

Derek Macpherson | VP Mining Analysis <u>DMacpherson@RedCloudKS.com</u>

Sunneva Bernhardsdottir | Associate, Mining Analysis SBernhardsdottir@RedCloudKS.com

Victoria Ellis Hayes | Associate VEllisHayes@RedCloudKS.com

AuRico Metals - TSX:AMI, Kiska Metals Corp - TSXV:KSK

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## **Kiska Shareholders Approve AuRico Acquisition**

Last week, Kiska Metals Corp. (TSXV:KSK) announced its shareholders approved the planned acquisition by AuRico Metals Inc. (TSX:AMI) and that it has received the final court order approving the plan of arrangement. The transaction is expected to close on March 8, 2017. We continue to view this tuck-in transaction positively as it highlight's AuRico's focus on building out its royalty portfolio. Looking ahead, we believe the completion of the Environmental Assessment (expected in Q1 2017) is likely to be a key catalyst for AuRico to unlock the value of Kemess which appears to be undervalued by the market.

## Company Information: AuRico Metals Inc (TSX:AMI) AuRico Metals is the unique combination of a precious metals royalty company and a late-stage development company. It has five producing royalties in stable jurisdictions and reported royalty revenues of US\$8.1 million in 2016. AuRico wholly owns the advanced Kemess gold-silver-copper project in British Columbia. One of the project's key value drivers is its existing infrastructure valued at ~C\$1bn, including a 25k tpd mill in good condition. Kemess' Environmental Assessment is expected in Q1 2017 and mine permit in H2 2017, which should unlock the project's value. TSX.AMI - Stock Chart S1.20 Project Stage Current Resources (M&I+I) Notes



Kemess UG F	easibility Study (2016)	6.4M oz Au (268Mt @ 0.74 g/		Ann pro:207koz AuEq Initial Capex: US\$39	
Kemess East Re	esource Estimate (2016)	5.7M oz Au (177Mt @ 1.00 g/		~19 km drilled in 2016 @ US\$4.9M Resource update expected in Q1 2017	
	Financials		Peer Comparison		
Price (C\$/sh): Basic S/O (M):		\$1.03	Company	P/NAV (C\$)	EV/oz (C\$)
Basic S/O (M):		149.8	TSX:AMI	0.70x	\$11
Fully Diluted Shares (M)	:	150.6	TSXV:FPC	0.32x	\$14
Market Cap (C\$ M):		\$154.3	TSX:ER	0.41x	\$42
Cash (C\$ M):		\$15.5	TSXV:ICG	0.62x	\$104
Debt (C\$ M):		\$0.0	TSXV:IDM	0.48x	\$37
EV (C\$ M):		\$138.7	TSX:SBB	0.67x	\$25
2016 Royalty Revenue (		\$8.1	TSXV:VIT	0.61x	\$32
2016 Capital/Exploration Cost (US\$ M):		\$12.8	Peer Average	e 0.52x	\$42

Derek Macpherson | VP Mining Analysis Sunneva Bernhardsdottir | Associate, Mining Analysis Victoria Ellis Hayes | Associate

Red Cloud Klondike Strike Inc.
79 Wellington St. W. Suite 1630, PO Box 148
Toronto ON, M5K 1H1
RCKSTalk@RedCloudKS.com
www.redcloudks.com/rcks-talk



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**Company Specific Disclosure Details** 

Company Name	Ticker Symbol	Disclosures
AuRico Metals Inc.	TSX:AMI	1, 2
Kiska Metals Corp.	TSXV:KSK	None

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