TORONTO, Nov. 11, 2015 /CNW/ - AuRico Metals Inc. (TSX: AMI), ("AuRico" or the "Company") today reported its financial results for the quarter ended September 30, 2015. For complete details of the unaudited Condensed Interim Consolidated Financial Statements and associated Management's Discussion and Analysis for the period ended September 30, 2015, please see the Company's filings on SEDAR (www.sedar.com) or the Company's website (www.auricometals.ca). All amounts are in US dollars unless otherwise indicated.

Third Quarter Highlights

- Earned royalty revenues of $1.5 million;
- Completed the acquisition of Mineral Streams, which is anticipated to add approximately CAD $1.0 million per year in royalty income;
- Completed a private placement with Alamos for total proceeds of CAD $5.6 million ($4.2M USD);
- Completed its 2015 exploration program at Kemess, with 27,719 metres drilled; Highlights included the intersection of 772 metres of 0.465 grams per tonne (g/t) gold and 0.365% copper (further results below);
- Continued permitting efforts at Kemess Underground with Environmental Application submission expected in early 2016;
- Continued to advance the updated Kemess Underground Feasibility Study; and
- Reported $14.7 million in cash and $10.4 million in working capital, excluding inventories, as at September 30, 2015.

Commenting on the results, Chris Richter, President and CEO stated, "The third quarter was AuRico Metals' first quarter as a standalone company and I'm pleased with the progress the team has made in advancing both our royalty strategy and our Kemess Project. With the acquisition of Mineral Streams in September, AuRico has added to our portfolio of high quality cash flowing royalties located in top tier jurisdictions. We've also benefited from the exploration success the operators of the assets underlying a number of our royalties have had. At Kemess we announced the results of our successful 2015 drill campaign focused on Kemess East just last week and we continue to make good progress in advancing the Kemess Underground development project through, among other things, a feasibility study update and Environmental Application submission – both targeted for early 2016."

Operations Update

Royalties

The Company recognized revenue of $0.7 million from the Young-Davidson royalty in Q3 2015. Alamos has guided to gold production at Young-Davidson of 160,000 to 180,000 ounces of gold in 2015 and the mine is expected to ramp-up production further in 2016.

The Company recognized revenue of $0.7 million from the Fosterville royalty in Q3 2015. In Q3 2015 Fosterville sold 32,770 ounces, a record quarter of production driven by increased mill grades, which were reported at 6.42 grams per tonne. In addition, Newmarket has recently released promising drill results at Fosterville including the discovery of a new zone called the Eagle Fault (please refer to press releases dated September 14, 2015 and October 14, 2015 available at www.sedar.com, and on Newmarket's website at www.newmarketgoldinc.com).

On September 18, 2015, the Company closed the acquisition of Mineral Streams, a private company owning a 0.25% NSR on the Williams Mine at Barrick Gold Corp.'s Hemlo complex, a 0.5% NSR on Wesdome Gold Mine Ltd's Eagle River Mine, and a 1.5% NSR on Barrick's David Bell property, which also forms part of the Hemlo complex. The transaction closed on September 18, 2015 and the Company acquired all of the outstanding common shares of Mineral Streams by issuing 4,753,951 common shares and making a cash payment of CAD $3.4 million (USD $2.6 million). These royalties contributed $0.1 million in revenue for the short period owned during Q3 2015.

Kemess Underground

The Company continues to advance the preparation of the Kemess Underground Environmental Application ("EA"). Based on the current timeline it is expected that the EA will be submitted in Q1 2016. Once submitted the EA undergoes a 30 day screening (in order to ascertain that the EA complies with certain information requirements) and if the EA is compliant there is a 180 day review period during which time comments are received, addressed and incorporated into the Final Assessment Report. This is then delivered to both the provincial and federal ministers for their respective decisions. These decisions must be announced within 45 days.

The updated Feasibility Study continues to move forward, with its release anticipated in the first quarter of 2016.

Kemess East

The Company recently completed its 2015 exploration program at the Kemess East project, which included 27,719 metres of diamond drilling. The program included drilling 12 drill holes within the Kemess East deposit, 3 drill holes in the Kemess Offset target and 9 drill holes on other targets. The Kemess East results further expanded the higher grade core mineralized zone so that it is approximately 300 metres east-to-west and north-to-south at a similar elevation to the previously reported mineral resource. The deposit remains open to the east towards the Kemess East Offset fault, to the south towards the post mineral sovereign intrusion and to the north.

Highlights from these results include:

- Hole KH-15-01, which intersected 305 metres of 0.625 g/t gold and 0.433% copper;
    - Including 166 metres of 0.831 g/t gold and 0.492% copper;
- Hole KH-15-02, which intersected 301 metres of 0.466 g/t gold and 0.394% copper;
    - Including 184 metres of 0.619 g/t gold and 0.463% copper;
- Hole KH-15-23, which intersected 458 metres of 0.640 g/t gold and 0.437% copper;
    - Including 361 metres of 0.749 g/t gold and 0.478% copper;
    - Including 167 metres of 1.022 g/t gold and 0.574% copper;
- Hole KH-15-27, which intersected 590 metres of 0.516 g/t gold and 0.366% copper;
    - Including 476 metres of 0.615 g/t gold and 0.431% copper;
    - Including 325 metres of 0.743 g/t gold and 0.492% copper;
- Hole KH-15-30, which intersected 772 metres of 0.465 g/t gold and 0.365% copper;
    - Including 615 metres of 0.569 g/t gold and 0.429% copper; and
    - Including 224 metres if 0.773 g/t gold and 0.508% copper.

The drill results have both increased the confidence in the inaugural Kemess East resource and raised expectations for a potential increase in resources.

The Kemess Offset target is directly east of the Kemess Underground deposit and shows similar geological characteristics as Kemess Underground.

Further information about the 2015 exploration program, including drill results, are included in the Company's press releases dated November 3, 2015 and August 18, 2015, which are available on SEDAR at www.sedar.com and on the Company's website at www.auricometals.ca.

The technical information about the Company's exploration activities referenced in this press release has been reviewed and verified by Mr. Chris Rockingham, an officer of the Company, who is a qualified person within the meaning of National Instrument 43-101.

Corporate Objectives

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

- Submit the Kemess Underground EA (Q1 2016);
- Release an updated Kemess Underground Feasibility Study (Q1 2016);
- Complete an updated Kemess East resource (Q1 2016); and
- Evaluate potential royalty acquisition opportunities that are accretive to the Company's cash flow profile.

About AuRico Metals

AuRico Metals is a mining royalty and development company whose royalty assets include a 1.5% NSR on the Young-Davidson Gold Mine, a 0.25% NSR on the Williams mine at Hemlo, and a 0.5% NSR on the Eagle River mine – all located in Ontario, Canada. AuRico Metals also has a 2% NSR on the Fosterville Mine, located in Victoria, Australia, and 100% ownership of the advanced Kemess Project in British Columbia, Canada. AuRico Metals' head office is located in Toronto, Ontario, Canada.

Cautionary Statement

This MD&A 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 information as to strategy, projected gold production from the Young-Davidson, Fosterville, Stawell, Hemlo and Eagle River mines, which are not owned by the Company, plans or future financial or operating performance, such as the Company's expansion plans, project timelines including permitting and the environmental application, production plans, expected drilling targets, expected level of capital expenditures, forecasted cash shortfalls and the Company's ability to fund them, cost estimates, projected exploration results, reserve and resource estimates, 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.

Forward-looking statements are necessarily based upon 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 factors and assumptions underlying the forward-looking statements in this document include, but are not limited to: changes to current estimates of mineral reserves and resources; fluctuations in the price of gold and copper; changes in foreign exchange rates (particularly the Canadian dollar and U.S. dollar); the performance of the Young-Davidson, Fosterville, Stawell, Hemlo and Eagle River mines, which may impact the future cash flows associated with the Company's royalty holdings, the impact of inflation; employee relations; litigation; disruptions affecting operations; availability of and increased costs associated with mining inputs and labor; operating or technical difficulties in connection with mining or development activities; inherent risks associated with mining and mineral processing; uncertainty with the Company's ability to secure capital to execute its business plans; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits, including the necessary licenses, permits, authorizations and/or approvals from the appropriate regulatory authorities for the Kemess Underground project; contests over title to properties; changes in national and local government legislation in Canada and other jurisdictions in which the Company does or may carry on business in the future; risk of loss due to sabotage and civil disturbances; the impact of global liquidity and credit availability and the values of assets and liabilities based on projected future cash flows; risks arising from holding derivative instruments; business opportunities that may be pursued by the Company.

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.

SOURCE AuRico Metals

Contact
Chris Richter, President and Chief Executive Officer, AuRico Metals Inc., 416-216-2780, chris.richter@auricometals.ca; Robert Chausse, Chief Financial Officer, AuRico Metals Inc., 416-216-2780, robert.chausse@auricometals.ca