

NGEx Files Notice of Special Meeting for Proposed Spin-Out of Filo del Sol Project

VANCOUVER, BRITISH COLUMBIA--(Marketwired - July 13, 2016) -NGEx Resources Inc. (TSX:NGQ) (OMX:NGQ) ("NGEx" or the "Company") is pleased to report that, further to its news release dated June 13, 2016, the Company has filed its Notice of Special Meeting (the "Notice") of shareholders and optionholders of the Company (together, the "NGEx Securityholders"), and the related Management Information Circular (the "Circular"), which describes, amongst other things, the proposed spin-out of the Company's wholly owned Filo del Sol property (the "Filo del Sol Project") into a wholly owned subsidiary of NGEx, Filo Mining Corp. ("Filo Mining"), through a Plan of Arrangement under the *Canada Business Corporations Act* (the "Arrangement").

Upon completion of the Arrangement, Filo Mining will hold a 100% interest in the Filo del Sol Project and will focus on the advancement of this project. Over time it is expected that Filo Mining may add new exploration stage projects to its portfolio. NGEx will retain and focus on the advancement of its 60% owned Constellation Project. The Constellation Project is comprised of the Los Helados property in Chile, and the Josemaría property in Argentina. Los Helados is part of a joint venture in which the Company holds 60.72% and Pan Pacific Copper Co., Ltd. holds 39.28%, and Josemaría is part of a joint venture in which the Company holds 60% and Japan Oil, Gas, and Metals National Corporation holds 40%.

The board of directors of NGEx Resources Inc. (the "Board") has determined that the Arrangement is fair and is in the best interests of NGEx and the NGEx Securityholders and recommends that the NGEx Securityholders vote in favour of the Arrangement. In addition, the Corporation has received a fairness opinion from its financial advisor, Evans & Evans, Inc., that the terms of the Arrangement are fair, from a financial point of view, to the NGEx shareholders. The Board notes that the Arrangement is expected to allow NGEx to focus on the further advancement of the Constellation Project and minimize dilution of that project. In addition, the Arrangement is expected to allow the market to value the Constellation Project independently of the earlier stage Filo del Sol Project, permit the independent development of both projects and provide capacity for new acquisitions.

The Circular, which sets out the terms of the Arrangement, together with the Notice and related proxy documents for the special meeting (the "Meeting") of NGEx Securityholders voting as a single class, scheduled for August 11, 2016, has been mailed to all NGEx Securityholders of record as of July 8, 2016 and is available under NGEx's profile on SEDAR at www.sedar.com and has also been filed on the Company's web site at www.ngexresources.com.

Technical Report

Concurrently with the filing of the Circular, NGEx announces that an updated National Instrument 43-101 ("NI 43-101") Technical Report (the "Technical Report"), for the Filo del Sol Project has been completed and filed on SEDAR.

The Technical Report titled "Geological Report for the Filo del Sol Property, Region III, Chile and San Juan Province, Argentina" dated June 10, 2016, was prepared for Filo Mining by Fionnuala Devine, M. Sc., P.Ge., of Merlin Geosciences Inc., Diego Charchaflíé, M. Sc., P.Ge. of LPF Consulting SRL, and James N. Gray, P.Ge. of Advantage Geoservices Ltd., all of whom are Qualified Persons as defined by NI-43-101 and are independent of the Company and Filo Mining. The Technical Report is available for review under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.ngexresources.com.

The Transaction

The Arrangement will include a transfer of the Filo del Sol Project, along with \$3 million in cash, to Filo Mining. Pursuant to the Arrangement, NGEx will distribute 100% of the common shares of Filo Mining it receives to NGEx shareholders on a pro rata basis. NGEx shareholders will be entitled to receive one common share of Filo Mining for every four common shares of NGEx held as of the effective date of the Arrangement, expected to be in mid-August, 2016. There will be no change in shareholders' holdings in NGEx as a result of the Arrangement.

Each outstanding stock option of NGEx will be deemed to be exchanged for a fully-vested replacement stock option of NGEx (an "NGEx Replacement Option") and one quarter of one fully-vested stock option of Filo Mining (a "Filo Option"), and the exercise prices for the NGEx Replacement Options and the Filo Options will be adjusted to reflect the relative value of the shares.

The Arrangement will be subject to Toronto Stock Exchange ("TSX"), regulatory and court approval, as well as approval by not less than two-thirds of the votes cast at the Meeting by the NGEx Securityholders voting as a single class.

The new Filo Mining Board will consist of Mr. Lukas Lundin, Mr. Ashley Heppenstall, Mr. Paul McRae, Mr. Alessandro Bitelli, and Mr. Wojtek Wodzicki. Information concerning each director of Filo Mining is set out in the Circular.

The management team of Filo Mining will consist of Wojtek Wodzicki as CEO, Joyce Ngo as Interim CFO, Bob Carmichael as VP Exploration and Julie Kemp as Corporate Secretary. Changes and additions to the management team will be made as needed and as the Filo del Sol Project progresses.

The Company intends to apply for a listing of the shares of Filo Mining on the TSX Venture Exchange ("TSX-V"). Any such listing will be subject to Filo Mining fulfilling all of the requirements of the TSX-V. The Company also expects to apply for a listing of the shares of Filo Mining on the Nasdaq First North Exchange in Stockholm, Sweden. Any such listing will be subject to Filo Mining fulfilling all the requirements of the Nasdaq First North Exchange.

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 three advanced exploration stage copper-gold systems located on a contiguous 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 approximately a 60.72% interest and Pan Pacific Copper Co., Ltd. holds approximately a 39.28% 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%. NGEx holds a 100% interest in the Filo del Sol Project. In addition to these more advanced projects, the Company holds a portfolio of 100% owned early stage exploration projects located in Chile and Argentina.

Additional Information

The information in this release is subject to the disclosure requirements of NGEx under the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was publicly communicated on July 13, 2016 at 7:00p.m. 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 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 risk of the Company not obtaining court, NGEEx Securityholder or stock exchange approvals to proceed with the Arrangement; the risk of unexpected tax consequences to the Arrangement, the risk of unanticipated material expenditures required by the Company prior to completion of the Arrangement; risks of the market valuing NGEEx and Filo Mining in a manner not anticipated by the Company; risks relating to the benefits of the Arrangement not being realized or as anticipated; Filo Mining being unable to add additional properties to its portfolio, the potential dilution at the Constellation Project, 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 uncertainties and other factors, including, without limitation, those referred to in the "Risks and Uncertainties" section of the press release, the Company's Annual Information Form for the year ended December 31, 2015, under the heading "Risks Factors", and elsewhere, which 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.

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 statements with respect to completion of the Arrangement; the availability of working capital for both NGEEx and Filo Mining; tax consequences of the Arrangement; benefits of the Arrangement, obtaining NGEEx Securityholder, court and TSX approvals of the Arrangement; the listing of Filo Mining common shares on the TSX-V and Nasdaq First North; the composition of Filo Mining's management and board of directors; the acquisition of exploration properties for Filo Mining's portfolio; the timing for completing the Arrangement; the potential development of the Constellation Project, including whether dilution will occur at the Constellation Project; 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 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=122516>