and Getz Prince Wells LLP as its legal advisor in connection with this transaction. The Company has elected to settle the $367,500 advisory fees payable to Maxit Capital LP by the issue of 100,791 common shares. The common shares were issued in April 2015.

(In Canadian dollars)

16- SALE OF MALARTIC CHL PROSPECT (continued)

	March 19, 2015
Market value of consideration received	33,489,813
Less Fair value of mandatory retention period (1)	(3,374,856)
Fair value of consideration received	30,114,957
Less Transaction costs	(443,953)
Fair value of consideration received net of transaction costs	29,671,004
Less Book value of exploration and evaluation asset sold	(136,270)
Gain on the sale of the Malartic CHL Prospect (no tax impact) reported on March 31, 2015	29,534,734
Variation in Transaction costs	1,890
Success fee payable as a result of the sale of the Malartic CHL prospect	(4,290,000)
Gain on the sale of the Malartic CHL Prospect (no tax impact).	25,246,624

(1) As per securities regulations, shares received from Agnico Eagle and Yamana are subject to a mandatory retention period of four months and one day.

17 - ADDITIONAL CASH FLOW INFORMATION

Non-cash activities:

	September 30,	
	2015	2014
	$	$
Accounts payable and accrued liabilities included in exploration and evaluation assets	502	1,197
Success fee payable included in gain on disposal of exploration and evaluation assets	4,290,000	-
Common shares issued in consideration of payment of transaction costs included in gain on disposal of exploration and evaluation assets	367,500	-
Common shares received in consideration of disposal of exploration and evaluation assets	30,114,957	-

18 - RELATED PARTY TRANSACTIONS

18.1 - Transactions with the parent company

During the nine month period ended September 30, 2015, the Company was charged $72,000 for services received from Golden Valley pursuant to the Management Agreement ($48,000 for the nine months ended September 30, 2014). For more information about the management fees refer to Note 15 - Management Fees .

In addition, pursuant to the terms of the Management Agreement, Golden Valley has agreed to provide the Company with the services of a qualified geologist at an hourly charge equal to the hourly charge to Golden Valley, plus 10%. During the nine months period ended September 30, 2015 the Company incurred geological fees in the amount of $6,716, ($5,080 for the period ended September 30, 2014) of this amount $2,583 was included in exploration and evaluation assets. As at September 30, 2015, the Company had net indebtedness of $832 ($1,808 at September 30, 2014) to Golden Valley of which $502 were for geological services.

18.2 - Transactions with key management

The president is using the Toronto Property as an office for the Company and is being reimbursed the expenses related to the premises (rent and municipal taxes representing about $2,000 per quarter). During the nine month period ended on September 30, 2015, the Company has paid $6,271 for the Toronto office ($1,080 for the period ended September 30, 2014).

The Company entered into an agreement with 2973090 Canada Inc., a company owned and controlled by Glenn J. Mullan, the Company's CEO, to provide for payment of success fees to some or all of the Company's management upon completion by the Company of certain types of transactions. Total amount payable under this agreement has been determined to be $4,290,000. A first disbursement of $75,000 has been made under this agreement in August 2015 and a second payment of $42,000 has been approved for payment in November 2015. For more information on this agreement and the possible future payouts refer to Note 20.

On June 2, 2014, the Company granted an aggregate 150,000 incentive stock options valued at $246,771 to two consultants (who were subsequently elected to the Company's Board on June 30, 2014). For more information refer to Note 11.2 - Share-based payments.

19 - COMMITMENT

The Company has no commitments other than those disclosed in these notes.

20 - MANAGEMENT SUCCESS FEES AGREEMENT

On May 27, 2014, the Company entered into a Management Success Fees Agreement with 2973090 Canada Inc., a company of which Glenn J. Mullan is the sole shareholder, director and officer, as the "Trustee" and the CEO of the Company. This agreement provides that upon the Company completing a transaction or series of transactions (in either case, a "Transaction") pursuant to which:

a) the Company is acquired by or combined with a third party,

b) a third party acquires any of the Company's assets or operations,

c) the Company completes an equity or debt financing that meet particular thresholds, subject to Exchange approval, or

d) there is a change of control of the Company.

The Company will get an independant determination of the value of the Transaction based on the value of the consideration received by the Company or its shareholders for the shares or assets subject to the Transaction. Once the value of the transaction has been determined, the Company will pay to the Trustee a success fee (the "Success Fee") which the Trustee will then allocate among the members of the Company's management (including its President, Chief Executive Officer and its Chief Financial Officer) and/or its key consultants. After consultation with the Company's Compensation and Corporate Governance Committee, the Trustee will have sole discretion to determine how the Success Fee is to be allocated. The amount of the Success Fee is to be based on the value of the Transaction.

Following the sale of the Malartic CHL Property, the Board of Directors and the Trustee opened discussions which resulted, on May 16, 2015, in a second amendment to the Management Success Fees Agreement. On May 22, 2015, the Board of Directors approved the Management Success Fees Agreement by virtue of the sale of the Malartic CHL Prospect, and established the amount of the Success Fee payable with respect to the sale to $4,290,000 of which $3,500,000 of the Success Fee is payable in one or more payments, from time to time as and when the Company has the funds available to do so, as determined by its Board of Directors, in accordance with the Management Success Fees Agreement. A first tranche of $75,000 was paid in August 2015 and a second tranche of $42,000 was approved for payment in November 2015. The Company and the Trustee have agreed, however, that portions of the remaining $790,000 (the "Contingent Amount") will become payable in the same way but only as Proven and Probable Reserves are established on the Malartic CHL Project in accordance with National Instrument 43-101, provided that if the Company undergoes a Change of Control (as defined in the Management Success Fees Agreement), any remaining portion of the Contingent Amount that has not already become payable will be paid on the Change of Control.

21 - SUBSEQUENT EVENT

Normal Course Issuer Bid

On October 2, 2015, the Company received the Exchange acceptance of its notice to commence a normal course issuer bid ("NCIB"). This approval allows the Company to purchase back up to 546,300 of its common shares (representing 5% of the Company's total issued and outstanding common shares as of September 21, 2015) from October 6, 2015 to October 5, 2016. Common shares that will be purchased under the NCIB will be cancelled.