

## **NEWS RELEASE**

### **NGEX REPORTS SECOND QUARTER 2014 RESULTS**

**August 7, 2014 (TSX:NGQ) NGEx Resources Inc.** ("NGEx" or the "Company") is pleased to announce its operating and financial results for the three and six months ended June 30, 2014 and to provide an update on results of work on its projects to date.

#### **HIGHLIGHTS AND SIGNIFICANT EVENTS**

The Company had a very successful second quarter led by excellent results from exploration drilling at Filo del Sol which produced some of the highest grade copper, gold, and silver intercepts to date. The Company also made good progress on the conceptual engineering studies underway at Los Helados. On the corporate front, the Company completed its private placement and a secondary listing of the Company's shares on the Nasdaq OMX Stockholm in Sweden. Highlights from the quarter are listed below.

#### **Los Helados**

- Work continued on evaluating development options for the Los Helados project with good progress on evaluation of potential mining methods and development of high level processing flow sheets. The scope of this ongoing study includes an evaluation of potential mining methods and production rates, geotechnical drilling, ongoing metallurgical test work, including comminution studies, and development of high level processing flow sheets and mass balances. Work is ongoing and a variety of potential development scenarios continue to be considered. Good progress was also made on baseline environmental studies including the installation of weather stations and other monitoring equipment. The Company is currently targeting completion of a Preliminary Economic Assessment in the fourth quarter of 2014 although the exact timing will depend on progress over the next few months.

#### **Josemaria**

- Drilling at Josemaria was completed during the first quarter of 2014 and no field work was carried out during the second quarter. Final assay results from the 2013/2014 drill program were released on April 24, 2014. The Company plans to incorporate the results of the 2013/2014 drill program into an updated resource estimate. The results of this year's drilling will be incorporated into an updated resource estimate and once the results of ongoing metallurgical test work are received the Company intends to complete an updated Technical Report.
- Metallurgical test work and baseline environmental programs, including review of areas for potential infrastructure continued during the quarter.

#### **Filo del Sol**

- The 2013/2014 drill program was completed during the first quarter of 2014, and no field work was carried out at Filo del Sol during the second quarter. On April 10, 2014, the Company announced the results of ten additional holes drilled at the Filo del Sol Project which included some of the highest copper and silver grades intercepted to date including an intercept of 5.80% copper over 22 metres.

- On April 30, 2014 the Company announced the results from the final nine holes drilled in the first quarter of 2014 at Filo del Sol which included an intercept of 7.59% copper over 10 metres and 314.5 g/t silver over 12 metres.
- The Company is encouraged by the results of this year's exploration program at Filo del Sol which is emerging as a potentially significant new discovery. The Company is particularly excited about the high copper, silver, and gold grades in the manto zone and by the potential for a large scale porphyry copper-gold deposit beneath the manto zone. The Filo del Sol alteration zone is one of the largest in this part of the Andes and drilling to date has tested only a small portion of it. Mineralization is open in all directions and at depth the Company believes that there is excellent potential to further extend it through additional drilling.
- Now that complete drill results have been received the Company plans to start work on an initial resource estimate for the Filo del Sol project. This is expected to be completed in the fourth quarter of 2014.

### **Corporate**

- On June 16, 2014, the Company completed its private placement and sold an aggregate of 17,412,935 common shares of the Company for gross proceeds of approximately \$35 million.
- On June 19, 2014, the Company completed a secondary listing of its common shares and commenced trading in Sweden on NASDAQ OMX Stockholm.

### **RESULTS OF OPERATIONS**

The Company's net loss for the six months ended June 30, 2014 was \$13.7 million or \$0.08 per share as compared to a loss of \$23.1 million or \$0.14 per share for 2013. Net loss from continuing operations for the six months ended June 30, 2014 was \$13.7 million or \$0.08 per share compared with a net loss from continuing operations of \$23.0 million or \$0.14 per share for 2013. The decrease in the net loss of \$9.4 million is mainly due to a decrease in exploration and project investigation expenditures of \$8.3 million resulting from a reduction in drilling activity at Los Helados and Josemaria offset by costs relating to conceptual studies at these properties and the commencement of drilling at Filo del Sol. In addition, the Company recorded a write-down of certain mineral property interests during the six months ended June 30, 2013 of \$1.2 million.

Exploration and project investigation expenditures during the first and second quarter of 2014 mainly relate to exploration activity at Filo del Sol and conceptual studies on the Los Helados and Josemaria projects. In the second quarter of 2014, exploration and project investigation expenditures were lower than the same quarter in 2013 given that the Company did not engage in any drilling during the second quarter of 2014. During the second quarter of 2013, the Company incurred field related and drilling expenses at Los Helados and Colmillos. This is offset by costs incurred during the second quarter of 2014 relating to conceptual studies at Los Helados and Josemaria.

The net loss from continuing operations was \$1.6 million lower for the second quarter ended June 30, 2014 compared to the same period in 2013. This is mainly due to a decrease of \$1.1 million of exploration and project investigation expenditures as explained above. In addition, the Company recorded a write down of certain mineral property interests during the second quarter of 2013 of \$1.2 million. This is off-set by a foreign exchange loss during the second quarter of 2014 as a result of movements in the U.S. dollar to Canadian dollar exchange rate.

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 objectives.

## **LIQUIDITY AND CAPITAL RESOURCES**

At June 30, 2014, the Company had cash and working capital of \$34.8 million and \$34.2 million, respectively, as compared to cash and working capital of \$21.3 million and \$14.2 million, respectively, at December 31, 2013. The increase in cash and working capital is primarily a result of the completion of a private placement whereby the Company sold an aggregate of 17,412,935 common shares of the Company for gross proceeds of approximately \$35 million. This is offset by exploration and general and administration expenses incurred during the period.

Net cash used in operating activities was \$19.0 million for the six months ended June 30, 2014 and consisted primarily of the loss from operations of \$13.7 million, which included exploration and project investigation expenditures and conceptual studies work of \$10.5 million and was adjusted for the impact of non-cash items and changes in non-cash working capital.

Cash flow from financing activities was \$33.4 million, which comprised of net proceeds from the private placement completed during the period and proceeds from the exercise of stock options.

Net cash used in investing activities was \$0.4 million, which consisted primarily of expenditures relating to mineral property option payments.

As the Company is an exploration company and has no sources of revenue, the Company expects that it will operate at a loss for the foreseeable future.

The Company anticipates that its current financial position will provide sufficient working capital to fund its share of planned exploration and project investigation expenditures, which are discretionary, and corporate expenses for the next twelve months. As the Company is an exploration company and has no sources of revenue, additional funding from equity financing, joint ventures or disposition of mineral properties and investments may be required to fund further exploration and corporate expenses.

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 terms satisfactory to the Company.

## **OUTLOOK**

The Company's efforts are focused on large scale copper-gold-silver targets that demonstrate the potential for world class discoveries and exploration opportunities in the region. The Company is focused on its South American copper-gold projects including its very significant Los Helados project in Chile as well as the Josemaria and Filo del Sol projects in Argentina. In addition, the Company continues to evaluate opportunities elsewhere in Chile and Argentina.

The 2013/2014 exploration drill programs at Josemaria and Filo del Sol are now complete and all exploration data has been received. The Company plans to start work on an initial resource estimate for the Filo del Sol project and an updated resource estimate for the Josemaria project. The Filo del Sol resource estimate is expected to be completed during the fourth quarter of 2014. Finalization of the Josemaria resource estimate is dependent on the completion on the current second phase of metallurgical testwork which is anticipated in the first quarter of 2015.

The Company continues to advance the engineering studies at Los Helados to assess possible development options in addition to completing the metallurgical test work program at Josemaria. Baseline work in support of the environmental programs at both properties will progress.

## **About NGEx**

NGEx is a Canadian mineral exploration company with exploration projects in Chile, Argentina, and Canada. The Company's shares are listed on the Toronto Stock Exchange and NASDAQ OMX Stockholm under the symbol "NGQ". The Company's focus is on advancing its South American projects which include several large copper-gold systems including the Josemaria, Los Helados, and Filo del Sol projects, located on a land package that the Company holds in Chile's Region III and adjacent San Juan

Province, Argentina. Los Helados and Filo del Sol are part of a joint venture in which the Company holds 60% and Pan Pacific Copper Co., Ltd. holds 40%. Josemaria is part of a joint venture in which the Company holds 60% and Japan Oil, Gas, and Metals National Corporation (JOGMEC) owns 40%. In addition, the Company holds an extensive portfolio of 100% owned early stage exploration projects located in Chile and Argentina. It also owns a 100% interest in the GJ copper and gold project located in British Columbia Canada. The GJ project is optioned to Teck Resources who are earning up to a 75% interest.

On behalf of the board

Wojtek Wodzicki  
President and CEO

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

### **Qualified Person**

The disclosure of scientific and technical information in this news release regarding NGEx's projects, has been reviewed and approved by Mr. Bob Carmichael, B.A.Sc, P.Eng., Vice President, Exploration for the Company, who is a Qualified Person in accordance with the requirements of National Instrument 43-101. For a description of the quality assurance program and quality control measures applied by NGEx, please see NGEx's Annual Information Form dated March 31, 2014 available at <http://www.sedar.com>.

### **Additional Information**

NGEx's consolidated financial statements for the year ended December 31, 2013 and related management's discussion and analysis are available on NGEx's website at [www.ngexresources.com](http://www.ngexresources.com) or under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Cautionary Note Regarding Forward-Looking Information**

This news release contains "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 includes, but is not limited to, statements with respect to the timing and nature of any potential development scenarios, estimation of commodity prices, mineral resources, costs, the success of exploration activities, 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, this 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.

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, 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 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.

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 should not place undue reliance on 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 other to get a better understanding of the Company's operating environment. These factors are not, and should not be construed as being, exhaustive. 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. The forward-looking information contained in this press release is expressly qualified by this cautionary statement. The Company expressly disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.