



NGEX MINERALS LTD.

2020 THIRD QUARTER REPORT

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

**For the Three Months and Nine Months Ended September 30, 2020
(UNAUDITED)**

NGEX MINERALS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020
(Amounts in Canadian Dollars unless otherwise indicated)

The following management's discussion and analysis ("MD&A") of NGEx Minerals Ltd. ("NGEx Minerals" or the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2020 and related notes therein. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is derived from the Company's condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The effective date of this MD&A is November 25, 2020. Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and the Company's website www.ngexminerals.com.

NGEx Minerals was incorporated on February 21, 2019 under the Canada Business Corporations Act in connection with a plan of arrangement to reorganize the business of Josemaria Resources Inc. ("Josemaria"), which was completed on July 17, 2019 (the "Josemaria Arrangement"). Accordingly, certain comparative information presented in this MD&A has been prepared on a continuity of interest basis of accounting, which requires that prior to July 17, 2019, the assets, liabilities and results of operations and cash flows of NGEx Minerals be on a 'carve-out' basis from the consolidated financial statements and accounting records of Josemaria, in accordance with the financial reporting framework specified in subsection 3.11(6) of National Instruments 52-107, *Acceptable Accounting Principles and Auditing Standards*, for carve-out financial statements. As the carve-out entity did not operate as a separate legal entity prior to July 17, 2019, the financial position, results of operations and cash flows do not necessarily reflect the financial position, results of operations and cash flows had the carve-out entity operated as an independent entity during the comparative periods presented (see Notes 2 and 3 of the Company's audited consolidated financial statements for the year ended December 31, 2019).

Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

CORE BUSINESS

NGEx Minerals is a mineral exploration company with current exploration projects in Argentina and Chile. While the Company's current focus is copper-gold and gold projects in South America, going forward it may also consider other jurisdictions and commodities with an emphasis on the quality and value-creation potential of each opportunity rather than a strict commodity or geographic focus.

The Company's current flagship asset is its large copper-gold deposit, the Los Helados Properties, located in Chile's Region III, which form the Los Helados Project together with the adjacent La Rioja Properties, located in Argentina's San Juan Province. The Company is the majority partner and operator of the Los Helados Project, which is subject to a Joint Exploration Agreement with its partner, Nippon Caserones Resources Co. Ltd. ("NCR"). NCR became the Company's partner on April 1, 2020 when Pan Pacific Copper ("PPC") transferred its interest in Los Helados to NCR. NCR is a subsidiary of JX Nippon Mining and Metals Corporation, a Tokyo-based mining and smelting company that also owns the Caserones Mine, located approximately 12 km from Los Helados.

The Company's strategy is to create value for its shareholders through prudent management and deployment of its capital resources, by expanding and increasing the quality of its mineral 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 mineral exploration-development investment.

The Company has a strong management team and board with extensive experience in the resource sector, particularly in Chile and Argentina, where the Company's current exploration projects are located. The board and management team have an appropriate mix of geological, engineering, financial, and business skills to advance the Company's projects and to generate value for its shareholders.

The Company's most recent Mineral Resource estimate for the Los Helados Project, with an effective date of April 26, 2019, is summarized in the following table:

Los Helados Mineral Resource (0.33% CuEq Cutoff)								
	Tonnage	Resource Grade				Contained Metal		
Class	(million tonnes)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lbs)	Au (million oz)	Ag (million oz)
Indicated	2,099	0.38	0.15	1.37	0.48	17.6	10.1	92.5
Inferred	827	0.32	0.10	1.32	0.39	5.8	2.7	35.1

The key assumptions, parameters, and methods used to estimate the mineral resources are contained in the 43-101 technical report for the project, entitled "*Technical Report on the Los Helados Porphyry Copper-Gold Deposit, Chile*", dated August 6, 2019 and authored by F. Devine, P.Geol., G. Zandonai, RMCMC, and G. Di Prisco, P.Geol. This report is available on the Company's website at www.ngexminerals.com or under the Company's profile at www.sedar.com.

The Company's common shares are listed on the TSX Venture Exchange under the symbol "NGEX".

Q3 2020 OPERATING HIGHLIGHTS

Opportunities Assessed as Business Development Initiatives Continue

Assessing opportunities for potential acquisition continued to be a primary focus of the Company during the three months ended September 30, 2020. Through these project generation activities, the Company seeks to identify prospective targets for acquisition, ultimately strengthening the Company's thesis as a premier exploration-development investment opportunity.

As of the effective date of this MD&A, no discussions with counterparties have progressed to the execution of contractual agreements, and the Company continues to be patient and diligent in its search for its next cornerstone asset, which will complement its current exploration portfolio. While at any given time discussions and activities may be in progress on a number of these potential acquisition targets, there is no assurance that these corporate activities will ever progress to the stage where a potential acquisition might be successfully completed.

Successful Extension of Valle Ancho Option

In August 2020, the Company successfully renegotiated with the Argentina Province of Catamarca, and extended the option period for the Valle Ancho properties from August 2021 to December 2022.

The Valle Ancho Project consists of a significant land package in the Argentine Province of Catamarca, covering approximately 1,000 km² of underexplored and highly prospective ground, located on the Argentine side of Chile's renowned Maricunga Gold Belt. The initial exploration program at Valle Ancho consisted of a review of historical data, mapping and surface sampling, and the undertaking of an airborne geophysical survey over the project area to identify, develop and prioritize targets for further evaluation. This field program was successful in outlining a number of targets for further work including: two large targets with outcropping porphyry copper mineralization, two targets with outcropping epithermal gold mineralization; and a copper skarn target.

OUTLOOK AND CONTINUED RESPONSE TO COVID-19

The successful extension to the Valle Ancho option period from August 2021 to December 2022 resulted in the deferral of the deadline to make the required expenditures to earn 100% ownership of the Valle Ancho properties. The extension gives the Company additional flexibility to deal with the issues and challenges associated with operating in a COVID-19 environment.

Last season's exploration program confirmed the prospectivity of the Valle Ancho Project and successfully identified a number of copper and gold targets that merit future drill testing. The Company has received expressions of interest in Valle Ancho from potential joint venture partners and will consider those options in conjunction with considering self-funding further work.

Going forward, it is anticipated that the Company's primary focus will continue to be its project generation and business development initiatives, which are directed towards identifying new projects for potential acquisition. With the strong ongoing support that it receives from its key shareholders, the Company seeks to capitalize on opportunities to grow its portfolio of exploration and development projects.

The health and safety of the Stakeholders remains NGEx Minerals' top priority. Accordingly, the Company continues to respond to the COVID-19 pandemic within the framework of internal protocols, and local and national health authority requirements and recommendations. The Company's project facilities and offices have implemented travel restrictions, surveillance, monitoring and response plans to reduce the risk of COVID-19 exposure and outbreak, including health screening of personnel when appropriate. All non-critical business travel has also been curtailed. The Company will continue to monitor the situation and is prepared to implement additional changes to minimize any potential impacts of the global outbreak that might emerge at the Company's project site or offices, as necessary.

As of the date of this MD&A, the Company cannot yet determine the impact of the COVID-19 pandemic on its financial position, results of operations and cash flows for the year ending December 31, 2020 and beyond. The foregoing notwithstanding, as the Company's business plan is impacted by its ability to obtain financing through global financial markets, it is anticipated that should the COVID-19 pandemic and/or the general depression or heightened volatility of financial markets persist, the Company's ability to access financing on favourable terms may be negatively impacted.

As part of its response to the COVID-19 crisis and the resulting global economic instability, the Company has implemented certain cost saving measures, including reductions to discretionary expenditures.

RESULTS FROM OPERATIONS

NGEx Minerals is a junior exploration company and, as such, its net losses are largely driven by its exploration and project investigation activities and there is no expectation of generating operating profits until it identifies and develops a commercially viable mineral deposit.

Key financial results for the last eight quarters are provided in the table below.

Three Months Ended	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19 ¹	Jun-19 ¹	Mar-19 ¹	Dec-18 ¹
Exploration costs (\$000's)	390	484	1,867	1,092	604	801	1,353	533
Operating loss (\$000's)	1,684	829	2,272	1,533	1,085	1,027	1,656	856
Net loss (\$000's)	1,678	843	2,070	1,549	1,074	1,034	1,650	960
Net loss per share, basic and diluted (\$)	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.01

¹ Amounts presented in the table relating to periods prior to July 17, 2019, the completion date of the Josemaria Arrangement, have been prepared and presented in accordance with the continuity of interest basis of accounting.

Due to the geographic location of the Company's mineral properties, the Company's business activities fluctuate with the seasons, through increased exploration activities during the summer months in South America. As a result, a general recurring trend is the increase in exploration expenditures, and therefore net losses, for the fourth quarter and first quarter of a fiscal year, relative to the second and third quarters. In addition, other relevant factors, such as the financial position of the Company, other corporate initiatives, as well as the type and scope of planned exploration/project work, could affect the level of exploration activities and net loss in a particular period.

NGEx Minerals incurred net losses of \$1.7 million and \$4.6 million, respectively, for the three and nine months ended September 30, 2020 (2019: \$1.1 million and \$3.8 million), including operating losses of \$1.7 million and \$4.8 million, respectively (2019: \$1.1 million and \$3.8 million). Exploration and project investigation costs are one of the most significant expenditure categories of the Company and for the three and nine months ended September 30, 2020 accounted for approximately 23% and 57% of the respective operating losses (2019: 56% and 73%). This is reflective of the Company's accounting policy to expense its exploration costs through the consolidated statement of comprehensive loss, except for mineral property option payments and mineral property acquisition costs, which are capitalized.

Exploration and project investigation costs for the three months ended September 30, 2020 were \$0.4 million (2019: \$0.6 million). The decrease in exploration and project investigation costs is generally the result of the cessation of field activity in the current period as a result of seasonality of the Company's projects and its COVID-19 response, as mentioned above. By comparison, during the 2019 comparative period, the Company continued environmental baseline studies at the Los Helados Project.

Exploration and project investigation costs for the nine months ended September 30, 2020 were \$2.7 million (2019: \$2.8 million). While environmental costs related to Los Helados were lower in the current period, as mentioned above, this was offset by a generally larger field program undertaken at the Valle Ancho Project, which occurred during the first quarter of 2020. Namely, during the 2019/2020 field season, which ran until March 2020, the Company completed an initial exploration campaign at Valle Ancho, including field examination, surface sampling and mapping of existing prospects, and the undertaking of an airborne geophysical survey. By comparison, the 2018/2019 field program, which continued through March 2019, only focused on continuation of environmental baseline studies at the Los Helados Project, with minimal other field work conducted.

During the three and nine months ended September 30, 2020, the Company wrote off all capitalized costs related to the optioned Nacimientos properties, totaling \$827,343 (2019: \$nil). In August 2020, the Company elected to opt out of the earn-in at the Nacimientos properties, by allowing the extended deadline of August 16, 2020 lapse without making the scheduled US\$400,000 option payment.

Excluding share-based compensation, administration costs for the three and nine months ended September 30, 2020 totaled \$0.4 million and \$1.0 million, respectively (2019: \$0.2 million and \$0.7 million). Share-based compensation, a non-cash cost, reflects the amortization of the estimated fair value of options over their vesting period and is based to a large degree on the Company's share price and its volatility. The actual future value to the option holders may differ materially from these estimates as it depends on the trading price of the Company's shares if and when the options are exercised. In addition, as the granting of options and their vesting is at the discretion of the Board, the related expense is unlikely to be uniform across quarters or financial years. In addition, share-based compensation relating to periods prior to the completion of the Josemaria Arrangement on July 17, 2019, were allocated from amounts previously reported by Josemaria, and such allocations may not necessarily reflect, or be otherwise indicative of, the future financial performance of the Company.

Administration costs, exclusive of share-based compensation costs, for the three and nine months ended September 30, 2020 were higher than the 2019 comparative periods due primarily to higher compensation costs and management fees. The higher administration costs reflect the additional corporate costs associated with operating a stand-alone public entity following the completion of the Josemaria Arrangement on July 17, 2019. In addition, for the three and nine months ended September 30, 2020, the Company had higher professional fees than the comparative 2019 periods, which is reflective of increased professional legal consultation incurred as a result of its aforementioned business development initiatives. These increases were partially offset by lower administration costs incurred from March to September 2020, due to the Company's reduction to discretionary expenditures, primarily business travel as mentioned above, and due to temporary office closures during the period in response to COVID-19.

Also, the Company recognized a net monetary gain of \$5,602 during the three months ended September 30, 2020 (2019: loss of \$24,553), and a net monetary loss of \$11,986 during the nine months ended September 30, 2020 (2019: \$25,518), in relation to the application of hyperinflationary accounting for the Company's Argentine subsidiaries, which began July 1, 2018. The monetary gains and losses recognized are the results of changes in the Argentine price indices and changes to the Company's net monetary position during the respective periods. Further discussion regarding the application of hyperinflationary accounting has been provided in the notes to the condensed interim consolidated financial statements.

In addition, during 2020, the Company began acquiring and transferring marketable securities as a mechanism to facilitate intragroup funding transfers between its Canadian parent and its Argentine operating subsidiaries. Accordingly, for the nine months ended September 30, 2020, the Company recognized a gain of \$246,882 (2019: \$nil) on the use of marketable securities for the purposes of facilitating intragroup funding transfers, which represents the net benefit of having used this funding mechanism over traditional methods.

No tax recovery is recognized as a result of the nature of the Company's activities and the lack of reasonably expected taxable profits in the near term.

In other comprehensive income, the Company reported a foreign currency translation gain of \$94,869 for the three months ended September 30, 2020 (2019: loss of \$255,266), and a foreign currency translation loss of \$133,068 for the nine months ended September 30, 2020 (2019: \$373,246), on translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. For the three and nine months ended September 30, 2020, the respective foreign currency translation gain and loss are primarily the result of fluctuations of the Canadian dollar relative to the Chilean peso over the respective periods. In addition, for the three and nine months ended September 30, 2020, the impact of hyperinflation were losses of \$69,646 and \$142,531, respectively (2019: \$174,895 and \$131,038), and consist of adjustments recognized on the continuing inflation of opening non-monetary balances during the respective periods and the ongoing translation of the Company's Argentine subsidiaries into the Canadian dollar presentation currency.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2020, the Company had cash of \$1.8 million and net working capital of \$1.6 million, compared to cash of \$5.6 million and net working capital of \$5.3 million, as at December 31, 2019. The decrease in the Company's cash and net working capital is due primarily to funds used in operations.

The Company plans to use the majority of its cash towards maintenance of its key exploration projects in South America, progressing its business development efforts, and general corporate activities.

As an exploration company with no sources of revenue, the economic viability of the Company's long-term business plan is impacted by its ability to obtain financing, and global economic conditions impact the general availability of financing through public and private debt and equity markets, as well as through other avenues. Accordingly, the Company is cognisant of the current deterioration and heightened volatility of global financial markets coinciding with the COVID-19 pandemic and will continue reducing discretionary expenditures and exercising additional caution and prudence in the management and deployment of its current working capital.

Based on NGEx Minerals' financial position at September 30, 2020, the Company anticipates the need for further funding to support ongoing operations and advancement of its South American projects, as appropriate. The Company is currently evaluating potential additional sources of financing. Historically, including the period prior to the completion of the Josemaria Arrangement, 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 extended by its major shareholders, such as Zebra Holdings and Investments S.à.r.l. ("Zebra") and Lorito Holdings S.à.r.l. ("Lorito"). Zebra and Lorito are companies controlled by a trust settled by the late Adolf H. Lundin. Zebra and Lorito report their respective security holdings in the Company as joint actors, as the term is defined by Canadian securities regulations, and are related parties by virtue of their combined shareholding in the Company in excess of 20%.

While management is confident that additional sources of funding will be secured to fund both required and planned discretionary expenditures for at least twelve months from September 30, 2020, 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. If necessary, the Company may explore opportunities to revise the due dates of its liabilities, negotiate deferrals on upcoming lump sum payments with respect to the Company's mineral properties, and/or settle its liabilities through the issuance of the common shares and other equity instruments. Based on the actual deployment of the Company's current working capital and the amount of funding raised, if any, the Company's planned initiatives and other work programs may be postponed, or otherwise revised, as necessary.

RELATED PARTY TRANSACTIONS

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. Namely, the Company engages with Josemaria and Filo Mining Corp. ("Filo Mining"), related parties by way of directors, officers and shareholders in common, and MOAR Consulting Inc. ("MOAR"), an exploration consulting firm, of which a director of the Company is the president and proprietor.

Related party services

The Company has a cost sharing arrangement with Josemaria and Filo Mining. Under the terms of this arrangement, the Company provides management, technical, administrative and/or financial services (collectively, "Management Services") to Josemaria and Filo Mining, and vice versa. In addition, the Company engages MOAR, to provide exploration consultation. These transactions were incurred in the normal course of operations, and are summarized as follows:

	Three months ended September 30, 2020		Nine months ended September 30, 2019	
Management Services to Josemaria	35,688	49,866	123,975	154,274
Management Services to Filo Mining	72,599	202,697	329,941	347,442
Management Services from Josemaria	(29,837)	(80,506)	(123,434)	(80,506)
Management Services from Filo Mining	(94,582)	(102,163)	(339,951)	(282,670)
Exploration Consultation from MOAR	(10,000)	-	(88,750)	-

Related party balances

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

	Related Party	September 30, 2020	December 31, 2019
Receivables and other assets	Josemaria	9,348	16,848
Receivables and other assets	Filo Mining	20,307	57,490
Accounts payable and accrued liabilities	Josemaria	(8,833)	(102,675)
Accounts payable and accrued liabilities	Filo Mining	(77,641)	(64,222)
Accounts payable and accrued liabilities	MOAR	(11,300)	(17,656)

Key management compensation

The Company's key management personnel have the authority and responsibility for overseeing, planning, directing and controlling its activities and consist of the Board of Directors and members of the executive management team. Total compensation expense for key management personnel, and the composition thereof, is as follows:

	Three months ended September 30, 2020		Nine months ended September 30, 2019	
Salaries and other payments	108,833	29,172	316,833	186,324
Short-term employee benefits	3,645	1,382	11,894	5,051
Directors fees	20,500	24,106	61,500	40,038
Stock-based compensation	63,887	246,423	228,169	322,710
	196,865	301,083	618,396	554,123

SIGNIFICANT ACCOUNTING POLICIES

The Company continues to follow the accounting policies described in Note 4 to the consolidated financial statements for the year ended December 31, 2019, as on SEDAR at www.sedar.com.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS, such as the underlying condensed interim consolidated financial statements, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenditures. 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. There have been no material changes to the critical accounting estimates discussed in the annual 2019 MD&A filed on SEDAR at www.sedar.com on April 16, 2020.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables and other assets, trade payables and accrued liabilities, and the amounts due to its exploration partner. Other than for the amounts due to its exploration partner, the carrying values of the Company's financial instruments are considered to be reasonable approximations of fair value due to their short term nature. For amounts due to its exploration partner, the Company revalues the liability from time to time based on revisions to the timing and amounts of expected future settlement, which the Company believes is a reasonable approximation of fair value. Between revaluations, the liability is accreted.

As at September 30, 2020, the Company's financial instruments are exposed to the following financial risks, including credit, liquidity and currency risks:

- (i) Credit risks associated with cash is mitigated by the Company's practice of holding 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.
- (ii) Liquidity risks associated with the inability to meet obligations as they become due, as further discussed under the "Liquidity and Capital Resources" section above, is minimized through the management of its capital structure and by maintaining good relationships with significant shareholders and creditors. The Company also closely monitors and reviews its costs to date and actual cash flows on a monthly basis.

Based on the Company's financial position at September 30, 2020, the Company anticipates the need for further funding to support ongoing operations and advancement of its South American exploration projects, as appropriate. Please refer to the discussion provided in the Liquidity and Capital Resources section above for further details.

The maturities of the Company's financial liabilities as at September 30, 2020 are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	636,990	636,990	-	-
Due to exploration partner	4,548,918	-	-	4,548,918
Total	5,185,908	636,990	-	4,548,918

Pursuant to the Josemaria Arrangement, the Company assumed from Josemaria an obligation to fund a partner's share of exploration expenditures related to the La Rioja properties (the "Obligation"). In accordance with the terms of a Joint Exploration Agreement between the Company and the partner, NCR, the Company has elected to settle the Obligation through funding NCR's share of exploration expenditures, which remained US\$3.4 million as at September 30, 2020, and has no defined timeline for settlement. The Obligation has been discounted and recorded at its present value at an annual effective rate of 8%.

- (iii) Foreign currency risk can arise when the Company or its subsidiaries transact or have net financial assets or liabilities which are denominated in currencies other than their respective functional currencies.

At September 30, 2020, the Company's largest foreign currency risk exposure existed at the level of its Canadian headquarters, where the Company held a net financial liability position denominated in US dollars having a Canadian dollar equivalent of approximately \$331,000. A 10% change in the foreign exchange rate between the US dollar, and the Canadian dollar, NGEx Minerals' functional currency, would give rise to increases/decreases of approximately \$33,000 in financial position/comprehensive loss.

OUTSTANDING SHARE DATA

As at November 25, 2020, the Company had 124,793,652 common shares outstanding and 5,475,000 share options outstanding under its share-based incentive plan.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which includes the acquisition, financing, exploration, development and operation of mineral and mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, and these risk factors could materially affect the Company's future operations and financial position and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's annual 2019 MD&A, as filed on SEDAR at www.sedar.com on April 16, 2020.

QUALIFIED PERSON AND TECHNICAL INFORMATION

The scientific and technical disclosure included in this MD&A have been reviewed and approved by Bob Carmichael, P. Eng. (BC). Mr. Carmichael is the Company's Vice-President of Exploration and a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects. ("NI 43-101").

Mineral Resource estimates for the Los Helados Project have an effective date of April 26, 2019. The key assumptions, parameters, and methods used to estimate the mineral resources are contained in the 43-101 technical report for the project, entitled "*Technical Report on the Los Helados Porphyry Copper-Gold Deposit, Chile*", dated August 6, 2019 and authored by F. Devine, P.Geo., G. Zandonai, RMCMC, and G. Di Prisco, P.Geo. This report is available on the Company's website at www.ngexminerals.com or under the Company's profile at www.sedar.com.

Mineral Resources are reported using a CuEq cutoff grade. Copper equivalent is calculated using US\$3.00/lb copper, US\$ 1,300/oz gold and US\$23/oz silver, 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).

The Company's Mineral Resource estimates as reported in this MD&A have been prepared in accordance with the CIM Definition Standards that are incorporated by reference in NI 43-101.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING 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" or "forward-looking statements") concerning the business, operations, financial performance and condition of NEX Minerals. The forward-looking information contained in this MD&A is 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, 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 "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects", "estimates", "budgets", "scheduled", "forecasts", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible", "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", "should", "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

All statements other than statements of historical fact may be forward-looking statements. 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 inherent uncertainties regarding Mineral Resource estimates, cost estimates, changes in commodity prices, currency fluctuation, financings, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, 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 referred to in the "Risks and Uncertainties" section of the MD&A, and elsewhere, which 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 statements and 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 statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information pertaining to: the assumptions used in the Mineral Resources estimates for the Los Helados Project, including, but not limited to, geological interpretation and grades; 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. In addition, this MD&A may contain forward-looking statements or information pertaining to: the Company's ability to respond to or navigate, and/or methods by which it responds to or navigates, the COVID-19 pandemic; the expected timing, nature or results of the Company's recent business development initiatives; the expected nature or usefulness of results related to the Company's recently completed field season; potential of identifying prospective

targets at the Valle Ancho Project that warrant further evaluation and potential drill testing; the results and impact of future exploration at the Valle Ancho Project; assumptions and interpretations around historical exploration results obtained in regards to the Valle Ancho Project; the exploration potential of the Valle Ancho Property; assumptions and interpretations around the Valle Ancho Project's location relative to the Maricunga Gold Belt and the potential correlation with respect to prospectivity; the timing, amount and duration of reductions to discretionary expenditures and salaries; the materialization of opportunities for the Company to make acquisition of strategic assets; the ability of the Company to secure additional financing and/or the quantum and terms thereof; exploration and development plans and expenditures; the timing and nature of work undertaken to advance the Los Helados Project; the success of future exploration activities; potential for the discovery of new mineral deposits; ability to build shareholder value; expectations with regard to adding to Mineral Resources through exploration; expectations with respect to the conversion of inferred resources to an indicated resources classification; ability to execute the planned work programs; estimation of commodity prices, Mineral Resources, estimations of costs, and permitting time lines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; 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.

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 the Company's actual results and future events could differ materially from those anticipated in such statements, as a result of the factors discussed in the "Risk and Uncertainties" section of this MD&A, and elsewhere. All of the forward-looking information contained in this document 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 Minerals Ltd.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	<i>Note</i>	September 30, 2020	December 31, 2019
ASSETS			
Current assets:			
Cash		\$ 1,813,575	\$ 5,559,454
Receivables and other assets		437,815	479,886
		2,251,390	6,039,340
Non-current assets:			
Equipment		29,173	35,106
Mineral properties	<i>5</i>	3,910,696	4,765,205
		3,939,869	4,800,311
TOTAL ASSETS		6,191,259	10,839,651
LIABILITIES			
Current liabilities:			
Trade payables and accrued liabilities		636,990	718,065
Non-current liabilities:			
Due to exploration partner	<i>6</i>	317,163	309,481
TOTAL LIABILITIES		954,153	1,027,546
SHAREHOLDERS' EQUITY			
Share capital	<i>7</i>	43,053,810	43,053,810
Contributed surplus		710,355	419,228
Deficit		(36,484,064)	(31,893,537)
Accumulated other comprehensive loss		(2,042,995)	(1,767,396)
TOTAL SHAREHOLDERS' EQUITY		5,237,106	9,812,105
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 6,191,259	\$ 10,839,651

Nature of Operations and Liquidity Risk (Note 1)
Commitments (Note 13)
COVID-19 Impact and Response (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 Minerals Ltd.
Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	<i>Note</i>	Three months ended September 30,		Nine months ended September 30,	
		2020	2019	2020	2019
Expenses					
Exploration and project investigation	<i>9</i>	\$ 390,357	\$ 603,928	\$ 2,740,928	\$ 2,758,510
Write down of mineral property interest	<i>5</i>	827,343	-	827,343	-
General and administration:					
Salaries and benefits		184,105	117,361	526,099	344,472
Share-based compensation	<i>8c</i>	66,845	257,832	238,733	344,895
Management fees		32,625	3,453	97,875	24,173
Professional fees		142,259	40,549	221,655	166,282
Travel		-	1,672	6,912	14,705
Promotion and public relations		4,857	6,315	34,297	28,856
Office and general		35,397	53,542	91,407	85,792
Operating loss		1,683,788	1,084,652	4,785,249	3,767,685
Other expenses (income)					
Financing costs		6,479	6,649	19,834	6,649
Foreign exchange gain		(6,921)	(41,700)	(4,316)	(41,756)
Net monetary loss (gain)	<i>4</i>	(5,602)	24,553	11,986	25,518
Other expenses		-	-	24,656	-
Gain on use of marketable securities, net	<i>12</i>	-	-	(246,882)	-
Net loss		1,677,744	1,074,154	4,590,527	3,758,096
Other comprehensive loss					
Items that may be reclassified subsequently to net loss:					
Foreign currency translation adjustment		(94,869)	255,266	133,068	373,246
Impact of hyperinflation	<i>4</i>	69,646	174,895	142,531	131,038
Comprehensive loss		\$ 1,652,521	\$ 1,504,315	\$ 4,866,126	\$ 4,262,380
Basic and diluted loss per common share					
		\$ 0.01	\$ 0.01	\$ 0.04	\$ 0.03
Weighted average common shares outstanding					
		124,793,652	124,793,652	124,793,652	124,793,652

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

NGEx Minerals Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	<i>Note</i>	2020	Nine months ended September 30, 2019
Cash flows used in operating activities			
Net loss for the period		\$ (4,590,527)	\$ (3,758,096)
Items not involving cash:			
Depreciation		5,583	1,781
Write down of mineral property interest	<i>5</i>	827,343	-
Share-based compensation	<i>8c</i>	291,127	430,656
Finance costs		19,834	6,649
Foreign exchange loss		7,682	3,623
Net monetary loss		44,790	68,392
Net changes in working capital items:			
Receivables and other		14,075	(134,295)
Trade payables and accrued liabilities		(10,455)	116,295
		<u>(3,390,548)</u>	<u>(3,264,995)</u>
Cash flows from (for) financing activities			
Cash received pursuant to the Josemaria Arrangement			7,300,000
Funding received from Josemaria for operations		-	3,547,819
Payments made on behalf of exploration partner		(19,834)	(6,649)
		<u>(19,834)</u>	<u>10,841,170</u>
Cash flows used in investing activities			
Mineral properties and related expenditures	<i>5</i>	(133,558)	(735,664)
		<u>(133,558)</u>	<u>(735,664)</u>
Effect of exchange rate change on cash		(201,939)	(166,095)
Increase (decrease) in cash during the period		(3,745,879)	6,674,416
Cash, beginning of period		\$ 5,559,454	\$ 255,759
Cash, end of period		\$ 1,813,575	\$ 6,930,175

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

NGEx Minerals Ltd.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	<i>Note</i>	Number of Shares	Share Capital	Contributed Surplus	Other Capital Reserves	Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance, January 1, 2019		-	\$ -	\$ -	\$ 114,010,097	\$ (108,186,386)	\$ (1,209,849)	\$ 4,613,862
Funding and expenses paid by Josemaria		-	-	-	3,549,600	-	-	3,549,600
Share-based compensation		-	-	314,420	116,236	-	-	430,656
Net cash received and liabilities assumed pursuant to the Josemaria Arrangement		-	-	-	6,977,645	-	-	6,977,645
Shares issued pursuant to the Josemaria Arrangement		124,793,652	43,053,810	-	(43,053,810)	-	-	-
Adjustment for shares issued pursuant to with the Josemaria Arrangement		-	-	-	(81,599,768)	81,599,768	-	-
Net loss and other comprehensive loss		-	-	-	-	(3,758,096)	(504,284)	(4,262,380)
Balance, September 30, 2019		124,793,652	\$ 43,053,810	\$ 314,420	\$ -	\$ (30,344,714)	\$ (1,714,133)	\$ 11,309,383
Balance, January 1, 2020		124,793,652	\$ 43,053,810	\$ 419,228	\$ -	\$ (31,893,537)	\$ (1,767,396)	\$ 9,812,105
Share-based compensation	<i>8c</i>	-	-	291,127	-	-	-	291,127
Net loss and other comprehensive loss		-	-	-	-	(4,590,527)	(275,599)	(4,866,126)
Balance, September 30, 2020		124,793,652	\$ 43,053,810	\$ 710,355	\$ -	\$ (36,484,064)	\$ (2,042,995)	\$ 5,237,106

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

NGEx Minerals Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2020 and 2019
(Expressed in Canadian Dollars, unless otherwise stated)
(Unaudited)

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

NGEx Minerals Ltd. (the "Company" or "NGEx Minerals") was incorporated on February 21, 2019 under the laws of the Canada Business Corporations Act in connection with a plan of arrangement to reorganize Josemaria Resources Inc. ("Josemaria"), which was completed on July 17, 2019 (the "Josemaria Arrangement"). Detailed disclosure pertaining to the Josemaria Arrangement is available in the Company's audited consolidated financial statements for the year ended December 31, 2019.

The Company's principal business activities are the acquisition, exploration and development of mineral properties located in South America. The Company's registered office is located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. The Company's common shares trade on the TSX Venture Exchange (the "TSXV") under the symbol "NGEX".

While these condensed interim 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 September 30, 2020, the Company anticipates the need for further funding to support ongoing operations and advancement of its South American exploration projects, as appropriate. The Company is currently evaluating potential additional sources of financing. Historically, including the period prior to the completion of the Josemaria Arrangement, 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 extended by its major shareholders, such as Zebra Holdings and Investments S.à.r.l. ("Zebra") and Lorito Holdings S.à.r.l. ("Lorito"). Zebra and Lorito are companies controlled by a trust settled by the late Adolf H. Lundin. Zebra and Lorito report their respective security holdings in the Company as joint actors, as the term is defined by Canadian securities regulations, and are related parties by virtue of their combined shareholding in the Company in excess of 20%.

While management is confident that additional sources of funding will be secured to fund both required and planned discretionary expenditures for at least twelve months from September 30, 2020, 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 (see Note 14), 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. If necessary, the Company may explore opportunities to revise the due dates of its liabilities, negotiate deferrals on upcoming lump sum payments with respect to the Company's mineral properties, and/or settle its liabilities through the issuance of the common shares and other equity instruments. Based on the actual deployment of the Company's current working capital and the amount of funding raised, if any, the Company's planned initiatives and other work programs may be postponed, or otherwise revised, as necessary.

NGEx Minerals Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited)

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including IAS 34, Interim Financing Reporting. Accordingly, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted, and these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2019. In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies as disclosed in Note 3 to the audited consolidated financial statements for the year ended December 31, 2019.

In addition, certain comparative information as presented in these condensed interim consolidated financial statements have been prepared on a continuity of interest basis of accounting, which requires that prior to the July 17, 2019, the assets, liabilities, results of operations and cash flows of NGEx Minerals be on a 'carve-out' basis from the consolidated financial statements and accounting records of Josemaria, in accordance with the financial reporting framework specified in subsection 3.11(6) of National Instrument 52-107, *Acceptable Accounting Principles and Auditing Standards*, for carve-out financial statements. As the carve-out entity did not operate as a separate legal entity, the financial position, results of operations and cash flows do not necessarily reflect the financial position, results of operations and cash flows had the carve-out entity operated as an independent entity during the comparative period presented.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 25, 2020.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies as disclosed in Note 3 to the audited consolidated financial statements for the year ended December 31, 2019. In addition thereto, the Company has identified the following, which became a significant accounting policy during the nine months ended September 30, 2020:

Financial instruments

(i) Recognition

The Company measures and classifies its financial assets based on its business model for managing its financial assets and the contractual cash flow characteristics of those financial assets. Financial assets are classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income ("OCI") and those measured at amortized cost.

Financial assets and liabilities at amortized costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

NGEx Minerals Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
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Investments in equity instruments and marketable securities, which are acquired with the intention of a near term sale, are considered financial instruments that are held for trading in accordance with IFRS 9, *Financial Instruments*. Accordingly, all changes in the fair value of the instruments, between acquisition and disposition, are recognized through profit or loss.

(ii) De-recognition

The Company derecognizes financial assets when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risk and rewards of ownership to another entity. A financial liability is derecognized when the obligation under the liability is discharged, canceled or expired. Gains and losses on de-recognition of financial assets and liabilities are generally recognized in the consolidated statements of net losses.

4. HYPERINFLATION

Argentina was designated a hyper-inflationary economy as of July 1, 2018 for accounting purposes.

Accordingly, the application of hyperinflation accounting has been applied to the Company's 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.

As the consolidated financial statements of the Company have been previously presented in Canadian dollars, a stable currency, the comparative period amounts do not require restatement.

The Company recognized losses of \$69,646 and \$142,531, respectively, for the three and nine months ended September 30, 2020 (2019: \$174,895 and \$131,038, respectively) in relation to the impact of hyperinflation within other comprehensive income, which is primarily the result of devaluation of the Argentine Peso relative to the Canadian dollar during the respective periods.

As a result of changes in the IPC and changes to the Company's net monetary position, the Company recognized a net monetary gain of \$5,602 for the three months ended September 30, 2020 (2019: loss of \$24,553), and a net monetary loss of \$11,986 for the nine months ended September 30, 2020 (2019: \$25,518), to adjust transactions recorded during the period into a measuring unit current as of September 30, 2020.

The level of the IPC at September 30, 2020 was 346.6 (December 31, 2019: 283.4), which represents an increase of approximately 22% over the IPC at December 31, 2019, and an approximate 9% increase over the average level of the IPC during the nine months ended September 30, 2020.

NGEx Minerals Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
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5. MINERAL PROPERTIES

	Los Helados Project	Nacimientos Properties	Total
January 1, 2019	\$ 4,040,164	\$ 494,826	\$ 4,534,990
Additions	328,774	406,890	735,664
Effect of foreign currency translation	(444,564)	-	(444,564)
Adjustments for impacts of hyperinflation	-	(60,885)	(60,885)
December 31, 2019	\$ 3,924,374	\$ 840,831	\$ 4,765,205
Additions	133,558	-	133,558
Write down	-	(827,343)	(827,343)
Effect of foreign currency translation	(147,236)	-	(147,236)
Adjustments for impacts of hyperinflation	-	(13,488)	(13,488)
September 30, 2020	\$ 3,910,696	\$ -	\$ 3,910,696

Los Helados Project

The Company's primary mineral property assets are the Los Helados Properties and the La Rioja Properties (together, the "Los Helados Project"), which are comprised of adjacent mineral titles in Region III, Chile, and the San Juan Province in Argentina.

The Company is the majority partner and operator of the Los Helados Project, which is subject to a Joint Exploration Agreement ("JEA") with its exploration partner, Nippon Caserones Resources Co. Ltd. ("NCR"). NCR became the Company's partner on April 1, 2020 when Pan Pacific Copper Co. Ltd. transferred its interest in the Los Helados Project to NCR, a subsidiary of JX Nippon Mining and Metals Corporation, a Tokyo-based mining and smelting company that also owns the Caserones Mine, located approximately 12 km from the Los Helados Properties.

The Company holds an approximate 64% interest in the underlying Los Helados Properties, which are located in Region III, Chile, and a 60% interest in the La Rioja Properties, located in the adjacent San Juan Province in Argentina.

The Company has been funding and accounting for 100% of the expenditures related to the Los Helados Project following the election by NCR pursuant to the JEA not to fund its share of expenditures since September 1, 2015. The sole funding of expenditures at the Los Helados Project has resulted in dilution of NCR's interest, and corresponding increases to the Company's interest, resulting in the amounts noted in the preceding paragraph.

NGEx Minerals Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
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Nacimientos Properties

On May 3, 2017, the Company signed an option agreement whereby it could acquire a 100% interest in the Nacimientos Properties located in the San Juan Province, Argentina by making option payments totaling US\$1.65 million in cash over a four-year period ending May 15, 2021 (the "Earn-in Date"). In order to acquire a 100% interest, the Company was also required to fund at least US\$2.5 million in expenditures on the Nacimientos Properties on or before the Earn-in Date.

In August 2020, the Company elected to opt out of the earn-in at the Nacimientos properties, by allowing an August 16, 2020 deadline lapse without making the scheduled US\$400,000 option payment. Accordingly, the Company has written off all capitalized costs related to Nacimientos on August 16, 2020.

Valle Ancho Properties

On August 29, 2019, the Company entered into an option agreement with the Province of Catamarca, Argentina to earn a 100% interest in the Valle Ancho, Interceptor, Filo del las Vicunas properties (collectively, the "Valle Ancho Properties"), located in Catamarca, Argentina, by making US\$8.2 million in expenditures on the Valle Ancho Properties over a two-year period. In August 2020, the option period for Valle Ancho was extended from August 2021 to December 2022.

6. DUE TO EXPLORATION PARTNER

Pursuant to the Josemaria Arrangement, the Company assumed from Josemaria an obligation to fund a partner's share of exploration expenditures related to the La Rioja Properties (the "Obligation"). In accordance with the terms of the JEA between the Company and the partner, NCR, the Company has elected to settle the Obligation through funding NCR's share of exploration expenditures, which remained US\$3.4 million as at September 30, 2020, and has no defined timeline for settlement.

The Company considered the estimated timeframe required to expend the remaining US\$3.4 million on behalf of NCR at the La Rioja Properties and has presented the remaining obligation as a non-current liability, discounted to its present value at an annual effective rate of 8%.

7. SHARE CAPITAL

The Company has authorized an unlimited number of voting common shares without par value.

8. SHARE OPTIONS

a) Share option plan

The Company has a share option plan adopted by the Board of Directors on May 7, 2019, which reserves an aggregate of 10% of the issued and outstanding shares of the Company for issuance upon the exercise of options granted. The granting, vesting and terms of the share options are at the discretion of the Board of Directors.

NGEx Minerals Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2020 and 2019
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(Unaudited)

b) Share option outstanding

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Number of shares issuable pursuant to share options	Weighted average exercise price per share
Balance at January 1, 2019	-	\$ -
Options pursuant to Josemaria Arrangement	3,305,000	0.81
Options granted	3,445,000	0.48
Expired	(92,500)	0.86
Balance at December 31, 2019	6,657,500	\$ 0.64
Expired	(1,182,500)	0.89
September 30, 2020	5,475,000	\$ 0.58

The following table details the share options outstanding and exercisable as at September 30, 2020:

Exercise prices	Outstanding options			Exercisable options		
	Options outstanding	Weighted average remaining contractual life (Years)	Weighted average exercise price	Options exercisable	Weighted average remaining contractual life (Years)	Weighted average exercise price
\$0.475	3,445,000	3.91	\$0.475	2,296,668	3.91	\$0.475
\$0.68	1,077,500	3.32	\$0.68	1,077,500	3.32	\$0.68
\$0.85	952,500	0.32	\$0.85	952,500	0.32	\$0.85
	<u>5,475,000</u>	3.17	\$0.58	<u>4,326,668</u>	2.97	\$0.61

c) Share-based compensation

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Exploration and project investigation	14,669	56,588	52,394	85,761
General and administration	66,845	257,832	238,733	344,895
	81,514	314,420	291,127	430,656

NGEx Minerals Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars, unless otherwise stated)
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9. EXPLORATION AND PROJECT INVESTIGATION

Due to the geographic location of the Company's main mineral property interests, the Company's business activities generally fluctuate with the seasons, with increased exploration activities during the summer months in South America. As a result, a general recurring trend is the increase in exploration expenditures, and therefore net losses, for the fourth quarter and first quarter of a fiscal year, relative to the second and third quarters.

The Company expensed the following exploration and project investigation costs for the three and nine months ended September 30, 2020 and 2019:

NGEx Minerals Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2020 and 2019
(Expressed in Canadian Dollars, unless otherwise stated)
(Unaudited)

Three months ended September 30,		Los Helados Project	Nacimientos Properties	Valle Ancho	Other	Total
2020	Land holding and access costs	7,188	2,649	-	8,779	18,616
	Fuel, camp costs and field supplies	14,310	1,907	2,804	-	19,021
	Roadwork, travel and transport	7,134	-	688	-	7,822
	Consultants, geochemistry and geophysics	17,418	-	8,745	31,904	58,067
	Environmental and community relations	35,111	-	3,973	-	39,084
	VAT and other taxes	9,632	1,976	17,162	2,446	31,216
	Office, field and administrative salaries, overhead and other administrative costs	57,145	8,656	131,120	4,941	201,862
	Share-based compensation	5,711	467	7,203	1,288	14,669
	Total	153,649	15,655	171,695	49,358	390,357
2019	Land holding and access costs	-	3,658	6,288	3,297	13,243
	Fuel, camp costs and field supplies	13,362	4,983	17	-	18,362
	Roadwork, travel and transport	8,632	-	6,592	-	15,224
	Consultants, geochemistry and geophysics	-	1,499	-	-	1,499
	Environmental and community relations	158,562	1,601	6,070	-	166,233
	VAT and other taxes	18,779	7,630	15,863	-	42,272
	Office, field and administrative salaries, overhead and other administrative costs	171,060	43,170	76,277	-	290,507
	Share-based compensation	42,536	7,289	6,626	137	56,588
	Total	412,931	69,830	117,733	3,434	603,928

NGEx Minerals Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
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Nine months ended September 30,		Los Helados Project	Nacimiento Properties	Valle Ancho	Other	Total
2020	Land holding and access costs	682,791	5,946	9,481	25,609	723,827
	Fuel, camp costs and field supplies	37,295	12,360	117,229	44	166,928
	Roadwork, travel and transport	25,452	3,023	143,479	34	171,988
	Engineering and conceptual studies	26,517	-	-	-	26,517
	Consultants, geochemistry and geophysics	26,275	-	387,025	115,089	528,389
	Environmental and community relations	54,237	-	31,192	-	85,429
	VAT and other taxes	23,722	10,647	211,096	8,308	253,773
	Office, field and administrative salaries, overhead and other administrative costs	162,028	36,913	523,219	9,523	731,683
	Share-based compensation	20,234	1,343	27,726	3,091	52,394
	Total	1,058,551	70,232	1,450,447	161,698	2,740,928
2019	Land holding and access costs	802,436	10,011	6,288	29,582	848,317
	Fuel, camp costs and field supplies	45,332	40,750	17	248	86,347
	Roadwork, travel and transport	57,115	76,540	6,592	14,030	154,277
	Consultants, geochemistry and geophysics	-	3,893	-	-	3,893
	Environmental and community relations	484,799	1,968	6,070	4,224	497,061
	VAT and other taxes	58,778	51,057	15,863	19,439	145,137
	Office, field and administrative salaries, overhead and other administrative costs	591,239	166,014	76,277	104,187	937,717
	Share-based compensation	65,448	11,238	6,626	2,449	85,761
	Total	2,105,147	361,471	117,733	174,159	2,758,510

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(Unaudited)****10. RELATED PARTY TRANSACTIONS**

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. Namely, the Company engages with Josemaria and Filo Mining Corp. ("Filo Mining"), related parties by way of directors, officers and shareholders in common, and MOAR Consulting Inc. ("MOAR"), an exploration consulting firm, of which a director of the Company is the president and proprietor.

a) Related party services

The Company has a cost sharing arrangement with Josemaria and Filo Mining. Under the terms of this arrangement, the Company provides management, technical, administrative and/or financial services (collectively, "Management Services") to Josemaria and Filo Mining, and vice versa. In addition, the Company engages MOAR, to provide exploration consultation. These transactions were incurred in the normal course of operations, and are summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Management Services to Josemaria	35,688	49,866	123,975	154,274
Management Services to Filo Mining	72,599	202,697	329,941	347,442
Management Services from Josemaria	(29,837)	(80,506)	(123,434)	(80,506)
Management Services from Filo Mining	(94,582)	(102,163)	(339,951)	(282,670)
Exploration Consultation from MOAR	(10,000)	-	(88,750)	-

b) Related party balances

The amounts due from (to) related parties, and the components of the consolidated statements of financial position in which they are included, are as follows:

	Related Party	September 30, 2020	December 31, 2019
Receivables and other assets	Josemaria	9,348	16,848
Receivables and other assets	Filo Mining	20,307	57,490
Accounts payable and accrued liabilities	Josemaria	(8,833)	(102,675)
Accounts payable and accrued liabilities	Filo Mining	(77,641)	(64,222)
Accounts payable and accrued liabilities	MOAR	(11,300)	(17,656)

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(Unaudited)****c) Key management compensation**

The Company's key management personnel have the authority and responsibility for overseeing, planning, directing and controlling its activities and consist of the Board of Directors and members of the executive management team. Total compensation expense for key management personnel, and the composition thereof, is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Salaries and other payments	108,833	29,172	316,833	186,324
Short-term employee benefits	3,645	1,382	11,894	5,051
Directors fees	20,500	24,106	61,500	40,038
Stock-based compensation	63,887	246,423	228,169	322,710
	196,865	301,083	618,396	554,123

11. SEGMENTED INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in South America. The information regarding mineral properties and exploration and project investigation costs presented in Notes 5 and 9, respectively, represent the manner in which management reviews its business performance. Materially all of the Company's mineral properties and exploration and project investigation costs relate to South America, particularly Chile and Argentina. Materially all of the Company's administrative costs are incurred by the Canadian parent, where materially all of the Company's cash is held in the normal course of business until it is required to be deployed to the Company's South American subsidiaries in support of ongoing and planned work programs.

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The following are summaries of the Company's current and non-current assets, current liabilities, and net losses by segment:

As at		Los Helados	Nacimientos & Valle Ancho	Corporate	Total
September 30, 2020	Current assets	261,585	496,139	1,493,666	2,251,390
	Equipment	-	29,173	-	29,173
	Mineral properties	3,910,696	-	-	3,910,696
	Total assets	4,172,281	525,312	1,493,666	6,191,259
	Current liabilities	97,261	251,830	287,899	636,990
	Due to exploration partner	-	-	317,163	317,163
	Total liabilities	97,261	251,830	605,062	954,153
December 31, 2019	Current assets	219,069	663,209	5,157,062	6,039,340
	Equipment	-	35,106	-	35,106
	Mineral properties	3,924,374	840,831	-	4,765,205
	Total assets	4,143,443	1,539,146	5,157,062	10,839,651
	Current liabilities	112,396	359,599	246,070	718,065
	Due to exploration partner	-	-	309,481	309,481
	Total liabilities	112,396	359,599	555,551	1,027,546

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Three months ended September 30,		Los Helados	Nacimientos & Valle Ancho	Corporate	Other	Total
2020	Exploration and project investigation	153,649	187,350	-	49,358	390,357
	Write down of mineral property interest	-	827,343	-	-	827,343
	General and administration and other items	22,627	1,212	436,205	-	460,044
	Net loss	176,276	1,015,905	436,205	49,358	1,677,744
2019	Exploration and project investigation	412,931	187,563	-	3,434	603,928
	General and administration and other items	8,477	34,531	427,218	-	470,226
	Net loss	421,408	222,094	427,218	3,434	1,074,154

NGEx Minerals Ltd.
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Nine months ended September 30,		Los Helados	Nacimientos & Valle Ancho	Corporate	Other	Total
2020	Exploration and project investigation	1,058,551	1,520,679	-	161,698	2,740,928
	Write down of mineral property interest	-	827,343	-	-	827,343
	General and administration and other items	62,703	(197,374)	1,156,927	-	1,022,256
	Net loss	1,121,254	2,150,648	1,156,927	161,698	4,590,527
2019	Exploration and project investigation	2,105,147	479,204	-	174,159	2,758,510
	General and administration and other items	68,100	44,906	886,580	-	999,586
	Net loss	2,173,247	524,110	886,580	174,159	3,758,096

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12. USE OF MARKETABLE SECURITIES

From time to time, the Company may acquire and transfer marketable securities to facilitate intragroup funding transfers between its Canadian parent and its Argentine operating subsidiary.

The Company does not acquire marketable securities or engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large and well established companies, with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over approximately three to five business days, some fluctuations are unavoidable.

The Company did not utilize this mechanism for intragroup funding for the three months ended September 30, 2020 and accordingly, no net gain has been recognized in the period (2019: \$nil). However, as a result of having utilized this mechanism for intragroup funding for the nine months ended September 30, 2020, the Company realized a net gain of \$246,882 (2019: \$nil), which was comprised of a favorable foreign currency impact of \$192,213 (2019: \$nil) and an incidental trading gain of \$54,669 (2019: \$nil).

13. COMMITMENTS

The Company has a contractual agreement with the owners of the surface rights covering the Los Helados Properties, which give the Company access over these surface rights for exploration, development, and mining through to closure of any mining operation, in exchange for certain payments which are linked to project activities and certain development milestones. The agreement provides for minimum annual payments of US\$0.5 million which cover basic access to the property and minimal surface disturbance such as road maintenance. The annual payments would be adjusted up to US\$0.8 million if activities include increased surface disturbance such as construction of new drill pads or new roads. The payments will increase to US\$1.0 million in 2023 and 2024 and to US\$1.5 million from 2025 onwards. The Company may terminate the agreement at any time. If such termination occurs after January 1, 2021, the Company will be obliged to make a one-time termination payment equal to the amount of the most recent annual payment, which is currently US\$0.5 million.

On September 30, 2020, the next payment pursuant to the surface rights agreement is US\$0.5 million, scheduled in January 2021. This payment is at the discretion of the Company, and foregoing this payment, or otherwise terminating the agreement, is not currently subject to any termination penalties.

NGEx Minerals Ltd.

**Notes to the Condensed Interim Consolidated Financial Statements
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14. COVID-19 IMPACT AND RESPONSE

On March 11, 2020, the World Health Organization officially declared the global outbreak of the novel coronavirus, COVID-19, a pandemic. The impacts of COVID-19 on global commerce and financial markets to date have been broad and significant.

The Company continues to respond to the COVID-19 pandemic within the framework of internal protocols, and local and national health authority requirements and recommendations. The health and safety of the Company's employees, contractors, visitors, and stakeholders remain NGEx Minerals' top priority. Since March 2020, the Company has implemented travel restrictions, surveillance, monitoring and response plans to reduce the risk of COVID-19 exposure and outbreak.

Any tightening/retightening of COVID-19-related travel restrictions or new developments in local or national health protocols, particularly in Chile and Argentina, would likely impact the activities of the Company and result in a reduction to cash expenditures and exploration costs in the forthcoming six months. As of the date of these condensed interim consolidated financial statements, the Company cannot be certain of the impact of the COVID-19 pandemic on its financial position, results of operations and cash flows for the year ending December 31, 2020 and beyond.

In addition, the Company's longer term business plans remain dependent on its ability to obtain additional financing through global financial markets. It is anticipated that should the COVID-19 pandemic and/or the general depression of financial markets persist in the longer term, the Company's ability to access financing on favorable terms may be negatively impacted.

NGEX Minerals Corporate Directory

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Jeff Yip, Chief Financial Officer
Bob Carmichael, Vice President Exploration
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Wojtek Wodzicki
Adam I. Lundin
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Share Listing

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