

TORONTO, March 15, 2017 /CNW/ - [AuRico Metals Inc.](#) (TSX: AMI), ("AuRico" or the "Company") is pleased to report that the Canadian Environmental Assessment Agency ("CEAA") has issued a positive Decision Statement and that the British Columbia Environmental Assessment Office ("EAO") has granted an Environmental Assessment Certificate for the Company's wholly-owned Kemess Underground Project ("the Project").

Chris Richter, President and CEO of AuRico stated; "These positive decisions are the culmination of a comprehensive process which began in 2014, and I would like to thank the many people who worked tirelessly to achieve this successful outcome. We would not be where we are today if it were not for the hard work of the AuRico Metals team and our consultants, along with the extensive efforts and close cooperation from our First Nations partners, the EAO, and CEAA. The Tsay Keh Dene, Kwadacha, and Takla Lake First Nations, collectively Tse Keh Nay, provided letters of support to Federal and Provincial Ministers for Environmental Assessment approval and we are proud to have their support."

"The Kemess Underground Project presents an attractive development opportunity given its strong economics &ndash; supported by existing infrastructure, large scale, good jurisdiction, and advanced stage. Today's environmental approval represents a significant milestone for the Project, and we are excited about the opportunity to continue to advance the Project to the benefit of all stakeholders."

The EAO managed the Environmental Assessment for the Kemess Underground Project in a Substituted Process on behalf of British Columbia and CEAA, the latter of which is on behalf of the Federal Government of Canada. The Project will require a number of additional normal course licenses and permits which are expected to be received early in 2018.

#### About the Kemess Underground Project

The Kemess Underground Project is a large gold-copper development project located in north-central British Columbia. The Kemess South open pit mine operated successfully between 1998 and 2011 and produced approximately 3 million ounces of gold and 750 million pounds of copper. Production ceased when the open pit was depleted.

The Kemess Underground deposit is located approximately 6 kilometres north of the existing Kemess South processing plant. Additional existing infrastructure includes a camp, powerline, all-weather air-strip, access road, as well as other surface facilities including an administrative building, workshop and warehouse. In total, there is approximately C\$1 billion worth of existing infrastructure in place.

AuRico published a Feasibility Study for the Kemess Underground Project in March 2016 that contemplates the development of a low-cost panel caving operation with an initial 12-year mine life. Ore would be transported by conveyor to the existing processing facilities, with concentrate transported to a wholly-owned concentrate load-out facility located in Mackenzie, British Columbia.

The Feasibility Study demonstrates that Kemess Underground is a robust project benefiting from extensive existing infrastructure. The Feasibility Study anticipates total life of mine production of 2.6 million gold-equivalent ounces<sup>(1)</sup> (consisting of 1.4 million ounces of gold, 573 million pounds of copper and 4.5 million ounces of silver). Gold-equivalent production for the first five years is expected to average 238koz per annum and 207koz per annum over the life of mine, with a low All-In Sustaining Cost of US\$682/oz over the first five years and US\$718/oz over the life of mine. Total up-front capital expenditure for the Project is estimated at US\$452 million with a payback period estimated at 3.3 years.

The Company also has a 100% interest in the Kemess East deposit, located 1km east of Kemess Underground. In January, 2017, the Company released an updated resource estimate for Kemess East outlining Indicated Resources of 113.1 million tonnes grading 0.38% Cu and 0.46 g/t Au and Inferred Resources of 63.8 million tonnes grading 0.34% Cu and 0.31 g/t Au. The resource includes a higher grade core estimated to contain Indicated Resources of 67.2 million tonnes grading 0.43% Cu and 0.60 g/t Au as well as Inferred Resources of 15.2 million tonnes grading 0.41% Cu and 0.51 g/t Au. The Kemess East deposit remains open to the south, north and west.

#### 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

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: our production estimates and timing thereof; estimated production costs, estimated all-in sustaining costs and capital expenditures; expected upside opportunities and de-risking initiatives such as improvements and modifications to the proposed development and operations, the future price of gold, copper and silver, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and mineral resource estimates, costs and timing of the development of projects and new deposits, success of exploration, development and mining activities, permitting timelines, 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 in the Feasibility Study, contained 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 2016 Management's Discussion and Analysis as well as: (1) there being no significant disruptions affecting the operations of the Company; (2) the exchange rate between the Canadian dollar and the U.S. dollar being approximately consistent with assumed levels; (3) certain price assumptions for gold, copper, silver, diesel and electricity; (4) the results of the FS (including but not limited to capital estimates) will be realized within a margin of error consistent with the Company's expectations; (5) estimated future production and cost of sales forecasts for the KUG project meeting expectations; (6) the accuracy of the current mineral reserve and mineral resource estimates of the KUG project as contemplated by the FS (including but not limited to ore tonnage and ore grade estimates); (7) estimated labour and materials costs increasing on a basis consistent with AuRico's current expectations; (8) the viability of the KUG including, but not limited to, permitting, development and expansion, being consistent with AuRico's current expectations; and (9) access to capital markets, including but not limited to identifying financing options and securing partial project financing for the KUG 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: suitability and reliability of existing infrastructure at Kemess, the results of exploration at Kemess East and the accuracy of the mineral resource estimates at Kemess East, effectiveness of measures to minimize risks with respect to KUG; 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; the security of personnel and assets; political or economic developments in Canada, the United States or elsewhere; business opportunities that may be presented to, or pursued by, us; operating or technical difficulties in connection with mining or development activities; 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 2016 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.

(1) Gold Equivalent converts copper and silver production to gold equivalent production based on revenue assuming metal prices of US\$1,250/oz Au, US\$2.50/lb Cu, and US\$16/oz Ag.

SOURCE AuRico Metals

#### Contact

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