

## NGEx Reports Third Quarter 2014 Results

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov. 10, 2014) -NGEx Resources Inc. (TSX:NGQ)(NASDAQ OMX:NGQ) ("NGEx" or the "Company") is pleased to announce its operating and financial results for the three and nine months ended September 30, 2014 and to provide an update on results of work on its projects to during the quarter.

### HIGHLIGHTS AND SIGNIFICANT EVENTS

#### *Los Helados*

- Subsequent to the quarter end the Company announced the results of a Preliminary Economic Assessment ("PEA" or the "Study") of its 60% owned Los Helados Project in Chile. The PEA considered the potential stand-alone development of an underground block caving operation and a standard sulphide flotation processing plant. The Study indicates that Los Helados has the potential to become a large mine with low operating costs, producing an annual average of 115,000 tonnes of copper, 133,000 ounces of gold, and 675,000 ounces of silver. Although the PEA contemplates the construction of a stand-alone mining and milling complex at Los Helados the Company believes that there are clear opportunities to improve project economics by realizing potential synergies with nearby deposits-including Josemaria, and future efforts will address these possibilities.

#### *Josemaria*

- Work during the quarter included ongoing metallurgical test work and baseline environmental programs. Once the metallurgical test work is complete, currently expected to be during the first quarter of 2015, the Company expects to be in a position to complete an updated NI 43-101 Technical Report which will included an updated resource estimate that will incorporate drilling completed earlier in the year. As usual, no exploration work was carried out during the third quarter which coincides with the South American winter.

#### *Filo del Sol*

- On October 23, 2014, the Company announced the acquisition of the 40% interest in the Filo del Sol Project held by its partner PPC for total cash consideration of US\$7.0 million. As a result, the Company holds a 100% interest in the Filo del Sol Project.
- The acquisition of the minority interest in Filo del Sol gives the Company a 100% interest in what we believe is a highly prospective exploration project with excellent upside. The Filo del Sol alteration zone is one of the largest in this part of the Andes and drilling to date has tested only a small portion of it. Mineralization is open in all directions and at depth, and the Company believes that there is excellent potential to further extend it through additional drilling. The Company is particularly excited about the high copper, silver, and gold grades in the near surface "manto" zone and by the potential for a large scale porphyry copper-gold deposit beneath the manto zone. The Company expects to complete an initial resource estimate later in the fourth quarter of 2014.

### LOS HELADOS PROJECT, CHILE

On October 20, 2014, the Company announced the results of a PEA completed on the Los Helados Project, together with an updated Mineral Resource Estimate. The proposed project concept is to develop a green-fields underground mine using block cave mining methods, followed by (Semi-Autogenous Grinding) SAG milling and conventional sulphide flotation producing a copper concentrate containing significant gold and silver with all deleterious elements below penalty levels.

For more detailed information on the PEA and the Resource Estimate refer to the Company's news release dated October, 20, 2014. The PEA was prepared by AMEC International Ingeniería y Construcción Limitada ("AMEC") of Santiago, Chile, under the direction of Anthony George, Project Manager (NGEx Resources). The National Instrument 43-101 Technical Report summarizing the results of the PEA and updated Mineral Resource Estimate will be filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company's website ([www.ngexresources.com](http://www.ngexresources.com)) within 45 days. Subsequent to the effective date of the PEA, the corporate tax rate in Chile was raised from 20% to 27%. Accordingly, the Company has asked the QP authors to prepare the Technical Report using the new 27% rate. The after-tax financial results shown below reflect this increase in tax rate and differ from those first reported in the October 20, 2014 news release.

#### *PEA Summary*

Pre-Tax NPV (8%) & IRR	130,000 t/d Option \$923 million NPV 10.8% IRR	65,000 t/d Option \$723million NPV 10.4% IRR
After-Tax NPV (8%) & IRR	\$270 million NPV 8.9% IRR	\$198 million NPV 8.8% IRR
Metals Prices	\$3.25/lb Cu \$1,300/oz Au \$21.50/oz Ag	\$3.25/lb Cu \$1,300/oz Au \$21.50/oz Ag
Initial Capital Expenditures	\$4.3 billion	\$3.1 billion
LOM Sustaining Capital Expenditures	\$1.3 billion	\$1.3 billion
LOM C-1 Cash Costs (net of by-product credits)	\$1.10/lb Cu sold	\$1.13/lb Cu sold
Nominal Mill Capacity	130,000 t/d	65,000 t/d
Mine Life	26 years	37 years
LOM Average Annual Metal Production	115,000 t Cu 133,000 oz Au 675,000 oz Ag	81,000 t Cu 93,000 oz Au 474,000 oz Ag
LOM Average Process Recovery	89.4% Cu 80.2% Au 51.0% Ag	89.4% Cu 80.2% Au 51.0% Ag

\* All figures reported are in 2014 US dollars and on a 100% Project and 100% equity basis valuation. A US dollar (USD) to Chilean Peso (CLP) exchange rate of 500 CLP = 1 USD was used for all cost estimates.

Note: The reader is advised that the PEA study results in this document are only intended to provide an initial, high-level summary of the project. The PEA is preliminary in nature and includes the use of inferred mineral resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

#### *Mineral Resource Estimate*

In conjunction with the PEA the Company updated the mineral resource estimate for Los Helados. Los Helados has a current Mineral Resource at a base case 0.33% copper equivalent ("CuEq") cutoff, as follows:

- 2,099 million tonnes at a grade of 0.38% copper, 0.15 g/t gold, and 1.37 g/t silver for a copper equivalent grade of 0.48% (17.6 billion pounds of copper, 10.1 million ounces of gold, and 92.5 million ounces of silver) in the Indicated Resource category; and
- 827 million tonnes at a grade of 0.32% copper, 0.10 g/t gold, and 1.32 g/t silver for a copper equivalent grade of 0.39% (5.8 billion pounds of copper, 2.7 million ounces of gold, and 35.1 million ounces of silver) in the Inferred Resource category.

Copper Equivalent (CuEq) is calculated using US\$3.00/lb copper, US\$1,300/oz gold and US\$23/oz Ag, and includes a provision for selling costs and metallurgical recoveries corresponding to three zones which vary with depth. The formulas used are:  $CuEq\% = Cu\% + 0.6264 \cdot Au\ (g/t) + 0.0047 \cdot Ag\ (g/t)$  for the Upper Zone (surface to ~ 250m);  $Cu\% + 0.6366 \cdot Au\ (g/t) + 0.0077 \cdot Ag\ (g/t)$  for the Intermediate Zone (~250m to ~600m);  $Cu\% + 0.6337 \cdot Au\ (g/t) + 0.0096 \cdot Ag\ (g/t)$  for the Deep Zone (> ~600m).

Mineral Resources are reported within a block cave underground mining shape based on \$13.07/tonne operating costs and including a provision for capital expenditure. The base case cutoff grade of 0.33% CuEq was derived through an economic evaluation of several block cave shapes developed over a range of different cutoff grades and is the cutoff grade which results in a zero NPV.

The Mineral Resource estimate for the Los Helados Project has an effective date of September 19, 2014 and was prepared by Gino Zandonai, B.Sc., M.Sc. Registered Member of the Comision Calificadora de Competencias en Recursos y Reservas Mineras (Chilean Mining Commission), Senior Associate of Behre Dolbear International Ltd. in accordance with NI 43-101. Mr. Zandonai is the Qualified Person for the estimate and is independent of the Company. For more information about the current resource estimate refer to the Company's news release dated October 20, 2014

#### RESULTS OF OPERATIONS

The Company's net loss for the nine months ended September 30, 2014 was \$15.6 million or \$0.09 per share as compared to a loss of \$25.3 million or \$0.15 per share for 2013. Net loss from continuing operations for the nine

months ended September 30, 2014 was \$15.5 million or \$0.09 per share compared with a net loss from continuing operations of \$25.1 million or \$0.15 per share for 2013. The decrease in the net loss of \$9.7 million is mainly due to a decrease in exploration and project investigation expenditures of \$8.0 million resulting from a reduction in drilling activity at Los Helados and Josemaria offset by costs relating to conceptual studies at these properties and the commencement of drilling at Filo del Sol. In addition, the Company recorded a write-down of certain mineral property interests during the nine months ended September 30, 2013 of \$1.2 million.

Exploration and project investigation expenditures during the first and second quarter of 2014 mainly relate to exploration activity at Filo del Sol and conceptual studies on the Los Helados and Josemaria projects. In the third quarter of 2014, exploration and project investigation expenditures were higher than the same quarter in 2013 given that the Company incurred expenditures relating to the conceptual studies at Los Helados which resulted in the announcement of the completion of the PEA in October 2014. During the third quarter of 2013, the conceptual studies at Los Helados and Josemaria were only in its early stages.

The net loss from continuing operations was \$0.2 million lower for the third quarter ended September 30, 2014 compared to the same period in 2013. This is mainly due to an increase of \$1.4 million of foreign exchange gain offset by an increase in exploration and project investigation expenditures of \$0.3 million as explained above and an increase in general and administrative expenses of \$0.5 million due to the payment of performance incentive bonuses to key employees of the Company. In addition, the Company recorded an unrealized loss on investments of \$0.1 million during the third quarter of 2014 compared to a gain on disposal of investments of \$0.2 million recorded during the third quarter of 2013.

The Company's business is driven by seasonal trends through increased exploration activity during the summer months in South America as well as the achievement of project milestones such as the achievement of various technical, environmental, socio-economic and legal objectives, including obtaining the necessary permits, preparation of engineering designs, as well as receipt of financings to fund these objectives.

#### LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2014, the Company had cash and working capital of \$34.0 million and \$28.1 million, respectively, as compared to cash and working capital of \$21.3 million and \$14.2 million, respectively, at December 31, 2013. The increase in cash and working capital is primarily a result of the completion of a private placement whereby the Company sold an aggregate of 17,412,935 common shares of the Company for gross proceeds of approximately \$35 million. This is offset by exploration and general and administrative expenses incurred during the period.

Net cash used in operating activities was \$20.9 million for the nine months ended September 30, 2014 and consisted primarily of the loss from operations of \$15.6 million, which included exploration and project investigation expenditures and conceptual studies work of \$12.4 million and was adjusted for the impact of non-cash items and changes in non-cash working capital.

Cash flow from financing activities was \$33.4 million, which comprised of net proceeds from the private placement completed during the period and proceeds from the exercise of stock options.

Net cash used in investing activities was \$0.4 million, which consisted primarily of expenditures relating to mineral property option payments.

As the Company is an exploration company and has no sources of revenue, the Company expects that it will operate at a loss for the foreseeable future.

The Company anticipates that its current financial position will provide sufficient working capital to fund its share of planned exploration and project investigation expenditures, which are discretionary, and corporate expenses for the next twelve months. As the Company is an exploration company and has no sources of revenue, additional funding from equity financing, joint ventures or disposition of mineral properties and investments may be required to fund further exploration and corporate expenses.

There can be no assurance that such financing will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

#### OUTLOOK

At Los Helados, the completion of the PEA helped identify a number of opportunities to potentially improve the project economics, many of which have already been initiated in the ongoing project development process for Los Helados. These include:

- Exploring regional synergies for capital and operating cost reductions;

- Through potential synergies and cooperative development plans with other regional operators to utilize spare capacity of process plants and infrastructure - desalination plants, water pipeline routes and ports;
- Through expanding the resource base within our regional land package which includes the Josemaria and Filo del Sol projects - all within 20 kilometres of the Los Helados deposit;
- Extending the life of mine, and project cash-flow, of the Los Helados resource through the application of a variable cut-off grade which over the life of mine has the potential to add tonnage to the proposed mine plans - extending the life of mine and increasing cash for later life mine planning;
- Increasing metallurgical recoveries with further test work and optimization;
- Evaluating the use of seawater in the process plant reducing capital and operating costs for the desalination plant;
- Reviewing the suitability of High Pressure Grinding Roll technology (HPGR) and its potential to reduce overall power use and costs; and
- Delineating more or higher grade feed material for the process plant through continued exploration.

An infill drilling program expected to total approximately 9,000 metres is expected to start in December 2014, in order to upgrade a portion of the Los Helados mineral resource to the Measured Category and to build upon our geotechnical understanding of the resource. Baseline environmental programs will continue.

The Company is currently working on an initial resource estimate for the Filo del Sol project. The Filo del Sol resource estimate is expected to be completed during the fourth quarter of 2014. A step out drilling program expected to total approximately 6,000 metres is planned for Filo del Sol. Drilling is expected to start in December 2014.

The Company plans to incorporate the results of the 2013/2014 drill program into an updated resource estimate. Once the metallurgical test work that is currently underway is complete, we expect to be in a position to complete an updated NI 43-101 Technical Report during the first quarter of 2015.

#### About NGEx

NGEx is a Canadian mineral exploration company with exploration projects in Chile, Argentina, and Canada. The Company's shares are listed on the Toronto Stock Exchange and Nasdaq Stockholm under the symbol "NGQ". The Company's focus is on advancing its South American projects which include several large copper-gold systems including the Josemaria, Los Helados, and Filo del Sol projects, located on a land package that the Company holds in Chile's Region III and adjacent San Juan Province, Argentina. Los Helados is part of a joint venture in which the Company holds 60% and Pan Pacific Copper Co., Ltd. holds 40%. Josemaria is part of a joint venture in which the Company holds 60% and Japan Oil, Gas, and Metals National Corporation (JOGMEC) owns 40%. In addition, NGEx holds a 100% interest in Filo del Sol amongst an extensive portfolio of other 100% owned early stage exploration projects located in Chile and Argentina. It also owns a 100% interest in the GJ copper and gold project located in British Columbia Canada. The GJ project is optioned to Teck Resources who are earning up to a 75% interest.

On behalf of the board

Wojtek Wodzicki, President and CEO

#### Qualified Person

The disclosure of scientific and technical information in this news release regarding NGEx's projects, has been reviewed and approved by Mr. Bob Carmichael, B.A.Sc, P.Eng., Vice President, Exploration for the Company, who is a Qualified Person in accordance with the requirements of National Instrument 43-101. For a description of the quality assurance program and quality control measures applied by NGEx, please see NGEx's Annual Information Form dated March 31, 2014 available at <http://www.sedar.com>.

#### Additional Information

NGEx's consolidated financial statements for the three and nine months ended September 30, 2013 and related management's discussion and analysis are available on NGEx's website at [www.ngexresources.com](http://www.ngexresources.com) or under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation, concerning the business, operations and financial performance and condition of NGEx Resources Inc. Forward-looking information includes, but is not limited to, statements with respect to the timing and nature of any potential development scenarios, opportunities to improve project economics, estimation of commodity

prices, mineral resources, costs, the success of exploration activities, expectations with regard to adding to mineral resources through exploration, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining activities, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotations thereof. All such forward-looking information is based on the opinions and estimates of the relevant management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond the Company's ability to control or predict.

Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding cost estimates, changes in commodity prices, currency fluctuation, financing, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations as well as other risks and uncertainties described under "Risks Factors" in the Company's Annual Information Form available under the Company's profile at [www.sedar.com](http://www.sedar.com) and the Company's website.

Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, 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. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers should not place undue reliance on forward-looking information.

Forward-looking information is provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. These factors are not, and should not be construed as being, exhaustive. Statements relating to "mineral resources" are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the mineral resources described can be profitably produced in the future. The forward-looking information contained in this press release is expressly qualified by this cautionary statement. The Company expressly disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

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<https://josemaria.mediaroom.com/index.php?s=2429&item=122547>