

TORONTO, March 29, 2017 /CNW/ - [AuRico Metals Inc.](#) (TSX: AMI), ("AuRico" or the "Company") is pleased to provide an update on its royalty portfolio, highlighting significant increases in mineral reserves and resources at Fosterville, Hemlo, and Eagle River, and further developments relating to the Company's royalty pipeline.

"We're very happy to see that ongoing exploration efforts at Fosterville and Hemlo have yielded 66% and 73% increases, respectively, in mineral reserves at these operations," commented Chris Richter, President and CEO of AuRico Metals. "The significant growth in reserves and resources at operations underlying our royalties underscore the high quality nature of our royalty portfolio."

Fosterville (2% NSR Royalty)

On March 28, [Kirkland Lake Gold Ltd.](#) ("Kirkland") announced that updated mineral reserves at the Fosterville gold mine increased by 66%, to 643,000 ounces of gold, after depletion, accompanied by a 27% increase in grade to 9.2 g/t Au from the prior year estimate. Measured and Indicated mineral resources, inclusive of reserves, increased by 23% to 2,790,000 ounces of gold accompanied by a 25% increase in grade to 5.7 g/t Au.

As stated in Kirkland's press release dated March 28, 2017, the significant increase in mineral reserves is underpinned by down-plunge extensions of the high-grade, visible gold-bearing Lower Phoenix Gold Zone and the discovery of visible gold-bearing Harrier Zone. Fosterville continues to maintain a large underlying mineral resource base that is expected to support future additions to mineral reserves, with potential to further extend the current known mineral resource following ongoing surface and underground drilling, testing near-mine gold systems up and down-plunge from current mineral reserves and resources.

The Fosterville Gold Mine is 100% owned by Kirkland. Separate from the Fosterville mine, Kirkland also holds exploration licenses covering an area over 500 km², encompassing the entire known strike extent of the Fosterville Goldfield. AuRico's 2% net smelter return (NSR) royalty is payable over all of this ground.

For more information and complete reserve and resource details see Kirkland's press release dated March 28, 2017 and visit the website at [www.klgold.com](#).

Hemlo (0.25% NSR Royalty on Williams Mine, and 1.5% NSR on David Bell Property)

On February 15, Barrick Gold announced a 73% increase in mineral reserves at Hemlo from 917,000 ounces of gold at the end of 2015 to 1,588,000 ounces at the end of 2016, after mining depletion. Measured and Indicated mineral resources, exclusive of reserves, increased 19% to 1,720,000 ounces of gold. Annual production at Hemlo totaled 235,000 ounces of gold in 2016, representing an increase of 7% from the prior year.

Barrick Gold's 2017 guidance for Hemlo is 205,000 to 220,000 ounces at all-in sustaining cash costs of \$880-\$980 per ounce.

For more information, visit Barrick Gold's website at [www.barrick.com](#).

Eagle River (0.5% NSR Royalty)

On February 22, Wesdome Gold Mines ("Wesdome") announced a 15% increase in mineral reserves at Eagle River from 300,000 ounces of gold at the end of 2015 to 344,000 ounces of gold at the end of 2016, after mining depletion.

Wesdome has stated that it will continue its focus on development into higher grade areas of the Eagle River Underground Mine with initial stope production from the 7 Zone which commenced in Q4 2016, well ahead of schedule. This will enable stope production from multiple high grade areas within the Eagle River Mine earlier than expected.

For more information, see Wesdome's press release dated February 22, 2017 and visit the website at [www.wesdome.com](#).

Exploration Joint Venture Agreement at Kliyul with [First Quantum Minerals Ltd.](#) ("First Quantum")

On March 8, AuRico closed the acquisition of Kiska Metals adding six additional royalties to the Company's portfolio as well as six wholly-owned properties with the potential for organic royalty creation. On March 17, AuRico entered into a binding Letter Agreement with First Quantum for one of these properties, Kliyul, located in British Columbia, approximately 50 km south of AuRico's Kemess property.

Under the terms of the agreement, First Quantum has 12 months to evaluate the Kliyul project. It can then choose to enter into

an Option to earn a 51% interest by incurring a minimum of C\$5 million of expenditures on the project prior to December 31, 2021. First Quantum's interest will increase by a further 29% (80% total) when a decision to mine is made. Upon a decision to mine, AuRico will be entitled to receive advance royalty payments of C\$2 million per year until the commencement of commercial production, and will retain a 0.5% NSR royalty once production commences.

New Royalties Acquired Near Goldcorp's Red Lake Mine and New Gold's Rainy River Project

On March 3, the Company acquired a new royalty together with [Abitibi Royalties Inc.](#), whereby each party acquired a 1.0% NSR on two exploration properties, one located 6 km to the east and the other located 8 km to the south of Goldcorp's Red Lake Mine in Ontario.

On February 17, the Company acquired a new royalty together with [Abitibi Royalties Inc.](#), whereby each party acquired a 0.75% NSR on nine exploration properties located in the Rainy River district, near New Gold's Rainy River Project in Ontario.

These transactions add further depth and optionality to the Company's high quality royalty portfolio, which now consists of 18 royalties.

Qualified Person Statement

Technical information in this press release has been approved by Chris Rockingham, P. Geol., Vice President, Development for the Company and "qualified person" (QP) for the purposes of NI 43-101.

About AuRico Metals

AuRico Metals is a mining development and royalty company with a 100% interest in the Kemess property in British Columbia, Canada. The Kemess property hosts the feasibility-stage Kemess Underground Gold-Copper Project, the Kemess East Exploration Project, and the infrastructure pertaining to the past producing Kemess South mine. AuRico's royalty portfolio includes a 1.5% NSR royalty on the Young-Davidson Gold Mine and a 2% NSR royalty on the Fosterville Mine, as well as a portfolio of additional producing and pre-production royalty assets located in North America and Australia.

Cautionary Statement on Forward-Looking Information

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 royalty portfolio and Kliyul project. 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, the future price of gold, the estimation of mineral reserves and resources, realization of mineral reserve estimates, and the timing and amount of estimated future production.

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; credit market conditions and conditions in financial markets generally; the accuracy of reserve and resource estimates; the impact of changes in currency exchange rates on costs and results; interest rates; and taxation.

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.

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SOURCE AuRico Metals

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