

NGEx Reports Second Quarter 2017 Results

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug. 10, 2017) - NGEx Resources Inc. (TSX:NGQ) (OMX:NGQ) ("NGEx" or the "Company") is pleased to announce its results for the three and six months ended June 30, 2017.

SECOND QUARTER HIGHLIGHTS

- The Company continues to take advantage of opportunities to add value to Project Constellation by evaluating lower cost development options, testing the potential to recover gold from the oxide cap at Josemaría by heap leaching, and continuing baseline environmental studies.
- Over the past few months, the Company evaluated the leach amenability of the oxide cap at Josemaría through a series of metallurgical tests and studies and explored whether this material is amenable to heap leaching. The oxidized leached cap at Josemaría contains approximately 450,000 ounces of gold within an Indicated resource of 43 million tonnes at an average grade of 0.32 g/t gold. This material was considered waste in the Preliminary Economic Assessment completed in early 2016 (the "PEA") as no metallurgical testwork had been completed at that time. Preliminary results were received from column leach metallurgical testwork on material from the oxide cap and the results show good leach kinetics, with gold recovery ranging between 72% and 78%, depending on crush size, and indicate that leach recovery of gold from this portion of the resource is technically feasible.
- The Company is actively working on building its project portfolio with a focus on copper-gold projects in Chile and Argentina and evaluating a number of exploration projects in Argentina for potential acquisition.

OUTLOOK

During the remainder of 2017, the Company will focus on advancing Project Constellation by continuing to optimize and de-risk the Project and explore options to advance the Project toward eventual development, including more active engagement with potential development partners or acquirers.

In addition, work is planned to explore the varied development options that the Project provides. Specifically, the Company will seek opportunities to add value, at modest costs, by:

- Evaluating high potential exploration targets within a few kilometers of the existing deposits and the proposed plant site;
- Continuing to look for opportunities to optimize the engineering studies;
- Continuing ongoing environmental baseline data collection surveys; and
- Exploring potential regional 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, open up the potential for sharing infrastructure on a regional scale by connecting deposits via long distance materials handling systems.

The Company continues to pursue these de-risking opportunities and will seek to engage with potential partners to lay the groundwork for either the eventual development by the Company and its partners or through a sale to a third party. Efforts will be focused on exploring all potential development scenarios for Los Helados and Josemaría. In addition, the Company will continue to pursue opportunities to add high quality new copper-gold exploration projects to its portfolio.

SELECTED FINANCIAL INFORMATION

<i>(in thousands)</i>	June 30, 2017	December 31, 2016
Cash	6,353	11,185
Working capital	5,831	10,746
Mineral properties	6,493	6,322
Total assets	14,153	18,968
Long-term liabilities	783	815

FINANCIAL RESULTS

(in thousands, except per share) Three months ended Six months ended

<i>amounts)</i>	June 30, 2017	2016	June 30, 2017	2016
Exploration expenses	864	1,052	2,081	3,327
General and administration ("G&A")	546	802	1,977	1,745
Net loss	1,712	2,113	4,963	5,484
Basic and diluted loss per share	0.01	0.01	0.02	0.03

The Company's net loss for the three and six months ended June 30, 2017 totaled \$1.7 million and \$5.0 million, respectively, compared to \$2.1 million and \$5.5 million for the respective periods in 2016. The reduction in exploration expenditures and net loss for the current quarter mainly reflects the exclusion of Filo del Sol costs from the Company's 2017 results subsequent to the completion of the spin out of Filo del Sol in August 2016. The resulting decrease in exploration expenditures over the six month period was partially offset by a US\$0.5 million land access payment in support of surface access and other expenditures on the Los Helados property.

General and administration costs ("G&A") for the three and six months ended June 30, 2017 totaled \$0.5 million and \$1.9 million, compared to \$0.8 million and \$1.7 million for the respective periods in 2016. The increase in G&A costs for the first six months of 2017, compared to 2016, was mainly attributed to performance incentive payments made to senior management and staff. The reduction in G&A costs for the current quarter was mainly attributed to additional professional services rendered in 2016 to execute the spin out of Filo Mining Corp.

The Company also benefits from a new Argentine legislation, which exempts the Company from making net worth tax payments over a two year period starting in 2017, thereby realizing an annual cost saving of approximately \$0.3 million. An unrealized loss on investment of \$0.2 million was recorded, as a result of the decline in value of the Company's available for sale investments during 2017.

Foreign exchange losses reflect the short-term fluctuations of foreign currencies used in operations against the Canadian dollar and the foreign exchange gain/loss arising from the mark to market value of its US dollar liability owed to a joint venture exploration partner, as at period-end.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2017, the Company had cash and working capital of \$6.4 million and \$5.8 million, respectively, compared to cash and working capital of \$11.2 million and \$10.7 million, respectively, at December 31, 2016. The decrease in cash and working capital was attributable to ongoing exploration activities and corporate working capital expenditures during the first six months of 2017.

With the completion of financings from 2016 and through prudent management of its finances, coupled with cost synergies from sharing certain corporate and administrative costs with Filo Mining during the first six months of 2017, the Company maintains a strong cash balance to support ongoing exploration expenditures in South America and general corporate activities.

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 NGEx'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 James 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 NGEx

NGEx 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 its Project Constellation which contemplates the integrated development of two large copper-gold deposits, Los Helados and Josemaria, located in Chile's Region III and adjacent San Juan Province, Argentina. Both Los Helados and Josemaria are subject to separate Joint Exploration Agreements with joint exploration partners. The Company is the majority partner and operator for both projects.

Additional Information

For further details with regards to the Project Constellation, please refer to the technical report with an effective date of February 12, 2016 and titled "Project Constellation incorporating the Los Helados Deposit, Chile and the Josemaria Deposit, Argentina NI 43-101 Technical Report on Preliminary Economic Assessment", prepared by Amec Foster Wheeler International Ingeniería y Construcción Limitada ("AMEC"). The Technical Report 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, August 10, 2017 at 2:30pm Pacific 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 pertaining to the potential development or sale to a third party of the Constellation Project; cost estimates and other assumptions used in the PEA and expectations from the PEA; assumptions used in the mineral resources estimates for the Los Helados and Josemaria projects; exploration and development expenditures; the timing and nature of any potential development scenarios, including active engagement with potential development partners or acquirers; opportunities to improve project economics; potential regional synergies and cooperative development plans with other regional operators, exploration targets, the potential recovery of gold from the oxide cap at Josemaria, estimation of commodity prices, mineral resources, costs and the success of exploration activities; expectations with regard to adding to mineral resources through exploration; permitting time lines; ability to obtain and maintain surface 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.

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<https://ngex.mediaroom.com/index.php?s=2429&item=122496>