

# Ecuador Constitutional Court Denies Province of Azuay Referendum Application and Confirms Right to Legal Certainty to Mining Concession Holders

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TORONTO, Feb. 24, 2020 - [INV Metals Inc.](#) ("INV Metals" or the "Company") (TSX:INV) provides an update to its ongoing efforts on the Loma Larga gold-silver-copper project ("Loma Larga"), located in Ecuador.

INV Metals is continuing to actively advance Loma Larga towards development. The Company is currently focused on updating the original 2019 Feasibility Study ("2019 FS") at Loma Larga and preparing the Environmental Impact Assessment ("EIA") for submission. Management is targeting the completion of the engineering related to the relocation of the plant and tailings facilities and the update of the 2019 FS, by the end of Q1/2020. The Loma Larga EIA is expected to be submitted following the completion of the revised 2019 FS. With the application of best practices in Environment, Social and Governance ("ESG") the Company is focused on developing a socially and environmentally responsible mine which will provide opportunities for employment, training, business creation and sustainable development for our key stakeholders.

Ms. Candace MacGibbon, CEO, stated, "We are pleased to report that the Constitutional Court of Ecuador has denied the application to hold a referendum related to mining activities in the Province of Azuay. Furthermore and importantly, the Constitutional Court indicated that the application regarding the cancellation of current mining concessions, which would retroactively affect concessions already granted by the Ecuadorian State, violated the concessionaire's right to legal certainty. Therefore, the right of mining concession holders to legal security has been upheld and confirmed by the Constitutional Court as a right enshrined by the Constitution of Ecuador."

## Azuay Referendum Application

On February 21, 2020, the Ecuadorian Constitutional Court (the "Constitutional Court") denied the request to hold a referendum related to future and present mining activities within the Province of Azuay, which was presented for consideration to the Court on January 7, 2020. The Constitutional Court denied the request stating the standards and criteria previously established by the Constitutional Court to hold a referendum regarding mining activities were not met in either of two questions that were analyzed.

The Constitutional Court reviewed the issue of holding referendums related to the cancellation of valid and legally granted mineral rights which would by extension impact the historical and future investment of concession holders in mining, development and exploration projects. The Constitutional Court ruled substantively that local referendums that would have retroactive effects on legally granted mining rights violate the rights of mining concessionaires. The conclusion reached by the Constitutional Court was based on the right of concession holders to legal certainty which is granted by the Constitution of Ecuador.

We have been advised by our legal counsel that this ruling will set a precedent that any future referendum requests related to mining activities will not impact our legally granted mining concessions within Ecuador, and the related potential future exploration, development and mining activities on such concessions. If future referendum requests which meet the criteria previously set by the Constitutional Court are allowed to proceed, the potential impact would be related to future mineral rights not yet granted based on legally valid laws, rules and regulations.

## Loma Larga Update

The Company continues to progress with the re-engineering and cost estimation to update the 2019 FS at Loma Larga, incorporating the relocation of the processing and tailings facilities to its land surface rights in close proximity with the Loma Larga deposit. Our teams are working together with various Federal Government Ministries to advance our EIA, permitting efforts and other key milestones, supported by the Ministry of Energy and Non-renewable Resources, along with our business and community stakeholders. Responsible development continues to be a priority for INV Metals and our future efforts will remain concentrated on applying best practices in ESG, minimizing the impacted footprint of the operation, and the stewardship of water and the environment.

The 2019 FS confirms the Project's viability and demonstrates the strong profitability and economics of Loma Larga with an after-tax 30% IRR based on \$1,450/oz gold. During the projected 12 year mine life, 2.6 million gold equivalent ounces are forecasted to be mined, with an average of 227,000 gold equivalent ounces mined per year and an average of 294,000 gold equivalent ounces mined during the first four full years. Loma Larga will be a low cost operation with expected life of mine cash costs of \$550/oz, all-in sustaining costs of \$619/oz, and all-in costs of \$778/oz. Initial pre-production capital expenditures were estimated at \$279 million, with sustaining capital of \$62 million and closure costs of \$22 million. The update to the 2019 FS will provide new economics, including capital and operating cost estimates, and will provide the basis for the submission of the EIA to obtain the relevant environment permits for Loma Larga. Preliminary work indicates that the update is not expected to have a material impact on the previously estimated costs. The 2019 FS, entitled "Technical Report on the Loma Larga Project, Azuay Province, Ecuador" is dated January 11, 2019, and 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).

#### 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 Chief Operating Officer 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.

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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 timing and results of the updated 2019 FS and EIA, the impact of development expenditures, the results of the 2019 FS and the estimated costs and projections therein, the potential for future applications or referendums, and the support of the Government of Ecuador and others for the mining industry. 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 results of future applications or referendums to differ from the results contained in this news release and 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. Please refer to the Company's Annual Information Form dated March 28, 2019 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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