

NGEx Reports Third Quarter 2016 Results

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov. 10, 2016) -NGEx Resources Inc. (TSX:NGQ)(NASDAQ OMX:NGQ) ("NGEx" or the "Company") is pleased to announce its results for the three and nine months ended September 30, 2016.

HIGHLIGHTS

The spin out of the Company's wholly-owned Filo del Sol property into Filo Mining Corp. through a Plan of Arrangement under the Canada Business Corporations Act (the "Arrangement") was completed on August 16, 2016. Filo Mining Corp. common shares began trading on the TSX Venture Exchange and the Nasdaq First North Exchange on August 26, 2016 and September 6, 2016, respectively, under the trading symbol "FIL".

The Arrangement was designed to deliver greater value to shareholders by unlocking the value of the Filo del Sol Project and minimizing dilution of the Company's Constellation Project. With the spin out of Filo Mining complete, the Company is focused on advancing its 60% owned Project Constellation which includes the Los Helados and Josemaria deposits located, respectively, in Region III of Chile and in the adjacent San Juan Province of Argentina. Project Constellation is one of the largest undeveloped copper-gold projects in South America.

On September 19, 2016 NGEx provided an update on the Company's plans to advance Project Constellation and take advantage of opportunities to add value at modest costs by evaluating lower cost development options including: assessing the potential to initially develop Josemaria at a smaller scale; testing the heap leach potential of the oxide cap at Josemaria; and reducing timelines to development by starting the process of acquiring water rights and continuing baseline environmental studies. The Company also plans to work up a number earlier stage exploration targets between Los Helados and Josemaria. During the third quarter of 2016, NGEx also secured the surface rights covering the Los Helados deposit, including areas for infrastructure and access, representing an important milestone in Project Constellation's development.

Mr. Wojtek Wodzicki, President and CEO, commented, "With the spin-out of Filo Mining, NGEx will focus on realizing the value potential of Los Helados and Josemaria. We see clear opportunities to add value at modest costs. A recent surface rights acquisition at Los Helados is an example of this approach in action. During the coming year we plan targeted work to add value to the Constellation project including; leach test work on the oxide gold zone at Josemaria, targeted exploration on some of the earlier stage prospects between Los Helados and Josemaria, as well as continued environmental baseline studies. There are very few large, junior controlled, copper projects in the world and our goal is to position NGEx as the premier play on a recovering copper market."

FINANCIAL RESULTS

<i>(in thousands, except per share amounts)</i>	Three months ended		Nine months ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Exploration expenses	1,880	1,966	5,207	17,098
General and administration ("G&A")	927	614	2,672	2,776
Gain on spin-off transaction	(30,032)	-	(30,032)	-
Net (income) / loss	(27,812)	2,674	(22,328)	19,676
Basic and diluted (income) / loss per share	(0.14)	0.01	(0.11)	0.10

SELECTED FINANCIAL INFORMATION

<i>(in thousands)</i>	September 30, 2016	December 31, 2015
Cash	1,454	2,113
Working capital	1,596	930
Mineral properties	6,178	12,770
Total assets	10,232	17,008
Long-term liabilities	803	875

The Company incurred \$1.9 million in exploration and project investigation expenses during the current quarter in 2016, which included the US\$0.5 million payment to secure land surface access rights in August 2016. Overall field related activities were minimal following the completion of the Integrated PEA in February 2016, compared to the work performed in 2015. The scoping level study, to evaluate the potential of combining the Los Helados and Josemaria operations, began in mid 2015, resulting in higher costs for the conceptual study as well as consulting, geochemistry and geophysics work during the third quarter of 2015.

The \$0.3 million increase in G&A costs for the current quarter is primarily attributable to additional professional and stock exchange related fees required in completing the Arrangement. Share-based compensation charges were also higher in the third quarter of 2016 compared to 2015, as the replacement option received by the option holders of the Company became fully vested with no further service obligations required after the effective date of the Arrangement.

The Company recorded a \$30 million gain for the current quarter as a result of accounting for the spin-out of Filo Mining as a distribution in kind to its shareholders. The distribution to shareholders must be accounted for at fair value according to IFRS standards, with the difference between that value and the carrying amount of the net assets recognized in the statement of comprehensive income.

As a result of the \$30 million gain on the spin-out and a \$0.5 million gain on the disposition of investments, the Company reported a \$28 million net income for the current third quarter of 2016, compared to a net loss of \$2.7 million for the third quarter of 2015.

Net income for the nine months ended September 30, 2016 totaled \$22 million, compared to a net loss of \$20 million for the same period in 2015. The reporting of net income was primarily due to the \$30 million gain on the spin-off, a \$12 million reduction in exploration expenditures, and the recognition of a \$0.5 gain on disposition of investments. Exploration expenditures during the nine month period in 2016 were lower due to the reduction in the scale of exploration activities performed on its projects following the completion of its Integrated PEA in February 2016, compared to the work performed in 2015. As the 2015 exploration program for Project Constellation and Filo del Sol included 7,696 meters of drilling activities during the nine month period in 2015, the 2015 exploration and project investigation costs were significantly higher than the costs incurred for the current 2016 period. Cost savings from a devalued Argentine peso further contributed to the change in net income/loss between the 2016 period and the 2015 period.

The Company formalized a cost-sharing arrangement with Filo Mining as of the effective date of the Arrangement, upon which both NGEx and Filo Mining would benefit from cost synergies of sharing certain corporate administrative and overhead costs going forward.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2016, the Company had cash and working capital of \$1.5 million and \$1.6 million, respectively, compared to cash and working capital of \$2.1 million and \$0.9 million, respectively, at December 31, 2015.

The \$10.5 million funds received from the two separate private placement financings completed earlier this year were primarily spent on operations and exploration activities for the nine months ended September 30, 2016. The Company also paid \$3 million to Filo Mining in connection with the spin-out and US\$0.5 million to secure the land surface access agreement in August 2016.

The remaining cash and working capital of the Company will be used to focus on exploring potential development scenarios for the Project Constellation assets. The transaction costs associated with the Arrangement totaled \$0.5 million and were incurred entirely by the Company.

The Company currently has a credit facility of US \$0.5 million as an additional source of liquidity to manage its cash flow. As at September 30, 2016, the Company had no outstanding balance due on the credit facility. During the current period, the Company amended the terms of the agreement to extend the maturity date of the debenture to the earlier of January 20, 2017 and the completion date of the next equity financing.

OUTLOOK

The Company remains focused on the advancement of Project Constellation and on continued efforts to lay the groundwork for the development of this significant asset. Work is planned to explore the varied development options that these projects provide in this new mining region. Specifically, the Company sees clear opportunities to add value, at modest costs, by evaluating lower cost development options and identifying other opportunities to improve the project, including:

- Assessing the potential to initially develop Josemaria at a smaller scale. Josemaria has a zone of near surface, higher grade mineralization. The Company plans to complete an internal scoping study that would focus on the potential of this material to enable a lower initial capex, scaled development of Josemaria;
- Testing the recovery of gold from the oxide cap at Josemaría, which contains approximately 450,000 ounces of gold within an Indicated resource of 43 million tonnes at a grade of 0.32 g/t gold. This material was considered as waste in the Integrated PEA mine plan, however, the limited leach test work completed to date showed good gold recoveries and further test work is planned to evaluate whether it could contribute to project economics;
- Evaluating high potential regional exploration targets within a few kilometers of the existing deposits and the proposed plant site;
- Reducing timelines to development by starting the process of acquiring water rights to support the project. The proposed process plant location in Argentina greatly reduces the cost and risk of securing a water supply since water will be sourced from Argentina rather than from Chile;
- Continuing baseline environmental studies and community relations programs; and
- Exploring potential regional synergies and cooperative development plans with other regional operators to utilize spare capacity of processing plants and infrastructure, including port facilities. Innovative development concepts such as Teck-Goldcorp's Nueva Union Project open up the potential for sharing infrastructure on a regional scale by connecting deposits via long distance conveyor systems.

The Company continues to pursue these de-risking opportunities and will seek to engage with potential partners to lay the groundwork for either eventual development by the Company and its partners or for sale to a third party. Efforts will be focused on exploring all potential development scenarios for the Project Constellation assets while keeping costs to a minimum.

CORPORATE UPDATE

Resignation and Appointment of Directors

Mr. Paul Conibear, a Director of the Company, is retiring from his directorship with NGEx, after serving the Company and its predecessor companies for many years. Paul has been involved with the NGEx projects since they were first acquired in the late 1990s and played a key role in the management of the early work.

To fill Mr. Conibear's vacant position, and to add additional depth and diversity, the Company is very pleased to announce the appointments of Mr. Jack Lundin and Ms. Cheri Pedersen to the Company's Board of Directors.

Mr. Jack Lundin received a Bachelor of Science degree in Business Administration from Chapman University and a Master of Engineering degree in Mineral Resource Engineering from the University of Arizona. He previously worked as an analyst for Lundin Petroleum and is currently employed with Lundin Gold Inc. on the construction of the world class Fruta del Norte gold project in Ecuador.

Ms. Pedersen holds a Bachelor of Commerce degree and a law degree, both from the University of British Columbia. Ms. Pedersen practiced securities law in Vancouver, British Columbia for over 30 years, retiring from law practice in April 2016.

"We are very pleased to have Jack and Cheri join our Board," said Mr. Wojtek Wodzicki, President and Chief Executive Officer. "Their energy, skills and experience will be great assets to NGEx in the years ahead. I would also like to extend my sincere gratitude to Mr. Paul Conibear for his many years of service on the Board. Paul has been a member and trusted advisor since the formation of NGEx in 2009 and he will be missed."

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 Project Manager 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, the Los Helados and the Josemaria deposits, located in Chile's Region III and adjacent San Juan Province, Argentina. Los Helados is part of a joint venture in which the Company holds approximately a

61.17% interest and Pan Pacific Copper Co., Ltd. holds approximately a 38.83% interest. Josemaría is part of a joint venture in which the Company holds 60% and Japan Oil, Gas, and Metals National Corporation (JOGMEC) owns 40%.

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, on November 10 at 5:00pm 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 Company's expectations and estimates with respect to cost estimates and other assumptions used in the Integrated PEA and expectations from the Integrated 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; opportunities to improve project economics; 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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