

TORONTO, March 23, 2016 /CNW/ - [AuRico Metals Inc.](#) (TSX: AMI) ("AuRico" or the "Company") is pleased to announce an updated National Instrument (NI) 43-101 compliant resource estimate for the Company's 100%-owned Kemess East deposit. The updated resource includes a high grade core estimated to contain Indicated Resources of 19.2 million tonnes grading 0.47% Cu and 0.72 g/t Au as well as Inferred Resources of 31.7 million tonnes grading 0.45% Cu and 0.63 g/t Au; as shown in Table 1.

The high grade core is associated with a strong potassic alteration zone and is open to the west, north and south directions as is the overall deposit. Figure 1 on the next page provides plan and section views of the Kemess East deposit, with resource model blocks colour-coded by Net Smelter Return (NSR) value (the notes to Table 1 include an explanation of NSR calculation parameters).

The overall Kemess East deposit is estimated to contain Indicated Resources of 39.2 million tonnes grading 0.40% Cu and 0.50 g/t Au and Inferred Resources of 109.6 million tonnes grading 0.37% Cu and 0.38 g/t Au.

The Kemess East deposit is located approximately one kilometre east of the Kemess Underground deposit and 6.5 kilometres north of the Kemess South facilities (see Figure 2). The Kemess Property is located in north-central British Columbia, Canada, approximately 430 kilometres northwest of Prince George.

Table 1: Kemess East Mineral Resource Estimate Summary (SRK, 2016)

Notes:

- NSR cut-off value of C\$17.3/t was used to define indicated and inferred resources within a solid representing a potential block or panel cave volume; see Figure 1.
- The potential cave volume, being the resource solid in Figure 1, was derived using Geovia's Footprint Finder software, an industry standard cave optimization software. The final resource solid was subject to manual editing to provide a shape that meets the "reasonable prospects" criteria given the focus on cave mining potential. External dilution is not included.
- NSR calculation assumed US\$3.20/lb copper, US\$1,275/oz gold and US\$21.0/oz silver prices; and C\$/US\$ exchange rate of 0.76.
- NSR calculation assumed metallurgical recoveries of 91% copper, 72% gold and 65% silver; as well as a 22% copper grade for concentrate. Molybdenum was excluded from the NSR calculation.
- A metallurgical testwork program on Kemess East core is planned for 2016.
- Details of the Sample Preparation and Quality Assurance and Quality Control are presented in AuRico Metals' Nov 3, 2105 press release reporting on the results of the Company's 2015 drill program.
- Resources were generated from 71 holes drilled at Kemess East in 2006, 2007, 2013, 2014 and 2015.
- A NI 43-101 compliant technical report is being prepared and will be filed on SEDAR at www.sedar.com within 45 days.
- Exploration activities at the Kemess East deposit have been conducted under the supervision of Wade Barnes, PGeo, Kemess Project Geologist, for AuRico Metals. Mr. Barnes is a "Qualified Person" as defined by NI 43-101.
- Mineral Resources were prepared under the supervision of Chad Yuhasz, SRK Consulting (Canada) Inc. Mr. Yuhasz is a "Qualified Person" as defined by NI 43-101.

Figure 1: Section and Plan Views of Kemess East Deposit

Commenting on today's announcement, Chris Richter, President and CEO of AuRico Metals stated, "We are very encouraged by the delineation of a high grade core to the Kemess East resource as a result of last year's drilling and the updated resource estimate. In a separate press release issued today, we released the positive results from an updated Feasibility Study at our Kemess Underground project and these results from Kemess East further highlight Kemess as a unique and valuable asset with growth potential."

Comparison to 2015 Resource Estimate

This resource estimate is lower in tonnage (by 16.6 M tonnes Indicated and 7.5 M tonnes Inferred) and similar in grade to the initial resource estimate (January 15, 2015, AuRico Gold press release). Whereas the 2015 resource estimate was largely based on a grade shell estimation model, this estimate is based on updated lithological, structural and alteration models. The 2015 drill program produced an improved understanding of the controlling geological faults and a much improved understanding of the alteration types and intensity. Statistical analysis of the gold and copper grades associated with each alteration type indicated a distinct grade change between each alteration type thus constraining grade estimation boundaries. These updated lithological, structural and alteration models were then used to model the Kemess East deposit.

Chad Yuhasz of SRK Consulting (Canada) Inc has reviewed and approved the scientific and technical information contained within this press release. Chad Yuhasz is a "Qualified Person" as defined by NI 43-101.

Figure 2: Kemess Property Map

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 on Forward-Looking Information

All statements, other than statements of historical fact, contained or incorporated by reference in this news release including, but not limited to, any information as to the future financial or operating performance of AuRico, constitute "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws, including the provisions of the Securities Act (Ontario) and are based on expectations, estimates and projections as of the date of this news release. Forward-looking statements contained in this news release include, without limitation, statements with respect to: the future price of gold, copper and silver, the estimation of mineral resources, costs and timing of the development of projects and new deposits, success of exploration, currency fluctuations, requirements for additional capital, government regulation of mining operations, and environmental risks. The words "anticipates", "estimates", "expects", "focus", "forecast", "indicate", "initiative", "intend", "model", "opportunity", "option", "plans", "potential", "projected", "prospective", "pursue", "strategy", "study" (including, without limitation, as may be qualified by "feasibility" and the results thereof), "target", "timeline" or variations of or similar such words and phrases or statements that certain actions, events or results "may", "could" or "would", and similar expressions identify forward-looking statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by AuRico as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates, models and assumptions of AuRico referenced, contained or incorporated by reference in this news release, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in our most recently filed Annual Information Form and our 2015 Management's Discussion and Analysis as well as: (1) the exchange rate between the Canadian dollar and the U.S. dollar being approximately consistent with assumed levels; (2) certain price assumptions for gold, copper, silver, diesel and electricity; (3) the results of the Kemess Underground Feasibility Study will be realized within a margin of error consistent with the Company's expectations; (4) the accuracy of the current mineral resource estimates of the Kemess East project; and (5) access to capital markets, including but not limited to identifying financing options and securing partial project financing for the Kemess project, being consistent with the Company's current expectations.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: the results of exploration at Kemess East and the accuracy of the mineral resource estimates at Kemess East; relations with First Nations partners and the Province of British Columbia; exploration for additional mineral resource potential; fluctuations in the currency markets; changes in the market valuations of peer group companies and the Company, and the resulting impact on market price to net asset value multiples; changes in various market variables, such as interest rates, foreign exchange rates, gold, copper or silver prices; changes in national and local government legislation, taxation, controls, policies and regulations; political or economic developments in Canada, the United States or elsewhere; business opportunities that may be presented to, or pursued by, us; employee relations; litigation against the Company; the speculative nature of mineral exploration and development including, but not limited to, the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; and contests over title to properties. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining. Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, AuRico's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, AuRico.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this news release are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the "Risk Factors" section of our most recently filed Annual Information Form and 2015 Management Discussion and Analysis. These factors are not intended to represent a complete list of the factors that could affect AuRico. AuRico disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

SOURCE AuRico Metals

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