Josemaría Resources

NGEx Reports Third Quarter 2015 Results

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov. 13, 2015) - NGEx Resources Inc. (TSX:NGQ) (OMX:NGQ) ("NGEx" or the "Company") is pleased to announce its operating and financial results for the three and nine months ended September 30, 2015 and to provide an update on results of work on its projects to date.

HIGHLIGHTS AND SIGNIFICANT EVENTS

- During the third quarter of 2015, activities were focused on advancing a Preliminary Economic Assessment of an integrated Los Helados - Josemaria operation (the "Integrated Study"), which will consider a scenario in which production from the Los Helados and Josemaria deposits feeds a central processing facility with the goal of optimizing overall project economics.
- On November 3, 2015, the Company and Teck completed the sale of their respective interests in the GJ Project to Skeena Resources Limited.
- The completion of the sale of the GJ Project and the sale of the Assean Lake claims earlier this year reflects the Company's continuing effort to rationalize its portfolio and to realize value from its non-core projects. The Company continues to focus on its core copper-gold exploration projects including the Los Helados, the Josemaria and the Filo del Sol projects located in South America.

LOS HELADOS PROJECT, CHILE

Engineering Studies

On October 20, 2014, the Company announced the results of a Preliminary Economic Assessment (the "Los Helados PEA"), completed on the Los Helados Project, together with an updated Mineral Resource Estimate. The Los Helados PEA contemplated the standalone development of Los Helados and was the first step in the Company's longer-term plan to evaluate the potential to develop a district-scale integrated operation.

The Company's main focus during the third quarter of 2015 was the ongoing engineering, geotechnical, and baseline environmental studies at the Los Helados and Josemaria projects. The 2015 engineering work program includes:

- Development of an optimized mine plan, which combines the Los Helados and Josemaria deposits. The Josemaria deposit is located approximately 11 kilometers from the Los Helados Project. The objectives of this work are to evaluate opportunities to:
  - bring forward production from the higher grade portion of the deposits;
  - reduce the upfront development costs;
  - reduce the time needed to ramp up to full production; and
  - extend the mine life by using a declining cut-off grade strategy later in the mine plan.
- Additional metallurgical testwork on both deposits to continue to improve metal recoveries and concentrate grades and better understand how these will vary over the life of the proposed mine;
- Geotechnical studies at Los Helados to better define the block cave mining characteristics of the deposit;
- An evaluation of the optimum site for a centralized processing plant including an assessment of options to optimize the infrastructure, water, and power costs; and
- Ongoing environmental baseline studies.

The above information will be incorporated into the Integrated Study, which is expected to be completed in early 2016. AMEC Foster Wheeler in Santiago is the lead consultant completing the engineering work.

During the third quarter of each year, representatives of the Company and its joint exploration partner Pan Pacific Copper Co. Ltd. ("PPC") meet to review and approve a budget and work program. Los Helados is subject to a Joint Exploration Agreement with PPC ("PPC JEA"), whereby the Company holds approximately a 60% interest and PPC holds approximately a 40% interest in the Los Helados Project. For the 2015/2016 work program, PPC has elected not to fund its pro-rata share of expenditures and as a result, has elected to dilute its interest pursuant to the PPC JEA. As at September 30, 2015, PPC's interest in the Los Helados Project has been diluted by approximately 0.1%.

JOSEMARIA PROJECT, ARGENTINA

Work on Josemaria in the third quarter of 2015 was focused on bringing the Josemaria deposit into the Integrated Study. Mine planning, evaluation of infrastructure options, metallurgical test work, initial development of capital and operating costs and baseline environmental programs continued during the third quarter of 2015. Field work, in support of the environmental program, was also carried out.

FILO DEL SOL PROPERTY, ARGENTINA

On October 23, 2014, the Company announced the agreement to acquire the 40% interest in the Filo del Sol project held by PPC effective September 1, 2014 for total cash consideration of US$7.0 million. The Company paid US$3.5 million in November 2014, with the remaining US$3.5 million payable by the earlier of November 1, 2015 or upon completion of an administrative restructuring of certain exploration licenses. As of November 1, 2015, restructuring of the required exploration licenses had not been completed and the Company did not pay the remaining US$3.5 million. Therefore pursuant to the definitive agreement, PPC shall be deemed as of November 2, 2015 to have funded US$3.5 million of exploration expenditures in respect of the remaining La Rioja properties and such deemed amount shall be set-off against any then current or future funding obligations of PPC. The Company considered the estimated timeframe required to expend US$3.5 million on behalf of PPC at the La Rioja property and have presented the US$3.5 million due to PPC as a non-current liability, discounted to its present value at an annual effective rate of 8.24%. The acquisition consideration for the Filo del Sol mineral property interests was adjusted correspondingly to reflect the extended term expected to settle the remaining obligation due to PPC. NGEx owns a 100% interest in the Filo del Sol project.

Interpretation and modelling of the field season's exploration data was ongoing throughout the third quarter of 2015, including updating the three dimensional geological model of the deposit as part of completing an updated mineral resource estimate. This updated resource estimate is expected to be completed prior to the end of 2015. Planning of additional exploration work during the upcoming field season was also a priority during the third quarter of 2015.

CORPORATE UPDATE

On November 3, 2015 (the "Closing Date"), the Company and Teck completed the sale of all respective interests in the GJ Project to Skeena Resources Limited ("Skeena"). In accordance with the terms of the agreement dated October 5, 2015, Skeena acquired 100% of the GJ Project in return for the following consideration:

- A cash payment of $0.5 million and an aggregate of 12,947,538 common shares of Skeena, with a value of $1,000,000 based on a 10- day weighted average price of $0.0772 per share as of Closing Date.
- An additional common share consideration valued at $3 million is payable over five years, with $1.5 million payable on or before the 2nd anniversary of the Closing Date and the balance of $1.5 million payable on or before the 5th anniversary of the Closing Date.
- A $4 million cash payment is payable within 45 days of commercial production from the GJ Project.

The Company and Teck will retain a 2% Net Smelter Return (NSR) Royalty on the GJ block, which contains the GJ Resource. Half of this NSR Royalty can be purchased for $2 million. Teck and the Company will retain a 1% NSR Royalty on the Northern Block of Claims, half of which can be purchased for $1 million. Teck and the Company's royalties will be held under separate royalty agreements in favour of Teck and the Company respectively. As such, the Company will hold a 0.98% NSR on the GJ Block and a 0.49% NSR on the Northern Block. The Company will receive 49% of all proceeds from the sale, including a 49% share of the retained royalties, while Teck will receive the remaining 51% share of sale proceeds and retained royalties.

As of the Closing Date, the Company has received $245,000 in cash and 6,344,294 common shares of Skeena, representing 49% of the initial payment.

RESULTS OF OPERATIONS

The Company's net loss for the nine months ended September 30, 2015 was $19.7 million or $0.10 per share, as compared to a loss of $15.5 million or $0.09 per share for 2014. The increase in the net loss of $4.2 million is mainly due to an increase in exploration and project investigation expenditures of $4.7 million. This is due to increased drilling activities, additional conceptual studies and environmental work undertaken at the Los Helados Project during the year, as well as funding 100% of expenditures at both the Los Helados and the Filo del Sol Project. PPC has elected not to fund its pro-rata share of the 2015/2016 work program at the Los Helados project, resulting in additional expenditures being incurred by the Company for the Los Helados project. Effective September 1, 2014, the Company acquired the remaining 40% interest in the Filo del Sol Project held by PPC and now owns 100% of the project. Therefore, during the nine months ended September 30, 2015, the Company funded 100% of expenditures at the Filo del Sol Project.

The Company realized a $0.2 million gain on the disposition of the Assean Lake mineral property interests in April 2015 and a $0.4 million foreign exchange gain arising from holding the majority of its cash and cash equivalents in US funds during the nine months ended September 30, 2015.

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 activities.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2015, the Company had cash and working capital of $3.9 million and $3.4 million, respectively, as compared to cash and working capital of $28.5 million and $17.7 million, respectively, at December 31, 2014. The decrease in cash and working capital is primarily a result of exploration expenditures incurred and general and administrative expenses. Net cash used in operating activities was $25.6 million for the nine months ended September 30, 2015 and consisted primarily of the loss from operations of $19.7 million, which included exploration and project investigation expenditures of $17.1 million, and was adjusted for the impact of non-cash items and changes in non-cash working capital items.

While the condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that it will be able to meet commitments, continue operations, realize assets and discharge liabilities in the normal course of business for the foreseeable future, further funding is required in order for the Company to meet its existing obligations, commitments and fund ongoing exploration. Factors that could affect the availability of financing include the progress and results of our exploration properties and programs, the state of international debt and equity markets, investor perceptions and expectations, and the global financial and copper markets. Historically, operating, capital and exploration requirements have been funded primarily from equity financing, joint ventures, disposition of mineral properties and investments. 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 satisfactory terms. Based on the amount of funding raised, the Company's exploration program and other activities may be tailored accordingly.

OUTLOOK

At Los Helados, the completion of the Los Helados PEA in the prior year helped identify a number of opportunities to potentially improve the project economics. These include:

- Exploring regional synergies for capital and operating cost reductions, primarily through the Integrated Study which will evaluate the possibility of processing material from Los Helados and Josemaria through a central processing facility;
- Extending the life of mine through the application of variable cut-off grades which has the potential to add tonnage to the proposed mine plan;
- Increasing metallurgical recoveries with further test work and optimization;
- Reviewing the suitability of High Pressure Grinding Roll technology (HPGR) which has the potential to reduce overall power costs; and
- Delineating more or higher-grade feed material for the processing plant through continued exploration.

Work on these opportunities will continue for the rest of the year and the results are expected to be incorporated into the Integrated Study in early 2016.

The results of the drilling completed at Filo del Sol will be incorporated into an updated mineral resource estimate which is expected to be completed by the end of the year. The results of the surface mapping and geochemical sampling and the drilling will be interpreted over the coming quarter and used to generate additional drill targets to be tested in the future.

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 Anthony George P. Eng. (BC). Mr. George is a consultant to the Company and a Qualified Person 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 Toronto Stock Exchange 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% interest and Pan Pacific Copper Co., Ltd. holds approximately a 40% interest. Josemaria 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 Resources under the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was publicly communicated on November 13, 2015 at 5:30 p.m. Eastern Time.

On behalf of the board

Wojtek Wodzicki, President and CEO

Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward looking statements" and "forward-looking information" (collectively, "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 in this news release includes, but is not limited to, statements regarding the Company's expectations and estimates with respect to statements with respect to exploration and development expenditures, cost estimates and other assumptions used in the Los Helados PEA, expectations from the Integrated Study, assumptions used in the mineral resources estimates for the Los Helados, Josemaria, and Filo del Sol, 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, 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.

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 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 more fully described under "Risks Factors" in the Company's Annual Information Form available under the Company's profile at www.sedar.com and the Company's website.

The forward-looking information contained in this news release is made as of the date of this news 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. 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. 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.

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