

# INV Metals Provides Update on the Loma Larga Project

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TORONTO, Feb. 13, 2019 - [INV Metals Inc.](#) ("INV Metals" or the "Company") (TSX:INV) provides an update on the 100% owned Loma Larga property, located in Ecuador.

INV Metals is focused on the development of the Loma Larga gold-copper-silver project ("Loma Larga") and recently completed a positive feasibility study on Loma Larga (the "Feasibility Study") and a technical report entitled "Technical Report on the Loma Larga Project, Azuay Province, Ecuador" dated January 11, 2019 (the "Technical Report"), which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's web site at [www.invmetals.com](http://www.invmetals.com).

The Loma Larga project is comprised of three concessions which total ~8,000 hectares: the Cerro Casco, Rio Falso and Cristal concessions. The concessions are situated within three adjoining cantons: the San Fernando, Cuenca and Girón Cantons.

The Ecuadorian National Electoral Council ("CNE") called a referendum, to be held on March 24, 2019, regarding mining activities in the Girón Canton, based upon submissions by the Community Water Systems Union, an affiliate of the "FOA-ECUARUNARI-CONAIE".

The entire Loma Larga gold-copper-silver mineral deposit and all related Mineral Resources and Mineral Reserves as described in the Technical Report, are exclusively located within the Rio Falso concession and are not situated within the Girón Canton. However, the processing and tailings facilities, as contemplated in the Feasibility Study, are currently proposed to be constructed within the Cristal concession, which is primarily located within the Girón Canton. In the event that the referendum returns an unfavourable and enforceable result, INV Metals will, in consultation with the authorities and our local communities, discuss options for the processing facilities which may include their relocation if warranted.

The Ecuadorian Ministry of Energy and Nonrenewable Resources (the "State Ministry") submitted a Constitutional Precautionary Measure action (the "CPM") on January 30, 2019, against the unconstitutionality of the actions of the CNE. A hearing was held on February 5, 2019, and today the presiding judge rejected the action.

The State Ministry, supported by the State's Attorney, as submitted in the CPM, considers the referendum to be unconstitutional as it violates the constitutional rights of the State Ministry to oversee mining activities. INV Metals has also been advised by its legal counsel that the referendum is not constitutional based on Article 261 of the Ecuadorian Constitution which states, "The Central State shall have exclusive jurisdiction over...energy resources, minerals, hydrocarbons, water resources, biodiversity, and forest resources." Furthermore, in Ecuador mining regulations are the responsibility of the Central State, not local governments.

INV Metals will consider further legal actions, and in addition, other challenges by local groups against the constitutionality of the proposed referendum and the actions of the CNE are also underway.

Loma Larga is one of five strategic mining projects identified by the State Ministry and INV Metals will continue its permitting efforts in 2019 within the laws and regulations of Ecuador. The INV Metals' team and our numerous stakeholders will maintain open and honest communication throughout our consultation efforts.

INV Metals will monitor the situation in conjunction with the support from the State Ministry, and the

extensive support from the nearby communities of San Gerardo, Chumblín and Victoria del Portete.

Social and environmental responsibility has been, and will remain, a pillar of INV Metals' core values. Social responsibility is a joint effort with local governments, or parishes, that supports the quality of life of the members of our communities within the direct area of influence of Loma Larga. Our team has been a member of these communities since prior to 2004 when Loma Larga was discovered.

The Company has included a translation of a public letter written and published by the local town of San Gerardo on February 4, 2019, in the El Mercurio Cuenca newspaper, commenting on the referendum called by the CNE. The letter highlights the substantial benefits already demonstrated to the quality of life of the people San Gerardo through investment from INV Metals and from the government provided through industrial mining royalties, and denounces the dissemination of disinformation with the objective of political gain. The town of San Gerardo is located within the canton of Girón. Please see page 4 of this release.

All investments in social, environmental and educational projects and programs are made in coordination and consultation with the local parishes and the relevant social organizations in San Gerardo, Chumblín, Victoria del Portete and Tarqui.

INV Metals has welcomed more than 8,000 visitors to the Loma Larga site from authorities, community groups, social organizations, students, scientists, media, and many others. Examples of our community communication programs include visits to the exploration and deposit site, our Community Centres in San Gerardo and Chumblín, our Door to Door campaign, our underground mine model, mining workshops and attendance at community events.

The following are examples of programs and their impact within our communities, which are supported by INV Metals in conjunction with the local parishes:

1. Development of Local Human Talent

- A total of 11 organizations, communities or institutions have participated in these programs, benefitting over 140 families.
- Over 450 residents in the zone of influence of Loma Larga have been trained in various areas, including textile manufacturing, medicinal products, agricultural and cultivation techniques, animal breeding, and the development of natural organic medicinal, cosmetic and edible products. These training programs enable the participants to gain valuable knowledge and supplement income generating capacity.

2. Community Services Management

- A total of 23 organizations, communities or institutions have participated in these programs, benefitting over 8,300 community residents.
- INV Metals has supported the economic and social development of the people of the area located near Loma Larga with investments made together with the local parish government in water systems, sewage systems, irrigation and community infrastructure which benefits approximately 5,000 people within the parishes.

3. Creation of Local Small Businesses and Support for Livestock and Agriculture

- A total of 33 organizations, communities or institutions have participated in these programs, benefitting over 400 families.
- Over 14 community groups led by women of the parishes are focused on the production of products for sale within local and regional markets. INV Metals provides training and supplies for the groups and supports six groups in San Gerardo, four groups in Chumblín, and four groups in Victoria del Portete. Two of these groups, the Natividad de Chumblín which produces jarred fruits and jams, and the Asoprotexvi (Association of Textile Production) which produces uniforms and clothing, have led to the formation of formal companies owned by the women.
- INV Metals supports veterinary services for 300 families within in these parishes.
- The Company focuses on the basic human right to food security and availability through our programs which provide for the development of gardens to grow local produce at family homes, currently benefitting 235 families in these parishes.

#### 4. Education and Culture

- A total of 12 organizations, communities or institutions have participated in these programs, benefitting over 40 families and over 500 students.
- Through financial support of cultural events and investment in education, over 1,600 students have participated in programs at local education centres.
- Culture is strengthened through training programs to reintroduce ancestral knowledge to identify and cultivate local plants, and teach techniques to harvest and process plants for cosmetic and medicinal purposes.

#### 5. Health Initiatives

- A total of eight organizations, communities or institutions have participated in these programs, benefitting over 1,850 community residents.
- INV Metals, through the investment in equipment and financial support to the health centres of the parishes of Chumblín and San Gerardo, has helped the population of these parishes in all health areas.

#### 6. Environmental Programs

- INV Metals designs and implements activities and workshops to teach theory and practical environmental education to the members of the communities. Over 800 residents have participated in these programs.
- Loma Larga benefits from environmental data collected over 10 years on local flora, fauna, water conditions, climate and other important factors.
- Our local nursery houses over 30,000 indigenous plants for reforestation, educational and rehabilitation efforts. In our nursery we also raise rabbits, guinea pigs, chickens and trout for educational purposes.
- Our team has partnered with the University of Cuenca and the University of Azuay to collect independent and impartial water and biodiversity data for analysis. The openness of our team and our willingness to share data has resulted in important and key data regarding the region to be known, which will aid in future efforts to minimize the impact and disturbance of Loma Larga on the local area.

### Economic Benefits to Ecuador

The Feasibility Study demonstrates that the development of Loma Larga is expected to provide substantial economic benefits to the future employees of INV Metals, our communities, and the local, provincial and central governments of Ecuador. The development and operation of the Loma Larga mine is also expected to provide numerous employment and business opportunities for local communities and those within the region.

Various benefits are contemplated in the Feasibility Study include (in US\$):

- Continuation of the Company's numerous social programs in the communities of Chumblín, San Gerardo, Victoria del Portete, and Tarqui.
- During the construction period of 18-24 months, an estimated direct employment of 875 workers.
- When the mine is in operation, an estimated 450 permanent direct jobs.
- The creation of indirect jobs with local procurement initiatives and training opportunities.
- INV Metals will focus on the provision of jobs and businesses to local and regional residents and businesses.
- Wages, social security and pension benefits are estimated at \$15 million annually, for a total of \$186 million over the mine life.
- Employee profit sharing taxes (3%) are estimated at \$27 million over 12 years.
- Taxes to the Government of Ecuador are estimated at:
  - Corporate income tax (25%) - \$177 million
  - State profit sharing tax (12%) - \$107 million
  - Employment taxes (35%) - \$52 million
  - VAT (12%) and import duties (0% - 5%) - \$110 million
  - Royalties (5%) - \$108 million

Certified translation of the Letter Published February 4, 2019, in the El Mercurio Cuenca Newspaper by the:

Autonomous Decentralized Government of the "San Gerardo" Parish District

In view of the detriment implied by the announcement of an unlawful people's referendum, which is

the result of unfortunate political practices, bad faith, and invasive interests, the inhabitants of the San Gerardo parish district, lawfully represented by their Autonomous Decentralized Government and legally constituted civil society organizations, publicly state their opinion in the following points.

First: The town of San Gerardo defines itself as autonomous and, therefore, exercises free speech to define the course of its development and to plot the strategies for achieving a comprehensive improvement in the quality of life.

Second: The San Gerardo inhabitants define themselves as an agricultural, livestock, and mining town and, hence, value the potential natural resources that they have, manage, and conserve.

Third: For the past 16 years, the parish district has substantially improved its quality of life because of investments by the private mining company and the National Government and thanks to decent jobs and investment by the State from the royalties it receives from the industrial mining sector.

Fourth: The San Gerardo inhabitants state that they have the capacity to distinguish organized industrial mining, which respects the environment and society, from the other kind of mining, which is invasive, criminal, and highly contaminating.

Fifth: The San Gerardo inhabitants have developed, based on their culture of peace, harmony among themselves, and motivation, to become respected citizens valued as human beings with integrity.

Sixth: The San Gerardo inhabitants acknowledge that they form the community of direct influence of the nationally strategic Loma Larga industrial mining project.

Based on the foregoing, we make it known to public opinion that we denounce the intention of people who disinform just to win votes in the upcoming elections and are accomplices in invading land, thus jeopardizing our organized and conserved environment.

To achieve political or economic gain, certain individuals who have nothing to do with our town are determined to make decisions for our community, while ignoring the people's referendum process that we requested in the year 2012, in violation of our fundamental human rights. Not only do these individuals ignore us, they also intend to make decisions on our behalf.

In light of the foregoing, we declare that all those individuals are outsiders, strangers, and personas non grata in our parish district. Furthermore, we express our indignation over the action by the CNE (National Electoral Council), which has made us invisible, and has been an accomplice to this painful form of injustice, which we will resist.

(signatures)

Victor Barreto

President of the Parish District GAD (Autonomous Decentralized Government)

Rebeca Nieves

President / San Gerardo Potable Water System

Salvador Arevalo

Member Parish District GAD

Fernando Panjon

Member Parish District GAD

Ana Pillacela

President - San Gerardo de Wawalpata Association

Zoila Criollo  
Union President - Women's Entrepreneurship Organization

#### Qualified Person

All scientific and technical information contained in this press release has been reviewed, verified and approved by Bill Shaver, P. Eng, a mining engineer and the Company's COO and Qualified Person under National Instrument 43-101.

#### About INV<sup>TM</sup> Metals Inc.

INV<sup>TM</sup> Metals is an international mineral resource company focused on the acquisition, exploration and development of precious and base metal projects in Ecuador. Currently, INV<sup>TM</sup> Metals' primary assets are: (1) its 100% interest in the Loma Larga gold exploration and development property in Ecuador, and (2) its 100% interests in exploration concessions in Ecuador, including the Las Peñas, Tierras Coloradas, La Rebuscada and Carolina exploration projects.

For more information please contact:

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#### Forward Looking Statements

This press release contains forward-looking information. Forward-looking information contained in this new release includes, but is not limited to, statements with respect to the referendum called by CNE, the judgement of the CPM and the outcome of the other challenges against the constitutionality of the referendum and the actions of the CNE, and the location of the surface infrastructure, the future impact and disturbance of Loma Larga on the local area, future economic and social benefits of Loma Larga, estimates of taxes, wages, social security benefits and pension benefits and future employment and business opportunities of Loma Larga. These statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Forward-looking information contained in this press release is based on certain factors and assumptions made by management and qualified persons in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management and the qualified persons believe are appropriate in the circumstances. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined, risks relating to grade or recovery rates, reliance on key personnel, operational risks, regulatory, capitalization and liquidity risks. The Feasibility Study may also be subject to legal, political, environmental or other risks that could materially affect the potential development of Loma Larga. Please refer to the Company's Annual Information Form dated March 23, 2018 filed on SEDAR at [www.sedar.com](http://www.sedar.com) for other risks that could materially affect the Company. This list is not exhaustive of the factors that may affect any of the Company's forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking information. The Company does not undertake to update any forward-looking information that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

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