

# GMV Minerals Inc. Announces PEA Results at Mexican Hat Gold Project in S.E. Arizona

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Vancouver, Nov. 3, 2020 - [GMV Minerals Inc.](#) (TSXV: GMV) (OTCQB: GMVMF) (the "Company" or "GMV") is pleased to announce positive results from the Preliminary Economic Assessment ("PEA") study of the Mexican Hat Gold Project ("Mexican Hat"), located in Cochise County, Southeastern Arizona.

The Report is entitled "NI 43-101 Technical Report Updated Preliminary Economic Assessment, Mexican Hat Project". All amounts are stated in second quarter 2020 US dollars.

Located in gold mining friendly Arizona, the Mexican Hat is a low-capital, open-pit, heap-leach investment opportunity.

## Highlights:

- The Base Case generates a pre-tax Internal Rate of Return ("IRR") of 39.3% (after tax 29.3%) and a pre-tax net present value ("NPV") at a 5% discount rate of \$150.6 million (after tax \$100.0 million) with a 2.85 year payback of invested capital using a \$1,600 per ounce gold price.
- Based on price sensitivity analysis at approximately the current price of \$1,900 per ounce of gold, the project returns a pre-tax IRR of 58.3% (after tax 44.3%) and a pre-tax NPV at a 5% discount rate of \$265.1 million (after tax \$182 million) with a payback period of 2.10 years.
- Base Case mine life of 10 years with total production of 525,000 ounces, averaging 52,500 ounces per year.
- Crushed mineralized material will be conveyor stacked at a rate of approximately 10,000 tonnes/day on a conventional heap leach pad.
- Capex: \$67.8M (including \$12.2M contingency).
- Opex: Low LOM Strip Ratio of 1.87.
- Estimated cash cost of production is \$951 per ounce with an all-in-sustaining cost of \$1,136 per ounce inclusive of sustaining capital and additional overhead support.
- Engineering design analysis indicates the potential to increase pit size and contained ounces with increased gold prices.

## FINANCIAL INDICATORS

The following table summarizes the financial indicators for the Mexican Hat project for both before and after taxes.

Financial Indicators Before Taxes Values	
NPV cash flow (undiscounted)	US\$220.4M
NPV @ 5%	US\$150.6M
IRR %	39.3%
Payback (years)	2.85
Financial Indicators After Taxes Values	
NPV cash flow (undiscounted)	US\$153.0M
NPV @ 5%	US\$100M

IRR %	29.3%
Payback (years)	2.85

#### GOLD PRICE SENSITIVITY TABLE

The following table summarizes the pre-tax and post-tax economic results to gold price sensitivity.

#### Pre-Tax and Post-Tax Sensitivity to Gold Price

Gold Price (\$/oz)	40%	30%	20%	10%	Base	+10%	+20%	+30%
Gold Price (\$/oz)	960	1,120	1,280	1,440	1,600	1,760	1,920	2,080
Pre-Tax IRR		14.1%	13.6%	27.6%	39.3%	49.7%	59.4%	68.6%
Pre-Tax NPV @ 5% (US\$M)	93.8	32.7	28.4	89.5	150.6	211.7	272.8	333.9
Post-Tax IRR			8.5%	20.1%	29.3%	37.6%	45.3%	52.5%
Post-Tax NPV @ 5% (US\$M)	95.8	40.8	11.2	56.2	99.9	143.7	187.5	231.2

#### INITIAL CAPITAL EXPENDITURES (US\$ MILLIONS)

Initial capital expenditures are estimated at US\$67.847 million as detailed below:

Expenditure Cost Center	Totals US\$ (Millions)
Contractor's Mobilizations	\$5,430
Pre-Production Waste Removal	\$4,300
Process Plant & Infrastructure (Directs)	\$28.597
Process Plant & Infrastructure (Indirects)	\$10.235
Taxes	\$0.950
Owner's Cost & Royalty Buy-Back	\$6.067
Contingency	\$12.268
<b>Total</b>	<b>\$67.847</b>

#### OPERATING COSTS

The mine operating costs were calculated to average \$2.68 per tonne mined as summarized below.

#### Mine Operating Cost Center Unit Cost (US\$/t mined)

Owner Mining Personnel	\$0.08
Owner Supplies & Misc.	0.03
Contractor Mining	2.56
<b>Total Cost (Rounded)</b>	<b>\$2.68</b>

The life-of-mine operating costs were calculated to average \$15.30/tonne resource processed as summarized below.

Operating Cost	Cost per Tonne of Crushed Material Processed
Mining	\$7.69
Processing	\$6.81
G&A	\$0.80
<b>Total Site Operating Cost</b>	<b>\$15.30</b>

#### MINERAL RESOURCES

An updated Mineral Resource Estimate prepared by Tetra Tech Inc. (Tetra Tech) and DRW Geological Consultants Ltd. with an effective date of June 22, 2020 was used in the PEA. Details of the Mineral Resource Estimate can be found in a Technical Report to be filed on SEDAR within 45 days of this release.

Category	Cut-off (g/t Au)	Grade (Au, g/t)	Tonnes	Gold Oz	Strip Ratio
Inferred	0.20	0.58	36,733,000	688,000	2.36

- The Mineral Resource Estimate has been constrained to a preliminary optimized pit shell, using the following parameters: SG = 2.57 gm/cc based on testwork, mining costs = \$1.50/tonne, mining recovery = 98%, mining dilution = 2%, process cost = \$3.25 per tonne, G&A = \$0.55 per tonne, gold price = \$1,375 per troy ounce, throughput at 15,000 tpd., discount rate = 5%. A cost of \$0.03 was added per bench to the mining cost below the existing level surface.
- A top cut of 32 gpt gold is applied to all zones except Zone 6 which has a top cut of 50 gpt gold.
- Mineral Resources have been calculated using the Inverse Distance Squared method
- Mineral Resources constrained to optimized pit shells are not mineral reserves and do not have demonstrated economic viability.
- Conforms to NI 43-101, Companion Policy 43-101CP, and the CIM Definition Standards for Mineral Resources and Mineral Reserves. Inferred Resources have been estimated from geological evidence and limited sampling and must be treated with a lower level of confidence than Measured and Indicated Resources.
- All numbers are rounded. Overall numbers may not be exact due to rounding.
- There are no known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resources.

## MINE PLAN

The mine plan is currently conceived as a conventional hard rock open pit. There are two independent pits which are developed with five-phase or pushback designs. Pit shells were designed using 6.0-meter benches with a catch bench installed every 18 meters. A bench face angle of 66° was used, resulting in an inner-ramp angle of 45° when catch benches were included. An 88% overall gold recovery has been used in this study, which was based on bottle roll and column leach test results. Base case haulage ramps are 26 meters wide and have a design gradient of 10%. Processing rates are based on a daily crushing rate of approximately 10,000 tonnes per day utilizing two stage crushing

The mine and crushing will be operated by contractors with oversight by GMV mine management. The mine plan produces a nominal tonnage to the crushing and heap leach of 3,500 Ktonnes per year (10,000 tpd) from a total material movement of 93.8 Ktonnes for the life of mine (26,106 tpd LOM average).

The preliminary economic assessment is preliminary in nature; it includes inferred mineral resources that 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 the preliminary economic assessment will be realized. There is no mineral reserve at Mexican Hat at this time. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Over the course of the mine life, 32.7 Mtonnes of mineralized resource is planned for processing out of a total material movement of 93.8 Mtonnes.

## INFRASTRUCTURE & PROCESS PLANT

The Mexican Hat Project is located in the southeastern part of the State of Arizona, approximately 72 miles east-southeast of Tucson, and can be accessed from the Old Ghost Town Road., a gravel road extending south of the Town of Pearce or north from Gleeson Road.

Groundwater will be used as the source of water for mining operations. No permitting restrictions or quantity issues are anticipated.

A 69 kV powerline to site will be supplied by Sulphur Springs Valley Electric Cooperative from their power plant located 30 km north of the project site.

The crushing plant will be operated by a contractor to produce a crushed product for heap leaching with a 25 mm top size. Pregnant solution from the heap leach will be processed in a conventional adsorption desorption recovery (ADR) plant. The process plant will produce doré gold bars.

## TECHNICAL REPORT

A National Instrument 43-101 (NI 43-101) technical report entitled Updated Preliminary Economic

Assessment, Mexican Hat Project" prepared by the following Qualified Persons will be filed by the Company within 45 days of this release on [www.sedar.com](http://www.sedar.com):

Mr. Alva Kuestermeyer, Samuel Engineering, Inc. (Metallurgical Test Work and Recovery, Process Plant and Process Operating Costs)

Mr. Steven Pozder, P.E., Samuel Engineering, Inc. (Project Economics and Infrastructure)

Dr. Dave Webb, PhD., P.Eng., P.Geo., DRW Geological Consultants Ltd. (Property Description and Location, Accessibility, Climate, Local Resource, Infrastructure and Physiography, History, Geological Setting and Mineralization, Deposit Types, Exploration, Drilling, Sample Preparation, Analysis and Security, Data Verification).

Mr. James Barr, P.Geo., Tetra Tech, Inc. (Mineral Resource Estimate)

Mr. Thomas L. Dyer, P.E., Mine Development Associates a division of RESPEC (Mine Design, Production Schedule, Capital and Operating Costs)

Mr. Francisco Barrios, P.E., Tierra Group International, Ltd. (Pad Design and Loading)

Ms. Dawn Garcia, CPG, PG, Golder Associates Inc. (Environmental)

All Qualified Persons have contributed to their corresponding sections in Interpretation, and Recommendations. The Qualified Persons have reviewed and approved the scientific, technical, and economic information obtained in this news release.

Ian Klassen, President & CEO remarked that "These strong PEA results support our contention that the potential economic viability of the Mexican Hat gold project and further investment with the goal of advancing the project forward to feasibility studies and permitting is fully warranted. We are delighted to see the extended mine life, lower strip ratios, lower capex, and positively enhanced NPV."

#### 2020-2021 Forward Looking Plan

The Mexican Hat project PEA economics justify continued investment in project development. The forward looking plan for Mexican Hat includes work required to advance the project through Feasibility Study and into the permitting process.

These tasks include:

- 3,000 to 4,000 meters of in-fill drilling to increase confidence in the current geological understanding and mineral resource estimation to sufficient level to support mineral reserve development
- Metallurgical column, hardness, and grinding tests to further optimize and improve heap leach gold recovery, and to provide information for feasibility design work
- Performing a trade-off study for self-mining and crushing versus contract mining and crushing
- Geotechnical drilling and analysis to optimize pit slope design parameters
- Continue base-line water sampling, and update of hydrologic, cultural, and environmental studies for permitting

#### Expansion Drilling

Significant exploration potential exists along strike and down dip on the principal controlling structure outside of the current resource area. Specific portions of this arcuate fault that can be traced geophysically for close to 3 km beyond areas of known mineralization have additional indicators for mineralization such as proximal geochemical anomalies. A proposed drill program has been designed to test eight separate portions of this target.

About GMV Minerals Inc.

[GMV Minerals Inc.](http://www.gmvminerals.com) is a publicly traded exploration company focused on developing precious metal assets in Arizona. GMV, through its 100% owned subsidiary, has a 100% interest in a Mining Property Lease commonly referred to as the Mexican Hat Project, located in Cochise County, Arizona, USA. The project was initially explored by Placer Dome (USA) in the late 1980's to early 1990's. GMV is focused on developing the asset and realizing the full mineral potential of the property through near term gold production.

## PEA Information and Cautionary Note Regarding Inferred Resources

The mine plan evaluated in the PEA is preliminary in nature and include of Inferred Mineral Resources, as defined by NI 43-101 that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be converted to a Mineral Reserve. Additional drilling and technical studies will need to be completed in order to fully assess its viability. There is no certainty that a production decision will be made to develop the Mexican Hat or that the economic results described in the PEA will be realized. Mine design and mining schedules, metallurgical flow sheets and process plant designs will require additional detailed work and economic analysis and internal studies to ensure satisfactory operational conditions and decisions regarding future targeted production.

### Cautionary Note to U.S. Investors

The United States Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this report, such as "measured," "indicated," "inferred," and "resources," that the SEC guidelines strictly prohibit U.S. registered companies from including in their filings with the SEC.

### Cautionary Statement Regarding Forward-Looking Information

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties as described in the Company's filings with Canadian securities regulators. 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. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

Dr. D.R. Webb, Ph.D., P.Geo., P.Eng. is the Q.P. responsible for this release within the meaning of NI 43-101 and has reviewed the technical content of this release and has approved its content.

### ON BEHALF OF THE BOARD OF DIRECTORS

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Ian Klassen, President

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