

TORONTO, ONTARIO--(Marketwired - July 14, 2016) - [INV Metals Inc.](#) ("INV Metals" or the "Company") (TSX:INV) is pleased to announce the positive results of its 2016 Preliminary Feasibility Study ("PFS" or the "Study") on its 100% owned Loma Larga gold project ("Loma Larga" or the "Project") in Ecuador. The PFS was prepared pursuant to National Instrument 43-101 ("NI 43-101") and has an effective date of July 12, 2016. A NI 43-101 technical report summarizing the PFS (the "Technical Report") will be available on SEDAR no later than August 29, 2016. All references to currencies herein are to U.S. dollars.

The results of the PFS support the development of an underground mine at Loma Larga and establish new Mineral Resource and Probable Reserve estimates for the Project. The PFS anticipates an underground mining operation with production of approximately 3,000 tonnes per day ("tpd"), which would classify the Loma Larga Project within the large-scale mining category established under the Ecuadorian mining law. The Study is an update of, and replaces, INV Metal's previously published 2015 PFS which was based on a medium-scale 1,000 tpd mining operation.

Table 1: PFS Highlights

Estimated Mine Life	~11 years
Mine Production Rate	3,000 tpd
Tonnes Processed	11.64 million
Average Grade of Mined Mineral Reserve	4.98 g/t Au, 28.00 g/t Ag, 0.29% Cu
Average Annual Gold Production	150,000 oz
Total Gold Production	1.68 million oz
Total Silver Production	9.83 million oz
Total Copper Production	60.55 million lbs
Adjusted Operating Costs ⁽¹⁾	\$510/oz Au sold
All-in Sustaining Costs ⁽¹⁾	\$577/oz Au sold
Initial Capital Costs	\$285.9 million
Sustaining Capital and Closure Costs	\$94.3 million
Pre-Tax IRR	35.7%
After-Tax IRR	26.3%
Pre-Tax NPV @ 5%	\$489.9 million
After-Tax NPV @ 5%	\$300.9 million
Gold Price	\$1,250/oz

Notes: 1. Non-IFRS Measure. See Non-IFRS Performance Measures below.

Ms. Candace MacGibbon, Chief Executive Officer, stated, "INV Metals is extremely pleased to announce such robust results from the new 2016 PFS. The PFS demonstrates the significant potential benefits to both the shareholders of INV Metals and the people of Ecuador. There have been positive changes and clarifications in the laws governing mining since the creation of the Ministry of Mines in early 2015 and the Ministry's significant efforts to advance the mining sector within Ecuador. These changes and clarifications, along with our continued optimization of the Project and its design as a much larger-scale mining operation, have greatly improved the PFS's financial results over the medium-scale 2015 PFS." She added, "Substantial financial improvements, such as a higher after-tax IRR of 26.3% and a pre-tax NPV (@5%) of \$489.9 million support the Company's plans to immediately design and implement the long-lead, critical path items necessary to complete a Bankable Feasibility Study ("BFS"). The BFS is anticipated to commence prior to year-end."

Ms. MacGibbon continued, "We are also pleased to announce updated Indicated Mineral Resources of 2.55 million ounces of gold, Inferred Mineral Resources of 0.54 million ounces of gold, and Probable Mineral Reserves of 1.86 million ounces of gold."

PFS Description

The PFS was completed by Roscoe Postle Associates Inc. ("RPA") in association with Samuel Engineering, Inc. and Klohn Crippen Berger Ltd.

The Project is located 30 km southwest of the city of Cuenca, and consists of approximately 8,000 hectares held in three contiguous concessions. The Loma Larga deposit is located within the Rio Falso concession. The Project is situated relatively close to existing infrastructure. A 21 km access road will be upgraded to be utilized to transport equipment, supplies and people to the mine, and to ship concentrate to the port. Power will be accessed through a connection to the local Cuenca substation, and will require the construction of a 25 km 138 kV power line.

The deposit will be accessed from surface with a single ramp and raises will provide ventilation and secondary access. Mining at a rate of 3,000 tpd will be carried out using predominantly long hole open stoping methods and drift and fill mining where the ore body narrows, resulting in a high extraction ratio. Ore from the mine will be trucked to the process plant located approximately 7.5 km south of the portal where it will be processed through a sequential flotation circuit producing two concentrates: a pyrite-gold concentrate; and a copper-gold concentrate. The concentrates will be trucked 325 km to a storage facility at the port of Guayaquil for shipment to a third-party for smelting and refining.

Economics

With initial capital costs of \$285.9 million, the base case in the PFS estimates that the Project will generate a robust pre-tax internal rate of return ("IRR") of 35.7%, a post-tax IRR of 26.3% and an after-tax payback in 2.7 years.

The PFS was prepared using a gold price of \$1,250/oz. A sensitivity analysis of the Project economics indicates variations from the base case gold price had the following impact, with silver and copper held at \$20/oz and \$3/lb, respectively. The sensitivity analysis indicates an after-tax break-even price of approximately \$785/oz of gold.

	\$1,050/oz Au	\$1,150/oz Au	Base Case \$1,250/oz Au	\$1,350/oz Au	\$1,450/oz Au
Table 2: Gold Price Sensitivities					
Pre-tax NPV@ 5% (\$M)	288.2	389.1	489.9	590.8	691.6
Pre-tax IRR (%)	25.0	30.5	35.7	40.7	45.4
After-tax NPV @ 5% (\$M)	173.6	235.3	300.9	366.5	414.7
After-tax IRR (%)	18.5	22.4	26.3	30.0	32.6
After-tax Payback (yrs)	3.4	3.1	2.7	2.5	2.3

The financial model used in the PFS assumes 100% equity financing, however the Company plans to pursue various financing alternatives upon the completion of a BFS. The Study contemplates that the Project will be classified within the large-scale mining category established under the Ecuadorian mining law. The PFS incorporates the various mining and tax laws applicable to the large-scale mining category. The economics of the Project assume a corporate income tax rate of 22%, a 5% state royalty on metal sales, a 15% profit tax for state and employee participation, and, although not currently applicable in the base case scenario, the incorporation of a formula relating to windfall taxes and a sovereign adjustment. The payment of an advanced royalty was not assumed in the preparation of the PFS.

Mining

The higher grade zones of the Loma Larga deposit justify a "maximum extraction" approach with no pillars. Mining will be performed by a combination of long hole stoping (approximately 75%) using paste backfill which provides good productivity, high extraction, and stable back support. High-grade areas too small to mine using long hole stoping will be extracted via drift and fill mining (approximately 25%). Levels and accesses have been designed to limit the amount of waste development and all mining waste will be used as backfill, minimizing the long-term surface impact.

Mining will be carried out by mechanized equipment, working three eight-hour shifts per day. Ore will be trucked to surface and transported to the mill for processing.

Table 3: Production Summary Highlights

Mine Production Rate	3,000 tpd
Estimated Mine Life	~11 years
Tonnes Processed	11.64 million
Average Annual Gold Production	150,000 oz
Average Gold Mill Feed Grade	4.98 g/t
Average Gold Recoveries	90%
Total Gold Recovered	1.68 million oz
Average Silver Mill Feed Grade	28.00 g/t
Average Silver Recoveries	94%
Total Silver Recovered	9.83 million oz
Average Copper Mill Feed Grade	0.29%
Average Copper Recoveries	82%
Total Copper Recovered	60.55 million lbs

Capital Costs

Table 4: Capital Costs Summary	Millions
Underground Mine	\$56.6
Process Plant	\$63.0
Infrastructure	\$24.8
Tailings	\$9.0
Indirect Costs	\$88.3
Contingency	\$44.2
Total Initial Capital	\$285.9
Sustaining Capital	\$90.0

Reclamation and Closure	\$4.2
Total Capital	\$380.1

The total capital costs include \$26.7 million in value added taxes which are expected to be recoverable once production commences.

Operating and All-in Sustaining Costs

Table 5: Operating Costs	\$/Tonne
Mining	\$36.30
Processing	\$14.23
General and Administration	\$7.27
Total Operating Costs	\$57.80

The Company's adjusted operating costs are estimated at \$510/oz Au sold and all-in sustaining costs are estimated at \$577/oz Au sold, both net of by-product credits for copper and silver.

Table 6: Adjusted Operating and All-in Sustaining Costs	LOM \$/oz Au Sold
Mining	\$278
Processing	\$109
General and Administration	\$56
Net Present Interest Royalty	\$62
Smelter and Refining	\$230
By-Product Credits	\$(225)
Adjusted Operating Costs ⁽¹⁾	\$510
Sustaining Capital	\$46
Reclamation/Closure	\$3
Corporate General and Administration	\$18
All-in Sustaining Cost ⁽¹⁾	\$577

Notes:

1. Adjusted Operating Costs and All-in Sustaining Costs are calculated in accordance with the World Gold Council's Guidance on Non-GAAP Metrics - All-In Sustaining Costs. See Non-IFRS Performance Measures below.

Processing

A sequential flotation process with copper and pyrite rougher flotation circuits will produce two saleable concentrates: a pyrite-gold concentrate grading approximately 37 g/t Au and 142 g/t Ag; and a copper-gold concentrate grading approximately 111 g/t Au, 1,577 g/t Ag, and 30.0% Cu. The pyrite-gold concentrate will account for approximately 93% of concentrate shipments and 83% of payable gold. Preliminary discussions with commodity traders and smelters indicate that both concentrates are likely marketable.

Mineral Resource and Reserves Estimates

The PFS establishes new Mineral Resources and Probable Reserve estimates for the Project as of June 30, 2016. The updated Mineral Resources estimate includes 2.55 million ounces of gold in the Indicated category, as well as 0.54 million ounces of gold in the Inferred category. The Probable Reserve estimate of 1.86 million ounces of gold warrants an initial ~11 year mine life pursuant to the Study.

Mineral Resources

The Loma Larga deposit comprises a relatively flat-lying, north-south elongated high grade core enclosed by a larger, undulating low grade halo, dipping gently to the west and south, with the top of the deposit varying from approximately 110 m to 175 m below surface. The low grade halo is approximately 1,600 m long (north-south), 120 m to 400 m wide (east-west) and averages 50 m to 60 m thick.

High grade and low grade zones were modelled using grade shell wireframes interpreted at 3.0 g/t Au and 0.8 g/t Au, respectively. The majority of the high grade mineralization occurs approximately 150 m below surface in the High Grade Main Zone, within an envelope of lower grade mineralization (Low Grade Main Zone). High grade gold mineralization also occurs in smaller zones above and below the Main Zone. The Upper High Grade Zone has been modelled as a separate small pod, and high grade gold intersections occurring below the main grade shell wireframes (modelled as a separate zone in previous Mineral Resource model) have been incorporated into a larger domain of low grade mineralization (Low Grade Lower Zone).

The High Grade Main Zone is classified as Indicated Mineral Resources, and the Upper High Grade Zone and Lower Low Grade Zone are classified as Inferred Mineral Resources. Classification of the Low Grade Main Zone into Indicated and Inferred categories was guided by the continuity and variability of metal grades.

RPA estimated Mineral Resources for Loma Larga using all drill hole data available as of June 30, 2016. No additional drilling has been completed on the Loma Larga deposit since the 2014 Technical Report and Mineral Resource estimate. The Mineral Resource estimate is based on an underground mining scenario and a \$60 net smelter return ("NSR") cut-off value. The Technical Report will describe the Mineral Resource estimation methodology and the assumptions used, to which this estimate is subject. There is no certainty that the Inferred Mineral Resources will be converted to the Measured and Indicated categories through further drilling.

Table 7: Indicated Mineral Resource Estimate as of June 30, 2016

Zone	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (M oz Au)	Grade (g/t Ag)	Contained Silver (M oz Ag)	Grade (% Cu)	Contained Copper (M lb Cu)
High Grade Main	10.4	6.14	2.06	34.6	11.6	0.35	81.7
Low Grade Main	7.4	2.02	0.48	19.4	4.7	0.14	22.3
Total	17.9	4.42	2.55	28.3	16.3	0.26	104.0

Table 8: Inferred Mineral Resource Estimate as of June 30, 2016

Zone	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (M oz Au)	Grade (g/t Ag)	Contained Silver (M oz Ag)	Grade (% Cu)	Contained Copper (M lb Cu)
High Grade Lower	0.2	6.99	0.04	22.2	0.1	0.56	2.1
Low Grade Main	5.7	2.06	0.38	25.4	4.6	0.10	12.9
Low Grade Lower	1.5	2.62	0.13	19.4	0.9	0.18	6.0
Total	7.3	2.29	0.54	24.1	5.7	0.13	21.0

Notes:

1. CIM Definition Standards were followed for Mineral Resources.
2. Mineral Resources are reported at an NSR cut-off value of \$60/t.
3. Mineral Resources are estimated using a long-term gold price of \$1,500 per ounce, silver price of \$25 per ounce, and copper price of \$3.50 per pound.
4. Mineral Resources are inclusive of Mineral Reserves.
5. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
6. Average bulk density is 2.7 t/m³.
7. Numbers may not add due to rounding.

Mineral Reserves

Mineral Reserves for Loma Larga are based on the Indicated Mineral Resources, mine designs, and external dilution and extraction factors. All Mineral Reserves are classified as Probable Mineral Reserves and are presented by mining method. The Technical Report will describe the Mineral Reserve estimation methodology and the assumptions used, to which this estimate is subject.

Table 9: Probable Mineral Reserve Estimate as of June 30, 2016

Zone	Tonnage (kt)	Grade (g/t Au)	Contained Gold (M oz Au)	Grade (g/t Ag)	Contained Silver (M oz Ag)	Grade (% Cu)	Contained Copper (M lb Cu)
Stopes	8,540	5.18	1.422	28.50	7.82	0.31	57.6
Drift & Fill	2,128	4.05	0.277	25.82	1.77	0.21	9.7
Ore Development	873	5.62	0.155	30.54	0.86	0.32	6.1
Incremental Ore	97	1.50	0.005	9.77	0.03	0.09	0.2
Total	11,638	4.98	1.862	28.00	10.48	0.29	73.6

Notes:

1. CIM Definition Standards were followed for Mineral Resources.
2. Mineral Reserves are reported within mine designs carried out using a cut-off grade of 2 g/t Au. Incremental ore consists of development that meets an incremental cut-off grade of 1 g/t Au.
3. Mineral Reserves are estimated using a long-term gold price of \$1,250 per ounce, silver price of \$20 per ounce, and copper price of \$3.00 per pound.
4. A minimum mining width of 4 m was used.
5. Bulk density is 2.7 t/m³.
6. Numbers may not add due to rounding.

The Company's annual information form (the "AIF") includes details of certain risk factors that could materially affect the potential development of the Mineral Resources and Mineral Reserves and should be considered carefully. A discussion of these and other factors is contained under the heading "Risk Factors" and elsewhere in the AIF, which was filed on SEDAR on March 1, 2016.

Exploration

The Company believes the Loma Larga property continues to hold considerable exploration potential. INV Metals' completed a drill program in 2013, wherein hole LLD-367 intersected 4.9 g/t Au, 48.7 g/t Ag, and 0.51% Cu over a core length of 25.1 m, including 11.9 g/t Au, 78.7 g/t Ag and 0.33% Cu over 6.2 m. The intersection is located approximately 165 m north of the northern limits of the resource and additional drilling is required to determine if the mineralization is a continuous extension of the main resource (see INV Metals' press release dated October 1, 2013).

Further exploration is required to establish and determine the presence of multiple feeder structures along the north-south length of the deposit, possibly associated with north-northeast en echelon structures and may be required to test for deeper extensions of these feeder zones, which are hypothesized to be associated with areas of higher grade mineralization. Previous drilling has not been focused at depth. The Company also believes a comprehensive exploration program is warranted to follow up on both previous drill results and to make new discoveries elsewhere on the Loma Larga property. Please refer to INV Metals' management's discussion and analysis in respect of the 2013 year filed on SEDAR on March 11, 2014, for the Company's quality and control and quality assurance procedures used in its exploration programs.

Regional Exploration

The Company is participating in the on-going exploration concession bid and auction process within Ecuador in anticipation of acquiring additional prospective targets. The Company believes Ecuador has significant exploration potential. Concessions will be awarded based on the highest bid submitted for each project application. In the event of multiple bidders for a single concession or project, the company with the initial application has the right to match up to two times its original bid. The process is on-going and is expected to take months to finalize. Until the completion of the process, INV Metals will not know which, if any, exploration concessions it may be awarded.

Exploitation Agreement/Permitting

The final economics of the Project will be subject to the terms of an exploitation agreement which will be negotiated with the government of Ecuador once the Company elects to move forward with the development of the mine. The Company will seek to obtain the necessary permits and approvals required to advance the Project dependant on a positive result of any BFS.

Potential Optimizations

The following opportunities were identified during the course of the PFS as potential optimizations to be considered during a BFS:

- future drilling to potentially upgrade Mineral Resources from Inferred to Indicated for inclusion in the mine plan and Mineral Reserves;
- further evaluation of alternative processing options such as bulk copper concentrate flotation followed by a copper cleaner flotation process and optimization of the selected processes which may produce similar results at potentially lower costs than the currently contemplated sequential flotation process with two circuits;
- a review of the mine access location;
- further review of the mine development plan to enable development within the low grade zones;
- evaluation of a material handling system to transport ore to the processing facilities; and
- evaluation of processing lower grade ore to extend the mine life.

Qualified Persons

The technical information in this press release has been prepared by independent Qualified Persons employed by RPA, including Katharine Masun, P.Geo. (Mineral Resources), Jason Cox, P.Eng. (Mineral Reserves and economics), and Kathleen Altman, Ph.D., P.E. (metallurgy and processing). By virtue of education and relevant experience, the aforementioned are "Qualified Persons" for the purpose of NI 43-101. The Qualified Persons have reviewed and verified that the technical information contained in this press release is accurate and approve the written disclosure of such information.

For readers to fully understand the information in this press release, they should read the Technical Report in its entirety when it is available on SEDAR, including all qualifications, assumptions and exclusions that relate to the information to be set out in the Technical Report which qualifies the technical information contained in the Technical Report. The Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context.

Non-IFRS Performance Measures

"Adjusted Operating Costs", "All-in Sustaining Costs", and "Total Operating Costs per Tonne" are non-International Financial Reporting Standards ("IFRS") Performance Measures. These performance measures are included because these statistics are key performance measures that management uses to monitor performance. Management uses these statistics to assess how the Project ranks against its peer projects and to assess the overall effectiveness and efficiency of the contemplated mining operations. These performance measures do not have a meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

About INV^{™} Metals

INV^{™} Metals is an international mineral resource company focused on the acquisition, exploration and development of base and precious metal projects in Ecuador and Namibia. Currently, INV^{™} Metals' primary assets are: (1) its 100% interest in the Loma Larga gold property in Ecuador, and (2) its 35% interest in the Kaoko property, located in Namibia.

Forward-Looking Statement

This press release contains certain forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of INV Metals to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks related to the actual results of exploration activities, conclusions of economic evaluations and the assumptions on which such economic evaluations are based, the industry-wide risks and Project-specific risks that will be identified in the Technical Report, risks associated with mining and mineral exploration activities, uncertainty in the estimation of Mineral Resources and Mineral Reserves, including, without limitation, the assumptions on which such estimates are based, changes in Project parameters as plans continue to be refined, uncertainty surrounding metallurgical test results, future prices of metals, economic and political stability in Ecuador and Canada, the results of discussions with the Ecuador government, the risk of future unfavourable tax law or regulation changes in Ecuador, environmental risks and hazards, increased infrastructure and/or operating costs, availability of future financing, labour and employment matters, and government regulation. There is no guarantee that any drill targets or economic mineral deposits will be found on INV Metals' properties. For a more detailed discussion of such risks and other factors, refer to INV Metals' AIF filed with Canadian securities regulators available on www.sedar.com. Except as required by law, the Company does not assume any obligation to release publicly any revisions to forward-looking statements contained in this press release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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