

# Maverix Metals Announces Record Revenue and Operating Cash Flow for the Third Quarter 2017

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VANCOUVER, British Columbia, Nov. 27, 2017 (GLOBE NEWSWIRE) -- [Maverix Metals Inc.](#) (the "Company" or "Maverix") (TSX-V:MMX) is pleased to announce its financial results for the third quarter ended September 30, 2017.

For complete details please refer to the Financial Statements and associated Management Discussion and Analysis for the quarter ended September 30, 2017, available on SEDAR ([www.sedar.com](http://www.sedar.com)) or the Company's website ([www.maverixmetals.com](http://www.maverixmetals.com)).

All amounts are in Canadian dollars unless otherwise indicated.

## Third Quarter 2017 Highlights

### Financial and Operating

- Revenue of \$4.6 million;
- Operating cash flow of \$3.6 million, excluding changes in non-cash working capital<sup>(1)</sup>;
- Net income of \$0.7 million;
- Attributable gold equivalent ounces sold of 2,882<sup>(1)</sup> ounces; and
- Average cash cost per attributable gold equivalent ounce of \$160<sup>(1)</sup> resulting in cash operating margins of \$1,438<sup>(1)</sup> per ounce.

### Loan Facility and Private Placement Financing

- On August 17, 2017, the Company closed a US\$20,000,000 loan facility with CEF (Capital Markets) Limited ("CEF") and a private placement with CEF for 5,000,000 common shares for total proceeds of \$6,750,000. In addition, [Pan American Silver Corp.](#) ("Pan American Silver") exercised its participation rights by subscribing for 2,317,000 common shares for total proceeds of \$3,127,950.

### Events Subsequent to the Quarter

- In a news release dated October 11, 2017, [Atlantic Gold Corp.](#) ("Atlantic Gold") announced the official opening of the Moose River Consolidated ("MRC") gold mine in Nova Scotia, Canada, and reported that it had poured its first gold from the mine. Maverix currently owns a 3.0% net smelter return ("NSR") royalty on the Touquoy deposit, which contains a significant portion of the current mineral inventory at the MRC mine. <sup>(2)</sup>
- In a news release dated October 17, 2017, [Coeur Mining Inc.](#) ("Coeur") announced that it had completed the acquisition of the Silvertip mine located in northern British Columbia for total consideration of up to US\$250 million. Coeur also disclosed that it intends to invest US\$25 – US\$35 million in surface infrastructure, accelerated underground development and drilling and mill optimization over a six-month period at Silvertip and expects to recommence production in the first half of 2018. Maverix owns a 2.5% NSR royalty on the Silvertip mine. <sup>(3)</sup>

Dan O'Flaherty, President and CEO of Maverix commented, "The third quarter of 2017 saw record revenue and cash flow for the Company as many of our core assets continue to outperform. We expect a strong finish to the year as a number of our operating partners continue to ramp up their assets to full production capacity including the Moose River Consolidated mine which started commissioning in

October.” Mr. O’Flaherty continued, “With the loan facility and equity financings completed we are well positioned to seek additional accretive acquisitions that will increase the per share value of the Company.”

### Third Quarter Asset Highlights

During the third quarter of 2017, attributable gold equivalent ounces sold was a record 2,882 ounces at an average cash cost per attributable gold equivalent ounce of \$160<sup>(1)</sup>.

Operational highlights for the quarter ended September 30, 2017, based upon counterparties’ public disclosure are as follows:

### Core Producing Assets

- La Colorada: Pan American Silver reported gold production of 1,210 ounces for the quarter at La Colorada. Mining and processing rates averaged 1,906 tonnes per day during the quarter, exceeding targeted design rates of 1,800 tonnes per day. <sup>(4)</sup>
- Mt. Carlton: [Evolution Mining Ltd.](#) (“Evolution”) reported gold production of 29,994 ounces for the quarter at Mt. Carlton. The Definitive Feasibility Study for the Underground/Stage 4 pit continued during the quarter and the current resource definition drilling program is expected to be completed by the end of 2017. Evolution has provided production guidance of 100,000 – 110,000 ounces of gold for its fiscal year 2018 at Mt. Carlton. <sup>(5)</sup>
- Vivien: [Ramelius Resources Ltd.](#) reported another strong quarter at Vivien with gold production of 13,022 ounces for the quarter due to higher than planned grades from a newly opened stoping area. <sup>(6)</sup>
- San Jose (Taviche Oeste Deposit): [Fortuna Silver Mines Inc.](#) reported silver production of 1,774,556 ounces and gold production of 13,248 ounces for the quarter at San Jose. The Trinidad North area contributed 47% of the ore mined during the quarter. Maverix owns a 1.5% NSR royalty on the Taviche Oeste concession, which hosts the Trinidad North area. <sup>(7)</sup>

### Growth Assets

- Shalipayco: During the third quarter, Nexa Resources S.A. completed a Preliminary Economic Assessment (“PEA”) study on the Shalipayco silver-lead-zinc project located in Peru. The PEA outlined a production schedule that had average annual payable metal production of 5.2 million ounces of silver, 42.2 thousand tonnes of lead and 541.1 thousand tonnes of zinc over a 15 year mine life. The PEA entitled “Technical Report on the Preliminary Economic Assessment of the Shalipayco Project, Junin Region, Peru” was completed by Roscoe Postle Associates Inc. and is available on SEDAR. Maverix owns a 1.0% NSR royalty on the Shalipayco project. <sup>(8)</sup>
- Moose River Consolidated (Touquoy Deposit): Atlantic Gold announced that it achieved first gold pour at the MRC mine on October 11, 2017. Atlantic Gold expects the mine to produce an average of approximately 87,000 ounces of gold annually. Maverix currently owns a 3.0% NSR royalty on the Touquoy deposit. <sup>(2)</sup>
- Silvertip: On October 17, 2017, Coeur announced the completion of the acquisition of the Silvertip mine located in northern British Columbia for total consideration of up to US\$250 million. Coeur also disclosed it intends to invest US\$25 – US\$35 million in surface infrastructure, accelerated underground development and drilling and mill optimization over a six-month period and expects to recommence production during the first half of 2018. Coeur expects Silvertip to produce an average of approximately three million ounces of silver, 45 – 50 million pounds of zinc, and 40 – 45 million pounds of lead over an estimated 7.5-year initial mine life. Maverix owns a 2.5% NSR royalty on the Silvertip mine. <sup>(3)</sup>
- Florida Canyon: [Rye Patch Gold Corp.](#) (“Rye Patch”) reported gold production of 7,982 ounces for the quarter at Florida Canyon. Most aspects of the mine are performing well above plan (tonnes of ore mined, crushed and stacked), and 9,100 ounces of gold were placed on the pad in October. Rye Patch expects to achieve commercial production at Florida Canyon in the first quarter of 2018. <sup>(9)</sup>
- Beta Hunt: Operations continue to ramp up at Beta Hunt with RNC Minerals reporting increased gold grades and mining rates leading to gold production of 10,489 ounces for the quarter. While gold production increased 27% over the previous quarter, the ramp up at the mine continued to be slower than anticipated and on November 15, 2017, RNC Minerals lowered its production guidance for 2017 to 37,000 – 42,000 contained ounces of gold from Beta Hunt. <sup>(10)</sup>

### Outlook

Primarily as a result of the lowered gold production guidance recently provided by RNC Minerals for its Beta Hunt mine, the Company is lowering guidance for expected revenue and attributable gold equivalent production for the full year 2017 to \$16 &ndash; \$18 million and 10,000 &ndash; 11,000 ounces, respectively.

The Company is expecting 2018 to be another meaningful growth year with commissioning expected to be achieved at all of MRC, Florida Canyon, and Silvertip. The Company expects to provide formal guidance for 2018 in the first quarter of 2018.

(1) Maverix has included certain performance measures in this press release that do not have any standardized meaning prescribed by International Financial Reporting Standards (IFRS) including average cash cost per ounce of gold and cash operating margin. Average cash cost per ounce of gold is calculated by dividing the total cost of sales, less depletion, by the ounces sold. In the precious metals mining industry, this is a common performance measure but does not have any standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Cash operating margin is calculated by subtracting the average cash cost per ounce of gold from the average realized selling price per ounce of gold. The Company presents cash operating margin as it believes that certain investors use this information to evaluate the Company's performance in comparison to other companies in the precious metals mining industry who present results on a similar basis. The Company's royalty revenue is converted to an Attributable Gold Equivalent ounce basis by dividing the royalty revenue for a period by the average gold price based on the LBMA Gold Price PM Fix per ounce for the same respective period. These attributable gold equivalent ounces when combined with the gold ounces sold from the Company's gold streams (individually and collectively referred to as "Attributable Gold Equivalent") equal total Attributable Gold Equivalent ounces sold. The Company has also used the non-IFRS measure of operating cash flows excluding changes in non-cash working capital. This measure is calculated by adding back the decrease or subtracting the increase in changes in non-cash working capital to or from cash provided by (used in) operating activities. The presentation of these non-IFRS measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate these non-IFRS measures differently.

(2) Subject to a 2.0% buyback for a payment of \$2,500,000. For more information on the Moose River Consolidated project, please visit the Atlantic Gold website at [www.atlanticgoldcorporation.com](http://www.atlanticgoldcorporation.com) and refer to the news release dated October 11, 2017 as well as the corporate presentation entitled "Canada's Newest Open Pit Gold Mine" dated November 2017.

(3) For more information on the Silvertip mine, please visit the Coeur Mining website at [www.coeur.com](http://www.coeur.com) and refer to the news release dated September 11, 2017.

(4) For more information on the La Colorada mine, please visit the Pan American Silver website at [www.panamericansilver.com](http://www.panamericansilver.com) and refer to the news release dated November 8, 2017.

(5) For more information on the Mt. Carlton mine, please visit the Evolution Mining website at [www.evolutionmining.com.au](http://www.evolutionmining.com.au) and refer to the news release dated October 16, 2017 and the 2017 Annual Report.

(6) For more information on the Vivien mine, please visit the Ramelius Resources website at [www.rameliusresources.com.au](http://www.rameliusresources.com.au) and refer to the news release dated October 30, 2017.

(7) For more information on the San Jose mine, please visit the Fortuna Silver Mines website at [www.fortunasilver.com](http://www.fortunasilver.com) and refer to the Management Discussion and Analysis for the third quarter of 2017 dated November 7, 2017.

(8) For more information on the Shalipayco project, please visit the Nexa Resources S.A. website at [www.nexaresources.com](http://www.nexaresources.com).

(9) For more information on the Florida Canyon mine, please visit the Rye Patch Gold website at [www.ryepatchgold.com](http://www.ryepatchgold.com) and refer to the news release dated October 11, 2017.

(10) For more information on the Beta Hunt mine, please visit the RNC Minerals website at [www.rncminerals.com](http://www.rncminerals.com) and refer to the news release dated November 15, 2017.

#### Qualified Person

Doug Ward, B.Sc., Mining Engineering, MMSA, Vice President Technical Services for the Company, and a "Qualified Person" under NI 43-101 has reviewed and approved the scientific and technical disclosure contained in this press release.

#### About Maverix

[Maverix Metals Inc.](#) is a gold royalty and streaming company. Maverix's primary purpose is to acquire and hold predominantly precious metals streams and royalties, and in so doing provide significant leverage to gold and silver prices for its shareholders. Maverix's mission is to increase underlying per share value by adding high-quality streams and royalties that offer robust returns to Maverix's portfolio.

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#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This press release contains "forward-looking statements", within the meaning of the applicable Canadian securities legislation, concerning the business, operations and financial performance and condition of the Company. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold, silver, and copper, the estimation of mineral reserves and resources, realization of mineral reserve estimates, and the timing and amount of estimated future production. Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans", or similar terminology.

Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of Maverix to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Maverix will operate in the future, including the price of gold and anticipated costs. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, amongst others, gold price volatility, discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries, mining operational and development risks relating to the parties which produce the gold Maverix will purchase, regulatory restrictions, activities by governmental authorities (including changes in taxation), currency fluctuations, the global economic climate, dilution, share price volatility and competition.

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results, level of activity, performance or achievements of Maverix to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the impact of general business and economic conditions, the absence of control over mining operations from which Maverix will purchase gold and risks related to those mining operations, including risks related to international operations, government and environmental regulation, actual results of current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined, risks in the marketability of minerals, fluctuations in the price of gold, fluctuation in foreign exchange rates and interest rates, and stock market volatility. Although Maverix has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Maverix does not undertake to update any forward looking statements that are contained or incorporated by reference, except in accordance with applicable securities laws.

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