NGEx Minerals Ltd.

NGEx Minerals Reports Q2 2020 Results

VANCOUVER, BC, Aug. 27, 2020 /CNW/ - **NGEX Minerals Ltd.** (TSXV: NGEX) **("NGEx Minerals" or the "Company")** is pleased to announce its results for the three and six months ended June 30, 2020. View PDF

SECOND QUARTER 2020 HIGHLIGHTS AND OUTLOOK

Business Development Becomes Focal Point

The Company's main operating objective for the three months ended June 30, 2020 was the continuation of its project generation and business development activities, which are geared towards identifying new projects for potential acquisition. While activity with respect to the Company's current portfolio of mineral properties in Chile and Argentina are temporarily halted due to both the seasonality of their exploration seasons and COVID-19-related restrictions imposed by the Company's operating jurisdictions, the Company's focus has shifted towards identification and assessment of potential investment and acquisition targets globally and across various commodities.

The continuation of project generation initiatives is expected to be a significant focus for the Company going forward, as the Company seeks to leverage the strong ongoing support that it receives from its key shareholders and capitalize on available opportunities.

Wojtek Wodzicki, President and CEO, commented, "While our offices and facilities in both Canada and South America have been largely closed during the second quarter in response to COVID-19, the Company has been making the most of out of the situation in exploring and assessing various business development opportunities. There is definitely a bounty of interesting projects out there, across jurisdictions and commodities, and we have the benefit of being selective to ensure that any acquisitions pursued are complementary to our business and add value to our shareholders. With the continued support from the Lundin Family, our biggest shareholder, we are in an enviable position as we continue to pursue opportune additions to our portfolio of robust exploration assets."

COVID-19 Response Update

The Company continues to respond to the COVID-19 pandemic 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 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.

In response to COVID-19, many governments of varying levels around the world have issued certain public health orders and travel restrictions, including the respective jurisdictions in which Company's headquarters and operating subsidiaries operate. Among other effects, such restrictions impact the Company's movement of people, its access to properties and facilities, and its general ability to conduct business in the normal course. The impacts to the Company to date have not been material, however going forward, they may result in changes to the timing and nature of the Company's operating plans.

As of the date of this news release, the government of Argentina has implemented certain travel restrictions to limit the spread of COVID-19. Per the latest Argentine government policy, any foreigner who is not a resident in Argentina will not be permitted to enter Argentina. In addition, travel restrictions have been imposed by certain provincial authorities on inter-provincial travel within Argentina. In Chile, the government has declared a 90-day state of emergency, which took effect March 19, 2020, and was renewed on June 16, 2020 for an additional 90 days. Effective March 18, 2020, Chile's borders are closed for entry. Chilean citizens and permanent residents are exempted and may still enter Chile at this time. All foreigners and Chileans entering Chile are subject to a mandatory 14-day self-quarantine.

The COVID-19-related health and safety regulations implemented by health officials in the Company's operating jurisdictions continue to evolve, and the Company has employed certain practices and procedures to stay abreast of, and remain adaptable to, the fluid situation. Such practices and procedures include, but are not limited to: analysis of alternate staffing schedules, rotations and accommodation arrangements; development of internal testing and quarantine protocols, including early identification of suitable quarantine locations; and regular dialogue with local government and health officials.

As of the date of this news release, the Company cannot yet determine the impact of the COVID-19 pandemic on its financial position, results of operations and cash flows for the year ending December 31, 2020 and beyond. The foregoing notwithstanding, as the Company's business plan is impacted by its ability to obtain financing through global financial markets, it is anticipated that should the COVID-19 pandemic and/or the general depression of financial markets persist, the Company's ability to access financing on favourable terms may be negatively impacted.

As part of its response to the COVID-19 crisis and the resulting global economic instability, the Company has implemented certain cost saving measures, including reductions to discretionary expenditures.

FINANCIAL RESULTS

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

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Exploration and project investigation	484	801	2,351	2,155
General and administration ("G&A")	345	226	751	528
Net loss	843	1,034	2,913	2,684
Basic and diluted loss per share	0.01	0.01	0.02	0.02

The financial information in this table was selected from the Company's condensed interim consolidated financial statements for the three and six months ended June 30, 2020 (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)

	June 30, 2020	**December 31, 2019**
Cash	2,473	5,559
Working capital	2,431	5,321
Mineral properties	4,669	4,765
Total assets	7,577	10,840

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 $0.8 million during the three months ended June 30, 2020, comprised primarily of $0.5 million in exploration and project investigation costs and $0.3 million in G&A costs. For the comparative three months ended June 30, 2019, the Company reported a net loss of $1.0 million, consisting mainly of $0.8 million in exploration and project investigation costs and $0.2 million in G&A costs. The lower net loss in the current period is generally the result of the decrease in exploration and project investigation costs as a result of the cessation of field activity in the current period due to seasonality of the Company's projects and its COVID-19 response. By comparison, during the comparative period, the Company continued environmental baseline studies at the Los Helados Project during the second quarter of 2019.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2020, the Company had cash of $2.5 million and net working capital of $2.4 million, compared to cash of $5.6 million and net working capital of $5.3 million as at December 31, 2019. The decrease in the Company's cash and net working capital is due primarily to funds used in operations.

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

ABOUT NGEX MINERALS

NGEx Minerals is a Lundin Group copper and gold exploration company based in Canada with projects in Chile and Argentina. NGEx Minerals 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 Minerals 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 Minerals 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, nature or results of the Company's recent business development initiatives; the expected nature or usefulness 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. 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.

SOURCE NGEx Minerals Ltd.

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Additional assets available online: Documents (1)

https://ngexminerals.mediaroom.com/2020-08-27-NGEx-Minerals-Reports-Q2-2020-Results