NGEX RESOURCES INC

JUNE 30, 2015

NGEx RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2015

This MD&A focuses on significant factors that have affected NGEx Resources Inc. (the "Company" or "NGEx") and its subsidiaries and such factors that may affect its future performance. The MD&A should be read in conjunction with the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2015 and the December 31, 2014 year end audited consolidated financial statements and the related notes therein. The financial information in this MD&A is derived from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar amounts are expressed in Canadian dollars, unless otherwise indicated.

The effective date of this MD&A is August 7, 2015.

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.

Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and at the Company's website www.ngexresources.com.

CORE BUSINESS AND STRATEGY

The Company is principally engaged in the acquisition, exploration, and development of precious and base metal properties located in Chile, Argentina, and Canada. The Company's common shares are listed on the Toronto Stock Exchange (the "TSX") and NASDAQ OMX Stockholm ("Nasdaq Stockholm") under the symbol "NGQ".

NGEx has built a strong portfolio of exploration stage copper-gold projects in Chile and Argentina. The Company has a strong 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.

The Company's principal projects are the Los Helados and Josemaria Projects which are advanced exploration stage copper-gold projects located in Chile and Argentina respectively as well as Filo del Sol located in Argentina which is in the resource definition stage. The Company's long term view of the copper market is positive with the expectation that over time tightening mine supply and growing demand, especially from developing countries, will contribute to stronger prices and will 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 as well as 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 Company intends to increase shareholder value through successful exploration and to eventually convert its exploration successes into tomorrow's development projects positioning the Company as a top tier copper industry investment.

HIGHLIGHTS AND SIGNIFICANT EVENTS

- The Company's main focus during the second quarter was the ongoing engineering, geotechnical, and baseline environmental studies at Los Helados and Josemaria.
    - At Los Helados the work focused on opportunities to improve project returns through a revised mine plan that brings production of higher grade material forward, potentially reduces ramp up times, and potentially extends the life of mine by using a declining cut-off grade. A second phase of metallurgical test work including 30 variability samples, assessed opportunities to improve recoveries. Samples collected from geotechnical holes completed earlier this year are currently being analyzed and will provide information on fragmentation, refining preconditioning requirements and reducing mining risks.
    - At Josemaria the Company completed a second phase of metallurgical test work which is now being used to update the Mineral Resource block model. The updated block model will be used to develop a mine plan.
    - The updated information from Los Helados and Josemaria is planned to be incorporated into a Preliminary Economic Assessment of a potential integrated Los Helados-Josemaria operation. This study began in April 2015 and is expected to be complete by the first quarter of 2016.
    - Baseline environmental studies continued at both Los Helados and Josemaria.
- On April 10, 2015, the Company completed the sale of its 60% interest in the Assean Lake claims in Manitoba to VMS Ventures Inc. ("VMS") for a cash payment of $15,000 and an initial tranche 600,000 common shares of VMS. An additional 1,200,000 shares are receivable upon achievement of project milestones.
- On April 16, 2015 the Company announced the results from the remaining fourteen holes drilled at the Filo del Sol Project. Highlights included 42 metres of 1.13 g/t gold and 145.6 g/t silver. The drill holes completed this year continue to extend the high-grade silver resource announced on December 2, 2014 and confirm that this resource is part of a much larger mineralized system.

QUALIFIED PERSONS

Technical disclosure for the Company's projects included in this MD&A, with the exception of the technical disclosure related to ongoing engineering studies, has been reviewed and approved by Bob Carmichael P. Eng. (BC). Mr. Carmichael is NGEx's Vice-President of Exploration and a Qualified Person ("QP") under National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). Technical disclosure related to the engineering studies has been reviewed and approved by Anthony George P. Eng. (BC). Mr. George is a consultant to the Company and a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101).

Los Helados Project, Chile

Los Helados is a large copper-gold porphyry deposit located approximately 125 kilometres southeast of the city of Copiapo in Region III of Chile. Los Helados is subject to a Joint Exploration Agreement with Pan Pacific Copper Co., Ltd. (the "PPC JEA") in which the Company holds a 60% interest and Pan Pacific Copper Co., Ltd. ("PPC") holds a 40% interest. Each party funds its pro-rata share of exploration expenditures. PPC is a Japanese mining and smelting company that is owned by JX Nippon Mining and Metals (66%) and Mitsui Mining and Smelting (34%).

On October 20, 2014, the Company announced the results of a Preliminary Economic Assessment (the "PEA") completed on the Los Helados Project, together with an updated Mineral Resource Estimate. The proposed project concept is to develop an underground mine using block cave mining methods, followed by (Semi-Autogenous Grinding) SAG milling and conventional sulphide flotation producing a high grade copper concentrate with low levels of impurities.

For more detailed information on the PEA and the Resource Estimate refer to the National Instrument 43-101 Technical Report titled "*Los Helados Cu-Au Deposit, Atacama Region III, Chile, NI43-101 Technical Report on Preliminary Economic Assessment*" dated October 1, 2014 which can be found on SEDAR (www.sedar.com) and on the Company's website (www.ngexresources.com). The PEA was prepared by AMEC International Ingeniería y Construcción Limitada ("AMEC") of Santiago, Chile, under the direction of Anthony George, Project Manager (NGEx Resources).

Mineral Resource Estimate

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

- 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
- 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.

Subset of Mineral Resources within PEA Mine Plan

The diluted subset of the Mineral Resource estimate that was used as the basis for the mine plan for the PEA is:

- Indicated Mineral Resource subset is 753 Mt at 0.59% CuEq average grade (0.46% Cu, 0.18 ppm Au and 1.56 ppm Ag).
- Inferred Mineral Resource subset is 1.9 Mt at 0.43% CuEq average grade (0.32% Cu, 0.16 ppm Au and 1.31 ppm Ag).

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), Senior Associate of Behre Dolbear International Ltd. in accordance with NI 43-101. Mr. Zandonai is the Qualified Person for the estimate and is independent of the Company. For more information about the current resource estimate refer to the technical report *"Los Helados Cu-Au Deposit Atacama Region III, Chile, NI 43-101 Technical Report on Preliminary Economic Assessment"*, dated November 25, 2014.

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.

Activities in the Current Quarter

Engineering Studies

On October 20, 2014, the Company announced the results of a PEA completed on the Los Helados Project. The study defines a robust resource which forms a strong base for a mining and processing solution, indicating that Los Helados has the potential to become a large, low cost mine producing a quality precious metal-rich concentrate. Further studies are in progress during the next 12 months which will focus on opportunities to improve project returns by seeking ways to reduce initial capital costs through realizing potential synergies with other deposits in the region, as well as opportunities to optimize the grade mined during the early years of production, reduce the time to ramp up to full production, increase the tonnage mined, and potentially to improve metallurgical recoveries. Work is ongoing and a variety of potential development scenarios continue to be considered.

Field work resumed in the first quarter of 2015 with a total of 2,210 metres drilled. Three holes were completed during the quarter. Drilling was focused on converting a portion of the Indicated Resource to Measured as well as geotechnical drilling in the volume of the conceptual block cave. Baseline environmental programs, including a review of areas for potential infrastructure are ongoing. Field and desktop work in support of the environmental studies were carried out during the current quarter. In April the Company began a scoping level study to evaluate the potential for a combined Los Helados-Josemaria operation. The study is expected to be complete in the first quarter of 2016

Josemaria Project, Argentina

Josemaria is a large copper/gold porphyry project located in San Juan Province, Argentina. The Josemaria deposit is located 11 kilometres southeast of Los Helados. The project is being explored under a Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") in which the Company holds a 60% interest and JOGMEC holds a 40% interest. Each party funds its pro-rata share of expenditures.

Mineral Resource Estimate

Josemaria has a current Mineral Resource at a base case 0.30% copper equivalent* ("CuEq") cutoff, as follows:

Sulphide Resource (0.3% CuEq* cutoff):

- 789 million tonnes at a grade of 0.35% copper and 0.24 g/t gold for a copper equivalent grade of 0.53% (6.1 billion pounds of copper and 6.1 million ounces of gold) in the Indicated Resource category; and,

- 315 million tonnes at a grade of 0.28% copper and 0.17 g/t gold for a copper equivalent grade of 0.41% (1.9 billion pounds of copper and 1.7 million ounces of gold) in the Inferred Resource category.

Plus: Oxide Resource (0.2 g/t Au cutoff):

- 45 million tonnes at a grade of 0.14% copper and 0.32 g/t gold (463 thousand ounces of gold) in the Indicated Resource category; and,
- 3 million tonnes at a grade of 0.05% copper and 0.33 g/t gold (30 thousand ounces of gold) in the Inferred Resource category.

*CuEq - Copper Equivalent is calculated using US$3.00/lb copper, US$1,400/oz gold and US$23/oz Ag, with no provision for metallurgical recoveries. The formula used is CuEq% = Cu% + 0.6806*Au (g/t) + 0.011*Ag (g/t).

The Mineral Resource estimate for the Josemaria Project has an effective date of September 27, 2013 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), Senior Associate of Behre Dolbear International Ltd. in accordance with NI 43-101. Mr. Zandonai is the Qualified Person for the estimate and is independent of the Company. To put the Josemaria resource into its full context the reader is encouraged to read the Technical Report dated November 13, 2013 and amended March 24, 2014 and titled "*Second Updated Mineral Resource Estimate for the Josemaria Property San Juan Province Argentina*". This report describing the details of the resource estimate is available under the Company's profile on SEDAR www.sedar.com. 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.

Engineering Studies

Metallurgical test work and baseline environmental programs continued during the second quarter of 2015. Field work in support of the environmental program was carried out during the second quarter. In April the Company began a scoping level study to evaluate the potential for a combined Los Helados-Josemaria operation. The study is expected to be complete in the first quarter of 2016.

Filo del Sol Property, Chile and Argentina

The Filo del Sol Project straddles the international border between San Juan Province, Argentina and Region III, Chile. The Filo del Sol Project is comprised of adjacent mineral titles in Chile and Argentina which are 100% controlled by the Corporation through direct ownership or option agreements.

Filo del Sol is a high sulphidation epithermal copper-gold-silver system associated with a porphyry copper-gold system. Filo del Sol is a very large mineralized system, with dimensions based on wide spaced drill holes, of at least 3.7 kilometres in a north-south direction and 1 kilometre in an east-west direction. Overlapping mineralizing events, combined with weathering effects, have created several different styles of mineralization at Filo del Sol, including copper-gold porphyry, structurally-controlled gold, manto-style high-grade silver (+/- copper) and high-grade supergene copper enrichment.

Mineral Resource Estimate

On December 3, 2014 the Company announced the initial resource estimate for the deposit. The current Mineral Resource for the Filo del Sol deposit, at a 0.30% CuEq** cutoff grade is as follows:

- 280.5 million tonnes at a grade of 0.38% copper, 0.32 g/t gold, 9.7 g/t silver and 54 ppm molybdenum for a copper equivalent grade of 0.66% (2.3 billion pounds of copper, 2.9 million ounces of gold, and 87.8 million ounces of silver) in the Inferred Resource category.

**Copper equivalent (CuEq) assumes metallurgical recoveries of 84% for copper, 70% for gold, 77% for silver and 60% for molybdenum based on similar deposits, as no metallurgical testwork has been done on Filo del Sol mineralization, and metal prices of US$3/lb copper, US$1300/oz gold, US$23/oz silver and US$12/lb molybdenum. The CuEq formula is: CuEq=Cu+Ag*0.0102+Au*0.5266+Mo*0.0003.

This resource remains open to expansion in all directions.

The resource estimate was completed by James N. Gray, P.Geo. of Advantage Geoservices Ltd., an Independent Qualified Person as defined by National Instrument 43-101. Further details of the estimation methods and procedures are described in the Technical Report *"Initial Mineral Resource Estimate for the Filo del Sol Property, Region III of Atacama, Chile and San Juan Province, Argentina"* dated December 14, 2014 which is available under the Company's profile at www.sedar.com or on the Company's website.

Activities in the Current Quarter

All exploration data from the 2014/2015 field program has been received and finalized. The new data will be used to update the Mineral Resource estimate and work towards this was initiated during the second quarter.

Other Chilean and Argentinean Projects

The Company holds a number of early stage exploration projects in Chile and Argentina. Work on these projects is limited while the Company focuses its efforts on Los Helados, Josemaria, and Filo del Sol.

NORTH AMERICAN PROJECTS

GJ Project, British Columbia, Canada

The GJ Project is located in northern British Columbia covers an area of about 150 square kilometres and covers a number of significant mineral showings, including the Donnelly, GJ and North zones. The GJ project is the subject of a NI 43-101 technical report entitled "Technical Report on the GJ Copper-Gold Porphyry Project Laird Mining Division British Columbia, Canada" dated April 30, 2007. The Report is available under the Corporation's profile on SEDAR www.sedar.com.

The project has a Measured and Indicated resource of 153.3 million tonnes grading 0.32% copper and 0.37 g/t gold, at a cutoff grade of 0.20% copper which contains 1.09 billion pounds of copper and 1.82 million ounces of gold. The resource estimate was prepared by Qualified Person Mr. Gary Giroux P.Eng. and is filed on SEDAR under the Company's profile.

The Company has optioned the GJ Project to Teck Resources Limited ("Teck"). Teck completed the initial earn-in requirements by spending $12 million by December 31, 2014 and has exercised its option to acquire a 51% interest in the GJ Project. The Company and Teck are reviewing alternatives including selling or partnering the GJ Project.

Assean Lake, Manitoba, Canada

On April 10, 2015, the Company completed the sale of its 60% interest in the Assean Lake claims in Manitoba to VMS Ventures Inc. ("VMS"). In accordance with the terms of the agreement, the Company received a cash payment of $15,000 and 600,000 common shares of VMS. In addition, the Company will receive:

- Upon the earliest to occur of the completion of a preliminary economic assessment, a prefeasibility study or a feasibility study, a further 600,000 common shares of VMS; and
- Upon the commencement of commercial production from Assean Lake, a further 600,000 common shares of VMS.

The Company's interest in the Assean Lake claims were written off to nil in the financial statements in previous years.

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended	**Jun-15**	**Mar-15**	**Dec-14**	**Sep-14**	**Jun-14**	**Mar-14**	**Dec-13**	**Sep-13**
(In thousands $ except for per share amounts)								
Exploration and project investigation, net of recoveries	2,765	12,367	6,900	1,837	2,300	8,221	2,339	1,505
Net loss from continuing operations	(4,434)	(12,568)	(7,770)	(1,834)	(4,354)	(9,358)	(3,186)	(2,066)
Net income (loss) from discontinued operations	-	-	(18)	(5)	(10)	(3)	96	(106)
Net loss	(4,434)	(12,568)	(7,788)	(1,839)	(4,364)	(9,361)	(3,090)	(2,172)
Basic and diluted loss per share from continuing operations (i)	(0.02)	(0.07)	(0.04)	(0.01)	(0.03)	(0.05)	(0.02)	(0.01)
Basic and diluted loss per share from discontinued operations (i)	-	-	(0.00)	(0.00)	(0.00)	(0.00)	0.00	(0.00)
Total basic and diluted loss per share (i)	(0.02)	(0.07)	(0.04)	(0.01)	(0.03)	(0.05)	(0.02)	(0.01)

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

QUARTERLY ANALYSIS

Net loss, quarter over quarter, is affected by the level of exploration and project investigation expenses incurred and write-off/down of mineral properties interests and will vary accordingly. Net loss is also impacted by the recognition of share-based payments in each quarter which depends on options granted and vested. Exploration and project investigation expenditures are affected to some extent by seasonal factors, exploration results, share-based payments and availability of funds.

Exploration and project investigation expenses during the second quarter ended June 30, 2015 increased by $0.5 million compared to the second quarter ended June 30, 2014. This is due to expenditures at the Filo del Sol Project. Effective September 1, 2014, the Company acquired the 40% interest in the Filo del Sol Project held by PPC. Therefore, during the three months ended June 30, 2015, the Company funded 100% of expenditures at the Filo del Sol Project. This was offset by reduced activity at the Josemaria Project. During the three months ended June 30, 2014, the Company recognized 60% of the expenditures at the Filo del Sol Project since PPC funded 40% of the expenditures. Net loss from continuing operations during the second quarter ended June 30, 2015 increased by $0.1 million compared to the second quarter ended June 30, 2014. This is due to the increase in exploration and project evaluation expenditures offset by a reduction in the foreign exchange loss of $0.3 million and a gain recognized on the disposition of Assean Lake of $0.2 million. The Company's interest in the Assean Lake claims were written off to nil in the financial statements in previous years.

The exploration activities in Africa were accounted for as discontinued operations in 2012 with the Company's decision to divest its non-core African properties and the eventual sale of Hambok mineral property in Eritrea to Bisha Mining Share Company during the year.

RESULTS OF OPERATIONS

The Company's net loss for the six months ended June 30, 2015 was $17.0 million or $0.09 per share as compared to a loss of $13.7 million or $0.08 per share for 2014. The increase in the net loss of $3.3 million is mainly due to an increase in exploration and project investigation expenditures of $4.6 million. This is due to expenditures at the Filo del Sol Project. Effective September 1, 2014, the Company acquired the 40% interest in the Filo del Sol Project held by PPC. Therefore, during the six months ended June 30, 2015, the Company funded 100% of expenditures at the Filo del Sol Project. In addition, the Company incurred drilling expenditures at the Los Helados Project during the first quarter of 2015. This was offset by reduced activity at the Josemaria Project during the six months ended June 30, 2015. The increase in exploration and project investigation expenditures was offset by a foreign exchange gain of $0.5 million during the six months ended June 30, 2015 from the strengthening of the U.S. dollar against the Canadian dollar compared to a foreign exchange loss of $1.1 million during the six months ended June 30, 2014.

The quarterly variances are discussed in greater detail in the previous section.

The Company's business is driven by seasonal trends through increased exploration activity during the summer months in South America as well as the achievement of project milestones such as the achievement of various technical, environmental, socio-economic and legal objectives, including obtaining the necessary permits, preparation of engineering designs, as well as receipt of financings to fund these objectives.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2015, the Company had cash and working capital of $7.5 million and $1.3 million, respectively, as compared to cash and working capital of $28.5 million and $17.7 million, respectively, at December 31, 2014. The decrease in cash and working capital is primarily a result of exploration expenditures incurred and general and administrative expenses.

Net cash used in operating activities was $21.8 million for the six months ended June 30, 2015 and consisted primarily of the loss from operations of $17.0 million, which included exploration and project investigation expenditures of $15.1 million and was adjusted for the impact of non-cash items and changes in non-cash working capital items.

While the 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 commitments, continue operations, realize assets and discharge liabilities in the normal course of business for the foreseeable future, further funding is required in order for the Company to meet its existing obligations, commitments and fund ongoing exploration. Factors that could affect the availability of financing include the progress and results of our exploration properties, the state of international debt and equity markets, investor perceptions and expectations and the global financial and copper markets. Historically, operating, capital and exploration requirements have been funded primarily from equity financing, joint ventures, disposition of mineral properties and investments. There can be no assurance that such financing will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on satisfactory terms. Based on the amount of funding raised, the Company's exploration program and other activities may be tailored accordingly.

OUTLOOK

At Los Helados, the completion of the PEA in the prior year helped identify a number of opportunities to potentially improve the project economics. These include:

- Exploring regional synergies for capital and operating cost reductions;
    - Through potential synergies and cooperative development plans with other regional operators to utilize spare capacity of process plants and infrastructure, including desalination plants, water pipeline routes and ports;
    - A scoping study on the potential to develop a combined Los Helados-Josemaria operation;
    - Through expanding the resource base within our regional land package which includes the Josemaria and Filo del Sol Projects – all within 20 kilometres of the Los Helados deposit;
- Extending the life of mine and project cash-flow of the Los Helados resource through the application of a variable cut-off grade which has the potential to add tonnage to the proposed mine plan;
- Increasing metallurgical recoveries with further test work and optimization;
- Reviewing the suitability of High Pressure Grinding Roll technology (HPGR) which has the potential to reduce overall power use and costs; and
- Delineating more or higher-grade feed material for the process plant through continued exploration.

Work on these opportunities will continue for the rest of the year and the results are expected to be incorporated into a possible scoping level study to evaluate the potential for a combined Los Helados-Josemaria operation.

The results of the drilling completed at Filo del Sol will be incorporated into an updated resource estimate which was initiated during the current quarter. The results of the surface mapping and geochemical sampling and the drilling will be interpreted over the coming quarter and used to generate additional drill targets to be tested in the future.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires the Company's management to make certain critical accounting estimates, judgments and assumptions about future events that effect the amounts reported in the consolidated financial statements and related notes to the financial statements. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments, estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from amounts included in the financial statements.

For a complete discussion of critical accounting estimates, refer to the Company's annual 2014 Management Discussion and Analysis.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 187,712,994 common shares outstanding and 7,340,000 share options outstanding under its stock-based incentive plans.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as either held-to-maturity, available-for-sale, held for trading, loans and receivables or other financial liabilities. The Company's financial instruments consist of cash and cash equivalents, receivables and others, investments, due from joint exploration partners, trade payable and accrued liabilities, due to related parties and due to joint exploration partners. With the exception of investments, the carrying value of its financial investments approximates their fair value due to their immediate or short-term maturity. The fair value of investments is determined directly by reference to quoted market prices in active markets.

MANAGEMENT'S RESPONSIBILTY FOR THE FINANCIAL STATEMENTS

The Audit Committee is responsible for reviewing the contents of this document along with the interim quarterly financial statements to ensure the reliability and timeliness of the Company's disclosure while providing another level of review for accuracy and oversight. There have been no changes in the Company's disclosure controls and procedures during the six months ended June 30, 2015.

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 and 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 and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. As of December 31, 2014, the Chief Executive Officer and Chief Financial Officer each concluded that the Company's disclosure controls and procedures, as defined in NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, were effective to achieve the purpose for which they have been designed.

Internal Control over financial reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

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 and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting. As of December 31, 2014, the Chief Executive Officer and Chief Financial Officer each concluded that the Company's internal controls over financial reporting, as defined in NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, were effective to achieve the purpose for which they have been designed.

Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required under Multilateral Instrument 52-109, management advises that there have been no changes in the Company's internal control over financial reporting that occurred during the most recent interim period, beginning April 1, 2015 and ending June 30, 2015, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS AND UNCERTAINTIES

There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's 2014 annual MD&A filed February 18, 2015.

FINANCIAL INFORMATION

The report for the three and nine months ended September 30, 2015 is expected to be published on November 10, 2015.

OFF-BALANCE SHEET AGREEMENTS

The Company has no off-balance sheet arrangements.

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. Generally, these forward-looking statements or information can frequently, but not always, be identified by use of forward-looking terminology such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "planned", "budget", "scheduled", "possible", "project" or variations of such words and phrases, or statements that certain actions, events, conditions or results "will", "may", "could", "would" or "should" occur or achieved.

The forward-looking statements and information are based on the opinions and estimates of management as of the date such statements and information are made and they are subject to a number of known and unknown risks, uncertainties and other factors, including, without limitation, those referred to in the "Risks and Uncertainties" section of the MD&A, the Company's Annual Information Form under the heading "Risks Factors" 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 statements or 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 speaks as of the date of the MD&A. In particular, this MD&A contain forward-looking statements or information pertaining to the following: the Company's exploration and development expenditures, cost estimates and other assumptions used in the Los Helados PEA, programs and objectives, mineral resources estimates, geology, size, grade and continuity of mineral deposits, exploration/drill results and budgets; impact of metal prices and foreign currency fluctuations; uncertain political and economic environments; changes in laws or policies; delays or the inability to obtain the necessary government permits; the need to obtain financing and uncertainty as to the availability and terms of future financing; uncertainties involved in dispute or litigation and other risks and uncertainties.

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 reserves and mineral resources described can be profitably produced in the future.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources: This MD&A" may use the terms "Measured", "Indicated" and "Inferred" Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility.

It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United

States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

The forward-looking statements and information contained herein are based on a number of material assumptions, including, but not limited to, assumptions regarding general business and economic conditions, metal prices, timing and receipt of government permits, success of exploration/drill results, ability to carry out the Company's exploration activities as planned, sufficiency of Company's funds to perform the planned activities, financial markets, accuracy of the Company's resource and reserves estimates (including with respect to size, grade and recoverability) and geological, operational and price assumptions on which these are based, and our ongoing relations with joint exploration partners.

The list of assumptions and factors are not and should not be construed as exhaustive. Events or circumstances beyond the Company's control could cause actual results to vary materially.

Readers are encouraged to see our Annual Information Form for the year ended December 31, 2014 filed on SEDAR for additional information on risks, uncertainties and other factors relating to forward-looking information and statements. There can be no assurance that such forward-looking statements or information will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking information or statements, which speak only as of the date the statements were made. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The Company does not undertake or assume any obligations to update or revise any forward-looking statements and information after the date of this MD&A, except as required by applicable laws.

NGEx Resources Inc.
Condensed Interim Consolidated Balance Sheets
(All amounts expressed in Canadian Dollars, unless otherwise indicated.)
(Unaudited)

		June 30, 2015		December 31, 2014
ASSETS				
Current assets:				
Cash and cash equivalents	$	7,526,245	$	28,480,133
Investments		362,000		353,000
Receivables and other assets		704,931		1,537,022
		8,593,176		30,370,155
Equipment and other assets		171,315		171,658
Mineral properties (Note 3)		18,690,153		18,129,239
TOTAL ASSETS	$	27,454,644	$	48,671,052
LIABILITIES				
Current liabilities:				
Trade payables and accrued liabilities	$	2,193,977	$	5,769,438
Due to joint exploration partners		5,053,016		6,852,012
TOTAL LIABILITIES		7,246,993		12,621,450
EQUITY				
Share capital		250,064,690		250,064,690
Contributed surplus (Note 4)		8,991,661		8,006,453
Cumulative deficit		(233,486,551)		(216,484,370)
Accumulated other comprehensive loss		(5,362,149)		(5,537,171)
TOTAL EQUITY		20,207,651		36,049,602
TOTAL LIABILITIES AND EQUITY	$	27,454,644	$	48,671,052

Going concern (Note 1)

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.)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	**2014**	**2015**	**2014**
Expenses				
Exploration and project investigation (Note 5)	2,765,292	2,300,422	15,132,534	10,521,619
General and Administration:				
Salaries and benefits (Note 6)	167,631	223,123	391,259	467,261
Share-based compensation (Note 4)	572,675	577,482	736,398	692,920
Management fees	116,000	135,000	251,000	270,000
Professional fees	44,779	62,933	182,821	152,125
Travel	69,075	87,683	126,251	116,501
Promotion and public relations	61,273	55,472	188,416	254,164
Office and general	138,937	165,337	286,442	285,393
Operating loss	3,935,662	3,607,452	17,295,121	12,759,983
Other (income) expenses				
Interest income	(8,323)	(5,462)	(23,063)	(18,376)
Foreign exchange loss / (gain)	261,967	564,630	(524,544)	1,134,867
Other expenses	394,667	175,267	394,667	178,001
Gain on disposition of mineral property interests (Note 8)	(165,000)	-	(165,000)	-
Unrealized loss on investments	15,000	22,000	25,000	(330,000)
Net loss from continuing operations	4,433,973	4,353,915	17,002,181	13,711,769
Net loss from discontinued operations	-	9,972	-	12,706
Net loss	$ 4,433,973	$ 4,363,887	$ 17,002,181	$ 13,724,475
Other comprehensive loss				
Change in fair value of available-for-sale securities	28,000	(5,000)	116,000	15,000
Foreign currency translation adjustment	823,605	866,152	(291,022)	1,420,626
Comprehensive loss	$ 5,285,578	$ 5,225,039	$ 16,827,159	$ 15,160,101
Basic and diluted loss per common share	$ 0.02	$ 0.03	$ 0.09	$ 0.08
Weighted average common shares outstanding	187,712,994	171,472,621	187,712,994	170,178,383

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.)
(Unaudited)

	For the Six Months Ended June 30, 2015	2014
Cash flows used in operating activities		
Net loss for the period	$ (17,002,181)	$ (13,724,475)
Items not involving cash and cash equivalents:		
Depreciation	22,000	59,901
Share-based compensation	985,208	882,139
Unrealized foreign exchange gain	(397,429)	-
Gain on disposition of mineral property interest (Note 8)	(150,000)	-
Unrealized (gain) / loss on investments	25,000	(330,000)
Net changes in working capital items:		
Receivables and other	783,928	495,826
Trade payables and accrued liabilities	(3,766,170)	(1,876,572)
Advances to joint exploration partners	(2,292,124)	(4,485,494)
	(21,791,768)	(18,978,675)
Cash flows from financing activities		
Common shares issued, net	-	33,005,400
Proceeds from exercise of stock options	-	417,099
	-	33,422,499
Cash flows used in investing activities		
Mineral properties and related expenditures	(379,847)	(358,879)
Acquisition of equipment and other assets	(21,232)	(3,295)
	(401,079)	(362,174)
Effect of exchange rate change on cash and cash equivalents	1,238,959	(515,541)
Increase / (decrease) in cash and cash equivalents during the period	(20,953,888)	13,566,109
Cash and cash equivalents, beginning of period	28,480,133	21,259,598
Cash and cash equivalents, end of period	$ 7,526,245	$ 34,825,707

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.)
(Unaudited)

	Number of shares issued, reserved for issuance and outstanding	Share capital	Reserved for issuance	Contributed surplus	Accumulated other comprehensive loss	Accumulated Deficit	Total
Balance, January 1, 2015	187,733,234	$ 250,063,406	$ 1,284	$ 8,006,453	$ (5,537,171)	$ (216,484,370)	$ 36,049,602
Share-based compensation	-	-	-	985,208	-	-	985,208
Change in fair value of available-for-sale securities	-	-	-	-	(116,000)	-	(116,000)
Foreign currency translation	-	-	-	-	291,022	-	291,022
Net loss for the period	-	-	-	-	-	(17,002,181)	(17,002,181)
Balance, June 30, 2015	187,733,234	$ 250,063,406	$ 1,284	$ 8,991,661	$ (5,362,149)	$ (233,486,551)	$ 20,207,651
Balance, January 1, 2014	168,734,799	$ 214,924,582	$ 1,284	$ 7,482,860	$ (4,654,694)	$ (193,132,284)	$ 24,621,748
Exercise of stock options	348,000	651,054	-	(233,955)	-	-	417,099
Share-based compensation	-	-	-	882,139	-	-	882,139
Private Placement	17,412,935	33,005,400	-	-	-	-	33,005,400
Change in fair value of available-for-sale securities	-	-	-	-	(15,000)	-	(15,000)
Foreign currency translation	-	-	-	-	(1,420,626)	-	(1,420,626)
Net loss for the period	-	-	-	-	-	(13,724,475)	(13,724,475)
Balance, June 30, 2014	186,495,734	$ 248,581,036	$ 1,284	$ 8,131,044	$ (6,090,320)	$ (206,856,759)	$ 43,766,285

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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 North and South America.

While the 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 commitments, continue operations, realize assets and discharge liabilities in the normal course of business for the foreseeable future, further funding is required in order for the Company to meet its existing obligations, commitments and fund ongoing exploration. Factors that could affect the availability of financing include the progress and results of exploration activities, the state of international debt and equity markets, investor perceptions and expectations and the global financial and copper markets. Historically, operating, capital and exploration requirements have been funded primarily from equity financing, joint ventures, disposition of mineral properties and investments. There can be no assurance that such financing will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on satisfactory terms. Based on the amount of funding raised, the Company's exploration program may be tailored accordingly.

The material uncertainties described above may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumptions deemed to be inappropriate. These adjustments could be material.

The Company is governed by the Canada Business Corporations Act 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.

2. BASIS OF PRESENTATION

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2014.

The interim financial statements should be read in conjunction with the most recently issued Annual Report of NGEx Resources Inc. which includes information necessary or useful to understanding the Company's businesses and financial statement presentation. In particular, the Company's significant accounting policies were presented as Note 3 to the Consolidated Financial Statements for the fiscal year ended December 31, 2014, and have been consistently applied in the preparation of these interim financial statements.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 7, 2015.

(All amounts expressed in Canadian Dollars, unless otherwise stated.)

3. MINERAL PROPERTIES

The carrying value of the Company's mineral properties, capitalized at acquisition costs, is as follows:

	South America			Canada	Total
	Los Helados Joint Exploration Agreement	Josemaria Joint Exploration Agreement	Filo del Sol & Tamberias	GJ / Kinaskan	
January 1, 2014	**$ 2,855,387**	**$ 5,500,596**	**$ 1,945,860**	**$ 136,997**	**$ 10,438,840**
Additions	145,186	-	557,962	-	703,148
Acquisition of Filo del Sol interest from PPC (Note a)	-	-	7,845,600	-	7,845,600
Currency translation effect	(126,954)	(889,219)	157,824	-	(858,349)
December 31, 2014	**$ 2,873,619**	**$ 4,611,377**	**$ 10,507,246**	**$ 136,997**	**$ 18,129,239**
Additions	75,266	-	304,581	-	379,847
Currency translation effect	108,129	(790)	73,728	-	181,067
June 30, 2015	**$ 3,057,014**	**$ 4,610,587**	**$ 10,885,555**	**$ 136,997**	**$ 18,690,153**

Note a – On October 23, 2014, the Company announced the agreement to acquire the 40% interest in the Filo del Sol project held by Pan Pacific Copper Co., Ltd. ("PPC") effective September 1, 2014 for total cash consideration of US$7.0 million. The Company paid US$3.5 million in November 2014, with the remaining US$3.5 million payable by the earlier of November 1, 2015 or upon completion of an administrative restructuring of certain exploration licenses. If the remaining US$3.5 million payment obligations are not met, PPC shall be deemed as of November 2, 2015 to have funded US$3.5 million of exploration expenditures in respect of the remaining La Rioja properties and such deemed amount shall be set-off against any then current or future funding obligations of PPC pursuant to the Joint Exploration Agreement.

(All amounts expressed in Canadian Dollars, unless otherwise stated.)

4. SHARE OPTIONS

a) Share Option Plan

The Company has a rolling share option plan approved and ratified by shareholders on May 5, 2014, reserving an aggregate of 10% of the issued and outstanding shares of the Company for issuance upon the exercise of options granted. Vesting and terms of the option agreement are at the discretion of the Board of Directors.

During the six months ended June 30, 2015, the Company granted a total of 2,625,000 share options to officers, employees, directors and other eligible persons at exercise price of $0.95 per share. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with weighted average assumptions and resulting values for grants as follows:

Assumptions:		
Risk-free interest rate *(%)*		1.25
Expected life *(years)*		2.50
Expected volatility *(%)*		68.03
Expected dividend		Nil
Results:		
Weighted average fair value of options granted *(per option)*	$	0.6585

The total share-based compensation for the six months ended June 30, 2015 was $985,208 (2014 - $882,139) of which $736,398 (2014 - $692,920) has been allocated to Administration expenses, and $248,810 (2014 - $189,219) to Exploration and project investigation expenses.

(All amounts expressed in Canadian Dollars, unless otherwise stated.)

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:

	June 30, 2015		June 30, 2014	
	Number of shares issuable pursuant to share options	**Weighted average exercise price per share**	**Number of shares issuable pursuant to share options**	**Weighted average exercise price per share**
Balance at beginning of period	4,812,500	$ 1.95	6,256,250	$ 1.76
Granted	2,625,000	0.95	2,167,500	2.05
Exercised	-	-	(348,000)	1.20
Forfeited / expired	(97,500)	2.35	(543,000)	1.52
Balance at end of period	7,340,000	$ 1.59	7,532,750	$ 1.89

Share options outstanding and exercisable at June 30, 2015 are as follows:

	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
$0.50 - $1.65	4,395,000	1.76	$ 1.22	2,644,987	1.03	$ 1.40
$1.66 - $2.05	2,600,000	1.73	$ 2.02	1,733,324	1.73	$ 2.02
$2.06 - $3.42	345,000	0.74	$ 2.95	345,000	0.74	$ 2.95
	7,340,000	1.70	$ 1.59	4,723,311	1.27	$ 1.74

(All amounts expressed in Canadian Dollars, unless otherwise stated.)

5. EXPLORATION AND PROJECT INVESTIGATION

The Company expensed the following mineral properties costs, all incurred in South America, for the six months ended June 30, 2015:

	Los Helados Joint Exploration Agreement	Josemaria Joint Exploration Agreement	Filo del Sol & Tamberias	Others	Total
Gov't fees, licenses, permits, taxes, rights and land access	$ 118,750	$ 38,126	$ 467,519	$ 459,429	$ 1,083,824
Field related expenses	509,919	62,859	1,006,349	208,135	1,787,262
Camp cost	710,883	82,351	1,117,463	35,136	1,945,833
Consultants	18,111	-	98,965	-	117,076
Drilling and fuel	775,770	-	2,296,133	-	3,071,903
Geochemistry, conceptual study and geophysics	861,160	68,625	335,532	5,402	1,270,719
Road work and trenching	179,968	72,413	668,813	-	921,194
Transport and travel	208,439	11,873	472,361	78,097	770,770
Environmental & community relations	727,043	646,391	139,060	-	1,512,494
Value added tax	353,816	179,439	1,478,209	59,011	2,070,475
Office and general expense	-	-	-	332,174	332,174
Share-based compensation (Note 5)	70,631	18,984	138,392	20,803	248,810
Total for the period	**$ 4,534,490**	**$ 1,181,061**	**$ 8,218,796**	**$1,198,187**	**$ 15,132,534**

The Company expensed the following mineral properties costs, all incurred in South America, for the six months ended June 30, 2014:

	Los Helados Joint Exploration Agreement	Josemaria Joint Exploration Agreement	Filo del Sol & Tamberias	Others	Total
Gov't fees, licenses, permits, taxes, rights and land access	$ 93,820	$ 14,291	$ 260,671	$ 291,572	$ 660,354
Field related expenses	58,080	266,784	478,292	159,573	962,729
Camp cost	195,032	153,225	276,003	62,272	686,532
Consultants	-	35,960	62,271	-	98,231
Drilling and fuel	11,935	698,795	1,424,617	-	2,135,347
Geochemistry, conceptual study and geophysics	491,559	479,789	256,344	64,000	1,291,692
Road work and trenching	-	192,287	389,196	-	581,483
Transport and travel	41,315	98,052	248,249	131,468	519,084
Environmental & community relations	631,879	327,414	245,329	-	1,204,622
Value added tax	51,667	539,290	987,347	199,476	1,777,780
Office and general expense	-	-	-	414,546	414,546
Share-based compensation (Note 5)	29,514	51,385	84,759	23,561	189,219
Total for the period	**$ 1,604,801**	**$ 2,857,272**	**$ 4,713,078**	**$1,346,468**	**$ 10,521,619**

(All amounts expressed in Canadian Dollars, unless otherwise stated.)

6. RELATED PARTY TRANSACTIONS

Key management compensation

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

	Six months ended June 30, 2015	2014
Salaries	$ 338,750	$ 463,433
Employee benefits	36,314	37,247
Director fees	33,500	33,500
Share-based compensation	594,565	546,310
	$ 1,003,129	$ 1,080,490

7. SEGMENTED INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in North and South America. The segments presented below together with the mineral property and exploration and project evaluation information presented in Note 3 and Note 5 reflects the way in which management reviews the Company's business performance. Operating segments are reported in a manner consistent with the internal reporting provided to executive management who act as the chief operating decision-maker and are responsible for allocating resources and assessing performance of the operating segments.

The geographic distribution of non-current assets is as follows:

	At June 30, 2015		At December 31, 2014	
	Equipment and other assets	Mineral properties	Equipment and other assets	Mineral properties
Canada	$ 120,850	$ 136,997	$ 130,000	$ 136,997
South America	50,465	18,553,156	41,658	17,992,242
	$ 171,315	$ 18,690,153	$ 171,658	$ 18,129,239

8. GAIN ON DISPOISITION OF MINERAL PROPERTY INTEREST

On April 10, 2015, the Company completed the sale of its 60% interest in the Assean Lake claims in Manitoba to VMS Ventures Inc. ("VMS") for a cash payment of $15,000 and an initial tranche 600,000 common shares of VMS. The Company received the cash and share consideration on April 10, 2015. An additional 1,200,000 shares are receivable upon achievement of project milestones. The Company's interest in the Assean Lake claims was written off to nil in the financial statements in previous years.