

NGEx Reports First Quarter 2018 Results

VANCOUVER, May 9, 2018 /CNW/ - **NGEx Resources Inc. (TSX: NGQ) (OMX: NGQ)** ("NGEx" or the "Company") is pleased to announce its results for the three months ended March 31, 2018.

HIGHLIGHTS

- The Company completed a \$12.5 million private placement, selling an aggregate of 12,500,000 common shares for net proceeds of \$12.1 million. Net proceeds of the private placement will be used towards ongoing work programs in Chile and Argentina as well as for general corporate purposes.
- A three to four hole scout drilling program was initiated at the Company's new Nacimientos copper/gold project located in San Juan Province, Argentina. This "first pass" program is designed to test some of the initial ideas and targets generated on the property earlier this year. Drill results are expected in the second quarter of 2018, with a more extensive program planned for the fourth quarter of this year.
- The Company continues to evaluate the available development options for Josemaría, in which it has a 100% interest following the acquisition of the Josemaría interest from JOGMEC in November 2017. In particular, studies are being planned for a revised development option for the Josemaría project in Argentina focusing on a simple open pit scenario with a shallow, high-grade starter pit. The Company plans to initiate a pre-feasibility study on this concept that is expected to be completed in the first quarter of 2019.

Commenting on the quarter Wojtek Wodzicki, President and CEO remarked, "The first quarter was active and productive as we positioned the Company for its next phase of growth. Our efforts were twofold: an internal review to optimize our development projects as well as increased exploration work on our new projects. At Josemaría, an opportunity to exploit more of the resource than originally considered in Project Constellation was highlighted. Additionally, starting with the stand-alone development of Josemaría could result in a faster path towards eventual production, while enhancing the long-term optionality at Los Helados. Josemaría benefits from several advantages including simple open pit mining, conventional processing, and access to water. We plan to initiate a pre-feasibility study on this concept, largely using existing data, and are targeting completion in Q1 2019. We were also active on the exploration front. We fast-tracked our exciting new Nacimientos project from early stage targeting to an initial drill program in 4 months. Nacimientos is a large property located south east of Barrick's Veladero mine, in an extension of one of South America's major gold belts and has potential for both gold and copper discoveries."

OUTLOOK

During 2018, the Company will continue to assess future development options for its advanced-stage projects while also laying the groundwork for its next generation of projects.

At Project Constellation, the Company plans to optimize and de-risk the project and explore options to advance each deposit towards eventual development, including active engagement with potential development partners or acquirers. Management plans to pursue the following opportunities to add value to the project, at modest costs:

- Conduct a pre-feasibility study on a standalone development scenario for Josemaría;
- Continue to look for opportunities to optimize the engineering studies;

- Continue ongoing environmental baseline studies in support of environmental assessments and project permitting; and
- Explore potential synergies and cooperative development plans with other regional operators to use spare capacity of processing plants and infrastructure, including port facilities. Innovative development concepts, such as those used at Teck & Goldcorp's NuevaUnión Project and Barrick & Goldcorp's Norte Abierto Project, demonstrate an opportunity to share infrastructure on a regional scale by connecting multiple deposits.

In addition to work programs planned for the Company's advanced-stage projects, early-stage field programs at the Company's new Nacimientos and Acay projects are planned to look for the next generation of growth. Geochemical and geophysical field programs have been completed at Nacimientos and several high-quality drill targets have been defined. An initial drill program is underway with results expected in the second quarter of 2018. A more extensive drill program is planned for the fourth quarter of this year. Surface exploration work directed toward developing drill targets at the Acay project was initiated during the first quarter and will continue throughout the second quarter of 2018.

SELECTED FINANCIAL INFORMATION

<i>(in thousands)</i>	March 31, 2018	December 31, 2017
Cash	8,768	6,789
Working capital	7,248	(986)
Mineral properties	10,642	10,056
Total assets	20,940	18,299
Long-term liabilities	773	580

LIQUIDITY AND CAPITAL RESOURCES

The Company completed a \$12.5 million non-brokered, private placement on January 3, 2018, and the funds are being used towards ongoing exploration activities and corporate working capital expenditures. The financing increased the Company's cash position and working capital position as at March 31, 2018. The \$0.9 million working capital deficiency as at December 31, 2017 was remediated upon completion of the private placement in January 2018.

Net proceeds raised from the private placement totaled \$12.1 million, which is expected to be adequate for funding the Company's forecasted expenditures for the next twelve months. As the Company does not have any sources of revenue, it relies on funding from equity financing, disposition of mineral properties and investments, or short-term credit facilities to meet its existing obligations, commitments, and to fund ongoing exploration.

FINANCIAL RESULTS

<i>(in thousands, except per share amounts)</i>	Three months ended March 31, 2018	Three months ended March 31, 2017
Exploration expenses	2,674	1,937
General and administration ("G&A")	1,324	1,431
Net loss	3,997	3,250
Basic and diluted loss per share	0.02	0.02

The Company's net loss for the three months ended March 31, 2018 was \$4.0 million or \$(0.02) per share, compared to \$3.3 million or \$(0.02) per share for the three months ended March 31, 2017. The increase in the net loss of \$0.7 million reflects the Company's significant investment in the Nacimientos and Josemaría projects during the first quarter of 2018, which resulted in an increase in overall exploration and project investigation expenditures. In particular, the Company initiated engineering work to explore a stand-alone development option for the Josemaría deposit and advanced ongoing environmental studies in support of potential future development. At Nacimientos, programs completed earlier this year included geological mapping, geochemical sampling, a ground magnetic survey, and an IP/Resistivity survey in order to define drill targets. A preliminary scout drilling campaign was also initiated at Nacimientos during the quarter based on this targeting work. General and administration costs for the first quarter of 2018 totaled \$1.3 million, which is relatively consistent with the \$1.4 million spent in the first quarter of 2017.

CREDIT FACILITY

The Company has an US\$1,000,000 unsecured credit facility (the "Facility") from Zebra Holdings and Investments S.à.r.l. ("Zebra"), an Insider of the Company, to provide additional financial flexibility to fund exploration and general corporate purposes as needed. On January 4, 2018, the Company repaid in full the amount previously drawn under Facility and issued 6,323 common shares to Zebra as consideration for providing the Facility, in lieu of fees to the Company. Of the total shares issued on January 4, 2018, 5,600 common shares were issued as consideration for the outstanding amount drawn on the Facility as at December 31, 2017. Zebra reports its security holdings in the Company as a joint actor with Lorito Holdings S.à.r.l., and subsequent to the settlement of the Facility, they collectively acquired additional common shares of the Company and hold more than 20% of the Company's issued and outstanding common shares as at March 31, 2018. The Facility remains available until August 9, 2018. All securities issued in conjunction with the Facility are subject to a four-month hold period under applicable securities law.

Qualified Persons

Technical disclosure for the Company's projects included in this press release, with the exception of the technical disclosure related to ongoing engineering studies, has been reviewed and approved by Bob Carmichael, P. Eng. (BC). Mr. Carmichael is NGE's Vice-President of Exploration and a Qualified Person ("QP") under National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). Technical disclosure related to the engineering studies has been reviewed and approved by Jamie Beck, P. Eng. (ON). Mr. Beck is the Company's Vice-President of Corporate Development and Projects and a QP under National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101).

About NGE

NGE is a Canadian mineral exploration company with exploration projects in Chile and Argentina. The Company's shares are listed on the TSX and on Nasdaq Stockholm under the symbol "NGQ". The Company's focus is on advancing the development of its two large copper-gold deposits, Los Helados and Josemaría ("Project Constellation"), located in Chile's Region III and adjacent San Juan Province, Argentina. The Company owns a 100% interest in the Josemaría project and is the majority partner and operator for the Los Helados project. Los Helados is subject to a Joint Exploration Agreement with its joint exploration partner in Chile, Pan Pacific Copper.

Additional Information

For further details with regards to the Project Constellation, please refer to the technical report titled "Project Constellation incorporating the Los Helados Deposit, Chile and the Josemaría Deposit, Argentina NI 43-101 Technical Report on Preliminary Economic Assessment" with an effective date of February 12, 2016 and an amended signature date of March 31, 2016 (the "Project Constellation Report"). The Project Constellation Report was prepared by Amec Foster Wheeler International Ingeniería y Construcción Limitada ("AMEC") and is available for review under the Company's profile on SEDAR (www.sedar.com) and on the Company's

website (www.ngexresources.com).

This information is information that NGEx Resources Inc. is obliged to make public pursuant to the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, on May 9, 2018 at 8:00 p.m. Toronto Time.

On behalf of the board

Wojtek Wodzicki
President and CEO

Cautionary Note Regarding Forward-Looking Statements

Certain statements made and information contained herein in the press release constitutes "forward-looking information" and forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information"). The forward-looking information contained in this press release is based on information available to the Company as of the date of this press release. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward looking information. Generally, this forward-looking information can frequently, but not always, be identified by 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 statements that certain actions, events, conditions or results "will", "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.

All statements other than statements of historical fact may be forward-looking statements. 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 and metal prices, currency fluctuation, financing, unanticipated resource grades and recoveries, 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 more fully described under "Risks Factors", and elsewhere, in the Company's most recent Annual Information Form available under the Company's profile at www.sedar.com and the Company's website.

The Company believes that the expectations reflected in the forward-looking statements and information included in this press release are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information speaks as of the date of the press release. In particular, this press release contains forward-looking statements or information with respect to the timing of work programs, obtaining drill assay results, terms and conditions of a credit Facility; engagement with potential development partners or acquirers; the Company's expectations and estimates with respect to cost estimates and other assumptions used in the PEA and expectations from the PEA; the assumptions used in the updated mineral resources estimates for the Los Helados and Josemaría deposits; exploration and development expenditures; the timing and nature of any potential development scenarios; opportunities to improve project economics; potential regional synergies and cooperative development plans with other regional operators, exploration targets,

estimations for copper and other commodity prices, mineral resources, costs, success of exploration activities; expectations with regard to adding to mineral resources through exploration; permitting time lines; ability to obtain surface and water rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. 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 are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

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.

SOURCE NGEx Resources Inc.

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<https://ngex.mediaroom.com/2018-05-09-NGEx-Reports-First-Quarter-2018-Results>