

## NEWS RELEASE

# NGEX ANNOUNCES POSITIVE RESULT OF PRELIMINARY ECONOMIC ASSESSMENT FOR PROJECT CONSTELLATION - A COMBINATION OF LOS HELADOS AND JOSEMARÍA AND CONFERENCE CALL

**January 7, 2016: NGEx Resources Inc. (TSX: NGQ, Nasdaq Stockholm: NGQ)** ("NGEx" or the "Company") is pleased to announce the results of a Preliminary Economic Assessment ("PEA") that evaluates the development of two of the Company's large copper/gold/silver deposits, Los Helados and Josemaría, together as one project. The Integrated Project will be called **Project Constellation**, and today's results indicate positive economics and position the Project amongst the largest and most exciting development projects in South America. Please see attached maps and figures ([http://media3.marketwire.com/docs/1038725\\_Maps\\_Graphs.pdf](http://media3.marketwire.com/docs/1038725_Maps_Graphs.pdf)).

### Summary of Project Constellation Economic Results:

Pre-Tax NPV (8%) & IRR	\$3.65 billion NPV 17.9% IRR		
After-Tax NPV (8%) & IRR	\$2.09 billion NPV 14.5% IRR		
Payback Period (undiscounted, after-tax cash flow)	4.6 Years		
Metals Prices Assumed	\$3.00/lb Cu \$1,275/oz Au \$20.00/oz Ag		
Initial Capital Expenditures	\$3.08 billion		
LOM Sustaining Capital Expenditures	\$4.36 billion		
LOM C-1 Cash Costs (net of by-product credits)	\$1.05/lb Cu payable		
Nominal Mill Capacity	150,000 t/d		
Mine Life	48 years		
Average Annual Metal Production (rounded)	<b>Life of Mine</b>	<b>First 5 years</b>	<b>Peak</b>
	150,000 t Cu	185,000 t Cu	215,000 t Cu
	180,000 oz Au	345,000 oz Au	415,000 oz Au
	1,180,000 oz Ag	1,310,000 oz Ag	1,600,000 oz Ag
LOM Average Process Recovery	88.3% Cu 72.7% Au 61.4% Ag		

\* All figures reported are in 2015 US dollars and on a 100% Project and 100% equity basis valuation.

The reader is advised that the PEA study results in this press release are only intended to provide an initial, high-level summary of the project. The PEA is preliminary in nature and includes the use of inferred mineral resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral

**reserves and there is no certainty that PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.**

### **Project Description**

Project Constellation contemplates sequential production from an open pit mine at Josemaría followed by a block cave, underground mine at Los Helados. The two deposits are located approximately 10 kilometres apart, and material from both deposits would be processed at a centralized facility. Los Helados is part of a joint venture in which the Company holds 60% and Pan Pacific Copper Co., Ltd. holds 40%. Josemaría is part of a joint venture in which the Company holds 60% and Japan Oil, Gas, and Metals National Corporation (JOGMEC) owns 40%. The PEA was completed by Amec Foster Wheeler, the mineral resource estimates were completed by Behre Dolbear, and the environmental studies were completed by MB Asesoría Ambiental and BGC Engineering.

Including pre-stripping, Project Constellation would be in operation for 50 years. Initial development would target the highest grade portion of the Josemaría deposit, which is a near surface zone of supergene enriched mineralization. As the higher grade material at Josemaría is depleted, production will transition to the high grade core of the Los Helados deposit. Compared to either deposit when considered as a stand-alone operation, Project Constellation's shared facilities help improve capital efficiency, reduce overall environmental impacts, and dramatically improve project economics.

*Reflecting on the results, CEO Wojtek Wodzicki stated, "We are very pleased with the results of this study which indicates robust economics and highlights the potential to develop our discoveries into one of the largest producers of copper, gold, and silver in South America. The completion of the PEA is a major milestone but it is by no means the end of our efforts to fully realize the value that we see in this remarkable district. The exploration potential around the proposed processing plant is excellent and the "hub and spoke" design of the Project provides the flexibility to connect any new discoveries to the Project Constellation infrastructure."*

### **Project Constellation PEA Highlights:**

- Large, robust resource, with most of the mine plan derived from Indicated Mineral Resources (86%);
- A sequential mine plan that takes advantage of the early, higher grade material accessible at Josemaría followed by the higher grade core at Los Helados; many optimization opportunities exist;
- Development capital costs for the Los Helados block cave would be paid for through operating cash flows from the Josemaría open pit, dramatically reducing the initial capital required;
- Estimated 48-year mine life with potential for extension and/or throughput expansion (only 37% of the total Josemaría mineral resource is included in the PEA mine plan);
- Life of mine production totals 7.1 million tonnes of copper (15.7 billion lbs), 8.5 million ounces of gold, and 55.6 million ounces of silver;
- Forecast lowest quartile C-1 costs per pound of copper net of by-products;
- Excellent metallurgy yielding a clean, 29% copper concentrate, with high precious metals content; and
- Clear opportunities to improve project economics by realizing additional potential synergies with nearby deposits.

### **Project Opportunities**

- Optimizing the integrated mine plan and considering opportunities for both expansion and mine life extension as significant resources remain outside the current PEA production plan;
- Recovery of gold from oxide cap at Josemaría;
- Increasing metallurgical recoveries with further test work and optimization;
- Delineating more or higher grade feed material for the process plant through continued exploration on the Company's extensive land package; and

- The new government in Argentina is revising the tax code to encourage foreign investment. The 10% export tax has been lifted for gold, agricultural commodities, and industrial goods. If it is also lifted for copper concentrate export, there would be a significant positive impact on Project Constellation.

### Project Economics

A cash flow valuation model for the project has been developed based on the PEA. The model was developed using a long term copper price of \$3.00/lb. The following figures show the sensitivity of estimated NPV's for the Project's cash flows at various copper prices and discount rates (Au and Ag held flat at \$1,275/oz and \$20/oz respectively):

Sensitivity to Discount Rate & Copper Prices	\$2.50/lb Copper (US\$ billion)		\$3.00/lb Copper (US\$ billion)		\$3.50/lb Copper (US\$ billion)	
	Pre-Tax	After-Tax	Pre-Tax	After-Tax	Pre-Tax	After-Tax
Discounted at 5%	4.12	2.52	6.82	4.36	9.52	6.17
<b>Discounted at 8%</b>	1.89	0.90	<b>3.65</b>	<b>2.09</b>	5.40	3.26
Discounted at 10%	0.99	0.24	2.38	1.19	3.76	2.11

### Capital & Operating Cost Estimates

Capital costs were derived from a variety of sources including comparative analysis of other operations, derivation from first principles, equipment quotes and factoring from other costs contained within the PEA study.

Estimated Capital Costs	(US\$ billion)
Open Pit Mine	\$0.20
Pre-Stripping	\$0.14
Underground Access Tunnel	\$0.09
Plant & Processing	\$0.87
Infrastructure	\$0.55
<b>TOTAL DIRECT COSTS</b>	<b>\$1.85</b>
Indirect Costs	\$0.48
Owner's Costs	\$0.13
Contingency	\$0.62
<b>TOTAL INITIAL CAPEX</b>	<b>\$3.08</b>
LOM Sustaining Capital	\$4.36

A key advantage for the Project is the deferral of the underground development costs at Los Helados beyond the initial capital period, placing these costs into sustaining capital which are paid for through cash flow from operations. Ongoing mine development (\$2.4 billion) and equipment requirements (\$1.4 billion) for the block cave at Los Helados make up the majority of the LOM Sustaining Capital required for the operation.

The PEA estimates that the C-1 cash costs (net of by-product credits) over the life of mine will average \$1.05/lb Cu. C-1 cash costs include at-mine cash operating costs, treatment and refining charges, royalties, selling costs, transportation costs, and by-product credits.

Estimated Operating Costs	Josemaría (US\$/t)	Los Helados (US\$/t)	Life of Mine (US\$/t)
Mining (mineralization processed)	\$3.91	\$4.43	\$4.23
Processing	\$3.60	\$4.26	\$4.09
General & Administration	\$0.80	\$0.80	\$0.80
Pumping	\$0.02	\$0.02	\$0.02

Tailings	\$0.07	\$0.07	\$0.07
Other (Roads, Port, Closure, etc.)	\$0.30	\$0.06	\$0.13
<b>TOTAL</b>	<b>\$8.70</b>	<b>\$9.64</b>	<b>\$9.34</b>

### Mineral Resource

The Josemaría Mineral Resource has been updated from the previous September 27, 2013 estimate based on additional drill data collected. The estimate now includes data from 116 drill holes totalling 52,725 m of drilling, of which 34 holes (13,164 m) are reverse circulation (RC) and 82 holes (39,561 m) are core holes. The total length of assayed intervals is 51,092 m and there are 27,344 assays. The Updated Mineral Resource (Sulphide) was estimated by Behre Dolbear International Ltd. at a base case 0.20% copper equivalent (CuEq) cutoff, with an effective date of August 7, 2015, as follows:

- **1,066 million tonnes at a grade of 0.31% copper, 0.22 g/t gold, and 1.0 g/t silver for a copper equivalent grade of 0.44%** (7.4 billion pounds of copper, 7.4 million ounces of gold, and 34.5 million ounces of silver) in the Indicated Resource category; and,
- **404 million tonnes at a grade of 0.24% copper, 0.15 g/t gold, and 0.8 g/t silver for a copper equivalent grade of 0.33%** (2.0 billion pounds of copper, 2.0 million ounces of gold, and 10.8 million ounces of silver) in the Inferred Resource category.

The oxide resource estimate at Josemaría was not included in the PEA.

The Los Helados Mineral Resource is unchanged from the September 19, 2014 resource model. The Mineral Resource was estimated by Behre Dolbear International Ltd. at a base case 0.33% copper equivalent (CuEq) cutoff as follows:

- **2,099 million tonnes at a grade of 0.38% copper, 0.15 g/t gold, and 1.37 g/t silver for a copper equivalent grade of 0.48%** (17.6 billion pounds of copper, 10.1 million ounces of gold, and 92.5 million ounces of silver) in the Indicated Resource category; and,
- **827 million tonnes at a grade of 0.32% copper, 0.10 g/t gold, and 1.32 g/t silver for a copper equivalent grade of 0.39%** (5.8 billion pounds of copper, 2.7 million ounces of gold, and 35.1 million ounces of silver) in the Inferred Resource category.

### Subset of Mineral Resources within the PEA Mine Plan

The PEA mine plan is based on a subset of the Mineral Resource as follows:

OPEN PIT	Josemaría Mineral Resource Subset – Included in PEA Mine Plan			
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)
Indicated	529	0.36	0.26	1.08
Inferred	14	0.21	0.10	0.60
BLOCK CAVE	Los Helados Mineral Resource Subset – Included in PEA Mine Plan			
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)
Indicated	1,280	0.40	0.15	1.44
Inferred	277	0.34	0.10	1.43

### Mining & Processing

Project Constellation would begin with mining at Josemaría using conventional open pit methods. Mine planning focused on the early extraction of the highest-grade material while deferring waste stripping. Primary crushed material will be transported via a series of surface conveyors (totalling 4.9 kilometers) to a stockpile located near the process plant. A maximum mining rate of 115 Million tonnes per annum

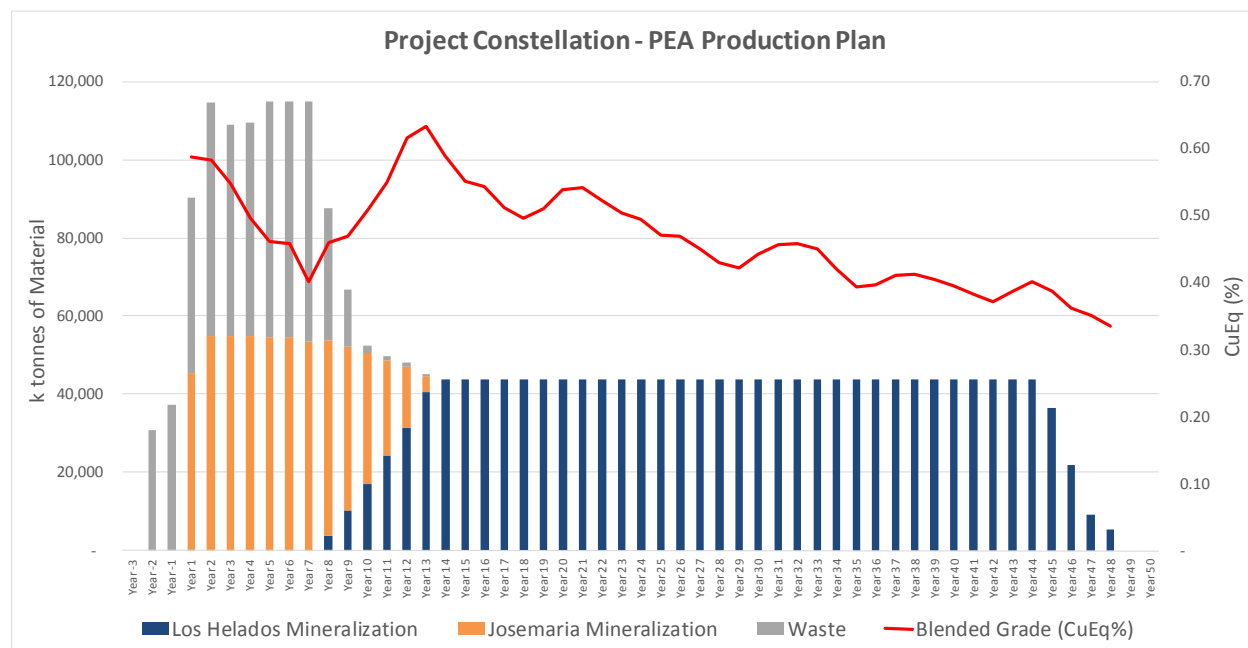
(including waste) is required to provide the nominal 150 thousand tonnes per day (kt/d) of concentrator feed.

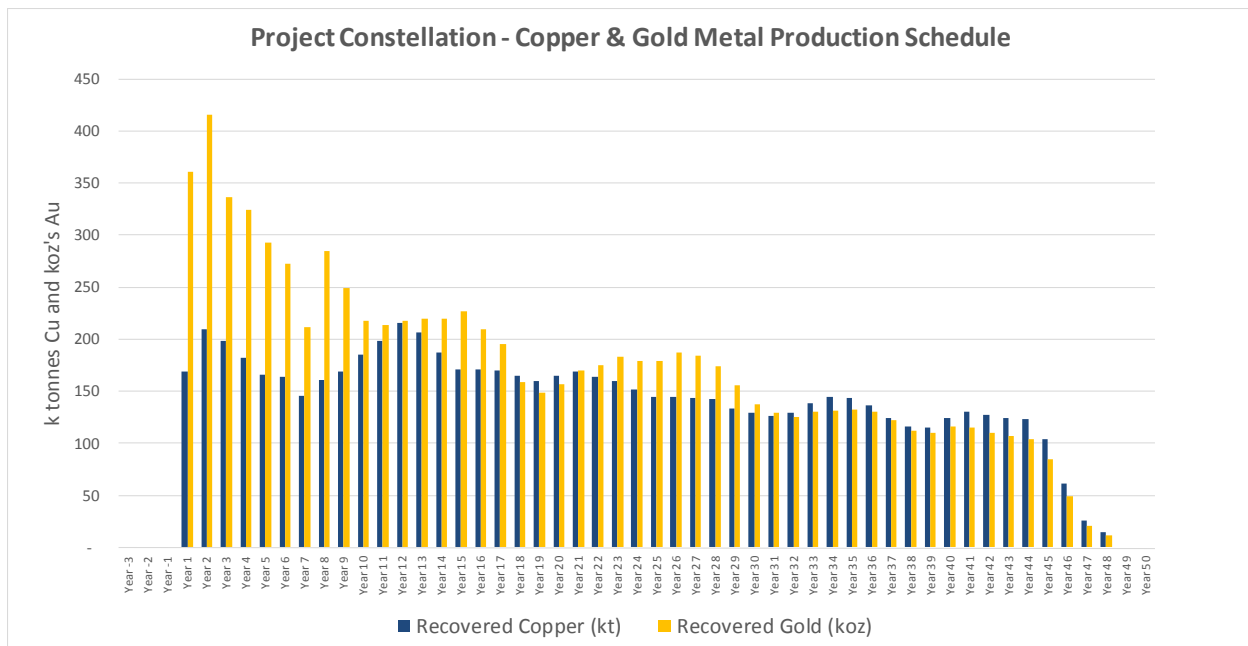
Mine production will continue from the open pit exclusively for the first 7 years of operation. In year 8, a 6-year production ramp up period for the block cave underground mine at Los Helados will begin, and material from Los Helados will be blended with material from the open pit at Josemaría to fill the process plant. Primary crushed material from underground will be transported via an 8.1 km long underground conveyor tunnel and a 2.8 km long surface conveyor which will tie into the existing Josemaría surface conveyor system. Beginning in year 14, once the block cave has reached peak production, the process plant material will be sourced exclusively from Los Helados for the remainder of the mine life.

The open pit at Josemaría will have a mine life of 15 years, including pre-stripping, with a life of mine strip ratio of 0.98:1. The block cave at Los Helados will operate for 41 years, which overlaps with production from the open pit during the 6-year ramp up period. Including pre-stripping, Project Constellation will be in operation for 50 years.

The comminution circuit design considers the use of a high pressure grind roll (HPGR) crushing circuit followed by conventional ball mill grinding and sulphide flotation. Design throughput for Josemaría material is 150 kt/d. Due to the higher competency of the Los Helados material, the Project's throughput will gradually decrease to a rate of 120 kt/d when the block cave is in peak production. Water obtained from the concentrate thickener, tailings thickener and concentrate filter will be recovered and sent back to the process plant to be used as make-up water.

The proposed PEA production profile and metal production are shown in the figures below:





A two phase metallurgical test work program for each deposit was conducted at SGS Minerals S.A. laboratories in Santiago, Chile under the supervision of Amec Foster Wheeler. Multiple composite and variability samples were tested for mineralogy, physical characterization, gravity concentration, conventional sulphide flotation (open/locked cycle tests with different flowsheets), flotation tailings cyanidation and solids settling. Based on the testwork completed to date, life of mine metal recovery is expected to be 88.3% for copper, 72.7% for gold, and 61.4% for silver. Copper concentrate grades are expected to average 29% over the life of the mine. It is anticipated that the concentrate will be clean, precious metals rich, and likely to receive premium terms in the market.

### Infrastructure

The major infrastructure items considered in the PEA are:

- **Water Supply:** Water will be supplied from valley aquifers in Argentina, located approximately 8 km from the proposed plant site. The industrial water make-up requirement is estimated to be 500 L/s and is fully supported by the aquifers.
- **Power Supply:** The site will be supplied with electricity through a 250 km long, 220 kV, single circuit power transmission line connected to the El Rodeo substation in San Juan province, Argentina. Average electrical demand is estimated to be 160 MW. A price of \$0.078/kWh was used for long-term power supply. Power supply alternatives from Chile were also considered however, the lower power costs in Argentina led to significant operating costs savings over the Project life.
- **Concentrate Transport:** Concentrate will be transported by truck from the filter plant to the port in Chile. The Project considers the possible use of a port near the city of Caldera which is located 77 km northwest of Copiapó. The approximate trucking distance from the plant site is 380 km.
- **Other:** Site infrastructure includes items such as a tunnels, conveyors, tailings management facility, waste storage facilities, water diversion channels, process plant support facilities, stockpiles, workshops, camps, concentrate filter plants, access and site roads and potable & waste water.

## Social & Environmental

The Company has retained the following consultants to assist in the preparation of the environmental work to support the ultimate preparation of the respective Environmental Impact Assessments (“EIA”):

- MB Asesoría Ambiental based in San Juan, Argentina (Argentina – Environmental Baseline);
- BGC Engineering based in Santiago, Chile (Chile – Environmental Baseline); and
- BGC Engineering based in Vancouver, Canada (Glacial and Periglacial Regional Studies).

Baseline studies to date include: geosciences, air & water, terrestrial biota, the human environment, and natural & cultural heritage. The list of environmental components to be studied was derived from the Chilean national environmental assessment regulations, the Argentine national mining environmental law and from the International Finance Corporation’s Sustainability Performance Standards (IFC 2012). Baseline studies are ongoing and will continue into the upcoming field season. Environmental studies carried out to date have been incorporated into environmental design criteria and siting criteria for the future project facilities.

Communication with the local community, private land owners, and other interested parties is also ongoing.

## Resource Estimate

The Mineral Resource estimates for Josemaría and Los Helados are reported using the 2014 CIM Definition Standards.

The Mineral Resource estimates were prepared by Mr. Gino Zandonai, MSc. (CSM), CP (RM CMC #0155), Senior Associate with Behre Dolbear who is the qualified person for both estimates. The Josemaría estimate effective date is August 7, 2015 and the Los Helados estimate has an effective date of September 19, 2014. Base Case cutoff grades are highlighted below:

- **Mineral Resource Estimate (Sulphide) for Josemaría**

Josemaría Indicated Mineral Resources (sulphide)								
Cutoff (CuEq <sup>1</sup> )	Tonnage (million tonnes)	Grade				Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq <sup>1</sup> (%)	Cu (billion lbs)	Au (million oz)	Ag (million oz)
0.60	148	0.56	0.38	1.5	0.76	1.8	1.8	6.9
0.50	295	0.47	0.34	1.3	0.65	3.0	3.2	12.6
0.40	559	0.40	0.29	1.2	0.55	4.9	5.2	21.8
0.30	835	0.35	0.25	1.1	0.49	6.5	6.6	29.7
<b>0.20</b>	<b>1,066</b>	<b>0.31</b>	<b>0.22</b>	<b>1.0</b>	<b>0.44</b>	<b>7.4</b>	<b>7.4</b>	<b>34.5</b>

Josemaría Inferred Mineral Resources (sulphide)								
Cutoff (CuEq <sup>1</sup> )	Tonnage (million tonnes)	Grade				Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq <sup>1</sup> (%)	Cu (billion lbs)	Au (million oz)	Ag (million oz)
0.50	9	0.37	0.28	1.1	0.52	0.1	0.1	0.3
0.40	85	0.31	0.23	1.0	0.45	0.6	0.6	2.7
0.30	236	0.28	0.19	0.9	0.38	1.4	1.4	6.8
<b>0.20</b>	<b>404</b>	<b>0.24</b>	<b>0.15</b>	<b>0.8</b>	<b>0.33</b>	<b>2.0</b>	<b>2.0</b>	<b>10.8</b>

- **Mineral Resource Estimate (Oxide) for Josemaría**

Josemaría Indicated Mineral Resources (oxide)						
Cutoff (Au g/t)	Tonnage (million tonnes)	Grade			Contained Metal	
		Cu (%)	Au (g/t)	Ag (g/t)	Au (thousand oz)	Ag (thousand oz)
0.40	10	0.18	0.46	1.4	150	460
0.30	23	0.16	0.40	1.3	290	950
<b>0.20</b>	<b>43</b>	<b>0.15</b>	<b>0.32</b>	<b>1.2</b>	<b>450</b>	<b>1,610</b>
0.10	77	0.13	0.25	1.0	610	2,520

Josemaría Inferred Mineral Resources (oxide)						
Cutoff (Au g/t)	Tonnage (million tonnes)	Grade			Contained Metal	
		Cu (%)	Au (g/t)	Ag (g/t)	Au (thousand oz)	Ag (thousand oz)
0.40	2	0.00	0.43	1.2	27	73
0.30	3	0.00	0.40	1.1	37	102
<b>0.20</b>	<b>4</b>	<b>0.00</b>	<b>0.34</b>	<b>1.0</b>	<b>48</b>	<b>145</b>
0.10	7	0.02	0.26	0.9	62	214

Notes to accompany Josemaría Mineral Resource tables:

1. Mineral Resources are reported using a copper equivalent (CuEq) cutoff grade. CuEq was calculated using US\$3.00/lb copper, US\$ 1,300/oz gold and US\$23/oz Ag and was based on copper, gold and silver recoveries obtained in metallurgical testwork on four composite samples representing the rhyolite, tonalite, porphyry and supergene zones. Copper recoveries for the rhyolite, tonalite and porphyry zones were calculated as a function of copper grade, ranging from a low of 81% to a high of 97%. Copper recovery in the supergene zone was fixed at 85%. Gold recoveries were fixed between 62% and 73% and silver recoveries were fixed between 53% and 75% depending on the zone.
2. Mineral Resources are reported within a conceptual Whittle pit that uses the following input parameters: Cu price: US\$3.00/lb, mining cost: US\$2.20/t, process cost (including G&A): US\$7.40/t processed, copper selling cost: US\$0.35/lb and Over-all pit slope angle of 42°. The oxide resource was treated as waste for the Whittle run, however preliminary testwork has shown good recovery of gold through cyanide leaching and there is a reasonable prospect of eventual economic extraction of gold and silver using this method. Additional testwork is planned to confirm these results and there was no contribution from the oxide resource to the PEA project economics.
3. Mineral Resources (sulphide) have a base case estimate using a 0.2% CuEq cutoff grade; Mineral Resources (oxide) are reported using a 0.2 g/t Au cutoff grade.
4. Details on data verification and exploration information on the Josemaria deposit are provided in "Second Updated Mineral Resource Estimate for the Josemaria Property, San Juan Province, Argentina" dated March 24, 2014. Details of the Josemaría Mineral Resource estimate are contained in the PEA NI 43-101 technical report which will be filed on SEDAR within 45 days of the date of this news release.
5. Totals may not sum due to rounding as required by reporting guidelines.



- **Mineral Resource Estimate for Los Helados (Underground Block Cave Mining Assumed)**

Los Helados Indicated Mineral Resource								
Cutoff (CuEq <sup>1</sup> )	Tonnage (million tonnes)	Resource Grade				Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq <sup>1</sup> (%)	Cu (billion lbs)	Au (million oz)	Ag (million oz)
0.58	531	0.50	0.21	1.66	0.65	5.9	3.6	28.3
0.50	981	0.45	0.18	1.56	0.58	9.7	5.7	49.2
0.44	1,395	0.42	0.16	1.52	0.54	12.9	7.2	68.2
0.40	1,733	0.40	0.15	1.45	0.51	15.3	8.4	80.8
<b>0.33</b>	<b>2,099</b>	<b>0.38</b>	<b>0.15</b>	<b>1.37</b>	<b>0.48</b>	<b>17.6</b>	<b>10.1</b>	<b>92.5</b>
Los Helados Inferred Mineral Resource								
Cutoff (CuEq <sup>1</sup> )	Tonnage (million tonnes)	Resource Grade				Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq <sup>1</sup> (%)	Cu (billion lbs)	Au (million oz)	Ag (million oz)
0.58	There are no Inferred Mineral Resources inside the mining shape at this cutoff grade							
0.50	41	0.41	0.13	1.78	0.51	0.4	0.2	2.3
0.44	176	0.37	0.11	1.61	0.45	1.4	0.6	9.1
0.40	399	0.35	0.10	1.47	0.43	3.1	1.3	18.9
<b>0.33</b>	<b>827</b>	<b>0.32</b>	<b>0.10</b>	<b>1.32</b>	<b>0.39</b>	<b>5.8</b>	<b>2.7</b>	<b>35.1</b>

Notes to accompany Los Helados Mineral Resource table:

1. Mineral Resources are reported using a copper equivalent (CuEq) cutoff grade. Copper equivalent is calculated using US\$3.00/lb copper, US\$ 1,300/oz gold and US\$23/oz Ag, and includes a provision for selling costs and metallurgical recoveries corresponding to three zones defined by depth below surface. The formulas used are:  $CuEq\% = Cu\% + 0.6264 \cdot Au\ (g/t) + 0.0047 \cdot Ag\ (g/t)$  for the Upper Zone (surface to ~ 250 m);  $Cu\% + 0.6366 \cdot Au\ (g/t) + 0.0077 \cdot Ag\ (g/t)$  for the Intermediate Zone (~250 m to ~600 m);  $Cu\% + 0.6337 \cdot Au\ (g/t) + 0.0096 \cdot Ag\ (g/t)$  for the Deep Zone (> ~600 m).
2. Cutoff grades refer to diluted cutoff grades used to generate the corresponding block cave shapes. For each cutoff grade, the tonnes and grade represent the total Indicated or Inferred undiluted material within each of these shapes.
3. Mineral Resources are reported within block cave underground mining shapes based on diluted CuEq grades, \$13.07/t operating costs and include a provision for capital expenditure. The base case cutoff grade of 0.33% CuEq was derived through an economic evaluation of several block cave shapes developed over a range of different cutoff grades and is the cutoff grade which results in a zero net present value.
4. Details of the data verification and exploration information on the Los Helados deposit and the Mineral Resource estimate are presented in the technical report titled "Los Helados Cu-Au Deposit Atacama Region III Chile NI 43-101 Technical Report on Preliminary Economic Assessment" dated November 25, 2014 and available under the Company's profile on SEDAR. The Resource estimate has an effective date of September 19, 2014.
5. Totals may not sum due to rounding as required by reporting guidelines.

For each deposit, a two-dimensional (2D) interpretation based on logged data was completed by NGEx geologists on east–west oriented sections spaced 100 m apart. Two-dimensional lines were then exported from Gemcom GEMS software and imported into the Leapfrog geological modelling software and the final three-dimensional (3D) wireframe solids were constructed.

The drill hole assays were composited to 2 m intervals. No capping was applied at Josemaría. Depending on the domain, copper grade caps at Los Helados ranged from 2–3%, though most domains were not capped. Gold was capped at 2 g/t Au and Ag at 20 g/t Ag.

Ordinary kriging (OK) and inverse distance squared (ID2) weighting interpolation were done in a single pass. All elements (Cu, Au, Ag, Mo, As, S and Fe) were interpolated using OK. The ID2 weighting method and nearest neighbor (NN) method were performed only for Cu and Au for validation and checking purposes of the global bias. A minimum of two and a maximum of 50 composites, with maximum 15 composites from the same hole were used for the interpolation, to allow maximum spread of the data used to estimate blocks. Blocks were 25 x 25 x 15 metres in size. Model validation was carried out using visual comparison of blocks and sample grades in plan and section views; statistical

comparison of the block and composite grade distributions; and swath plots to compare OK, ID2 and NN estimates.

Mineral Resource classification uses the 2014 CIM Definition Standards.

The classification of the Mineral Resources was done as a two-step process. An initial step which considered the geostatistical analysis of Cu grades in the deposit was modified by a final revision to ensure consistency in the classification. The following parameters were used to initially classify the resources into Indicated and Inferred:

- Indicated: the distance to the nearest drill hole from the centre of the block was less than or equal to 75 m and there were at least three drill holes used for the grade interpolation and the kriging efficiency estimation was more than 0.33.
- Inferred: the distance to the nearest drill hole from the block was 75 to 150 m, there were at least two drill holes used for the grade interpolation, and the kriging efficiency estimation was less than 0.33.

The final step was taken in order to avoid having isolated areas of one classification encapsulated within the other ('spotted dog' effect). Two smoothed buffer wireframes were created in Leapfrog, one at 75 m and one at 150 m. Inferred blocks inside the 75 m wireframe were re-classified as Indicated, while any Indicated blocks outside of the 75 m buffer but within the 150 m buffer were re-classified as Inferred. A final phase of visual inspection of the resulting classification was performed for validation purposes.

#### **Qualified Persons**

Mr. Jamie Beck, B.A.Sc., P. Eng., MBA, a mechanical engineer and project manager for the Company's engineering studies, is the Company's Qualified Person pursuant to National Instrument 43-101 ("NI 43-101") and has reviewed and approved the technical contents of this news release.

The field programs and selection of the metallurgical samples were carried out under the supervision of Mr. Bob Carmichael, B.A.Sc., P.Eng., who is the Qualified Person as defined by NI 43-101. Mr. Carmichael is Vice President, Exploration for the Company and has reviewed and approved the technical information contained in this news release.

The Mineral Resource estimates were prepared by Gino Zandonai, MSc. (CSM), (RM CMC #0155), Senior Associate of Behre Dolbear International Ltd. in accordance with NI 43-101. Mr. Zandonai is the Qualified Person for the resource estimates and has reviewed and approved the technical information contained in this news release.

The following Qualified Persons will co-author the technical report that will be based on the PEA. These QPs have approved the information in this news release that pertain to the sections of the PEA technical report that they are responsible for.

- Alfonso Ovalle, Chilean Mining Commission (RM CMC #243), Mine Planning and Development, and Operating Costs.
- Cristian Quezada, Chilean Mining Commission (RM CMC #205), Open Pit Mine Planning and Development, and Operating Costs.
- Cristian Quinones, Chilean Mining Commission (RM CMC #149), Geology and Mineralization, Exploration, and Drilling (Los Helados only).
- David Frost, FAusIMM, Mineral Processing and Metallurgy, and Marketing.
- Vikram Khera, P.Eng, Financial Analysis.

## **Conference Call**

A conference call to discuss the PEA results will be held on Thursday, January 7, at 09:00 Toronto time, 14:00 UK time, or 15:00 Swedish time.

Please call in 10 minutes before the conference call starts and stay on the line (an operator will be available to assist you).

Toll-Free North America:	+1 844 862 1432
North America:	+1 617 826 1698
London:	+44 (0) 203 107 0289
Sweden:	+46 (0) 8 5661 9361

To view the live webcast presentation, please log on using this direct link:

<http://www.investorcalendar.com/IC/CEPage.asp?ID=174616>

The presentation slideshow will also be available in PDF format for download from the NGEx website [www.ngexresources.com](http://www.ngexresources.com) before the conference call.

A replay of the telephone conference will be available approximately 2 hours after the completion of the conference call until January 14, 2016.

Replay number (Toll Free North America): +1 855 859 2056

Replay number (International): +1 404 537 3406

The pass code for the replay is: **19563749**

## **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 60% and Pan Pacific Copper Co., Ltd. holds 40%. 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 Resources under the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was publicly communicated on January 7, 2016 at 2:00 a.m. Eastern Time.

On behalf of the Board,

Wojtek Wodzicki  
President and CEO

For further information, please contact: Sophia Shane, Corporate Development (604) 689-7842.

### **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: the economic and scoping-level parameters of the PEA and Project Constellation; Mineral Resource estimates; the cost and timing of any development of the Project; the proposed mine plan and mining methods; dilution and mining recoveries; processing method and rates and production rates; projected metallurgical recovery rates; infrastructure requirements; capital, operating and sustaining cost estimates; the projected life of mine and other expected attributes of the Project; the net present value (NPV) and internal rate of return (IRR) and payback period of capital; capital; future metal prices; the timing of the environmental assessment process; changes to the Project configuration that may be requested as a result of stakeholder or government input to the environmental assessment process; government regulations and permitting timelines; estimates of reclamation obligations; requirements for additional capital; environmental risks; and general business and economic conditions.

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. 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 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" in the Company's Annual Information Form available under the Company's profile at [www.sedar.com](http://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.