

Feasibility Study Completed and Working to Finalize Macquarie Financing

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Oct 27, 2015) - [Northern Vertex Mining Corp.](#) (the "Company") (TSX VENTURE:NEE)(OTCQX:NHVCF) announces that the Company's audited consolidated financial results for the year ended June 30, 2015 have been filed on SEDAR. The full version of the Financial Statements and Management's Discussion & Analysis can be viewed on the Company's website at www.northernvertex.com or on SEDAR at www.sedar.com.

Financial and Corporate Highlights for the Quarter and Year Ended June 30, 2015

- Annual net loss was \$1.73 million, excluding non-cash, unrealized foreign exchange gain of \$5.55 million, compared to a net loss of \$4.58 million, excluding non-cash, unrealized foreign exchange gain of \$0.41 million for the same period last year (the unrealized foreign exchange gains resulted from the translation on inter-company loans);
 - Annual net income was \$3.82 million (\$0.052 per share), due to a \$5.55 million non-cash, unrealized foreign exchange gain compared to a net loss of \$4.17 million (\$0.074 per share), after a \$0.41 million non-cash, unrealized foreign exchange gain, for the same period last year;
- For the quarter, net loss was \$0.63 million (2014: \$0.52 million), excluding a non-cash, unrealized foreign exchange loss of \$0.54 million (2014: \$0.96 million);
 - Net loss for the quarter was \$1.17 million (\$0.016 per share) due to a \$0.54 million non-cash, unrealized foreign exchange loss compared to a net loss of \$1.48 million (\$0.026 per share), after a \$0.96 million non-cash, unrealized foreign exchange loss, for the same period last year;
- Cash and cash equivalents was \$3.21 million at June 30, 2015, compared to \$4.05 million at June 30, 2014. The variance was primarily due to a reduction of trade payables from the previous year, exploration and evaluation spend at the Moss Mine Project that included the feasibility study, offset by cash from financing activities, redemption of reclamation deposits, and gold and silver sales proceeds;
- Working capital decreased slightly to \$2.89 million at June 30, 2015, compared to \$3.10 million for the previous year;
- Total gold and silver sales proceeds (net of royalties and selling costs) as of June 30, 2015 from the Phase I - Pilot Plant of \$6.62 million, an increase of \$1.78 million (\$0.96 million relates to foreign exchange) from the comparative period last year and a decrease of \$0.09 million from the previous quarter which is entirely related to foreign exchange; and
- Total costs incurred to June 30, 2015 for the Moss Mine Project as well as the Silver Creek Project increased to \$30.28 million compared to \$23.65 million for the same period in the prior year and \$29.92 million for the previous quarter. Foreign exchange translation of \$6.04 million, \$1.49 million and \$6.30 million, respectively, were included in the figures above.

Dick Whittington, President & CEO, states, "Fiscal 2015 has been a year of steady progress for the Company with the completion of the feasibility study and attaining an indicative term sheet from Macquarie Bank, a well-known international financial institution, regarding debt financing when financings of any kind are very difficult to obtain. The Company is looking forward to 2016 and the conclusion of the arbitration, finalizing a JV LLC agreement with Patriot Gold including the necessary financing arrangements and commencing development plans for the Moss Mine. 2016 promises to be a transformative year for the Company and we look forward to becoming an exemplary gold producer."

Cost Management

- The Company remains committed to strict cost control and continues to respond and adapt to the challenging external environment.
- Due to the shifting of Phase I - Pilot Plant Operations to a scheduled care and maintenance basis coupled with aggressive cost control measures company-wide, operating and administrative expenses dropped to \$1.78 million from \$4.65 million, a drop of \$2.87 million, or 62% compared to the previous year. Significant contributors to this decrease was salaries, wages, benefits and subcontractor expenses (predominantly noteworthy reductions to senior management and directors' compensation arrangements), dropping from \$1.27 million to \$0.70 million, a decrease of \$0.57 million or 45%, share-based compensation, dropping from \$1.39 million to \$0.22 million, a decrease of \$1.17 million or 84% compared to the previous year and management fees, dropping from \$0.16 million to \$0.06 million, a reduction of \$0.10 million or 63% compared to the previous year.

Operating Results

Gold and Silver Sales Proceeds

- Proceeds from gold and silver sales regarding the Pilot Plant during October 2013 to June 2015 totaled US\$5.5 million from 4,065 ounces of gold at an average selling price of US\$1,259.31 per ounce and 19,494 ounces of silver at an average selling price of US\$19.67 per ounce.

Operations

- The heap leach pad operation of Phase I - Pilot Plant Operations has been shut-down and placed on scheduled care and maintenance including the associated infrastructure. Mohave Security continues to monitor the site outside working hours, including weekends and holidays while Company staff monitor the site during working hours. The Company continues to maintain the facilities on site, in preparation of a future construction decision pertaining to Phase II - Commercial Operations.

Exploration

- Exploration potential is considered to be excellent both adjacent to the main Moss Vein System, both on strike and to depth, as well as property wide. The Company has completed a field geological mapping and sampling program on areas outside of the main Moss vein system, indicating the property wide potential. As exploration to date has only focused on known mineral occurrences, only approximately 5% of the property has been explored to date.
- Several target areas remain to be sampled and others require follow-up sampling to further define their potential. The Company plans to assess the prospects for a property wide drilling program to test the potential for further discoveries on the Moss and Silver Creek claims. Given the success to date, the Company believes that the prospects for additional discoveries of gold bearing veins and structures continue to be good.

Feasibility Study

- On June 8, 2015, the Company announced the results of the Feasibility Study ("FS") that will serve as the "Bankable Feasibility Study" ("BFS") required by the Company's 2011 Exploration and Option to Enter Joint Venture Agreement, Moss Mine Project (the "2011 Agreement") with Patriot Gold Corp. ("Patriot Gold").
- As of June 30, 2015, the Company had spent well in excess of US\$8 million. The US\$8 million commitment is a condition of the "earn-in" requirement of the 2011 Agreement and was satisfied back in 2013.
- The BFS was delivered and received by Patriot Gold on July 20, 2015 which completes the final requirement of the "earn-in" obligation. The NI 43-101, Disclosure Standards for Mineral Projects Technical Report regarding the FS results was filed on SEDAR on July 23, 2015. It is the Company's position that since it has completed the "earn-in" requirements of the 2011 Agreement, all costs incurred for services rendered or supplies received after July 20, 2015 will be shared on a 70:30 basis with Patriot Gold.
- The economic highlights of the FS, at prices of US\$1,250/oz Gold and US\$20/oz Silver, 100% Project basis using a discount factor of 5% in arriving at the Project Net Present Value ("NPV") and recoveries to doré for gold and silver of 82% and 65%, respectively are summarized in the following table:

	Pre-Tax	After-Tax
NPV@ 5%	US\$75.30 M	US\$55.30 M
IRR%	54.6%	44.3%
Payback (yrs)	2.3	2.4

Debt Financing

- The Company signed an Engagement Letter with indicative terms for Macquarie Bank Limited to provide project finance facilities of up to US\$20 million (the "Macquarie Facility") to be used to fund the majority of the projected development costs of the Company's 70% beneficially owned Moss Mine Project. As announced on June 8, 2015, the Company has also received indicative terms for a US\$6.5 million Equipment Finance Facility (the "Equipment Facility") from a major US bank. The Macquarie Facility and the Equipment Facility are complementary and together would provide up to US\$26.5 million towards the estimated pre-production capital of US\$33.0 million required to construct the planned 5,000 tonnes per day, open pit, heap leach, gold-silver mine at the Moss Mine site.

Tax Pools

- As of June 30, 2015, the Company has approximately US\$30 million in tax deduction pools that can be applied directly to the Company's 70% share of taxable income to off-set future tax liabilities. Utilizing these tax deduction pools to the Company's portion of the joint venture will significantly enhance the Moss Mine Project's economics.

Arbitration

- The Company and Patriot Gold are engaged in an arbitration process under the 2011 Agreement in connection with certain allegations by Patriot Gold that, amongst other items, allege that a) the pilot plant was profitable and that Patriot Gold is entitled to the profits, and b) that the scope of the FS, as it relates to the BFS requirement under the 2011 Agreement, is too limited by focusing on the patented Moss lands only. The Company's position is that it is completely within its discretion under the 2011 Agreement to evaluate a mine within the patented lands of the Moss Mine Project. The evaluation of a patented land first strategy does not negate or even reduce the likelihood that the mine will be capable of being expanded to include potential future resources should those resources be discovered and be deemed economic. It is the Company's belief that the two matters are without merit and will be vigorously defended. The arbitration is scheduled to be heard in early December 2015. The outcome of the arbitration cannot be predicted at this time but the Company remains very confident in its legal position with respect to the matters in dispute.

Strategic Priorities

- The key strategic priorities for the Company are to conclude the arbitration, finalize a joint venture agreement on a 70:30 basis with Patriot Gold, and complete debt, equipment and equity financings, following which the Company's development plans for the Moss Mine Project will be implemented. Financing of the Moss Mine Project will be on a proportional basis with Patriot Gold.

About Northern Vertex

[Northern Vertex Mining Corp.](#) is a Canadian based exploration and mining company focused on the reactivation of the Moss Mine Gold-Silver Project located in NW Arizona, USA where the Company has recently earned a 70% property interest and will form an LLC joint venture with Patriot Gold Corp. The Moss Mine Gold-Silver Project is an epithermal, brecciated, low sulphidation quartz-calcite vein and stockwork system which extends over a strike length of 1,400 meters and has been drill tested to depths of 370 meters vertically. It is a potential heap leach, open pit project being advanced to the Feasibility Study stage to ensure that technical, economic, permitting and funding requirements are met prior to proceeding with the development of the mine. The Company's management comprises an experienced management team with a strong background in all aspects of acquisition, exploration, development, operations and financing of mining projects worldwide. The Company is focused on working effectively and respectfully with our stakeholders in the vicinity of the historical Moss Mine and enhancing the capacity of the local communities in the area.

Qualified Persons:

The foregoing technical information contained in this news release has been approved by Mr. L.J. Bardswich, P. Eng., General Manager Moss Project, and a Qualified Person ("QP") for the purpose of National Instrument 43-101 (Standards of Disclosure for Mineral Projects).

ON BEHALF OF THE BOARD OF DIRECTORS

J.R.H. (Dick) Whittington, President & CEO

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note About Forward Looking Information

This news release contains statements about our future business and planned activities. These are "forward-looking" because we have used what we know and expect today to make a statement about the future. Forward-looking statements including but are not limited to comments regarding the timing and content of upcoming work and analyses. Forward-looking statements usually include words such as may, intend, plan, expect, anticipate, believe or other similar words. We believe the expectations reflected in these forward-looking statements are reasonable. However, actual events and results could be substantially different because of the risks and uncertainties associated with our business or events that happen after the date of this news release. You should not place undue reliance on forward-looking statements. As a general policy, we do not update forward-looking statements except as required by securities laws and regulations.

Cautionary Note to US Investors:

This news release uses the terms "Measured", "Indicated", and "Inferred" resources. US investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. US investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. US Investors are also cautioned not to assume that all or any part of a Mineral Resource is economically or legally mineable.

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