NGEx Resources Inc.

2017 ANNUAL INFORMATION FORM

March 26, 2018

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 26, 2018. Unless stated otherwise, all of the information in this AIF is stated as at December 31, 2017.

The above documents are available under the Corporation's profile on the SEDAR website at www.sedar.com ("**SEDAR"**)

Table of Contents

Financial information

The financial information in this AIF is taken from the Corporation's audited consolidated financial statements for the year ended December 31, 2017. 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.

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.

Imperial Measure	=	Metric Unit	Metric Unit	=	Imperial Measure
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 Desarollo de Prospectos Mineros S.A., a 100% owned subsidiary of the Corporation.

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.

La Chola Properties 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.

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, 2017.

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 Chola 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.

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, financial performance and condition of NGEx. Forward-looking information is provided 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 NGEx does not intend to, nor does it assume any obligation, to update this forward-looking information, except as required by law.

Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, 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 activities, the adequacy of our financial resources and other events or conditions that may occur in the future. These forward-looking statements may include statements regarding perceived merit of properties, exploration results and budgets, Mineral Resource estimates, work programs, capital expenditures, operating costs, cash flow estimates, production estimates and similar statements relating to the economic viability of a project, timelines, strategic plans, including our plans and expectations relating to Project Constellation, incorporating the Los Helados deposit, Chile and the Josemaría deposit, Argentina (as defined herein), market prices for precious and base metals, future metal prices, statements with respect to the economic and scoping-level parameters of the Project Constellation, the cost and timing of any development of the Project Constellation, the proposed mine plan and mining methods, dilution and mining recoveries, processing method and rates and production rates, projected metallurgical recovery rates, infrastructure requirements, capital, operating and sustaining cost estimates, the projected life of mine and other expected attributes of Project Constellation, the net present value ("**NPV"**), the Project Constellation proposed site layout, the timing of the environmental assessment process, changes to the Project Constellation configuration that may be requested as a result of stakeholder or government input to 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. Statements concerning Mineral Resource estimates may also be deemed to constitute “forward-looking statements” to the extent that they involve estimates of the mineralization that will be encountered if the Project Constellation is developed.

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, 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, timing and availability of additional required financing; the ability to obtain or maintain permits, mineability and marketability, exchange rate assumptions being approximately consistent with the assumptions in the Project Constellation Report or Project Constellation PEA, the availability of certain consumables and services and the prices for power and other key supplies being approximately consistent with assumptions in the Project Constellation Report or Project Constellation PEA, labour and materials costs being approximately consistent with assumptions in the Project Constellation Report or Project Constellation PEA, assumptions underlying Mineral Resource estimates, assumptions made in Mineral Resource and preliminary economic assessment (“**PEA**”) 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; 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 2017 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 Resources;
- unexpected changes in business and economic conditions;
- inaccuracies in 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;
- 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;
- measures required to protect endangered species;
- deficient or vulnerable title to mining concessions and surface rights;
- the potential for litigation;
- difficulty complying with tax 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 two projects;
- 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;
- results of current and future exploration 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;
- 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 2017 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. 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. Forward-looking information and statements are made as of the date of this AIF and accordingly are subject to change after such date. Except as required by law, we disclaim any obligation to revise any forward-looking information and statements to reflect events or circumstances after the date of such information and statements. All of the forward-looking information and statements contained or incorporated by reference in this AIF are qualified by the foregoing cautionary statements.

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

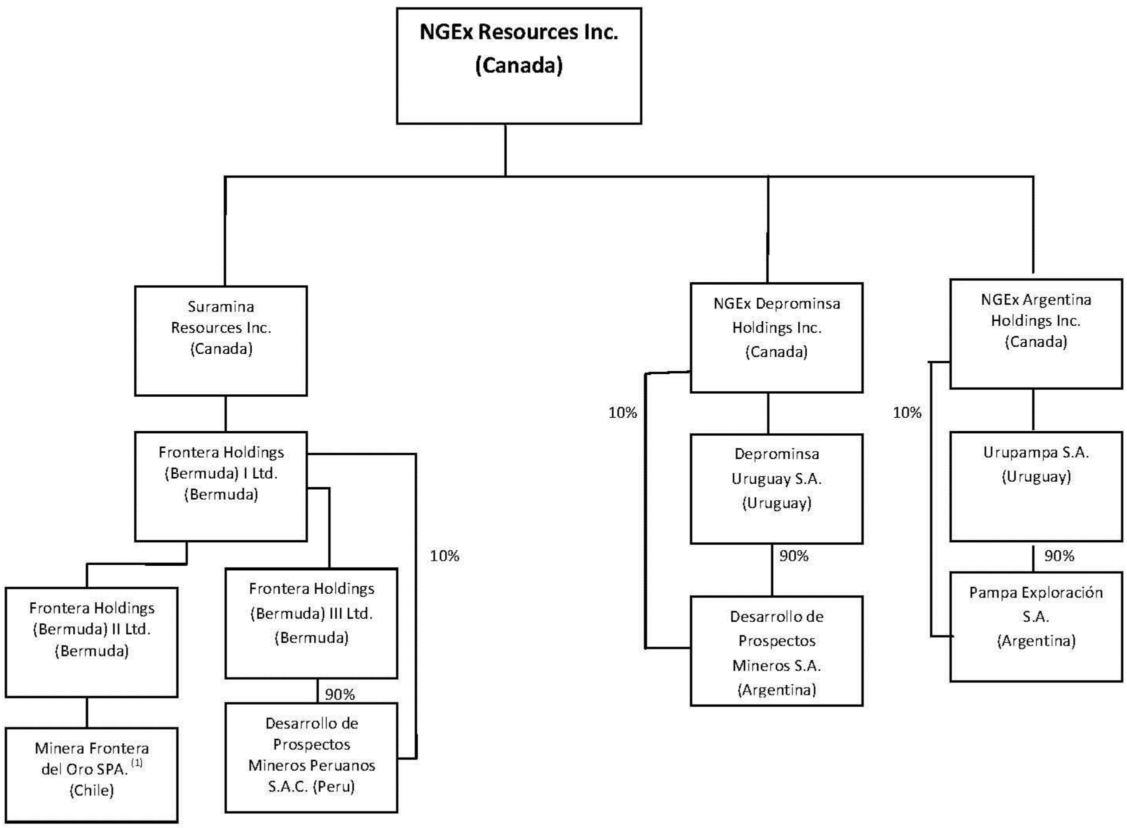
NGEx Resources Inc. is a Canadian mining company with projects in Chile and Argentina. The Corporation's focus is on advancing the development of its two large copper/gold/silver discoveries, Los Helados and Josemaría, located in Chile's Region III and adjacent San Juan Province, Argentina. The Corporation 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".

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, 2017:



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

2015

- On November 3, 2015, NGEx and Teck Resources Limited ("**Teck"**) completed the sale of their respective interests (NGEx as to a 49% interest and Teck as to a 51% interest) in the GJ copper-gold project located in northwest British Columbia, Canada to Skeena Resources Limited.
- On November 23, 2015, the Corporation announced an updated Mineral Resource estimate for the Filo del Sol Project.

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. See "*Project Constellation*" below.
- 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.
- During the year ended December 31, 2017, the Corporation evaluated a number of exploration projects in Argentina for potential acquisition.
- 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. As of the date of this AIF, there are NIL funds drawn against the Debenture. The Facility remains available until August 9, 2018.
- 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.

Subsequent to December 31, 2017

- 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 will be 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.

Description of the business

The Corporation is principally engaged in the acquisition, exploration and development of precious and base metals properties located in Chile and Argentina. 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 project is Project Constellation, a combination of the Los Helados and the Josemaría 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 following map illustrates the Corporation's two principal mineral properties located in South America:

Project Constellation (Los Helados/Josemaría Integrated)

Project Constellation is an integrated project combining the Los Helados and Josemaría projects, whereby material from both deposits would be processed at a centralized processing plant located in Argentina. As of December 31, 2017, the Corporation has a 100% interest in Josemaría and is the majority partner and operator for the Los Helados project.

The Project Constellation PEA report estimates that Project Constellation has an after-tax NPV and after-tax IRR to US $2.61 billion and 16.6% respectively and will produce a life-of-mine annual average of approximately 150,000 tonnes of copper, 180,000 ounces of gold and 1,180,000 ounces of silver over a project life of 48 years. Forecast annual metal production over the first five years of production is 185,000 tonnes of copper, 345,000 ounces of gold and 1,310,000 ounces of silver. The Project Constellation PEA 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. 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 is no assurance 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 Corporation is currently engaged in exploration with limited environmental impact. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations.

Employees

As of December 31, 2017, the Corporation has three (3) employees based in Canada and eight (8) full-time-equaivalent employees based in Argentina. Following the spin out of Filo Mining, NGEx implemented a cost sharing arrangement with Filo Mining regarding shared personnel and consulting services in order to reduce costs.

Foreign Operations

The Corporation conducts a majority of its exploration activities in foreign countries.

Bankruptcy and SimilarProcedures

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".

Risk factors

The Corporation is engaged in the exploration, development and acquisition of mining properties and projects. The Corporation's 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. Additional risks and uncertainties of which the Corporation currently is unaware or that are unknown or that it currently deems to be immaterial could have a material adverse effect on the Corporation's business, financial condition and results of operations. 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 refernce 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

The Corporation's properties and projects are in the exploration and preliminary economic assessment stage and are without a known body of commercial ore. Exploration for Mineral Resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. 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 Corporation'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 Corporation. 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 Corporation's business. The Corporation attempts to mitigate its exploration risk by maintaining a diversified portfolio that includes several metal commodity targets in a number of geologic and political environments. Management also balances the exploration risks through joint ventures and option agreements with other companies.

Mineral Resource Estimates

The Corporation's reported Mineral Resources are estimations only. No assurance can be given that the estimated Mineral Resources will be recovered. By their nature Mineral Resource estimations are imprecise and depend, to a certain extent, upon statistical inferences that may ultimately prove unreliable because, among other factors, they are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral Resource estimations may require revision (either up or down). Market fluctuations in the price of metals, as well as increases in estimated production costs or reductions in estimated recovery rates, may render certain Mineral Resources uneconomic and may ultimately result in a restatement of Mineral Resource estimations.

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 except for anti-mining legislation affecting all mineral exploration in the Mendoza province of Argentina. 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 pre-feasibility studies and 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 significant environmental opposition to both mineral exploration and mining. This has affected properties in some of the provinces where the Corporation works, in particular in Mendoza where the Corporation has an exploration project that it is unable to work on. In certain other Argentine provinces where the Corporation has projects, 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 Naciemientos 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 area 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 Desarollo 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.

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, to one degree or another, 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 will 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 61,384,729 Common Shares of the Corporation, representing 27.13% 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.

Project Constellation

NI 43-101 Technical Report

NGEx Resources Inc. commissioned AMEC International Ingeniería y Construcción Limitada ("**Amec Foster Wheeler**") to compile an independent NI 43-101 technical report on the results of a preliminary economic assessment of an integrated mining operation that incorporated the Josemaría deposit and the Los Helados deposit (collectively termed "**Project Constellation**"). The Report also included an updated Mineral Resource estimate for the Josemaría deposit.

Information detailed below of a scientific or technical nature regarding Project Constellation is derived from 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 ", which was 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 (the "**Project Constellation PEA**"). The Project Constellation PEA 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 Project Constellation PEA and that certain sections have been updated. To put the contents hereof in context, the reader should review the entire Project Constellation PEA, together with its illustrations, figures, footnotes, bibliography, etc.

Classification of Mineral Resources

In this AIF, the terms "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 Project Constellation Economic Results

Pre-Tax NPV (8%) & IRR	$4.43 billion NPV 20.7% IRR
After-Tax NPV (8%) & IRR	$2.61 billion NPV 16.6% IRR

Payback Period (undiscounted, after-tax cash flow)	3.6 Years	
Metals Prices Assumed	\$3.00/lb Cu \$1,275/oz Au \$20.00/oz Ag	
Initial Capital Expenditures	\$3.08 billion	
Life of Mine ("**LOM**") Sustaining Capital Expenditures	\$4.36 billion	
LOM C-1 Cash Costs (net of by-product credits)	\$1.05/lb Cu payable	
Nominal Mill Capacity	150,000 t/d	
Mine Life	48 years	
Average Annual Metal Production (rounded)	**Life of Mine**	**First 5 years**
	150,000 t Cu 180,000 oz Au 1,180,000 oz Ag	185,000 t Cu 345,000 oz Au 1,310,000 oz Ag
LOM Average Process Recovery	88.3% Cu 72.7% Au 61.4% Ag	

Note: All figures reported are in 2015 US dollars and on a 100% Project and 100% equity basis valuation.

Project Constellation is preliminary in nature and includes the use of Inferred Mineral Resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves and there is no certainty that PEA results will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Project Constellation contemplates sequential production from an open pit mine at Josemaría followed by a block cave underground mine at Los Helados. The two deposits are located approximately 10 km apart, and material from both deposits will be processed at a centralized facility.

Including pre-stripping, Project Constellation would be in operation for 50 years. The active mine life, excluding pre-stripping is 48 years. Initial development would target the highest-grade portion of the Josemaría deposit, which is a near-surface zone of supergene-enriched mineralization. As the higher-grade material at Josemaría is depleted, production will transition to the high-grade core of the Los Helados deposit. Compared to either deposit when considered as a stand-alone operation, Project Constellation's shared facilities help improve capital efficiency, reduce overall environmental impacts, and dramatically improve project economics.

A central processing facility is planned to be located in Argentina. Material from Josemaría will be transported via a series of three surface conveyors (including two transfer stations) totalling 4.9 km in length, to a stockpile that will be located near the process plant. Material from Los Helados will be transported via an 8.1 km long underground conveyor tunnel and a 2.8 km long surface conveyor, which will tie into the existing Josemaría surface conveyor system at the first transfer station. Concentrate will be transported by truck to a port facility in Caldera, on the Chilean coast.

Groundwater will be supplied from a nearby well field in Argentina through an 8 km pipeline to the plant site, and power will be supplied via 250 km of power line construction to connect to the Argentina national grid.

Processing will be by conventional sulphide flotation, following comminution by a high pressure grinding roll (HPGR) circuit at a rate that varies between 150,000 t/d and 120,000 t/d depending on the hardness characteristics of the material being processed. This is expected to produce a concentrate containing a life-of-mine average of 29.0% Cu, 10.4 g/t Au and 70.3 g/t Ag. Deleterious elements are expected to be well below penalty levels. Metallurgical recoveries are forecast to average 88.3% Cu, 72.7% Au and 61.4% Ag.

The base case scenario uses an 8% discount rate and results in an after-tax project NPV (discounted at 8%) of US\$2.61 billion and an internal rate of return (IRR) of 16.6%. The cumulative, undiscounted, cash flow value for Project Constellation is projected at US\$15.95 billion over the life of the mine. The initial capital investment for the Project is estimated to be \$3.08 billion. Average operating costs are estimated at US\$9.34/t, with cash costs, net of by-product credits, of US\$1.05/lb Cu produced.

Project Location

Project Constellation is located about 135 km southeast of the city of Copiapó. The Los Helados deposit is centred at 28.3408º S, 69.5857º W in Chile, and the Josemaría deposit is 10 km to the southeast, centred at 28.4359º S, 69.5486º W in Argentina.

Ownership

The Corporation has a 100% interest in Josemaría, subject to a Purchase and Sale Agreement with **JOGMEC** on November 13, 2017 and is the majority partner and operator for the Los Helados project. The Corporation has funded 100% of the Los Helados project since September 1, 2015 following the election by its joint exploration partner Pan Pacific Copper Co. ("**PPC"**) not to fund its pro-rata share of expenditures. As at December 31, 2017, PPC's interest in the Los Helados Project has been diluted to approximately 38%.

NGEx acts as the operator of Project Constellation.

Additional mineral titles in the Constellation Project area are held in the name of a wholly owned Argentinean subsidiary of NGEx.

Mineral Tenure and Surface Rights

In Argentina, NGEx holds exploitation licenses (minas) and exploration licenses (cateos). Total holdings cover an area of approximately 23,617 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.

In Chile, NGEx is the holder of mineral rights with a total area of approximately 18,480 ha.

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 is needed for all future exploration, development and mining.

Agreements

The Project is subject to two underlying agreements in Argentina, the Lirio Agreement and the Batidero Agreement, and two separate option agreements for small claim groups within the overall property perimeter in Chile.

The Project benefits from a Protocol "Proyecto de Prospección Minera Vicuña" (Vicuña Mining Prospection Project) under the "Tratado entre la República de Chile y la República Argentina sobre Integración y Complementación Minera" (Mining Integration and Complementation Treaty between Chile and Argentina), dated January 6, 2006. The Protocol provides a legal framework to facilitate the development of mining projects located in the border area of both countries.

Royalties

In Argentina, the Lirio property is subject to a US$2 million payment within six months of the completion of the second full year of mine operations and a modified 0.5% net smelter return (NSR) less costs, payable over 10 years. The Batidero property is subject to a 7% net profit interest. There is a NSR royalty payable to the Province of San Juan which is typically 3%, but can be reduced in certain circumstances. The subset of the Josemaría resource contained in the Project Constellation PEA production plan is entirely within the Lirio property.

There is a 0.6% net profits interest on the Los Helados deposit payable to the surface rights owners. 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.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Project Constellation is located in the Andes Mountains, straddling the Chile–Argentina border. Elevations range from approximately 3,000 m to 5,300 m at the pass between Josemaría and Los Helados. 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.

The best access to the Project is from Copiapó, a driving distance of about 170 km, or three hours. 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 8.5 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.

Project Constellation will be a greenfields development. 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. While farther away, San Juan, Argentina, is also a major mining centre with good mining services available.

History

There is no record of significant exploration activity at Josemaría or Los Helados prior to NGEx's interest. There are no historical Mineral Resource estimates, and no reported production from the area.

Geological Setting, Mineralization and Deposit Types

Based on geological features and location, the Josemaría and Los Helados deposits are classified as examples of Cu–Au porphyry systems.

The Cu–Au mineralization at Josemaría is mostly hosted by a Miocene porphyry system which forms an elongated body with minimum dimensions of 800 to 900 m north–south, 600 to 700 m east–west and 600 to 700 m vertically.

Mineral zones within the Josemaría deposit were 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 zone, 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.

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

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 body is surrounded by a broad halo of moderate to low grade Cu–Au mineralization which diminishes in grade with increasing distance from the breccia contact. The mineralization is dated at 13.13 ± 0.32 Ma. 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 identified. 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.

The knowledge of the Josemaría and Los Helados deposit settings, lithologies, mineralization, and alteration controls on copper grade are sufficient to support Mineral Resource estimation and can support preliminary mine planning at the Project Constellation PEA level.

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. A preliminary economic assessment of the potential development of the Los Helados deposit as a stand-alone operation was completed in 2014; that assessment is superseded by the results of the study in this Report.

The exploration programs completed to date are appropriate to the style of the Josemaría and Los Helados deposits.

Drilling

Nine drilling campaigns have been carried out at the Josemaría deposit, from 2003 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.

Eight drilling campaigns have been carried out at the Los Helados deposit, from 2006 to 2015. Drilling to date totals 75,634 m in 95 drill holes, of which five holes (1,366 m) are RC and 90 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.

Core from both deposits 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%. Core recovery from holes drilled at Los Helados between 2012 and 2015 averages 97%.

Collar locations were surveyed using a differential global positioning system (GPS) 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. For drilling campaigns after 2012, a 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 and Los Helados deposits are porphyry systems with disseminated mineralization. Reported and described interval thicknesses are considered true thicknesses.

The quantity and quality of the lithological, collar and down-hole survey data collected in the exploration and infill drill programs completed are sufficient to support Mineral Resource estimation and preliminary mine planning at the Project Constellation PEA level.

Sampling and Analysis

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.

A total of 25,158 core samples were systematically measured 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 (Los Helados) or Mendoza, Argentina (Josemaría).

Sample preparation for core and RC chips from the Josemaría deposit and 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 holes LHDH05 (Los Helados) and JMDH08 (Josemaría), 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. 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.

Sample collection, preparation, analysis and security for the core drill programs are in line with industry-standard methods for porphyry deposits. The QPs are of the opinion that the quality of the copper and gold analytical data from these programs is sufficiently reliable to support Mineral Resource estimation without limitations on Mineral Resource confidence categories.

Data Verification

Data verification has been conducted by independent consultants in support of technical reports on the 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.

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 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. The resulting data can be used to support Mineral Resource estimates and in preliminary mine planning at the Project Constellation PEA level.

Metallurgical Testwork

A two phase metallurgical test work program for each deposit 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
- Leaching of the Cu and Au oxide ore types (Josemaría deposit only)
- 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.

For Josemaría, this relationship was applied to each of the lithologies studied. The copper recoveries are bound by the lower 10th and upper 90th percentile with respect to Cu feed grade, except in the case of the Supergene lithology where a fixed recovery of 85.3% of the feed Cu content was considered. Copper recoveries range from 81.1% to 96.7%, Au and Ag recoveries were fixed for each lithology. Fixed Au recoveries range from 59.2% to 72.6%; fixed Ag recoveries range from 52.9% to 74.9%.

At Los Helados, Cu recoveries range from 84.2% to 93.9%. A fixed global Au recovery estimate of 76% of the feed Au content has been used. Silver recovery is also fixed, at 60% of the feed Au content.

The weighted average, life-of-mine recoveries are forecast to be 88.3% for Cu, 72.7% for Au and 61.4% for Ag.

The Josemaría concentrates contained only low values of deleterious elements. However, mill feed blending strategies should be employed to generate flotation concentrates that have high Cu grades whilst maintaining minimal deleterious element levels.

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 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 reverse circulation (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.

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

For each deposit, 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 modeling software and the final three-dimensional (3D) wireframe solids were constructed.

Statistical analyses were performed for Cu, Au, Ag, S, Fe, and As by lithological domain at Josemaría, and for Cu, Au, Ag, Mo, S, Fe and As and SG samples at Los Helados.

The drill hole assays were composited to 2 m intervals. No capping was applied at Josemaría. 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. The ID2 weighting method and nearest neighbor ("NN") method were performed only for Cu and Au for validation and checking purposes of the global bias. A minimum of two and a maximum of 50 composites, with maximum 15 composites from the same hole were used for the interpolation, to allow maximum spread of the data used to estimate blocks. For estimation of the kriging and block variance, a 3 x 3 x 3 discretization of the block was selected. The major, semi-major and minor axes of the search ellipse were set to the corresponding radius defined by the omni-directional variograms.

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.

The following parameters were used to initially classify the resources into Indicated and Inferred:

- Indicated: the distance to the nearest drill hole from the centre of the block was less than or equal to 75 m and there were at least three drill holes used for the grade interpolation and the kriging efficiency estimation was more than 0.33.
- Inferred: the distance to the nearest drill hole from the block was 75 to 150 m, there were at least two drill holes used for the grade interpolation, and the kriging efficiency estimation was less than 0.33.

The final step was taken in order to avoid having isolated areas of one classification encapsulated within the other ('spotted dog' effect). Two smoothed buffer wireframes were created in Leapfrog, one at 75 m and one at 150 m. Inferred blocks inside the 75 m wireframe were re-classified as Indicated, while any Indicated blocks outside of the 75 m buffer but within the 150 m buffer were re-classified as Inferred. A final phase of visual inspection of the resulting classification was performed for validation purposes.

In order to evaluate the potential for reasonable prospects of eventual economic extraction for Josemaría, a Whittle pit shell was generated using the following 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
- Over-all slope angle: 42º.

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. Mineral Resources for Josemaría are reported at a 0.2% CuEq grade for the sulphide material.

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. These mining shapes were generated using the following assumptions:

- Cu price: US$3.00/lb
- Au price: US$1,300/oz
- Ag price: US$23/oz
- Operating cost (incl. general and administrative (G&A) costs): US$13.07/t
- Capital cost: Provisional, based on production rate
- Metallurgical recoveries: variable, based on recovery formulae
- Dilution: Laubscher's model.

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. Note that these metal prices and sales costs are not the same as those used in the financial model; these assumptions were only used for the purposes of establishing appropriate copper equivalency formulae. 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

Mineral Resource estimates for Josemaría and Los Helados, are 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 Josemaría estimate has an effective date of 7 August, 2015 and the Los Helados estimate has an effective date of 19 September, 2014.

Mineral Resource estimates for Josemaría and for Los Helados are included in the following tables. **Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.**

Mineral Resource Estimate (Sulphide) for Josemaría (base case is highlighted)

Josemaría Indicated Mineral Resources (sulphide)								
	Tonnage	Grade				Contained Metal		
Cutoff (CuEq)	(Mt)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (B lbs)	Au (M oz)	Ag (M oz)
0.60	148	0.56	0.38	1.5	0.76	1.8	1.8	6.9
0.50	295	0.47	0.34	1.3	0.65	3.0	3.2	12.6
0.40	559	0.40	0.29	1.2	0.55	4.9	5.2	21.8
0.30	835	0.35	0.25	1.1	0.49	6.5	6.6	29.7
0.20	1,066	0.31	0.22	1.0	0.44	7.4	7.4	34.5

Josemaría Inferred Mineral Resources (sulphide)								
	Tonnage	Grade				Contained Metal		
Cutoff (CuEq*)	(Mt)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lbs)	Au (million oz)	Ag (million oz)
0.50	9	0.37	0.28	1.1	0.52	0.1	0.1	0.3
0.40	85	0.31	0.23	1.0	0.45	0.6	0.6	2.7
0.30	236	0.28	0.19	0.9	0.38	1.4	1.4	6.8
0.20	404	0.24	0.15	0.8	0.33	2.0	2.0	10.8

Mineral Resource Estimate (Oxide) for Josemaría (base case is highlighted)

Josemaría Indicated Mineral Resources (oxide)						
	Tonnage	Grade			Contained Metal	
Cutoff (Au g/t)	(Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Au (k oz)	Ag (k oz)
0.40	10	0.18	0.46	1.4	150	460
0.30	23	0.16	0.40	1.3	290	950
0.20	43	0.15	0.32	1.2	450	1,610
0.10	77	0.13	0.25	1.0	610	2,520

Josemaría Inferred Mineral Resources (oxide)						
	Tonnage	Grade			Contained Metal	
Cutoff (Au g/t)	(million tonnes)	Cu (%)	Au (g/t)	Ag (g/t)	Au (k oz)	Ag (k oz)
0.40	2	0.00	0.43	1.2	27	73
0.30	3	0.00	0.40	1.1	37	102
0.20	4	0.00	0.34	1.0	48	145
0.10	7	0.02	0.26	0.9	62	214

Notes to accompany Josemaría Mineral Resource tables:

1. Mineral Resources have an effective date of 7 August, 2015. The Qualified Person for the estimate is Mr. Gino Zandonai, RM CMC.
2. Sulphide Mineral Resources are reported using a copper equivalent (CuEq) cutoff 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.
3. Mineral Resources are reported within a conceptual Whittle pit that uses the following input parameters: Cu price of US$3.00/lb; mining cost of US$2.20/t; process cost (including G&A) of US$7.40/t processed; copper selling cost of US$0.35/lb and over-all pit slope angle of 42º. The oxide resource was treated as waste for the Whittle run, however preliminary testwork has shown good recovery of gold through cyanide leaching and there is a reasonable prospect of eventual economic extraction of gold and silver using this method.
4. Mineral Resources (sulphide) have a base case estimate using a 0.2% CuEq cutoff grade; Mineral Resources (oxide) are reported using a 0.2 g/t Au cutoff grade.
5. Details of the Josemaría Mineral Resource estimate are contained in the NI 43-101 technical report titled *"Constellation Project – Incorporating the Los Helados Deposit, Chile and the Josemaría Deposit, Argentina, NI 43-101 Report on Preliminary Economic Assessment"* dated February 12, 2016.
6. Totals may not sum due to rounding as required by reporting guidelines.

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

Cutoff (CuEq)	Tonnage (million tonnes)	Resource Grade Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Contained Metal Cu (billion lbs)	Au (million oz)	Ag (million oz)
Los Helados Indicated Mineral Resource								
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								
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 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*Au (g/t) + 0.0047*Ag (g/t) for the Upper Zone (surface to ~ 250 m); Cu% + 0.6366*Au (g/t) + 0.0077*Ag (g/t) for the Intermediate Zone (~250 m to ~600 m); Cu% + 0.6337*Au (g/t) + 0.0096*Ag (g/t) for the Deep Zone (> ~600 m)
3. 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.
4. 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
5. Totals may not sum due to rounding as required by reporting guidelines

Mine Plan

The Project Constellation PEA mine design basis is two mining operations feeding a central process plant. Mineralization at Josemaría will be mined using conventional open pit methods, whereas the Los Helados deposit will be mined using block caving, with mill feed material from both mines sent to a process plant to be located in Argentina. Material included in the mine plan is a subset of the estimated Mineral Resources.

The mine plan for Josemaría assumes a two-year pre-strip period, and a five-month ramp-up, during which production will increase in stages from 20% to 100%. Full production will extend over a six-year period at 150 kt/d. There is a six-year production ramp-up period for Los Helados and in year 14 of the mining operation, Los Helados will reach peak production of 120 kt/d. Project Constellation will be in operation for 50 years, including the two-year pre-stripping period.

Geotechnical Considerations

Various rock mechanics studies have been undertaken to support mine design parameter selections for both deposits.

For Josemaría, inter-ramp slope stability was assessed using empirical methods. For a proposed inter-ramp depth of 105 m, maximum inter-ramp angles (IRAs) of 45º and 47º are recommended for the east and west walls, respectively.

Based on empirical methods, caving of the Los Helados rock mass can be achieved with a minimum hydraulic radius (HR) of 39. This equates to a cave initiation footprint approximately 135 x 185 m. Cave initiation can be successfully achieved at Los Helados given the rock mass conditions and proposed mining footprints although the rock mass characteristics suggest that unassisted cave propagation may be an issue with a planned lift height of 1,000 m. The proposed height/width ratios of the cave are 0.56 to 2.75, depending on which side of the cave is considered. This indicates that there could be a risk of cave-stalling, depending on the initiation strategy. The proposed single lift of more than 800 m over the full footprint area is greater than what has currently been done in other existing traditional block cave operations. Only one panel cave mine to date, Cadia East, has been developed a lift height greater than 800 m using advance preconditioning techniques. With appropriate cave initiation and propagation studies in further project stages, and the proposed use of full column hydraulic fracturing (HF) preconditioning, it is considered that the risks of cave-stalling can be mitigated.

The results of the primary fragmentation analysis indicate that in-situ block sizes alone are not viable for efficient cave mining, and that the effects of secondary fragmentation will need to be considered. Draw heights of around 100 m are required before adequate/productive fragment size distributions are produced through secondary fragmentation. The use of confined blasting (CB) preconditioning of the first 100 m of columns is recommended.

Based on empirical analyses, the likely cave angle at Los Helados will be around 75°. The predicted mean caving angle of 75° from the empirical analysis is comparable to data from benchmarking studies from similar block cave mines in porphyry copper systems. A maximum subsidence angle of 60° has been estimated for Los Helados.

Pit Design

The 15 years of open pit life at Josemaría, including two years of pre-stripping, are divided into six conceptual phases, each having a minimum operational width of 150 m, to facilitate the early extraction of the most profitable material, and to defer or minimize waste stripping. Smoothing the pit designs involved redefining the optimized pit shells to provide equipment access, and to ensure that wall slopes are designed in accordance with the recommended slope angles. The final pit design incorporates two main ramps with an exit point at the 4400 level on the north side of the pit; the exit point will be in close proximity to the planned primary crusher location.

Overall loss and dilution was estimated to be less than 1%, and has been incorporated into the block model. The final strip ratio for the designed pit is 0.98:1.

A maximum mining rate of 115 Mt/a is required to provide the nominal 150 kt/d of concentrator feed. The sinking rate, considering each phase separately, is limited to eight mined benches per year, with six benches mined during the first year.

The Josemaría pre-stripping will mine higher, smaller benches for phases 1, 3, 4, 5 and 6 during year -2. The mine plan stockpiles this pre-stripping material in year -1; and it will be reclaimed and fed to the mill in year 1. An elevated cutoff grade strategy was used to develop the Project Constellation PEA mine plan for Josemaría.

Cave Design

The block cave mine design is based on a 1,174,000 m^2 footprint area. The footprint area contains two production lifts, an upper lift (Lift 1), the smaller of the two lifts and a lower lift (Lift 2).

Lift 1 has its undercutting level (UCL-1) at elevation 3,630 metres above sea level (masl), 90 m above the UCL of Lift 2. It will have a 194,000 m^2 footprint and was designed with a rectangular shape (200 m wide north–south, 970 m long east–west). Mining assumes block caving with load-haul-dump (LHD) equipment for extraction.

Lift 2 has its undercutting level (UCL-2) at elevation 3,540 masl. The lift will have a 980,000 m^2 footprint and be mined by block caving using LHD equipment.

Intensive pre-conditioning of the whole rock mass was incorporated in the design and will use both HF and fracturing by CB methods. To achieve HF, two hydrofracturing levels were included, the upper hydrofracturing level at 4,120 masl. (HFL-1), 280 m above the lower hydrofracturing level at 3,840 masl (HFL-2), which in turn is 210 m above Lift 1 and 300 m above Lift 2.

The ventilation system design assumes three main intake shafts and three main exhaust shafts.

A 12 km long tunnel (Tunnel 12) is planned to access Los Helados from Chile, with a second tunnel, approximately 8 km in length (Tunnel 8), used to convey mill feed material from the Los Helados mine to the process plant in Argentina.

Recovery Plan

The plant will treat material from the Josemaría open pit for the first seven years of operation. In year 8, mill feed material from the underground operation at Los Helados will be introduced to the plant, and blended with Josemaría open pit material. The blended feed will continue for a six-year period. During year 13 of operations, mining from the Josemaría open pit ceases, and for the remaining 35 years of mine life, only underground feed from Los Helados will be processed.

For the Josemaría mill feed material, run-of-mine (ROM) material will be trucked to a primary crusher, crushed, and then sent to the process plant. ROM material from Los Helados will be primary crushed underground, and conveyed to the process plant. The base case comminution circuit design considers a conventional high pressure grind roll (HPGR) crushing circuit followed by conventional ball mill grinding. Conventional sulphide flotation will follow the comminution stage. The tails will go to the tailings storage facility where approximately 20% of the contained water in the tailings will be recovered and sent back to the process plant.

The plant is designed to process 120 kt/d of Los Helados mill feed and 150 kt/d of Josemaría material, which is softer. Additional flotation residence time is required for the Josemaría mill feed.

Logistics

A new 57 km long, two-lane dirt access road is planned to branch off from highway RN 76 to access the proposed Josemaría mine and the process plant. From that intersection, the Pircas Negras border pass is about 22 km away on the existing road. In Chile, an existing 20 km long single-lane dirt road will be upgraded to a two-way road to access the Los Helados mine from Chilean public road C-35.

The Candelaria port at the city of Caldera was selected for Project Constellation PEA study purposes. The port is about 380 km by road from the Josemaría plant site. Port facilities at Caldera are owned and operated by Minera Candelaria. Project Constellation would require additional port facilities to be constructed to support concentrate export, adjacent to the port owner's existing buildings. Concentrates will be trucked from the plant to the port.

Waste Rock and Tailings Storage

The Josemaría open pit operations will generate a total of 517 Mt of waste material that is proposed to be placed about 1 km south of the open pit.

Tailings will be transported from the process plant, located at an elevation of 4,127 masl, to the tailings storage facility (TSF) site at elevation 4,000 masl at an initial rate of 5,508 m3/h. A two-stage process will be required, because although the selected site is topographically 100 m lower than the process plant site, there are two ridges that are 200–300 m higher than the plant site that must be crossed. Tailings, thickened to 65%, will be pumped to an intermediate point located 4 km from the plant at 4,150 masl, and then flow by gravity inside a tunnel for 8.1 km to the TSF. Tailings will be deposited by end-discharge, with occasional spigotting, to form smooth tailing beaches. The final dam will be about 180 m high, 1.3 km long, and store approximately 1,900 Mm3 of tailings.

Site Infrastructure

The Project Constellation PEA design assumes most support facilities will be located in Argentina.

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.

The major infrastructure at Los Helados will include the block cave mine, explosives magazine, warehouse, administration areas, construction and operations camp, mining contractor facilities, and first aid station.

Accommodations camps will be required at both Josemaría and Los Helados. Both camp designs assume 4,000 person capacities during construction. As construction demand decreases, parts of the camps will be reassigned to operations personnel and operations offices. During operations, it is expected that the Josemaría camp will accommodate about 750 people, and the Los Helados camp about 2,400 people.

A number of tunnels are required, including the access portal to Los Helados, a water diversion tunnel to divert the Los Helados creek around the Los Helados operation, a conveyor tunnel from Los Helados to Josemaría, and a tailings tunnel from the process plant to the TSF.

Water Management

Limited studies have been conducted for water management at Josemaría. The Project Constellation PEA assumes that diversion channels are constructed along the west, south, and east walls of the open pit to convey the diverted surface runoff toward the main basin at the north side of the pit. Ground water will be captured in the ditches included in the road design inside the pit, collected, and then pumped out of the pit zone. The contact water will be collected below the waste rock facility or in a dedicated pond. No allowance for a water treatment plant has been considered at this time.

Mine water at Los Helados will be sourced from dewatering activities associated with development and operations. About 100 L/s is expected (on average), based on the deposit setting and lithologies present.

The industrial water make-up requirement for the process plant is estimated to be 500 L/s (on average), or 0.5 m^3/s. Nearby valley aquifers were considered the most likely water source for Project Constellation PEA purposes; the selected site is located 8 km from the proposed plant site. It was assumed that the selected aquifer could support the full 500 L/s process plant requirements.

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 El Rodeo substation in San Juan Province, Argentina. Average consumption is estimated to be 160 MW. A price assumption of $0.078/kWh was used for long-term power supply. Power supply alternatives from Chile were also considered; however, the lower power costs in Argentina led to significant operating costs savings over the life of the operations. For Project Constellation PEA purposes, the power infrastructure will include:

- A 220 kV overhead transmission line from El Rodeo
- A main power substation beside the process plant.

Power will be distributed at 33 kV via localized mine grid. A back-up generator will also be located on site to support key facilities in an emergency.

Marketing

No formal marketing studies have been conducted for Project Constellation. No contracts are currently in place for any production from the Project.

Metallurgical testwork completed to date indicates that contained Cu, Au and Ag will be payable in the concentrates produced. The testwork also indicates that the concentrate product will be clean, marketable, precious-metals rich, and low in deleterious elements. For the purposes of the Project Constellation PEA, it was assumed that long-term contracts would be established with Asian smelters. Market terms were established based on benchmarking against similar operations from publicly-available information. Opportunities exist for NGEx to receive premium terms for its concentrates. This would need to be explored during future project-specific marketing studies.

Environmental, Permitting and Social Licence

NGEx retained Asesoria Ambiental (AA), based in Argentina and BGC Engineering (BGC) based in Chile to assist with the preliminary environmental baseline studies. Extensive regional field programs were carried out by AA and by BGC during the 2013–2014 and 2014–2015 seasons. Publicly-available information has also been reviewed in depth. Based on the initial assessments, environmental sensitivities are understood to be related chiefly to ARD geochemistry and its effects on water quality, glacial and periglacial cryoforms, atmospheric dust emissions, effects on terrestrial and aquatic biota, and the human and political environment. These sensitivities are typical for a new mine development. However, additional work should be focused on potential effects on these environmental components, and design of the Project to minimize the potential environmental impacts and risks.

A detailed social impact assessment should be completed during future comprehensive studies. It is understood that NGEx maintains community relations and consultation programs that are ongoing and support Project Constellation development plans.

Project development will require submission of a full Environmental Impact Assessment (EIA) study. Following the receipt of environmental approvals, additional permits, licenses, authorizations, and certificates will be necessary to proceed to Project construction. During the next study phase, when more information is available on the site and mine layout, the process for obtaining such approvals should commence in parallel with the EIA approval process.

Based on previous similar experience, Amec Foster Wheeler has allocated closure costs of US$148.7 million. Costs are assumed to be incurred at the end of mining operation. These amounts represent about 5% of the total Project initial capital costs.

Capital Cost Estimate

Initial capital costs total approximately US$3.08 billion (including pre-stripping costs), sustaining capital costs total about US$4.36 billion, for a total LOM capital cost estimate of approximately US$7.44 billion. Details of the LOM capital cost estimate are as follows:

Capital Cost Estimate	***(US$ Billion)***
Open pit mine	*0.20*
Pre-stripping	*0.14*
Underground mine	*0.09*
Plant and processing	*0.87*
Infrastructure	*0.55*
Total Direct Costs	*1.85*
Indirect costs	*0.48*
Owner's costs	*0.13*
Contingency	*0.62*
Total Initial Capital Costs	*3.08*
Sustaining capital costs	*4.36*
Life-of-mine capital cost estimate	*7.44*

Operating Cost Estimate

Over the life of mine, the operating costs will average US$9.34/t processed with cash costs, net of by-product credits, of US$1.05/lb Cu produced, and total US$19.6 billion. Details of the LOM operating cost estimate are as follows:

Life of Mine Operating Costs (US$t)

Estimated Operating Costs	**Josemaría (US$/t)**	**Los Helados (US$/t)**	**Life of Mine (US$/t)**
Mining (mineralization processed)	3.91	4.43	4.23
Processing	3.60	4.26	4.09
General & Administration	0.80	0.80	0.80
Pumping	0.02	0.02	0.02
Tailings	0.07	0.07	0.07
Other (roads, port, closure, etc.)	0.30	0.06	0.13
Total	***8.70***	***9.64***	***9.34***

Financial Analysis

The Project has been valued using a discounted cash flow (DCF) approach. Estimates have been prepared for all the individual elements of cash revenue and cash expenditures for ongoing operations. The base case economic analysis assumes 100% equity financing and is reported on a 100% Project ownership basis.

Capital cost estimates have been prepared for initial development and construction of the Project, starting in year minus three (year -3). In addition to initial capital cost, sustaining capital was included from year one (year 1).

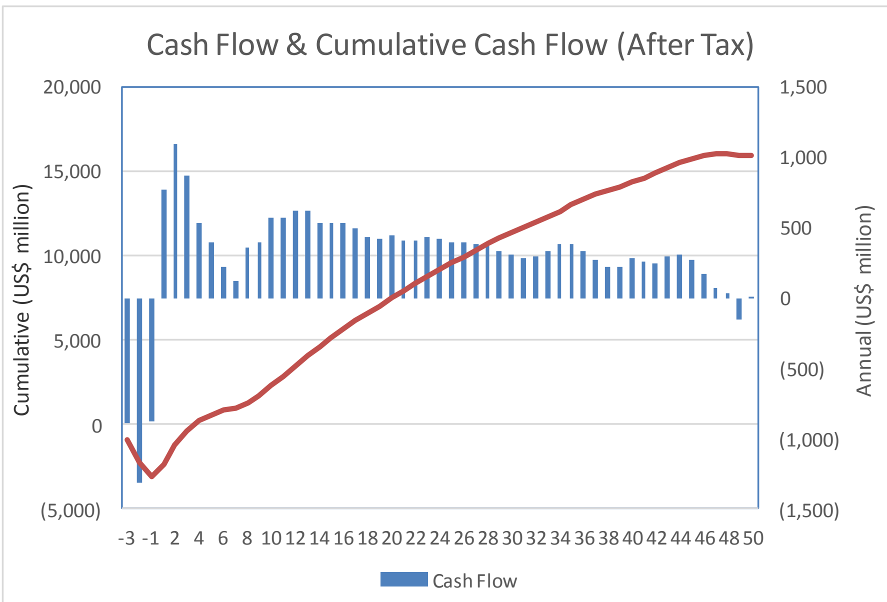
The resulting net annual cash flows are discounted back to the date of valuation of start-of-year, year -3, because the actual starting calendar year has not been determined. The currency used to document the cash flow is US$ at Q3 2015, considering that the estimation was developed during the third quarter of 2015. The IRR is calculated as the discount rate that yields a zero NPV. The payback period is calculated as the time needed to recover the initial capital costs.

Below is a summary of the cashflow analysis and a chart to illustrate the after-tax cash flow projection over the life of the mine:

Cashflow Summary Table (base case is highlighted)

	Unit	Value
Payback (undiscounted; post-tax)	Years	3.6
Cumulative net cash flow (post-tax)	US$ billion	15.95
NPV 5% (post-tax)	US$ billion	4.99
NPV 8% (post-tax)	US$ billion	2.61
NPV 10% (post-tax)	US$ billion	1.65
IRR (post tax)	%	16.6%

Projected Life-Of-Mine Cash flow

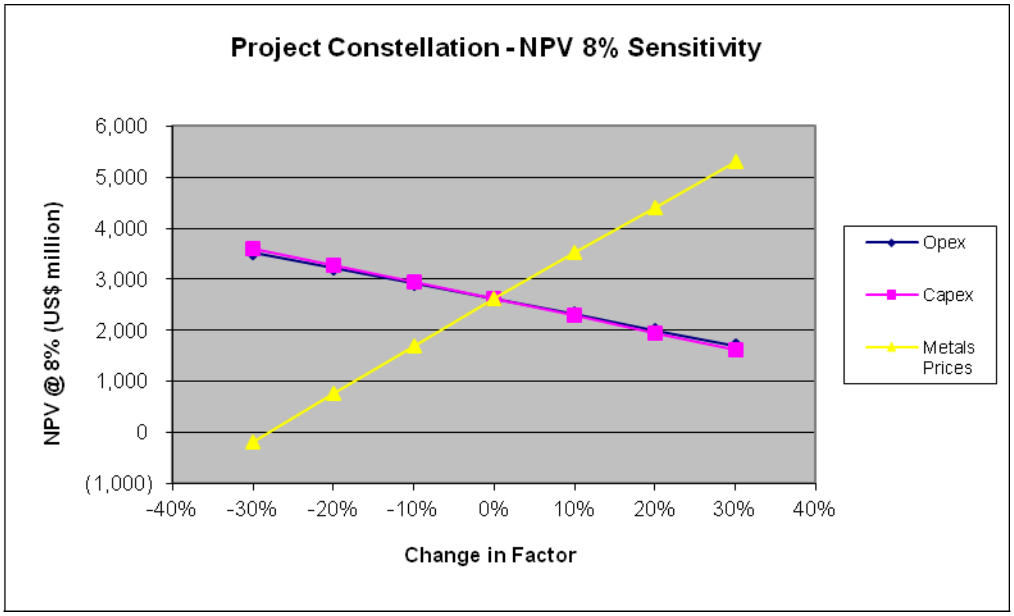


Note: Figure prepared by Amec Foster Wheeler. X-axis shows Project years.

Sensitivity Analysis

A sensitivity analysis was performed taking into account variations in metal prices (which emulates metal grades and recoveries), operating costs and capital costs. The Project is most sensitive to (in order from highest to lowest) metal prices, initial capital cost and operating cost. The results of the sensitivity analysis are as follows:

Sensitivity Analysis



Note: Figure prepared by Amec Foster Wheeler.

Risks and Opportunities

The main opportunities identified for the Project include:

- Higher metals pricing: The Project has significant leverage to copper prices
- Changes to royalty or tax regimes that may improve the Project's economics
- Delineation of additional mineralization, in particular higher-grade material, through further exploration
- Potential to heap-leach oxide gold mineralization at Josemaría
- Optimization of the combined mine plan
- Optimization of the block cave assumptions
- 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

Risks noted with the Project Constellation PEA 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 Chile and Argentina
- Inflation and increased prices for infrastructure, equipment and consumables, resulting in changes to operating and capital cost estimates
- Implementation of additional monetary controls or restrictions on imports by the Argentinean government
- Obtaining sufficient surface and water rights on both sides of the border to support the envisaged operation
- 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.

Recommendations and Conclusions

Under the assumptions used in the Project Constellation Report, Project Constellation shows a positive financial return. Should the NGEx Board make such a decision to proceed, there is sufficient support from the PEA to progress to more detailed technical studies including the completion of a pre-feasibility study ("PFS") and the declaration of the economic analysis based on Mineral Resources.

The cost of a two-phase work program is estimated to be approximately US$11 million. The first phase consists of a number of drill and data collection programs in addition to continued environmental baseline studies. The second phase will use the drill program results to update engineering designs and supporting assumptions and culminate in sufficient data and data support to allow completion of a pre-feasibility study ("PFS") document. This second phase will also entail the development of a licensing strategy that takes into account the regulatory framework, social context and environmental sensitivities of the Project.

The Phase 1 work program consists of geotechnical drilling, hydrogeological field investigations, and survey programs, and is estimated at approximately US$3.9 million.

The Phase 2 work program comprises studies and evaluations covering a number of discipline areas, including geotechnical, mine design, process design, production scheduling, infrastructure, marketing, logistics, improving the understanding of risks and opportunities associated with a Chile–Argentina transboundary operation, and environmental, permitting and stakeholder considerations. Information collated during the second work phase should be incorporated into a stand-alone PFS document. The Phase 2 work is estimated at approximately US$7.1 million.

While the NGEx Board has not incorporated the completion of a PFS into the 2017-2018 exploration program, the work program proposed would support completion of a PFS on the Project.

The budget estimates are restricted to technical work, and no provision has been made in the estimates for items such as corporate overheads, land acquisition, legal and other consulting fees, additional work or program changes that may be required as a result of interactions with regulatory agencies, community and stakeholder consultations, permit applications and acquisition, management fees, or third-party consultants costs other than technical costs.

NGEx's securities

The Common Shares

NGEx is authorized to issue an unlimited number of Common Shares of which 213,774,830 are issued and outstanding as of December 31, 2017. As at the date of this AIF, the Corporation had an aggregate of 226,370,653 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 2017.

Month	High (S)	Low ($)	Volume
January 2017	1.45	1.21	5,943,480
February 2017	1.40	1.25	869,829
March 2017	1.35	0.92	466,694
April 2017	1.24	0.90	202,392
May 2017	1.05	0.87	299,501
June 2017	0.94	0.79	998,672
July 2017	0.92	0.75	605,758
August 2017	0.99	0.85	689,891
September 2017	1.24	0.95	624,969
October 2017	1.10	0.95	708,296
November 2017	1.16	1.02	1,807,542
December 2017	1.14	1.00	1,110,579

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, 2017:

Common Shares

Date	Reason for Issuance	Price($)	Number of Shares
May 17, 2017	Option Exercise	0.61	20,000
September 22, 2017	Option Exercise	0.89	15,000
October 27, 2017	Option Exercise	0.61	150,000
November 16, 2017	Issuance of Common Shares for Debenture	1.04	14,000
November 23, 2017	Option Exercise	0.61	50,000
November 23, 2017	Option Exercise	0.89	50,000
November 30, 2017	Issuance of Common Shares for Debenture	1.04	1,867

Debenture:

On November 9, 2017, the Corporation issued a debenture evidencing an unsecured US$1 million credit facility from Zebra.

Options:

Date of Issuance	Expiry Date	Exercise Price	Number of Options
February 23, 2017	February 23, 2020	$1.37	2,010,000 (1)

(1) Represents options to purchase up to 2,010,000 Common Shares.

As at December 31, 2017, the Corporation had outstanding stock options to purchase a total of 5,970,000 Common Shares.

Directors and officers

The Board of Directors

As of December 31, 2017, 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, 2017 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/mining executive; director of a number of publicly traded resource-based companies, including Filo Mining, Lucara Diamond Corp., Lundin Mining Corporation, Lundin Gold Inc., Denison Mines Corp., and Lundin Petroleum S.A. 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, 2017 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 Lukas H. Lundin	David F. Mullen, Chair William A. Rand Cheri L. Pedersen

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 a 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 TSX Venture Exchange and the Nasdaq First North Exchange. Self-employed from August 1, 2011 to August 31, 2011. Former General Manager, Resource Exploration, Lundin Mining Company from 2006 to July 31, 2011.
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 TSX Venture Exchange 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, 2017, the directors and executive officers of the Corporation, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 3,124,142 NGEx Common Shares of the Corporation, representing approximately 1.38% 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 of 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, 2017, 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, 2017, and December 31, 2016:

Financial Year Ending	Audit Fees (1)	Audit Related Fees (2)	Tax Fees (3)	All Other Fees (4)
December 31, 2017	$85,900	$31,500	$6,280	$1,446
December 31, 2016	$82,570	$31,500	$5,873	$67,962

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, 2017 and 2016. 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, 2017 (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, 2017 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 Project Constellation and has verified the data disclosed therein. As of the date of the AIF, Mr. Carmichael holds options to purchase up to 700,000 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 Project Constellation and has verified the data disclosed therein. As of the date of the AIF, Mr. Beck holds options to purchase up to 435,000 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.
- Alfonso Ovalle, RM CMC; Cristian Quiñones, RM CMC; Cristian Quezada, RM CMC; David Frost, FAusIMM; and Vikram Khera, P.Eng., of Amec Foster Wheeler International Ingeniería y Construcción Limitada; and Gino Zandonai, RM CMC, of DGCS SA in respect of the Project Constellation PEA report. Each of Alfonso Ovalle, Cristian Quiñones, Cristian Quezada, David Frost, Vikram Khera, and Gino Zandonai is an independent "qualified person" for the purposes of NI 43-101.

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 21, 2018, in respect of the Corporation's consolidated financial statements as at December 31, 2017 and 2016. 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, 2017 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.