Management's Discussion and Analysis
And
Condensed Interim Consolidated Financial Statements

For the Three Months ended March 31, 2019
(UNAUDITED)

This management's discussion and analysis ("MD&A") of the results of operations and financial condition for NGEx Resources Inc. ("the Company", "NGEx", "we" or "us") has been prepared as of May 15, 2019 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2019 and the related notes therein ("2019 Financial Statements"); the Company's annual audited consolidated financial statements for the year ended December 31, 2018 and the related notes therein ("2018 Financial Statements"); and the MD&A for the fiscal year ended December 31, 2018 ("2018 MD&A"). The 2019 Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Report. This MD&A focuses on significant factors that have affected the Company and its subsidiaries and such factors that may affect its future performance. All dollars amounts expressed throughout this report are in Canadian dollars, unless otherwise indicated.

This MD&A contains forward-looking statements that are subject to risk factors as set out in the "Cautionary Note Regarding Forward Looking Information and Statements" on Page 12. Additional information about the Company and its business activities is described on the Company's annual information form (the "2018 AIF"). Additional information about the proposed spin out its Los Helados Project and exploration portfolio into a wholly-owned subsidiary of NGEx, 11264796 Canada Inc. ("Spinco") through a Plan of Arrangement under the Canada Business Corporations Act (the "Arrangement") is described on the Company's 2019 Notice of Meeting and Information Circular for the Annual Meeting of Shareholders and the Special Meeting of Shareholders and Optionholders of NGEx Resources Inc. (the "2019 Information Circular"). Both the 2018 AIF and the 2019 Information Circular are available on SEDAR at www.sedar.com and on the Company's website at www.ngexresources.com.

CORE BUSINESS

NGEx is a Canadian mineral exploration company with exploration projects in Chile and Argentina. The Company's shares are listed on the TSX and on Nasdaq Stockholm under the symbol "NGQ". The Company's focus is on advancing the development of its two large copper-gold deposits, Los Helados and Josemaría, located in Chile's Region III and adjacent San Juan Province, Argentina, respectively. The Company currently owns a 100% interest in the Josemaría project and is the majority partner and operator for the Los Helados project, subject to a Joint Exploration Agreement with its partner Pan Pacific Copper Co., Ltd. ("PPC"). The Company's long-term view of the copper market is positive, with the expectation that tightening mine supply, growing demand from countries such as China, and increasing world-wide consumer demand for electronic and clean energy technologies, will all contribute to stronger prices and require the development of new greenfield mining projects. The Company's strategy is to create value for its shareholders by expanding and increasing the quality of its resources through successful exploration and acquisitions and by advancing the engineering and other studies that are required to prepare its projects for eventual development by the Company and its partners or by third parties. The overall objective is to position the Company as a top tier copper industry investment.

The Company has an experienced management team and board with extensive experience in Chile and Argentina and an appropriate mix of geological, engineering, financial, and business skills to advance its projects and to generate value for its shareholders.

2019 HIGHLIGHTS

Corporate

- On April 17, 2019, the Company announced its intention to spin out its Los Helados Project and exploration portfolio into a wholly-owned subsidiary of NGEx, 11264796 Canada Inc. ("Spinco") through a Plan of Arrangement under the Canada Business Corporations Act (the "Arrangement"). The Arrangement is designed to deliver greater value to shareholders by unlocking the value of the Los Helados Project moving forward. In parallel, the Company believes that additional value will be created at NGEx as the Company transitions into a well defined, single purpose vehicle focused on advancing the development of the Josemaría Project in San Juan, Argentina. The Arrangement is anticipated to provide greater market awareness of the Company, Spinco and their respective assets, and offer both the Company and Spinco increased flexibility to advance their respective assets without unnecessary dilution to the other.

  The Los Helados Project is a large copper-gold porphyry deposit located in Chile's Region III and is comprised of adjacent mineral titles in Chile and Argentina which are majority controlled by the Company through direct ownership or option agreements. Upon completion of the Arrangement, Spinco will hold an approximate 63% interest in the Los Helados Project along with a portfolio of exploration interests. Over time, it is anticipated that Spinco will add new projects to its portfolio in addition to advancing Los Helados. NGEx will retain its 100% owned Josemaría Project with a focus on advancing development of the project.

  The Arrangement will include a transfer of the Los Helados Project and exploration assets, along with approximately $7.3 million in cash, to Spinco. Pursuant to the Arrangement, NGEx intends to distribute 100% of the common shares of Spinco that it receives to NGEx shareholders on a pro-rata basis. NGEx shareholders will be entitled to receive one common share of Spinco for every two common shares of NGEx held as of the effective date of the Arrangement, which is expected to be in July 2019. There will be no change in shareholders' holdings in NGEx as a result of the Arrangement.

  Spinco has applied for a listing of the shares of Spinco on the TSX Venture Exchange ("TSX-V"). Any such listing will be subject to Spinco fulfilling all of the requirements of the TSX-V.

  In connection with the Arrangement, the Company plans to change its name to "Josemaría Resources Inc.", and Spinco to change its name to "NGEx Resources Inc."

  The Arrangement will be subject to Toronto Stock Exchange ("TSX"), regulatory and court approval, as well as approval by not less than two-thirds of the votes cast at the special meeting (the "Meeting") of NGEX shareholders and optionholders (together, the "NGEx Securityholders") voting as a single class, scheduled for June 19, 2019.

  The management information circular (the "2019 Information Circular"), which sets out the terms of the Arrangement, together with the Notice and related proxy documents for the Meeting has been mailed to all NGEx Securityholders of record as of May 3, 2019 and is available on SEDAR at www.sedar.com and on the Company's website at www.ngexresources.com.

First quarter operational summary

- The Company's primary focus is the advancement of its 100% owned Josemaría project in San Juan Province, Argentina by completing a feasibility study (the "FS") by 2020. The Company completed a reserve definition drilling program designed to increase confidence in the mineral reserve, particularly the portion scheduled for the first five years of production in the recently-completed Pre-Feasibility Study ("PFS") and to provide material for feasibility-level metallurgical testwork. A total of 6,570 meters in 22 reserve definition diamond drill holes was completed during the program. Data from the season's drilling program will be used to update the mineral resource and reserve models, and it is expected that confidence levels will be increased to measured and proven respectively for a portion of both. The updated reserve model will form the basis for detailed mine planning as part of the FS.
- In addition to the reserve definition drilling, the Company also completed additional geotechnical and water supply drilling programs in support of the planned FS. This work included:
    - Seven in-pit geotechnical diamond drill holes (4,051 metres) designed to provide information for a detailed design of the open pit. These holes will be sampled and assayed and will contribute data to the resource and reserve updates;
    - Nineteen site geotechnical holes (730 metres) designed to test the foundations for the proposed plant site and tailings storage facility; and
    - Seven holes designed to locate and define water flows to supply the planned operation. All holes intersected water and pump tests to define extraction rates are ongoing.

THE JOSEMARÍA PROJECT

Highlights of the Josemaría PFS are shown below.

- A $2.0 billion after-tax NPV using an 8% discount rate and an IRR of 18.7% at $3.00/lb copper;
- Strong front end production and cash flows drive a 3.4 year payback period and support a variety of financing alternatives;
- An Initial Probable Mineral Reserve of 1,008 Mt of 0.29% copper, 0.21 gpt gold, and 0.92 gpt silver (or 0.41% CuEq);
- Pre-production capital cost of $2,761 million (excluding costs prior to a construction decision);
- Average annual production (rounded) of approximately 125,000 tonnes of copper, 230,000 ounces of gold, and 790,000 ounces of silver per year at a C1 cost of $1.26/lb CuEq;
- First 3 full years of annual production average 170,000 tonnes of copper, 350,000 ounces of gold, and 1,000,000 ounces of silver;
- 20 year mine life producing over 5.4 billion lbs of copper and 4.6 million ounces of gold;
- Low strip ratio of 0.71:1 (waste:ore);
- Excellent metallurgy producing a clean, marketable, precious metals rich copper concentrate;
- Design incorporates planning for a fully autonomous haul truck fleet along with high pressure grinding rolls;
- All major mining and infrastructure located in San Juan Province, Argentina – facilitating permitting in one jurisdiction;
- Potential opportunities to further improve the project include:
    - Recovery of additional gold from the oxide cap at Josemaría;

- o Increasing metallurgical recoveries and concentrate grades with additional test work and optimization; and
- o Delineating more or higher-grade material through continued exploration on the Company's extensive land package.

For complete details of the PFS, please refer to the Technical Report titled "NI 43-101 Technical Report, Pre-feasibility Study for the Josemaría Copper-Gold Project, San Juan Province, Argentina" dated December 19, 2018, with an effective date of November 20, 2018 (the "Josemaría PFS"). The Josemaría PFS was prepared by SRK Consulting (Canada) Inc. ("SRK") and is available for review under the Company's profile on SEDAR (www.sedar.com) and on the Company's website (www.ngexresources.com).

THE LOS HELADOS PROJECT

Los Helados is a large copper-gold porphyry deposit located approximately 125 kilometres southeast of the city of Copiapo in Region III of Chile.

The Los Helados Project is comprised of claims in Chile (the "MFDO" Claims), and claims in Argentina (the "La Rioja Properties" and the "Pampa Claims"). NGEx holds an indirect approximately 63% interest in the MFDO Claims, a 60% interest in the La Rioja Properties and a 100% interest in the Pampa Claims. The MFDO Claims and the La Rioja Properties are subject to a joint exploration agreement with Pan Pacific Copper Co., Ltd. ("PPC") which holds the remaining approximately 37% and 40% respective interests. The Los Helados deposit is located entirely within Chile on claims held by MFDO.

NGEx acts as the operator of the project and both parties are required to contribute their pro-rata share of expenditures or dilute their interest in the Project. However, as PPC has not been contributing to project expenditures in Chile since 2015, PPC's interest in the MFDO claims is being diluted.

<u>Mineral Resource Estimate</u>

Los Helados has a current Mineral Resource at a base case 0.33% copper equivalent ("CuEq") cutoff, as follows:

- o 2,099 million tonnes at a grade of 0.38% copper, 0.15 g/t gold, and 1.37 g/t silver for a copper equivalent grade of 0.48% (17.6 billion pounds of copper, 10.1 million ounces of gold, and 92.5 million ounces of silver) in the Indicated Resource category; and
- o 827 million tonnes at a grade of 0.32% copper, 0.10 g/t gold, and 1.32 g/t silver for a copper equivalent grade of 0.39% (5.8 billion pounds of copper, 2.7 million ounces of gold, and 35.1 million ounces of silver) in the Inferred Resource category.

*Copper Equivalent (CuEq) 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 which vary with depth. The formulas used are: CuEq% = Cu% + 0.6264*Au (g/t) + 0.0047*Ag (g/t) for the Upper Zone (surface to ~ 250m); Cu% + 0.6366*Au (g/t) + 0.0077*Ag (g/t) for the Intermediate Zone (~250m to ~600m); Cu% + 0.6337*Au (g/t) + 0.0096*Ag (g/t) for the Deep Zone (> ~600m).*

Mineral Resources are reported within a block cave underground mining shape based on US$13.07/tonne operating costs and including 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 NPV.

The Mineral Resource estimate for the Los Helados Project has an effective date of September 19, 2014 and was prepared by Gino Zandonai, B.Sc., M.Sc. Registered Member of the Comision Calificadora de Competencias en Recursos y Reservas Mineras (Chilean Mining Commission) in accordance with NI 43-101. Mr. Zandonai is the Qualified Person for the estimate and is independent of the Company.

It should be noted that the Mineral Resource estimate presented here is not a Mineral Reserve, and does not have demonstrated economic viability. While the Company strongly believes that the Mineral Resource warrants additional study to determine the development potential, there can be no guarantee that any or all of the Mineral Resource will ultimately be determined to be economically viable.

For complete details of the Los Helados project including the current resource estimate, please refer to the Technical Report titled "Technical Report on the Los Helados Porphyry Copper-Gold Deposit, Chile" dated April 26, 2019, with an effective date of May 27, 2017 (the "Los Helados Report"). The Los Helados Report was prepared by Fionnuala Devine, P. Geo., Giovanni Di Prisco, Ph.D., P.Geo and Gino Zandonai, MSc. (CSM), CP, and is available for review under the Company's profile on SEDAR (www.sedar.com) and on the Company's website (www.ngexresources.com).

NACIMIENTOS

The Nacimientos property is located in San Juan Province, Argentina and covers several porphyry copper-gold and high-sulphidation epithermal gold targets. The property covers 14,415 hectares. In accordance with an option agreement dated as of May 3, 2017, the Company can acquire a 100% interest in the property through cash payments totalling US$1.65 million and completing an aggregate of US$2.5 million in expenditures over a five-year period.

OUTLOOK

The Company plans to complete the spin out of the Los Helados and its other exploration properties through the Arrangement by July 2019. After completion of the Arrangement all work on Los Helados and the exploration properities will be done by Spinco. The Company will focus on its Josemaria Project and plans to complete an FS by the second quarter of 2020, with the objective of advancing the project towards permitting and eventual development.

In addition, the Company continues to optimize and de-risk its current projects by exploring options and alternatives to advance each towards eventual development. Management is pursuing the following opportunities to add value to its projects:

- Continuing environmental baseline studies that will provide information required to prepare an environmental impact assessment report in support of project permitting;
- Reviewing development options for the Los Helados project, including exploring opportunities for potential development partnerships as well as synergies and cooperative development plans with other regional operators to use spare capacity of processing plants and infrastructure, including port facilities. Innovative development concepts, such as those used at Teck & Newmont's Nueva Unión Project and Barrick & Newmont's Norte Abierto Project, demonstrate an opportunity to share infrastructure on a regional scale by connecting multiple deposits; and
- Advancing its early-stage exploration projects through systematic fieldwork. In particular, the Company will use the information gathered from the initial scout drilling campaign at Nacimientos

to plan a more extensive drill program. The Company will also continue to explore and evaluate other exploration projects for potential acquisitions and to lay the groundwork for its next generation of projects.

SUMMARY OF QUARTERLY RESULTS

Financial Data for 8 Quarters								
Three Months Ended	Mar-19 *(1st qtr)*	Dec-18 *(4th qtr)*	Sept-18 *(3rd qtr)*	Jun-18 *(2nd qtr)*	Mar-18 *(1st qtr)*	Dec-17 *(4th qtr)*	Sept-17 *(3rd qtr)*	Jun-17 *(2nd qtr)*
(In thousands $ except for per share amounts)								
Exploration and project investigation expenses	14,070	5,350	1,433	2,140	2,674	1,384	868	864
Net loss	15,302	6,328	1,823	2,971	3,997	1,729	1,446	1,487(ii)
Total basic and diluted loss per share(i)	0.06	0.03	0.01	0.01	0.02	0.01	0.01	0.01

(i) As a result of rounding the sum of the quarterly amounts may differ from the year to date.

(ii) Revised from the amount reported at June 2017

Changes in net losses and cash flow used in operating activities for the quarter are primarily affected by the level of exploration activity during that period. As camp activities, including drilling, are generally not carried out during the winter season in South America, exploration expenditures and cash flow used in operations are typically lower during the second and third quarter of each year compared to other quarters. The amount of cash resources available and timing of financing also affect the extent of exploration programs and the costs incurred in a given period.

QUARTERLY RESULTS

The Company's net loss for the three months ended March 31, 2019 was $15.3 million compared to $4.0 million for the same period in 2018. The increase in the net loss reflects the Company's key focus on the Josemaría project, which resulted in an increase of $11.4 million in overall exploration and project investigation expenditures during the first quarter of 2019. In particular, the Company completed a comprehensive field program which included reserve definition drilling and advanced ongoing environmental studies in support of the feasibility study for the Josemaría project. Total expenditures incurred on the Josemaría project totaled $12.4 million for the first three months of 2019, compared to $0.5 million in exploration expenditures for the Josemaría project for the same period in 2018.

Overall general and administrative ("G&A") costs for the first three months of 2019 totaled $1.8 million compared to $1.3 million over the same period in 2018. An increase in the management incentive bonuses paid in 2019 was offset by a lower share-based compensation, which is a non-cash charge reflecting the expense associated with the vesting of outstanding options during the period. The Company incurred approximately $63,000 in additional professional fees during the quarter in connection with the initial planning and execution of the Arrangement.

During the three months ended March 31, 2019, the Company recognized a monetary gain of $0.4 million (2018: $nil) in relation to the application of hyper-inflationary accounting for the Company's Argentine subsidiary which began July 1, 2018. In other comprehensive loss, the Company recognized a $0.9 million loss resulting from the impact of hyper-inflation which consists of adjustments recognized on the continuing inflation of opening non-monetary balances during the three months ended March 31, 2019, and the ongoing translation of the Company's Argentine subsidiary into the Canadian dollar presentation currency following July 1, 2018, as mentioned above. A detailed discussion regarding the application of hyper-inflationary accounting has been provided in the notes to the condensed interim consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

(In thousands $)	March 31, 2019	December 31, 2018
Cash	$ 9,427	$ 5,029
Working capital	953	(3,740)

Financing:

The Company completed a $20 million non-brokered, private placement on February 1, 2019 (the "2019 Financing"), raising a total of $19.7 million in net proceeds for use towards ongoing exploration activities and corporate working capital expenditures. The $3.7 million working capital deficiency as at December 31, 2018 was remediated upon completion of the 2019 Financing. In addition to the funds raised from the private placement, the Company received $0.9 million in cash from share option exercises during the first quarter of 2019.

The cash received from the 2019 Financing and the option exercises during the quarter was primarily used towards the advancement of the Josemaría project and general corporate purposes including the repayment of the balance previously drawn on the credit facility. All amounts previously drawn under the credit facility were repaid in full by February 5, 2019. As the Company does not have any sources of revenue, it relies on funding from equity financing, disposition of mineral properties and investments, or short-term credit facilities to meet its existing obligations, commitments, and to fund ongoing exploration.

Short-term credit facility

The Company has an US$5 million unsecured credit facility (the "Facility") from Zebra Holdings and Investments S.à.r.l. ("Zebra"), an Insider of the Company, to provide additional financial flexibility to fund general corporate purposes. There is nil balance drawn on the Facility as of the date of this MD&A. The Facility remains available until October 5, 2019. Zebra reports its security holdings in the Company as a joint actor with Lorito Holdings S.à.r.l. and collectively they held more than 20% of the Company's issued and outstanding common shares as at March 31, 2019. All securities issued in conjunction with the 2018 Facility are subject to a four-month hold period under applicable securities law.

RELATED PARTY TRANSACTIONS

a) Related party services and balances

The Company has a cost sharing arrangement with Filo Mining, a related party by way of providing key management personnel services to the Company. Under the terms of this arrangement, Filo Mining provides management, corporate secretarial, business and corporate development services to

NGEx, while NGEx provides accounting and technical advisory services to Filo Mining. These transactions were in the normal course of operations.

	Three months ended March 31, 2019	2018
Income from administrative services provided to Filo Mining	$ 101,007	$ 181,747
Costs of executive management and personnel services received from Filo Mining	(295,019)	(172,518)

The amounts due to/from Filo Mining and the components of the consolidated statements of financial position in which they are included, are as follows:

	March 31, 2019	December 31, 2018
Receivables and other assets	$ 137,787	$ 77,492
Trade payables and accrued liabilities	(1,032,019)	(523,244)

On February 21, 2018, the Company completed the acquisition of a 100% interest in certain mining concessions (the "Primary Properties") with an option to acquire a 100% interest in additional mining concessions (the "Additional Properties") located in San Juan Province, Argentina from Filo Mining, a related party, to expand its Josemaría and the Naciemientos projects in exchange for the following consideration:

- Providing Filo Mining with the right to use its Batidero Camp facility in Argentina for a minimum period of two years, which right is automatically renewed unless terminated upon one year's prior notice;
- Granting a 3% net smelter return ("NSR") royalty on a portion of the mining concessions, 2% of which can be re-purchased by the Company at any time for $2,000,000; and
- Cash consideration of $64,000 which was paid during the fiscal 2018 year.

b) Key management compensation

Key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and include the Board of Directors and members of the executive management team. Total compensation expense for key management personnel inclusive of costs of key management personnel services received from Filo Mining as previously described, and the composition thereof, is as follows:

	Three months ended March 31, 2019	2018
Salaries and other payments	$ 790,500	$ 463,500
Employee benefits	14,074	13,836
Director fees	47,750	40,250
Share-based compensation	344,917	398,708
	$ 1,197,241	$ 916,294

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenditures on the financial statements. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual results could differ from those estimates and such differences could be material. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. Please refer to the Critical Accounting Estimates section in Note 5 of the 2018 Financial Statements or the 2018 MD&A for a detailed description of the Company's critical accounting estimates.

ADOPTION OF NEW ACCOUNTING STANDARDS

On January 1, 2019, the Company adopted IFRS 16 Leases, which replaces the existing lease accounting guidance and requires all leases to be reported on the balance sheet. At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The application of this new accounting standard did not result in a material impact on the 2019 Financial Statements as the Company has recognized and recorded one right-of-use asset as at March 31, 2019. Please refer to the Company's 2019 Financial Statements for further details of this new accounting policy and the impact of the policy on the Company's financial position as at March 31, 2019.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 249,559,357 common shares outstanding and 6,610,000 share options outstanding under its stock-based incentive plans.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments at amortized costs or fair value through profit and loss ("FVTPL") as disclosed on the 2018 Financial Statements. The Company's financial instruments consist of cash and cash equivalents, receivables and other assets, investments, share consideration receivables, trades payable and accrued liabilities, due to its joint exploration partner, and other liabilities. The carrying value of these financial investments approximates their fair value due to the short-term nature of these instruments. The fair value of investments is determined directly by reference to quoted market prices in active markets.

The Company's financial instruments are exposed to certain financial risks, including credit, liquidity and currency risks.

<u>Credit risk</u>
Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Credit risks associated with cash and cash equivalents is minimal as the Company deposits the majority of its cash with a large Canadian financial institution that has been accorded a strong investment grade rating by a primary rating agency.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities and is minimized through the management of its capital structure. The Company closely monitors and reviews its costs to date and actual cash flows against the approved budget on a monthly basis to ensure funds are adequate to support the Company's operations on an ongoing basis. The maturities of the Company's financial liabilities as at March 31, 2019 are as follows:

	Total	Less than 1 year	1 to 5 years	More than 5 years
Trade payables and accrued liabilities	$ 9,361,418	$ 9,361,418	-	-
Total	$ 9,361,418	$ 9,361,418	-	-

Foreign exchange risk

Foreign exchange risk is the risk that the value of financial assets and liabilities may change due to changes in the value of two different currencies. The Company is exposed to foreign currency risks as its parent is headquartered in Canada and its capital is raised in Canadian dollars, while its foreign operations are conducted in Argentina and Chile. While the Company has not used any hedging strategies to manage its exposure to currency fluctuations, management strives to minimize foreign currency risks by sending its cash to its foreign operation as required and maintaining most of its excess cash in Canadian dollars. Based on the Company's net exposures at March 31, 2019, a 10% depreciation or appreciation in the Argentina and Chilean pesos relative to the Canadian dollar would have resulted in an approximate $0.7 million increase or decrease in the Company's net loss/comprehensive loss, respectively.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. They include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure.

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. The Company's internal controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS; that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and that provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of assets that could have a material effect on the financial statements.

Any system, no matter how well conceived or operated, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation and will not prevent all, or detect all, misstatements and frauds. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Management has used the Internal Control – Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations for the Treadway Commission (COSO) in order to assess the effectiveness of the Company's internal control over financial reporting.

There has not been any material changes in the Company's disclosure controls and procedures and the internal control over financial reporting that occurred during the three months ended March 31, 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS AND UNCERTAINTIES

The Company and its business are subject to a number of risks and other uncertainties, which should be taken into account in assessing the Company's activities, and include, but are not necessarily limited to, those discussed in the "Risk Factors" section of the 2018 AIF and the 2019 Information Circular. There have been no material changes in the risks and uncertainties affecting the Company since the filing of the Company's most recent 2019 Information Circular.

QUALIFIED PERSON

The technical information in this MD&A has been reviewed and approved by Mr. Bob Carmichael, P. Eng. (BC). Mr. Carmichael is NGEx's Vice President of Exploration and a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Technical disclosure related to the engineering studies has been reviewed and approved by Mr. Jamie Beck, P. Eng. (ON). Mr. Beck is the Company's Vice President of Corporate Development and Projects and a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101).

FINANCIAL INFORMATION

The report for the six months ended June 30, 2019 is expected to be published on or about August 6, 2019.

OFF BALANCE SHEET AGREEMENTS

During the first three months of 2019 and the fiscal 2018 year, there were no material off-balance sheet transactions which have not been recorded in the Company's financial statements. The Company has not entered into any specialized financial arrangements to minimize its currency risk.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION AND STATEMENTS

Certain statements made and information contained herein in the MD&A constitutes "forward-looking information" and forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information"). The forward-looking statements and information contained in this MD&A are based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, this forward-looking information can frequently, but not always, be identified by use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotations thereof. All such forward-looking information is based on the opinions and estimates of the relevant management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond the Company's ability to control or predict.

All statements other than statements of historical fact may be forward-looking information. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the risk of the Company not obtaining court, NGEx Securityholder or stock exchange approvals to proceed with the Arrangement; the risk of unexpected tax consequences to the Arrangement, the risk of unanticipated material expenditures required by the Company prior to completion of the Arrangement; risks of the market valuing NGEx and Spinco in a manner not anticipated by the Company; risks relating to the benefits of the Arrangement not being realized or as anticipated, Spinco being unable to add additional properties to its portfolio, the inherent uncertainties regarding mineral resource and reserve estimates and cost estimates, changes in commodity and metal prices, currency fluctuation, financing, unanticipated resource and reserve grades and recoveries, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, anticipated synergies not being realized, political risk and related economic risk and unanticipated environmental impact on operations as well as other risks and uncertainties and other factors, including, without limitation, those more fully described under "Risks Factors", and elsewhere, in the Company's most recent Annual Information Form and in the "Risks and Uncertainties" section of the 2019 Information Circular, which are available under the Company's profile at www.sedar.com. These risks and uncertainties, as well as other factors, may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

The Company believes that the expectations reflected in the forward-looking information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. This statement and information speaks as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information with respect completion of the Arrangement; the availability of working capital for both NGEx and Spinco; tax consequences of the Arrangement; benefits of the Arrangement; obtaining NGEx Securityholder, court and TSX approvals of the Arrangement; the listing of Spinco common shares on the TSX-V; the change of name of NGEx and Spinco, completing the Arrangement; the effective date of the Arrangement; the potential development of the Josemaría and Los Helados Projects; acquisition of exploration properties for the Spinco exploration portfolio; the results of the Josemaría PFS and after-tax net present value, expected timing for, and completion of a feasibility study on the Josemaría Project and advancement of the Josemaría Project, work programs and studies, terms and conditions of a credit Facility; engagement with potential development partners or acquirers; the Company's expectations and estimates with respect to mineral reserves, resources and cost estimates and other assumptions used in the Josemaría PFS; the assumptions used in the updated mineral resources estimates for the Los Helados and Josemaría deposits; exploration and development expenditures; the timing and nature of any potential development scenarios; opportunities to improve project economics; potential regional synergies and cooperative development plans with other regional operators, exploration targets, estimations for copper and other commodity prices, mineral resources, costs, success of exploration activities; expectations with regard to the timing of the PFS on the Josemaría deposit, adding to mineral resources through exploration; permitting time lines; ability to obtain surface and water rights and property interests; currency exchange rate fluctuations; operations in a hyperinflationary economy; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

The forward-looking information contained in this MD&A are made as at the date of this MD&A and NGEx does not undertake any obligations to publicly update and/or revise any of the included forward-looking information, whether as a result of additional information, future events and/or otherwise, except as may be required by applicable securities laws. Forward-looking information is provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this MD&A is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

Statements relating to "mineral resources" are deemed to be forward looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described can be profitably produced in the future.

NGEx Resources Inc.
Condensed Interim Consolidated Statements of Financial Position
(All amounts expressed in Canadian Dollars, unless otherwise indicated)

	Note		March 31, 2019		December 31, 2018
ASSETS					
Current assets:					
Cash and cash equivalents		$	9,426,672	$	5,029,451
Investments			377,318		281,037
Prepaid and other receivable assets			660,109		467,595
			10,464,099		5,778,083
Share consideration receivable			555,658		532,367
Equipment and other assets	*3,5*		2,249,282		1,767,404
Mineral properties	*3,6*		15,721,858		16,012,560
TOTAL ASSETS		$	28,990,897	$	24,090,414
LIABILITIES					
Current liabilities:					
Trade payables and accrued liabilities	*12*	$	9,361,418	$	4,047,825
Debenture	*11*		-		5,317,474
Other liabilities	*7*		149,952		152,867
			9,511,370		9,518,166
Due to joint exploration partner			325,670		330,696
Other liabilities	*7*		-		38,217
TOTAL LIABILITIES			9,837,040		9,887,079
EQUITY					
Share capital	*8*		267,178,564		246,137,481
Contributed surplus	*9*		11,070,075		10,894,615
Deficit			(254,921,975)		(239,619,811)
Accumulated other comprehensive loss			(4,172,807)		(3,208,950)
TOTAL EQUITY			19,153,857		14,203,335
TOTAL LIABILITIES AND EQUITY		$	28,990,897	$	24,090,414

Subsequent Event (Note 14)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

ON BEHALF OF THE BOARD:

/s/William A. Rand
Director

/s/Wojtek A. Wodzicki
Director

NGEx Resources Inc.
Condensed Interim Consolidated Statements of Comprehensive Loss
(All amounts expressed in Canadian Dollars, unless otherwise indicated)

	Note	2019	Three months ended March 30, 2018
Expenses			
Exploration and project investigation	*10*	14,069,605	2,673,979
General and Administration:			
Salaries and benefits	*12*	975,616	521,876
Share-based compensation	*9*	393,804	466,333
Management fees		62,100	47,700
Professional fees		152,087	83,559
Travel		25,944	17,331
Promotion and public relations		63,121	81,257
Office and general		106,441	106,182
Operating loss		15,848,718	3,998,217
Other items			
Net interest income		11,394	(25,478)
Other income	*7*	(19,841)	-
Foreign exchange gain		(47,290)	(2,318)
Fair value (gain)/loss on equity investments		(96,281)	46,489
Accretion of share consideration receivable		(23,291)	(19,822)
Gain on net monetary position	*4*	(371,245)	-
Net Loss		15,302,164	3,997,088
Other Comprehensive (Income)/Loss			
Items that may be reclassified subsequently to net loss:			
Foreign currency translation		17,986	147,849
Impact of hyperinflation	*4*	945,871	-
Comprehensive (Income)/Loss		16,266,021	$ 4,144,937
Basic and diluted loss per common share		$ 0.06	$ 0.02
Weighted average common shares outstanding		241,740,603	225,877,699

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

NGEx Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
(All amounts expressed in Canadian Dollars, unless otherwise indicated)

	Note	For the Three Months Ended March 31, 2019	2018
Cash flows used in operating activities			
Net loss for the period		$ (15,302,164)	$ (3,997,088)
Items not involving cash and cash equivalents:			
Gain on net monetary position	*4*	(371,245)	-
Depreciation		32,658	6,301
Share-based compensation		525,442	628,393
Fair value (gain)/loss on equity investments		(96,281)	46,489
Debenture financing consideration		84,853	6,576
Other items		(21,546)	-
Unrealized foreign exchange gain		(47,233)	(3,485)
Accretion of share consideration receivable		(23,291)	(19,822)
Net changes in working capital items:			
Receivables and other		(272,031)	(105,363)
Trade payables and other current and non-current liabilities		6,205,830	640,898
		(9,285,008)	(2,797,101)
Cash flows from financing activities			
Repayment of debenture	*11*	(5,829,720)	(503,520)
Funds received from debenture		720,792	-
Proceeds from exercise of share options		957,450	65,654
Repayment of lease liabilities		(6,846)	-
Lease interest expense		1,704	-
Issuance of shares for cash in private placement	*8*	19,655,380	5,584,724
		15,498,760	5,146,858
Cash flows used in investing activities			
Mineral properties and related expenditures		(328,774)	(404,301)
Purchase of equipment and other assets		(611,038)	-
		(939,812)	(404,301)
Effect of exchange rate change on cash and cash equivalents		(876,719)	33,934
Increase in cash and cash equivalents during the period		4,397,221	1,979,390
Cash and cash equivalents, beginning of period		5,029,451	6,788,712
Cash and cash equivalents, end of period		$ 9,426,672	$ 8,768,102

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

NGEx Resources Inc.
Condensed Interim Consolidated Statements of Changes in Equity
(All amounts expressed in Canadian Dollars, unless otherwise indicated)

	Number of shares issued and outstanding	Share capital	Contributed surplus	Accumulated other comprehensive loss	Accumulated Deficit	Total
Balance, January 1, 2018	213,774,830	$ 232,188,933	$ 10,211,218	$ (8,937,048)	$ (224,437,823)	$ 9,025,280
Impact of adopting IFRS 9	-	-	-	62,762	(62,762)	-
Balance, January 1, 2018 (restated)	213,774,830	$ 232,188,933	$ 10,211,218	$ (8,874,286)	$ (224,500,585)	$ 9,025,280
Private placement, net	12,500,000	12,084,724	-	-	-	12,084,724
Debenture financing consideration	6,323	6,576	-	-	-	6,576
Exercise of options	89,500	88,226	(22,572)	-	-	65,654
Share-based compensation	-	-	628,393	-	-	628,393
Foreign currency translation adjustment	-	-	-	(147,848)	-	(147,848)
Net loss for the period	-	-	-	-	(3,997,088)	(3,997,088)
Balance, March 31, 2018	226,370,653	$ 244,368,459	$ 10,817,039	$ (9,022,134)	$ (228,497,673)	$ 17,665,691
Balance, January 1, 2019	227,916,086	$ 246,137,481	$ 10,894,615	$ (3,208,950)	$ (239,619,811)	$ 14,203,335
Private placement, net (Note 8)	20,000,000	19,655,380	-	-	-	19,655,380
Exercise of options	1,565,000	1,307,432	(349,982)	-	-	957,450
Debenture financing consideration (Note 11)	78,271	78,271	-	-	-	78,271
Share-based compensation	-	-	525,442	-	-	525,442
Foreign currency translation adjustment	-	-	-	(17,986)	-	(17,986)
Impact of hyperinflation (Note 4)	-	-	-	(945,871)	-	(945,871)
Net loss for the period	-	-	-	-	(15,302,164)	(15,302,164)
Balance, March 31, 2019	249,559,357	$ 267,178,564	$ 11,070,075	$ (4,172,807)	$ (254,921,975)	$ 19,153,857

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS

NGEx Resources Inc. and its subsidiaries (collectively referred to as the "Company") are principally engaged in the acquisition, exploration and development of mineral properties located in South America.

The Company is governed by the Canada Business Corporations Act ("CBCA") and its registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. The Company's common shares are listed on the Toronto Stock Exchange and the NASDAQ OMX Stockholm Stock Exchange (Stock symbol "NGQ").

While the consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that it will be able to meet its existing obligations and commitments and fund ongoing operations in the normal course of business for at least twelve months from March 31, 2019, the Company anticipates the need for further funding to support a planned field program at its South American operations and general corporate purposes. The Company is currently evaluating potential additional sources of financing for its exploration program and operations. Historically, capital requirements have been primarily funded through equity financing, joint ventures, disposition of mineral properties and investments, and the use of short-term credit facilities. While management is confident that additional sources of funding will be secured to fund planned expenditures for at least twelve months from March 31, 2019, factors that could affect the availability of financing include the progress and results of ongoing exploration at the Company's mineral properties, the state of international debt and equity markets, and investor perceptions and expectations of the global copper, gold, and/or silver markets. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. Based on the amount of funding raised, the Company's planned exploration or other work programs may be postponed, or otherwise revised, as necessary.

2. BASIS OF PRESENTATION

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting.

The condensed interim financial statements should be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 31, 2018. The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2018 except as disclosed in Note 3 which describes the adoption of IFRS 16 effective January 1, 2019.

The condensed interim consolidated financial statements were approved by the Board of Directors of the Company on May 15, 2019.

3. NEW ACCOUNTING POLICY – ACCOUNTING FOR LEASES

On January 1, 2019, the Company adopted IFRS 16 *Leases* which eliminates the classification of leases as either operating or finance leases for a lessee, and requires all leases to be recognized on the balance sheet for the lessee.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset, which is included in fixed assets and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any commissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimated or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

As the new lease standard was applied using a cumulative catch-up approach where the Company recorded leases prospectively effective January 1, 2019 without restating the comparative figures, the Company recorded a right-of-use asset of approximately $37,274 which is presented within fixed assets, measured at an amount equal to the lease liability, discounted at the weighted average incremental borrowing rate of 19.5% on January 1, 2019.

4. NEW ACCOUNTING POLICY – ACCOUNTING FOR HYPERINFLATION

Due to various qualitative factors and developments with respect to the economic environment in Argentina during fiscal 2018, including, but not limited to, the acceleration of multiple local inflation indices, the three-year cumulative inflation rate of the local Argentine wholesale price index exceeding

100% in May 2018 and the significant devaluation of the Argentine Peso, Argentina has been designated a hyper-inflationary economy as of July 1, 2018 for accounting purposes.

Accordingly, IAS 29, Financial Reporting in Hyper-Inflationary Economies, has been applied to these condensed interim consolidated financial statements as the Company's Argentine operating subsidiaries (the "Argentine Subsidiaries") use the Argentine Peso as its functional currency. The financial statements are based on the historical cost approach in IAS 29.

The application of hyperinflation accounting requires restatement of the Argentine subsidiaries' non-monetary assets and liabilities, shareholders' equity and comprehensive loss items from the transaction date when they were first recognized into the current purchasing power which reflects a price index current at the end of the reporting period before being included in the consolidated financial statements. To measure the impact of inflation on its financial position and results, the Company has elected to use the Wholesale Price Index (Indice de Precios Mayoristas or "IPIM") for periods up to December 31, 2016, and the Retail Price Index (Indice de Precios al Consumidor or "IPC") thereafter. These price indices have been recommended by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE").

As the consolidated financial statements of the Company have been previously presented in Canadian dollars, a stable currency, the comparative period amounts have not been restated. Opening equity reported in Canadian dollars is affected by the cumulative effect of restating non-monetary items from the date they were first recognized and the effect of translating those balances at the closing exchange rate (the "Opening Translation Adjustment"). On initial application of IAS 29, there is an accounting policy choice to recognize this amount directly to opening equity or to other comprehensive income as a translation adjustment. The Company elected to recognize the Opening Translation Adjustment of $4.6 million to other comprehensive income as a translation adjustment when adopted in the third quarter of 2018.

As a result of the change in the IPC from January 1, 2019 to March 31, 2019, the Company recognized a net monetary gain within the Argentine Subsidiaries of $371,245 for the three months ended March 31, 2019, to adjust transactions for the period into a measuring unit current as of March 31, 2019.

The level of the IPC at March 31, 2019 was 206, which represents an increase of 12% over the IPC at December 31, 2018, and an approximate 4.3% increase over the average level of the IPC during the three months ended March 31, 2019.

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

5. EQUIPMENT AND OTHER ASSETS

	Equipment	Leasehold improvement	Leased Assets (Note 3)	Other assets	Total
January 1, 2018	$ 7,186	$ 67,100	$ -	$ 8,000	$ 82,286
Additions	1,522,112	-	-	-	1,522,112
Hyperinflation adjustment (Note 4)	186,737	-	-	-	186,737
Depreciation	(3,076)	(18,300)	-	-	(21,376)
Currency translation effect	(2,355)	-	-	-	(2,355)
December 31, 2018	$ 1,710,604	$ 48,800	$ -	$ 8,000	$ 1,767,404
Additions	611,038	-	37,274	-	648,312
Hyperinflation adjustment (Note 4)	(133,775)	-	-	-	(133,775)
Depreciation	(21,091)	(4,575)	(6,993)	-	(32,659)
March 31, 2019	$ 2,166,776	$ 44,225	30,281	$ 8,000	$ 2,249,282

6. MINERAL PROPERTIES

	Joint Exploration Agreement (Chile)	Wholly owned projects (Argentina)			Total
	Los Helados	Josemaria (Note a)	Nacimientos (Note a)	Acay	
January 1, 2018	$ 3,909,134	$ 5,835,307	$ 217,374	$ 94,331	$ 10,056,146
Additions	312,382	370,802	357,696	-	1,040,880
Hyperinflation adjustment (Note 4)	-	7,289,677	62,201	-	7,351,878
Write off of mineral property	-	-	-	(54,861)	(54,861)
Currency translation effect	(181,352)	(2,018,216)	(142,445)	(39,470)	(2,381,483)
December 31, 2018	$ 4,040,164	$ 11,477,570	$ 494,826	$ -	$ 16,012,560
Additions	328,774	-	-	-	328,774
Hyperinflation adjustment (Note 4)	-	(597,755)	(25,771)	-	(623,526)
Currency translation effect	4,050	-	-	-	4,050
March 31, 2019	$ 4,372,988	$ 10,879,815	$ 469,055	$ -	$ 15,721,858

a) Acquisition of mining concessions from Filo Mining Corp. ("Filo Mining")

On February 21, 2018, the Company completed the acquisition of a 100% interest in certain mining concessions (the "Primary Properties") with an option to acquire a 100% interest in additional mining concessions (the "Additional Properties") located in San Juan Province, Argentina from Filo Mining, a related party, to expand its Josemaria and the Naciemientos projects in exchange for the following consideration:

- Providing Filo Mining with the right to use its Batidero Camp facility in Argentina for a minimum period of two years, which right is automatically renewed unless terminated upon one year's prior notice;

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

- a 3% net smelter return ("NSR") royalty on a portion of the mining concessions, 2% of which can be re-purchased by the Company at any time for $2,000,000; and
- Cash consideration of $64,000.

The mining concessions acquired from Filo Mining, including all transaction costs, have been capitalized as mineral properties. The costs of the mineral properties acquired were measured based on the fair value of the consideration given up, which includes cash and the use of the Batidero camp. Using an expected time frame of two years, management has estimated the fair value of the camp use provision at inception of the agreement with Filo Mining to be approximately $354,000. This amount has been deferred on the Statement of Financial Position and recognized as income over the expected period of camp use. As of March 31, 2018, the value of camp use provision is $117,802, as disclosed in Note 7.

7. OTHER LIABILITIES

	Camp use provision (Note 6)	Lease liability (Note 3)	Other liabilities
Balance, December 31, 2018	$ 191,084	$ -	$ 191,084
Lease liability		37,292	37,292
Lease payment	-	(6,846)	(6,846)
Hyperinflation adjustment (Note 4)	(35,120)	-	(35,120)
Recognition to income, net of accretion	(38,162)	1,704	(36,458)
Balance, March 31, 2019	$ 117,802	$ 32,150	$ 149,952

	March 31, 2019	December 31, 2018
Current	$ 149,952	$ 152,867
Long-term	-	38,217
Total other liabilities	$ 149,952	$ 191,084

8. SHARE CAPITAL

The Company has authorized an unlimited number of voting common shares without par value. All issued shares are fully paid.

On February 1, 2019, the Company completed private placements totaling 20,000,000 common shares of the Company for gross proceeds of $20.0 million. Share issuance costs totaling $0.3 million were paid in relation to the private placements. The net proceeds received by the Company on the private placements totaled $19.7 million.

9. SHARE OPTIONS

a) Share Option Plan

The Company has a rolling share option plan which reserves an aggregate of 10% of the issued and outstanding shares of the Company for issuance upon the exercise of options granted.

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

During the three months ended March 31, 2019, the Company granted a total of 2,480,000 (2018 – 2,120,000) share options to officers, employees, directors and other eligible participants at exercise price of $1.00 per share. Share options have an expiry date of five years and vest over a period of 24 months from date of grant.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model. The weighted average assumptions and resulting fair values for grants are as follows:

	March 31, 2019	December 31, 2018
Assumptions:		
Risk-free interest rate *(%)*	1.82	1.79
Expected life *(years)*	4.91	2.50
Expected volatility *(%)*	49.90	57.35
Expected dividend	Nil	Nil
Results:		
Weighted average fair value of options granted *(per option)*	$ 0.41	$ 0.49

The total share-based compensation expenses for the three months ended March 31, 2019 totaling 525,442 (2018 - $628,393) were presented in the statement of comprehensive loss as follows:

	Three months ended March 31, 2019	2018
General and administration	$ 393,804	$ 466,333
Exploration and project investigation	131,638	162,060
	$ 525,442	$ 628,393

b) Share Options Outstanding

The following is a summary of the movements in the number of share options outstanding and their related weighted average exercise prices:

	March 31, 2019		March 31, 2018	
	Number of share issuable pursuant to share options	Weighted average exercise price per share	Number of share issuable pursuant to share options	Weighted average exercise price per share
Balance at beginning of period	5,695,000	$ 1.11	5,970,000	$ 0.97
Granted	2,480,000	1.00	2,120,000	1.24
Exercised	(1,565,000)	0.61	(89,500)	0.73
Expired	-	-	-	-
Balance at end of period	6,610,000	$ 1.19	8,000,500	$ 1.04

* The weighted average share price on the exercise date for the stock options exercised during the three months ended March 31, 2019 was $1.01.

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

The following table summarizes information about the outstanding and exercisable share options at March 31, 2019:

	Outstanding Options				Exercisable Options			
Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life (years)		Weighted average exercise price	Number of options exercisable	Weighted average remaining contractual life (years)		Weighted average exercise price
$1.00	2,480,000	4.91	$	1.00	826,674	4.91	$	1.00
$1.24	2,120,000	1.91	$	1.24	1,413,341	1.91	$	1.24
$1.37	2,010,000	0.90	$	1.37	2,010,000	0.90	$	1.37
	6,610,000	2.73	$	1.19	4,250,015	2.02	$	1.25

10. EXPLORATION AND PROJECT INVESTIGATION

The Company expensed the following exploration and project investigation costs:

	Three months ended March 31, 2019	Three months ended March 31, 2018
Josemaria	$ 12,361,290	540,629
Los Helados	1,075,203	$ 982,724
Nacimientos	74,722	827,331
Other Projects	418,790	323,295
Expenditures	$ 13,930,005	$ 2,673,979

	Three months ended March 31, 2019	Three months ended March 31, 2018
Land holding costs	$ 819,683	$ 795,231
Drilling, fuel, camp costs and field supplies	4,111,859	384,774
Roadwork, travel and transport	856,349	168,941
Engineering studies, consultants, geochemistry and geophysics	3,203,456	424,583
Environmental and community relations	920,087	220,061
VAT, other taxes and fees	2,484,734	204,524
Office, field and admin salaries, overhead and other costs	907,236	313,805
Share-based compensation	131,638	162,060
Inflation adjustment (Note 4)	494,963	-
Expenditures	$ 13,930,005	$ 2,673,979

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

11. DEBENTURE

On February 5, 2019, the Company repaid in full the amount previously drawn under the unsecured credit facility (the "Facility"). Of the total 78,271 shares issued to Zebra Holdings and Investments S.à.r.l. ("Zebra"), an insider of the Company, as consideration for the amount drawn on the Facility in lieu of fees, 48,497 common shares were issued during the three months ended March 31, 2019. The Facility remains available until October 5, 2019. There are nil balances drawn on the Facility as of the date of these condensed interim consolidated financial statements.

12. RELATED PARTY TRANSACTIONS

a) Related party services and balances

NGEx has a cost sharing arrangement with Filo Mining, a related party by way of providing key management personnel services to the Company. Under the terms of this arrangement, Filo Mining provided executive management and personnel services to NGEx, while NGEx provided financial management and administrative services to Filo Mining. These transactions were in the normal course of operations.

	Three months ended March 31, 2019	Three months ended March 31, 2018
Income from financial management and administrative services provided to Filo Mining	$ 101,007	$ 181,747
Costs of executive management and personnel services received from Filo Mining	(295,019)	(172,518)

The amounts due from/to related parties by the Company, and the components of the consolidated statement of financial position in which they are included, are as follows:

	March 31, 2019	December 31, 2018
Receivables and other assets	$ 137,787	$ 77,492
Trade payables and accrued liabilities	(1,032,019)	(523,244)

On February 21, 2018, the Company completed the acquisition of certain mining concessions from Filo Mining in exchange for cash and non-monetary consideration, which is further described in Note 6a.

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

b) Key management compensation

The key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities and consist of the Board of Directors and members of the executive management team. Total compensation expense for key management personnel inclusive of costs of key management personnel services received from Filo Mining as previously described in Note 12a, and the composition thereof, is as follows:

	Three months ended March 31, 2019	2018
Salaries and other payments	$ 790,500	$ 463,500
Employee benefits	14,074	13,836
Director fees	47,750	40,250
Share-based compensation	344,917	398,708
	$ 1,197,241	$ 916,294

13. SEGMENTED INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in South America. The segments presented in Note 6 and Note 10 reflect the way in which management reviews its business performance. Materially all of the Company's non-current assets and exploration and project investigation costs are located and incurred within South America, whereas materially all of the Company's cash and general and administrative costs are held and incurred by the Canadian parent. Following is a summary of net losses and non-current assets by segment:

As at March 31, 2019:	Los Helados	Josemaria	Other projects	Corporate	Total
Equipment and other assets	$ -	$ 2,197,057	$ -	$ 52,225	$ 2,249,282
Share consideration receivable	-	-	-	555,658	555,658
Mineral properties	4,372,988	10,879,815	469,055	-	15,721,858
Non-current assets	$ 4,372,988	$ 13,076,872	$ 469,055	$ 607,883	$ 18,526,798
For the three months Ended March 31, 2019:					
Exploration Expenses	$ 1,075,203	$ 12,500,890	$ 493,512	$ -	$ 13,930,005
G&A and other items	-	-	-	1,232,559	1,232,559
Net loss for the period	$ 1,075,203	$ 12,500,890	$ 493,512	$ 1,232,559	$ 15,302,164

As at December 31, 2018:	Los Helados	Josemaria	Other projects	Corporate	Total
Equipment and other assets	$ -	$ 1,710,604	$ -	$ 56,800	$ 1,767,404
Share consideration receivable	-	-	-	532,367	532,367
Mineral properties	4,040,164	11,477,570	494,826	-	16,012,560
Non-current assets	$ 4,040,164	$ 13,188,174	$ 494,826	$ 589,167	$ 18,312,331
For the three months Ended March 31, 2018:					
Exploration Expenses	$ 540,629	$ 982,724	$ 1,150,626	$ -	$ 2,673,979
G&A and other items	-		-	1,323,109	1,323,109
Net loss for the period	$ 540,629	$ 982,724	$ 1,150,626	$ 1,323,109	3,997,088

14. SUBSEQUENT EVENT

On April 17, 2019, the Company announced that its Board of Directors unanimously approved a strategic reorganization of its exploration business through a plan of arrangement under the Canada Business Corporation Act (the “Arrangement”). Subject to regulatory, shareholders’ and other approvals, pursuant to the Arrangement, NGEx will transfer to 11264796 Canada Inc., a newly incorporated wholly owned subsidiary (“Spinco”) directly or indirectly through its subsidiaries Suramina Resources Inc., NGEx RioEx Holdings Inc., and NGEx Argentina Holdings Inc., the Los Helados Project located in Chile and other exploration projects located in Argentina (collectively the “Spinout Exploration Business”) and approximately CAD$7.3 million in cash, in exchange for Spinco common shares.

Under the Arrangement, NGEx will distribute all of the shares of Spinco to its shareholders on the basis of one Spinco share for every two NGEx shares held, by way of a reduction and return of share capital. Upon closing of the transaction, Spinco will be owned exclusively by existing NGEx shareholders in identical proportion to their previous shareholdings of NGEx. There will be no change to shareholders’ existing holdings in the Company. The Company will apply for a listing of the Spinco shares on the TSX Venture Exchange. Completion of the NGEx Arrangement is subject to shareholder approval at its June 19, 2019 Annual and Special Meeting of the shareholders, and approvals from regulatory and other parties, with remaining conditions expected to be satisfied by early July 2019.

Corporate Directory

Company Head Office
Suite 2000 - 885 West Georgia Street
Vancouver, British Columbia V6C 3E8
Canada
Phone: (604) 689-7842
Fax: (604) 689-4250

Registered and Records Office
2200-885 West Georgia St.
Vancouver, British Columbia
Canada, V6C 3E8

Auditors - PricewaterhouseCoopers LLP
Vancouver, British Columbia
Canada

Registrar and Transfer Agent
Computershare Trust Company of Canada
Vancouver, British Columbia
Canada
Phone: (604) 661-9400

Officers
Dr. Wojtek Wodzicki, President and CEO
Bob Carmichael, Vice President Exploration
Jamie Beck, Vice President Corporate Development and Projects
Joyce Ngo, Chief Financial Officer
Julie Kemp, Corporate Secretary

Directors
Lukas H. Lundin, Chairman (non-executive)
Jack Lundin
David Mullen
Cheri Pedersen
William Rand, Lead Director
Dr. Wojtek Wodzicki

Solicitors - Cassels Brock
Vancouver, British Columbia
Canada

Share Listing
TSX - (NGQ)
CUSIP number 65339B100
Nasdaq Stockholm - (NGQ)
ISIN number CA65339B1004