



NGEx Resources Inc.

2018 ANNUAL INFORMATION FORM

March 19 2019

Important information about this AIF

This annual information form (“AIF”) provides information about NGEx Resources Inc. and its subsidiaries (“NGEx” or the “Corporation”).

This AIF has been prepared in accordance with Canadian securities laws and describes the Corporation’s business, including the Corporation’s mineral exploration projects, the risks the Corporation faces, and other matters concerning the Corporation’s business.

This AIF is dated March 19, 2019. Unless stated otherwise, all of the information in this AIF is stated as at December 31, 2018.

The above documents are available under the Corporation’s profile on the SEDAR website at www.sedar.com (“SEDAR”)

Financial information

The financial information in this AIF is taken from the Corporation’s audited consolidated financial statements for the year ended December 31, 2018. Readers are cautioned to refer to such financial statements for complete information, as the information in this AIF has been selectively drawn from the financial statements and may not be complete.

All currency amounts in this AIF are expressed in Canadian dollars, unless otherwise indicated. Financial information is presented in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

Technical information and Qualified Persons

The disclosure of scientific and technical information regarding the Corporation’s properties in this AIF was prepared by, or reviewed and approved by, Robert Carmichael, P. Eng., the Corporation’s Vice President, Exploration, and James Beck, P. Eng., the Corporation’s Vice President, Corporate Development and Projects. Each of Mr. Carmichael and Mr. Beck are Qualified Persons in accordance with the requirements of NI 43-101. A “Qualified Person” means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, has experience relevant to the subject matter of the mineral project, and is a member in good standing of a professional association.

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Conversion Table

In this AIF, metric units may be used with respect to NGEx's various mineral properties. Conversion rates from imperial measures to metric units and from metric units to imperial measures are provided in the table set out below.

<u>Imperial Measure</u>	=	<u>Metric Unit</u>	<u>Metric Unit</u>	=	<u>Imperial Measure</u>
2.47 acres		1 hectare	0.4047 hectares		1 acre
3.28 feet		1 metre	0.3048 metres		1 foot
0.62 miles		1 kilometre	1.609 kilometres		1 mile
2.2 pounds		1 kilogram	0.454 kilograms		1 pound
0.032 ounces (troy)		1 gram	31.1 grams		1 ounce (troy)
2,204.60 pounds		1 tonne	1 tonne		2,204.60 pounds

Definitions

In this AIF, all units are SI metric unless otherwise noted. Abbreviations are as defined below unless the context otherwise indicates:

Ag means silver.

AIF means this Annual Information Form.

Au means gold.

CIM means the Canadian Institute of Mining, Metallurgy and Petroleum.

Cu means copper.

Deprominsa means Desarrollo de Prospectos Mineros S.A., a 100% owned subsidiary of the Corporation.

Feasibility Study or FS is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations together with any other relevant operational factors and detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

Filo del Sol Project means the Filo del Sol copper-gold-silver project located in San Juan Province, Argentina.

g/t means grams per tonne.

ha means hectare.

IRR means internal rate of return.

JOGMEC means Japan Oil, Gas and Metals National Corporation.

Josemaría means the Josemaría copper-gold porphyry project located in San Juan Province, Argentina.

Josemaría PFS means the National Instrument 43-101 Technical Report dated December 19, 2018 with an effective date of November 20, 2018, titled "NI 43-101 Technical Report, Prefeasibility Study for the Josemaría Copper-Gold Project, San Juan Province, Argentina", prepared and managed by SRK Consulting (Canada) Inc. with input from Ausenco Engineering Canada Inc. (Canada), Knight Piésold (Vancouver), BGC Engineering (Canada), Merlin Geosciences, and Gino Zandonai;

La Rioja Property means certain mineral claims known as Chola 1, and Potro I, Potro II and Potro III, located in La Rioja, Province, Argentina.

LOM means life of mine.

Los Helados means the Los Helados copper-gold porphyry project located approximately 125 kilometres southeast of the City of Copiapo in Region III of Chile.

Los Helados Report means "Technical Report on the Los Helados Porphyry Copper-Gold Deposit Chile" dated December 14, 2018 with an effective date of May 27, 2017, prepared in compliance with NI-43-101 by Fionnuala Devine, P. Geo., of Merlin Geosciences; Gino Zandonai, MSc. (CSM), CP (RM CMC #0155); and Robert G. Carmichael, P. Eng.

m means metre.

MD&A means Management's Discussion and Analysis of results of operations and financial condition of the Corporation for the fiscal year ended December 31, 2018.

MFDO means Minera Frontera del Oro SPA, a wholly owned subsidiary of the Corporation.

Mineral Resources has the meaning set out in the CIM definition standards.

Mineral Reserve has the meaning set out in the CIM definition standards.

NGEx or the **Corporation** means NGEx Resources Inc., including its subsidiaries.

NPV means net present value.

National Instrument 43-101 or **NI 43-101** means National Instrument 43-101 "Standards of Disclosure for Mineral Projects" adopted by the Canadian Securities Administrators.

Oz means ounces.

Pan Pacific Copper or **PPC** means Pan Pacific Copper Co., Ltd.

PPC JEA means the joint exploration agreement made as of February 1, 2008 among JOGMEC, Suramina, Frontera Holdings (Bermuda) II Ltd., Deprominsa, and MFDO that originally covered the Los Helados Project, the Filo del Sol Project and the La Rioja Property and consent, novation and agreement to be bound made as of September 7, 2012, among JOGMEC, Suramina, Frontera Holdings (Bermuda) II Ltd., Deprominsa, MFDO and Pan Pacific Copper, with effect as at September 7, 2012, pursuant to which Pan Pacific Copper assumed JOGMEC's rights and responsibilities under the joint exploration agreement as though it were a party to the joint exploration agreement in substitution for JOGMEC. This agreement was amended effective September 1, 2014, through the purchase by NGEx of the 40% interest in the Filo del Sol Project held by PPC.

Preliminary economic assessment or **PEA** is a study, other than a pre-feasibility or feasibility study, that includes an economic analysis of the potential viability of mineral resources.

Preliminary Feasibility Study, Pre-Feasibility Study or **PFS** is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.

Project Constellation means the Corporation's two copper/gold/silver deposits, the Los Helados deposit, Chile, and the Josemaría deposit, Argentina, integrated together as one project.

"Project Constellation Report" or "Project Constellation PEA" means the National Instrument 43-101 Technical Report with an effective date of February 12, 2016, an amended signature date of March 31, 2016, and titled "Constellation Project incorporating the Los Helados Deposit, Chile and the Josemaría Deposit, Argentina NI 43-101 Technical Report on Preliminary Economic Assessment", prepared by Alfonso Ovalle, RM CMC; Cristian Quiñones, RM CMC; Cristian Quezada, RM CMC; David Frost, FAusIMM; and Vikram Khera, P.Eng., all of whom are with Amec Foster Wheeler International Ingeniería y Construcción Limitada; and by Gino Zandonai, RM CMC, of DGCS SA, filed under the Corporation's profile on SEDAR on April 11, 2016.

"Purchase and Sale Agreement with JOGMEC" means the purchase and sale agreement effective as of November 9, 2017, between the Corporation and JOGMEC regarding Josemaría.

QA/QC means quality assurance / quality control.

Qualified Person means a qualified person within the meaning of National Instrument 43-101.

SEDAR means the System for Electronic Document Analysis and Retrieval.

SI means International System of Units.

Suramina means Suramina Resources Inc., a wholly owned subsidiary of the Corporation.

TSX means the Toronto Stock Exchange.

US\$ means United States dollars.

Forward-looking information

This AIF and documents incorporated by reference contain certain “forward-looking information” and “forward-looking statements” within the meaning of securities laws (collectively referred to herein as “**forward-looking information**” or “**forward-looking statements**”) concerning the business, operations, prospects, financial performance and condition of NGEx. Forward-looking information and statements are made (and are based on information available to the Company) as of the date of this AIF or, in the case of documents incorporated by reference herein, as of the date of such documents, and accordingly, are subject to change after such date.

All statements, other than statements of historical fact, may be forward-looking statements. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, prospects, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as “expects”, “is expected”, “anticipates”, “believes”, “plans”, “projects”, “estimates”, “budgets”, “scheduled”, “forecasts”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible” or variations thereof or stating that certain actions, events, conditions or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking information and forward-looking statements include, but are not limited to, information or statements with respect to results and developments in our operations in future periods, planned exploration and development activities, the adequacy of our financial resources, ability to raise capital, and other events or conditions that may occur in the future, including, without limitation, the proposed spin-out restructuring of the Corporation’s operations, including, but not limited to, any decision to implement a restructuring, including the business strategy, timing and structure thereof, board, shareholder, court and regulatory approval, completion of such restructuring and any listing of the resulting spin-out entity following the restructuring. These forward-looking statements may include statements regarding perceived merit of properties, exploration and development results and budgets, Mineral Resource and Mineral Reserve estimates, work programs, capital expenditures, operating costs, cash flow estimates, production estimates (including, without limitation, timing and amount of production) and similar statements relating to the economic viability of a project, timelines, strategic plans, including our plans and expectations relating to the Josemaría and Los Helados projects and other exploration projects, market prices for precious and base metals, future metal prices, government regulation, currency exchange and interest rates, statements with respect to the economic and scoping-level parameters of the Josemaría Project, the cost and timing of any development of the Josemaría Project, the proposed mine plan and mining methods, dilution and mining recoveries, processing method and rates and production rates, projected metallurgical recovery rates, estimates of the mineralization that will be encountered if the Josemaría Project is developed, infrastructure requirements, capital, operating and sustaining cost estimates, the projected life of mine and other expected attributes of the Josemaría Project, including the net present value, internal rate of return, the Josemaría Project proposed site layout, the timing of the environmental assessment process, changes to the Josemaría Project configuration that may be requested as a result of stakeholder or government input in connection with the environmental assessment process, government regulations and permitting timelines, estimates of reclamation obligations; requirements for additional capital; environmental risks; and general business and economic conditions, or other statements that are not statements of fact. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Forward-looking information and statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performance or achievements of NGEx to be materially different from future results, performance or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding, among other things, favourable equity markets, global financial condition, present and future business strategies and the environment in which NGEx will operate in the future, including the price of commodities, anticipated costs, ability to achieve goals (including, without limitation, timing and amount of production), timing and availability of additional required financing on favourable terms, decision to implement (including the business strategy, timing and structure thereof), and ability to obtain required approvals and complete the proposed spin-out restructuring of the Corporation's operations, the ability to obtain or maintain permits, mineability and marketability, exchange and interest rate assumptions, including, without limitation, being approximately consistent with the assumptions in the Josemaría Project PFS, the availability of certain consumables and services and the prices for power and other key supplies, including, without limitation, being approximately consistent with assumptions in the Josemaría Project PFS, labour and materials costs, including, without limitation, being approximately consistent with assumptions in the Josemaría Project PFS or the Los Helados Report, assumptions underlying Mineral Reserve and Mineral Resource estimates, assumptions made in the pre-feasibility economic assessment estimates, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological assumptions, capital and operating cost estimates, and general marketing, political, business and economic conditions, as applicable, results of exploration activities, ability to develop infrastructure, assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits, expectations regarding access and demand for equipment, skilled labour and services needed for exploration and development of mineral properties, and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks.

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information and statements. The following, in addition to the factors described under "Risk Factors" in the AIF and in the 2018 MD&A and in any documents incorporated or deemed incorporated by reference into this AIF, are among the factors that could cause actual results, performance or achievements to differ materially from the forward-looking information and statements:

- significant increases or decreases in metal prices and the speculative nature of exploration;
- failure of exploration efforts to expand Mineral Reserves and Mineral Resources;
- uncertainty regarding production estimates, including, without limitation, uncertainty as to whether production will be achieved at any of the Company's mineral projects;
- unexpected changes in business and economic conditions;
- inaccuracies and uncertainties in Mineral Reserves and Mineral Resources estimates;
- risks related to liquidity and negative cash flow;
- risks that the market price of the Common Shares may fluctuate;
- risks that the sale of a significant number of the Common Shares in the public markets, or the perception of such sales, could depress the market price of the Common Shares;
- risks that holders of Common Shares will be diluted;
- the ability to arrange financing on favourable terms, or at all;
- the timely receipt of regulatory approvals, permits and licenses;
- risks related to carrying on business in an emerging market, such as possible government instability and civil turmoil and economic instability;
- risks associated with the performance of the Company's contractors;
- measures required to protect endangered species;
- deficient or vulnerable title to mining concessions and surface rights;
- difficulty complying with tax or other regulatory regimes in Chile and/or Argentina;
- economic developments in Chile and/or Argentina that negatively impact the Corporation;
- local opposition to mining;
- risks associated with exploration and development activity;
- the Corporation's lack of operating history;

- the Corporation's reliance on its material mineral projects;
- risks related to implementation of the proposed spin-out restructuring of the Corporation's operations, including, without limitation, inability to obtain required approvals and complete any restructuring in a timely manner or at all, the prospects and operations of the Corporation following completion of any restructuring, or the decision of the Company to elect not to proceed with any restructuring;
- effects of illegal mining on our properties;
- changes in interest and currency exchange rates;
- uncertainty as to reclamation and decommissioning liabilities;
- adverse conditions in the financial markets;
- volatility in the price of gold, silver and copper;
- risks associated with recruiting and retaining qualified personnel;
- availability of skilled personnel, contractors, materials, equipment, supplies, power and water;
- weather, including excessive snowfall in the Andes Mountains;
- unreliable infrastructure and geological, technical, drilling or processing problems;
- results of current and future exploration and development activities;
- results of pending and future economic and feasibility studies;
- political or economic instability, either globally or in the countries in which we operate;
- competition in the mining industry, including competition for property acquisitions;
- the inadequacy of insurance;
- potential for litigation;
- unanticipated delays;
- failure to use proceeds from 2019 Financing as currently intended;
- failure to satisfy the conditions of 2018 Facility;
- risks of bribery or corruption and compliance with anti-corruption and anti-bribery laws;
- limitations of disclosure and internal controls;
- the potential influence of the Corporation's largest shareholders; and
- potential conflicts of interest for the Corporation's directors who are engaged in similar businesses.

The foregoing list is not exhaustive of the factors that may affect any of our forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and our actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this AIF, in the 2018 MD&A, as well as in any documents incorporated or deemed incorporated by reference into this AIF.

Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The forward-looking statements contained in this AIF are based on the beliefs, expectations and opinions of management as of the date of this AIF or, in the case of documents incorporated by reference herein, as of the date of such documents. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers and investors should not place undue reliance on forward-looking statements. All of the forward-looking information and statements contained or incorporated by reference in this AIF are qualified by the foregoing cautionary statements. NGEx does not intend to, and disclaims any obligation, to update the forward-looking information and statements to reflect events or circumstances after the date of such information and statements, except as required by law.

Cautionary note regarding presentation of mineral resource estimates

The Corporation prepares its information concerning resources and mineral deposits in accordance with the requirements of Canadian securities laws, which differ significantly from the requirements of U.S. securities laws. Canadian reporting requirements for disclosure of mineral properties are governed by the NI 43-101. The definitions used in NI 43-101 are incorporated by reference from the Canadian Institute of Mining, Metallurgy and

Petroleum (“**CIM**”) – Definition Standards adopted by CIM Council on May 10, 2014 (the “**CIM Definition Standards**”). U.S. reporting requirements are governed by the SEC Industry Guide 7 (“**Industry Guide 7**”) under the Securities Act. These reporting standards have similar goals in terms of conveying an appropriate level of confidence in the disclosures being reported, but embody different approaches and definitions. For example, the terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in NI 43-101, and these definitions differ from the definitions in Industry Guide 7. Under Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. Further, under Industry Guide 7, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made.

While the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in and required to be disclosed by NI 43-101, these terms are not defined terms under Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. U.S. readers are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. In addition, “inferred mineral resources” have a great amount of uncertainty as to their existence and their economic and legal feasibility. A significant amount of exploration must be completed in order to determine whether an inferred mineral resource may be upgraded to a higher category. Under Canadian regulations, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Readers are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations if such disclosure includes the grade or quality and the quantity for each category of mineral resource and mineral reserve; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this AIF regarding descriptions of the Corporation’s mineral deposits may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

About NGEx

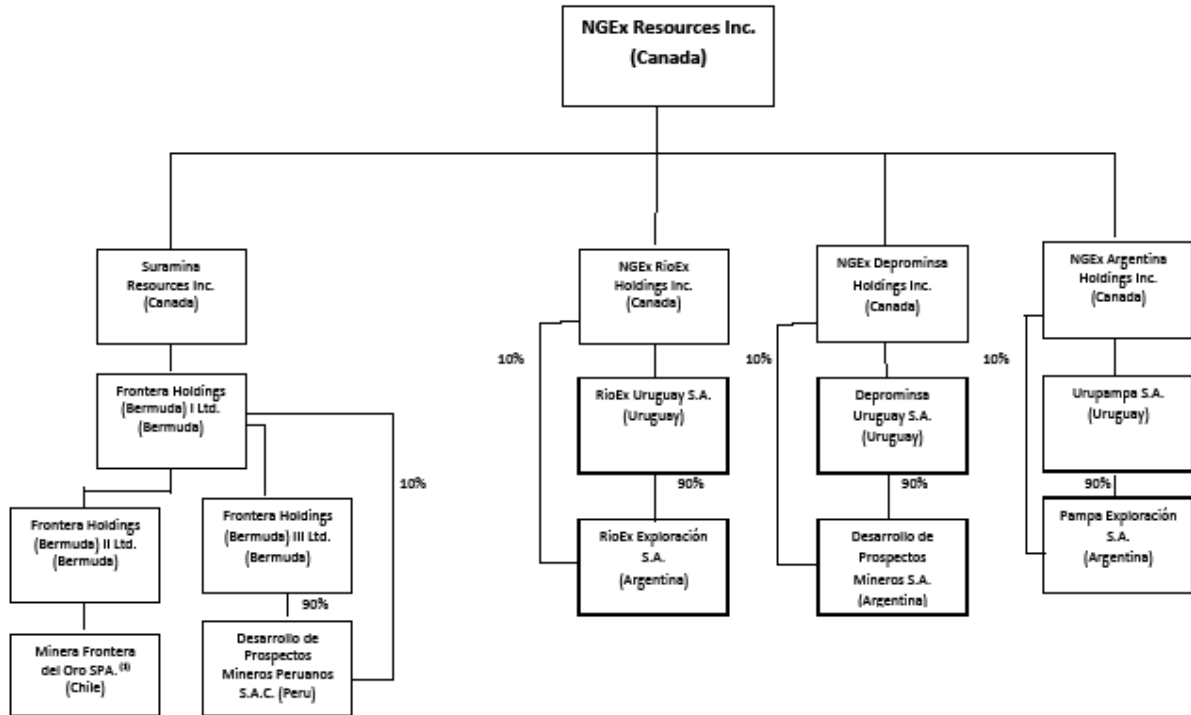
NGEx Resources Inc. is a Canadian mining company with projects in Argentina and Chile. The Corporation's focus is on advancing the development of its two large copper/gold/silver discoveries, Los Helados and Josemaría, located in Chile's Region III and adjacent San Juan Province, Argentina. The Corporation owns a 100% interest in the Josemaría project and is the majority partner and operator for the Los Helados project. NGEx’s website address is www.ngexresources.com.

The Corporation’s head office is located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Corporation’s registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

NGEx is a reporting issuer in British Columbia, Alberta, Ontario, and Quebec. The Corporation's Common Shares are listed on the Toronto Stock Exchange (“**TSX**”) and on Nasdaq Stockholm under the symbol “NGQ”. The Corporation was incorporated under the Canada Business Corporations Act (“**CBCA**”) on February 3, 1983, under the name Curator Resources Ltd. On October 8, 1985, the Corporation changed its name to International Curator Resources Ltd. and to Canadian Gold Hunter Corp. on December 23, 2003. During 2009, the Corporation acquired all of the issued and outstanding common shares of Suramina Resources Inc. (“**Suramina**”) and Sanu Resources Ltd. (“**Sanu**”) by way of Plan of Arrangements (“**Arrangements**”) under the CBCA and changed its name to NGEx Resources Inc. on September 15, 2009 following completion of the Arrangements with Suramina and Sanu. On August 16, 2016, the Corporation spun out its then wholly owned Filo del Sol Project into a then wholly-owned subsidiary of NGEx, Filo Mining Corp. (“**Filo Mining**”), by way of a Plan of Arrangement, as further described under the section “Three-year History”. The Corporation is considering a restructuring of its operations through a spin-out transaction that would separate the Josemaría Project from the Corporation’s other projects, through a Plan of Arrangement involving the Corporation and a newly formed spin-out (and wholly-owned subsidiary) entity, as further described under the section “Three-year History – Subsequent to 2018”.

Corporate structure

A significant portion of the Corporation's business is carried on through its various subsidiaries. The following chart depicts the Corporation's significant subsidiaries, including their respective jurisdiction of incorporation and the percentage of voting securities in each that are held by the Corporation either directly or indirectly, as at December 31, 2018:



Note: Unless otherwise indicated, ownership is 100%

(1) In connection with the ownership, 0.01% is held by Pablo Mir in trust

Three-year history

2016

- On January 7, 2016, the Corporation announced the results of a preliminary economic assessment that evaluated the development of Project Constellation. These results were subsequently updated on February 22, 2016 following the Argentine government's removal of a tax on copper concentrate exports. This increased Project Constellation's estimated after-tax NPV from \$2.09 billion to US\$2.61 billion; and increased the after-tax Internal rate of return ("IRR") from 14.5% to 16.6%. The Project Constellation PEA was filed on SEDAR on April 11, 2016.
- During the first quarter of 2016, the Corporation completed two non-brokered, private placements totaling 17,333,333 NGEx Common Shares for gross proceeds of \$11 million (the "**2016 Financings**"). Net proceeds raised from the 2016 Financings were used towards ongoing work programs in Chile and Argentina as well as for general corporate purposes. Zebra Holdings and Investments S.à.r.l. ("**Zebra**") and Lorito Holdings S.a.r.l ("**Lorito**"), who report their shareholdings as joint actors and are Insiders of the Corporation, acquired 10,083,333 Common Shares pursuant to the 2016 Financings. In addition, the Corporation entered into a US\$525,000 credit facility (the "**2016 Facility**") evidenced by a debenture in order to fund general corporate purposes. The 2016 Facility was issued by Zebra. All amounts outstanding under the 2016 Facility were repaid in full on February 29, 2016. In consideration of the 2016 Facility, the Corporation issued to Zebra an aggregate of 17,406 NGEx Common Shares.
- On August 16, 2016, the Corporation completed an Arrangement under the CBCA pursuant to which NGEx transferred its wholly owned subsidiaries that directly or indirectly hold the Filo del Sol project in Argentina and the Tamberias project in Chile, along with approximately \$3 million in cash, to Filo Mining in exchange for 51,270,950 Filo Mining common shares. The Corporation subsequently distributed the Filo Mining common shares to NGEx's shareholders as a return of capital. Filo Mining began trading on the TSX Venture Exchange ("**TSXV**") and the NASDAQ First North Exchange under the symbol "FIL" on August 26, 2016 and September 6, 2016, respectively.
- On August 25, 2016, the Corporation's wholly owned subsidiary, Minera Frontera del Oro SPA ("**MFDO**") and a local community, Comunidad Civil Ex Estancia Pulido reached a life of project surface access agreement with respect to the Los Helados Project.
- On November 10, 2016, the Corporation sold its remaining interests in the GJ royalties including a transfer of certain future common share consideration receivable from Skeena Resources Limited in exchange for \$0.9 million in cash.
- On November 10, 2016, Mr. Paul Conibear resigned as a director of the Corporation and Mr. Jack Lundin and Ms. Cheri Pedersen were appointed as additional directors of the Corporation. In addition, Ms. Joyce Ngo was appointed the Corporation's Chief Financial Officer, after serving as Interim Chief Financial Officer since February 3, 2016. Ms. Ngo had previously held the position of Corporate Controller of the Corporation since March 2012.
- On December 20, 2016, the Corporation obtained the approval of and registration with the Swedish Financial Supervisory Authority of a listing prospectus and completed a non-brokered, private placement of 8,000,000 NGEx Common Shares at a price of \$1.25 per share for gross proceeds of \$10 million on a private placement basis (the "**December 2016 Private Placement**"). Net proceeds from the financing were used towards ongoing work programs in Chile and Argentina as well as for general corporate purposes. Zebra and Lorito, who report their shareholdings as joint actors and are Insiders of the Corporation, acquired 5,600,000 Common Shares pursuant to the December 2016 Private Placement.

2017

- On February 1, 2017, Mr. James Beck was appointed Vice President, Corporate Development and Projects. Mr. Beck previously held the position of Director, Corporate Development.
- On November 9, 2017, the Corporation entered into an unsecured US\$1 million credit facility (the "**2017 Facility**"), evidenced by a debenture (the "**Debenture**") in order to fund general corporate purposes. The 2017 Facility was issued by Zebra. All amounts outstanding under the 2017 Facility were repaid in full on

January 4, 2018 from the proceeds of the 2018 Financing (as defined below). In consideration of the 2017 Facility, the Corporation issued to Zebra an aggregate of 21,467 NGEx Common Shares.

- On November 13, 2017, the Corporation acquired the remaining 40% interest in the Josemaría project from Japan Oil, Gas and Metals National Corporation (“**JOGMEC**”) for total cash consideration of US\$21.0 million, payable in three installments: US\$3.0 million was paid in December 2017; US\$5.0 million is payable upon a development decision being made; and US\$13.0 million is payable upon the commencement of commercial production. In addition, JOGMEC has retained the right to purchase 40% of any materials produced from a mine on the property. As a result, the Corporation now holds a 100% interest in the Josemaría project located in San Juan Province, Argentina.

2018

- On January 3, 2018, the Corporation completed a non-brokered, private placement of 12,500,000 NGEx Common Shares at a price of \$1.00 per share for gross proceeds of \$12.5 million (the “**2018 Financing**”). The net proceeds raised from the financing were used towards ongoing work programs in Chile and Argentina as well as for general corporate purposes. Zebra and Lorito, who report their shareholdings as joint actors and are Insiders of the Corporation, acquired 2,500,000 Common Shares pursuant to the 2018 Financing.
- On July 3, 2018, the Corporation announced the initiation of a Preliminary Feasibility Study (the “**Josemaría PFS**”) on its 100% owned Josemaría Project in San Juan Province, Argentina to evaluate the potential to develop an open pit mine and adjacent processing plant to exploit the Josemaría deposit as a stand-alone project.
- On October 5, 2018, the Corporation entered into an unsecured US\$5 million credit facility (the “**2018 Facility**”), evidenced by a debenture (the “**Debenture**”) in order to fund general corporate purposes. The 2018 Facility was issued by Zebra. As of the date of this AIF, the Corporation issued to Zebra an aggregate of 113,204 NGEx Common Shares as consideration for executing the 2018 Facility and providing the amount drawn against the 2018 Facility. As of the date of this AIF, there are NIL funds drawn against the Debenture as all amounts outstanding under the 2018 Facility were repaid in full. The 2018 Facility remains available until October 5, 2019.
- On November 20, 2018, the Corporation announced the results of the Josemaría PFS at its 100% owned Josemaría Project in San Juan province, Argentina, which indicated a US\$2.0 billion after tax net present value and 19% internal rate of return, as further described under the section “*Josemaría Project*”.

Subsequent to 2018

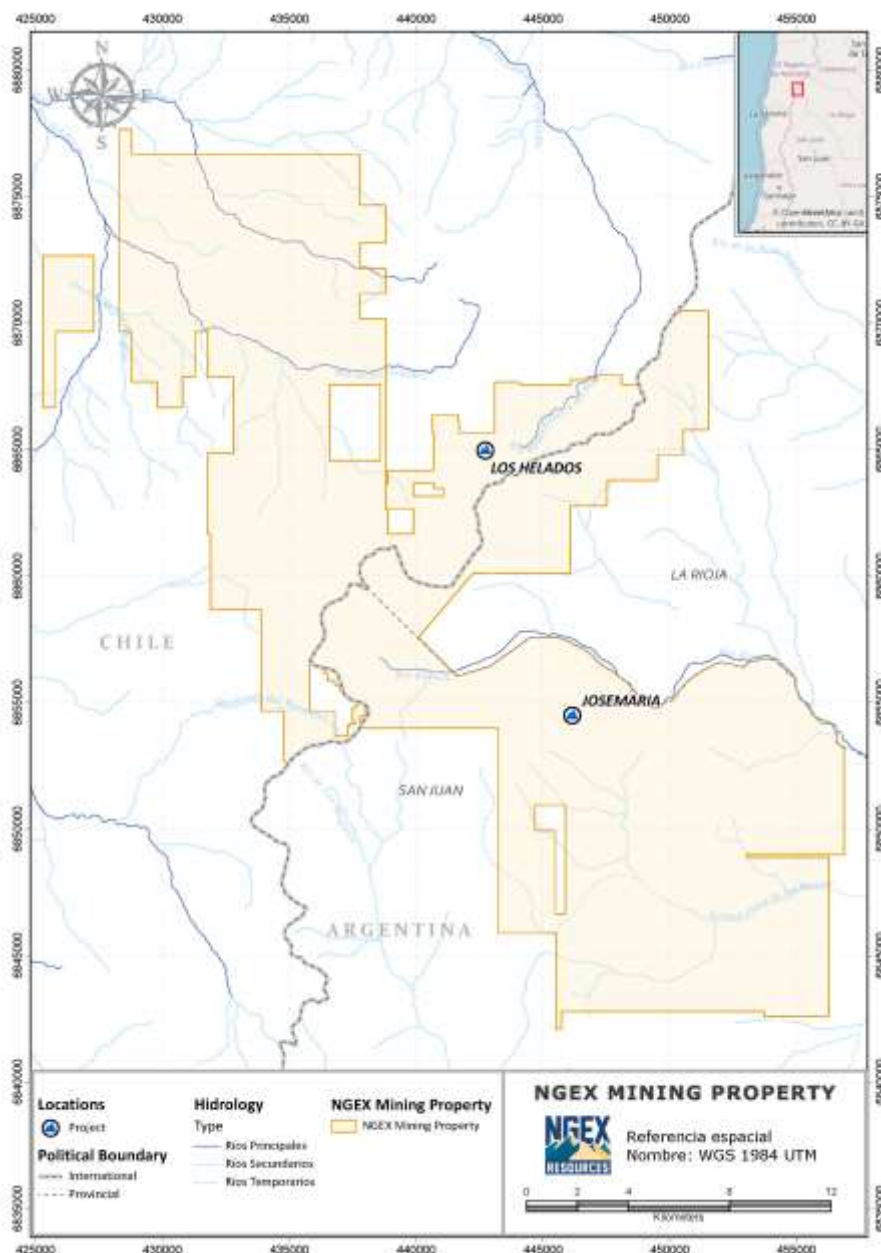
- On February 1, 2019, the Corporation completed a non-brokered, private placement of 20,000,000 NGEx Common Shares at a price of \$1.00 per share for gross proceeds of \$20 million (the “**2019 Financing**”). The net proceeds raised from the financing will be used towards ongoing work programs in Argentina and Chile, including completing a feasibility study on the Josemaría Project, engineering and exploration studies on the Company's other projects, repayment of balance drawn on the Company's 2018 Facility, and for general corporate purposes. Zebra and Lorito, who report their shareholdings as joint actors and are Insiders of the Corporation, acquired 12,112,000 Common Shares pursuant to the 2019 Financing.
- To devote adequate resources towards the completion of a Feasibility Study and development of the Josemaría Project, the Corporation is considering a restructuring of its operations through a spin-out transaction that would separate the Josemaría Project from the Corporation's other projects, including the Los Helados Project, through a Plan of Arrangement under the Canada Business Corporations Act. The completion of any spin-out and any listing of the resulting spin-out entity would be subject to completion of a definitive agreement, regulatory approval, including the approval of the TSX, the approval of shareholders of the Company and the Supreme Court of British Columbia. The final terms of the structure, including, but not limited to, business strategy, the spin-out ratio to NGEx shareholders, retained equity level and timing of the record date are expected to be determined in due course, and remain subject to definitive documentation and approval by the board of directors. Notwithstanding the foregoing, the board of directors reserves the right to elect not to proceed with any spin-out.

Description of the business

The Corporation is principally engaged in the acquisition, exploration and development of precious and base metals properties located in Argentina and Chile. The Corporation is currently focused on its existing portfolio of precious and base metals properties located in South America and on the evaluation of new exploration projects for potential acquisition.

The Corporation's primary projects are the Josemaría and the Los Helados projects, which are advanced exploration stage copper-gold projects. The Corporation also holds a number of earlier stage copper-gold projects in Chile and Argentina. The Corporation is considering a restructuring of its operations through a spin-out transaction that would separate the Josemaría Project from the Corporation's other projects, including the Los Helados Project, through a Plan of Arrangement involving the Corporation and a newly formed spin-out (and wholly-owned subsidiary) entity, as further described under the section "Three-year History – Subsequent to 2018".

The following map illustrates the Corporation's two principal mineral properties located in South America:



Josemaría Project

The Corporation holds a 100% interest in the Josemaría Project, a copper-gold (Cu-Au) porphyry system located in the Andes Mountains of San Juan Province, Argentina. The Josemaría Project is located about 10 km from the Chilean border and is about 140 km southeast of the city of Copiapó, Chile and 350 km northwest of the city of San Juan, Argentina.

The Josemaría PFS report estimates that the Josemaría Project has an after-tax NPV of US\$2.0 billion using an 8% discount rate and an IRR of 18.7% at US\$3.00 per pound copper. Included in the Josemaría PFS is an initial probable mineral reserve of 1,008 Mt of 0.29% copper, 0.21 gpt gold and 0.92 gpt silver (or 0.41% CuEq). The Josemaría PFS report been filed on SEDAR and is available for review under the Corporation's profile on SEDAR (www.sedar.com).

Los Helados Project

The Corporation is the majority partner and operator for the Los Helados project and, as of December 31, 2018, holds a 63% interest in the Los Helados Project. The Los Helados Project is located in Chile 135 km southeast of the city of Copiapó. The deposit is centred at 28.3408° S, 69.5857° W.

Currently, Los Helados hosts an Indicated mineral resource estimate of 2,099 Mt of 0.38% copper, 0.15 gpt gold and 0.48 g/t silver (or 0.48% CuEq) and an Inferred mineral resource estimate of 827 Mt of 0.32% copper, 0.10 gpt gold and 1.32 gpt silver (or 0.39% CuEq). [The Los Helados Report been filed on SEDAR and is available for review under the Corporation's profile on SEDAR (www.sedar.com).]

Specialized Skills and Knowledge

The Corporation's business requires specialized skills and knowledge in the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs, mining, engineering, accounting, and compliance, among others. To date, the Corporation has been able to locate and retain such professionals, employees and consultants and believes it will continue to be able to do so.

Competitive Conditions

The Corporation operates in a very competitive industry and competes with other companies, many of which have greater financial resources and technical facilities for the acquisition and development of mineral properties, as well as for the recruitment and retention of qualified employees and consultants.

Business Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. If the global economy stalls and commodity prices decline as a consequence, a continuing period of lower prices could significantly affect the economic potential of many of the Corporation's current properties and result in the Corporation determining to cease work on, or drop its interest in, some or all of such properties.

In addition to commodity price cycles and recessionary periods, exploration activity may also be affected by seasonal and irregular weather conditions in the areas where the Corporation operates.

Economic Dependence

The Corporation is heavily dependent upon the results obtained under agreements, including joint exploration agreements that it has entered into, for the exploration and extraction of minerals.

Environmental Protection

All phases of the Corporation's operations are subject to environmental regulation in the jurisdictions in which it operates. The Company is advancing high-altitude, transboundary mining projects in Chile and Argentina and has implemented a responsible mining development policy demonstrating its commitment to responsible and sustainable mining development. Environmental legislation is evolving in a manner that requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Regulation governing development of mining operations with the potential to affect glaciers continues to evolve in both Chile and Argentina. The Argentine Congress has passed legislation designed to protect the

country's glaciers. This law would restrict development on and around glaciers. The detailed regulations that will govern implementation of the law have not yet been written but this legislation could affect the Corporation's ability to develop parts of the Corporation's properties in Argentina, including the Josemaría Project. A proposal that would oblige all future mining operations to use seawater or desalinated seawater has been presented to the Chilean Congress. If passed into law, this legislation would affect the Corporation's Chilean projects including the Los Helados Project. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. There are no assurances that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties that are unknown to the Corporation at present which have been caused by previous or existing owners or operators of the properties. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations. Presently, the Corporation is currently engaged in exploration and early-stage engineering studies with minimal environmental impact.

Employees

As of December 31, 2018, the Corporation had seven (7) employees based in Canada, six of whom are shared with Filo Mining; and eight (8) employees based in Argentina, who are also shared with Filo Mining. NGE has a cost sharing arrangement with Filo Mining regarding shared employees and consulting services in order to reduce costs.

NGE has a Code of Business Conduct and Ethics policy whereby the Company is committed to conducting its business in compliance with applicable laws and with the highest ethical standards. The Corporation expects all Employees to comply and act in accordance with the Code. The Corporation requires that its agents, contractors, consultants and suppliers comply with the Code in its relations with the Corporation as a condition of doing business with the Corporation.

Corporate Social Responsibility

The Corporation strives to minimize the environmental and social impacts of its exploration and development activities and to conduct all of its operations and activities in a responsible and environmentally sustainable manner. This goal is supported by the Corporation's corporate policies and procedures.

The Corporation is also committed to making its workplaces safe, secure and healthy for all of its employees and others. The Corporation prohibits abusive or harassing conduct by its employees toward others, such as sexual advances, comments based on ethnicity, religion or race or other non-business, personal comments or conduct that makes others uncomfortable in their employment with the Corporation. The Corporation encourages and expects all of its employees and consultants to report wrong-doing, harassment or other inappropriate conduct as soon as it occurs. All threats or acts of physical violence or intimidation are prohibited. The Corporation requires adherence to all applicable federal and provincial employment and labour laws. In addition to any other requirements of applicable laws in a particular jurisdiction, the Corporation prohibits discrimination in any aspect of employment based on sex, race, color, religion, national origin, disability or age, within the meaning of applicable laws. The Corporation has established a Whistleblower Policy which sets out the procedures for the receipt, retention and treatment of complaints or submissions regarding accounting, internal accounting controls or auditing matters, as well as other corporate misconduct and breaches of the Corporation's policies. The Whistleblower Policy, as well as the Corporation's Code of Business Conduct and Ethics Policy, are designed to encourage ethical behavior by all of the Corporation's employees and others conducting business with the Corporation.

Sustainability and being socially responsible continues to be a fundamental part of NGE's strategy and is critical to ensuring broad stakeholder support for NGE's exploration and development activities.

Foreign Operations

The Corporation conducts a majority of its exploration and development activities in Argentina and Chile. Operations are exposed to various levels of political, economic and social risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: high rates of inflation, extreme fluctuations in currency exchange rates, renegotiation or termination of existing concessions, licenses, permits and contracts; ability of governments to unilaterally alter agreements; surface land access issues; expropriation, political corruption, illegal mining; changes in taxation policies, laws and regulations; restrictions on foreign

exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Diversity

The Corporation has a Gender Diversity Policy intended to set out a framework to promote gender diversity on the Corporation's board of directors and in executive officer positions within the Corporation and within its major subsidiaries. The Corporation recognizes the importance of women having a greater representation at key decision-making points in organizations, particularly with regard to representation on boards and executive officer positions. The Corporation believes that a diverse board and executive management structure, including diversity with regard to gender, enhances the decision making of the Board and at senior management levels.

Equal opportunities and non-discrimination

The Corporation's employment decisions are based on reasons related to its business, such as job performance, individual skills and talents and other business-related factors. The Corporation requires adherence to all applicable federal and provincial employment and labour laws. In addition to any other requirements of applicable laws in a particular jurisdiction, the Corporation prohibits discrimination in any aspect of employment based on sex, race, color, religion, national origin, disability or age, within the meaning of applicable laws.

Anti-Bribery and Anti-Corruption Policy

The Corporation has an anti-bribery and anti-corruption policy (the "**Anti-Bribery and Anti-Corruption Policy**") which reiterates the Corporation's commitment to compliance by the Corporation and its officers, directors, employees and agents with Canada's Corruption of Foreign Public Officials Act ("CFPOA"), and any other anti-bribery or anti-corruption laws that may be applicable. The Anti-Bribery and Anti-Corruption Policy supplements the Corporation's Code of Business Conduct and all applicable laws and applies to the Corporation's operations world-wide.

The Anti-Bribery and Anti-Corruption Policy outlines the requirements that must be fulfilled when dealing with public officials and includes prohibitions against bribing public officials, making facilitation payments and commercial bribery, and also provides employees with clarity regarding: books and records transparency; giving gifts to government officials; making political or charitable contributions; third party oversight and due diligence; internal controls; and management's responsibility to promote an ethical tone from the top and create awareness of the policy.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against the Corporation, nor is the Corporation aware of any such pending or threatened proceedings. There have not been any voluntary bankruptcy, receivership or similar proceedings by the Corporation within the three most recently completed financial years or currently proposed for the current financial year.

Reorganizations

On August 16, 2016, the Corporation spun out its then wholly owned Filo del Sol Project into a then wholly-owned subsidiary of NGEx, Filo Mining, by way of the Arrangement, as further described under the section "Three-year History". The Corporation is considering a restructuring of its operations through a spin-out transaction that would separate the Josemaría Project from the Corporation's other projects, including the Los Helados Project, through a Plan of Arrangement, as further described under the section "Three-year History – Subsequent to 2018".

Risk factors

The Corporation is engaged in the exploration, development and acquisition of mining properties and projects. Due to the high-risk nature of our business, our operations are speculative. The Corporation's operations, properties and projects are subject to various risks and uncertainties, including but not limited to, those listed below. The risks described herein are not the only risk factors facing the Corporation and should not be considered exhaustive. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently considers immaterial, may also materially and adversely affect the business, operations and condition, financial or otherwise, of the Corporation.

These risk factors, together with all other information included or incorporate by reference in the AIF, including, without limitation, information contained in the section “Cautionary Note Regarding Forward-Looking Information and Statements” as well as the risk factors set out below, should be carefully reviewed by readers.

Some of the factors described herein, in the documents incorporated or deemed incorporated by reference herein are interrelated and, consequently readers should treat such risk factors as a whole. If any of the adverse effects set out in the risk factors described herein or in another document incorporated or deemed incorporated by reference herein occur, it could have a material adverse effect on the business, financial condition and results of operations of the Corporation. The Corporation cannot assure you that it will successfully address any or all of these risks. There is no assurance that any risk management steps taken will avoid future loss due to the occurrence of the adverse effects set out in the risk factors herein, in other documents incorporated or deemed incorporated by reference herein or other unforeseen risks. These risk factors could materially affect the Corporation’s future operating results and could cause actual events to differ materially from those described in our forward-looking statements. Unless the context indicates or implies otherwise, references in this section to the “Corporation” include the Corporation and its subsidiaries.

Exploration and Development Risk

Mining exploration, development and operations generally involve a high degree of risk that cannot be eliminated, which can adversely impact our success and financial performance. Exploration for and development of mineral deposits involves a high degree of risk and few properties that are explored are ultimately developed into producing mines.

Major expenses are typically required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, among other things, the following:

- the interpretation of geological data obtained from drill holes and other sampling techniques;
- feasibility studies (which include estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed);
- the particular attributes of the deposit, such as size, grade and metallurgy; expected recovery rates of metals from the ore;
- proximity to infrastructure and labour; the ability to acquire and access land; the availability and cost of water and power; anticipated climatic conditions;
- cyclical metal prices; fluctuations in inflation and currency exchange rates;
- higher input commodity and labour costs; and
- government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The risks and uncertainties inherent in exploration activities include but are not limited to: legal and political risk arising from operating in certain developing countries; civil unrest; general economic; market and business conditions; the regulatory process and actions; failure to obtain necessary permits and approvals; technical issues; new legislation; competitive and general economic factors and conditions; the uncertainties resulting from potential delays or changes in plans; the occurrence of unexpected events; and management’s capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company’s mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power; anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices,

taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Company's business.

Our operations are subject to all of the hazards and risks normally encountered in the exploration and development of copper, gold, and silver projects and properties, including unusual and unexpected geologic formations, seismic activity, rock slides, ground instabilities or failures, mechanical failures, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of facilities, damage to life or property, environmental damage and possible legal liability.

We are concentrated in the copper/gold/silver mining industry, and as such, our success will be sensitive to changes in, and our performance will depend to a greater extent on, the overall condition of the copper/gold/silver mining industry. Our business may be negatively impacted by fluctuations in the copper/gold/silver mining industry generally. We may be susceptible to an increased risk of loss, including losses due to adverse occurrences affecting us more than the market as a whole, as a result of the fact that our projects and properties are concentrated in the copper/gold/silver mining sector.

The Company attempts to mitigate its exploration risk by maintaining a diversified portfolio and by balancing its exploration risks through joint ventures and option agreements with other companies.

Technical Information

The Company's Mineral Reserve and Mineral Resource estimations as reported in this AIF have been prepared in accordance with the CIM Definition Standards that are incorporated by reference in NI 43-101. The following definitions are reproduced from the CIM Definition Standards:

A "Mineral Resource" is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An "Inferred Mineral Resource" is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An "Indicated Mineral Resource" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors (as defined below) in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

A "Measured Mineral Resource" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

A "Mineral Reserve" is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted

and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a pre-feasibility study or feasibility study.

A “Probable Mineral Reserve” is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

A “Proven Mineral Reserve” is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

For the purposes of the CIM Definition Standards, “Modifying Factors” are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

Mineral Reserves and Mineral Resources Estimates

The Corporation’s reported mineral reserves and mineral resources are estimations only. No assurance can be given that the estimated mineral reserves and mineral resources are accurate or that the indicated level of copper, gold, silver or any other mineral will be recovered or produced. Actual mineralization or formations may be different from those predicted. It may take many years from the initial phase of drilling before production is possible and during that time the economic feasibility of exploiting a discovery may change. Market price fluctuations of copper, gold and silver and certain other metals, as well as increased production and capital costs or reduced recovery rates, may render the Corporation’s mineral reserves uneconomic to develop. Moreover, short-term operating factors relating to the mineral reserves, such as the need for the orderly development of orebodies, the processing of new or different ore grades, the technical complexity of ore bodies, unusual or unexpected geological formations, ore dilution or varying metallurgical and other ore characteristics may cause mineral reserves to be reduced. Estimated reserves may have to be recalculated based on fluctuations in the price of metals, or changes in other assumptions on which they are based. Any of these factors may require the Corporation to reduce its mineral reserves and resources, which could have a negative impact on the Corporation’s business.

Failure to obtain or maintain necessary permits or government approvals or changes to applicable legislation could also cause the Corporation to reduce its reserves. In addition, changes to mine plans could cause the Corporation to reduce its reserves. There is also no assurance that the Corporation will achieve indicated levels of copper, gold or silver recovery or obtain the prices assumed in determining such reserves.

Mineral resources that are not mineral reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty which may attach to mineral resources, there is no assurance that all or any part of Measured or Indicated mineral resources will ever be converted into mineral reserves; and no assurance that all or any part of an Inferred mineral resources exists or is economically or legally mineable.

Title Risk

The Corporation has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Corporation’s investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The Corporation has not conducted surveys of all of its properties, and the precise area and location of claims or the properties may be challenged and no assurances can be given that there are no title defects affecting such properties. The rules governing mining concessions in Chile and Argentina are complex and any failure by the Corporation to meet requirements would have a material adverse effect on the Corporation. Any defects in the title to the Corporation’s properties could have a material and adverse effect on the Corporation.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Although the Corporation has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license.

The Corporation is earning an interest in certain of its properties through option agreements and acquisition of title to the properties is completed only when the option conditions have been met. These conditions include making property payments, incurring exploration expenditures on the properties, and satisfactory completion of certain third-party agreements.

If the Corporation does not satisfactorily complete these option conditions in the period laid out in the option agreements, the Corporation's title to the related property will not vest and the Corporation will have to write down its previously capitalized costs related to that property.

Environmental and Socio-Political Risks

The Corporation seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Corporation conducts activities. The Corporation also aims to conduct its activities in accordance with high corporate social responsibility principles. Present or future laws and regulations, however, may affect the Corporation's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. The Corporation is subject to environmental regulation in the various jurisdictions in which it operates. Failure to comply with these laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may also be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Furthermore, environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

Programs may also be delayed or prohibited in some areas due to technical factors, new legislative constraints, social opposition or local government capacity or willingness to issue permits to explore in a timely manner.

In parts of Argentina, there is environmental opposition to both mineral exploration and mining. Accordingly, there may be a certain degree of anti-mining sentiment that could potentially affect the risk of successfully exploring and developing the Corporation's assets in those provinces.

The Argentine Congress has passed legislation designed to protect the country's glaciers. This law would restrict development on and around glaciers. The detailed regulations that will govern implementation of the law have not yet been written but this legislation could affect the Corporation's ability to develop parts of the Corporation's properties in Argentina including the Josemaría Project. The Chilean Congress is also considering legislation designed to protect the country's glaciers. This legislation has not yet been approved but, depending on its final language, could affect the Corporation's ability to develop the Los Helados Project.

Uncertainty of Funding and Dilution of Shareholders' Interests in the Corporation

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Corporation's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Corporation, a significant disruption to the Corporation's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Corporation will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Corporation needs to raise additional funds, such financing may substantially dilute the economic and voting rights of the Corporation's shareholders and reduce the value of their investment. Since the Corporation's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of Common Shares of the Corporation bear the risk of any future offerings reducing the market price of the Common Shares and diluting their shareholdings in the Corporation.

Foreign Operations Risk

The Corporation conducts exploration activities in foreign countries, including Argentina and Chile. Each of these countries exposes the Corporation to risks that may not otherwise be experienced if all operations were located in Canada. The risks vary from country to country and can include but are not limited to: civil unrest or war, terrorism, illegal mining, changing political conditions, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership, and maintenance of mineral properties. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Corporation's existing assets and operations. Real and perceived political risk may also affect the Corporation's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries that are deemed of national or strategic importance in countries, in which the Corporation has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Corporation. There can be no assurance that the Corporation's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

The Josemaría Project and the Nacimientos Project are located in San Juan Province, Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina, especially as there is social opposition to mining operations in certain parts of the country. During an economic crisis in 2001 to 2003 and again in 2014, Argentina defaulted on foreign debt repayments and on the repayment on a number of official loans to multinational organizations. In addition, the government has renegotiated or defaulted on contractual arrangements. The previous Argentinean government placed currency controls on the ability of companies and its citizens to obtain United States dollars, in each case requiring Central Bank approval (resulting in, at times, a limitation on the ability of multi-national companies to distribute dividends abroad in United States dollars) and revoked exemptions previously granted to companies in the oil and gas and mining sectors from the obligation to repatriate 100% of their export revenues to Argentina for conversion in the local foreign exchange markets, prior to transferring funds locally or overseas. Similarly, the government adopted a requirement that importers provide notice to the government and obtain approval for importation before placing orders for certain goods. These measures have been lifted by the new government that took office in December 2015. However, the past actions indicate that the Argentinean government may from time to time alter or impose additional requirements or policies that may adversely affect the Corporation's activities in Argentina or in its ability to attract joint venture partners or obtain financing for its projects in the future.

In addition, in the event of a dispute arising from foreign operations, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Corporation also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Corporation to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Corporation.

Indigenous Peoples

The Corporation operates in some areas including parts of the Los Helados and Josemaría areas presently or previously inhabited or used by indigenous peoples. Various international and national laws, codes, resolutions, conventions, guidelines, and other material relate to the rights of indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions that may affect indigenous people, including actions to approve or grant mining rights or permits. ILO Convention 169, which has been ratified by Argentina and Chile, is an example of such an international convention. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined.

Examples of recent developments in this area include the United Nations Declaration of the Rights of Indigenous People and the International Finance Corporation's revised Performance Standard 7, which requires governments to obtain the free, prior, and informed consent of indigenous peoples who may be affected by government action, such as the granting of mining concessions or approval of mine permits. The Corporation's current and future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development of the Corporation's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Corporation's activities. Opposition by indigenous people to the Corporation's operations may require modification of, or preclude operation or development of, the Corporation's projects or may require the Corporation to enter into agreements with indigenous people with respect to the Corporation's projects.

Dependence on Key Personnel

The Corporation's success will largely depend on the efforts and abilities of certain senior officers and key employees. In addition, the Corporation is dependent on the services of key executives including its President and Chief Executive Officer and other highly skilled and experienced executives and personnel. Certain of these individuals have significant experience in the mining industry and, in particular the mining industry in South America. While the Corporation does not foresee any reason why such officers and key employees will not remain with the Corporation, if for any reason they do not, the Corporation could be adversely affected. In addition, certain of these individuals are also senior officers and key employees of Filo Mining and, pursuant to the terms of a services agreement between the Corporation and Filo Mining dated September 11, 2017 (the "**Services Agreement**"), the employment costs associated with these individuals are shared between the Corporation and Filo Mining on a pro-rata basis. If such officers and key employees do not remain employed with Filo Mining then the ability of the Corporation to share employee costs with Filo Mining would be adversely affected. The Corporation has not purchased key man life insurance for any of these individuals.

Metal Price Risk

The Corporation's portfolios of properties and investments have exposure to predominantly copper, gold, and silver. Commodity prices fluctuate widely and are affected by numerous factors beyond the Corporation's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The prices of these metals greatly affect the value of the Corporation, the price of the Common Shares of the Corporation and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures, option agreements and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Corporation's assets at different metals prices.

Information Systems and Cyber Security

The Corporation's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Corporation's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Corporation's reputation and results of operations.

Although to date the Corporation has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Corporation will not incur such losses in the future. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Market Price of Common Shares

Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Corporation's securities is also likely to be significantly affected by short-term changes in commodity prices, other mineral prices, currency exchange fluctuation, or in its financial condition or results of exploration on its projects. Other factors unrelated to the performance of the Corporation that may have an effect on the price of the securities of the Corporation include the following: the extent of analytical coverage available to investors concerning the business of the Corporation may be limited if investment banks with research capabilities do not follow the Corporation's securities; lessening in trading volume and general market interest in the Corporation's securities may affect an investor's ability to trade significant numbers of securities of the Corporation; the size of the Corporation's public float and its inclusion in market indices may limit the ability of some institutions to invest in the Corporation's securities; and a substantial decline in the price of the securities of the Corporation that persists for a significant period of time could cause the Corporation's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of the Corporation does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Corporation may decline. If an active market does not exist, investors may lose their entire investment in the Corporation. As a result of any of these factors, the market price of the securities of the Corporation at any given point in time may not accurately reflect the long-term value of the Corporation. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Surface Access

The Corporation has signed a life of project lease agreement with the owners of the surface rights covering 20,000 hectares over the Los Helados Project area. This agreement secures the surface rights that the Corporation currently believes it will need for future exploration, development and mining.

The Corporation may require additional surface rights and property interests to further develop or exploit the resources on its properties, which will require negotiations with private landowners for the additional ownership and/or surface rights in order for the Corporation to operate fully. Surface rights may also be regulated and restricted by applicable law. There is no assurance that the Corporation will be able to obtain the required surface rights or negotiate successfully with private landowners to allow it to develop its properties and establish commercial mining operations on a timely basis. To the extent additional surface rights are available, they may only be acquired at significantly increased prices, potentially adversely impacting financial performance of the Corporation.

From time to time, a land possessor may dispute the Corporation's surface access rights and, as a result, the Corporation may be barred from its legal temporary occupation rights. Surface access issues have the potential to result in the delay of planned exploration programs and future development plans, and these delays may be significant. Such delays may have a material adverse effect on the Corporation.

The Corporation has surface access rights but does not own any surface rights at the Josemaría Project. The owners of the surface rights are in agreement with Desarrollo de Prospectos Mineros S.A., a 100% owned subsidiary of the Corporation ("**Deprominsa**") conducting exploration activities on their ground.

Joint Exploration Properties

The Los Helados Project is subject to a joint exploration agreement. While the Corporation continues to be the operator of the joint project, it is nonetheless subject to the risks normally associated with the conduct of joint exploration partners, such as: disagreement with its joint exploration partner regarding how to explore, develop, and operate the projects efficiently; inability to exert influence over certain strategic decisions made; inability of the joint exploration partner to meet its obligations; and litigation between joint exploration partners regarding joint exploration matters. The existence of any of these circumstances may have a material adverse impact on the Corporation.

Spin-out Restructuring

Although the Corporation is considering a restructuring of its operations through a spin-out transaction that would separate the Josemaría Project from the Corporation's other projects, including the Los Helados Project, through a Plan of Arrangement involving the Corporation and a newly formed spin-out (and wholly-owned subsidiary) entity, as further described under the section "Three-year History – Subsequent to 2018", there can be no certainty that conditions to completion of the spin-out restructuring (including, without limitation, board, shareholder, court and regulatory approval) will be satisfied, or if satisfied, when they will be satisfied; further, there can be no certainty that the spin-out transaction will be completed. In addition, the structure of the proposed spin-out has not yet been determined, and in any event, the board of directors reserves the right at any time to elect not to proceed with any spin-out. Regardless of whether the proposed spin-out is completed, certain costs related to the transaction, such as legal and accounting fees, will be incurred by the Corporation. If the proposed spin-out transaction is not completed, or if it is completed, as a result of the reorganization of the Corporation's projects, the market price of the Common Shares may decline to the extent that the current market price of the Common Shares reflects a market assumption that the spin-out will be completed, or to the extent that the current market price of the Common Shares reflects the value associated with the Corporation holding (or maintaining) an interest in all of its current mineral projects, or it could otherwise result in a material adverse effect on the Corporation, including its business, results of operations and financial condition.

Application of Anti-Corruption and Anti-Bribery Laws

The Corporation is required to comply with anti-corruption and anti-bribery laws, including the Extractive Sector Transparency Measures Act, the Canadian Corruption of Foreign Public Officials Act and the U.S. Foreign Corrupt Practices Act, as well as similar laws in the countries in which the Corporation conducts its business. If the Corporation finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Corporation resulting in a material adverse effect on the Corporation.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Infrastructure

Development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power and water supplies are important determinants that affect costs. The Corporation's ability to obtain a secure supply of power and water at a reasonable cost depends on many factors, including: global and regional supply and demand; political and economic conditions; problems that can affect local supplies; delivery; and relevant regulatory regimes. Power and water are currently in short supply throughout Northern Chile and this may adversely affect the ability of the Corporation to explore and develop its Chilean projects. Unusual or infrequent weather phenomena, sabotage or government, and other interference in the maintenance or provision of such infrastructure could adversely affect the activities and profitability of the Corporation.

Establishing such infrastructure will require significant resources, identification of adequate sources of raw materials and supplies and necessary cooperation from national and regional governments, none of which can be assured. There is no guarantee that the Corporation will secure these power, water and access rights going forward or on reasonable terms.

Currency Risk

The Corporation may transact business in a number of currencies including but not limited to the US Dollar, the Argentine Peso and the Chilean Peso. The Argentine Peso in particular has had significant fluctuations in value relative to the US and Canadian dollars. Ongoing economic uncertainty in Argentina as well as unpredictable changes to foreign exchange rules may result in fluctuations in the value of the Argentine Peso that are greater than those experienced in the recent past. Fluctuations in exchange rates may have a significant effect on the cash flows of the Corporation. Future changes in exchange rates could materially affect the Corporation's results in

either a positive or a negative direction. The Corporation does not currently engage in foreign currency hedging activities.

Conflicts of Interest

Some of the directors and employees/officers of the Corporation are also directors and employees/officers of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. In addition, certain individuals also serve as officers of Filo Mining and are subject to the Services Agreement. Such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences will be that corporate opportunities presented to a director or employee/officer of the Corporation may be offered to another Corporation, or companies with which the director or employee/officer is associated, and may not be presented or made available to the Corporation. The directors and employees/officers of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation, to disclose any interest that they may have in any project or opportunity of the Corporation, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed by the Corporation's Code of Business Conduct and Ethics and the CBCA.

Current Global Financial Conditions

Market events and conditions can cause significant volatility to commodity prices. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions can increase the levels of volatility in the global stock markets, which can adversely affect the Corporation's operations and the value and price of the NGEx Common Shares. The Corporation is dependent on the equity markets as its main source of operating working capital and the Corporation's capital resources are largely determined by the strength of the resource markets and by the status of the Corporation's projects in relation to these markets, and its ability to compete for the investor support of its projects. Access to public financing has been negatively impacted by concerns over global growth rates and conditions. Consequently, equity financing may not be available to the Corporation in the amount required at any time or for any period or, if available, it may not be obtained on terms satisfactory to the Corporation.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential, as well as the necessary labour and supplies required to develop such properties. The Corporation competes with other exploration and mining companies, many of which have greater financial resources, operational experience and technical capabilities than the Corporation, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. The Corporation may not be able to maintain or acquire attractive mining properties on terms it considers acceptable, or at all. Consequently, its financial condition could be materially adversely affected.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Corporation may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Corporation. The Corporation does not maintain insurance against political risks.

Tax

The Corporation runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these countries are complicated and subject to changes. For this reason, future negative effects on the result of the Corporation due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes. The Corporation has no control over withholding tax rates.

Control of NGEx

As at the date of this AIF, Zebra and Lorito Holdings S.à.r.l. (“**Lorito**”), who report their security holdings as joint actors, together own 89,101,933 Common Shares of the Corporation, representing 35.71% of the issued and outstanding Common Shares. Accordingly, they are considered to be control persons of NGEx. As long as Zebra and Lorito maintain their current interests in NGEx, they will have the ability to exercise certain influence with respect to the affairs of NGEx and significantly affect the outcome of the votes of shareholders. There is a risk that the interests of Zebra and Lorito differ from those of other shareholders.

As a result of the current shareholdings of Zebra and Lorito, there is a risk that the Corporation’s securities are less liquid and trade at a relative discount compared to circumstances where these persons did not have the ability to influence or determine matters affecting NGEx. Additionally, there is a risk that their current ownership interests in NGEx discourages transactions involving a change of control of NGEx, including transactions in which an investor, as a holder of the Corporation’s securities, would otherwise receive a premium for its Corporation’s securities over the then-current market price.

Josemaría Project

NI 43-101 Technical Report

NGEx Resources Inc. commissioned SRK Consulting (Canada) Inc. (“**SRK**”) to compile an independent NI 43-101 pre-feasibility report on the Josemaría Project as a stand-alone project, which also included an initial mineral reserve estimate for the Josemaría deposit.

Information of a scientific or technical nature regarding the Josemaría Project detailed below is derived from the National Instrument 43-101 technical report prepared by SRK titled “NI 43-101 Technical Report, Pre-feasibility Study for the Josemaría Copper-Gold Project, San Juan Province, Argentina” dated December 19, 2018, with an effective date of November 20, 2018 (the “**Josemaría PFS**”).

The Josemaría PFS is available under the Corporation’s profile on SEDAR www.sedar.com. The reader is cautioned that the information below is a summary only, which has been derived, in part, from the Josemaría PFS. To put the contents hereof in context, the reader should review the entire Josemaría PFS, together with its illustrations, figures, footnotes, bibliography, etc.

Classification of Mineral Reserves and Mineral Resources

In this AIF, the terms “Mineral Reserve”, “Proven Mineral Reserve”, “Probable Mineral Reserve”, “Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” have the meanings ascribed to those terms by the CIM, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

Summary of Josemaría PFS Economic Results

Pre-Tax NPV (8%) & IRR	\$2.9 billion NPV 21.4% IRR	
After-Tax NPV (8%) & IRR	\$2.0 billion NPV 18.7% IRR	
Undiscounted After-Tax Cash Flow (LOM)	\$6.6 billion	
Payback Period (undiscounted, after-tax cash flow)	3.4 Years	
Metals Prices Assumed	\$3.00/lb Cu \$1,300/oz Au \$20.00/oz Ag	
Initial Capital Expenditures	\$2,761 million	
Life of Mine ("LOM") Sustaining Capital Expenditures	\$860 million	
LOM C-1 Cash Costs (co-product basis)	\$1.26/lb CuEq	
Nominal Mill Capacity	150,000 t/d	
Mine Life	20 years	
Average Annual Metal Production (rounded)	First 3 years (full production)	Life of Mine
	170,000 t Cu 350,000 oz Au 1,000,000 oz Ag	125,000 t Cu 230,000 oz Au 790,000 oz Ag
LOM Average Process Recovery	86% Cu 71% Au 59% Ag	

* All figures reported are in 2018 US dollars and on a 100% Project and 100% equity basis valuation. This includes a 3% provincial mining royalty, other minor private royalties, and 25% corporate tax rate.

Project Description

The Josemaría PFS contemplates that Josemaría would be mined using conventional open pit methods and assumes the latest in autonomous haul truck technologies. From the open pit, ore would be trucked to a primary crusher, crushed, and then sent to the process plant. The comminution circuit design considers a high-pressure grind roll ("HPGR") crushing circuit followed by ball mill grinding. The circuit was designed to process 150,000 tonnes per day of ore. Conventional sulphide flotation will follow the comminution stage and is expected to produce a gold and silver-rich copper concentrate. Groundwater for the process plant would be supplied from nearby aquifers to the plant site, and power would be supplied via 250 km of power line construction to connect to the Argentine national grid. Concentrates would be trucked from the plant to the port of Caldera in Chile, approximately 380 km by road from the Josemaría plant site, requiring the construction of 57 km of new road to connect to the public highway.

Introduction

Josemaría is an advanced stage copper-gold exploration project located in San Juan, Argentina. In February 2018, NGEx Resources Inc. contracted SRK Consulting (Canada) Inc., along with Ausenco Engineering Canada Inc., and Knight Piésold Ltd. to conduct a pre-feasibility study (PFS) on the project. The Josemaría PFS, with an effective date of 20 November 2018, discloses the outcomes of the PFS and the first-time estimate of mineral reserves.

Property Description, Location and Access

Josemaría is located in the Andes Mountains, 9 km east of the Chile–Argentina border. The deposit is centered at 28.4359° S, 69.5486° W. Elevations range from approximately 4,000 metres above sea level (masl) to 4,900 masl at the ridgetop immediately south of the Josemaría deposit. Topography is mountainous, typically comprised of broad, flat-bottomed valleys with moderately steep slopes.

The best access to the project is from Copiapó, a driving distance of about 200 km, or four hours. Transit of the international boundary via this route is facilitated by the Mining Integration and Complementation Treaty, which

allows for people and equipment to cross the border by either of two routes. Alternate access from Argentina is possible by major provincial highways north through San Jose de Jachal to the town of Guandacol (in La Rioja Province) and from there by approximately 150 km of regional unpaved roads and trails. Total driving time from San Juan is approximately 10 hours.

The climate in the project area is dry to arid and the temperatures are moderate to cold. Annual precipitation is about 250 mm, with snow at higher altitudes in the winter. Exploration fieldwork is generally possible from mid-October to early May. It is anticipated that mining operations will be conducted year-round.

The Josemaría project will be a greenfields development. The most important logistics centre in the region is San Juan, which has a population of about 700,000. The city has a domestic airport with scheduled flights to Buenos Aires and other Argentine cities and is home to several companies that offer services for mining and exploration.

Mineral Tenure and Surface Rights

NGEx Resources Inc. holds an indirect 100% interest in the Josemaría deposit through its Argentine subsidiary Desarrollo de Prospectos Mineros SA (Deprominsa or DPM).

For the purposes of this AIF, the NGEx parent and subsidiary companies are referred to interchangeably as “NGEx”.

In Argentina, NGEx holds eight exploitation licenses (minas) and two exploration licenses (cateos). Total holdings cover an area of approximately 16,715 ha.

NGEx has an occupancy easement for the Batidero Camp at Josemaría, and a road right-of-way, which provides access to the work area. Part of the road right-of-way is within private property. The remainder of the road, and the camp fall within the multiple usage area of the San Guillermo Provincial Reserve. Multiple usage allows mining activities.

History

Mineral rights for Josemaría were first acquired by Sr. Lirio in the early 1990s. Solitario Resources acquired these rights in 1993, with limited exploration occurring up to 2002 when Solitario (then called TNR Resource Ltd) signed an option agreement with Tenke Mining Corporation (now NGEx Resources Inc.).

The Josemaría deposit was discovered during the initial drilling campaign in the 2003/2004 field season. The first hole drilled encountered 280 metres grading 0.61% copper and 0.51 g/t gold. It was targeted on coincident talus fine copper and gold geochemical and magnetic anomalies.

Work conducted by NGEx and precursor companies has included reconnaissance prospecting; geological mapping; talus fines sampling; rock chip and trench sampling; ground-based magnetic, controlled source audio-magnetic telluric (“CSAMT”) and induced polarization (IP)—resistivity geophysical surveys; reverse circulation (RC) and core drilling; and metallurgical testwork.

Geological Setting, Mineralization and Deposit Types

Based on geological features and location, the Josemaría deposit is classified as a porphyry copper-gold system.

The copper-gold mineralization at Josemaría is hosted by a Late Oligocene porphyry system developed within Permian to Triassic basement rocks. The deposit area measures ~1500 m north-south by 1000 m east-west and 600-700 m vertically from surface, within a larger alteration footprint of up to 4 km north-south by 2 km east-west. A variably-developed leached cap overlies part of the Josemaría deposit and is related to oxidation at and below the modern-day surface. The leached cap, with underlying supergene copper enrichment, ranges from 10 to 150 m in thickness, with the thicker parts preferentially developed along structures.

Mineral zones within the Josemaría deposit are defined by the relative abundance of chalcopyrite, pyrite and chalcocite, as well as the mode of occurrence of chalcocite (hypogene or supergene) and level of oxidation. Chalcopyrite and pyrite are disseminated through the potassic and overprinting chlorite-sericite zones, with minor bornite. Quartz–magnetite ± chalcopyrite veining occurs through much of the main mineralized zone, as discrete veins and locally as a more intense stockwork. Sulphide mineralization in the upper advanced argillic and sericitic domains includes a hypogene-enriched high-sulphidation assemblage of chalcocite with covellite, tennantite, and minor enargite, resulting in some of the highest hypogene grades in the deposit.

The Josemaría deposit remains open to the south, beneath a thickening cover of post-mineral volcanic rocks and also at depth.

Exploration

Work programs conducted by NGEx include geological mapping; soil, rock-chip and talus sampling; a number of geophysical surveys including IP-resistivity, magnetometer, and Mount Isa Mine's Distributed Acquisition System methodology (MIMDAS) surveys; and RC and core drilling.

Nine drilling campaigns have been carried out at the Josemaría deposit, from 2004 to 2014. Drilling at the Josemaría deposit to date totals 61,100 m in 142 drill holes, of which 48 holes (17,535 m) are RC holes, and 94 holes (43,565 m) are core holes.

Core was photographed, logged for detailed lithology, alteration and mineralization features, and rock quality designation (RQD) and recovery data were collected. Several of the drill holes were also logged for geotechnical information.

Core recovery data were not systematically collected on holes drilled before the 2010-2011 campaign. Core recovery from holes drilled at Josemaría between 2011 and 2014 averages 94%.

Collar locations were surveyed using a differential global positioning system (GPS) instrument.

None of the RC holes were surveyed for down-hole deflection. Diamond drill holes were surveyed for the 2009-2010 season and then systematically surveyed starting with the 2011-2012 season. Down-hole surveys were carried out at 50-m intervals on average, using a Reflex multi-shot instrument during the 2011-2012 drilling campaign. For the 2012-2013 and subsequent seasons, an SRG-gyroscope survey was completed for each drill hole by Comprobe Limitada. On average, measurements were collected at 30 m intervals down the hole.

Drill hole orientations are generally appropriate for the mineralization style. The Josemaría deposit is a porphyry system with disseminated mineralization and overlying supergene enrichment. Reported and described interval thicknesses are considered true thicknesses.

Sampling and Analyses

Drill holes were typically sampled on 2-m intervals.

A total of 11,754 core samples were systematically measured at Josemaría for specific gravity (SG), by NGEx technicians using the water displacement method.

Prior to 2009, ALS Chemex (ALS) in Chile was used as the primary analytical laboratory and the analytical package used was a 27-element inductively-coupled plasma atomic emission spectrometry method (ICP-AES) following a four-acid digestion, gold fire-assay atomic absorption (AA) finish and trace mercury by cold vapor/AA.

Beginning in 2009, all samples were analyzed by ACME Analytical Laboratories Ltd. (ACME) in Santiago, Chile following sample preparation at ACME's sample preparation laboratory in Mendoza, Argentina.

Sample preparation for core and RC chips from the Josemaría deposit included drying, crushing to better than 85% passing 10-mesh and pulverizing to 95% passing 200-mesh. Sample digestion was done by a multi-acid attack. Gold was determined by fire assay with an atomic absorption spectroscopy (AAS) finish based on a 30 g sample. A suite of 37 elements, including Cu, was determined by ICP-emission spectroscopy (ES) analyses. Samples analyzed before the 2010 2011 campaign had copper re-assayed by AAS only if the ICP result exceeded the detection upper limit of 10,000 ppm. Beginning in 2010-2011, all samples with copper grades over 5,000 ppm Cu were re-assayed by AAS. Starting in 2011-2012, copper determinations in all samples were done by both ICP and AAS. Mercury concentration was determined by cold vapour/AA in all samples up to 2010 2011.

Prior to 2009, quality control was limited to the preparation and analysis of field duplicates from the drill samples.

A rigorous quality control (QC) protocol was implemented in 2009-2010, beginning with drill hole JMDH08, and has been followed since then with minor variations. Quality assurance and quality control (QA/QC) includes insertion of standard reference materials (SRMs), coarse blank samples and duplicate samples. A set of 183 coarse rejects from the 2012 drill campaign at Josemaría were selected for re-assaying at SGS Laboratories.

Data Verification

Data verification has been conducted by independent consultants in support of technical reports on the Josemaría Project. This work has included field visits (drill collar monumenting; location checks for selected drill collars); witness sampling; QA/QC data reviews; spot checks of the assay database against assay certificates; reviews of the lithology and alteration information in drill core against drill logs; reviews of collar elevations in the database against collar elevations in the digital elevation model provided by NGEx; downhole survey deviation reviews; reviews of QA/QC data including standard, blank and duplicate sample performances; and a review of check sampling on pulps completed by a check laboratory.

Mineral Processing and Metallurgical Testing

A two-phase metallurgical testwork program for Josemaría was conducted at SGS Minerals S.A. laboratories in Santiago, Chile in 2014 and 2015. SGS Minerals S.A. laboratories is independent of NGEx. Multiple composite and variability samples were tested for mineralogy, physical characterization, gravity concentration, conventional sulphide flotation (open/locked cycle tests with different flowsheets), flotation tailings cyanidation and solids settling. Based on the testwork completed to date, life of mine metal recovery is expected to be 86% for copper, 71% for gold, and 59% for silver. Copper concentrate grades are expected to average 25% over the life of the mine. It is anticipated that the concentrate will be relatively free of impurities, endowed with precious metals and readily marketable.

Recent metallurgical testing performed at ALS, Kamloops, BC focused on confirming and improving the bulk concentrate flotation results achieved by SGS. ALS is also independent of NGEx. The work generally confirmed the results and identified several areas that could be explored to increase the overall copper concentrate grades while maintaining similar recoveries. Additional testwork is planned during the 2018/2019 field season to optimize this work.

The Josemaría concentrates showed no major deleterious elements. However, mill feed blending strategies should be employed to generate flotation concentrates that have high copper grades whilst maintaining minimal deleterious element levels.

Mineral Resource Estimates

The Josemaría mineral resource estimate update is based on data from 116 drill holes totaling 52,725 m of drilling, of which 34 holes (13,164 m) are RC and 82 holes (39,561 m) are core holes. The total length of assayed intervals is 51,092 m and there are 27,344 assays.

A two-dimensional (“2D”) interpretation based on logged data was completed by NGEx geologists on east–west oriented sections spaced 100 m apart. Two-dimensional lines were then exported from GEMS and imported into the Leapfrog geological modelling software and the final three-dimensional (“3D”) wireframe solids were constructed.

Ordinary kriging (“OK”) and inverse distance squared (“ID2”) weighting interpolation was done in a single pass. All elements (Cu, Au, Ag, Mo, As, S and Fe) were interpolated using OK.

Model validation was carried out using visual comparison of blocks and sample grades in plan and section views; statistical comparison of the block and composite grade distributions; and swath plots to compare OK, ID2 and NN (nearest neighbour) estimates.

The classification of the mineral resources was done as a two-step process. An initial step which considered the geostatistical analysis of copper grades in the deposit was modified by a final revision to ensure consistency in the classification.

To evaluate the potential for reasonable prospects of eventual economic extraction for Josemaría, a Whittle pit shell was generated.

The analysis was done based on the copper equivalent (“CuEq”) grades in the block model. CuEq was calculated using metal prices of US\$3.00/lb copper, US\$1,400/oz gold and US\$23/oz Ag and were adjusted for metallurgical recoveries. Mineral resources for Josemaría are reported at a 0.2% CuEq grade for the sulphide material.

The mineral resource estimate for Josemaría, assuming open pit mining methods is reported using the 2014 CIM Definition Standards. Indicated and Inferred classifications only have been estimated; no measured mineral resources were classified.

The mineral resource estimates were prepared by Mr. Gino Zandonai, RM CMC. The Mineral Resource estimate as of the effective date of 7 August 2015 is shown in the table below (base case highlighted). **Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.**

Josemaría Mineral Resource (Sulphide)								
Cut-off (CuEq %)	Quantity	Grade				Contained Metal		
	(million tonnes)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lbs)	Au (million ozs)	Ag (million ozs)
Indicated Mineral Resources								
0.2	1,066	0.31	0.22	1.0	0.44	7.4	7.4	34.5
Inferred Mineral Resources								
0.2	404	0.24	0.15	0.8	0.33	2.0	2.0	10.8

Josemaría Mineral Resources (Oxide)						
Cut-off	Quantity	Grade			Contained Metal	
(Au g/t)	(million tonnes)	Au (g/t)	Ag (g/t)	Cu (%)	Au (thousand ozs)	Ag (thousand ozs)
Josemaría Indicated Mineral Resources						
0.2	43	0.32	1.2	0.15	450	1,610
Josemaría Inferred Mineral Resources						
0.2	4	0.32	1.0	0	48	145

Notes to accompany Josemaría mineral resource statement:

1. Mineral resources have an effective date of 7 August 2015. The Qualified Person for the estimate is Mr. Gino Zandonai, RM CMC.
2. Mineral resources that are not Mineral Reserves do not have demonstrated economic viability
3. Sulphide mineral resources are reported using a copper equivalent (CuEq) cut-off grade. CuEq was calculated using US\$3.00/lb copper, US\$ 1,400/oz gold and US\$23/oz Ag and was based on copper, gold and silver recoveries obtained in metallurgical testwork on four composite samples representing the rhyolite, tonalite, porphyry and supergene zones. Copper recoveries for the rhyolite, tonalite and porphyry zones were calculated as a function of copper grade, ranging from a low of 81% to a high of 97%. Copper recovery in the supergene zone was fixed at 85%. Gold recoveries were fixed between 62% and 73% and silver recoveries were fixed between 53% and 75% depending on the zone.;
4. Mineral resources are reported within a conceptual Whittle pit that uses the following input parameters: Cu price: US\$3.00/lb, mining cost: US\$2.20/t, process cost (including G&A): US\$7.40/t processed, copper selling cost: US\$0.35/lb and Over-all slope angle of 42°
5. Mineral resources (sulphide) have a base case estimate using a 0.2% CuEq grade; mineral resources (oxide) are reported using a 0.2 g/t Au cut-off grade.
6. Totals may not sum due to rounding as required by reporting guidelines.

Mineral Reserve Estimates

The open pit mineral reserves for Josemaría are reported within a pit design based on open pit optimization results. 3-D mine designs were completed using MineSight software.

Mineral reserves were classified using the 2014 CIM Definition standards. Indicated mineral resources were converted to probable mineral reserves by applying the appropriate modifying factors – those being dilution (5%) and ore loss (1%). There are no measured resources and thus no proven reserves. Cut-off grades (as net smelter return) were applied to both prime mill feed (\$4.95/t) and stockpiled ore (\$5.95/t) to designate mineral reserve from waste.

The open pit mine design process resulted in open pit mining reserves of 1,008 Mt with average grades of 0.29% copper, 0.21 g/t gold, and 0.92 g/t silver, for an overall copper equivalent grade of 0.41% CuEq. The mineral reserve statement, as of 20 November 2018, for the Josemaría project is shown below:

Josemaría Mineral Reserve Statement								
Category (all domains)	Tonnage (Mt)	Grade				Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (B lbs)	Au (M oz)	Ag (M oz)
Proven	-	-	-	-	-	-	-	-
Probable	1,008	0.29	0.21	0.92	0.41	6.5	6.5	28.8
Total Proven and Probable	1,008	0.29	0.21	0.92	0.41	6.5	6.5	28.8

Notes to accompany Josemaría Mineral Reserve table:

- Mineral Reserves have an effective date of 20 November 2018. The Qualified Person for the estimate is Mr. Robert McCarthy, P.Eng.
- The Mineral Reserves and Resources in this news release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- The mineral reserves are based on a pit design which in turn aligns with an ultimate pit shell selected from a Whittle™ pit optimization exercise. Key inputs for that process are:
 - Metal prices of \$2.95/lb Cu, \$1,225/oz Au; \$19.00/oz Ag;
 - Mining cost of \$1.80/t ore and waste at a reference elevation of 4180 m, plus cost adjustments of \$0.016/t/10m bench above reference and \$0.025/t/10 m bench below reference;
 - Processing cost of \$3.60/t ore milled;
 - General and administration cost of \$0.80/t milled;
 - Pit slope angles varying from 42 to 46 degrees; and
 - Process recoveries are based on grade. The average recovery is estimated to be 85% for Cu, 65% for Au and 66% for Ag;
 - CuEq was calculated using total payable revenue from all metals in the mine plan, converting to copper, and back calculating for grade based on life of mine average copper recoveries and payables;
- Mining dilution is estimated to be 5%;
- Ore loss is assumed to be 1%;
- The Mineral Reserve has an economic cut-off, based on Net Smelter Return, of \$4.95/t for prime mill feed;
- There are 711 Mt of waste in the ultimate pit. The strip ratio is 0.71 (waste: ore);
- All figures are rounded to reflect the relative accuracy of the estimate. Totals may not sum due to rounding as required by reporting guidelines.

Mine Plan

The study contemplates conventional open pit mining methods using autonomous haul trucks. Mine planning incorporates stockpiling strategies to focus on the early extraction of the highest-grade ore in addition to deferring waste stripping. Including pre-stripping, the open pit will be in operation for 23 years, delivering ore to the mill for 20 years, with a life of mine strip ratio of 0.71:1. A maximum mining rate of approximately 115 Mt per year (including waste) is required to provide the nominal 150,000 tonnes per day of ore to the mill. A total of 1,008 Mt of ore is expected to be processed over the life of the mine.

Processing and Recovery Methods

Primary crushed ore will be transported via surface conveyor to a coarse ore stockpile, and then transferred to the process plant. The process considers the use of high-pressure grinding rolls (HPGR) as part of a three-stage crushing circuit, followed by conventional ball mill grinding and sulphide flotation. Design throughput is 150 ktpd. Water obtained from the concentrate thickener, tailings thickener and concentrate filter will be recovered and sent back to the process plant to be used as make-up water. Additional water as needed to meet processing requirements will be reclaimed from the tailings storage facility (TSF).

Project Infrastructure

Key infrastructure at Josemaría will include the open pit, process plant, filter plant, ancillary administrative buildings, construction and operations camp, truck shop, electrical distribution system, water and emergency ponds, and site security.

- ***Site Wide Geotechnical***

As part of the design of the TSF, primary crusher, processing facilities, waste rock storage facility, and stockpiles, a geotechnical program was carried out. The field program included surface mapping and a test pit program to take samples of soil and rock from plant site, primary crusher site, waste rock storage facilities, stockpiles, and TSF site, along with a corresponding laboratory testing program to understand the foundation conditions for these site facilities and material properties of borrow sources. A surface mapping program was also carried out at the aforementioned sites. In addition, one geophysics line was performed along the longitudinal axis of the proposed TSF.

The Josemaría project infrastructure is situated on alluvium and colluvium typically less than 5 m thick that is underlain by weathered bedrock, except in the bottom of the TSF valley where the alluvium ranges from 66 to 172 m along the center of the valley.

- ***Tailings storage***

The final location of the center of the TSF will be 4 km south of the concentrator in a large open valley basin. It has been sized to contain 1,008 Mt of tailings, operational water, and runoff from the design Intensity-Duration-frequency (“IDF”) event equal to the “one third between 1,000 years annual exceedance probability (“AEP”) and the Probable Maximum Flood (“PMF”)” event. However, the tailings facility has the capacity to handle the PMF as tailings deposition governs the height of the TSF embankments. The impoundment is located in the Pirca de Los Bueyes basin with the starter embankment located at the southeast end of this basin. The TSF consists of a main embankment (215 m high) and two smaller embankments for protection of the regional water during operations and closure, while containing tailings within a geotechnically stable engineered facility. The main embankment will utilize centerline construction due to its size, while the two smaller embankments will utilize phased downstream construction.

The TSF will be closed with an alluvial cap to prevent migration of fugitive tailings from the impoundment after closure, along with riprap-lined diversion channels to capture and safely pass the attenuated PMF storm runoff from the facility and watersheds above the facility. In preparation for closure, there will be an expansion of the operation spillway developed along the northern abutment of the main embankment to discharge surface flow safely out of the impoundment.

- ***Surface Water Management***

Components of the surface water management system include diversion channels, diversion berms, road drainage ditches, and surface drainage channels (both natural and constructed) directing runoff to ditches and channels, flow-through underdrains in the waste rock storage facilities, dumps, and sediment ponds in key locations immediately downstream of impacted areas.

- ***Power***

Power for the site is assumed to be supplied with electricity through a 250-km long, 220 kV, single-circuit power transmission line connected to the Guanizuil substation in San Juan Province, Argentina. Maximum demand load is estimated to be 150 MW. A price assumption of \$0.075/kWh was used for long-term

power supply. Power supply alternatives from Chile were also considered as the costs were comparable, but the relative simplicity of the supply from Argentina (avoiding cross-border issues) resulted in supply from Argentina as the preferred solution. The power infrastructure will include:

- A 220-kV overhead transmission line from Guanizuil substation
- A main power substation beside the process plant

Power will be distributed at 13.8 kV via localized mine grid. A back-up generator will also be located on site to support key facilities in an emergency.

- **Water Supply**

The site water balance used a deterministic model developed in GoldSim® based on a monthly timestep for the entire duration of mining operations to determine make-up water requirements. Three precipitation scenarios were considered in the model; dry year, average year and wet year.

Due to the dry conditions inherent to the arid climate of the project area, the TSF will be used as an on-site water storage pond, which will collect runoff from the TSF watershed, including extreme runoff events (i.e., rainfall and snow melt). The TSF is designed with sufficient storage capacity to avoid any discharges to the environment.

Available information such as hydrogeology, hydrology, and climate data were used in the model (PFS level). Production ramp-up, thickening improvement, accumulative storage and tailings deposition plan were considered in the model.

During wet months of the wet precipitation cycles, the TSF is able to provide the entire amount of water required by the process plant. Therefore, the minimum pump capacity of 1,400 L/s is recommended for the TSF reclaim water barge.

The make-up water requirements based on the water balance for the mean yearly precipitation cycle is 555 L/s during the dry season and 138 L/s during the wet season, while the average monthly make-up water is 353 L/s. During the dry precipitation cycles (drought) the maximum make-up water requirements are 562 L/s and the average monthly make-up water is 562 L/s. Make-up water requirements to supplement the tailings facility reclaim will be sourced from nearby groundwater aquifers located in Argentina.

- **Logistics**

Concentrate will be transported from the Josemaría mine site to the port at Caldera, Chile using a standard combination of tandem drive tractor articulated with a tipper semi-trailer. Approximately 57 km of light vehicle road will require upgrading to connect the Josemaría mine site to the Argentina Ruta Nacional 76 highway. The route then enters Chile through the international border crossing at Pircas Negras and continues through Copiapó to Caldera. The travel distance between the site and the port is approximately 343 km. Export of concentrate was assumed to be from the Punta Padrones Terminal.

Market Studies and Contracts

The product of the mine will be a conventional copper concentrate with a concentrate grade forecast to average 25.1% Cu over the life-of-mine. No deleterious elements are forecast to be present in the concentrate and no penalties have been modelled.

No contracts in relation to concentrating, smelting, refining, transportation, handling, sales and hedging, and forward sales, nor any other marketing arrangements are currently in place. Pursuant to the terms of NGEx's acquisition of its previous partner's (Japan Oil, Gas, and Metals National Corporation or "JOGMEC") 40% interest in the Josemaría project, JOGMEC holds an option to purchase up to 40% of the material produced from any mine on the property.

The price assumptions used for this study are: \$3.00/lb copper, \$1,300/oz gold and \$20.00/oz silver.

Environmental, Permitting and Social

NGEx has conducted environmental studies in the project area using qualified consultants for a number of years, which provides a defensible baseline. An experienced team is leading meaningful social engagement programs to support appropriate Corporate Social Responsibility.

Current exploration activity is fully permitted and in good standing. Mine development will require the successful conclusion of an Environmental Impact Assessment and permitting under the Mining Code – Environmental Protection for Mining Activity. This is a recognized process with successful precedent in the San Juan province of Argentina. There are no known environmental issues that could materially impact the ability of NGEx to extract the mineral resources at the Josemaría project.

Cost Estimates

The capital cost estimate is summarized below. It is stated in United States dollars (“USD”) with a base date of fourth quarter 2018 and with no provision for forward escalation. The estimate has been prepared in accordance with the recommended practices of the American Association of Cost Engineers (“AACE”) and is classified as an AACE Class 4 PFS estimate with an accuracy range of +/-25%.

Cost Type	WBS LVL 1	LVL 1 Description	Initial (USD \$000)	Sustaining (USD \$000)	Total (USD \$000)
Direct	1000	Mine	262,990	254,917	517,907
	2000	Crushing	485,806	0	485,806
	3000	Process	456,618	0	456,618
	4000	On-site infrastructure	162,654	513,634	676,288
	5000	Off-site infrastructure	279,641	0	279,641
Direct Subtotal			1,647,709	768,551	2,416,260
Indirect	6000	Indirects	309,557	66,389	375,946
	7000	Project delivery	245,228	0	245,228
	8000	Owners costs	83,494	0	83,494
	9000	Provisions	474,657	25,492	500,149
		Indirect Total	1,112,937	91,881	1,204,818
PROJECT TOTAL			2,760,646	860,432	3,621,078

Note: Totals may not sum due to rounding as required by reporting guidelines.

A summary of operating costs for the project is provided in the table below:

Category	Life-of-Mine Total (\$M)	Unit Rates
Mining	\$2,802	\$1.63/t moved (including rehandle) \$2.78/t milled
Processing	\$3,271	\$3.23/t milled
Site G&A	\$712	\$0.71/t milled
Off-site Infrastructure (not including roads)	\$19	\$0.02/t milled
Less capitalized Opex	-\$49	n/a
Total Operating Costs	\$6,754	\$6.74/t milled

Economic Analysis

The Economic Analysis of the Josemaría project indicates that the project as conceived has the potential for economic execution.

The base-case after-tax NPV evaluated at a discount rate of 8% is \$2.03B. The after-tax IRR is 18.7%. A summary of key performance indicators (“KPIs”) and economic analysis inputs is shown in the table below.

A positive valuation is maintained across a wide range of sensitivities on key assumptions such as prices, costs, metallurgical recoveries and schedule. The operating margin averages 65% over the life-of-mine for the base case.

Project Metric (KPIs)	Units	Value
Pre-Tax NPV @ 8%	\$ B	2.91
Pre-tax IRR	%	21.4
After-Tax NPV @ 8%	\$ B	2.03
After Tax IRR	%	18.7
Undiscounted After-Tax Cash Flow (LOM)	\$ B	6.58
Payback Period from start of processing (undiscounted, after-tax cash flow)	years	3.4
Initial Capital Expenditure	\$ M	2,761
LOM Sustaining Capital Expenditure (excluding closure)	\$ M	860
LOM C-1 Cash Costs (Co-Product exc. royalty)	\$/lb CuEq.	1.26
Nominal Process Capacity	ktpd	150
Mine Life	years	20
LOM Mill Feed	kt	1,008,078
LOM Grades		
Copper	%	0.29
Gold	grams per tonne	0.208
Silver	grams per tonne	0.920
LOM Waste Volume	kt	711,556
LOM Strip Ratio (Waste: Ore)	ratio	0.71
First Three Years Average Annual Metal Production		
Copper	tonnes	170,000
Gold	ounces	352,000
Silver	ounces	1,026,000
LOM Average Annual Metal Production		
Copper	tonnes	123,000
Gold	ounces	232,000
Silver	ounces	791,000
LOM Average Process Recovery		
Copper	% contained metal	86
Gold	% contained metal	71
Silver	% contained metal	59

Risks and Opportunities

The main opportunities identified for the project include:

- Higher metals pricing: the project has significant leverage to copper prices
- Delineation of additional mineralization or potential conversion of inferred resources into the mine plan (particularly higher-grade material) through further exploration drilling
- Potential to heap-leach oxide gold mineralization
- Optimization of the mine plan, including dynamic operating strategies and cut-off grade policies

- Improvements in process plant throughput, concentrate grades, and metallurgical recoveries through additional testwork
- Determining a more cost-effective power supply option
- Potential for regional synergies with other mining operations
- Optimization of the tailings deposition plan could reduce embankment volumetrics and consequently reduce both capital and sustaining capital costs for the TSF

Risks noted with the PFS assumptions include:

- Long-term depressed metals prices and fluctuations with metals pricing
- Political risks and uncertainties affecting legislation, regulatory requirements or general business climate in Argentina
- Inflation and increased prices for infrastructure, equipment and consumables, resulting in changes to operating and capital cost estimates
- Unforeseen geotechnical issues in the foundation of the TSF embankments that might increase construction costs
- Limited geochemistry of the tailings suggests it is potentially acid generating (PAG) and this has been taken into account, but any significant changes or unforeseen geochemistry issues may affect TSF design
- Implementation of additional monetary controls or restrictions on imports by the Argentine government
- Obtaining the appropriate permits to support project construction and operation
- Timely completion of the environmental permitting process
- Environmental concerns that may be raised due to proximity concerns: the proximity of the El Potro glacial area, rock glaciers in the broader periglacial environment, and cultural heritage sites
- Uncertainties in long term management of acid rock drainage and metal leaching from mine, waste and tailings
- Continuity and effectiveness of community relations programs
- Large-scale structures (that were not able to be considered in the PFS design) dictating stability of portions of the pit walls requiring shallower design angles.

Conclusion and Recommendations

Mineral resource estimates presented in the Josemaría PFS represent the global mineral resources for the Josemaría deposit as of 7 August 2015. Additional infill diamond drilling should be carried out to convert a portion of the Indicated mineral resource to the Measured category, which will allow for the declaration of a portion of the mineral reserve as a Proven mineral reserve.

SRK confirms that the Josemaría mineral resource can be converted to a sizeable mineral reserve through application of open pit mining methods. SRK perceives little risk in the mineral reserves as stated. There are several opportunities to optimize the project and increase project value and it is recommended that trade-off studies related to the location/capacity of the WSF versus haulage cost and low-grade ore stockpile capacity versus cut-off grade strategy be completed.

Historical large-scale structures data was not included in the pit geotechnical assessment and SRK recognizes that these input data limitations mean that the recommended design pit walls in this study may be steeper than achievable. SRK recommends completion of a comprehensive pit geotechnical program, including photologging of existing drill core, completion of dedicated geotechnical drill holes in all design domains, pit sectors and lithology units, and instrumentation and testing of all geotechnical drill holes.

The Josemaría project is amenable to open pit mining methods. However, as the project is in a high elevation operating environment, where labour productivity and equipment utilization can be impacted, SRK has evaluated adoption of autonomous haulage. This emerging technology has begun to demonstrate its value at mining

operations across the globe. While there is a certain element of risk associated with the adoption of new technology, it is SRK's opinion that autonomous haulage has sufficiently matured to be considered for Josemaría. SRK recommends that additional autonomous technologies, such as drilling, be considered for the project and that the cut-off grade strategy be further optimized to sustain higher grade feed to the mill by maintaining higher mining rates when the mine plan currently calls for these to decrease.

The Josemaría metallurgical testwork programs (Phases I and II) were conducted at SGS Minerals S.A. (SGS) in Santiago, Chile (SGS, 2015). Further testwork was undertaken as part of this Josemaría PFS to confirm the work that had been completed. The work was undertaken at the ALS Laboratory in Kamloops, British Columbia and focused on the grade-recovery relationship for the different zones of the deposit. The ALS testwork showed a potential to further improve recovery with some grade adjustments in the next phase of testwork. A thorough testwork campaign is strongly recommended before the commencement of a feasibility study and should address primary grind size, regrind size, and optimum reagent types and flotation conditions.

Ausenco developed a phased TSF design that has a storage capacity of 1,008 Mt of tailings, corresponding to approximately 20 years at a rate of 54 Mt/y and was designed in accordance to international and national (Argentina) best available technology (BAT). It is recommended that comprehensive infrastructure studies be completed, including: geotechnical studies of the plant, TSF and WSF sites, and other project related locations; hydrological/hydrogeological studies; and tailings and TSF characterization studies (geotechnical investigations and laboratory testwork).

NGEx has conducted environmental studies in the project area for a number of years, which provides a defensible baseline. Mine development will require an Environmental Impact Assessment and permitting under the Mining Code. This is a recognized process with successful precedent in the San Juan province of Argentina. There are no known environmental issues that could materially impact the project. It is recommended that the environmental and social programs be continued and are calibrated to the project as its design evolves.

The Josemaría project has robust economics with an NPV of \$2.03B, an IRR of 18.7% and a payback period of 3.4 years. A positive valuation is maintained across a wide range of sensitivities on key assumptions such as prices, costs, metallurgical recoveries and schedule.

The recommended work program to support completion of a Feasibility Study consists of:

- Infill diamond drilling to convert a portion of the Indicated mineral resource into the Measured category, which will allow for the declaration of a portion of the mineral reserve as a Proven mineral reserve
- Pit geotechnical field work and data analysis
- Metallurgical testing
- Infrastructure studies, including:
 - Geotechnical studies of the plant site, TSF and WSF sites, and other project related locations
 - Hydrogeological studies
 - Tailings and TSF characterization studies (geotechnical investigations and laboratory testwork)
- Continuation of existing environmental baseline studies and social programs

The estimated cost for completing this work is summarized below:

Program Component	Cost Estimate (US\$000)
Resource drilling	5,200
Pit geotechnical - drilling and engineering	4,100
Metallurgical testing	1,200
Infrastructure studies - field program and laboratory work	3,000
Environmental baseline studies and social programs	1,000
Feasibility study	3,000
Total Cost	17,500

Los Helados Project

NI 43-101 Technical Report

Information of a scientific or technical nature regarding the Los Helados Project detailed below is derived from the National Instrument 43-101 technical report prepared by F. Devine, M.Sc., P. Geo.; G. Zandonai, RM CMC; and R. Carmichael, B.A.Sc., P.Eng., Vice-President, Exploration of NGEx Resources Inc., titled “Technical Report on the Los Helados Porphyry Copper-Gold Deposit, Chile” dated December 14, 2018, with an effective date of May 27, 2017 (the “**Los Helados Report**”).

The Los Helados Report is available under the Corporation’s profile on SEDAR www.sedar.com. The reader is cautioned that the information below is a summary only, which has been derived, in part, from the Los Helados Report. To put the contents hereof in context, the reader should review the entire Los Helados Report, together with its illustrations, figures, footnotes, bibliography, etc.

The Corporation is considering a restructuring of its operations through a spin-out transaction that would separate the Josemaría Project from the Corporation’s other projects, including the Los Helados Project, through a Plan of Arrangement involving the Corporation and a newly formed spin-out (and wholly-owned subsidiary) entity, as further described under the section “Three-year History – Subsequent to 2018”.

Introduction

The Los Helados Report was prepared for NGEx Resources Inc. in order to replace the previous technical report for Los Helados, which was “*Constellation Project Incorporating the Los Helados deposit, Chile and the Josemaría Deposit, Argentina, NI 43-101 Technical Report on Preliminary Economic Assessment*” with an effective date of February 12, 2016 (the “Constellation Report”; Ovalle et al., 2016). The Constellation Report was a Preliminary Economic Assessment (“PEA”) summarizing a mining project which jointly developed the Los Helados and Josemaría deposits. Subsequent to the Constellation Report, a Preliminary Feasibility Study (“PFS”) was completed by NGEx outlining a standalone mining operation for the Josemaría deposit. The Constellation Report was therefore superseded by the Josemaría PFS report, necessitating a new, current technical report to be filed for Los Helados.

It should be noted that although the Constellation Report is no longer current, Project Constellation remains a viable development option for the Los Helados and Josemaría deposits, and the information and conclusions of that report have not been invalidated.

Project Location

The Los Helados Project is located in Chile 135 km southeast of the city of Copiapó. The deposit is centred at 28.3408° S, 69.5857° W.

Ownership

NGEx holds an indirect approximately 63% interest in the Los Helados deposit through its Chilean subsidiary, Minera Frontera del Oro S.C.M (MFDO). The project is subject to a Joint Exploration Agreement with Pan Pacific Copper Co., Ltd. (PPC) which holds the remaining approximately 37%.

NGEx acts as the operator of the Los Helados Project and both parties are required to contribute their pro-rata share of expenditures or dilute their interest in the Project. PPC has not been contributing to project expenditures since 2015 and as a result the PPC interest is being diluted.

For the purposes of this AIF, the NGEx parent and subsidiary companies are referred to interchangeably as “NGEx”.

Mineral Tenure and Surface Rights

In Chile, NGEx is the holder of 30 exploitation mining concessions, 114 exploration mining concessions (97 granted and 17 in the process of being granted) and three unilateral and irrevocable options to purchase seven exploitation concessions in the Los Helados area (together, the “Chile Properties”). The total surface area covered by the titles, including overlapping claims, is approximately 36,428 ha. The mineral resource is located on these concessions, entirely within Chile.

Surface land rights in the area of the Los Helados are held by a local community “Comunidad Civil Ex Estancia Pulido”. NGEx has an agreement (the “Pulido Agreement”) dated August 25, 2016 that provides for surface access and occupation and to conduct exploration and exploitation activities including construction and operation of a mine in return for annual payments and bullet payments on achievement of certain project milestones as well as a 0.6% Net Profits Royalty.

NGEx also has in place two additional agreements with property owners providing for easements to allow transportation along roads which transect the properties.

Agreements

The Chile Properties include three separate option agreements for small claim groups within the overall property perimeter in Chile and a Joint Exploration Agreement with PPC.

Royalties

The Government of Chile levies a mining tax that is a tax on operational mining income, applied on a sliding-scale rate basis of between 5% and 14% depending on operating margins. In addition, the Pulido Agreement includes a 0.6% Net Profits Interest royalty.

The properties Potro I, Potro II and Potro III (part of the La Rioja Properties) are subject to payment of USD2.0M on beginning of production and a Net Smelting Return royalty of 0.5% of the amount of the project benefits over 10 years, less costs. There are no mineral resources on any of the La Rioja Properties.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Los Helados Project is located in Chile, in the Andes Mountains, straddling the Chile–Argentina border. The deposit itself is entirely within Chile. Elevations range from approximately 3,000 m to 5,300 m at the international boundary. Topography is quite rugged on the Chilean (western) slope of the mountains, and more subdued on the Argentine (eastern) slope which is typically comprised of broad, flat-bottomed valleys with moderately steep slopes.

Access to the Los Helados Project is from Copiapó, a driving distance of about 170 km, or three hours.

The climate in the Los Helados Project area is dry to arid and the temperatures are moderate to cold. Annual precipitation is about 250 mm, with snow at higher altitudes in the winter. Exploration fieldwork is generally possible from mid-October to early May. It is anticipated that mining operations could be conducted year round.

The most important logistics centre in the region is Copiapó. Copiapó has a population of approximately 150,000 people, an airport with daily scheduled flights to Santiago and Antofagasta, and companies that offer mining and exploration services.

History

There is no record of significant exploration activity at Los Helados prior to NGEx's interest. There are no historical Mineral Resource estimates, and no reported production from the area. The Los Helados deposit was discovered by NGEx in 2008.

Geological Setting and Mineralization

Based on geological features and location, the Los Helados deposit is classified as a porphyry Cu-Au system.

Mineralization at Los Helados is primarily hosted by a Miocene magmatic–hydrothermal breccia that forms a roughly circular, pipe-like body with minimum dimensions of 1,100 m east–west, 1,200 m north–south, and at least 1,500 m vertically. The breccia formed during intrusion of a mid-Miocene dacitic porphyry intrusive system, and developed in the cupola zone of an intermineral porphyry intrusion. A broad halo of moderate to low grade Cu–Au mineralization surrounds the breccia, which diminishes in grade with increasing distance from the breccia contact. The breccia limits have been established by drilling to the west, east and south; however, the northern limit of the breccia body has not yet been defined. The system also remains open at depth, and the lateral extent of the breccia at depth is poorly constrained by the current drilling.

Four mineral zones are recognized within the deposit based on sulphide occurrence. In order of increasing depth, the zones are: pyrite only, pyrite>chalcopyrite, chalcopyrite>pyrite and chalcopyrite only. This sulphide zoning sequence reflects a progressive downward increase in the amount of chalcopyrite relative to pyrite.

Recent internal NGEx studies have suggested the presence of a discrete, higher-grade breccia phase occurring along the western and southwestern margins of the magmatic–hydrothermal breccia. This high-grade breccia zone has not been fully delineated, and remains open for further extension.

Exploration

Work programs conducted by NGEx include geological mapping; soil, rock-chip and talus sampling; a number of geophysical surveys including induced polarization (IP)–resistivity, magnetometer, and Mount Isa Mine's Distributed Acquisition System methodology (MIMDAS) surveys; reverse circulation (RC) and core drilling, and Mineral Resource estimation. A number of environmental baseline studies have been undertaken.

Drilling

Eight drilling campaigns have been carried out at the Los Helados deposit, from 2006 to 2015. No drilling was conducted during the 2013–2014 season or subsequent to 2015. Drilling to date totals 75,634 m in 88 drill holes, of which five holes (1,366 m) are RC and 83 holes (74,268 m) are core. The core drilling produced 33,936 m of NQ (47.6 mm diameter) core and 40,332 m of HQ size (63.5 mm) core. Three of the core holes were drilled for geotechnical information and have been maintained as whole core (i.e. not sampled for assay).

Core was photographed, logged for detailed lithology, alteration and mineralization features, and RQD and recovery data were collected. Several of the drill holes were also logged for geotechnical information.

Core recovery data were not systematically collected on holes drilled before the 2010–2011 campaign. Core recovery from holes drilled at Los Helados between 2011 and 2015 (representing 78% of the total drill metres) averages 97%.

Collar locations were surveyed using a differential global positioning system instrument. Down-hole surveys were carried out at 50 m intervals on average, using a Reflex multi-shot instrument up to the 2011–2012 drilling campaign. Starting with the 2012–2013 drilling, an SRG-gyroscope survey was completed for each drill hole by Comprobe Limitada. On average, measurements were collected at 30 m intervals down the hole.

Drill hole orientations are generally appropriate for the mineralization style. The Los Helados deposit is a porphyry system with disseminated mineralization. Reported and described interval thicknesses are considered true thicknesses.

Sampling and Analysis

Drill holes were typically sampled on 2 m intervals.

A total of 25,158 core samples were systematically measured for specific gravity at Los Helados, beginning with the 2010–2011 drilling program. SG was measured by NGEx technicians using the water immersion method.

Prior to 2009, ALS Chemex (ALS) in Chile was used as the primary analytical laboratory and the analytical package used was a 27-element inductively-coupled plasma atomic emission spectrometry method (ICP-AES) following a four-acid digestion, Au fire-assay atomic absorption (AA) finish and trace mercury by cold vapor/AA.

Beginning in 2009, all samples were analyzed by ACME Analytical Laboratories Ltd. (ACME) in Santiago, Chile following sample preparation at ACME's sample preparation laboratory in Copiapo, Chile.

Sample preparation for core from the Los Helados deposit included drying, crushing to better than 85% passing 10 mesh and pulverizing to 95% passing 200 mesh. Sample digestion was done by a multi-acid attack. Gold was determined by fire assay with an atomic absorption spectroscopy (AAS) finish based on a 30 g sample. A suite of 37 elements, including Cu, was determined by ICP-emission spectroscopy (ES) analyses. Samples analyzed before the 2010–2011 campaign had Cu re-assayed by AAS only if the ICP result exceeded the detection upper limit of 10,000 ppm. Beginning in 2010–2011, all samples with copper grades over 5,000 ppm Cu were re-assayed by AAS. Starting in 2011–2012, Cu determinations in all samples were done by both ICP and AAS. Mercury concentration was determined by cold vapour/AA in all samples up to 2010–2011.

Prior to 2009, quality control was limited to the preparation and analysis of field duplicates from the drill samples.

A rigorous quality control (QC) protocol was implemented in 2009–2010, beginning with drill hole LHDH05, and has been followed since then with minor variations. Quality assurance and quality control (QA/QC) includes insertion of standard reference materials (SRMs), coarse blank samples and duplicate samples. A set of 522 pulps, representing 3.5% of total samples for the 2012–2013 drilling campaign at Los Helados, were selected for a second analysis round at ALS in Chile.

Data Verification

Data verification has been conducted by independent consultants in support of various technical reports on the Project, including by the current Qualified Persons. This work has included field visits (drill collar monumenting; location checks for selected drill collars); witness sampling; QA/QC data reviews; spot checks of the assay database against assay certificates; reviews of the lithology and alteration information in drill core against drill logs; reviews of collar elevations in the database against collar elevations in the digital elevation model provided by NGEx;

downhole survey deviation reviews; reviews of QA/QC data including standard, blank and duplicate sample performances; and a review of check sampling on pulps completed by a check laboratory.

A reasonable level of verification has been completed during the work conducted to date, and no material issues have been identified from the verification programs undertaken. The data verification programs undertaken on the data collected from the Project conclude that the data adequately reflect deposit dimensions, true widths of mineralization, and the style of the deposit, and adequately support the geological interpretations, and the analytical and database quality.

Metallurgical Testwork

A two phase metallurgical test work program was conducted at SGS Minerals S.A. (SGS) laboratories in Santiago, Chile under the supervision of Amec Foster Wheeler. Vendor testing was also conducted by Thyssenkrupp on selected samples from the Los Helados deposit.

The main activities completed during the metallurgical test program carried out were:

- Sample selection for the metallurgical test programs
- Chemical characterization including mineralogical analysis
- Physical characterization
- Gold recovery using gravity processing techniques
- Copper, gold and silver recovery using conventional sulphide flotation practices
- Settling testwork

The data obtained from the metallurgical test programs were used to develop a relationship between Cu head grade and final Cu recovery to concentrate. This relationship between Cu recovery and Cu head grade was determined from the results of both the open and locked cycle tests and reported a good correlation.

Cu recoveries ranged from 84.2% to 93.9% depending on the head grade. A fixed global Au recovery of 76% was estimated from the testwork, and silver recovery was also fixed, at 60%.

No deleterious elements were noted in the concentrates produced from the testwork completed on Los Helados mineralization. The concentrates are considered to be marketable without incurring penalties for deleterious elements.

Mineral Resource Estimates

The Mineral Resource estimate at Los Helados is unchanged from the previous technical report, and is supported by 74 drill holes (five RC and 69 core), and 35,629 assay results.

A two-dimensional (2D) geological interpretation based on logged data was completed by NGEx geologists on east–west oriented sections spaced 100 m apart. Two-dimensional lines were then exported from GEMS and imported into the Leapfrog geological modelling software and the final three-dimensional (3D) wireframe solids were constructed.

Statistical analyses were performed for Cu, Au, Ag, Mo, S, Fe and As and SG.

The drill hole assays were composited to 2 m intervals. Depending on the domain, copper grade caps at Los Helados ranged from 2–3%, though most domains were not capped. Gold was capped at 2 g/t Au and Ag at 20 g/t Ag.

Ordinary kriging (OK) and inverse distance squared (ID2) weighting interpolation was done in a single pass. All elements (Cu, Au, Ag, Mo, As, S and Fe) were interpolated using OK.

Model validation was carried out using visual comparison of blocks and sample grades in plan and section views; statistical comparison of the block and composite grade distributions; and swath plots to compare OK, ID2 and NN estimates.

The classification of the Mineral Resources was done as a two-step process. An initial step which considered the geostatistical analysis of Cu grades in the deposit was modified by a final revision to ensure consistency in the classification.

In order to evaluate the potential for reasonable prospects of eventual economic extraction block cave shapes were generated for Los Helados by using different diluted copper equivalent (CuEq) cutoff grades and calculating a conceptual NPV for each shape.

A CuEq grade was calculated using US\$3.00/lb Cu, US\$1,300/oz Au and US\$23/oz Ag, and includes a provision for selling costs and metallurgical recoveries corresponding to the three metallurgical zones defined by depth below surface. The base-case diluted cutoff grade of 0.33% CuEq was determined as the lowest cutoff grade which produced a positive NPV, and the base case Mineral Resource estimate is the sum of all the blocks within this block cave.

Mineral Resource Statement

The Mineral Resource estimate for Los Helados, assuming block cave underground mining methods, is reported using the 2014 CIM Definition Standards. Indicated and Inferred classifications only have been estimated; no Measured Mineral Resources were classified.

The Mineral Resource estimates were prepared by Mr. Gino Zandonai, RM CMC and has an effective date of 19 September, 2014.

Mineral Resource estimates at the base case cutoff grade of 0.33% CuEq are included in the following table. This table also shows the sensitivity of the resource to different cutoff grades. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Mineral Resource Estimate for Los Helados
(base case is highlighted)

Los Helados Indicated Mineral Resource								
Cutoff (CuEq)	Tonnage (million tonnes)	Resource Grade				Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lbs)	Au (million oz)	Ag (million oz)
0.58	531	0.50	0.21	1.66	0.65	5.9	3.6	28.3
0.50	981	0.45	0.18	1.56	0.58	9.7	5.7	49.2
0.44	1,395	0.42	0.16	1.52	0.54	12.9	7.2	68.2
0.40	1,733	0.40	0.15	1.45	0.51	15.3	8.4	80.8
0.33	2,099	0.38	0.15	1.37	0.48	17.6	10.1	92.5

Los Helados Inferred Mineral Resource								
Cutoff (CuEq)	Tonnage (million tonnes)	Resource Grade				Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lbs)	Au (million oz)	Ag (million oz)
0.58	There are no Inferred Mineral Resources inside the mining shape at this cutoff grade							
0.50	41	0.41	0.13	1.78	0.51	0.4	0.2	2.3
0.44	176	0.37	0.11	1.61	0.45	1.4	0.6	9.1
0.40	399	0.35	0.10	1.47	0.43	3.1	1.3	18.9
0.33	827	0.32	0.10	1.32	0.39	5.8	2.7	35.1

Notes to accompany Los Helados Mineral Resource table

1. Mineral Resources have an effective date of 19 September 2014. The Qualified Person for the estimate is Mr. Gino Zandonai, RM CMC.
2. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
3. Mineral Resources are reported using a copper equivalent (CuEq) cutoff grade. Copper equivalent is calculated using US\$3.00/lb copper, US\$1,300/oz gold and US\$23/oz Ag, and includes a provision for selling costs and metallurgical recoveries corresponding to three zones defined by depth below surface. The formulas used are: $CuEq\% = Cu\% + 0.6264 \cdot Au\ (g/t) + 0.0047 \cdot Ag\ (g/t)$ for the Upper Zone (surface to ~ 250 m); $Cu\% + 0.6366 \cdot Au\ (g/t) + 0.0077 \cdot Ag\ (g/t)$ for the Intermediate Zone (~250 m to ~600 m); $Cu\% + 0.6337 \cdot Au\ (g/t) + 0.0096 \cdot Ag\ (g/t)$ for the Deep Zone (> ~600 m)
4. Cutoff grades refer to diluted cutoff grades used to generate the corresponding block cave shapes. For each cutoff grade, the tonnes and grade represent the total Indicated or Inferred undiluted material within each of these shapes.
5. Mineral Resources are reported within block cave underground mining shapes based on diluted CuEq grades, US\$13.07/t operating costs and include a provision for capital expenditure. The base case cutoff grade of 0.33% CuEq was derived through an economic evaluation of several block cave shapes developed over a range of different cutoff grades and is the cutoff grade which results in a zero net present value
6. Totals may not sum due to rounding as required by reporting guidelines

Recommendations

Los Helados is a significant copper-gold-silver deposit that clearly warrants additional work to continue to de-risk it through additional engineering studies. This work should proceed in two phases, leading to the completion of a revised standalone PEA study.

The Phase 1 work program comprises updating the mineral resource and investigating options and trade off studies for mine planning.

Assays from drill hole LHDH072, completed in 2015 are available, but have not been incorporated into the current mineral resource. Additional geological studies have also resulted in a slight revision to the geological interpretation. The mineral resource should be updated to incorporate these changes.

Following the resource update, continuation and refinement of the mine planning exercises completed as part of the standalone and Project Constellation PEA's should be undertaken. The goal of these studies should be to

investigate alternate mining methods, such as sub-level caving, which could potentially reduce the up-front capital expenditure requirements and shorten the lead time to production.

A second phase of work should involve updating the previous Los Helados stand alone PEA to incorporate the updated resource model and mine planning work, including various project optimizations from the Los Helados portion of Project Constellation.

Information should be incorporated into a stand-alone PEA document. The table below summarizes the costs to complete Phases 1 and 2 of the recommendations.

Recommendations Costs

Program Phase	Area	Estimated Costs (US\$ x 1,000)
Phase 1		
	Resource Update	70
	Mine Planning Studies	130
	<i>Subtotal</i>	<i>200</i>
Phase 2		
	Mine Design & Production Schedule Optimization	250
	Infrastructure	100
	Environmental Studies and Field Work	250
	Study Management and Reporting	200
	<i>Subtotal</i>	<i>800</i>
Total		1,000

NGEx's securities

The Common Shares

NGEx is authorized to issue an unlimited number of Common Shares of which 227,916,086 are issued and outstanding as of December 31, 2018. As at the date of this AIF, the Corporation had an aggregate of 249,544,357 NGEx Common Shares issued and outstanding.

Shareholders are entitled to receive notice of and attend all meetings of shareholders. Each common share held entitles the holder to one vote.

Shareholders are also entitled to receive dividends if, as and when declared by the Corporation's Board of Directors. The Corporation's shareholders are entitled to share equally in the assets of the Corporation remaining upon dissolution, liquidation, or winding up of the Corporation. There are no preemptive or conversion rights, and no provisions for redemption, retraction, purchase, cancellation or surrender.

Trading prices and volume

The Corporation's Common Shares trade on the TSX in Canada and NASDAQ Stockholm in Sweden under the symbol "NGQ".

The following table set forth the monthly high and low trading prices and aggregate volume of trading of the Corporation's Common Shares on the TSX in 2018.

Month	High (\$)	Low (\$)	Volume
January 2018	1.20	1.00	18,173,498
February 2018	1.49	1.11	886,579
March 2018	1.33	1.07	610,286
April 2018	1.30	1.01	455,535
May 2018	1.10	0.91	1,177,392
June 2018	1.20	1.00	558,892
July 2018	1.14	0.95	2,547,149
August 2018	1.02	0.96	503,114
September 2018	1.05	0.94	19,896,561
October 2018	1.10	1.00	1,588,443
November 2018	1.10	1.00	562,487
December 2018	1.05	1.00	311,740

Prior Sales

The following tables summarize the details of the Common Shares and any securities convertible or exchangeable for Common Shares issued by the Corporation during the year ended December 31, 2018:

Common Shares

Date	Reason for Issuance	Price (\$)	Number of Shares
January 3, 2018	Private Placement	1.00	12,500,000
January 4, 2018	Issuance of Common Shares as Debenture consideration	1.04	6,323
March 16, 2018	Option Exercise	0.61	50,000
March 19, 2018	Option Exercise	0.89	30,000
March 20, 2018	Option Exercise	0.89	9,500
May 14, 2018	Option Exercise	0.89	400,000
May 15, 2018	Option Exercise	0.89	200,000
May 16, 2018	Option Exercise	0.89	20,000
May 17, 2018	Option Exercise	0.89	105,500
May 18, 2018	Option Exercise	0.89	485,000
June 21, 2018	Option Exercise	0.61	50,000
October 15, 2018	Issuance of Common Shares as Debenture consideration	1.00	28,000
November 19, 2018	Option Exercise	0.79	150,000
November 23, 2018	Option Exercise	0.79	100,000
December 5, 2018	Issuance of Common Shares as Debenture consideration	1.00	6,933

Debenture:

On October 5, 2018, the Corporation issued a debenture evidencing an unsecured US\$5 million credit facility from Zebra.

Options:

Date of Issuance	Expiry Date	Exercise Price	Number of Options
February 26, 2018	February 26, 2021	\$1.24	2,120,000 ⁽¹⁾

(1) Represents options to purchase up to 2,120,000 Common Shares.

As at December 31, 2018, the Corporation had outstanding stock options to purchase a total of 5,695,000 Common Shares.

Directors and officers

The Board of Directors

As of December 31, 2018, the Board of Directors of the Corporation was comprised of six directors. Each director holds office until the next annual meeting of shareholders or until his/her successor is duly elected unless his/her office is earlier vacated in accordance with the by-laws of the Corporation. The names, provinces and countries of residence of each of the board of directors of the Corporation, their respective positions and offices held with the Corporation, their principal occupations within the preceding five years, as at December 31, 2018 is set forth in the following table.

Name, Province and Country of Residence	Period of Service as a Director	Principal Occupation and Occupation during the Past Five Years
Lukas H. Lundin Geneva, Switzerland	Non-executive Chairman since September 12, 2002 and Director since June 23, 1995	Business executive; a director of a number of public companies, including Filo Mining Corp., Lucara Diamond Corp., Lundin Mining Corporation, Lundin Gold Inc., and Lundin Petroleum AB Former President and Chief Executive Officer of Lundin Gold Inc. from 2008-2014.
Wojtek A. Wodzicki British Columbia, Canada	President, Chief Executive Officer and Director since April 17, 2009	President and Chief Executive Officer of the Corporation since April 17, 2009; Mr. Wodzicki also serves a Director and consultant of Filo Mining, an exploration company listed on the TSXV and the Nasdaq First North Exchange. Former President and CEO of Filo Mining from May 12, 2016 to September 11, 2017. Former director of Newstrike Capital Inc., from February 17, 2011 to May 26, 2015. Former director of Horn Petroleum Corporation, from September 20, 2011 to March 10, 2015.
William A. Rand British Columbia, Canada	Director since June 23, 1995	Co-founder of Rand Edgar Investment Corp., a private investment company. Director of Denison Mines Corp., Lundin Mining Corporation, and New West Energy Services. Senior Business Advisor, Cassels Brock & Blackwell LLP.
David F. Mullen British Columbia, Canada	Director since November 16, 2010	Managing Director of Graycliff Partners since December 2011 to present. Managing Partner and Chair of Fulcrum Capital Partners Inc. (Canada) from November 2011 to August 2013. Former Chief Executive Officer and Head of Private Equity North America for HSBC Bank (HSBC Capital Canada and HSBC Capital USA).
Jack O.A. Lundin British Columbia, Canada	Director since November 10, 2016	Mine Project Engineer, Lundin Gold Inc. since March, 2017. Former Corporate Analyst, Lundin Gold Inc., from June 2016 to March, 2017. University Student from 2014 to 2016. Former Commercial Analyst, Lundin Petroleum AG (Lundin Norway AS), from 2012 to 2014.
Cheri L. Pedersen British Columbia, Canada	Director since November 10, 2016	Retired; Former Associate Counsel, Boughton Law Corporation from 2009 to 2016.

There are currently three standing committees of the Board; namely, the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. The following table identifies the members of each of these Committees as at December 31, 2018 and the date of this AIF:

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
William A. Rand, Chair Cheri L. Pedersen David F. Mullen	William A. Rand, Chair David F. Mullen Cheri L. Pedersen	David F. Mullen, Chair William A. Rand Jack O.A. Lundin

Executive Officers

The following table sets out the names and the provinces or states and countries of residence of each of the executive officers of the Corporation as of the date hereof, their respective positions and offices held with the Corporation and their principal occupations during the five preceding years.

Mr. Wodzicki, the President and Chief Executive Officer of the Corporation, is discussed under “Directors” above.

Name, Province and Country of Residence	Period of Service as an Officer	Principal Occupation and Occupation during the Past Five Years
Robert Carmichael British Columbia, Canada	Vice President, Exploration since September 1, 2011	Vice President, Exploration of the Corporation; Mr. Carmichael also serves as the Vice-President, Exploration of Filo Mining Corp., an exploration company listed on the TSXV and the Nasdaq First North Exchange.
James Beck British Columbia, Canada	Vice President, Corporate Development and Projects since February 1, 2017	Vice President, Corporate Development and Projects of the Corporation; Mr. Beck also serves as the Vice-President, Corporate Development of Filo Mining Corp., an exploration company listed on the TSXV and the Nasdaq First North Exchange. Formerly held the position of Director, Corporate Development of the Company from January 2, 2014 to February 1, 2017.
Joyce Ngo British Columbia, Canada	Chief Financial Officer since November 10, 2016	Chief Financial Officer of the Corporation. Interim Chief Financial Officer of the Corporation from February 3, 2016 to November 10, 2016. Former Interim Chief Financial Officer of Filo Mining Corp., from July 11, 2016 to November 28, 2016. Former Corporate Controller of the Corporation from March 2012 to February 3, 2016.

As at December 31, 2018, the directors and executive officers of the Corporation, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 3,936,542 NGEx Common Shares of the Corporation, representing approximately 1.73% of the issued and outstanding NGEx Common Shares of the Corporation (excluding securities issuable on exercise of stock options).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, no director or executive officer of the Corporation, is, or during the ten years preceding the date of this AIF has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an “order”) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed below, no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is at the date hereof, or has been within the ten years preceding the date of this AIF, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Mr. Carmichael was a director of Redcorp Ventures Ltd., which sought court protection under the Companies' Creditors Arrangement Act and was granted such protection by an order of the Supreme Court of British Columbia on March 4, 2009. On June 29, 2009, Redcorp Ventures Ltd. was assigned into bankruptcy and Abakhan & Associates Inc. was appointed as Trustee of the Estates.

Mr. Lukas Lundin was a director of Sirocco Mining Inc. ("**Sirocco**"). Mr. Lundin resigned as a director of Sirocco on January 31, 2014, at which time Sirocco was a public-traded company and financially solvent. Pursuant to a Plan of Arrangement completed on January 31, 2014, Canada Lithium Corp. ("**Canada Lithium**") acquired Sirocco. The final step in the transaction was the amalgamation of Canada Lithium and Sirocco to form RB Energy Inc. ("**RBI**"). In October, 2014, RBI commenced proceedings under the Companies' Creditors Arrangement Act (the "**CCAA**") and, in November, 2014, the TSX delisted RBI's common shares for failure to meet its continued listing requirements. The CCAA proceedings continued and a receiver was appointed in May, 2015. Although Mr. Lundin was never a director, officer or insider of RBI, he was a director of Sirocco within the twelve-month period prior to RBI filing for protection under the CCAA.

No director or executive officer of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

The Corporation's directors and officers may serve as directors or officers of other companies, including Filo Mining, the company which NGEx has entered into the Services Agreement with, or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Any decision made by any of such directors and officer will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or the terms of such participation. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, the involvement in a greater number of programs or a reduction in financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of Canada, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will

participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and the financial position at that time.

The directors and officers of the Corporation are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the CBCA and they will govern themselves to the best of their ability in accordance with their duties and obligations imposed upon them by law.

None of the present directors or senior officers of the Corporation, and no associate or affiliate of any of them, has any material interest in any transaction of the Corporation or in any proposed transaction which has materially affected or will materially affect the Corporation.

Legal proceedings and regulatory actions

There are no pending or contemplated legal proceedings to which either the Corporation is a party or of which any of our properties is the subject.

As of December 31, 2018, the Corporation is not subject to:

- Any penalties or sanctions imposed against NGEx by a court relating to securities legislation or by a securities regulatory authority during the Corporation's recently completed financial year;
- Any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; or
- Any settlement agreements entered into before a court relating to securities legislation or with a securities regulatory authority during the Corporation's recently completed financial year.

The Corporation may, from time to time, become involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Corporation cannot reasonably predict the likelihood or outcome of these actions. The Corporation does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason therein, will have a material effect on the financial condition or future results of operations of the Corporation.

The Audit Committee

The Audit Committee is primarily responsible for:

- Recommending to the Board of Directors (**the Board**) the external auditor to be nominated for election by the Corporation's shareholders at each annual meeting and negotiating the compensation of such external auditor;
- Overseeing the work of the external auditor;
- Reviewing the Corporation's financial statements, its management's discussion and analysis in respect thereof and press releases regarding earnings before they are reviewed and approved by the Board and publicly disseminated by the Corporation; and
- Reviewing the Corporation's financial reporting procedures for the Corporation's public disclosure of financial information extracted or derived from its financial statements.

The Board has adopted an audit committee charter ("**Audit Committee Charter**") which sets out the Audit Committee's mandate, organization, powers, and responsibilities. A copy of this Audit Committee Charter is attached as Schedule A to this AIF.

Below are the details of each audit committee member, including his/her name, whether he/she is independent and financially literate as such terms are defined under National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and his/her education and experience as it relates to the performance of his/her duties as an audit committee member. All three audit committee members are financially literate under NI 52-110. The qualifications and independence of each member is discussed.

Member Name	Independent ⁽¹⁾	Financially Literate ⁽²⁾	Education and Experience Relevant to Performance of Audit Committee Responsibilities
William A. Rand (Chair)	Yes	Yes	Mr. Rand is a retired corporate and securities lawyer and mining executive with a LLM from the London School of Economics, a LLB from Dalhousie University and a B. Comm. from McGill University (Honours in Economics and Major in Accounting). Mr. Rand has been a member of a number of boards and audit committees of public companies for over 30 years. Through this education and experience, Mr. Rand has experience overseeing and assessing the performance of companies and public accountants with respect to the preparation, auditing and evaluation of financial statements.
David F. Mullen	Yes	Yes	Mr. Mullen is currently Managing Director of Graycliff Partners; Prior, Mr. Mullen was Managing Partner and Chair of Fulcrum Capital Partners Inc. (Canada). Mr. Mullen was formerly, Chief Executive Officer and Head of Private Equity of North America for HSBC Bank (HSBC Capital Canada and HSBC Capital USA). Mr. Mullen has also served as a director and audit committee member of several public resource-based companies. Mr. Mullen holds an MBA from the Richard Ivey School of Business at the University of Western Ontario and a Bachelor of Commerce degree from the University of British Columbia.
Cheri L. Pedersen	Yes	Yes	Ms. Pedersen holds a Bachelor of Commerce degree and a Bachelor of Laws degree, both from the University of British Columbia. She practiced corporate, securities and natural resources law in Vancouver, British Columbia for over 30 years, with a focus on mining, corporate finance, mergers and acquisitions, and corporate governance, retiring from law practice in 2016. Ms. Pedersen was an Associate Counsel of Boughton Law Corporation from 2009 to 2016 and a Partner of DuMoulin Black LLP from 1987 to 2008.

Notes:

- (1) Independent within the meaning of NI 52-110.
- (2) An individual is financially literate within the meaning of NI 52-110 if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues and can reasonably be expected to be raised by the Corporation's financial statements.

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Corporation's Board of Directors.

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter attached hereto as Schedule A.

The following table discloses the fees billed to the Corporation by its external auditor during the last two fiscal years ended December 31, 2018, and December 31, 2017:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2018	\$89,982	\$32,025	-	\$1,290
December 31, 2017	\$85,900	\$31,500	\$6,280	\$1,446

Notes:

- (1) The aggregate fees billed for audit services.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the audit fees column.
- (3) The aggregate fees billed for tax compliance, tax advice, tax return and tax planning services.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns, including any services rendered in connection with the Arrangement, and Canadian Public Accountability Board audit quality review.

PricewaterhouseCoopers LLP, Chartered Accountants, have prepared the Independent Auditors' Report in respect of the Corporation's consolidated audited financial statements as at and for the years ended December 31, 2018 and 2017. PricewaterhouseCoopers LLP have advised the Corporation that they are independent in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

Interest of Management and Others in Material Transactions

To the best of the Corporation's knowledge, other than as disclosed in this AIF, no director or executive officer of the Corporation, no person or company that beneficially owns, controls or directs, indirectly or directly, more than 10% of the Common Shares, and no associate or affiliate of any of them, has or has had, within the three most recently completed financial years or during the current financial year, any material interest, direct or indirect, in any transaction which materially affects or is reasonably expected to materially affect the Corporation.

Transfer Agent and Registrar

The transfer agent and registrar for NGEx's Common Shares is Computershare Investor Services Inc. (**Computershare**). The address for Computershare is 510 Burrard, Vancouver, British Columbia, V6C 3B9, Canada.

Material contracts

Other than as disclosed in this AIF, there were no other contracts, other than those entered into in the ordinary course of business, that were material to the Corporation and that were entered into between January 1, 2018 (being the commencement of the Corporation's most recently completed financial year) and up to the date of this AIF or that were entered into prior to January 1, 2018 and still in effect as of date of the AIF.

Names and interests of experts

The following persons or companies are named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing made under National Instrument 51-102 - *Continuous Disclosure Obligations* by the Corporation during or relating to the most recently completed financial year and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

- Robert Carmichael, B.A.Sc., P.Eng., NGEx's Vice President, Exploration, is a "Qualified Person" within the meaning of this term in NI 43-101 and has prepared sections of this AIF that are of a scientific or technical nature pertaining to the Corporation's Josemaría and Los Helados projects and has verified the data disclosed therein. As of the date of the AIF, Mr. Carmichael holds options to purchase up to 400,000 Common Shares of the Corporation and is the registered or beneficial owner, directly or indirectly, of less than one percent of the outstanding Common Shares of the Corporation.

- James Beck, B.A.Sc., P. Eng., MBA, NGEx's Vice President, Corporate Development and Projects, is a "Qualified Person" within the meaning of this term in NI 43-101 and has prepared sections of this AIF that are of a scientific or technical nature pertaining to the Corporation's Josemaría and Los Helados projects and has verified the data disclosed therein. As of the date of the AIF, Mr. Beck holds options to purchase up to 400,000 Common Shares of the Corporation and is the registered or beneficial owner, directly or indirectly, of less than one percent of the outstanding Common Shares of the Corporation.
- Fionnuala Devine, M.Sc., P. Geo.; Gino Zandonai, RM CMC; Robin Kalanchey, P.Eng., of Ausenco Engineering Canada Inc. (Canada); Robert McCarthy, P.Eng., of SRK Consulting (Canada); Scott Elfen, P.E., of Ausenco Engineering Canada Inc. (Canada); Neil Winkelmann, B.E. (Mining), MBA (FAusIMM), of SRK Consulting (Canada); and Bruno Bontrager, P.Eng., of Knight Piésold (Vancouver) in respect of the Josemaría PFS, each of whom are independent "qualified persons" for the purposes of NI 43-101.
- Fionnuala Devine, M.Sc., P. Geo., Gino Zandonai, RM CMC; and Robert Carmichael, B.A.Sc., P.Eng. in respect of the Los Helados Report. Ms. Devine and Mr. Zandonai are both independent "qualified persons" for the purposes of NI 43-101. Mr. Carmichael is NGEx's Vice President, Exploration, and is a "Qualified Person" within the meaning of this term in NI 43-101. As of the date of the AIF, Mr. Carmichael holds options to purchase up to 400,000 Common Shares of the Corporation and is the registered or beneficial owner, directly or indirectly, of less than one percent of the outstanding Common Shares of the Corporation.

No person or company named or referred to under this item beneficially owns, directly or indirectly, 1% or more of any class of the Corporation's outstanding securities.

The Corporation's independent auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have issued an independent auditor's report dated February 20, 2019, in respect of the Corporation's consolidated financial statements as at December 31, 2018 and 2017. PricewaterhouseCoopers LLP has advised the Corporation that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accounts of British Columbia.

Other than Mr. Carmichael, Vice President, Exploration and Mr. Beck, Vice President, Corporate Development and Projects of the Corporation, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or any associate or affiliate of the Corporation.

Additional information

Additional information relating to the Corporation may be found on under the Corporation's profile on the SEDAR website at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and options to purchase securities is contained in the Corporation's management information circular in respect of its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2018 together with the auditors' report thereon, and the related Management Discussion and Analysis for its most recently completed financial year.

Schedule A Charter of the Audit Committee

NGEx RESOURCES INC. (the "Corporation")

(as approved by the Board on March 24, 2014 and amended on February 20, 2017)

1. Purpose of the Audit Committee

The Audit Committee oversees the accounting and financial reporting processes of the Corporation and its subsidiaries and all audits and external reviews of the financial statements of the Corporation on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Corporation and its subsidiaries.

2. Members of the Audit Committee

2.1. The Audit Committee shall be appointed annually by the Board and shall be composed of three members, each of whom must be a director of the Corporation.

2.2. Each member of the Audit Committee shall hold office as such until the next annual meeting of shareholders after his or her appointment, provided that any member of the Audit Committee may be removed or replaced at any time by the Board and shall at any time cease to be a member of the Audit Committee on ceasing to be a director.

2.3. From this date forward, every Audit Committee member must be independent, within the meaning of National Instrument 52-110 ("**NI 52-110**").

2.4. Every Audit Committee member must be financially literate, within the meaning of NI 52-110.

3. Meeting Requirements

3.1. The times of and the places where meetings of the Audit Committee will be held and the calling of and the procedure at those meetings shall be determined from time to time by the Audit Committee, but in any event, the Audit Committee will meet on a regular basis at least once every quarter; provided that notice of every such meeting shall be given to the Auditor (as defined in paragraph 4.1.1 below) of the Corporation and that meetings shall be convened whenever requested by the Auditor or any member of the Audit Committee in accordance with the *Canada Business Corporations Act*.

3.2. Two members of the Audit Committee shall constitute a quorum.

4. Duties and Responsibilities

4.1. *Appointment, Oversight and Compensation of Auditor*

4.1.1. The Audit Committee shall recommend to the Board:

- a) the auditor (the "Auditor") to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
- b) the compensation of the Auditor.

In making such recommendations, the Audit Committee shall evaluate the Auditor's performance and review the Auditor's fees for the preceding year.

4.1.2. The Auditor shall report directly to the Audit Committee.

4.1.3. The Audit Committee shall be directly responsible for overseeing the work of the Auditor, including the resolution of disagreements between management and the Auditor regarding financial reporting.

4.1.4. The Audit Committee shall review information, including written statements from the Auditor, concerning any relationships between the Auditor and the Corporation or any other relationships that may adversely affect the independence of the Auditor and assess the independence of the Auditor.

4.2. *Non-Audit Services*

4.2.1. All auditing services and non-audit services provided to the Corporation or the Corporation's subsidiaries by the Auditor shall, to the extent and in the manner required by applicable law or regulation, be pre-approved by the Audit Committee. In no circumstances shall the Auditor provide any non-audit services to the Corporation that are prohibited by applicable law or regulation.

4.3. *Review of Financial Statements etc.*

4.3.1. The Audit Committee shall review the Corporation's:

- a) interim and annual financial statements and Management's Discussion and Analysis ("MD&A"), intended for circulation among shareholders; and
- b) Annual Information Form only to the extent that it contains financial information or projections, and shall report on them to the Board.

4.3.2. The Audit Committee shall satisfy itself that the audited financial statements and interim financial statements present fairly the financial position and results of operations in accordance with International Financial Reporting Standards and that the auditors have no reservations about such statements.

4.3.3. The Audit Committee shall review changes in the accounting policies of the Corporation and accounting and financial reporting proposals that are provided by the Auditor that may have a significant impact on the Corporation's financial reports, and report on them to the Board.

4.4. *Review of Public Disclosure of Financial Information*

4.4.1. The Audit Committee shall review the Corporation's annual and interim press releases relating to financial results before the Corporation publicly discloses this information.

4.4.2. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection 4.4.1, and must periodically assess the adequacy of those procedures.

4.5. *Review of Annual Audit*

4.5.1. The Audit Committee shall review the nature and scope of the annual audit, and the results of the annual audit examination by the Auditor, including any reports of the Auditor prepared in connection with the annual audit.

4.5.2. The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect the audited financial statements.

4.5.3. The Audit Committee shall satisfy itself that, where there are unsettled issues that do not affect the audited financial statements (e.g., disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.

4.5.4. The Audit Committee shall satisfy itself that there is generally a good working relationship between management and the Auditor.

4.6. *Review of Quarterly Review Engagements*

4.6.1. The Audit Committee shall review the nature and scope of any review engagements for interim financial statements, and the results of such review engagements by the Auditor, including any reports of the Auditor prepared in connection with such review engagements.

4.6.2. The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect any interim financial statements.

4.6.3. The Audit Committee shall satisfy itself that, where there are unsettled issues that do not affect any interim financial statements (e.g., disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.

4.7. *Internal Controls*

4.7.1. The Audit Committee shall have responsibility for oversight of management reporting and internal control for the Corporation and its subsidiaries.

4.7.2. The Audit Committee shall satisfy itself that there are adequate procedures for review of interim statements and other financial information prior to distribution to shareholders.

4.8. *Complaints and Concerns*

4.8.1. The Audit Committee shall establish procedures for:

- a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- b) the confidential submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

4.9. *Hiring Practices*

4.9.1. The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former Auditors of the Corporation.

4.10. *Other Matters*

4.10.1. The Audit Committee shall be responsible for oversight of the effectiveness of management's interaction with and responsiveness to the Board;

4.10.2. The Audit Committee shall review and monitor all related party transactions which may be entered into by the Corporation.

4.10.3. The Audit Committee shall approve, or disapprove, material contracts where the Board determines it has a conflict.

4.10.4. The Audit Committee shall satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulations relating to insider trading, continuous disclosure and financial reporting.

4.10.5. The Audit Committee shall periodically review the adequacy of this Charter and recommend any changes to the Board.

4.10.6. The Board may refer to the Audit Committee such matters and questions relating to the financial position of the Corporation and its affiliates as the Board from time to time may see fit.

5. Rights and Authority of the Audit Committee and the Members Thereof

5.1. The Audit Committee has the authority:

- a) To engage independent counsel and other advisors as it determines necessary to carry out its duties;
- b) To set and require the Corporation to pay the compensation for any advisors employed by the Audit Committee; and
- c) To communicate directly with the Auditor and, if applicable, the Corporation's internal auditor.

5.2. The members of the Audit Committee shall have the right, for the purpose of performing their duties, to inspect all the books and records of the Corporation and its affiliates and to discuss those accounts and records and any matters relating to the financial position of the Corporation with the officers and Auditor of the

Corporation and its affiliates, and any member of the Audit Committee may require the Auditor to attend any or every meeting of the Audit Committee.

6. Miscellaneous

Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Corporation or members of the Audit Committee. The purposes, responsibilities, duties and authorities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.