

AuRico Metals Reports 2016 First Quarter Results

Toronto (ots/PRNewswire) - AuRico Metals Inc. (TSX: AMI), ("AuRico" or the "Company") today reported its financial results for the quarter ended March 31, 2016. For complete details of the Financial Statements and associated Management's Discussion and Analysis for the quarter ended March 31, 2016, please see the Company's filings on SEDAR (<http://www.sedar.com>) or the Company's website (<http://www.auricometals.ca>). All amounts are in US dollars unless otherwise indicated.

Recent Highlights

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- During Q1 2016, recognized royalty revenue of \$1.7 million, comprised of \$0.7 million from the Young-Davidson royalty, \$0.7 million from the Fosterville royalty and \$0.3 million from the Hemlo, Eagle River and Stawell royalties. The Company re-confirms its 2016 royalty revenue guidance of \$6.6 million to \$7.1 million;
- During Q1 2016, Newmarket announced that the reserves associated with the Company's Fosterville royalty increased by 34%, after depletion, and total Measured & Indicated resources increased by 5% as at December 31, 2015;
- On March 31, 2016, finalized an acquisition credit facility with Macquarie Group for up to \$15.0 million to support potential royalty acquisitions;
- On March 23, 2016, announced an updated Kemess Underground feasibility study which confirmed the potential for the development of a large, low-cost panel caving operation;
- On March 23, 2016, announced an updated Kemess East mineral resource which included a high grade core estimated to contain Indicated Resources of 19.2 million tonnes grading 0.47% copper and 0.72 gold grams per tonne as well as Inferred Resources of 31.7 million tonnes grading 0.45% copper and 0.63 gold grams per tonne;
- On March 4, 2016, the Company submitted its EA application for the Kemess Underground project. On April 25, 2016, the Company announced that the EA application had been screened and formally accepted;
- Reported \$7.2 million in cash and \$5.8 million in working capital, excluding inventories, as at March 31, 2016; and
- On April 14, 2016, completed a \$1.6 million (C\$2.0 million) CDE

("Canadian Development Expenses") flow-through financing with the issuance of 2.5 million shares at C\$0.80 per share. Proceeds are to be spent on eligible expenditures at the Company's Kemess Underground project during the remainder of 2016.

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Commenting on the results, Chris Richter, President and CEO stated, "Developments in the first quarter demonstrate the deep and growing value of AuRico Metals. All of the assets underlying our five producing royalties have seen their reserves increase and we expect to see growing production from this portfolio over the course of the year. Having secured a \$15M acquisition line of credit, we continue our efforts to identify quality opportunities to grow our royalty portfolio." Chris continued, "Kemess is a stand-out development opportunity and during the quarter we were excited to release the results of a positive Feasibility Study update outlining the potential to produce 238,000 gold equivalent ounces per year at all-in sustaining costs of \$682 per ounce over the first five years of commercial production. Further potential exists at Kemess East and as part of the resource update we released during the quarter we were pleased to highlight the identification of a high grade core to the deposit - which remains open in several directions. Earlier this week we announced that the EA application for Kemess Underground had been formally accepted for review and we look forward to advancing permitting efforts this year."

Operations Update

Royalties

From inception of the Company until March 31, 2016, the Company recognized \$4.7 million in royalty revenue while the net asset values of its royalties continue to increase due to expected mine life extensions. During Q1 2016, the Company recognized revenues from the following royalties:

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- Young-Davidson 1.5% NSR royalty - \$0.7 million;
- Fosterville 2% NSR royalty - \$0.7 million;
- Hemlo 0.25% NSR royalty - \$0.1 million;
- Eagle River 0.5% NSR royalty - \$0.1 million; and
- Stawell 1% NSR royalty - \$0.1 million.

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During the first quarter of 2016, all of the operators of the Company's royalty assets, with the exception of the non-producing Big Hill project at Stawell, announced increases in reserves after mining depletion. This demonstrates the quality of the Company's royalty portfolio, as the mine lives underlying these royalties continue to extend.

During Q1 2016, the Company recognized revenue of \$0.7 million from the Young-Davidson 1.5% NSR royalty. Alamos has provided gold production guidance at Young-Davidson of 170,000 to 180,000 ounces of gold in 2016. Young-Davidson continues to replace reserves, as total reserves increased by 74,000 ounces, net of depletion, to 3.84 million ounces at December 31, 2015. This marks the fifth consecutive year of reserve replacement at Young-Davidson (please refer to press releases dated January 15, 2016 and March 24, 2016 available at <http://www.sedar.com>, and on Alamos' website at <http://www.alamosgold.com>).

The Company recognized revenue of \$0.7 million from the Fosterville 2% NSR royalty in the three months ended March 31, 2016. In Q1 2016, Fosterville announced another record quarter, producing 33,138 ounces at a mill grade of 7.34 grams per tonne gold. Newmarket has provided gold production guidance of 110,000 to 120,000 ounces at Fosterville in 2016. Fosterville reserves increased 34% to 244,000 ounces, after depletion, and measured and indicated resources increased 5% to 2.12 million ounces of gold at December 31, 2015. Contributing to the increase in reserves was a 25% increase in reserve grade, driven by the addition of the recent Eagle Fault discovery (please refer to the press releases dated January 18, 2016, March 21, 2016 and April 12, 2016, available at <http://www.sedar.com>, and on Newmarket's website at <http://www.newmarketgoldinc.com>).

The Company's 1% NSR royalty on the Stawell mine in Victoria, Australia, commenced on January 1, 2016 in accordance with the NSR agreement. The Company recognized revenue of \$0.1 million from this royalty in Q1 2016, based on 8,579 ounces of production during the quarter. Newmarket has provided gold production guidance of 35,000 ounces at Stawell in 2016 (please refer to the press releases dated January 18, 2016 and April 12, 2016 available at <http://www.sedar.com>, and on Newmarket's website at <http://www.newmarketgoldinc.com>).

During Q1 2016, the Company recognized revenue of \$0.1 million from

its 0.25% royalty on the Williams mine at Hemlo. During the quarter, Barrick announced a 12% increase in reserves at Hemlo from 820,000 ounces at the end of 2014 to 917,000 at the end of 2015, after mining depletion. Barrick also announced 2016 production guidance of 200,000 to 220,000 ounces at Hemlo, of which the Company expects 70-80% of this production to occur on its royalty lands. Approximately \$8.0 million in exploration expenditures will be spent at Hemlo in 2016 (please refer to the press release dated February 17, 2016 available at <http://www.sedar.com>, and on Barrick's website at <http://www.barrick.com>).

The Company recognized revenue of \$0.1 million from its 0.5% NSR royalty on the Eagle River underground mine during the three months ended March 31, 2016. During the quarter, Wesdome announced a 13% increase in mineral reserves at the Eagle River mine to 300,000 ounces, after mining depletion, and a 112% increase in inferred mineral resources to 170,000 ounces. Wesdome has also announced plans to spend C\$4.5 million on a 40,000 metre exploration program at Eagle River to better understand the potential of the recently discovered 300 and 7 parallel zones.

During the quarter, the Company finalized an acquisition credit facility with Macquarie Group for up to \$15.0 million to support potential royalty acquisitions. The Company will remain selective in its evaluation of royalty growth opportunities.

Kemess Underground

The Company has completed the Kemess Underground EA application and provided it to both the BC EAO and its First Nations partners. On April 25, 2016, the Company announced that the EA application had been screened and formally accepted for detailed review by the BC EAO. The Company is making revisions and reformatting the EA application to integrate the clarifications and additional information provided by the Company during the screening period. The EAO will initiate the 180 day review period once the revised application has been submitted, which is anticipated to occur in early May. During the review period the Company will respond to comments and questions as directed by the BC EAO and these will be incorporated into the final Application. Towards the end of the 180 day review period, the BC EAO will conclude their assessment and submit their report to both the provincial and federal ministers for their respective decisions. These decisions must be announced within

45 days of receipt of such reports and are expected in Q4 2016.

Kemess East

The Company currently has planned a \$1.7 million drill campaign for 2016 focused on expanding the high grade core of this deposit, and converting Inferred resources to Indicated resources.

Near-Term Corporate Objectives

The Company's objectives over the next several months include:

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- Evaluate potential royalty acquisition opportunities that are accretive to the Company's cash flow profile;
- Filing of an updated NI 43-101 technical report, containing both the Kemess Underground Feasibility Study and the updated Kemess East Mineral Resource Estimate (early May);
- Progress EA review and permitting efforts at Kemess Underground; and
- Continue advancement of efforts to reduce care and maintenance costs at the Kemess site to targeted levels by Q4 2016.

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Outlook

AuRico Metals expects to be free cash flow positive in 2017 following the completion of this year's capital and exploration programs as well as the cost cutting measures being pursued at Kemess.

About AuRico Metals

AuRico Metals is a mining royalty and development company whose producing gold royalty assets include a 1.5% NSR royalty on the Young-Davidson Gold Mine, a 0.25% NSR royalty on the Williams Mine at Hemlo, and a 0.5% NSR royalty on the Eagle River Mine - all located in Ontario, Canada. AuRico Metals also has a 2% NSR royalty on the Fosterville Mine and a 1% NSR royalty on the Stawell Mine, located in Victoria, Australia. Aside from its diversified royalty portfolio, AuRico owns (100%) the advanced Kemess Gold-Copper Project in British Columbia, Canada. AuRico Metals' head office is located in Toronto, Ontario, Canada.

Cautionary Statement

This press release contains forward-looking statements and forward-looking information as defined under Canadian and U.S. securities laws. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements. The words "expect", "believe", "anticipate", "will", "intend", "estimate", "forecast", "budget" and similar expressions identify forward-looking statements. Forward-looking statements include statements related to the Company's outlook and key deliverables on Kemess over the next year. These statements are based on a number of factors and assumptions that, while considered reasonable by management at the time of making such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such forward-looking statements and the factors and assumptions underlying them in this document include, but are not limited to:

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- Royalty revenue guidance may be impacted by the performance of the Young-Davidson, Fosterville, Stawell, Hemlo and Eagle River mines. Management has based its revenue assumptions on the latest guidance provided by the operators of these assets, but there is uncertainty as to whether operators will achieve stated production guidance. Royalty revenue is also based on an assumed gold price of \$1,150 per ounce. The Company's gold price assumption may be inaccurate; every \$50 change in gold price assumption impacts after-tax revenue by \$0.3 million.
- General and administrative expense guidance may be impacted by changes in foreign exchange rates, employee relations, litigation, and business opportunities that may be pursued by the Company.
- Care and maintenance expense guidance may be impacted by changes in foreign exchange rates, progress made on the EA and permitting efforts, results of the updated feasibility study, availability of financing, employee relations, electricity rates in British Columbia, weather in the region surrounding the Kemess site, equipment reliability, quality of service received by vendors and consultants, and the price of consumables.
- Kemess underground capital expenditures are at the Company's discretion and will be impacted by changes in foreign exchange rates, the number of comments or questions raised by First Nations

partners, working group members, and the general public during the EA review period, additional studies required in order to address concerns raised and the results of those studies, the results of the Company's updated feasibility study, optimization efforts by management, and credit market conditions and conditions in financial markets generally.

- The estimates, models and assumptions contained in the Feasibility Study, which may be impacted by changes in commodity prices and the exchange rate between the Canadian dollar and US dollar from assumed levels, estimated future production and cost of sales forecasts meeting expectations, estimated labour and materials costs being consistent with the Company's expectations, the accuracy of current mineral reserve and mineral resource estimates as contemplated by the Feasibility Study, the viability of Kemess Underground including, but not limited to, permitting, development and expansion being consistent with the Company's current expectations, access to capital markets, including but not limited to identifying financing options and securing partial project financing for the Kemess Underground project, being consistent with the Company's current expectations.
- The estimates, models and assumptions contained in the Kemess East Mineral Resource estimate, which may be impacted by changes in commodity prices and the exchange rate between the Canadian dollar and US dollar from assumed levels, the accuracy of current mineral resource estimates, as contemplated by the Mineral Resource estimate, and metallurgical recoveries being consistent with the Company's current expectations.

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The Company has made forward-looking statements relating to corporate objectives and key deliverables over the next 12 months, including permitting and the EA, the Company's ability to fund forecasted cash shortfalls, the Company's ability to create value for shareholders, sufficiency of working capital for future commitments and other statements that express management's expectations or estimates of future performance.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained herein. Such statements are based on a number of assumptions which may prove to be incorrect, including assumptions about: business and economic conditions; commodity prices and the price of key inputs such as labour, fuel and electricity; credit

market conditions and conditions in financial markets generally; development schedules and the associated costs; ability to procure equipment and supplies and on a timely basis; the timing and ability to obtain permits and other approvals for projects and operations including provincial and federal approval of the environmental application; the ability to attract and retain skilled employees and contractors for the operations; the accuracy of reserve and resource estimates; the impact of changes in currency exchange rates on costs and results; interest rates; taxation; and ongoing relations with employees and business partners. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this press release are qualified by these cautionary statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

Other information

The technical information disclosed in this press release relating to the Kemess Underground project, Kemess East Mineral Resource and the Company's Young-Davidson and Fosterville NSR royalties has been approved by Mr. John Fitzgerald, an officer of the Company, who is a qualified person within the meaning of National Instrument 43-101.

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OTE0001 2016-04-28/00:55

280055 Apr 16

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