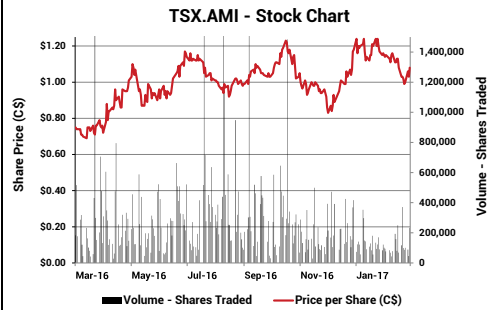


March 15, 2017

AuRico Metals – TSX:AMI

AuRico Receives Positive EA Decision for Kemess

AuRico Metals Inc. (TSX:AMI) announced today it has obtained a positive environmental assessment (EA) decision for its Kemess Underground project in British Columbia. We view this very positively as we believe it is an important catalyst for AuRico to unlock Kemess' value. AuRico's current EV of ~C\$157.8 million implies an EV/EBITDA for royalties only (based on 2017 guidance) of ~22.0-23.7x, which is slightly higher than royalty peers that trade at 19.2x (2017e EV/EBITDA). This suggests the market currently allocates a value of ~C\$20-30 million to Kemess. However, similar development stage peers trade at 0.56x NAV or C\$48/oz, which suggests that Kemess on its own could be ascribed a value of ~C\$115 million. In our view, with the completion of the Environmental Assessment, AuRico should now be positioned to unlock this value, providing investors the potential for meaningful near-term upside as the market prices in the viability of Kemess.

Company Information: AuRico Metals Inc (TSX:AMI)				
<p>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.</p>				
 <p>TSX:AMI - Stock Chart</p>	Key Projects			
	Project	Stage	Current Resources (M&I+)	Notes
	Kemess UG (BC)	Feasibility Study (2016)	6.4M oz AuEq (268Mt @ 0.74 g/t AuEq)	Ann pro:207koz AuEq @ US\$ 639/oz AuEq Initial Capex: US\$393M, LOM 12 years
Kemess East (BC)	Resource Estimate (2016)	5.7M oz AuEq (177Mt @ 1.00 g/t AuEq)	~19 km drilled in 2016 @ US\$4.9M Resource update expected in Q1 2017	
Financials		Peer Comparison		
Price (C\$/sh):	\$1.08	Company	P/NAV (C\$)	EV/oz (C\$)
Basic S/O (M):	158.5	TSX:AMI	0.74x	\$13
Fully Diluted Shares (M):	159.4	TSXV:FPC	0.36x	\$16
Market Cap (C\$ M):	\$171.2	TSX:ER	0.43x	\$47
Cash (C\$ M):	\$13.4	TSXV:ICG	0.69x	\$120
Debt (C\$ M):	\$0.0	TSXV:IDM	0.50x	\$42
EV (C\$ M):	\$157.8	TSX:SBB	0.70x	\$26
2016 Royalty Revenue (US\$ M):	\$8.1	TSXV:VIT	0.66x	\$35
2016 Capital/Exploration Cost (US\$ M):	\$12.8	Peer Average	0.56x	\$48

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

Priced as of prior trading day's market close, EST (unless otherwise noted).
All values in USD unless otherwise noted.

For Disclaimer and Applicable Disclosures, see the end of this report

Disclaimer

Red Cloud Klondike Strike Inc. is registered as an Exempt Market Dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador, and the Yukon. Part of Red Cloud Klondike Strike Inc.'s business is to connect mining companies with suitable investors that qualify under available regulatory exemptions (the "**Red Cloud KS Business**"). Red Cloud Klondike Strike Inc., its affiliates and associates, and their respective officers, directors, representatives, researchers and members of their families (collectively, "**Red Cloud KS**") may hold positions in the companies mentioned in this publication and may buy or sell, or buy and sell their securities or securities of the same class on the market or otherwise. Additionally, Red Cloud KS may have provided in the past, and may provide in the future, certain advisory or corporate finance services and receive financial and other incentives from issuers as consideration for the provision of such services.

Red Cloud KS has prepared this publication for general information purposes only, **NOT** as part of the Red Cloud KS Business. This document should not be considered a solicitation to purchase or sell securities or a recommendation to buy or sell securities. The information provided by Red Cloud KS for the purposes of this publication has been derived from sources believed to be accurate, but cannot be guaranteed. Opinions or analysis contained in this publication may be subject to change and Red Cloud KS does not undertake to advise the reader of such changes. This publication does **NOT** take into account the particular investment objectives, financial situations, or needs of individual recipients and other issues (e.g. prohibitions to investments due to law, jurisdiction issues, etc.) which may exist for certain persons. Recipients should rely on their own investigations and take their own professional advice before investment. Red Cloud KS will not treat recipients of this publication as customers or clients by virtue of having viewed this report.

Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
AuRico Metals Inc.	TSX:AMI	1, 2

- 1) A member of Red Cloud KS team has visited/viewed material operations of the issuer.
- 2) In the last 12 months, Red Cloud KS has been retained under a service or advisory agreement by the subject issuer.
- 3) In the last 12 months, Red Cloud KS has received compensation for investment banking services.
- 4) Red Cloud KS or a member of the Red Cloud KS team or household, has a long position in the shares and/or the options of the subject issuer.
- 5) Red Cloud KS or a member of the Red Cloud KS team or household, has a short position in the shares and/or the options of the subject issuer.
- 6) Red Cloud KS or a member of the Red Cloud KS team own more than 1% of any class of common equity of the subject issuer.
- 7) A member of Red Cloud KS team or a member's household serves as a Director or Officer or Advisory Board Member of the subject issuer.