

TORONTO, Jan. 17, 2017 /CNW/ - [AuRico Metals Inc.](#) (TSX: AMI), ("AuRico" or the "Company") is pleased to provide an update on its royalty portfolio following the release of relevant information by the operators of the underlying mines and projects. Based on production results released to date, AuRico expects 2016 royalty revenue to be at the high end of the Company's guidance range of \$7.7 - \$8.1 million. All amounts are in United States dollars, unless otherwise indicated.

Young-Davidson (1.5% NSR Royalty)

On January 6, 2017 Alamos Gold announced 2016 production of 170,000 ounces of gold at Young-Davidson, including 44,662 ounces in the fourth quarter. Underground mining rates increased to average a record of over 6,600 tonnes per day ("tpd") in the fourth quarter, and averaged over 7,000 tpd in December, consistent with the year-end target.

Gold production at Young-Davidson is forecast to be between 200,000 and 210,000 ounces in 2017, which would result in an increase of 18% to 24% relative to 2016. Underground mining rates are expected to increase from an average rate of approximately 6,000 tpd in 2016, to a range of between 6,500 and 7,500 tpd in 2017. Total cash costs are expected to average \$625 per ounce of gold sold and mine-site all-in sustaining costs are expected to average \$775 per ounce, more than a 10% decrease from 2016 levels.

For more information, visit the Alamos Gold website at www.alamosgold.com and see the press release dated January 6, 2017.

Fosterville (2% NSR Royalty) and Stawell (1% NSR Royalty)

On November 30, 2016 Kirkland Lake Gold ("Kirkland") announced the completion of the business combination with Newmarket Gold, forming a new mid-tier gold company. On January 9, 2017 Kirkland announced record annual gold production at Fosterville of 151,755 ounces for 2016 based on a record average grade of 7.55 g/t and a record recovery of 90.1%. The company also achieved a quarterly record performance in Q4 2016 with production of 44,406 ounces of gold, based on a record average grade of 8.48 g/t Au and record recovery of 92.4% at Fosterville.

Fosterville's strong Q4 2016 performance resulted in quarterly production rates increasing by 20% over Q3 2016 levels, and 42% over Q4 2015 production levels. For 2017, Kirkland has reported production guidance at Fosterville of 140,000 to 145,000 ounces of gold.

At year end, there were nine rigs in operation at Fosterville drilling a combination of exploration and resource definition programs. On January 17, 2017 Kirkland announced high grade mineralization at depth on the Lower Phoenix Footwall system, including the highest result ever returned from the Fosterville Mine, with the return of the following drill intercepts:

- 1,429 g/t Au over 15.15m, including 21,490 g/t Au over 0.6m
- 356 g/t Au over 7.2m, including 1,339 g/t Au over 1.85m
- 83.9 g/t Au over 3.5m, including 234 g/t Au over 0.65m

Also, the high grade Eagle fault system has been extended down plunge with a recent drill intercept returning:

- 15.97 g/t Au over 11.35m, including 195 g/t Au over 0.45m

Kirkland is expected to provide an update on Mineral Reserves and Resources in Q1 2017.

At Stawell, 2016 gold production totaled 32,204 ounces. The operation commenced transitioning to care and maintenance on December 13, 2016 with the mine to be maintained in a state of operational readiness to possibly recommence operations pending exploration success.

For more information, visit the Kirkland website at www.klgold.com and see the press releases dated January 17, 2017 and January 9, 2017.

Hemlo (0.25% NSR Royalty on Williams Mine, and 0.5% NSR on David Bell Property)

Barrick Gold is expected to announce fourth quarter results on February 15, 2017. Barrick Gold's 2016 production guidance for Hemlo is 215,000 to 230,000 ounces at all-in sustaining cash costs of \$830-\$880 per ounce.

Barrick Gold has previously announced plans to spend approximately \$8.0 million in exploration at Hemlo in 2016.

For more information, visit Barrick Gold's website at www.barrick.com

Eagle River (0.5% NSR Royalty)

On January 17, 2017 Wesdome Gold Mines ("Wesdome") provided 2016 production results of 40,252 ounces of gold from the Eagle River Underground Mine. For 2017, gold production at the Eagle River Underground Mine is expected to increase by approximately 12% - 22% to between 45,000 and 49,000 ounces at grades of 8.8 – 9.2 g/t gold.

Exploration spending for 2017 is expected to be approximately C\$3.0 million resulting in a total of 40,000 meters drilled.

For more information, visit Wesdome's website at www.wesdome.com and see the press release dated January 17, 2017.

GJ Property (0.98% NSR Royalty)

On November 10, 2016 AuRico completed an acquisition from [NGEx Resources Inc.](#) of a 0.98% NSR royalty and 0.49% NSR royalty on [Skeena Resources Ltd.](#)'s ("Skeena") GJ Block property and GJ Northern Block property respectively.

On December 12, 2016 Skeena reported the commencement of a NI 43-101 Preliminary Economic Assessment ("PEA") on the Spectrum-GJ Project which is expected to be released in Q2 2017 and which will include an updated NI 43-101 mineral resource estimate that incorporates results from Skeena's 2016 definition drilling program.

In 2016, 2,872 metres were drilled in 8 holes at the GJ Donnelly Deposit with several holes successfully extending the mineralized zone to depth, with gold and copper values higher than the current average mineral resource grades.

For more information, visit Skeena's website at www.skeenaresources.com and see the press release dated December 12, 2016.

Red Lake and Madsen Area Properties (1% NSR Royalty)

On November 29, 2016 AuRico partnered with [Abitibi Royalties Inc.](#) and acquired a 1% NSR on several early stage exploration projects in the Red Lake district.

Kiska Metals Acquisition Update

As previously announced on December 22, 2016 AuRico entered into a definitive arrangement agreement to acquire all of the issued and outstanding securities of [Kiska Metals Corp.](#) ("Kiska"). The acquisition would provide AuRico with a further six existing royalties including royalties on the East Timmins and Boulevard properties operated by Kirkland Lake Gold and Independence Gold, respectively. In addition, Kiska's six wholly-owned exploration projects would present organic royalty creation opportunities and are expected to further enhance AuRico's existing high quality royalty pipeline.

The transaction is subject to customary closing conditions and approvals and is expected to close later in the first quarter.

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 Metals 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

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 12 months. 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. 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.

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