NGEx Minerals Ltd.

# NGEx Minerals Reports Q4 2019 Results and Provides Statement on Readiness and Response to COVID-19

VANCOUVER, April 16, 2020 /CNW/ - **NGEx Minerals Ltd. (TSXV: NGEX) ("NGEx Minerals" or the "Company")** is pleased to announce its results for the year ended December 31, 2019, and provide its outlook for the coming year. PDF Version.

## 2019 HIGHLIGHTS, OUTLOOK AND STATEMENT ON READINESS AND RESPONSE TO COVID-19

Following its spin-out from Josemaria Resources Inc. ("Josemaria") in July 2019, NGEx Minerals has pursued its objective of positioning itself as a top tier mineral exploration-development investment.

During the second half of 2019, the Company's focus was the evaluation of the newly optioned Valle Ancho Project, approximately 100,000 Ha (1,000 km2) of highly prospective ground located in the Province of Catamarca, Argentina, which is on the Argentine side of Chile's prolific Maricunga Gold Belt. The Company's interest in this vast land package is subject to an option agreement with the Province of Catamarca, which allows the Company to earn a 100% interest by making US$8.2 million in expenditures on the project over a two-year period. Past exploration of Valle Ancho had yielded some interesting results, including two copper-gold porphyry prospects and one gold prospect, however no significant work has been undertaken in the area for almost 20 years.

During the 2019/2020 exploration field season, the Company successfully completed an initial field program at the Valle Ancho Project. This initial campaign included a review and compilation of historical data, analysis of satellite imagery, field examination, surface sampling and mapping of existing prospects, and the undertaking of an airborne geophysical survey over the project area to identify, develop and prioritize targets for further evaluation and potential drill testing.

As a result of the intensification of the COVID-19 pandemic, and its arrival in Argentina, the Company's 2019/2020 field program was curtailed, with demobilization of personnel and equipment by the end of March 2020. The Company is responding to COVID-19 within the framework of internal protocols, and local and national health authority requirements and recommendations. The health and safety of the Company's employees, contractors, visitors, and stakeholders has been, and remains, NGEx Minerals' top priority. The Company's project facilities and offices have implemented travel restrictions, surveillance, monitoring and response plans to reduce the risk of COVID-19 exposure and outbreak, including health screening of personnel when appropriate. All non-critical business travel has also been curtailed. The Company will continue to monitor the situation and is prepared to implement additional changes to minimize any potential impacts of the global outbreak that might emerge at the Company's project site or offices, as necessary. As part of its response to the COVID-19 epidemic and the attendant economic turmoil the Company has implemented immediate cost savings measures including cuts to discretionary expenditures. In addition, the Company and its senior management team have mutually agreed to make reductions to senior management salaries, with rollbacks ranging between approximately 10% to 25% for the duration of the crisis.

The foregoing notwithstanding, the Company confirms that it remains on track to achieve its operating objectives for the 2019/2020 field season, as the majority of planned exploration initiatives were successfully completed prior to the curtailment of the season. Processing and interpretation of results from the sampling and airborne surveys undertaken during the 2019/2020 field season are currently in progress.

Following completion of the aforementioned spin-out from Josemaria, the Company increased its business development efforts, which are directed towards identifying new projects for potential acquisition. This is expected to be a significant focus for the Company going forward and we anticipate that the ongoing COVID-19-related economic turmoil may create opportunities.

Wojtek Wodzicki, NGEx Minerals' President and CEO, commented, "We prioritize the health and safety of our employees and stakeholders, and we responded quickly to the growing COVID-19 concerns by calling an early end to our field program. That being said, even having curtailed the program, we are still expecting to achieve our primary operating objective for the season, which is to complete initial reconnaissance and target development on the recently optioned Valle Ancho Project. We are pleased to have this exciting new project in our portfolio, and data collected from the recent program will guide our next steps. In addition, we have also increased our business development efforts as we look for new projects for potential acquisition. Through successful exploration of our current mineral interests and targeted acquisitions, particularly during times of economic downturn, we will continue to work towards positioning NGEx Minerals as a premier investment opportunity.

Lastly, we strive to align management compensation with our shareholders, and the salary rollback, which will have the greatest impact on senior management, is a way to demonstrate that the entire organization is committed to addressing the challenges we face."

## FINANCIAL RESULTS

*(In thousands of Canadian dollars, except per share amounts)*

| | Three months ended | Year ended |
|---|---|---|

| | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
|---|---|---|---|---|
| Exploration and project investigation | 1,092 | 533 | 3,850 | 4,756 |
| General and administration ("G&A") | 441 | 323 | 1,451 | 1,487 |
| Net loss | 1,549 | 960 | 5,307 | 6,337 |
| Basic and diluted loss per share | 0.01 | 0.01 | 0.04 | 0.05 |

*The financial information in this table was selected from the Company's consolidated financial statements for the year ended December 31, 2019 (the "Financial Statements"), which are available on SEDAR at www.sedar.com and the Company's website www.ngexminerals.com.*

**SELECTED FINANCIAL INFORMATION**

*(In thousands of Canadian dollars)*

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Cash | 5,559 | 256 |
| Working capital | 5,321 | 79 |
| Mineral properties | 4,765 | 4,535 |
| Total assets | 10,840 | 5,003 |

*The financial information in this table was selected from the Financial Statements, which are available on SEDAR at www.sedar.com and the Company's website www.ngexminerals.com.*

The Company incurred a net loss of $5.3 million during the year ended December 31, 2019, of which $3.9 million and $1.5 million respectively related to exploration and project investigation costs and G&A costs, compared to a net loss of $6.3 million for the year ended December 31, 2018. The variance is primarily due to a significantly smaller field program undertaken in the current period. Namely, in 2018, the Company undertook a three-hole drill campaign to test its Nacimientos Project, whereas the current year's work consisted primarily of continuing environmental baseline data collection at Los Helados, while conducting preliminary reconnaissance on Valle Ancho.

**LIQUIDITY AND CAPITAL RESOURCES**

As at December 31, 2019, the Company had cash of $5.6 million and net working capital of $5.3 million, compared to cash of $0.3 million and net working capital of $0.1 million, as at December 31, 2018. The increase in the Company's cash and net working capital is due primarily to the receipt of $7.3 million in cash from Josemaria pursuant to the aforementioned spin-out.

The Company plans to use the majority of its cash towards its key exploration projects in South America and general corporate activities.

As an exploration company with no sources of revenue, the economic viability of the Company's long-term business plan is impacted by its ability to obtain financing, and global economic conditions impact the general availability of financing through public and private debt and equity markets, as well as through other avenues. Accordingly, the Company is cognisant of the current deterioration of global financial markets coinciding with the COVID-19 pandemic and plans to reduce discretionary expenditures and senior management salaries and will be exercising additional caution and prudence in the management and deployment of its current working capital. In this regard, the Company will continue to evaluate and adjust its planned exploration and administrative activities to ensure that adequate levels of working capital are maintained.

**ABOUT NGEX MINERALS**

NGEx Minerals is a Lundin Group copper and gold exploration company based in Canada with projects in Chile and Argentina. NGEx holds the large-scale Los Helados copper-gold deposit, located in Chile's Region III, as well as other early-stage projects located in Argentina. NGEx is the majority partner and operator for the Los Helados Project, subject to a Joint Exploration Agreement with its joint exploration partner in Chile, Pan Pacific Copper Co., Ltd. NGEx is actively seeking to add to its portfolio of projects as part of its overall growth strategy. The company is listed on the TSXV under the trading symbol NGEx.

**ADDITIONAL INFORMATION**

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.

The information contained in this news release was accurate at the time of dissemination but may be superseded by subsequent news release(s). The Company is under no obligation nor does it intend to update or revise the forward-looking

information, whether as a result of new information, future events or otherwise.

**QP AND TECHNICAL INFORMATION**

Technical information in this news release has been reviewed and approved byBob Carmichael, B.Sc., P.Eng., who is the Qualified Person as defined by NI 43-101. Mr. Carmichael is Vice President, Exploration for the Company.

On behalf of NGEX Minerals,

Wojtek Wodzicki,
President and CEO

**Cautionary Note Regarding Forward-Looking Statements**

Certain statements made and information contained herein in the news 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 news release is based on information available to the Company 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. 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 statements contained in this news release include statements regarding: the Company's ability to respond to or navigate, and/or methods by which it responds to or navigates, the COVID-19 pandemic; the expected timing of results related to the Company's recently completed field season; potential of identifying prospective targets at the Valle Ancho Project that warrant further evaluation and potential drill testing; the results and impact of future exploration at the Valle Ancho Project; assumptions and interpretations around historical exploration results obtained in regards to the Valle Ancho Project; the exploration potential of the Valle Ancho Property; assumptions and interpretations around the Valle Ancho Project's location relative to the Maricunga Gold Belt and the potential correlation with respect to prospectivity; the timing, amount and duration of reductions to discretionary expenditures and salaries; the materialization of opportunities for the Company to make acquisition of strategic assets; the ability of the Company to secure additional financing and/or the quantum and terms thereof; exploration and development plans and expenditures; the timing and nature of work undertaken to advance the Los Helados Project; the success of future exploration activities; potential for the discovery of new mineral deposits; ability to build shareholder value; expectations with regard to adding to Mineral Resources through exploration; ability to execute the planned work programs; estimation of commodity prices, Mineral Resources, estimations of costs, and 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. Although the Company believes that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since the Company can give no assurance that such expectations will prove to be correct. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including the risks, uncertainties and other factors identified in the Company's periodic filings with Canadian securities regulators. In addition, these statements involve assumptions made 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.

The forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligations to publicly update and/or revise any of the included forward-looking statements, whether as a result of additional information, future events and/or otherwise, except as may be required by applicable securities laws. 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 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.

Cautionary Note to U.S. Readers

Information concerning the mineral properties of the Company contained in this news release has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of securities laws of the United States applicable to U.S. companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission.

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Additional assets available online: Documents (1)

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