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ANNUAL INFORMATION FORM

For the Year Ended December 31, 2015

March 31, 2016

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SCHEDULE A – CHARTER OF THE AUDIT COMMITTEE

DEFINITIONS

In this Annual Information Form all units are SI metric unless otherwise noted. Abbreviations are as defined below unless the context otherwise indicates:

Ag means silver.

AIF means this Annual Information Form.

Au means gold.

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

Cu means copper.

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

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

Filo del Sol Report means the report prepared by Fionnuala Devine, P. Geo. Of Merlin Geosciences Inc., Diego Charchaflié, P. Geo. of LPF Consulting SRL, and James N. Gray, P. Geo. of Advantage Geoservices Ltd. titled "*Updated Mineral Resource Estimate for the Filo del Sol Property, Region III of Atacama, Chile and San Juan Province, Argentina*" dated December 11, 2015 and with an effective date of August 26, 2015.

g/t means grams per tonne.

ha means hectare.

IRR means internal rate of return.

JOGMEC means Japan Oil, Gas and Metals National Corporation.

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

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

LOM means life of mine.

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

m means metre.

MD&A means Management's Discussion and Analysis of results of operations and financial condition of the Corporation for the fiscal year ended December 31, 2015, dated February 22, 2016.

MFDO means Minera Frontera del Oro SPA, a 100% owned subsidiary of the Corporation.

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

NPV means net present value.

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

Oz means ounces.

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

PPC JEA means the joint exploration agreement made as of February 1, 2008 among JOGMEC, Suramina, Frontera Holdings (Bermuda) II Ltd., Deprominsa, and MFDO that originally covered the Los Helados Project, the Filo del Sol Project and the La Chola Property (as defined herein) and consent, novation and agreement to be bound made as of September 7, 2012, among JOGMEC, Suramina, Frontera Holdings (Bermuda) II Ltd., Deprominsa, MFDO and Pan Pacific Copper, with effect as at September 7, 2012, pursuant to which Pan Pacific Copper assumed JOGMEC's

rights and responsibilities under the joint exploration agreement as though it were a party to the joint exploration agreement in substitution for JOGMEC. This agreement was amended effective September 1, 2014, through the purchase by NGEEx of the 40% interest in the Filo del Sol Project held by PPC.

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

"Project Constellation Report" or "Project Constellation PEA" means the NI 43-101 technical report prepared by Alfonso Ovalle, RM CMC; Cristian Quiñones, RM CMC; Cristian Quezada, RM CMC; David Frost, FAusIMM; and Vikram Khera, P.Eng., all of whom are with Amec Foster Wheeler International Ingeniería y Construcción Limitada; and by Gino Zandonai, RM CMC, of DGCS SA, titled "Project Constellation incorporating the Los Helados Deposit, Chile and the Josemaria Deposit, Argentina NI 43-101 Technical Report on Preliminary Economic Assessment" dated February 22, 2016 with an effective date of February 12, 2016.

QA/QC means quality assurance / quality control.

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

Sanu means Sanu Resources Ltd., a wholly-owned subsidiary of the Corporation.

SEDAR means the System for Electronic Document Analysis and Retrieval.

SI means International System of Units.

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

Teck means Teck Resources Limited.

TSX means the Toronto Stock Exchange.

US\$ means United States dollars.

CAUTIONARY NOTE TO U.S. READERS CONCERNING MINERAL RESERVE AND RESOURCE ESTIMATES

Information concerning the properties and operations of NGEx Resources Inc. (“NGEx” or the “Corporation”) has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies. The terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” are Canadian mining terms as defined in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) and the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted and updated by the CIM Council, on November 14, 2004 and November 27, 2010. While the terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” are recognized and required by Canadian regulations, they are not defined terms under standards of the United States Securities and Exchange Commission. Under United States standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve calculation is made. As such, certain information contained in this AIF concerning descriptions of mineralization and resources under Canadian standards is not comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission. An “Inferred Mineral Resource” has a great amount of uncertainty as to its existence and as to its 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 pre-feasibility studies except in rare cases. Readers are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. Readers are also cautioned not to assume that all or any part of an “Inferred Mineral Resource” exists, or is economically or legally mineable. In addition, the definitions of “Proven Mineral Reserves” and “Probable Mineral Reserves” under CIM standards differ in certain respects from the standards of the United States Securities and Exchange Commission. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with United States standards.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form (“AIF”) and documents incorporated by reference herein contain forward-looking information within the meaning of applicable Canadian securities legislation and forward-looking statements (collectively referred to as “forward-looking statements”). All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements include, but are not limited to, statements with respect to the estimation of commodity prices, Mineral Resources, potential development scenarios, potential production rates, costs and timing of the development of new deposits, the success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining activities, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” “potentially” or “will be taken”, “occur” or “be achieved” or “has the potential to”. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking statements including, but not limited to, risks and uncertainties relating to, among other things, changes in commodity prices, currency fluctuation, financing, unanticipated variations in resource grades or tonnages, 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 and other risks and uncertainties described under “Risks Factors” in this AIF and in the Management’s Discussion and Analysis for the year ended December 31, 2015, available under the Corporation’s profile at www.sedar.com, as well as the following: global financial conditions; the market price of the Corporation’s securities; volatility in market prices for copper and gold; ability to access capital; changes in foreign currency exchange rates and interest rates; liabilities and risks inherent in exploration and development

operations; uncertainties associated with estimating Mineral Resources and production; uncertainty as to reclamation and decommissioning liabilities; failure to obtain industry partner and other third party consents and approvals when required; delays in obtaining permits and licenses for development properties; competition for, among other things, capital, acquisitions of mineral reserves, undeveloped lands and skilled personnel; public resistance to mining; mining industry competition and international trade restrictions; incorrect assessments of the value of acquisitions; property title risk; geological, technical and processing problems; the ability of the Corporation to meet its obligations to its creditors; actions taken by regulatory authorities with respect to mining activities; the potential influence of or reliance upon its business partners, and the adequacy of insurance coverage. Accordingly, readers should not place undue reliance on forward looking statements. These factors are not, and should not be construed as being, exhaustive. Statements relating to "mineral resources" are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the mineral resources described can be profitably produced in the future. Although the Corporation has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking statements contained in this document are qualified by these cautionary statements. Readers should not place undue reliance on forward-looking statements. The Corporation expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

The financial information in this AIF is taken from the Corporation's audited consolidated financial statements for the year ended December 31, 2015. Readers are cautioned to refer to such financial statements for complete information, as the information in this AIF has been selectively drawn from the financial statements and is not complete.

ITEM 1 INTRODUCTION

1.1. Date of Information

This AIF is dated March •, 2016. Unless otherwise indicated, all information in this AIF is as of December 31, 2015. References herein to the “Corporation” may include, collectively or individually, one or more of the direct or indirect subsidiaries of NGEx and its predecessor companies.

1.2. Currency

The Corporation reports its financial results and prepares its financial statements in Canadian dollars. All currency amounts in this AIF are expressed in Canadian dollars, unless otherwise indicated. The closing exchange rates for one Canadian dollar in terms of the United States dollar, as quoted by the Bank of Canada, were:

	Year Ended December 31		
	2013	2014	2015
Bank of Canada Noon exchange rate for \$/US\$	US\$0.9402	US\$0.8620	US\$0.7225

1.3. Accounting Policies and Financial Information

Financial information is presented in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Unless otherwise indicated, financial information contained in this AIF is presented in accordance with IFRS.

1.4. Conversion Table

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

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

1.5. Classification of Mineral Resources

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

1.6. Qualified Persons

The disclosure of scientific and technical information regarding the Corporation’s properties in this AIF was prepared by, or reviewed and approved by, Bob Carmichael, P. Eng., the Corporation’s Vice President, Exploration, and Jamie Beck, P. Eng., a mechanical engineer and project manager for the Company’s engineering studies. Each of Mr. Carmichael and Mr. Beck are Qualified Persons in accordance with the requirements of NI 43-101.

ITEM 2 CORPORATE STRUCTURE

2.1. Name, Address and Incorporation

The Corporation was originally incorporated under the Company Act (British Columbia) on February 3, 1983 under the name Curator Resources Ltd. as having an authorized capital consisting of 300,000,000 shares divided into (a) 100,000,000 common shares without par value, (b) 100,000,000 Class "A" Preference shares with a par value of \$10.00 each, and (c) 100,000,000 Class "B" Preference shares with a par value of \$50.00 each.

Effective October 8, 1985, the issued and authorized common shares of the Corporation were consolidated on a three-for-one basis, the name was changed from Curator Resources Ltd. to International Curator Resources Ltd., and the authorized capital of the Corporation was increased from 33,333,333-1/3 post-consolidation common shares to 100,000,000 common shares. Effective May 2, 2000, the authorized capital of the Corporation was increased by the creation of 50,000,000 additional common shares without par value.

Effective December 23, 2003, the issued and authorized capital of the Corporation was increased to include 500,000,000 common shares and then altered by consolidating all of the 500,000,000 common shares on a five-for-one basis; the name of the Corporation was changed from International Curator Resources Ltd. to Canadian Gold Hunter Corp.

The Corporation was continued under the *Canada Business Corporations Act* ("CBCA") on August 20, 2004 with an authorized capital comprised of an unlimited number of common shares.

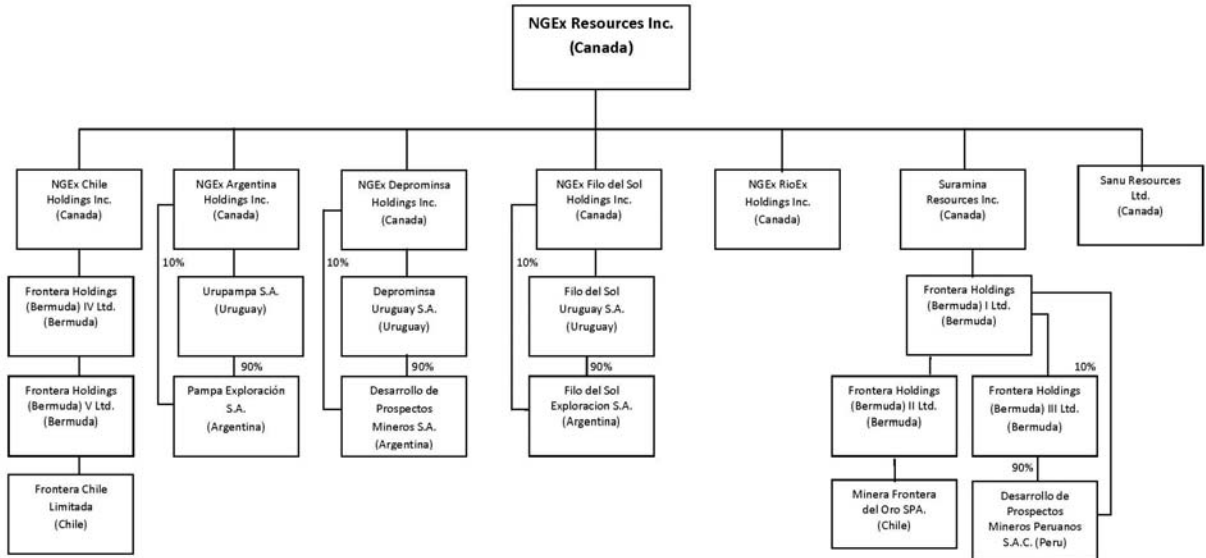
Effective April 17, 2009, the Corporation acquired all of the issued and outstanding common shares of Suramina Resources Inc. ("**Suramina**") by way of Plan of Arrangement under the CBCA, following which Suramina became a wholly-owned subsidiary of the Corporation. Effective August 20, 2009, the Corporation acquired all of the issued and outstanding common shares of Sanu Resources Ltd. ("**Sanu**") by way of Plan of Arrangement under the CBCA, following which Sanu became a wholly-owned subsidiary of the Corporation. On September 15, 2009, following completion of the arrangements with Suramina and Sanu, the Corporation changed its name to "NGEx Resources Inc."

On April 30, 2013, the board of directors approved certain amendments to the Corporation's By-Law No. 1 to add an advance notice requirement for nominations of directors by shareholders in certain circumstances. The amendment of the By-Law No. 1 was confirmed by the shareholders at the annual and special meeting of the shareholders held on June 19, 2013. Among other things, the advance notice provisions fixes a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the nomination notice to be in proper written form. In the case of an annual meeting of shareholders, notice to the Corporation must be provided not less than 40 days nor more than 65 days prior to the date of the annual meeting. In the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), notice to the Corporation must be provided not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholder was made.

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

2.2. Intercorporate Relationships

A significant portion of the Corporation's business is carried on through its various subsidiaries. The following chart illustrates, as at December 31, 2015, the Corporation's significant subsidiaries, including their respective jurisdiction of incorporation and the percentage of voting securities in each that are held by the Corporation either directly or indirectly:



Note: Unless otherwise indicated, ownership is 100%

ITEM 3 GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation is principally engaged in the acquisition, exploration and development of precious and base metals properties located in Chile and Argentina. The Corporation's primary projects are Project Constellation, a combination of the Los Helados and the Josemaria projects which are advanced exploration stage copper-gold projects, and the Filo del Sol Project, which is in the resource definition stage.

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



Project Constellation (Los Helados/Josemaria Integrated)

The initial results of a positive integrated preliminary economic assessment of the Los Helados and Josemaria deposits ("Project Constellation PEA") were announced on January 7, 2016. Project Constellation is an integrated project combining the Los Helados and Josemaria projects, whereby material from both deposits would be processed at a centralized processing plant located in Argentina. Following the removal of an export retention tax that was applicable to copper concentrate exports in Argentina, these results were updated on February 22, 2016 to reflect an increase in Project Constellation's after-tax NPV and after-tax IRR to US \$2.61 billion and 16.6% respectively. Details of the preliminary and updated results on the Project Constellation PEA are available under the Corporation's SEDAR profile at www.sedar.com.

Project Constellation is estimated to produce a life-of-mine annual average of approximately 150,000 tonnes of copper, 180,000 ounces of gold and 1,180,000 ounces of silver over a project life of 48 years. Forecast annual metal production over the first five years of production is 185,000 tonnes of copper, 345,000 ounces of gold and 1,310,000 ounces of silver.

The Corporation has a 60% interest in Josemaria, subject to a Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation (JOGMEC) which holds the remaining 40%, and approximately 60% interest in Los Helados subject to a Joint Exploration Agreement with Pan Pacific Copper Co., Ltd., which holds the remaining approximately 40%. Effective September 1, 2015, the joint exploration partner for the Los Helados project Pan Pacific Copper Co. ("PPC") has elected not to fund its pro-rata share of expenditures and as a result has elected to dilute its interest pursuant to the Joint Exploration Agreement. Accordingly, the Company has funded 100% of the Los Helados project starting September 1, 2015. As at December 31, 2015, PPC's interest in the Los Helados Project has been diluted by approximately 0.3%. The Corporation acts as the operator of both agreements and, in each case, both parties are required to contribute their pro-rata share of expenditures or dilute their interest in the Project.

See "Item 4.3.1 Project Constellation (Los Helados/Josemaria Integrated), Chile and Argentina" under Item 4. Description of the Business below.

Filo del Sol Project, Argentina

The Filo del Sol Project is a high sulphidation epithermal copper-gold-silver system associated with a porphyry copper-gold system. The Filo del Sol Project straddles the international border between San Juan Province, Argentina and Region III, Chile and is comprised of adjacent mineral titles in Chile and Argentina which are 100% controlled by the Corporation through direct ownership or option agreements. It is located approximately 15 km southwest of the Josemaria Project.

See “Item 4.3.2 Filo del Sol Project, Chile and Argentina” under Item 4. Description of the Business below.

Other Projects

The Corporation also holds a number of earlier stage copper-gold projects in Chile and Argentina.

3.1. Three Year History

2013

- On January 4, 2013, the Corporation and its joint exploration partner JOGMEC paid US\$300,000 cash to acquire the Arroyo Batidero property (the “**Batidero Property**”) located in San Juan Province, Argentina and the Northern properties (the “**Northern Properties**”) located in Argentina. Pursuant to the Purchase Agreement, the Corporation entered into forms of royalty agreements respecting the Batidero Property and the Northern Properties (the “**Royalty Agreements**”) whereby the seller will be entitled to a cash royalty in respect of mineral products from the Batidero Property and the Northern Properties equal to 7% of net profits (collectively, the “**Royalty**”). Pursuant to the Royalty Agreements, the seller has agreed to grant the Corporation a right of first refusal in respect of their interest in and to the Royalty.
- On January 29, 2013, the Corporation completed a non-brokered private placement of 10,000,000 common shares at a price of \$3.40 per common share for gross proceeds of \$34 million. A 4% finder’s fee was paid on a portion of the private placement.
- On February 25, 2013, the Corporation filed a NI 43-101 technical report dated February 22, 2013, entitled “Updated Mineral Resource Estimate for the Josemaria Property San Juan Province Argentina” with an effective date of December 15, 2012.
- On February 26, 2013, the Corporation (as to 60%) and PPC (as to 40%) purchased from Sociedad Contractual Minera Borchert Billik, a group of internal claims called “El Rancho, Napoleon; Evelyn and Andrea claims” that lie within the Los Helados Project located in Region 3, Chile (the “**Los Helados Project**”) in consideration of the total aggregate payment of US\$1,150,000. The Corporation has paid US\$490,000 as at December 31, 2015.
- On August 16, 2013 the Corporation appointed Mr. Chester See as Chief Financial Officer of the Corporation.
- On August 29, 2013, the Corporation completed the sale of its interest in the Mogoraib Exploration License which covers the Hambok copper-zinc deposit to Bisha Mining Share Corporation (“Bisha”) for a US\$5 million cash consideration on closing. An additional cash consideration of US\$7.5 million (the “Additional Cash Consideration”) is payable to the Corporation within 10 business days of the commencement of commercial production from the Mogoraib exploration license.
- On November 1, 2013, the Corporation filed a NI 43-101 technical report dated October 31, 2013, entitled “Updated Mineral Resource Estimate for the Los Helados Property Region III of Atacama Chile” with an effective date of October 15, 2013.
- On November 14, 2013, the Corporation filed a NI 43-101 technical report dated November 13, 2013, entitled “Second Updated Mineral Resource Estimate for the Josemaria Property San Juan Province Argentina” with an effective date of September 27, 2013.

2014

- On April 29, 2014 the Corporation announced the application of a secondary listing of its common shares in Sweden on NASDAQ Stockholm. Pareto Securities AB was appointed as the Corporation's financial adviser in conjunction with the listing.
- On June 16, 2014 the Corporation completed a private placement consisting of 17,412,935 common shares of the Corporation at a price of approximately \$2.01 (SEK 12.20) per common share for gross proceeds of approximately \$35 million (SEK 212,481,500) to Swedish investors. Pareto Securities AB acted as sole bookrunner and lead manager, and Skandinaviska Enskilda Banken AB was co-manager in connection with the private placement. The net proceeds of the private placement were used to fund the Corporation's ongoing exploration programs in Chile and Argentina as well as for corporate development and general working capital purposes. Two insiders of the Corporation, directly or indirectly, purchased a total of 3,500,000 common shares of this private placement.
- On June 19, 2014 the Corporation's shares commenced trading on NASDAQ Stockholm under the symbol "NGQ".
- On September 1, 2014, the Corporation acquired the remaining 40% interest in the Filo del Sol Project held by PPC for total consideration of US\$7.0 million. The Corporation 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. Therefore, as of September 1, 2014, the Corporation held a 100% interest in the Filo del Sol Project.
- On November 25, 2014, the Corporation filed a NI 43-101 technical report entitled "Los Helados Cu-Au Deposit, Atacama Region III Chile, NI 43-101 Technical Report on Preliminary Economic Assessment" with an effective date of October 1, 2014.
- On December 2, 2014, the Corporation announced the initial mineral resource estimate for the Filo del Sol Project. The results confirm a large resource with a significant oxide component and distinct high grade silver and copper zones.

2015

- On April 10, 2015, the Corporation 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. The Corporation's interest in the Assean Lake claims was written off to nil in the Corporation's financial statements in previous years.
- On November 3, 2015, NGEx and Teck completed the sale of their respective interests (NGEx as to a 49% interest and Teck as to a 51% interest) in the GJ copper-gold project (the "GJ Project") located in northwest British Columbia, Canada to Skeena Resources Limited ("Skeena"). See "Item 4.3.4 GJ/Kinaskan Project, Northern British Columbia, Canada" under Item 4. Description of the Business below.
- Pursuant to the terms of the Filo del Sol Purchase and Sale Agreement between PPC and the Corporation, in lieu of payment of US\$3.5 million by NGEx, PPC as of November 2, 2015 was deemed to have funded US\$3.5 million of exploration expenditures in respect of the La Chola Properties and such deemed amount shall be set-off against any then current or future funding obligations of PPC.
- On November 23, 2015, the Corporation announced an updated mineral resource estimate for the Filo del Sol Project.

Subsequent to December 31, 2015

- On January 7, 2016, the Corporation announced positive results of a preliminary economic assessment that evaluated the development of Project Constellation.

- On January 26, 2016, the Corporation secured a US\$525,000 credit facility evidenced by a debenture to provide additional financial flexibility to fund general corporate purposes. At the date of this AIF, there is no outstanding balance drawn on the facility, which has not been subsequently settled.
- On February 3, 2016, the Corporation announced the appointment of Joyce Ngo as the Corporation's Interim Chief Financial Officer, replacing Mr. Chester See who had been the Corporation's CFO since August 2013. Ms. Ngo had previously held the position of Corporate Controller of the Corporation since March 2012.
- On February 19, 2016, the Corporation reported that it had closed the private placement announced on January 26, 2016, selling an aggregate of aggregate of 13,333,333 common shares (the "Common Shares") at a price of \$0.60 per common share for gross proceeds of \$8 million to Canadian and international investors (the "Private Placement"). The net proceeds raised from the financing would be used towards ongoing work programs in Chile and Argentina as well as for general corporate purposes. A 5.00% finders' fee was payable on a portion of the Private Placement. Two insiders of the Corporation, directly or indirectly, purchased a total of 10,083,333 Common Shares under the Private Placement.
- On February 22, 2016, the Corporation announced that, subsequent to the initial results of the Project Constellation PEA announced on January 7, 2016, the Argentine government had removed a tax on copper concentrate exports. This increased Project Constellation's estimated after-tax NPV(8%) from \$2.09 billion to US\$2.61 billion; and increased the after-tax IRR from 14.5% to 16.6%. The updated summary of the economic results after the Argentine tax changes were published on February 22, 2016 and a National Instrument 43-101 Technical Report with an effective date of February 12, 2016 titled "Project Constellation incorporating the Los Helados Deposit, Chile and the Josemaria Deposit, Argentina NI 43-101 Technical Report on Preliminary Economic Assessment", prepared by Amec Foster Wheeler International Ingeniería y Construcción Limitada ("AMEC"), was filed under the Corporation's profile on SEDAR on February 22, 2016.
- On March 22, 2016, the Corporation completed a non-brokered, private placement of 4,000,000 common shares at a price of Cdn \$0.73 per share for gross proceeds of \$2.92 million. A 2.5% finders' fee is payable on all of the private placement.

ITEM 4 DESCRIPTION OF THE BUSINESS

The principal business of the Corporation is mineral exploration, including the identification, acquisition, and evaluation of projects that have the potential to host mineralization that may warrant development into mines. The Corporation is currently focused on its portfolio of precious and base metals properties located in South America.

4.1. General

Specialized Skills and Knowledge

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

Competitive Conditions

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

Business Cycles

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

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

Economic Dependence

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

Change to Contracts

In September 2012, JOGMEC exercised its right under the PPC JEA and assigned and transferred all of its rights, title and interests under the PPC JEA to a nominated Japanese company, Pan Pacific Copper Co. Ltd. Pursuant to a consent, novation and agreement to be bound amongst the parties of the PPC JEA, JOGMEC, Suramina, Frontera Holdings (Bermuda) II Ltd., Deprominsa, Minera Frontera Del Oro SPA and Pan Pacific Copper, with effect as at September 7, 2012, Pan Pacific Copper assumed JOGMEC's rights and responsibilities under the PPC JEA as though it were a party to the PPC JEA in substitution for JOGMEC.

On September 1, 2014, the Corporation acquired the remaining 40% interest in the Filo del Sol Project held by PPC for total consideration of US\$7.0 million, as described in Item 3.1 Three Year History above under General Development of the Business.

Employees

As of December 31, 2015, the Corporation has 5 employees in Canada, 21 full time employees in Argentina, and 6 full time employees in Chile. At the date of this AIF the Corporation has 5 employees in Canada, 21 full time employees in Argentina, and 4 full time employees in Chile. The Corporation relies on and engages consultants on a contract basis to assist the Corporation in carrying on its administrative and exploration activities.

Bankruptcy and Similar Procedures

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

Reorganizations

There have been no material reorganizations involving the Corporation within the three most recently completed financial years nor are any reorganizations proposed for the current financial year.

Environmental Protection

All phases of the Corporation's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Regulation governing development of mining operations with the potential to affect glaciers continues to evolve in both Chile and Argentina. The Argentine Congress has passed legislation designed to protect the country's glaciers. This law would restrict development on and around glaciers. The detailed regulations that will govern implementation of the law have not yet been written but this legislation could affect the Corporation's ability to develop parts of the Corporation's properties in Argentina, including the Josemaría Project and the Filo del Sol Project. A proposal that would oblige all future mining operations to use seawater or desalinated seawater has been presented to the

Chilean Congress. If passed into law, this legislation would affect the Corporation's Chilean projects including the Los Helados Project. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties which are unknown to the Corporation at present which have been caused by previous or existing owners or operators of the properties. The Corporation is currently engaged in exploration with limited environmental impact. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations.

4.2. Risk Factors

The Corporation's projects are subject to various risks and uncertainties, including but not limited to, those listed below. Unless the context indicates or implies otherwise, references in this section to the "Corporation" include the Corporation and its subsidiaries

Exploration and Development Risk

The Corporation's properties are in early exploration stages and are without a known body of commercial ore. Exploration for Mineral Resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: legal and political risk arising from operating in certain developing countries, civil unrest, general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Corporation's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power; anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices, taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Corporation. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Corporation's business. The Corporation attempts to mitigate its exploration risk by maintaining a diversified portfolio that includes several metal commodity targets in a number of geologic and political environments. Management also balances the exploration risks through joint ventures and option agreements with other companies.

Mineral Resource Estimates

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

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

Title Risk

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

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

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

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

Foreign Operations Risk

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

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

countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

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

Surface Access

The Corporation does not own any surface rights at the Los Helados Project. Surface rights in the area of the Los Helados project are held by a local community “Comunidad Civil Ex Estancia Pulido”. The Corporation signed a four year access agreement with the community dated September 26, 2011, which allowed for the construction and operation of camps and roads and the development of exploration activities on the Los Helados project, including drilling. This agreement expired as of September 26, 2015 and management is currently negotiating a life of project lease agreement for 20,000 hectares covering the Los Helados Project area to secure the surface rights needed for all future exploration, development and mining. Although there are no indications that an agreement will not be reached there can be no assurance that the Corporation will be able reach agreement on terms that are satisfactory to the Corporation.

The Corporation has surface access rights but does not own any surface rights at either the Josemaría or Filo del Sol Projects. The owners of the surface rights are in agreement with Deprominsa conducting exploration activities on their ground.

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

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

Metal Price Risk

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

Environmental and Socio-Political Risks

The Corporation seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Corporation conducts activities. The Corporation also aims to conduct its activities in accordance with high corporate social responsibility principles. Present or future laws and regulations, however, may affect the Corporation’s operations. Future environmental costs may increase due to

changing requirements or costs associated with exploration and the developing, operating and closing of mines. The Corporation is subject to environmental regulation in the various jurisdictions in which it operates. Failure to comply with these laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may also be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Furthermore, environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

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

In parts of Argentina, there is significant environmental opposition to both mineral exploration and mining. This has affected properties in some of the provinces where the Corporation works, in particular in Mendoza where the Corporation has a drill ready project that is unable to work on. In certain other Argentine provinces, including La Rioja, there is a significant degree of anti-mining sentiment which affects the risk of successfully exploring and developing the Corporation's assets in those provinces.

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

Uncertainty of Funding

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Corporation's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Corporation, a significant disruption to the Corporation's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Corporation will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Corporation needs to raise additional funds, such financing may substantially dilute the interests of shareholders of the Corporation and reduce the value of their investment.

Market Price of Shares

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

liquidity of an investor's investment may be limited and the price of the securities of the Corporation may decline. If an active market does not exist, investors may lose their entire investment in the Corporation. As a result of any of these factors, the market price of the securities of the Corporation at any given point in time may not accurately reflect the long-term value of the Corporation. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Future offerings of debt or equity securities

The Corporation may require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Corporation raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Corporation's shareholders. Since the Corporation's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Corporation bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Corporation.

Indigenous Peoples

The Corporation operates in some areas including parts of the Los Helados and Tamberias areas presently or previously inhabited or used by indigenous peoples. Various international and national laws, codes, resolutions, conventions, guidelines, and other material relate to the rights of indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. ILO Convention 169, which has been ratified by Argentina and Chile, is an example of such an international convention. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. Examples of recent developments in this area include the United Nations Declaration of the Rights of Indigenous People and the International Finance Corporation's revised Performance Standard 7 which requires governments to obtain the free, prior, and informed consent of indigenous peoples who may be affected by government action, such as the granting of mining concessions or approval of mine permits. The Corporation's current and future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development of the Corporation's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Corporation's activities. Opposition by indigenous people to the Corporation's operations may require modification of, or preclude operation or development of, the Corporation's projects or may require the Corporation to enter into agreements with indigenous people with respect to the Corporation's projects.

Economic and Political Instability in Argentina

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

policies that may adversely affect the Corporation's activities in Argentina or in its ability to attract joint venture partners or obtain financing for its projects in the future.

Infrastructure

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

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

Current Global Financial Condition

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

Currency Risk

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

Joint Exploration Properties

Certain of the Corporation's properties including the Los Helados Project, the Josemaria Project, and the La Chola Properties are subject to joint exploration agreements. The Corporation is the operator of these joint projects but they are nonetheless subject to the risks normally associated with the conduct of joint exploration partners, such as (i) disagreement with joint exploration partners regarding how to explore, develop, and operate the projects efficiently; (ii) inability to exert influence over certain strategic decisions made; and (iii) inability of joint exploration partners to meet their obligations (iv) litigation between joint exploration partners regarding joint exploration matters. The existence of any of these circumstances may have a material adverse impact on the Corporation.

Internal Controls

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

Corruption and Bribery

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

Competition

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

Dependence on Key Personnel

The Corporation's success will largely depend on the efforts and abilities of certain senior officers and key employees. Certain of these individuals have significant experience in the mining industry and, in particular the mining industry in South America. While the Corporation does not foresee any reason why such officers and key employees will not remain with the Corporation, if for any reason they do not, the Corporation could be adversely affected. The Corporation has not purchased key man life insurance for any of these individuals.

Uninsurable Risks

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

Tax

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

Conflicts of Interest

Some of the directors of the Corporation are also directors of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences will be that corporate opportunities

presented to a director of the Corporation may be offered to another corporation or companies with which the director is associated, and may not be presented or made available to the Corporation. The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation, to disclose any interest which they may have in any project or opportunity of the Corporation, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed by the Corporation's Code of Business Conduct and Ethics and the CBCA.

Derivative Instruments

The Corporation may, from time to time, manage exposure to foreign exchange rates by entering into derivative instruments approved by the Corporation's board of directors. The Corporation does not hold or issue derivative instruments for speculation or trading purposes. These derivative instruments are marked-to-market at the end of each period and may not necessarily be indicative of the amounts the Corporation might pay or receive as the contracts are settled.

4.3. Mineral Projects

4.3.1. Project Constellation (Los Helados/Josemaria Integrated), Chile and Argentina

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

Information detailed below of a scientific or technical nature regarding Project Constellation is derived from the NI 43-101 compliant technical report prepared by Alfonso Ovalle, RM CMC; Cristian Quiñones, RM CMC; Cristian Quezada, RM CMC; David Frost, FAusIMM; and Vikram Khera, P.Eng., all of whom are with Amec Foster Wheeler International Ingeniería y Construcción Limitada; and by Gino Zandonai, RM CMC, of DGCS SA, titled "Project Constellation incorporating the Los Helados Deposit, Chile and the Josemaria Deposit, Argentina NI 43-101 Technical Report on Preliminary Economic Assessment" with an effective date of February 12, 2016 (the "Project Constellation PEA"). The Project Constellation PEA is available under the Corporation's profile on SEDAR www.sedar.com. The reader is cautioned that the information is an abridged summary only which has been reproduced in its entirety from the Project Constellation PEA and the Project Constellation PEA is incorporated by reference into this AIF. To put the contents hereof in context, the reader should review the entire Project Constellation PEA, together with its illustrations, figures, footnotes, bibliography, etc.

Summary of Project Constellation Economic Results (Post Argentine Tax Changes)

Pre-Tax NPV (8%) & IRR	\$4.43 billion NPV 20.7% IRR	
After-Tax NPV (8%) & IRR	\$2.61 billion NPV 16.6% IRR	
Payback Period (undiscounted, after-tax cash flow)	3.6 Years	
Metals Prices Assumed	\$3.00/lb Cu \$1,275/oz Au \$20.00/oz Ag	
Initial Capital Expenditures	\$3.08 billion	
LOM Sustaining Capital Expenditures	\$4.36 billion	
LOM C-1 Cash Costs (net of by-product credits)	\$1.05/lb Cu payable	
Nominal Mill Capacity	150,000 t/d	
Mine Life	48 years	
Average Annual Metal Production (rounded)	Life of Mine	First 5 years
	150,000 t Cu	185,000 t Cu
	180,000 oz Au	345,000 oz Au
	1,180,000 oz Ag	1,310,000 oz Ag
LOM Average Process Recovery	88.3% Cu 72.7% Au 61.4% Ag	

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

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

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

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

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

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

Processing will be by conventional sulphide flotation, following comminution by a high pressure grinding roll (HPGR) circuit at a rate that varies between 150,000 t/d and 120,000 t/d depending on the hardness characteristics of the material being processed. This is expected to produce a concentrate containing a life-of-mine average of

29.0% Cu, 10.4 g/t Au and 70.3 g/t Ag and deleterious elements which are expected to be well below penalty levels. Metallurgical recoveries are forecast to average 88.3% Cu, 72.7% Au and 61.4% Ag.

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

Project Location

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

Ownership

NGEx holds an indirect 60% interest in the Josemaría deposit through its Argentine subsidiary Deprominsa SA (DPM). Josemaría is subject to a Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation (JOGMEC) which holds the remaining 40%.

NGEx holds an indirect approximately 60% interest in the Los Helados deposit through its Chilean subsidiary, Minera Frontera del Oro S.C.M (MFDO). Los Helados is subject to a Joint Exploration Agreement with Pan Pacific Copper Co., Ltd. which holds the remaining approximately 40%. Effective September 1, 2015, Pan Pacific Copper Co. Ltd. has elected not to fund its pro-rata share of expenditures and as a result has elected to dilute its interest pursuant to the Joint Exploration Agreement. Accordingly, the Company has funded 100% of the Los Helados project starting September 1, 2015. As at December 31, 2015, Pan Pacific Copper Co. Ltd.'s interest in the Los Helados Project has been diluted by approximately 0.3%.

NGEx acts as the operator of both agreements and, in each case, both parties are required to contribute their pro-rata share of expenditures or dilute their interest in the Project.

Additional mineral titles in the Project area are held in the name of Filo del Sol Exploración S.A. (FdS), an indirectly wholly-owned Argentinian subsidiary of NGEx.

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

Mineral Tenure and Surface Rights

In Argentina, NGEx holds 10 exploitation licences (minas) and two exploration licences (cateos). Total holdings cover an area of approximately 21,400 ha.

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

In Chile, NGEx is the holder of 30 exploitation mining concessions, 103 exploration mining concessions and three unilateral and irrevocable options to purchase seven exploitation concessions in the Los Helados area. The actual surface area covered by the titles is approximately 18,480 ha.

NGEx previously held a four-year access agreement with the Comunidad Civil Ex Estancia Pulido, to allow exploration and drilling activity at Los Helados. This agreement expired in September 2015. In May 2015, negotiations began with Comunidad Civil Ex Estancia Pulido to conclude a definitive mining easement over 20,000 ha, to allow for mining usage. The negotiations are at an advanced stage and when concluded will include all surface rights needed to support the mine plan in the Project Constellation PEA.

Agreements

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

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

Royalties

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

There are no royalties payable on the Los Helados deposit. The Government of Chile levies a mining tax that is a tax on operational mining income, applied on a sliding-scale rate basis of between 5% and 14% depending on operating margins.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

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

The best access to the Project is from Copiapó, a driving distance of about 170 km, or three hours. Alternate access from Argentina is possible by major provincial highways north through San Jose de Jachal to the town of Guandacol (in La Rioja Province) and from there by approximately 150 km of regional unpaved roads and trails. Total driving time from San Juan is approximately 10 hours.

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

Project Constellation will be a greenfields development. The most important logistics centre in the region is Copiapó. Copiapó has a population of approximately 150,000 people, an airport with daily scheduled flights to Santiago and Antofagasta, and companies that offer mining and exploration services. While farther away, San Juan, Argentina, is also a major mining centre with good mining services available.

History

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

Geological Setting and Mineralization

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

The Cu–Au mineralization at Josemaría is mostly hosted by a Miocene porphyry system which forms an elongated body with minimum dimensions of 800 to 900 m north–south, 600 to 700 m east–west and 600 to 700 m vertically. A well-developed leached cap overlies the entire Josemaría deposit, and is related to oxidation at and below the modern-day surface. The leached cap ranges from 10–20 m in thickness.

Mineral zones within the Josemaría deposit were defined by the relative abundance of chalcopyrite, pyrite and chalcocite, as well as the mode of occurrence of chalcocite (hypogene or supergene) and level of oxidation. Chalcopyrite and pyrite are disseminated through the potassic zone, with minor bornite. Quartz–magnetite ± chalcopyrite veining occurs through much of the main mineralized zone, as discrete veins and locally as a more intense stockwork.

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

Mineralization at Los Helados is primarily hosted by a Miocene magmatic–hydrothermal breccia that forms a roughly circular, pipe-like body with minimum dimensions of 1,100 m east–west, 1,200 m north–south, and at least 1,500 m vertically. The breccia body is surrounded by a broad halo of moderate to low grade Cu–Au mineralization which diminishes in grade with increasing distance from the breccia contact. The mineralization is dated at 13.13 ± 0.32 Ma. The breccia limits have been established by drilling to the west, east and south; however, the northern limit of the breccia body has not yet been identified. The system also remains open at depth, and the lateral extent of the breccia at depth is poorly constrained by the current drilling.

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

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

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

Exploration

Work programs conducted by NGEx include geological mapping; soil, rock-chip and talus sampling; a number of geophysical surveys including induced polarization (IP)–resistivity, magnetometer, and Mount Isa Mine’s Distributed Acquisition System methodology (MIMDAS) surveys; reverse circulation (RC) and core drilling, and Mineral Resource estimation. A number of environmental baseline studies have been undertaken. A preliminary economic assessment of the potential development of the Los Helados deposit as a stand-alone operation was completed in 2014; that assessment is superseded by the results of the study in this Report.

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

Drilling

Nine drilling campaigns have been carried out at the Josemaría deposit, from 2003 to 2014. Drilling at the Josemaría deposit to date totals 61,100 m in 142 drill holes, of which 48 holes (17,535 m) are RC holes, and 94 holes (43,565 m) are core holes.

Eight drilling campaigns have been carried out at the Los Helados deposit, from 2006 to 2015. No drilling was conducted during the 2013–2014 season. Drilling to date totals 75,634 m in 95 drill holes, of which five holes (1,366 m) are RC and 90 holes (74,268 m) are core. The core drilling produced 33,936 m of NQ (47.6 mm diameter) core and 40,332 m of HQ size (63.5 mm) core.

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

Core recovery data were not systematically collected on holes drilled before the 2010–2011 campaign. Core recovery from holes drilled at Josemaría between 2011 and 2014 averages 94%. Core recovery from holes drilled at Los Helados between 2012 and 2015 averages 97%.

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

Drill hole orientations are generally appropriate for the mineralization style. The Josemaría and Los Helados deposits are porphyry systems with disseminated mineralization. Reported and described interval thicknesses are considered true thicknesses.

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

Sampling and Analysis

Drill holes were typically sampled on 2 m intervals.

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

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

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

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

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

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

A rigorous quality control (QC) protocol was implemented in 2009–2010, beginning with drill holes LHDH05 (Los Helados) and JMDH08 (Josemaría), and has been followed since then with minor variations. Quality assurance and quality control (QA/QC) includes insertion of standard reference materials (SRMs), coarse blank samples and duplicate samples. A set of 183 coarse rejects from the 2012 drill campaign at Josemaría were selected for re-assaying at SGS Laboratories. A set of 522 pulps, representing 3.5% of total samples for the 2012–2013 drilling campaign at Los Helados, were selected for a second analysis round at ALS in Chile.

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

Data Verification

Data verification has been conducted by independent consultants in support of technical reports on the Project. This work has included field visits (drill collar monumenting; location checks for selected drill collars); witness sampling; QA/QC data reviews; spot checks of the assay database against assay certificates; reviews of the

lithology and alteration information in drill core against drill logs; reviews of collar elevations in the database against collar elevations in the digital elevation model provided by NGE; downhole survey deviation reviews; reviews of QA/QC data including standard, blank and duplicate sample performances; and a review of check sampling on pulps completed by a check laboratory.

A reasonable level of verification has been completed during the work conducted to date, and no material issues have been identified from the verification programs undertaken. The data verification programs undertaken on the data collected from the Project adequately reflect deposit dimensions, true widths of mineralization, and the style of the deposit, and adequately support the geological interpretations, and the analytical and database quality. The resulting data can be used to support Mineral Resource estimates and in preliminary mine planning at the Project Constellation PEA level.

Metallurgical Testwork

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

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

- Sample selection for the metallurgical test programs
- Chemical characterization including mineralogical analysis
- Physical characterization
- Gold recovery using gravity processing techniques
- Leaching of the Cu and Au oxide ore types (Josemaría deposit only)
- Copper, gold and silver recovery using conventional sulphide flotation practices
- Settling testwork.

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

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

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

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

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

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

Mineral Resource Estimates

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

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

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

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

The drill hole assays were composited to 2 m intervals. No capping was applied at Josemaría. Depending on the domain, copper grade caps at Los Helados ranged from 2–3%, though most domains were not capped. Gold was capped at 2 g/t Au and Ag at 20 g/t Ag.

Ordinary kriging (“OK”) and inverse distance squared (“ID2”) weighting interpolation was done in a single pass. All elements (Cu, Au, Ag, Mo, As, S and Fe) were interpolated using OK. The ID2 weighting method and nearest neighbor (“NN”) method were performed only for Cu and Au for validation and checking purposes of the global bias. A minimum of two and a maximum of 50 composites, with maximum 15 composites from the same hole were used for the interpolation, to allow maximum spread of the data used to estimate blocks. For estimation of the kriging and block variance, a 3 x 3 x 3 discretization of the block was selected. The major, semi-major and minor axes of the search ellipse were set to the corresponding radius defined by the omni-directional variograms.

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

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

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

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

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

In order to evaluate the potential for reasonable prospects of eventual economic extraction for Josemaría, a Whittle pit shell was generated using the following parameters:

- Cu price: US\$3.00/lb
- Mining cost: US\$2.20/t
- Process cost (including G&A): US\$7.40/t processed
- Copper selling cost: US\$0.35/lb
- Over-all slope angle: 42°.

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

Block cave shapes were generated for Los Helados by using different diluted copper equivalent (CuEq) cutoff grades and calculating a conceptual NPV for each shape. These mining shapes were generated using the following assumptions:

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

A CuEq grade was calculated using US\$3.00/lb Cu, US\$1,300/oz Au and US\$23/oz Ag, and includes a provision for selling costs and metallurgical recoveries corresponding to the three metallurgical zones defined by depth below surface. Note that these metal prices and sales costs are not the same as those used in the financial model; these assumptions were only used for the purposes of establishing appropriate copper equivalency formulae. The base-case diluted cutoff grade of 0.33% CuEq was determined as the lowest cutoff grade which produced a positive NPV, and the base case Mineral Resource estimate is the sum of all the blocks within this block cave.

Mineral Resource Statement

Mineral Resource estimates for Josemaría and Los Helados, are reported using the 2014 CIM Definition Standards. Indicated and Inferred classifications only have been estimated; no Measured Mineral Resources were classified.

The Mineral Resource estimates were prepared by Mr Gino Zandonai, RM CMC. The Josemaría estimate has an effective date of 7 August, 2015 and the Los Helados estimate has an effective date of 19 September, 2014.

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

Mineral Resource Estimate (Sulphide) for Josemaría (basecase is highlighted)

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

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

Mineral Resource Estimate (Oxide) for Josemaría (basecase is highlighted)

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

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

Notes to accompany Josemaría Mineral Resource tables:

1. Mineral Resources have an effective date of 7 August, 2015. The Qualified Person for the estimate is Mr Gino Zandonai, RM CMC.
2. Sulphide Mineral Resources are reported using a copper equivalent (CuEq) cutoff grade. CuEq was calculated using US\$3.00/lb copper, US\$ 1,400/oz gold and US\$23/oz Ag and was based on copper, gold and silver recoveries obtained in metallurgical testwork on four composite samples representing the rhyolite, tonalite, porphyry and supergene zones. Copper recoveries for the rhyolite, tonalite and porphyry zones were calculated as a function of copper grade, ranging from a low of 81% to a high of 97%. Copper recovery in the supergene zone was fixed at 85%. Gold recoveries were fixed between 62% and 73% and silver recoveries were fixed between 53% and 75% depending on the zone.
3. Mineral Resources are reported within a conceptual Whittle pit that uses the following input parameters: Cu price of US\$3.00/lb; mining cost of US\$2.20/t; process cost (including G&A) of US\$7.40/t processed; copper selling cost of US\$0.35/lb and over-all pit slope angle of 42°. The oxide resource was treated as waste for the Whittle run, however preliminary testwork has shown good recovery of gold through cyanide leaching and there is a reasonable prospect of eventual economic extraction of gold and silver using this method.
4. Mineral Resources (sulphide) have a base case estimate using a 0.2% CuEq cutoff grade; Mineral Resources (oxide) are reported using a 0.2 g/t Au cutoff grade.
5. Details of the Josemaría Mineral Resource estimate are contained in the NI 43-101 technical report titled “*Constellation Project – Incorporating the Los Helados Deposit, Chile and the Josemaría Deposit, Argentina, NI 43-101 Report on Preliminary Economic Assessment*” dated February 12, 2016.
6. Totals may not sum due to rounding as required by reporting guidelines.

Mineral Resource Estimate for Los Helados (basecase is highlighted)

Los Helados Indicated Mineral Resource								
Cutoff (CuEq)	Tonnage (million tonnes)	Resource Grade				Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lbs)	Au (million oz)	Ag (million oz)
0.58	531	0.50	0.21	1.66	0.65	5.9	3.6	28.3
0.50	981	0.45	0.18	1.56	0.58	9.7	5.7	49.2
0.44	1,395	0.42	0.16	1.52	0.54	12.9	7.2	68.2
0.40	1,733	0.40	0.15	1.45	0.51	15.3	8.4	80.8
0.33	2,099	0.38	0.15	1.37	0.48	17.6	10.1	92.5
Los Helados Inferred Mineral Resource								
Cutoff (CuEq)	Tonnage (million tonnes)	Resource Grade				Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lbs)	Au (million oz)	Ag (million oz)
0.58	There are no Inferred Mineral Resources inside the mining shape at this cutoff grade							
0.50	41	0.41	0.13	1.78	0.51	0.4	0.2	2.3
0.44	176	0.37	0.11	1.61	0.45	1.4	0.6	9.1
0.40	399	0.35	0.10	1.47	0.43	3.1	1.3	18.9
0.33	827	0.32	0.10	1.32	0.39	5.8	2.7	35.1

Notes to accompany Los Helados Mineral Resource table

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

Mine Plan

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

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

Geotechnical Considerations

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

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

Based on empirical methods, caving of the Los Helados rock mass can be achieved with a minimum hydraulic radius (HR) of 39. This equates to a cave initiation footprint approximately 135 x 185 m. Cave initiation can be successfully achieved at Los Helados given the rock mass conditions and proposed mining footprints although the

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

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

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

Pit Design

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

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

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

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

Cave Design

The block cave mine design is based on a 1,174,000 m² footprint area. The footprint area contains two production lifts, an upper lift (Lift 1), the smaller of the two lifts and a lower lift (Lift 2).

Lift 1 has its undercutting level (UCL-1) at elevation 3,630 metres above sea level (masl), 90 m above the UCL of Lift 2. It will have a 194,000 m² footprint, and was designed with a rectangular shape (200 m wide north-south, 970 m long east-west). Mining assumes block caving with load-haul-dump (LHD) equipment for extraction.

Lift 2 has its undercutting level (UCL-2) at elevation 3,540 masl. The lift will have a 980,000 m² footprint, and be mined by block caving using LHD equipment.

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

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

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

Recovery Plan

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

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

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

Project Infrastructure

Logistics

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

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

Waste Rock and Tailings Storage

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

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

Site Infrastructure

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

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

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

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

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

Water Management

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

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

The industrial water make-up requirement for the process plant is estimated to be 500 L/s (on average), or 0.5 m³/s. Nearby valley aquifers were considered the most likely water source for Project Constellation PEA purposes; the selected site is located 8 km from the proposed plant site. It was assumed that the selected aquifer could support the full 500 L/s process plant requirements.

Power

Power for the site is assumed to be supplied with electricity through a 250 km long, 220 kV, single-circuit power transmission line connected to the El Rodeo substation in San Juan Province, Argentina. Average consumption is estimated to be 160 MW. A price assumption of \$0.078/kWh was used for long-term power supply. Power supply alternatives from Chile were also considered; however, the lower power costs in Argentina led to significant operating costs savings over the life of the operations. For Project Constellation PEA purposes, the power infrastructure will include:

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

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

Marketing

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

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

Environmental, Permitting and Social Licence

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

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

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

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

Capital Cost Estimate

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

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

Operating Cost Estimate

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

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

Financial Analysis

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

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

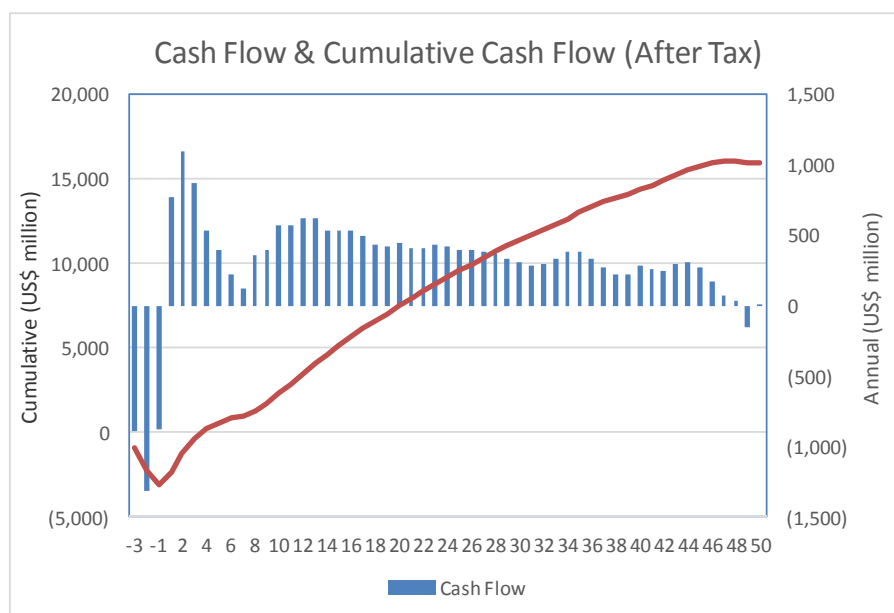
The resulting net annual cash flows are discounted back to the date of valuation of start-of-year, year -3, because the actual starting calendar year has not been determined. The currency used to document the cash flow is US\$ at Q3 2015, considering that the estimation was developed during the third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

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

Cashflow Summary Table (base case is highlighted)

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

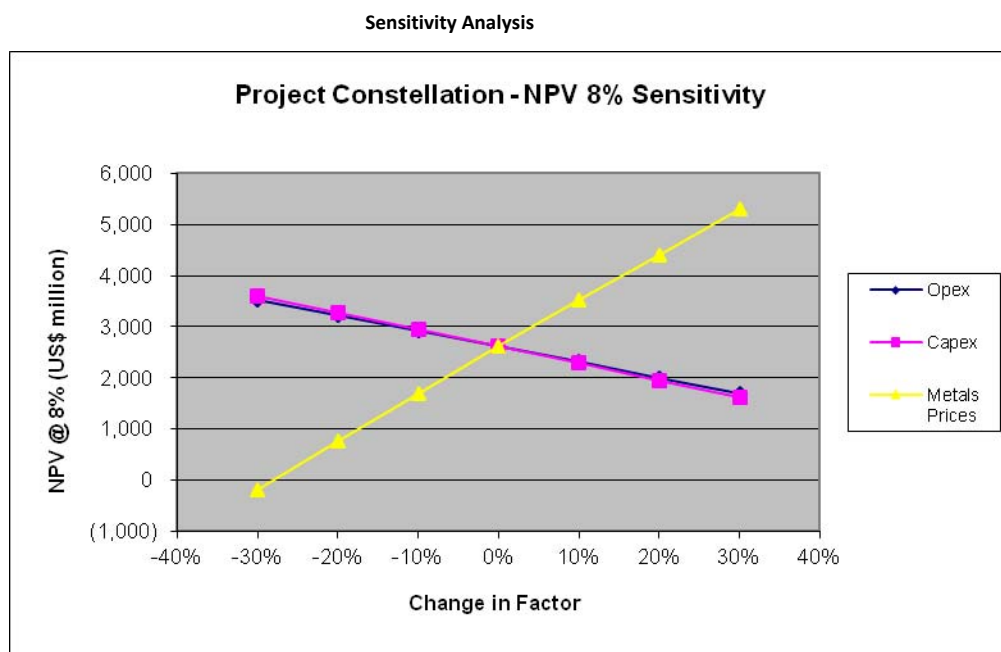
Projected Life-Of-Mine Cash flow



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

Sensitivity Analysis

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



Note: Figure prepared by Amec Foster Wheeler.

Risks and Opportunities

The main opportunities identified for the Project include:

- Higher metals pricing: The Project has significant leverage to copper prices
- Changes to royalty or tax regimes that may improve the Project's economics.
- Delineation of additional mineralization, in particular higher-grade material, through further exploration
- Potential to heap-leach oxide gold mineralization at Josemaría
- Optimization of the combined mine plan
- Optimization of the block cave assumptions
- Improvements in process plant throughput, concentrate grades, and metallurgical recoveries through additional testwork
- Determining a more cost-effective power supply option
- Potential for regional synergies with other mining operations

Risks noted with the Project Constellation PEA assumptions include:

- Long-term depressed metals prices and fluctuations with metals pricing
- Political risks and uncertainties affecting legislation, regulatory requirements or general business climate in Chile and Argentina
- Inflation and increased prices for infrastructure, equipment and consumables, resulting in changes to operating and capital cost estimates
- Implementation of additional monetary controls or restrictions on imports by the Argentinean government
- Obtaining sufficient surface and water rights on both sides of the border to support the envisaged operation
- Obtaining the appropriate permits to support Project construction and operation

- Timely completion of the environmental permitting process
- Environmental concerns that may be raised due to proximity concerns: the proximity of the El Potro glacial area, rock glaciers in the broader periglacial environment, and cultural heritage sites
- Uncertainties in long term management of acid rock drainage and metal leaching from mine, waste and tailings
- Continuity and effectiveness of community relations programs.

Conclusions

Project Constellation shows positive a financial return and supports the declaration of the economic analysis based on Mineral Resources.

Should the NGEx Board make such a decision, there is sufficient support from the PEA for progression to more detailed technical studies.

Recommendations

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

The work program proposed would support completion of a PFS on the Project. The NGEx board of directors has not made a final decision to proceed to a PFS and the timing of such a decision will depend on a number of factors including but not limited to market conditions and availability of financing to complete the studies.

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

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

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

4.3.2. Filo del Sol Project, Chile and Argentina

The Corporation holds a 100% interest in the Filo del Sol Project. The Filo del Sol Project straddles the international border between San Juan Province, Argentina and Region III, Chile (the “**Filo del Sol Project**”) and is located approximately 15 km west of the Josemaria Project.

Information detailed below of a scientific or technical nature regarding the Filo del Sol Project is derived from the NI 43-101 compliant technical report dated December 11, 2015, prepared by Fionnuala Devine, P. Geo., Diego Chrchafliie, P. Geo., and James N. Gray, P. Geo., titled “*Updated Mineral Resources Estimate for the Filo del Sol Property, Region III of Atacama, Chile and San Juan Province, Argentina*” with an effective date of August 26, 2015 (the “Filo del Sol Report”). The Filo del Sol Report is available under the Corporation’s profile on SEDAR www.sedar.com. The reader is cautioned that the information below is an abridged summary only which has been reproduced in its entirety from the Filo del Sol Report and the Filo del Sol Report is incorporated by reference into this AIF. To put the contents hereof in context, the reader should review the entire Filo del Sol Report, together with its illustrations, figures, footnotes, bibliography, etc.

Project Description and Location

The Filo del Sol Project is located 140 km southeast of the city of Copiapó, Chile and straddles the border between Argentina and Chile. The centre of the main deposit area is located at 28.49° S latitude and 69.66° W longitude (decimal degrees, WGS84 datum).

The Filo del Sol Project is comprised of adjacent mineral titles in Chile and Argentina which are 100% controlled by NGEx either through direct ownership or option agreements. In Argentina, NGEx owns four exploration permits (“Cateos”) and 12 exploitation permits (“Manifestaciones”). In Chile, the Corporation is the owner of 11 exploration concessions (“Manifestaciones”) 2 exploitation mining concessions (“Mensuras”) in the process of being granted and one unilateral and irrevocable option agreement to purchase 17 mining licenses (“Mensuras”). The total area of the Project is approximately 16,616 hectares.

The Filo del Sol Project is included within the “Vicuña Additional Protocol” under the *Mining Integration and Complementation Treaty* between Chile and Argentina. The main benefit during the exploration stage of the Vicuña Additional Protocol is the authorization which allows for people and equipment to freely cross the border of both countries in support of exploration and prospecting activities within an area defined as an “operational area”. Development of transboundary mining projects is possible under the Treaty.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Filo del Sol Project is accessible by road from either Copiapó, Chile or San Juan, Argentina although Copiapó is much closer and is approximately five hours driving time.

The climate is cold and windy, typical of the high Andes. The exploration field season runs from October to April. Field work is based out of the Company’s Batidero camp located approximately 20 km from Filo del Sol in Argentina. The Batidero camp can accommodate approximately 120 people. The site is remote and, other than road access, there is no infrastructure available.

The Filo del Sol Project is in the Andes Mountains with elevations ranging from 4,800 to 5,400 m above sea level. The mountains are generally not rugged and vehicle access is possible to most of the property. Vegetation is almost entirely absent in the area.

History

Cyprus-Amax was the first company to have done any serious exploration work in the area, beginning in 1997 and based on recognition of auriferous silica and a Cu-Au porphyry occurrence on the Chilean side of the border. Cyprus-Amax’s work during the 1998/99 season consisted of 1:10,000 geologic mapping, talus fine sampling, rock chip sampling, road construction to the project site, and a drill program of 2,519m in 16 reverse circulation (“RC”) drill holes. NGEx became involved in the project through its predecessor company, Tenke Mining Corp., which negotiated purchase arrangements with Cyprus-Amax in August 1999.

Geological Setting and Mineralization

Filo del Sol is a high-sulphidation epithermal copper-gold-silver deposit associated with a large porphyry copper-gold system. Overlapping mineralizing events combined with weathering effects, including supergene enrichment, have created several different styles of mineralization, including structurally-controlled gold, manto-style high-grade silver (+/- copper) and high-grade supergene enriched copper within a broader envelope of disseminated sulphide copper and gold mineralization. Mineralization is hosted in volcanic rocks of the Miocene Doña Ana Formation. It is located in the Andean Frontal Mountain Range (in Spanish, *Cordillera Frontal*), between the Maricunga gold porphyry zone to the north and the El Indio high-sulphidation zone to the south, both of Miocene age.

Three main zones of mineralization occur on the property called, from South to North, Filo del Sol, Maranceles and Potro. Filo del Sol is by far the most advanced and is the location of the mineral resource presented here. Maranceles and Potro are defined by widespread surface alteration very similar to that seen at Filo del Sol, anomalous Cu, Au and pathfinder elements in talus fine samples and a few widely spaced, shallow drill holes.

Deposit Types

The Filo del Sol Project displays a full transition between a high-sulphidation epithermal environment and a porphyry system, and both deposit types are represented. Weathering and supergene processes have created high-grade copper oxide and silver zones.

Mineralization of potential economic interest within the Filo del Sol deposit includes high-grade leachable oxide/mixed copper mineralization, structurally controlled gold-silver mineralization, sub-horizontal “manto” high-grade silver mineralization and disseminated copper, gold, silver, molybdenum sulphide mineralization.

Exploration

NGEx, or its predecessor companies, have been exploring at Filo del Sol since the 1999-2000 field season. A total of eleven work programs have been completed over these years, and there have been four seasons (2001-02, 2002-03, 2008-09, 2009-10) where no work was done. Exploration has been limited to the summer season, typically between November and April, and exploration seasons are described by the years which they bridge.

Surface work completed on the project to date has included talus fine sampling, rock chip sampling, geological mapping and induced polarization and magnetic geophysical surveys.

Drilling

Drilling at Filo del Sol was initiated by Cyprus in 1998-1999 and since then a total of 28,963 metres of reverse circulation (RC) drilling in 109 holes and 4,257 m of diamond drilling (DD) in 19 holes has been completed. All of these holes with the exception of eight RC holes (1,374 m) were drilled in the Filo del Sol deposit area. Three of the eight were drilled in the Maranceles zone and five in the Potro zone.

Sample Preparation, Analysis and Security

Sampling procedures and protocols from drill programs have evolved over the last 18 years not only at the Filo del Sol Project, but throughout the industry. Sample preparation and security protocols implemented in 2011 in Filo del Sol are adequate. More than 66% of the current RC and DDH dataset had a rigorous follow up with blanks, standards and laboratory duplicates. Another 8% has been checked with a second lab but does not have blank and standard controls. The remaining 26% of the dataset has only being verified (satisfactorily) with duplicates. No sample appears to be misplaced or intentionally deleted from the database. In our opinion, the current drillhole dataset for the Filo del Sol Project is consistent and of adequate quality to be used for resource estimation.

Data Verification

To verify information provided by the Corporation, D. Charchaflié (Independent QP) supervised reassaying of historic RC pulps with known Au, Ag and Cu grades for check analyses, visited the area of drilling and located a number of drillholes with a hand-held GPS. The results of these checks are considered a satisfactory confirmation of the results reported by the Corporation.

A visit to the Copiapó office and support facilities was carried out by James Gray, P. Geo. between June 16th and 21st, 2014. Six samples were taken from a variety of geological settings. Samples were coarse rejects from RC drill cuttings and were approximately 5 kg in size. Results of these independent samples agreed closely with the original values.

Mineral Processing and Metallurgical Testing

A preliminary test program was completed in 2001 by Novatec S.A. of Santiago, Chile consisting of Bottle Roll and Sequential Leach tests on 20 samples of RC chips. Testwork was focussed on leach recovery of copper from the oxide and mixed zones.

Testwork resulted in excellent results for recovery of copper through leaching with dilute sulphuric acid solution, including several samples which leached with only potable water and produced sulphuric acid. Bottle Roll tests produced copper recoveries between 27% and 98% with an average of 76% Cu.

These preliminary metallurgical results are presented as historical information and have not been verified by the qualified persons, and should not be relied upon nor considered as current. The qualified persons have no reason to doubt the reliability of the information and the testwork program appears to have been completed in a competent manner.

In order to confirm and update the information, the Company is planning to carry out additional leach tests on vacuum-sealed samples collected during the 2014/15 drill campaign during 2016.

Mineral Resource Estimate

This resource estimate is an update to the resource reported December 2, 2014 and documented in a technical report dated December 19, 2014 (Charchaflié and Gray, 2014). Copper, gold, silver, arsenic and molybdenum grades were estimated by ordinary kriging using Gemcom[®] software. Conceptually, the controls on grade estimation are the same as used for the initial 2014 resource estimate; an updated geological model of mineralization type was used as control grade for the interpolation of all elements. Additionally, gold and molybdenum grades were controlled by an interpreted zone of silica alteration and silver and arsenic grades were controlled by a geochemically defined zone of silver mineralization. The distribution of assay and composite grades were statistically well-behaved for all elements. High-grade capping was applied to economic metals, with a generally low impact on metal reduction.

This Filo del Sol (FDS) resource update is based on assay data available as of August 26, 2015. Results from 30,900 m of drilling in 114 holes have been used for this estimate. This includes an additional 7,300 m in 24 holes as compared to data used in the initial estimate. Drilling has been predominantly by reverse circulation; only 18 of the holes used for resource estimation were core holes. Two grids of 15 x 15 x 10 metre blocks were used in the preparation of the resource estimate. Grades were estimated into a less extensive grid and imported to the larger framework for pit optimization. A third, finer array of 7.5 x 7.5 x 2 metre blocks was used for nearest neighbour (NN) interpolation; the small block size was chosen to match the sample composite length.

Reasonable prospects of eventual economic extraction were established by the optimization of a Whittle[®] pit shell using the following parameters: Cu \$3/lb, Ag \$23/oz, Au \$1300/oz, slope of 42°, mining cost of \$2.2/t and process (including G&A) cost of \$7.4/t. Blocks were assigned as Inferred Mineral Resource where they are: within 50m of a drillhole and/or have sample data in at least three octants of a 150m spherical search and fall within the optimized pit shell. At a copper equivalent cutoff grade of 0.3%, the optimized pit shell results in a strip ratio of 1.7 : 1.

The total mineral resource and the included high-grade silver and copper subsets are shown in the following table:

Zone	Inferred Mineral Resource							Metal		
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	As (ppm)	CuEq (%)	Cu (billion lb)	Au (million oz)	Ag (million oz)
Oxide	49.9	0.42	0.39	6.6	50	643	0.70	0.5	0.6	10.5
Transition	133.4	0.51	0.31	23.3	70	892	0.91	1.5	1.3	100.1
Hypogene	197.7	0.31	0.32	6.2	44	499	0.54	1.3	2.1	39.2
Sulphide	331.2	0.39	0.32	13.1	54	657	0.69	2.8	3.4	139.3
Total	381.0	0.39	0.33	12.2	54	656	0.69	3.3	4.0	149.8

COG (% Cu)	Contained within Inferred Mineral Resource					Metal		
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lb)	Au (million oz)	Ag (million oz)
0.7	27.3	1.31	0.32	11.2	1.59	0.8	0.3	9.8
0.5	53.0	0.95	0.34	9.7	1.23	1.1	0.6	16.5

COG (g/t Ag)	Contained within Inferred Mineral Resource					Metal		
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lb)	Au (million oz)	Ag (million oz)
80	14.2	0.52	0.38	160.5	2.37	0.2	0.2	73.2
50	23.1	0.46	0.38	123.2	1.93	0.2	0.3	91.4
20	34.4	0.42	0.38	93.6	1.58	0.3	0.4	103.6

Notes to accompany Filo del Sol Mineral Resource Summary table

1. Copper equivalent assumes metallurgical recoveries of 84% for copper, 70% for gold and 77% for silver based on similar deposits, as only limited acid-leach 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. The CuEq formula is: $CuEq = Cu + Ag * 0.0102 + Au * 0.5266$;
2. The Qualified Person for the resource estimate is James N. Gray, P. Geo. of Advantage Geoservices Ltd.;
3. All figures are rounded to reflect the relative accuracy of the estimate;
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability;
5. The resource was constrained by a Whittle® pit shell using the following parameters: Cu \$3/lb, Ag \$23/oz, Au \$1300/oz, slope of 42°, mining cost of \$2.2/t and process cost of \$7.4/t.

Interpretation and Conclusions

The Filo del Sol Project encompasses a very large alteration zone and several mineralized showings within a prolific mineral district. Both high-sulphidation epithermal gold-silver-copper and porphyry copper-gold mineralization have been discovered and both styles of mineralization are compelling exploration targets. Despite a long history of exploration, the short field season and large size of the hydrothermal systems result in a project that remains under-explored and warrants significant additional work. This is reinforced by the updated mineral resource estimate presented in this report which establishes an important copper-gold-silver deposit on the property and remains open in most directions.

The mineral resource estimate for the Filo del Sol deposit includes several different styles of mineralization, in terms of metal combinations and grade distribution, which occur as the result of a complex series of geological processes. Mineralization of potential economic interest within the deposit includes: high-grade leachable oxide/mixed copper mineralization; structurally controlled gold-silver mineralization; sub-horizontal “manto” high-grade silver mineralization and disseminated copper, gold, silver, molybdenum sulphide mineralization.

In addition to the Filo del Sol resource, the property contains several other target areas defined by talus fine and rock sampling, geophysical surveys and geological mapping within a very large hydrothermal alteration system. These zones represent early-stage exploration targets and additional work is required to fully evaluate them.

Induced Polarization geophysics has proven to be an excellent tool to help define the general geometry of the deposit, including areas of potential expansion. This type of geophysical survey should be extended across all the main mineralized areas.

Reverse circulation (RC) drilling has provided most of the drill information from the Project. Although RC is useful for establishing the grade distribution and general geological framework of the deposit, diamond drilling is essential to fully understand the controls on, and detailed geometry of, the mineralization. Diamond drilling has proven to be difficult in the highly porous and fractured steam-heated and residual quartz alteration associated with the deposit, however similar rock types at other deposits (Pascua-Lama, Yanacocha, Veladero) have been successfully diamond drilled and a concerted effort needs to be made to include extensive diamond drilling in future drill programs.

Very preliminary metallurgical testwork indicates that the oxide and mixed (oxide/sulphide) copper mineralization may be amenable to recovery of copper through leaching – possibly using only water. Additional testwork should be completed in order to investigate this further.

The Project presents several challenges to exploration and development including its high altitude, short summer season, locally difficult drilling conditions due to bad ground and distance from infrastructure, however these conditions are no worse than those at many successful mines in the region. Balanced against these challenges is the potential for the occurrence of an economic mineral deposit suggested by the tenor of the resource, the size of the alteration zone and analogies with geologically similar deposits in the Maricunga and El Indio belts.

Subsequent Work

Subsequent to December 31, 2015 a small program of surface exploration was completed at Filo del Sol. This program was completed in late February and compilation and interpretation of data collected is ongoing.

Work included geological mapping, induced polarization geophysical surveying and surface talus sampling. The area covered was immediately to the north of the Filo del Sol deposit.

4.3.3. Other Chilean Properties

The Corporation also holds a number of earlier stage copper-gold projects in Chile and Argentina. Work on these projects is limited while the Corporation focuses its efforts on Project Constellation and the Filo del Sol Project.

4.3.4. GJ/Kinaskan Project, Northwestern British Columbia, Canada

On November 3, 2015 (the “Closing Date”), the Corporation and Teck Resources Limited (“Teck”), completed the sale of their respective interests in the GJ Project to Skeena Resources Limited (“Skeena”). At the time of the sale, the Corporation held an undivided 49% interest and Teck held an undivided 51% interest in the GJ Project. The GJ Project is located in northern British Columbia and covers an area of about 150 square kilometers. In accordance with the terms of the sale agreement dated October 5, 2015, Skeena acquired 100% of the GJ Project in return for the following consideration:

- A cash payment of \$0.5 million and an aggregate of 12,947,538 common shares of Skeena, with a value of \$1,000,000 based on a 10- day weighted average price of \$0.0772 per share as of Closing Date.
- An additional common share consideration valued at \$3 million is payable over five years, with \$1.5 million payable on or before the 2nd anniversary of the Closing Date and the balance of \$1.5 million payable on or before the 5th anniversary of the Closing Date; and

- A \$4 million cash payment is payable within 45 days of commercial production from the GJ Project.

The Corporation and Teck have retained a 2% Net Smelter Return (NSR) Royalty on the GJ block, which contains the GJ Resource. Half of this NSR Royalty can be purchased for \$2 million. Teck and the Corporation have also retained a 1% NSR Royalty on the Northern Block of Claims, half of which can be purchased for \$1 million. Teck and the Corporation's royalties are held under separate royalty agreements in favour of Teck and the Corporation respectively. As such, the Corporation will hold a 0.98% NSR on the GJ Block and a 0.49% NSR on the Northern Block. The Corporation will receive 49% of all proceeds from the sale, including a 49% share of the retained royalties, while Teck will receive the remaining 51% share of sale proceeds and retained royalties.

As of the Closing Date, the Corporation has received \$245,000 in cash and 6,344,294 common shares of Skeena, representing 49% of the initial payment.

ITEM 5 DIVIDENDS

There are no restrictions that prevent the Corporation from paying dividends. The Corporation has not paid dividends to date on its common shares and has no plans to pay dividends in the near future. Any decision to pay dividends in the future will be based on the Corporation's earnings and financial requirements and other factors that its Board of Directors may consider appropriate in the circumstances.

ITEM 6 CAPITAL STRUCTURE

The Corporation's authorized capital consists of an unlimited number of common shares without par value. All of the issued common shares are fully paid and non-assessable.

The holders of common shares of the Corporation are entitled to receive notice of, and to one vote per share at, every meeting of shareholders of the Corporation, to receive such dividends as the Board of Directors declares and to share equally in the assets of the Corporation remaining upon the liquidation, dissolution or winding up of the Corporation after the creditors of Corporation have been satisfied.

As of December 31, 2015, the Corporation had an aggregate of 187,712,994 common shares issued and outstanding. As at the date of this AIF, the Corporation had an aggregate of 205,063,733 common shares issued and outstanding.

ITEM 7 MARKET FOR SECURITIES

The common shares of the Corporation are currently listed and posted for trading on the TSX in Canada under the trading symbol "NGQ" and in Sweden on the NASDAQ Stockholm under the symbol "NGQ".

7.1. Trading Price and Volume

The following table provides information as to the high and low closing prices and volume traded of the common shares during the most recently completed financial year for each month on the TSX:

Month	High (\$)	Low (\$)	Volume
January 2015	1.18	0.92	2,092,172
February 2015	1.10	0.97	1,546,078
March 2015	1.09	0.92	1,206,269
April 2015	1.05	0.92	881,955
May 2015	1.00	0.92	1,621,333
June 2015	0.96	0.87	576,672
July 2015	0.88	0.70	427,893
August 2015	0.73	0.58	372,662
September 2015	0.67	0.50	576,154

Month	High (\$)	Low (\$)	Volume
October 2015	0.57	0.44	1,120,008
November 2015	0.95	0.46	2,412,789
December 2015	0.70	0.54	305,292

The price of the common shares of the Corporation as quoted by the TSX at the close of business on December 31, 2015 was \$0.65 and on March 30, 2016 the last trading day prior to the date of this AIF, was \$0.69.

7.2. Prior Sales

As at December 31, 2015, the Corporation had outstanding stock options to purchase 5,722,500 common shares. During the year ended December 31, 2015, the Corporation issued stock options as follows:

Date of Issuance	Number	Exercise Price	Expiry
May 11, 2015	2,625,000	\$0.95	May 11, 2018
November 25, 2015	250,000	\$0.83	November 25, 2018
Total:	2,875,000		

ITEM 8 DIRECTORS AND OFFICERS

8.1. Name, Occupation and Security Holding

During the year ended December 31, 2015, the Board of Directors of the Corporation was comprised of five directors. Each director holds office until the next annual meeting of shareholders or until his successor is duly elected unless his office is earlier vacated in accordance with the by-laws of the Corporation. The names, provinces and countries of residence of each of the directors and executive officers of the Corporation, their respective positions and offices held with the Corporation, their principal occupations within the preceding five years, as at December 31, 2015 is set forth in the following table.

Name, Province and Country of Residence	Period of Service as an Officer or Director	Principal Occupation and Occupation during the Past Five Years
Lukas H. Lundin Geneva, Switzerland	Non-executive Chairman since September 12, 2002 and Director since June 23, 1995	Business/mining executive; director and officer of a number of publicly traded resource-based companies, including Lucara Diamond Corp., Lundin Mining Corporation, Lundin Gold Inc., Denison Mines Corp., and Lundin Petroleum S.A.
Wojtek A. Wodzicki British Columbia, Canada	President, Chief Executive Officer and Director since April 17, 2009	President and Chief Executive Officer of the Corporation since April 17, 2009; Director of Newstrike Capital Inc. from February 17, 2011 to May 26, 2015; President and Chief Executive Officer, Sanu Resources Ltd. from April, 2007 to August 20, 2009 Director of Horn Petroleum Corporation from September 20, 2011 to March 10, 2015;

Name, Province and Country of Residence	Period of Service as an Officer or Director	Principal Occupation and Occupation during the Past Five Years
Paul K. Conibear British Columbia, Canada	Director since April 17, 2009	President and Chief Executive Officer of Lundin Mining Corporation since October 2011; Previous positions held with Lundin Mining Corporation: Interim President and CEO from June 2011 to October 2011, Sr. Vice President, Corporate Development from October 2009 to June 2011 and Senior Vice President, Projects from July 2007 to October 2009.
William A. Rand British Columbia, Canada	Director since June 23, 1995	President and Director of Rand Edgar Investment Corp.; Director of a number of publicly traded companies.
David Mullen British Columbia, Canada	Director since November 16, 2010	Managing Director of Graycliff Partners since December 2011 to present; Managing Partner and Chair of Fulcrum Capital Partners Inc. (Canada) from November 2011 to August 2013; formerly Chief Executive Officer and Head of Private Equity North America for HSBC Bank (HSBC Capital Canada and HSBC Capital USA).
Chester See (See Note 1) British Columbia, Canada	Chief Financial Officer since August 16, 2013	Chief Financial Officer of the Corporation until February 3, 2016; Chief Financial Officer of Lundin Gold Inc. since September 2013; Financial Controller, Lucara Diamond Corp. from November 2011 to August 2013; Manager, Financial Reporting & Treasury, Western Coal Corp. from September 2009 to October 2011; Senior Accountant PricewaterhouseCoopers LLP from September 2006 to September 2009.
Robert Carmichael British Columbia, Canada	Vice President, Exploration since September 1, 2011	Vice President, Exploration of the Corporation since September 1, 2011; Self-employed from August 1, 2011 to August 31, 2011; General Manager, Resource Exploration Lundin Mining Corporation from 2006 to July 31, 2011.

Note 1: Subsequent to December 31, 2015, on February 3, 2016, Mr. See resigned from his position as Chief Financial Officer of the Corporation and Ms. Joyce Ngo, who had held the position of Corporate Controller of the Corporation since March 2012, was appointed Interim Chief Financial Officer of the Corporation.

There are currently three standing committees of the Board; namely, the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. The following table identifies the members of each of these Committees as at December 31, 2015 and the date of this AIF:

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
William A. Rand, Chair Paul K. Conibear David F. Mullen	William A. Rand, Chair David F. Mullen Paul K. Conibear	David F. Mullen, Chair William A. Rand Paul K. Conibear

Securities Holdings

As at December 31, 2015, the directors and executive officers of the Corporation, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 3,651,908 common shares of the Corporation, representing

approximately 2% of the issued and outstanding common shares of the Corporation (excluding securities issuable on exercise of stock options).

8.2. Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an “**order**”) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Rand is currently and was a director of New West Energy Services Inc. when, on September 5, 2006, a cease trade order was issued against that company by the British Columbia Securities Commission for failure to file its financial statements within the prescribed time. The default was rectified and the order was rescinded on November 9, 2006.

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

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

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

Messrs. Lukas Lundin and Paul Conibear were directors of Sirocco Mining Inc. (“**Sirocco**”). Messrs. Lundin and Conibear resigned as directors of Sirocco on January 31, 2014 and February 1, 2014, respectively, at which time Sirocco was a public-traded company and financially solvent. Pursuant to a Plan of Arrangement completed on January 31, 2014, Canada Lithium Corp. (“**Canada Lithium**”) acquired Sirocco. The final step in the transaction was the amalgamation of Canada Lithium and Sirocco to form RB Energy Inc. (“**RBI**”). On October 13, 2014, RBI announced that, among other things, RBI's then Board of Directors had approved the filing of an Initial Order (the “**Order**”) for creditor protection under the Companies' Creditors Arrangement Act (the “**CCAA**”). The Quebec Superior Court issued the requested Order in respect of RBI and its Canadian subsidiaries on October 14, 2014. RBI was then put under the protection of the Court and KPMG LLP was appointed monitor under the Order. The TSX delisted RBI's common shares effective at the close of business on November 24, 2014 for failure to meet its continued listing requirements. Since that time, RBI's common shares have been suspended from trading. On May 8, 2015, the Court appointed Duff & Phelps Canada Restructuring Inc. as receiver of RBI and its subsidiaries to administer and realize upon the assets of RBI. Although neither Mr. Lundin nor Mr. Conibear was ever a director or officer or control person of RBI, each was a director of Sirocco within the 12 month period prior to RBI filing for protection under the CCAA.

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

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

8.3. Conflicts of Interest

To the best of the Corporation's knowledge, and other than as disclosed in this AIF, there are no known existing or potential conflicts of interest between the Corporation and any director or officer of the Corporation. The Corporation's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or the terms of such participation. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, the involvement in a greater number of programs or a reduction in financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of Canada, the directors or the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and the financial position at that time.

The directors and officers of the Corporation are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the CBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. Other than as disclosed above, the directors and officers of the Corporation are not aware of any such conflicts of interest in any existing or contemplated contracts with or transactions involving the Corporation. See "Risk Factors — Conflicts of Interest".

ITEM 9 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

9.1. Legal Proceedings

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

9.2. Regulatory Actions

No penalties or sanctions were imposed by a court relating to securities legislation or by a securities regulatory authority during the Corporation's recently completed financial year, nor were there any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision, nor were any settlement agreements entered into before a court relating to securities legislation or with a securities regulatory authority during the Corporation's recently completed financial year.

The Corporation is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Corporation cannot reasonably predict the likelihood or outcome of these actions.

The Corporation does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason therein, will have a material effect on the financial condition or future results of operations of the Corporation.

ITEM 10 AUDIT COMMITTEE

The Audit Committee oversees the accounting and financial reporting processes of the Corporation and its subsidiaries and all audits and external reviews of the financial statements of the Corporation on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Corporation and its subsidiaries. All auditing services and non-audit services to be provided to the Corporation by the Corporation's auditors are pre-approved by the Audit Committee. The Audit Committee reviews, on a continuous basis, any reports prepared by the Corporation's external auditors relating to the Corporation's accounting policies and procedures, as well as internal control procedures and systems. The Audit Committee is also responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, quarterly review engagements, if any, the Corporation's internal accounting controls, Code of Business Conduct and Ethics, any complaints and concerns regarding accounting, internal controls or auditing matters and the resolution of issues identified by the Corporation's external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders and the compensation of the auditors. The Audit Committee meets a minimum of four times per year. The Audit Committee met four times in 2015. The Audit Committee Charter is attached as Schedule "A" to this AIF.

10.1. Composition of the Audit Committee

Below are the details of each audit committee member, including his name, whether he is independent and financially literate as such terms are defined under National Instrument 52-110 – Audit Committees ("**NI 52-110**") and his education and experience as it relates to the performance of his duties as an audit committee member. The qualifications and independence of each member is discussed below and in the Corporation's management information circular, dated May 7, 2015, prepared in connection with the Corporation's annual meeting of shareholders held on June 11, 2015, a copy of which is available under the Corporation's profile on the SEDAR website at www.sedar.com and will be included in the Corporation's management information circular for the year ended December 31, 2015 for its annual meeting to be held in June, 2016.

Member Name	Independent ⁽¹⁾	Financially Literate ⁽²⁾	Education and Experience Relevant to Performance of Audit Committee Duties
William A. Rand (Chair)	Yes	Yes	Mr. Rand is a retired corporate and securities lawyer and mining executive with a LL.M. from the London School of Economics, a LL.B. from Dalhousie University and a B.Comm. from McGill University (Honours in Economics and Major in Accounting). Mr. Rand has been a member of a number of boards and audit committees of public companies for over 30 years. Through this education and experience, Mr. Rand has experience overseeing and assessing the performance of companies and public accountants with respect to the preparation, auditing and evaluation of financial statements.
Paul K. Conibear	Yes	Yes	Mr. Conibear is a professional engineer with a B.Sc. – Civil Engineering from the University of Waterloo. Mr. Conibear has more than 30 years of experience in the mining industry and has served as an executive officer, director and audit committee member of several public resource-based companies.
David Mullen	Yes	Yes	Mr. Mullen is currently Managing Director of Graycliff Partners; Prior, Mr. Mullen was Managing Partner and Chair of Fulcrum Capital Partners Inc. (Canada). Mr. Mullen was formerly, Chief Executive Officer and Head of Private Equity of North America for HSBC Bank (HSBC Capital Canada and HSBC Capital USA). Mr. Mullen has also served as a director and audit committee member of several public resource based companies. Mr. Mullen holds an MBA from the Richard Ivey School of Business at the University of Western Ontario and a Bachelor of Commerce degree from the University of British Columbia.

Notes:

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

10.2. Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemption in Section 2.4 (De Minimis Non-Audit Services), Section 3.2 (Initial Public Offerings), Section 3.4 (Events Outside Control of Member), Section 3.5 (Death, Disability or Resignation of Audit Committee Member) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

10.3. Reliance on Exemption in Subsection 3.3(2) or Section 3.6

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemption in subsection 3.3(2) (Controlled Companies) or Section 3.6 (Temporary Exemption for Limited Exceptional Circumstances).

10.4. Reliance on Section 3.8

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemption in Section 3.8 (Acquisition of Financial Literacy).

10.5. Audit Committee Oversight

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

10.6. Pre-Approval Policies and Procedures

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

10.7. External Auditor Service Fees (by Category)

The following table discloses the fees billed to the Corporation by its external auditor during the last two fiscal years ended December 31, 2015, and December 31, 2014:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2015	\$124,538	\$43,365	\$7,300	\$2,337
December 31, 2014	\$120,000	\$47,250	\$6,620	\$6,610

Notes:

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

PricewaterhouseCoopers LLP, Chartered Accountants, have prepared the Independent Auditors' Report in respect of the Corporation's consolidated audited financial statements as at and for the years ended December 31, 2015 and 2014. PricewaterhouseCoopers LLP have advised the Corporation that they are independent in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

ITEM 11 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the best of the Company's knowledge, none of the directors, officers or principal shareholders of the Company and no associate or affiliate of any of them, has or has had any material interest in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Company.

ITEM 12 TRANSFER AGENTS AND REGISTRARS

Computershare Investor Services Inc. ("Computershare") acts as the registrar and transfer agent for the common shares of the Corporation at its offices in Vancouver and Toronto. Computershare is located at: 3rd Floor, 510

Burrard Street, Vancouver, British Columbia, V6C 3B9; and 100 University Avenue, 11th Floor, Toronto, Ontario, M5J 2Y1.

ITEM 13 MATERIAL CONTRACTS

Except as set forth below, and other than as disclosed in this AIF, there were no other contracts, other than those entered into in the ordinary course of business, that were material to the Corporation and that were entered into between January 1, 2015 (being the commencement of the Corporation's most recently completed financial year) and up to the date of this AIF or that were entered into prior to January 1, 2015 and remain in effect during 2015.

- Joint exploration agreement for exploration of minerals at the Josemaría Project et al in the Republic of Argentina made as of March 16, 2009 among the Corporation's subsidiary, Suramina Resources Inc. ("Suramina"), Japan Oil, Gas and Metals National Corporation ("JOGMEC"), Frontera Holdings (Bermuda) I Ltd., Frontera Holdings (Bermuda) II Ltd., and Desarrollo de Prospectos Mineros S.A. ("Deprominsa") described under the heading "Mineral Projects - Josemaría Project, Argentina.
- Joint exploration agreement made as of February 1, 2008 among Suramina Resources Inc., JOGMEC, Frontera Holdings (Bermuda) II Ltd., Deprominsa and Minera Frontera Del Oro S.C.M. ("MFDO") described under the heading "Mineral Projects – Los Helados Project, Chile". In September 2012, JOGMEC exercised its right under the agreement and assigned and transferred all of its rights, title and interests under the agreement to a nominated Japanese company, Pan Pacific Copper.

ITEM 14 NAMES AND INTERESTS OF EXPERTS

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

- Robert Carmichael, B.A.Sc, P.Eng., subsequent to September 1, 2011, in respect of the preparation of certain technical information in the Corporation's news releases, this AIF, and other disclosure documents. Mr. Carmichael is a "qualified person" for the purposes of NI 43-101, but not independent as he is Vice President, Exploration of the Corporation and as of the date of this AIF, he holds directly or indirectly, 40,000 common shares and stock options to purchase an aggregate of 655,000 common shares of the Corporation as follows: 30,000 common shares exercisable at \$1.90 per share until August 22, 2016, 175,000 common shares exercisable at \$2.05 per share until May 7, 2017, 250,000 common shares exercisable at \$0.95 per share until May 11, 2018, and 200,000 common shares exercisable at \$0.61 per share until February 24, 2019. If all the options held by Robert Carmichael were exercised, he would hold less than one percent of the common shares of the Corporation.
- James Beck, B.A.Sc., P. Eng., MBA, subsequent to November 13, 2015, in respect of the preparation of certain technical information in the Corporation's news releases, this AIF, and other disclosure documents. Mr. Beck is a "qualified person" for the purposes of NI 43-101, but not independent as he is project manager of the Corporation's conceptual engineering studies and as of the date of this AIF, he holds directly or indirectly, NIL common shares and stock options to purchase an aggregate of 345,000 common shares of the Corporation as follows: 60,000 common shares exercisable at \$2.95 per share until March 26, 2016; 20,000 common shares exercisable at \$1.90 per share until August 22, 2016; 80,000 common shares exercisable at \$2.05 per share until May 7, 2017; 125,000 common shares exercisable at \$0.95 per share until May 11, 2018; and 60,000 common shares exercisable at \$0.61 per share until February 24, 2019. If all the options held by Mr. Beck were exercised, he would hold less than one percent of the common shares of the Corporation.

- Alfonso Ovalle, RM CMC; Cristian Quiñones, RM CMC; Cristian Quezada, RM CMC; David Frost, FAusIMM; and Vikram Khera, P.Eng., of Amec Foster Wheeler International Ingeniería y Construcción Limitada; and Gino Zandonai, RM CMC, of DGCS SA in respect of the Project Constellation PEA Report. Each of Alfonso Ovalle, Cristian Quiñones, Cristian Quezada, David Frost, Vikram Khera, and Gino Zandonai is an independent “qualified person” for the purposes of NI 43-101.
- Fionnuala Devine, MSc., P.Geo., of Merlin Geosciences Inc., D. Charchaflié, P.Geo. of LPF Consulting SRL, and James N. Gray, P.Geo. of Advantage Geoservices Ltd. in respect of the Filo del Sol Report. Each of Ms. Devine, Mr. Charchaflié, and Mr. Gray is an independent “qualified person” for the purposes of NI 43-101.

Except as set forth above, no person or company named or referred to under this item beneficially owns, directly or indirectly, 1% or more of any class of the Corporation’s outstanding securities.

PricewaterhouseCoopers LLP are the auditors who issued the auditor’s report for the Corporation’s annual financial statements for the financial years ended December 31, 2015 and 2014. PricewaterhouseCoopers LLP has advised the Corporation that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accounts of British Columbia.

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

ITEM 15 ADDITIONAL INFORMATION

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

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation’s securities and options to purchase securities is contained in the Corporation's management information circular in respect of its most recent annual and special meeting of shareholders that involved the election of directors. Additional financial information is provided in the Corporation’s audited consolidated financial statements as at and for the year ended December 31, 2015 together with the auditors’ report thereon, and the related Management Discussion and Analysis for its most recently completed financial year.

SCHEDULE A

NGEx RESOURCES INC. (the "Corporation")

CHARTER OF THE AUDIT COMMITTEE (as ratified by the Board on February 19, 2016)

1. Purpose of the Audit Committee

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

2. Members of the Audit Committee

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

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

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

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

3. Meeting Requirements

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

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

4. Duties and Responsibilities

4.1. *Appointment, Oversight and Compensation of Auditor*

4.1.1. The Audit Committee shall recommend to the Board:

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

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

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

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

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

4.2. *Non-Audit Services*

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

4.3. *Review of Financial Statements etc.*

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

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

4.3.2. The Audit Committee shall satisfy itself that the audited financial statements and interim financial statements present fairly the financial position and results of operations in accordance with generally accepted accounting principles and that the auditors have no reservations about such statements.

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

4.4. *Review of Public Disclosure of Financial Information*

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

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

4.5. *Review of Annual Audit*

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

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

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

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

4.6. *Review of Quarterly Review Engagements*

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

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

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

4.7. *Internal Controls*

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

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

4.8. *Complaints and Concerns*

4.8.1. The Audit Committee shall establish procedures for:

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

4.9. *Hiring Practices*

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

4.10. *Other Matters*

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

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

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

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

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

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

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

5.1. The Audit Committee has the authority:

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

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

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

6. Miscellaneous

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