



ANNUAL INFORMATION FORM

For the Year Ended December 31, 2014

March 17, 2015

TABLE OF CONTENTS

	Page No.
ITEM 1 INTRODUCTION.....	5
1.1. DATE OF INFORMATION.....	5
1.2. CURRENCY.....	5
1.3. ACCOUNTING POLICIES AND FINANCIAL INFORMATION.....	5
1.4. CONVERSION TABLE.....	5
1.5. CLASSIFICATION OF MINERAL RESOURCES.....	5
ITEM 2 CORPORATE STRUCTURE.....	6
2.1. NAME, ADDRESS AND INCORPORATION.....	6
2.2. INTERCORPORATE RELATIONSHIPS.....	6
ITEM 3 GENERAL DEVELOPMENT OF THE BUSINESS.....	7
3.1. THREE YEAR HISTORY.....	7
ITEM 4 DESCRIPTION OF THE BUSINESS.....	12
4.1. GENERAL.....	12
4.2. RISK FACTORS.....	14
4.4. MINERAL PROJECTS.....	21
4.4.1. Los Helados Project, Chile.....	21
4.4.2. Josemaría Project, Argentina.....	44
4.4.3. Filo del Sol Project, Argentina.....	50
4.4.4. Other Chilean Properties.....	56
4.4.5. GJ/Kinaskan Project, Northwestern British Columbia, Canada.....	56
ITEM 5 DIVIDENDS.....	60
ITEM 6 CAPITAL STRUCTURE.....	61
ITEM 7 MARKET FOR SECURITIES.....	61
ITEM 8 PRIOR SALES.....	61
ITEM 9 DIRECTORS AND OFFICERS.....	62
9.1. NAME, OCCUPATION AND SECURITY HOLDING.....	62
9.2. CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS.....	63
9.3. CONFLICTS OF INTEREST.....	64
ITEM 10 LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	65
10.1. LEGAL PROCEEDINGS.....	65
10.2. REGULATORY ACTIONS.....	65
ITEM 11 AUDIT COMMITTEE.....	65
11.1. COMPOSITION OF THE AUDIT COMMITTEE.....	66
11.2. RELIANCE ON CERTAIN EXEMPTIONS.....	66
11.3. RELIANCE ON EXEMPTION IN SUBSECTION 3.3(2) OR SECTION 3.6.....	67
11.4. RELIANCE ON SECTION 3.8.....	67
11.5. AUDIT COMMITTEE OVERSIGHT.....	67
11.6. PRE-APPROVAL POLICIES AND PROCEDURES.....	67

11.7.	EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)	67
ITEM 12	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	68
ITEM 13	TRANSFER AGENTS AND REGISTRARS	68
ITEM 14	MATERIAL CONTRACTS.....	68
ITEM 15	NAMES AND INTERESTS OF EXPERTS.....	69
ITEM 16	ADDITIONAL INFORMATION	70

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 D. Charchaflié, P.Geol. of LPF Consulting SRL, and James N. Gray, P.Geol. of Advantage Geoservices Ltd. titled *"Initial Mineral Resource Estimate for the Filo del Sol Property, Region III of Atacama, Chile and San Juan Province, Argentina"* dated December 19, 2014.

g/t means grams per tonne.

ha means hectare.

JOGMEC means Japan Oil, Gas and Metals National Corporation.

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

Josemaria Report means the report prepared by Gino Zandonai, B.Sc., M.Sc. Mining, SME, MAusIMM, CRIRSCO (CP), of Behre Dolbear International Ltd. titled *"Second Updated Mineral Resource Estimate for the Josemaria Property, San Juan Province, Argentina"* dated November 13, 2013, as amended March 24, 2014.

km means kilometre.

Los Helados Project means the Los Helados copper-gold porphyry project located in Region 3, Chile.

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

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

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, 2014, dated February 18, 2015.

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

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 covers the Los Helados Project (as defined herein) and the La Chola Property and consent, novation and agreement to be bound made as of September 7, 2012, among JOGMEC, Suramina, Frontera Holdings (Bermuda) II Ltd., Deprominsa, MFDO and Pan Pacific Copper, with effect as at September 7, 2012, pursuant to which Pan Pacific Copper assumed JOGMEC's rights and responsibilities under

the joint exploration agreement as though it were a party to the joint exploration agreement in substitution for JOGMEC.

“PEA” or “Preliminary Economic Assessment” means the NI 43-101 compliant technical report prepared by Cristian Quinones, RM CMC; Alfonso Ovalle, RM CMC; David Frost, FAusIMM; Doina Priscu P.Eng., Vikram Khera, P. Eng. and Nicolas Pizarro, P.Geo, of AMEC International Ingeniera y Construccion Limitada in Santiago, Chile and Gino Zandonai RM CMC, of Behre Dolbear International Ltd. titled *“Los Helados Cu-Au Deposit, Atacama Region III, Chile, NI43-101 Technical Report on Preliminary Economic Assessment”* dated October 1, 2014.

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 includes, but is 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, 2014, 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 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 is 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, 2014. 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 17, 2015. Unless otherwise indicated, all information in this AIF is as of December 31, 2014. 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:

Bank of Canada Noon exchange rate for \$/US\$	Year Ended December 31		
	2012	2013	2014
	US\$1.0051	US\$0.9402	US\$0.8620

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 Anthony George P.Eng., a mining engineer and manager of the Corporation’s conceptual engineering studies. Each of Mr. Carmichael and Mr. George 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.

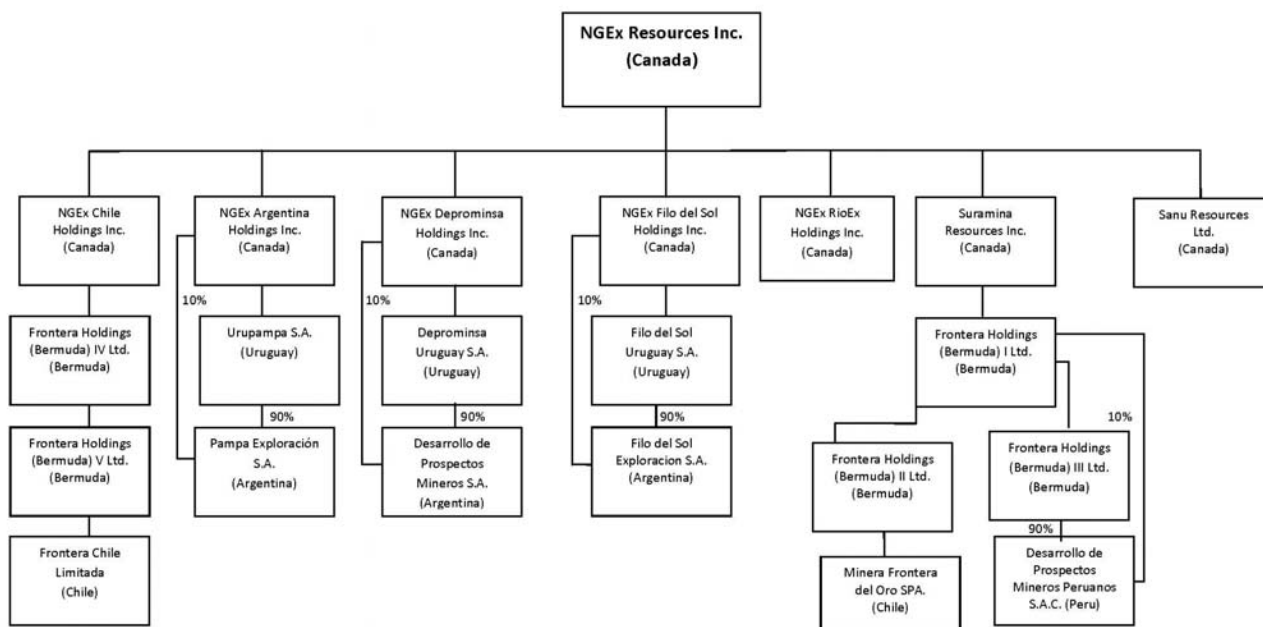
Effective April 17, 2009, the Corporation acquired all of the issued and outstanding common shares of Suramina Resources Inc. ("**Suramina**") by way of Plan of Arrangement under the CBCA, following which Suramina became a wholly-owned subsidiary of the Corporation. Effective August 20, 2009, the Corporation 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, 2014, 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 South and North America.

3.1. Three Year History

2012

- a) In January 2012, the Corporation and its wholly-owned subsidiary, Sanu, entered into a share purchase agreement (the “**Share Purchase Agreement**”) with Namibian Copper NL (“**Namibian**”), pursuant to which Namibian would acquire certain exploration licenses in Eritrea including the Hambok deposit, a copper and zinc-bearing volcanic-associated massive sulfide (VMS) deposit held by the Corporation’s indirect subsidiary, Sanu Resources, Inc. (“**Sanu Inc.**”). The Share Purchase Agreement was mutually terminated in July 2012 pursuant to the termination and mutual release agreement among the parties and whereby the Corporation paid Namibian \$400,000 to cover the costs incurred by Namibian in connection with the Share Purchase Agreement.
- b) On January 5, 2012, the Corporation’s wholly-owned subsidiary, Desarrollo de Prospectos Mineros S.A. (“**Deprominsa**”), signed an addendum II (the “**Paramillos Addendum II**”) with Minera del Oeste S.R.L.

- (“MIDO”) to the amended earn-in agreement (the “**Paramillos Additional Agreement**”) and exploration agreement with a purchase option dated March 17, 2005 (the “**Paramillos Agreement**”) in connection with mining rights in the areas called Paramillos North and South, Province of Mendoza, Argentina, and pursuant to which, among other things, the payments, dates and amounts under the Paramillos Additional Agreement were amended as follows: Deprominsa shall pay to MIDO: US\$180,000 by March 15, 2012 (paid); US\$300,000 by June 28, 2012 (paid); US\$300,000 by December 28, 2012 (paid); US\$350,000 by June 28, 2013 (paid); and US\$1,000,000 by December 28, 2013 to acquire 80% of the Paramillos North and South property; US\$14,300,000 by March 17, 2015 to acquire the remaining 20% of the property. During 2013, Deprominsa suspended payments to MIDO until drilling permits are received for Paramillos North and South. As at the date hereof the payments remain suspended.
- c) The Corporation entered into an agreement made effective April 3, 2012 whereby the Corporation and Candymin S.A. De C.V., a wholly-owned indirect subsidiary of Goldgroup Mining Inc. (“**Goldgroup**”), agreed to terminate and extinguish the 1.5% net smelter return royalty in favour of the Corporation to be paid from the proceeds of commercial production, if any from Goldgroup’s Caballo Blanco property located in State of Veracruz, Mexico, in the form of a net smelter return royalty agreement with the Corporation dated November 26, 2009, in consideration of \$1,000,000 cash and 2,200,000 common shares of Goldgroup.
- d) In October 2012, the Corporation completed the sale of its Hambok project located in Eritrea pursuant to an asset purchase agreement dated for reference July 31, 2012 with Bisha Mining Share Company (“**Bisha**”). Bisha agreed to purchase, and Sanu Inc. agreed to sell, all of Sanu Inc.’s right, title and interest in the Mogoraib River exploration license granted by the Ministry of Energy and Mines of Eritrea to Sanu Inc. including certain other assets related to the license. Pursuant to the asset purchase agreement, Bisha paid Sanu Inc. US\$5,000,000 on closing and agreed to pay an additional cash consideration of US\$7,500,000 within 10 business days of the commencement of commercial production from the Mogoraib exploration license.
- e) In September, 2011, the Corporation sold its wholly-owned subsidiary holding its Congo-Brazzaville projects to Africa Holdings (BVI) Ltd., a private company focused on African exploration projects, for \$59,000 and the right to receive 40% of the proceeds of any subsequent direct or indirect sale of the Congo-Brazzaville projects if such sale occurs prior to the first anniversary of the sale to Africa Holdings (BVI) Ltd. (the “**Congo-Brazzaville Follow-on Rights**”). On August 29, 2012 the Corporation relinquished and terminated the Congo-Brazzaville Follow-on Rights in exchange for 1,000,000 common shares of Corado Resources Corp., the parent of Africa Holding (BVI) Ltd. In September 2013, the shares were exchanged for 500,000 common shares of Legend Gold Corp. pursuant to a three-cornered amalgamation involving Legend Gold Corp., a wholly-owned subsidiary of Legend Gold Corp., and Corado Resources Corp.
- f) During the third quarter of 2012, the Corporation (as to 60%) and Japan Oil, Gas and Metals National Corporation (“**JOGMEC**”) (as to 40%) purchased from Guillermo Borchert Poblete and Judith Perla Billik Folatre, a group of internal claims called the “Odila and Los Helados claims” that lie within the Los Helados copper-gold porphyry project located in Region 3, Chile (the “**Los Helados Project**”) in consideration of the total aggregate payment of US\$1,750,000 payable as to (i) US\$100,000 on signing (paid) of the agreements, (ii) 9 payments of US\$50,000 payable every six months for aggregate total of US\$450,000 (of which US\$350,000 has been paid to the date hereof), and (iii) a final aggregate payment of US\$1,200,000 payable 60 months after the signing of the agreements.
- g) Effective September 7, 2012 the Corporation was advised by JOGMEC that JOGMEC had exercised its right under its joint exploration agreement, among the Corporation and certain of its subsidiaries and JOGMEC, to transfer its 40% interest to Pan Pacific Copper Co., Ltd. (“**Pan Pacific Copper**” or “**PPC**”)

which would assume JOGMEC's rights and responsibilities under the PPC JEA (as hereinafter defined). The Corporation remains as the operator of the project with a 60% interest.

- h) On September 13, 2012, the Corporation fulfilled the last option payment and earned, subject to a 1% net smelter return, a 100% interest (the Corporation as to a 60% interest and Pan Pacific Copper as to a 40% interest) in the La Chola property (the "**La Chola Property**"), located in La Rioja Province, Argentina.
- i) On October 15, 2012 the Corporation announced both an initial Mineral Resource estimate and positive results from the initial metallurgical testwork program for its Los Helados Project. The Mineral Resource was estimated by Behre Dolbear International Ltd. and metallurgical testwork was completed by SGS Lakefield Research in Santiago, Chile.

2013

- a) On January 4, 2013, the Corporation, through Deprominsa, entered into a purchase agreement (the "**Purchase Agreement**") among TNR Gold Corp. ("**TNR**"), Compania Minera Solitario Argentina S.A. ("**CMSA**"), and Compania Minera San Juan, S.A. ("**CMSJ**") (TNR, CMSA and CMSJ collectively, the "**Vendor**"), pursuant to which Deprominsa (as to 60%) and JOGMEC (as to 40%), purchased (subject to 7% of net profits) any and all of the Vendor's right, title and interest in and to the Arroyo Batidero property (the "**Batidero Property**") located in San Juan Province, Argentina and the Northern properties (the "**Northern Properties**") located in Argentina (the "**Purchased Assets**"). In consideration of the purchase, Deprominsa paid to the Vendor a cash payment of \$300,000. Pursuant to the Purchase Agreement, Deprominsa entered into forms of royalty agreements respecting the Batidero Property and the Northern Properties (the "**Royalty Agreements**") with CMSA dated as of January 4, 2013 pursuant to which CMSA will be entitled to a cash royalty in respect of mineral products from the Batidero Property equal to 7% of net profits and a cash royalty in respect of mineral products from the Northern Properties equal to 7% of net profits (collectively, the "**Royalty**"). Pursuant to the Royalty Agreements, CMSA has agreed to grant to Deprominsa a right of first refusal in respect of CMSA's interest in and to the Royalty.
- b) On January 10, 2013 the Corporation announced an increase in the Mineral Resource estimate and positive results from initial metallurgical test work for the Josemaría copper-gold porphyry project located in San Juan Province, Argentina (the "**Josemaría Project**").
- c) 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.
- d) During the first quarter of 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 in consideration of the total aggregate payment of US\$1,150,000 payable as to (i) US\$200,000 on signing (paid) of the agreements, (ii) 2 payments of US\$70,000 payable every six months for aggregate total of US\$140,000 (paid to the date hereof), (iii) 5 payments of US\$50,000 payable every six months for aggregate total of US\$250,000 (US\$100,000 paid to the date hereof) and (iv) a final aggregate payment of US\$560,000 payable 48 months after the signing of the agreements.
- e) 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.

- f) On August 16, 2013 the Corporation appointed Mr. Chester See as Chief Financial Officer of the Corporation replacing Ms. Wanda Lee.
- g) On September 19, 2013 the Corporation announced an updated Mineral Resource estimate for the Los Helados Project
- h) On October 1, 2013 the Corporation announced an updated Mineral Resource estimate for the Josemaría Project.
- i) On November 1, 2013 the Corporation announced new results from the phase two metallurgical test work program completed on the Los Helados Project. The results continued to indicate that the Los Helados Project mineralization is amenable to standard sulphide flotation concentration with the copper and gold recoveries and concentrate grades comparable with those at many operational mines.

2014

- a) On March 26, 2014, the Corporation filed an amended NI 43-101 technical report entitled “Second Updated Mineral Resource Estimate for the Josemaría Property San Juan Province Argentina” dated November 13, 2013, as amended March 24, 2014 (the “**Josemaría Report**”) by G. Zandonai, B.Sc., M.Sc. Mining, SME, MAusIMM, CRIRSCO (CP). Mr. Zandonai is a qualified person under NI 43-101. In addition, on March 26, 2014, the Corporation filed an amended NI 43-101 technical report for the Los Helados Project. The Josemaría Report and a report for the Los Helados Project were amended and refiled to clarify and state that each is 100% authored by independent qualified persons and clearly identify the appropriate designation and foreign association. There was no material change to these reports since they were initially issued on their respective dates with all previous conclusions unchanged.
- b) In 2014 the Corporation began an assessment of possible development options for the Josemaría Project and the Los Helados Project. The scope of those ongoing option study included an evaluation of potential mining methods and production rates, ongoing metallurgical test work, including comminution studies, and development of high level processing flow sheets and mass balances.
- c) On April 10, 2014 the Corporation announced results from ten additional holes drilled during the 2014 drill program at the Filo del Sol copper-gold-silver project located in San Juan Province, Argentina (the “**Filo del Sol Project**”). The drill holes announced continue to extend the high-grade manto zone and expand the broader zone of disseminated copper, gold and silver mineralization.
- d) On April 24, 2014 the Corporation announced final drilling results from the 2013/2014 program at the Josemaría Project. A total of 7,302 m in 14 holes, including two geotechnical holes, was completed during the field season.
- e) 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.
- f) On April 30, 2014 the Corporation announced results from the final nine holes drilled during the 2014 drill program at the Filo del Sol Project. The drill holes included infill holes which confirm the continuity of high-grade copper and silver mineralization and one step-out hole which extends the zone 300 m to the north.
- g) 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. Two insiders of the Corporation, Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l. participated in the private placement in the aggregate amount of 3,500,000 common shares. Following completion of the offering, Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l. held an aggregate of 19.8% of the Corporation's issued and outstanding common shares. 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.
- h) On June 19, 2014 the Corporation's shares commenced trading on NASDAQ Stockholm under the symbol "NGQ".
- i) On October 20, 2014 the Corporation announced the results of a preliminary economic assessment ("PEA") on its 60% owned Los Helados Project located in Chile, together with an updated mineral resource estimate and resulted in a study indicating that the Los Helados Project has the potential to become a large low cost mine producing a desirable, clean, gold-silver rich copper concentrate for +26 years and indicating that an underground mine utilizing block caving methods had the best relative valuation. The PEA report is partly based on Inferred Mineral Resources that 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 the preliminary economic assessment will be realized.
- j) On October 23, 2014 the Corporation announced that it has entered into a definitive agreement (made effective as of September 1, 2014 and signed on October 23, 2014) pursuant to which, among other things, PPC agreed to sell and the Corporation agreed to purchase all of PPC's right, title and interest in and to an undivided 40% interest in the Filo del Sol Property (as defined in the definitive agreement) for total cash consideration of US\$7.0 million. Pursuant to the definitive agreement the consideration is payable in two installments: US\$3.5 million payable upon execution of the definitive agreement (which amount was paid in full on execution of the agreement) and US\$3.5 million on the date that is the earlier of: (i) 10 business days after completion of the transfer of the Remaining Properties (as defined in the definitive agreement) to a newly formed corporation owned or controlled by the Corporation; or (ii) November 1, 2015. Pursuant to the definitive agreement, if the Corporation does not for any reason satisfy this payment obligation, the parties agree that in lieu of and in full satisfaction the Corporation's obligation, PPC shall be deemed as of November 2, 2015 to have funded US\$3,500,000 of Exploration Expenditures (as defined in the PPC JEA) in respect of the Remaining Properties and such deemed amount shall be set-off against any then current or future funding obligations of PPC pursuant to the PPC JEA. As a result, the Corporation holds a 100% interest in the Filo del Sol Project. Pursuant to the definitive agreement, Filo del Sol Property means all or that portion of the mineral claims listed in Schedule A thereto that are located in the San Juan Province, Argentina extending south from the border with the La Rioja Province.
- k) On November 25, 2014, the Corporation filed a NI 43-101 technical report summarizing the results of the PEA and updated Mineral Resource Estimate based on the updated and new corporate tax rate in Chile of 27% rate for its Los Helados Project entitled "Los Helados Cu-Au Deposit, Atacama Region III Chile, NI 43-101 Technical Report on Preliminary Economic Assessment" dated October 1, 2014, (the "PEA") and prepared by AMEC International Ingeniería y Construcción Limitada ("AMEC") and Behre Dolbear International Ltd.. Each of Cristian Quinones, RM CMC; Alfonso Ovalle, RM CMC; David Frost, FAusIMM; Doina Priscu P.Eng., Vikram Khera, P. Eng. and Nicolas Pizarro, P. Geo of AMEC and Gino Zandonai RM CMC of Behre Dolbear International Ltd. are a qualified person under NI 43-101.
- l) 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.

- m) On December 19, 2014, the Corporation filed a NI 43-101 technical report for the Filo del Sol Project entitled "Initial Mineral Resource Estimate for the Filo del Sol Property, Region III of Atacama, Chile and San Juan Province, Argentina" dated December 19, 2014 with an effective date of November 25, 2014 (the "**Filo del Sol Report**") by D. Charchaflié, P.Ge. of LPF Consulting SRL, and James N. Gray, P.Ge. of Advantage Geoservices Ltd. Each of Mr. Charchaflié and Mr. Gray are a qualified person under NI 43-101.

Subsequent to December 31, 2014

- a) On February 16, 2015 the Corporation signed a letter of intent to sell its 60% interest in the Assean Lake claims in Manitoba to VMS Ventures Inc. ("**VMS**"), a TSX Venture Exchange listed company. Pursuant to the letter of intent, the Corporation will receive, upon acceptance of the TSX Venture Exchange, a cash payment of \$15,000 and 600,000 common shares of VMS, upon the earliest to occur of the completion of a preliminary economic assessment, a prefeasibility study or a feasibility study, a further 600,000 common shares of VMS, and upon the commencement of commercial production from Assean Lake, a further 600,000 common shares of VMS. The Corporation's interest in the Assean Lake claims were written off to nil in the Corporation's financial statements in previous years.
- b) On February 18, 2015 the Corporation announced results from the first eight holes of the ongoing drill program at the Filo del Sol Project. The drill holes targeted possible extensions of the high grade silver zone within the resource and extended the high grade silver mineralization to the west of the current resource. The eight holes span a north-south distance of just over 1,700 m, with RCVI-18 at the southern edge of the drill pattern and VRC85 at the north.

Significant Acquisitions

There were no significant acquisitions during the Corporation's most recently completed financial year ended December 31, 2014 for which disclosure is required under Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations*.

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 and North 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. 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.

In October 2014, the Corporation acquired the 40% interest in the Filo del Sol Project (as hereinafter defined) held by its partner Pan Pacific Copper under the PPC JEA. Pursuant to a definitive agreement made effective as of September 1, 2014 and signed on October 23, 2014 between the Corporation and Pan Pacific Copper, the Corporation purchased all of Pan Pacific Copper's right, title and interest in and to an undivided 40% interest in the Filo del Sol Property (as defined in the definitive agreement) for total cash consideration of US\$7.0 million payable in two installments. As a result, the Corporation holds a 100% interest in the Filo del Sol Project. Pursuant to the definitive agreement, Filo del Sol Property means all or that portion of the mineral claims listed in Schedule A thereto that are located in the San Juan Province, Argentina extending south from the border with the La Rioja Province. See "Three Year History – 2014".

Employees

As of December 31, 2014, the Corporation has 6 employees in Canada, 21 full time employees in Argentina, and 5 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 5 full time employees in Chile. The Corporation relies on and engages consultants on a contract basis to assist the Corporation to carry 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 reorganizations of or involving the Corporation within the three most recently completed financial years or completed or currently 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 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.

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.

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 social opposition to mining operations in certain parts of the country and increasingly protectionist economic measures are implemented by the National Government. 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. More recently, the 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 actions indicate that the Argentinean government may 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.

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 and the Corporation will 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 two drill ready projects, Paramillos and Papagallos. 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 Tamberias Projects.

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.

Surface Access

Surface rights in the area of the Los Helados are held by a local community "Comunidad Civil Ex Estancia Pulido". The Corporation has signed a four year access agreement with the community dated September 26, 2011. The agreement allows for the construction and operation of camps and roads and the development of exploration activities on the Properties, including drilling. This agreement must be renewed on or before the anniversary date in 2015 and although there are no indications that the agreement will not be renewed there can be no assurance that the Corporation will be able to renew the agreement. The Corporation does not own any surface rights at the Los Helados Project. As at the date hereof, the Corporation has initiated and commenced discussions on renewal with the landowners.

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.

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 the imposed provincial park boundary expansion over the Papagallos project, and 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. 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.

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 Inferred Mineral Resources will be upgraded to Proven and Probable Mineral Reserves as a result of continued exploration.

Infrastructure

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power and water supplies are important determinants which 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.

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.

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.

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 continue to affect the broader credit and stock markets. The Corporation is dependent on the equity markets as its main source of operating working capital and the Corporation's capital resources are largely determined by the strength of the resource markets and by the status of the Corporation's projects in relation to these markets, and its ability to compete for the investor support of its projects. Consequently, there can be no assurance that equity financing will be available to the Corporation in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Corporation.

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 Property 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. Teck Resources Limited is the operator under the GJ option agreement. To the extent that the Corporation is not the operator of its joint exploration properties, the success of any such operations will be dependent on such operators for the timing of activities related to such properties. There can be no assurance that all decisions of the operators will achieve expected goals. 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 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.

4.4. Mineral Projects

4.4.1. Los Helados Project, Chile

Los Helados Project is a large copper-gold porphyry deposit located in Region III of Chile. Nearby deposits held by other companies include Caserones-Regalito (Pan Pacific Copper) and El Morro-La Fortuna (Goldcorp/New Gold).

Information detailed below of a scientific or technical nature regarding the Los Helados Project is derived from the PEA. The 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 PEA and the PEA is incorporated by reference into this AIF. To put the contents hereof in context, the reader should review the entire PEA, together with its illustrations, figures, footnotes, bibliography, etc.

The PEA report is partly based on Inferred Mineral Resources that 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 the preliminary assessment based on these Mineral Resources will be realized.

Project Location

The Los Helados Project is located about 125 km due southeast of the city of Copiapó, high in the Andes, and close to the Chile–Argentina border. The area is mountainous, although the main mineralization lies in a basin at the head of a valley. Elevations range from 3,000 to 5,800 m above sea level (“**m.a.s.l.**”), with an elevation average of 4,500 m.a.s.l. in the deposit area.

The property is accessible by road, from Copiapó, a driving distance of about 170 km. The C-35 sealed road from Copiapó passes in a southeasterly direction through the town of Tierra Amarilla and Punta del Cobre, along the Copiapó River valley, through the small villages of Pabellon, Los Loros, La Guardia, and Iglesia Colorada. After these small villages, the road becomes the C-453, and continues towards the El Potro River bridge. At about kilometer 130, the sealed road ends, and the last 35 km to the drill sites at the Project is gravel. Currently, access is generally possible from September to May.

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 expected that any future mining operation will be able to be conducted on a year-round basis.

The Los Helados Project will be a greenfields development. There is no current infrastructure on site apart from an exploration camp.

Ownership

The Corporation holds an indirect 100% interest in the Los Helados Project through its subsidiary, Minera Frontera del Oro SPA (“**MFDO**”).

The Los Helados Project is subject to a Joint Exploration Agreement (“**JEA**”) dated February 1, 2008 among various corporate entities that are directly or indirectly wholly-owned subsidiaries of the Corporation (the “**NGEx Group Entities**”) and JOGMEC.

Under the JEA, JOGMEC (through its right to acquire a 40% ownership interest in the joint exploration) held an indirect 40% interest in the joint venture property while the NGEx Group Entities held the remaining 60% interest. JOGMEC subsequently transferred its right to Pan Pacific Copper and the JOGMEC right automatically converted in to a 40% equity interest in the joint venture. Pan Pacific Copper assumed JOGMEC’s rights and responsibilities under the JEA as though it were a party to that agreement in substitution of JOGMEC. Each party must fund its pro-rata share of exploration expenditures incurred by the joint exploration.

Mineral Tenure and Surface Rights

AMEC was provided with legal opinion that supported that the Corporation through MFDO is the owner of 22 exploitation mining concessions in the process of being granted, eight exploitation mining concessions, 43 exploration mining concessions in the process of being granted, 78 exploration mining concessions and three unilateral and irrevocable options to purchase seven exploitation concessions. Total holdings cover an area of 28,210 ha. The Los Helados deposit is hosted in concessions “Limite 23 1 al 300” and “Limite 24 1 al 300”.

The Los Helados Project includes two separate Option Agreements for small claim groups within the overall property perimeter.

Surface rights in the area of the Los Helados Project are held by a local community “Comunidad Civil Ex Estancia Pulido”. The Corporation has signed a four-year access agreement with the community dated September 26, 2011. The agreement allows for the construction and operation of camps and roads and the development of exploration activities on the Los Helados Project, including drilling. This agreement must be renewed on or before the anniversary date in 2015 and although there are no indications that the agreement will not be renewed there can be no assurance that the Corporation will be able renew the agreement.

The Corporation does not currently hold any surface rights at the Los Helados Project other than those conveyed by mineral title. Additional surface rights will be required to support construction and operation of key infrastructure as envisaged in the PEA, including the tailings storage facility (“**TSF**”) and pipelines.

Royalties

The concessions are not subject to royalties, back-in rights or other obligations in favour of third parties and legal opinion provided to AMEC noted that all concessions are free of mortgages, encumbrances, prohibitions and injunctions.

Government royalties are levied in the form of a mining tax. The mining tax is a tax on operational mining income, and levied on a sliding-scale rate basis of between 5% and 14% depending on operating margins. For the purposes of the financial analysis in the PEA, a 5% rate was used.

Exploration and History

There is no record of significant exploration activity prior to the Corporation’s ground staking in 2004. There are no historical resource estimates, and no reported production from the area.

The Corporation has completed geological mapping; soil, rock-chip and talus sampling; a number of geophysical surveys including IP-resistivity, magnetometer, and MIMDAS; RC and core drilling, and a mineral resource estimation. A number of environmental baseline studies have been undertaken.

The exploration programs completed to date are appropriate to the style of the Los Helados deposit in the opinion of the QPs.

Geology and Mineralization

The geological model for the Los Helados deposit consists of a Miocene porphyry/breccia system emplaced at the contact between a Permo-Triassic dacite porphyry intrusion and late Paleozoic granite.

The copper–gold mineralization at Los Helados is primarily hosted by a Miocene magmatic-hydrothermal breccia which 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 copper-gold mineralization which diminishes in grade with increasing distance from the contact. The strength of the hydrothermal system is illustrated by broad intervals of lower-grade mineralization in holes located several hundred metres distance from the contact. The northern limit of the breccia body has not yet been identified and the deposit remains open at depth.

Four main alteration zones are present in the Los Helados deposit. From the top downwards the alteration types are: advanced argillic (quartz–kaolinite); phyllic (quartz–sericite); sericite–chlorite–clay; and potassic (biotite and lesser K-feldspar). Alteration assemblages also include combinations of these principal alteration types, indicating transitional boundaries between the zones.

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.

Based on geological features and location, the Los Helados deposit is classified as a copper–gold porphyry system. Porphyries are well documented along the Andes and represent a widespread type of deposit in Chile; however, the large size of the mineralized breccia at Los Helados is unusual.

In the opinion of the AMEC QP, the knowledge of the 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 PEA level.

Drilling

Seven drilling campaigns were carried out at the Los Helados Project, from 2006 to 2013. Drilling to October 15, 2013 totals 72,294 m in 91 drill holes, of which five holes (1,366 m) are reverse circulation (“**RC**”) and 86 holes (70,928 m) are core drilling (“**DDH**”).

Drill core was transported by pickup truck by company personnel from the drill sites to the Los Helados camp. At the camp core was photographed, logged for rock quality designation (RQD) and recovery, and a quick log of the key geological features was prepared. The core was then packaged for delivery by company personnel to the Corporation’s core logging and sampling facility located in Paipote, a suburb of Copiapó, for sampling, detailed logging of some of the core, and core storage.

Core recovery averages from holes drilled during the 2011 to 2012 campaigns is over 96%. The core recovery average from holes drilled during the 2013 campaign is 97%.

Following completion of the drill hole, final 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.

The AMEC QP notes that drill orientations are generally appropriate for the mineralization style, and have been drilled at orientations that are optimal for the orientation of mineralization for the bulk of the deposit area. The Los Helados deposit is a porphyry system with disseminated mineralization. Reported and described interval thicknesses are considered true thicknesses.

In the opinion of the AMEC QP, 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 PEA level. The next model update should include a review of the results of the re-logging program performed by the Corporation, a check should be made of the resulting database for verification purposes, and the wireframe interpretations should be adjusted to incorporate more detailed information as appropriate

Sampling and Analysis

Drill holes were typically sampled on 2 m intervals, with the exception of LHDH01 through LHDH04, which were sampled on 1 m intervals.

A total of 25,158 core samples were systematically measured for specific gravity beginning with the 2010–2011 drilling program. Specific gravity was measured by the Corporation technicians using the water immersion method at the Company core logging and sampling facility in Paipote. Density information for the Mineral Resource estimate was based on the median (50% percentile) value of all samples within each lithological domain.

ALS Chemex in Chile was used as the primary analytical laboratory for the five RC holes. At the time of analysis, ALS Chemex held ISO9001 accreditations for selected procedures. The primary assay laboratory for the core drilling programs has been ACME Laboratories in Chile (ACME). ACME is an internationally certified laboratory.

For the RC drill program, the analytical package used was a 27 element suite via four-acid digest, inductively-coupled plasma (“ICP”) atomic emission spectroscopy (“AES”) analysis and, for gold, afire-assay atomic absorption (“AA”) finish. Mercury was analysed for by cold vapour/AA. Details related to sample preparation and chain of custody are unavailable.

Core sample preparation included drying, crushing to better than 85% passing 10 mesh, pulverizing the subsample to 95% passing 200 mesh and screening to pass 200 mesh. Gold is determined by fire assay with an atomic absorption spectroscopy (“AAS”) finish based on a 30 g sample. A suite of 37 elements, including copper, is 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, all samples with Cu over 5,000 ppm Cu were re-assayed by AAS.

A quality control program was implemented for the 2010–2011 core drilling campaign and has been in place for all subsequent drill programs. The 2010–2011 campaign included two standards, whereas for the 2011–2012 and 2012–2013 campaigns three standards were used. Coarse blank samples and duplicate samples were inserted and collected from the beginning of the QA/QC programs.

The QPs note that 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

Behre Dolbear International Ltd. independently sampled ten 2 m drill core intersections that had been initially assayed to show relatively high Au and Cu grades as a check analysis, reviewed some representative core, and visited the area of drilling. Results from the original sampling (half-core) and the re-sampling (quarter-core) were close; and considering the uncertainties involved in re-sampling the core these results were considered by Behre Dolbear International Ltd. to be a satisfactory corroboration of the results reported by the Corporation.

AMEC undertook a field visit verification program and reviewed the Project database. Areas reviewed during the field checks included drill collar monumenting; location checks for selected drill collars; review of assay certificates for selected drill holes; and geological logging consistency checks. Database verification checks included reviews of collar elevations in the database against collar elevations in the digital elevation model provided by the Corporation; 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.

The AMEC QP considers that a reasonable level of verification has been completed during the work conducted to date, and that no material issues would have been left unidentified from the verification programs undertaken.

The AMEC QP is of the opinion that 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, the analytical and database quality.

Metallurgical Testwork

Metallurgical testwork was based on three composites, Upper (from surface to approximately ~200 m depth), Intermediate (from ~200 m to 500–600 m depth) and Deep (>500–600 m depth).

Testwork included chemical characterization of the composites, determination of specific gravity and mineralogical reviews. Physical characterization testwork included BWi, RWi, Ai, SPI and SMC tests. Gravity-recoverable gold evaluations were undertaken. A sulphide flotation program was developed on the three composite samples. The flotation program consisted of the evaluation of the rougher and cleaning stages considering the evaluation of the following variables:

- Primary grind and regrind size effects
- Collector, frother and pulp solids percentage effect on rougher flotation
- pH evaluation on rougher and cleaner flotation.

Composite characterization identified that there was some variability in copper feed grades for the three composite samples and low impurity levels. The main copper sulphide mineral present in the composite samples tested is chalcopyrite (average 97%) with traces of chalcocite/digenite and bornite.

The pyrite/Cu sulphide percentage ratio was 6.4% for the Upper zone sample, 2.8% for the Intermediate zone sample and 0.8% for the Deep zone sample. These ratios may be significant with respect to the separation of copper minerals and pyrite using conventional sulphide flotation techniques. A higher ratio indicates more difficult pyrite/copper sulfide separation and a potential for a lower copper concentrate grade.

Results of the comminution testwork identified that the three composite samples can be classified as hard material based on the SMC test results. This classification was also confirmed by the results of the SPI test conducted. In relation to the Bond ball and Bond rod results, the three composite samples tested can be considered to be moderately hard. Finally, all the samples tested reported low abrasiveness values according to the abrasion index result

Data obtained from the metallurgical test program were used to develop a relationship between feed copper head grade to flotation and final copper recovery to concentrate. These results were then used to estimate the gold and silver recoveries. The final recovery equations are:

- Cu Recovery (%) = $9.3605 \text{ LN (Cu Head Grade (\%))} + 96.758$
- Au Recovery (%) = $51.327e^{0.005(\text{Cu Recovery (\%)})}$
- Ag Recovery (%) = $0.0458 (\text{Cu Recovery (\%)})^2 - 5.4545 (\text{Cu Recovery (\%)}) + 172.72$.

Findings from the flotation testwork included:

- High copper recoveries were achieved using a conventional sulphide flotation process. The process also reported high gold and average silver recoveries;
- There is still some pyrite reporting to the concentrate samples, especially in the case of the upper zone concentrate sample. Further test work should be developed to reduce this pyrite content which would therefore lead to an increase in final copper concentrate grade;
- Concentrates containing saleable copper grades were obtained using a conventional sulphide flotation process. Valuable gold and silver concentrations also reported to final copper concentrate;
- Cyanide leaching completed on the final flotation tailings stream reported good gold recovery results. In all likelihood, the inclusion of cyanide leaching in the final flowsheet will not be economic as a result of the high gold recoveries obtained in the prior flotation section;
- No major deleterious elements were noted from the testwork completed. Low levels of concentrate impurities such as arsenic, cadmium and mercury reported to final copper concentrate and are below the generally accepted levels at which penalties are imposed.

The QPs note that the metallurgical testwork to date is based on samples which adequately represent the variability for this stage of study. Additional testwork will be required to support more detailed studies.

Mineral Resource Estimate

The Mineral Resource estimate is supported by 74 drill holes totalling 70,888 m of drilling, of which five holes (1,366 m) are RC and 69 holes (69,522 m) are core drill holes.

Three separate geological layers within the one geological model were constructed to guide the resource estimation: lithology; alteration and mineral zones (minzones). Metallurgical zone models were also constructed in order to assign each block to a metallurgical sample domain. To construct the models, a two-dimensional (2D) interpretation, based on logged data, was completed by the Corporation geologists on east–west oriented sections spaced 100 m apart. The interpretations were viewed in plan view and north–south oriented sections in order to confirm three-dimensional (3D) interpretational consistency. Two-dimensional lines were then exported from GEMS and imported into the Leapfrog geological modelling software and the final 3D wireframe solids were constructed.

Statistical analyses were performed for Cu, Au, Ag, Mo, S, Fe, As and SG samples and included reviews of the number of samples, total length, minimum, maximum mean value, standard deviation, and coefficient of variation (CV). All lithological contacts were treated as hard boundaries during the grade interpolation process.

Cumulative probability plots were used to examine the composite grades at the upper tail of the distribution curve that might behave differently from the rest of the grades and are categorized as outliers for top cutting purposes. The probability plots were generated for Cu, Au and Ag for all composites and within each geology domain. Outlier samples were identified and capped for the purposes of the estimate.

The drill hole assays were composited to 2 m intervals to maintain the majority sampling interval (93% of assayed intervals at 2 m) and to avoid spreading composites across geological domains in case of larger composite sizes.

Experimental variogram analysis for Cu, Au, Ag, Mo, As, Fe and S was performed using the composites based on the lithology domains. The experimental variography was performed using Snowden's commercially-available Supervisor 3-D variogram modeller software.

A 3-D block model of the deposit was built with 25 x 25 x 15 m blocks for mineral resource estimation purposes. The block model covered an area of 2.5 km by 1.95 km on plan, and had a 2.5 km vertical extent. The block sizing was initially selected during model construction in 2013 assuming open pit mining methods. The sizing is considered to remain applicable to underground bulk mining methods as draw points for a block cave would approximate this spacing for this PEA level of study confidence.

The interpolation plan and the search distances for ordinary kriging (OK) and inverse distance squared (ID2) weighting methods were based on the geostatistical analysis and variogram parameters. Copper, Au, Ag, Mo, As, S and Fe were interpolated within the lithology zones in the model using OK. The ID2 and nearest neighbor (NN) methods were used for validation and checking purposes. Composite to block geology code matching was applied so that the blocks were interpolated using the composites with the same rock type.

OK and ID2 interpolation were done in a single pass. 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. No significant biases were noted and the smoothing was considered to be acceptable.

Resource classifications used for the estimate assuming underground mining methods conform to the 2014 CIM Definition Standards. 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.

A block was considered to be classified as Indicated if the distance to the nearest drill hole from the center of the block was less than or equal to 75 m, there were at least three drill holes used for the grade interpolation, and the kriging efficiency estimation was more than 0.33. If the number of drill holes or the kriging variance requirement were not satisfied within this distance range (0–75 m), then the block was assigned to the Inferred category. A block was also considered to be Inferred if 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.

A 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.

Block cave shapes were generated by AMEC 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: Provision based on production rate;
- Metallurgical recoveries: based on the recovery formulae below;
- Dilution: Laubscher's model.

A CuEq grade was calculated by AMEC 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 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 metallurgical recovery formulas developed by AMEC that were used are:

- $CuEq\% = Cu\% + 0.6264 * Au (g/t) + 0.0047 * Ag (g/t)$ for the Upper Zone (surface to ~ 250 m);
- $Cu\% + 0.6366 * Au (g/t) + 0.0077 * Ag (g/t)$ for the Intermediate Zone (~250 m to ~600 m);
- $Cu\% + 0.6337 * Au (g/t) + 0.0096 * Ag (g/t)$ for the Deep Zone (> ~600 m).

The base-case diluted cutoff grade of 0.33% CuEq was determined as the lowest cutoff grade which produced a positive NPV, and the basecase Mineral Resource estimate is the sum of all the blocks within this block cave.

A diluted cutoff grade was used to generate each of the cave shapes, and then the block model was reported at a zero cutoff grade within each of these shapes. This methodology was used since block cave mining is not selective, and all blocks within the cave shape will be mined, including those below the cutoff grade used to define the shape (internal dilution).

Mineral Resource Statement

The Mineral Resource estimate assuming block cave underground mining methods is reported using the 2014 CIM Definition Standards. Indicated and Inferred classifications only have been estimated; no Measured Mineral Resources were classified.

The Mineral Resource estimate was supervised by Gino Zandonai, RM CMC, a Senior Associate with Behre Dolbear International Ltd. Mineral Resources are summarized in Table 1-2. The estimate has an effective date of 19 September, 2014. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Table 0-1: Mineral Resource Estimate Assuming Underground Block Cave Methods (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

Note to accompany Mineral Resource table

- Mineral Resources have an effective date of 19 September 2014. The Qualified Person for the estimate is Mr Gino Zandonai, RM CMC, a Senior Associate with Behre Dolbear International Ltd.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
- 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)
- 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.
- Mineral Resources are reported within block cave underground mining shapes based on diluted CuEq grades, \$13.07/t operating costs and include a provision for capital expenditure. The basecase 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
- Totals may not sum due to rounding as required by reporting guidelines.

Mine Plan

Selection of Mining Method

The first phase of the PEA for Los Helados analyzed various mining options such as a stand-alone open pit, a stand-alone underground operation, and a combined open pit and underground (hybrid) case. The evaluation of these options indicated that the best return came from a stand-alone underground mining scenario.

Mining options assuming underground methods were then assessed. The deposit is massive, approximately cylindrical, and has a near-vertical dip. The most appropriate mining methods for this geometry were considered to be block caving (BC), sub-level caving (SLC) and sub-level stoping (SLS). Based on a combination of cost and the deposit geometry, block caving was selected for the PEA analysis. Block caving is successfully used at several large-scale operations in Chile, including Codelco's El Teniente, Andina and El Salvador mines.

Geotechnical Considerations

The rock quality designation index (RQD) was utilized to derive the Mining Rock Mass Rating index (MRMRi) which in turn was used to determine the overall caveability of the rock mass.

The MRMRi shows a wide range of variation in the four main rock types. AMEC used an MRMRi value of 69%, which is the maximum value of the predominant breccia rock type inside the block cave footprint, to verify if there is sufficient area to comply with the minimum hydraulic radius ($HR = \text{area}/\text{perimeter}$) necessary to induce the caving. This is a very conservative approach and should be reviewed during more detailed studies as additional information becomes available. AMEC estimated that a minimum hydraulic radius of 44 m is required, and this can be achieved with an undercut dimension of 176 m x 176 m, which is well within the footprint area defined for Los Helados.

Fragmentation is the general size range of disassembled rock blocks reporting to the production level in a block cave operation, and is the basic information for most design parameters used in a block cave. It was assumed in the PEA level mine design and cost estimation that fragmentation parameters would be similar to the average fragmentation of other block caving operations around the world. Los Helados fragmentation approximately corresponds to the curves of Bingham Coarse, MLZ Overall and Palabora Well Fragmented. The currently-available geotechnical information suggests a wide variability of caveability curves for the Los Helados deposit. The maximum MRMRi is below those reported for the Palabora block cave mine; Palabora currently has the worst geotechnical conditions being successfully mined. A fragmentation curve similar to the well-fragmented area at Palabora was assumed, which is a conservative assumption. Mine designs were developed assuming these conditions. As more information becomes available, these assumptions will require refining in later study stages.

A modified Laubscher matrix model was used to convert the in-situ block model to a diluted block model. The method simulates the extraction of the draw columns by mixing the top material (usually waste) with the bottom material (mineralization) in a vertical fashion. The main input parameters to calculate the dilution matrix are the number of blocks in each extraction column from the base of the column to surface, and the in-situ block model characteristics such as volume, density grades, etc. The other main parameter is the dilution entry point (DEP), which takes into account, within the limitations of the methodology, the degree of dilution to be expected in the extraction column. This parameter varies from 100% (indicates there is no dilution) to 0% (indicates that dilution starts together with the initial draw). For Los Helados, the DEP was defined at 50%, which is a common value in other operations.

Hill of Value Approach

A “hill of value” was constructed for a variety of alternatives, so as to allow selection of alternatives with the highest NPV to go through to the mine planning step. For each alternative, a cutoff grade (based on CuEq) and a potential mill feed tonnage was defined. The cash flows for different production rates for each alternative were subsequently estimated and evaluated. Each alternative then had a new best case, with a selected cutoff grade, an optimum production rate, and a new best NPV. Note that the analysis looked at the relative measure between options, and was not a definitive project NPV evaluation.

Plant capacities at 65 kt/d, 77.5 kt/d, 100 kt/d and 130 kt/d were examined to provide additional input to the “hill of value” assessment. The 65 kt/d and 130 kt/d cases stood out as the most attractive. An option to use high-pressure grind rolls (HPGR) was also considered to be of interest, primarily because of the savings on power costs when compared to using semi-autogenous grinding (SAG). However, the economic risk of using a higher tonnage options is greater due to the long ramp-up period with the block caving operations.

Subset of Mineral Resources within PEA Mine Plan

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

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

Mine Design

Two mine designs were prepared, a 65 kt/d case and a 130 kt/d case.

Each option has differences in the mine design. In both cases the cave has a single lift, and the main mine access is through a 4.3 km decline. In both cases the mill feed from the crushers is sent to the main conveyor belt by auxiliary conveyors. Both options have 1,000 m long main intake and exhaust ventilation shafts (total of four shafts). Preconditioning of the whole rock mass is also considered to assist caving. There will be a 12.8 km long belt-conveyor tunnel connecting the mine to the surface process plant main stockpile in the 65 kt/d case and a 12.5 km long tunnel in the 130 kt/d case.

65 kt/d Case

The block cave mine design for the 65 kt/d case incorporates five jaw-gyratory primary crushers installed at the footprint rims, with 13 cubic yard load-haul-dump (LHD) units operating in the production level dumping directly into these rim crushers. The undercutting level will be located at 3,540 m.a.s.l., 15 m above the production level and considers the use of a crinkle cut design. The undercut level will initially be accessed (Access 1) by a 150 m long ramp that will initiate on the production level. This level will have an electrical substation which will provide the required energy for the drilling equipment, and any secondary ventilation units that are required. There are six operating levels for this option.

The production program for the 65 kt/d of mine output indicates a ramp-up period of four years until reaching the full production rate. Steady-state production will then be maintained for 28 years before a final five years of production ramp-down, resulting in a total of 37 years of production.

130 kt/d Case

The 130 kt/d case has a modified mine design to accommodate the higher production rate. A truck haulage level and dumping points were added in the extraction drives of the production level at 120 m intervals. These will be connected to transfer ore passes to send the mill feed to the haulage level, thereby significantly increasing the productivity of the LHD equipment. Chutes installed at the end of the ore passes will load into 40 t trucks on the transport level which will haul the mill feed to two centralized gyratory crushers. The ore passes will be spaced at 120 m centres along the production crosscuts and will each have a length of 55 m.

There are seven operating levels for this option.

The production program for 130 kt/d output indicates a ramp-up period of six years until reaching the full production rate. Steady-state production will then be maintained for 11 years before a final nine years of production ramp-down, resulting in a total 26 years of production.

Mine Infrastructure

The mine infrastructure will also include underground workshops, offices, storerooms, fuel storage and explosives magazines. Excavations for these facilities have been subject to preliminary designs and are located at the production level for the 65 and 130 kt/d cases. An additional excavation will be required at the truck haulage level for the 130 kt/d case. The change house will be located on surface at the portal of the main access tunnel.

Electrical supply will be via the main conveyor tunnel and power will also be required to feed the main fans which will be located underground. The electrical supply design has been undertaken to a scoping level of accuracy.

Mine Equipment

Equipment requirements were estimated for each production case and conventional mining and support equipment were used.

Recovery Plan

The process plant is designed for treatment of a basecase of 65 kt/d of material from an underground mine. The process plant for a 130 kt/d case would be achieved by the addition of a second line.

The run-of-mine (ROM) material will be crushed underground in jaw gyratory crushers and conveyed to a primary crushed stockpile on surface. The primary crushed material will be conveyed to a conventional screening and secondary cone crushing circuit in open circuit located outside of the mining area. Secondary crushed material will then be conveyed via a feed bin to a SAG mill. The SAG mill discharge will flow to a horizontal security screen where the material will be screened. Screen undersize material will flow into the ball mill discharge hopper where it will be pumped to a bank of hydro-cyclones for classification. Cyclone underflow will flow by gravity to the ball mills whilst overflow will be directed to the copper sulphide flotation area. Any screen oversize pebbles generated will be returned to the SAG mill feed bin via front-end loader.

Sulphide flotation will follow on from comminution. This circuit will commence with the rougher flotation section. Rougher flotation concentrate will be produced and directed to a vertical mill regrind stage in closed circuit with hydrocyclones. Overflow pulp from the hydrocyclones will be directed to three sequential stages of conventional cleaning flotation. Cleaner scavenger flotation will be installed on the discharge from the first cleaning stage.

Tailings from the rougher flotation and cleaner scavenger flotation stages will be combined and will report to the final tails thickener where 74% of the water will be recovered and then finally, 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. Copper concentrate from the third cleaner stage will be directed to the concentrate thickener and filtration stages. The water obtained from the concentrate thickener, tailings thickener and concentrate filter will also be recovered and sent back to the process plant.

The plant design uses conventional equipment, materials and reagents. The main equipment was sized using simulator programs from vendors (primary crusher), conventional simulator program (SAG and ball mills) and METSO simulator (re-grind mill).

Project Infrastructure

The Los Helados Project will consist of an underground mining operation, surface processing facilities, tailings management facilities and auxiliary site facilities.

Transport Considerations

Access roads to the main urban centers of Copiapó and Tierra Amarilla via routes C-35 and C-411 are in good condition and are asphalted. These roads would be the major thoroughfares for Project access. From the end of the paved road C-35 to the southeast upgrades will be required.

A number of methods will be used to transport mill feed and concentrate materials:

- Mill feed will be transported from the underground primary crushers to a stockpile next to the process plant by a conveyor belt housed in a 12 km-long horizontal tunnel;
- Concentrate will be transported in a concentrate pipeline from the process plant to the filter plant;
- The concentrate will be transported by truck from the filter plant to the port;
- Concentrate will be shipped from the port to the final destination.

Waste Storage Facilities

For 65 kt/d and 130 kt/d cases the Project will generate similar amounts of material in the preparation stage: 2.6 Mt of waste rock (below 0.3% Cu) and 0.8 Mt of mill feed will be generated prior to full production. The mill feed portion will be stored on a surface stockpile near the plant site to be processed once production starts.

Tailings Storage Facilities

From the 32 options reviewed for potential location of a tailings storage facility (TSF), six sites were considered as feasible TSF locations and three sites were subject to simulation review. The selected TSF site is approximately 9 km northwest of the proposed process plant site.

Tailings will be transported from the plant site through a surface flume (tailings launder) to the TSF. The tailings will be transported by gravity in slurry form at an assumed 65% solids content by weight. Tailings will be cycloned in a one-stage cyclone plant. The underflow or sand component will be deposited to form the dump wall, while the overflow will be deposited mainly by end-discharge with occasional spigotting to form smooth tailings beaches.

No differences are required for the two throughput cases in respect to TSF location and storage capacity. The primary changes between the two production scenarios is the 130 kt/d case will require a larger tailings launder, reclaim water infrastructure and number of cyclones.

Tailings Launder Channel

For the 65 kt/d case, the tailings slurry launder channel will be 19 km long, have an average slope of 1% and a rectangular cross-section of 1.5 m x 1.5 m. Three falls are incorporated in the design to ensure reasonable flow of the slurry over this distance. The launder channel for the 130 kt/d was assumed to be 20 cm wider than the 65 kt/d case design.

Water Diversion Structures

Water diversion canals will be constructed around the TSF facility to divert runoff downstream of the facility. The north diversion channel will collect the water from upstream watershed and will discharge the water downstream

of the tailings drainage system. The southern tailing impoundment perimeter rainwater will be collected by a channel built behind the flume. The sand dam will have additional channels for protection against wall scouring. Any waters captured by the channel will be routed to a creek and discharged beyond the drainage collecting system.

In the area of the underground mine and subsidence zone a diversion dam with an engineered channel and a tunnel for the diversion of the Del Potro creek is planned. The total length of the diversion system will be approximately 3 km.

On-Site Built Infrastructure

Key infrastructure will include the process plant, camp and concentrate filter plant. Complementary infrastructure will include the mining contractor facilities, assembly area for mine (which includes offices, storage, change-house and other minor facilities) and roads.

The infrastructure for the process plant area will include the mill feed stockpile, flotation cells, the mill area, first and second thickener buildings, warehouse and workshop, laboratory, offices and an area for the fuel supply, access roads and water supply.

Due to the remote location of the Project, and the absence of any nearby accommodation or catering infrastructure for the permanent workforce, the Project plan calls for construction of a permanent camp. The specific location for the camp has not been determined, but as a basis for the PEA, it has been assumed to be located about 23 km from the concentrator, and will be easily accessible from the C-35 public road. The most cost-efficient approach considers only one camp, provisionally located at 1,900 m.a.s.l, which will be used for construction purposes, and later used in support of operations. This altitude was selected as it is important for workers to be lodged at a close by/lower altitude in order to be sufficiently rested for work-related activities. Accommodation will be provided to operations personnel and construction contractors. The complex will be designed to accommodate 3,000 persons. Once the mine operation begins the camp will be modified for 1,500 workers.

The concentrate will be conveyed to the filter plant as a slurry via a concentrate pipeline. The filter plant will be located near the accommodations camp. Water to be removed from the concentrate in the filter plant will be pumped to the nearest pumping station of the desalinated water system. Subsequently the concentrate will be loaded onto trucks for road transportation to the loading port.

Off-site Infrastructure

A benchmarking study was undertaken to assess the potential for process water supply from a desalination plant to be located on the coast; this study provided the support for the pumping requirements and pipeline thicknesses noted. The desalination plant for Los Helados will provide part of the industrial water required for mining and process plant activities. The desalination plant (both throughput cases) will be placed at the Puerto Viejo site that is located 76 km west of Copiapó at an elevation of 40 m.a.s.l. The desalinated water transport system will consist of a series of pump stations, a pipeline and electro-mechanical requirements. The maximum design flow rate will be 400 L/s for the 65 kt/d case, which can be handled by four identical pumps per station. This case will have one line of 22 inch diameter. The 130 kt/d case will require a larger pipeline, of 30 inch diameter to convey the maximum design 800 L/s capacity. Eight pumps will be needed.

Once filtered, the concentrate will be loaded onto trucks and transported to the port site. Water generated from the concentrate dewatering step will be returned to the process plant.

The Candelaria port at the city of Caldera, a distance of 200 km from the filter plant site, was used for the purposes of the PEA. In this scenario, facilities to transfer the concentrate to ships and for concentrate storage would be

constructed adjacent the port owner's existing buildings. Existing loading points would be used within the port. The port facility requirements are considered identical for both the 65 and 130 kt/d cases with more frequent ship loading in the higher-throughput scenario.

Reclaim Water Supply

The 65 kt/d and the 130 kt/d cases will require 300 L/s and 600 L/s of process water respectively on average. It is expected that on average about 100 L/s will come from mine dewatering, with the on average remaining 200 L/s and 500 L/s in each case supplied from the desalination plant.

Power Supply

Los Helados will be a non-regulated consumer under Chilean laws, meaning that an arrangement will be required to obtain electricity supply, which will have to come either from a Los Helados-owned generating plant or from a third-party supply.

An agreement with a third party, i.e., an energy supplier, such as AES Gener, Colbún, E.CL, or ENDESA, is the preferred choice for power provision.

The power supply for the Project will comprise four main items:

- Overhead transmission line at 220 kV. The power line will be approximately 180 km long, and double-circuit.
- Main power substation. The location of the main substation will be closest to the largest loads, which will be the grinding component of the process plant to minimize cabling costs and losses. The 65 kt/d case will have three power transformers. For the 130 kt/d case, the main power substation will include four power transformers.
- Distribution power systems at 33 kV. The electrical distribution will consist of switchgear, transformers, starters, and feeder-breakers for the motor and non-motor loads in common line-ups. Lighting and small power applications will be fed from transformers and power panels as required, and will be located in the electrical rooms.
- Distribution power systems for pumps.

Site emergency power will be provided by a standby power plant rated for the maximum power required in the event of a utility power failure.

Marketing

Marketing Studies

No formal marketing studies have been conducted for the Los Helados Project. Information on the likely long-term copper market was sourced from Wood Mackenzie's global copper long-term outlook dated Q2 2014. Discounting the tonnage that is expected to be satisfied by brownfield capacity, Wood Mackenzie estimates that the market will require 3.8 Mt of new greenfields capacity in support of long-term incentive prices. It is estimated that a long-term incentive price of \$3.50/lb will be required to bring on adequate mine output in order to maintain equilibrium and retain a reasonable market balance over the 2021–2030 timeframe.

Concentrate Quality

The testwork completed to date indicates that contained Cu, Au and Ag would be payable in the concentrates produced. The testwork also indicates that the concentrate product would be clean, marketable, precious-metals rich, and low in deleterious elements. Potential markets would include smelters and trading companies who could use Los Helados concentrates in blending with concentrates containing higher levels of deleterious elements. It

has been assumed that contracts could be established either with local Chilean concentrators or overseas with Asian smelters.

Smelter Terms

The following smelter and refining terms were applied in the financial model, and are based on benchmarking:

- Long-term TC/RCS of \$90 and \$0.09 for copper concentrates;
- Refining charges of \$5/oz Au and \$0.30/oz Ag respectively;
- Asian-style smelting terms:
 - 96.5% copper content paid subject to a 1% minimum deduction;
 - Sliding scale gold payable, provided level is above 1 g per dmt;
- 90% silver payable, provided level is above 30 g per dmt;
- Ocean freight of \$60/wmt (8% moisture content assumed).

Commodity Prices

Long-term commodity prices were based on a consensus from analyst and bank forecasts as follows:

- Au: US\$1,300/oz;
- Ag: US\$21.75/oz;
- Cu: US\$3.25/lb.

Contracts

No contracts are currently in place for any production from the Los Helados Project.

Environmental, Permitting and Social Licence

Baseline Studies

The Corporation has had some preliminary baseline studies completed for the Project, primarily using publicly-available information, which include

- Assessment of the geological and geochemical conditions pertaining in the general Project area and a assessment of metals leaching conditions;
- Climate modelling of rainfall, snowfall, evaporation and wind directions;
- Surface hydrological trends;
- Groundwater hydrogeology;
- Water and stream sediment sample analyses; water quality assessments;
- Aquatic biota review;
- Reviews of flora and fauna with an emphasis on determining which rare species may be expected to occur in the Project area of influence;
- Socio-economic survey;
- Land use;
- Existing infrastructure and support in the district;
- Natural and cultural heritage.

Permitting

A formal environmental impact assessment (EIA) will need to be completed for the proposed Project and a comprehensive assessment of the potential environmental effects of the Project will be conducted at that time. Based on previous experience with EIAs, AMEC expects that 12 to 18 months would be required for the Environmental Impact Assessment process.

Following the receipt of environmental approvals, additional permits, licences, authorizations, and certificates will be required to proceed to Project construction. During more detailed studies, when more information is available

on the site and mine layout, the Corporation will identify and commence planning for obtaining such approvals in parallel with the EIA approval process.

Environmental Sensitivities

Environmental sensitivities related to the planned Los Helados development have been studied by BGC Engineering (“BGC”) on behalf of the Corporation. Generally, these sensitivities are related to natural hazards, effluent geochemistry, atmospheric emissions, and effects on terrestrial and aquatic biota, and the human and political environment. These sensitivities are typical for a new mine development. Synergies with other close projects could minimize potential impacts and therefore also reduce real or perceived potential impacts.

Additional work will need to be focused on any potential effects to the broader glacial environment since the El Potro glacial area is within the district area of influence. The El Torín settlement and cemetery site near La Semilla and Inca ritual sites on Cerro El Potro will also require review as to any potential mining impacts.

Closure Considerations

Closure and remediation work will be completed progressively during operation of the mine at the areas that will no longer be needed for the operation. Once a decision has been made to permanently close the site, it is anticipated that the major closure activities would be completed within a period of approximately two years, if not already completed progressively.

Closure monitoring will begin at the end of mining and continues until reclamation and closure activities have ceased. Closure monitoring will be for 5 to 10 years. Post-closure monitoring phase will begin after final closure. Post-closure monitoring will be undertaken for at least five years.

Based on previous similar experience, AMEC made an allowance of US\$155 million for the 65 kt/d case and US\$215 million for the 130 kt/d case. Costs are assumed to be incurred at the end of mining operation. These amounts represent about 5% of the total Project initial investment.

Project development will require submission of a full Environmental Impact Assessment study. Following the receipt of environmental approvals, additional permits, licences, authorizations, and certificates will be required to proceed to Project construction.

Social Impact

A social impact assessment has not been completed; however, the Project location is currently remote from villages and settlements.

Capital Cost Estimate

The capital costs estimate has an accuracy of -30% to +50% at the 85% confidence level. All construction activity is assumed to be completed by construction contractors. No provision is included for Owner or engineering, procurement and contract management (“EPCM”) direct hire work in the estimate.

Due to the nature of the development of any block cave operation, there is a long ramp-up period. This can allow operators to disburse the initial capital expenditures over the ramp-up period to correspond with the increasing production capacity. Such an allocation was made in the financial analysis.

The initial capital for the mine is defined as the infrastructure and footprint development required prior to the first year of the production ramp-up. This involved the tunnel access, ventilation system, mine infrastructure, underground crushers and material handling, and the development various levels associated with the footprint (undercut production, ventilation, etc.). It is envisaged that the mine development will be undertaken by a contractor, but with time, the development of the footprint could transfer to the mine operations crew. An

additional capital cost allocated to the mine is related to the diversion channel and tunnel required to re-route run-off water from the El Potro glacier to avoid the block cave subsidence area.

The capital costs for the Los Helados Project include, for both cases, the stockpile plus the conveyor, grinding and screening, flotation, regrinding, concentrate thickening, tails thickening, reagents and provisions, and concentrate filtering (filter plant). Indirect costs were estimated, for both cases, as 35% of the direct cost. A contingency factor of 25% was also applied.

Infrastructure costs for the Los Helados Project include, for both throughput cases, the process plant infrastructure, the desalination plant, port infrastructure, water pipeline, concentrate pipeline, tailings, filter plant, access roads, power supply and operations camp. Indirect costs were estimated, for both cases, as 35% of the direct cost. A contingency factor of 25% was also applied.

Other capital costs accounted for in this study include Owner's costs which represent, for the 65 kt/d case, an 8% allocation of the direct and indirect cost excluding the mine direct cost.

Due to the long mine life for both analyzed cases, at 37 and 26 years respectively, it is expected that no significant salvage values will be obtained for major equipment that was purchased new at the start of the Project.

The sustaining capital cost includes ongoing costs for facilities and equipment required to increase production during the ramp-up period and later to maintain production for the mine and certain ongoing infrastructure sustaining projects. For both cases no expansions are considered.

Estimated Capital Costs	130,000 t/d Option (US\$ millions)	65,000 t/d Option (US\$ millions)
Mine	\$998	\$788
Plant & Processing	\$745	\$373
Infrastructure	\$990	\$810
TOTAL DIRECT COSTS	\$2,733	\$1,971
Indirect Costs	\$607	\$414
Owner's Costs	\$141	\$128
Contingency	\$820	\$589
TOTAL INITIAL CAPEX	\$4,301	\$3,102
LOM Sustaining Capital	\$1,313	\$1,341
Closure Cost Estimate	\$215	\$155

Operating Cost Estimate

The estimate is considered to have a level of accuracy of \pm 30–35%.

Mining costs are the sum of operating and maintenance labour, supervisory labour, parts and consumables, fuel and miscellaneous operating supplies. Mining costs include primary crushing and conveying to the primary mill feed stockpile. The mine fleet replacement and ongoing development of the block cave (following on from the initial capex to start the mine) is covered as part of sustaining capital.

The most significant process cost is energy, followed by consumables. Tailings costs include the TSF, dam construction and tailings water reclaim operating costs.

The desalination water plant operating cost was based on a benchmarking estimate. Energy operating costs are estimated at 45% of the total desalination plant costs.

General and administrative costs used in this study were based on the 65 kt/d case, and were derived through factoring of costs from other similar operations; the 130 kt/d was factored from the 65 kt/d estimate.

The concentrate shipped for both alternatives analyzed included the inland and ocean freight costs, storage and handling costs, marketing costs, insurance and sampling cost, and other miscellaneous costs. Estimated Life of Mine Operating Costs are shown below:

Estimated Operating Costs	130,000 t/d Option (US\$/t)	65,000 t/d Option (US\$/t)
Mining	\$4.49	\$4.42
Processing	\$6.14	\$6.21
General & Administration	\$0.75	\$1.07
Desalination	\$0.29	\$0.24
Pumping	\$0.80	\$0.68
Tailings	\$0.13	\$0.18
Other (Roads, Port, etc.)	\$0.05	\$0.10
TOTAL	\$12.65	\$12.90

Financial Analysis

The Los Helados 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 basecase economic analysis assumes 100% equity financing and is reported on a 100% Project ownership basis.

Year zero (Yr 0) was defined as the first year of initial capital expenditure, and cash flows are assumed to occur at the beginning of each period. The resulting net annual cash flows are discounted back to the date of valuation at start-of-year Yr 0.

The PEA used a different tax rate to that in the report. At the time the PEA was completed, the effective tax rate was 35% applicable on income distributed to shareholders. First category tax paid by the companies was 20% of accumulated annual taxable dividends.

The second tax was an additional tax of 35% of the gross dividend remitted to shareholders who are not domiciled or resident in Chile, less a tax credit for any first category tax paid by the company. For the purposes of the economic analysis in the PEA, a 20% first category tax rate was assumed.

Subsequent to completion of the PEA, the taxation rate was changed. The new law, effective 1 October, 2014, has two options of tax treatment: a semi-integrated system or an attributed system. The semi-integrated system applies 27% as a first category tax rate. The attributed system applies 25% as a first category tax rate, but in addition a 35% withholding tax will apply each year, even if no distribution of dividends will be made. The 27% first category tax rate was used for the report.

There is also a specific tax on the operational income resulting from mining activity by a mining operator. This was assumed to be 5% for the purposes of the PEA and the Report.

65 kt/d Case

The 65 kt/d case was evaluated using a standard 8% discount rate. The resulting pre-tax NPV is US\$723 million and the IRR is 10.4%. The 65 kt/d case showed that the after-tax project NPV (discounted at 8%) is US\$198 million. The cumulative, undiscounted, cash flow value for the Project is US\$6,578 million. The life-of-mine cash cost (C1) is US\$7,417 million. A summary of the Life-of-Mine Cashflow Statement for the 65 kt/d case is shown below:

Item	Value	Unit	Amount	
Metal prices	Copper	US\$/lb	3.25	
	Gold	US\$/oz	1,300	
	Silver	US\$/oz	21.50	
Metal in concentrate	Copper	M lbs	6,821	
	Gold	M oz	3.6	
	Silver	M oz	19.5	
Extracted metal value	Copper	US\$ M	22,170	
	Gold	US\$ M	4,680	
	Silver	US\$ M	419	
	<i>Total</i>	US\$ M	27,268	
Smelter deductions	Copper deduction	US\$ M	776	
	Gold deduction	US\$ M	187	
	Silver deduction	US\$ M	42	
	<i>Total</i>	US\$ M	1,005	
Treatment and refining charges	Copper	US\$ M	1,473	
	Gold	US\$ M	16	
	Silver	US\$ M	3	
	<i>Total</i>	US\$ M	1,492	
Selling Cost	Land Freight	US\$ M	272	
	Storage & Handling	US\$ M	23	
	Ocean Freight	US\$ M	701	
	Marketing & other	US\$ M	7	
	Insurance Cost, Umpire, Surveying, Assaying	US\$ M	5	
	<i>Total</i>	US\$ M	1,008	
Production costs	Mining	US\$ M	3,351	
	Process	US\$ M	4,707	
	Desalination	US\$ M	185	
	Pumping	US\$ M	519	
	Tailing Facility	US\$ M	139	
	Other Cost	US\$ M	76	
	G&A	US\$ M	811	
	<i>Total</i>	US\$ M	9,788	
	<i>Net Earnings before taxes, depreciation & amortization</i>	US\$ M	13,976	
Mining Tax	Specific Mining Tax	US\$ M	253	
	<i>Total Mining Tax</i>	US\$ M	253	
Closure & salvage	Closure costs	US\$ M	155	
	Salvage value	US\$ M	—	
	<i>Total</i>	US\$ M	155	
Taxation	Pre-tax net cash flow (depreciation regular)	US\$ M	9,533	
	Carryover NOL available	US\$ M	—	
	Carryover NOL added	US\$ M	—	
	Carry forward NOL	US\$ M	—	
	Net taxable income	US\$ M	9,533	
	Income tax payable	US\$ M	2,548	
	<i>Net earnings</i>	US\$ M	6,733	
Capital expenditure	Construction capital	US\$ M	3,102	
	Mine Sustaining capital	US\$ M	1,201	
	Other Sustaining capital	US\$ M	140	
	Change in net working capital	US\$ M	—	
	Debt drawdown	US\$ M	—	
	Debt repayment	US\$ M	—	
<i>Total</i>	US\$ M	4,443		
Net cumulative cash flow	US\$ M		Cash flow at NPV 8% (date of valuation start-of-year Yr 0)	US\$ M
Pre-tax	9,378		Pre-tax	723
After tax	6,578		After tax	198

130 kt/d Case

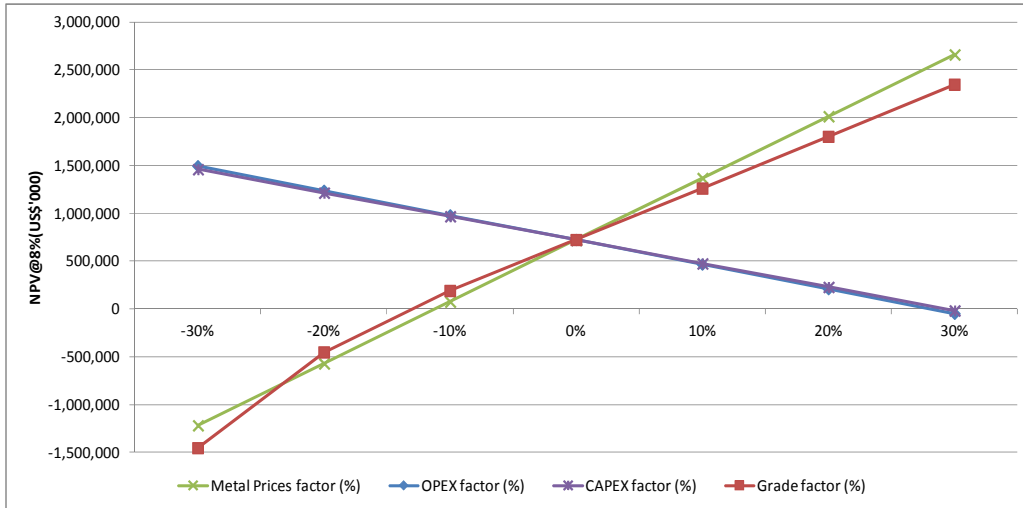
The 130 kt/d case evaluation also uses a standard 8% discount rate. For this case the resulting pre-tax NPV is US\$923.0 million and its IRR is 10.8%. The 130 kt/d case showed that the after-tax project NPV (discounted at 8%) is US\$270 million. The cumulative, undiscounted, cash flow value for the Project is US\$5,858 million. The life-of-mine cash cost (C1) is US\$7,221.3 million. A summary of the Life-of-Mine Cashflow Statement for the 65 kt/d case is shown below:

Item	Value	Unit	Amount
Metal prices	Copper	US\$/lb	3.25
	Gold	US\$/oz	1,300
	Silver	US\$/oz	21.50
Metal in concentrate	Copper	M lbs	6,823
	Gold	M oz	3.6
	Silver	M oz	19.5
Extracted metal value	Copper	US\$ M	22,174
	Gold	US\$ M	4,680
	Silver	US\$ M	419
	<i>Total</i>	<i>US\$ M</i>	<i>27,273</i>
Smelter deductions	Copper deduction	US\$ M	776
	Gold deduction	US\$ M	187
	Silver deduction	US\$ M	42
	<i>Total</i>	<i>US\$ M</i>	<i>1,005</i>
Treatment and refining charges	Copper	US\$ M	1,473
	Gold	US\$ M	16
	Silver	US\$ M	3
	<i>Total</i>	<i>US\$ M</i>	<i>1,492</i>
Selling Cost	Land Freight	US\$ M	272
	Storage & Handling	US\$ M	23
	Ocean Freight	US\$ M	701
	Marketing & other	US\$ M	7
	Insurance Cost, Umpire, Surveying, Assaying	US\$ M	5
	<i>Total</i>	<i>US\$ M</i>	<i>1,008</i>
Production costs	Mining	US\$ M	3,405
	Process	US\$ M	4,657
	Desalination	US\$ M	219
	Pumping	US\$ M	603
	Tailing Facility	US\$ M	101
	Other Cost	US\$ M	38
	G&A	US\$ M	569
	<i>Total</i>	<i>US\$ M</i>	<i>9,591</i>
	<i>Net Earnings before taxes, depreciation & amortization</i>	US\$ M	<i>14,177</i>
Mining Tax	Specific Mining Tax	US\$ M	174
	<i>Total Mining Tax</i>	<i>US\$ M</i>	<i>174</i>
Closure & salvage	Closure costs	US\$ M	215
	Salvage value	US\$ M	—
	<i>Total</i>	<i>US\$ M</i>	<i>215</i>
Taxation	Pre-tax net cash flow (depreciation regular)	US\$ M	8,537
	Carryover NOL available	US\$ M	—
	Carryover NOL added	US\$ M	—
	Carry forward NOL	US\$ M	—
	Net taxable income	US\$ M	8,537
	Income tax payable	US\$ M	2,317
	<i>Net earnings</i>	<i>US\$ M</i>	<i>6,047</i>
Capital expenditure	Construction capital	US\$ M	4,301
	Mine Sustaining capital	US\$ M	1,194
	Other Sustaining capital	US\$ M	119
	Change in net working capital	US\$ M	—
	Debt drawdown	US\$ M	—
	Debt repayment	US\$ M	—
	<i>Total</i>	<i>US\$ M</i>	<i>5,613</i>
Net cumulative cash flow	US\$ M		Cash flow at NPV 8% date of valuation start-of-year Yr 0
Pre-tax	8,348		923
After tax	5,858		270

Sensitivity Analysis

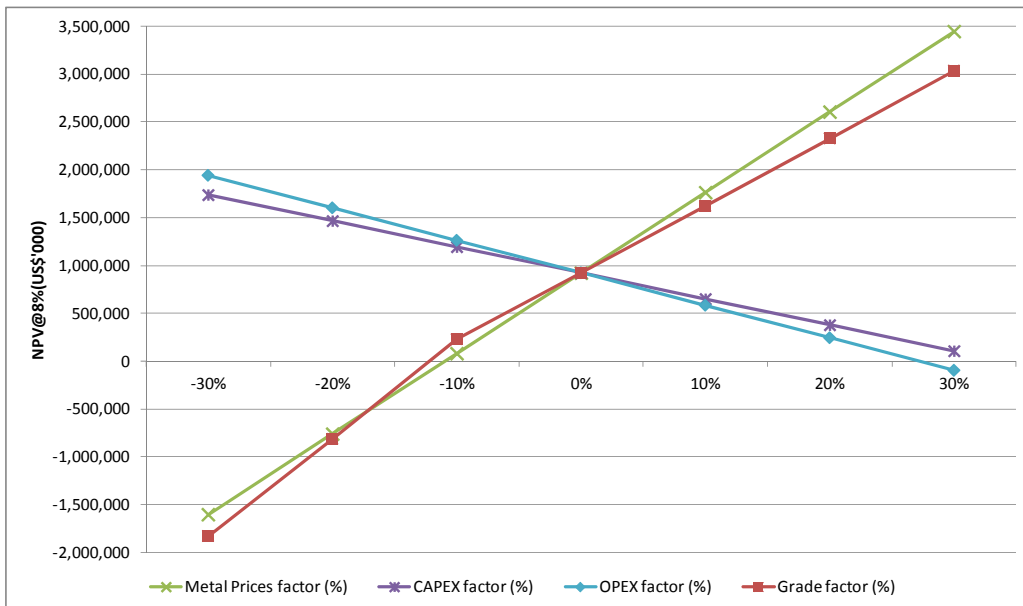
A sensitivity analysis was performed taking into account variations in metal prices, metal grades, operating costs and capital costs. The results show that the Los Helados Project is most sensitive to (in order from highest to lowest) metal prices, copper grade, operating costs, and the initial capital cost. Refer to Figure 1-1 for the 65 kt/d case and Figure 1-2 for the 130 kt/d case below:

Figure 0-1: Sensitivity for 65 kt/d Case (pre-tax NPV discounted at 8%)



Note: Figure prepared by AMEC, 2014

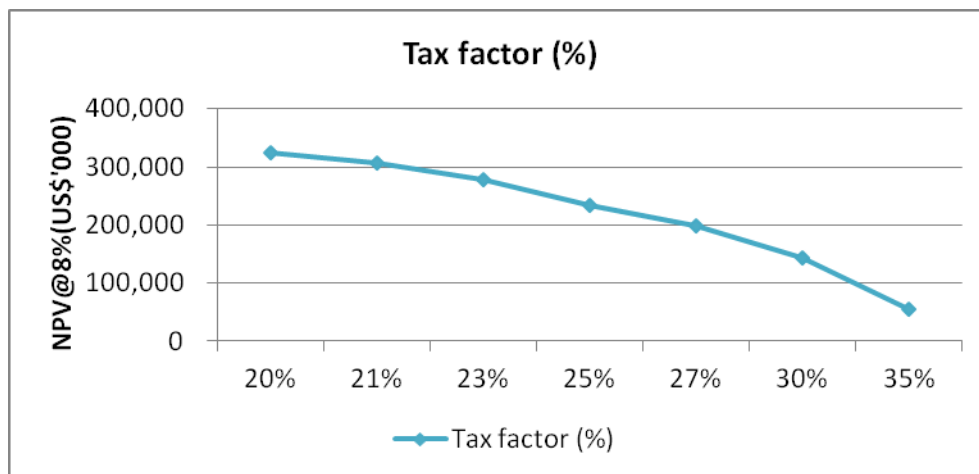
Figure 0-2: Sensitivity for 130 kt/d Case (pre-tax NPV discounted at 8%)



Note: Figure prepared by AMEC, 2014

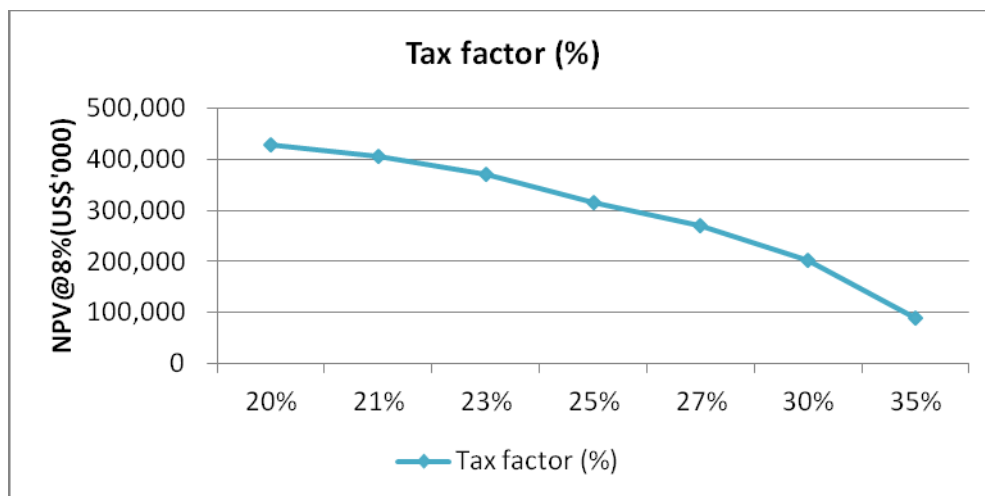
The impact of the change in tax rate from the PEA assumption is shown in Figure 1-3 for the 65 kt/d basecase and in Figure 1-4 for the 130 kt/d case.

Figure 0-3: Taxation Sensitivity for 65 kt/d Case (NPV discounted at 8%)



Note: Figure prepared by AMEC, 2014

Figure 0-4: Taxation Sensitivity for 130 kt/d Case (NPV discounted at 8%)



Note: Figure prepared by AMEC, 2014

Conclusions

Based on the assumptions detailed in the PEA report, the Los Helados Project shows positive a financial return and supports the declaration of the financial analysis based on Mineral Resources. Should the NGEx Board of Directors make such a decision, there is sufficient support from the PEA report results for progression to more detailed technical studies.

Recommendations

A single phase-work program is recommended. 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, or permit applications and acquisition.

The work program will consist of mining, process and infrastructure-related trade-off studies, metallurgical testwork, an infill/geotechnical core drilling program, and continuation of baseline environmental studies and ongoing work to support the development of the Project EIA. The results of the program would also support more detailed Project studies.

AMEC has estimated that the engineering and technical component of the above work program is likely to require a budget of between US\$3 to US\$5 million, the drilling component US\$3 million, and the environmental portion between US\$2 to US\$3 million, for a total work program cost of about US\$8 to US\$11 million.

AMEC notes that as the trade-off studies are completed, the preferred option should be incorporated into the ongoing environmental work, since the results represent a significant component of environmental assessment and the future permitting process.

4.4.2. Josemaría Project, Argentina

Exploration on the Josemaría Project described below is conducted under the JOGMEC Josemaría joint exploration agreement (the “**JOGMEC Josemaría JEA**”), pursuant to which JOGMEC earned a 40% interest in the Josemaría Project by having made a cash payment of US\$1 million and funded total work expenditures of US\$6.13 million. JOGMEC earned its 40% interest during the fourth quarter of 2011. The Corporation is the operator of exploration programs conducted under the JOGMEC Josemaría JEA.

The JOGMEC Josemaría JEA is subject to two underlying agreements: one covering the Lirio Property and a separate agreement covering the adjacent Batidero Property. The Lirio Property (other than a portion that is governed by the PPC JEA) and Batidero Property are collectively referred to herein as the “**Josemaría Project**” or the “**Josemaría Property**”.

- **Lirio Property:** The Corporation (60%) and JOGMEC (40%) jointly hold a 100% interest in the Lirio Property subject to a 0.5% net smelter return royalty and an additional US\$2 million payment within 6 months following the second complete year of mine operations due to the underlying owner of the Lirio Property. The portion of the Lirio Property governed by the JOGMEC Josemaría JEA contains the Josemaría Mineral Resource. A 1-3% net smelter return royalty will be due to the province of San Juan.
- **Batidero Property:** The Corporation (60%) and JOGMEC (40%) jointly hold a 100% participating interest in the Batidero Property and the Northern Properties, (subject to cash royalty of 7% of net profits).

Information detailed below of a scientific or technical nature regarding the Josemaría Project is derived from the Josemaría Report. The Josemaría Report is available under the Corporation’s profile on SEDAR www.sedar.com. The reader is cautioned that the information described below is an abridged summary only and the detailed disclosure in the Josemaría Report is incorporated by reference into this AIF. To put the contents hereof in context the reader should review the entire Josemaría Report, together with its illustrations, figures, footnotes, bibliography, etc.

Project Description and Location

The Josemaría Project is located near the northern limits of Iglesia Department, in northern San Juan province, northwest Argentina, at elevations ranging from 4,000 to 4,900 m above sea level. Gauss Krüger Campo Inchauspe

(GKCI) coordinates for the approximate centre of the main prospect are 2,446,350E and 6,855,300N equivalent to -069.548560° W, -28.435916° S (decimal degrees, WGS84 datum).

The Corporation holds a 60% interest in the Josemaría Project and JOGMEC holds a 40% interest subject to the underlying agreements described above. The area of the Josemaría Property is 15,100 ha.

The properties are in good standing with respect to work permits, exploration fees and taxes. The surface rights in the Josemaría Project are held by third parties. The Corporation has surface access rights but does not own any surface rights. The owners of the surface rights (Messrs. William Lancaster, Rogelio Bisset, Carlos Bisset and Miguel Bisset from Córdoba Province) are in agreement with Deprominsa conducting exploration activities on their ground.

There are no known environmental liabilities associated with the Josemaría Property.

Accessibility, Climate, Local Resource, Infrastructure and Physiography

Exploration work at Josemaría is based out of the city of San Juan which is approximately a 10 hour drive from the Batidero Camp by four wheel drive pick-up. The city of San Juan is the capital of its provincial namesake and has a domestic airport with scheduled flights to Buenos Aires and other Argentine cities. The Josemaría area is accessed from San Juan 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.

Alternate access to the Josemaría Project from Chile is provided through the Mining Integration and Complementation Treaty between Chile and Argentina. This treaty allows personnel and equipment to access the Josemaría Project site from Chile, providing that they also return to Chile and do not cross out of the Treaty area into Argentina. The Josemaría Project is approximately a 5 hour drive from the city of Copiapo via this route.

Exploration field personnel and support for the Josemaría and Batidero claims are hosted in a permanent camp located near the southern edge of the Batidero claims slightly above 4,000 m in elevation. The Batidero camp currently comfortably hosts about 40 personnel.

The climate is dry to arid and temperature is moderate to cold, with sparse rain during the summer and snowfall during the winter (May through August). There is little or no vegetative cover. Despite the barren landscape there is a substantial supply of water in multiple drainages and there is no difficulty in locating sufficient water to support drilling. Quebradas (valleys) contain ephemeral creeks which converge into two more permanent, easterly-draining arroyos. The northern border of the property is Rio Blanco which is also the border between San Juan and La Rioja provinces. Fieldwork activities are generally confined to the spring and summer months between mid-October and early May.

Elevations at Josemaría vary from below 4,000 m to approximately 4,900 m. Terrain varies from broad flat alluvial plains 1 km or more wide, to rounded ridges and peaks with varying steepness.

History

Prior to the 1990's there is no known history of mineral exploration fieldwork or mining on the Josemaría Property other than regional prospecting programs conducted during the 1990's that probably collected talus or drainage samples. The Corporation became interested in the Josemaría area around 2001 due to alteration and colour anomalies in the Josemaría area which were initially identified from ASTER imagery and confirmed by later ground follow-up. In 2002 the Corporation entered into an option agreement with TNR to acquire a 75% interest in the Batidero Property. In 2003 the Corporation entered into an option agreement with Mr. Juan Lirio to earn a 100% interest in the Lirio Property. The Corporation has actively explored the Lirio and Batidero Properties collectively known as the Josemaría Project since that time.

Geological Setting

The simplified geological model for the Josemaría deposit consists of a multiphase porphyry intrusion of probable Miocene age emplaced along the north-south trending contact between felsic volcanic rocks and equigranular

tonalite, both tentatively assigned to the Permo-Triassic Choiyoi group. A considerable fault roughly follows this contact, and may be a control on the emplacement of the porphyry intrusives. All of these units are unconformably covered by younger Tertiary flows. All units, including the Tertiary volcanics, are cut by small, siliceous hydrothermal breccias. Basement rocks in the deposit area are Paleozoic granites assigned to the Carnerito Formation.

Alteration associated with the porphyry system includes potassic and chlorite-sericite-clay alteration zones containing pyrite-chalcopyrite and chalcopyrite ± bornite mineralization, respectively, as well as advanced argillic and minor associated sericitic zones accompanied by a high-sulphidation assemblage, rich in hypogene chalcocite.

Drilling in the northern part of the deposit in the 2011/2012 season encountered a previously unknown supergene enrichment zone. Minor oxide copper mineralization and mixed chalcocite-oxide copper mineralization occur at shallower levels than the main enrichment zone. Significant gold occurs within a part of the oxide cap covering the deposit.

Exploration

Prior to 2001 there is no known history of mineral exploration fieldwork or mining on the Josemaría property other than several regional prospecting programs conducted during the 1990s. A predecessor company to the Corporation acquired the ground which now covers the Josemaría Project deposit through an option agreement in 2003.

Based on analysis of LANDSAT imagery, a large area with spectral response characteristics of hydrothermal alteration was identified in what is now the Batidero Minas. These claims were acquired by a predecessor company to NGEx through an option agreement in 2002.

Surface work over the next several seasons identified significant copper-gold mineralization over what is now the Josemaría Deposit. The initial drill program in the 2003/2004 season resulted in the discovery of the deposit, with the first hole returning 280m grading 0.61% Cu and 0.51 g/t Au.

Following completion of the 2004/2005 drilling, an initial Mineral Resource estimate was completed. This resource was updated following the 2006/2007 drill program and again following the 2011/2012 drill program. Diamond drilling was again undertaken during the 2013/2014 field season, with a total of 7,302 m drilled between late November and the end of the program on February 4, 2014.

Mineralization

The Josemaría Project is a copper-gold porphyry deposit. The copper-gold mineralization at Josemaría is mostly hosted by a Miocene porphyry system and forms an elongated zone with approximate dimensions of 1,100 m north-south, 500 to 600 m east-west and 700 to 800 m vertically.

The upper section of the system is characterized by oxide assemblages. The oxidized package is relatively thin (compared to the sulphide units below) and locally includes copper oxides as well as gold. Sulphides form the largest portion of the copper mineralization. Chalcopyrite, chalcocite and to a lesser extent bornite are the most common ore minerals. Pyrite and specularite are generally associated with the mineralization. Most of the ore minerals are disseminated in the porphyritic rocks or confined within narrow veinlets.

Gold mineralization generally correlates well with copper. The style of mineralization seen at Josemaría tends to be continuous, forming a roughly uniform body.

Drilling

Drilling at the Josemaría project to March 7th, 2014 totalled 61,100 m in 142 holes combining reverse circulation (“RC”) and diamond drilling (“DH”). Of this total, 94 holes totalling 43,565 m are DH and 48 holes totalling 17,535 m are RC.

Sampling and Analysis

Preparation of surface and drill samples prior to and including the 2006/2007 campaign is detailed on Nilsson and Rossi (2007). These authors conclude that sample preparation and protocols used for the pre-2006/2007 drilling are within industry standards.

Sample preparation and security protocols since 2007 are considered to be adequate. The reported results from blanks, standards and laboratory duplicates indicate that none of the samples were lost or misplaced, that the dataset is consistent and of high quality and that sample preparation and analyses are reproducible.

Mineral Resource Estimates

The Mineral Resource estimate is based on data from 103 drill holes totalling 46,095 m of drilling, of which 34 holes (13,164 m) are RC and 69 holes (32,931 m) are DH.

Three separate geological models were constructed to guide the resource estimation: lithology; alteration and mineral zones. These models consisted of 3 dimensional solids generated from the geological interpretation.

These models were used with the assay data to develop an understanding of the main controls on mineralization, to provide input into the block model and to control the interpolation. The primary control on mineralization at Josemaría is the mineral zones, and these wireframes were used to control the interpolation.

The drill hole assays were composited to 2 m to maintain the majority sampling interval (91% of assayed intervals at 2m) and to avoid spreading composites across geological domains in case of bigger composite size.

Experimental variogram analysis for Cu, Au, Ag, As, Fe and S was performed using the composites based on the mineral zone domains. Directional variograms were explored within each domain. The best geospatial correlation of samples was described by omnidirectional variograms as compared to any specific preferential orientation, demonstrating the widespread disseminated nature of the mineralization in the deposit.

A 3-D block model of the deposit was built with 25x25x15 m-size blocks for Mineral Resource calculations. The block model covered an area of 1.5 km by 2.1 km on plan, and 1.5 km vertically.

All elements were interpolated using Ordinary Kriging. Interpolation was done in a single pass. A minimum of 2 and a maximum of 50 composites, with maximum 15 composites from the same hole, were used for the interpolation. For estimation of the kriging and block variance, a 3x3x3 discretization of the block was selected.

Model validation was carried out by three exercises: 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 Mineral Resource was classified to conform with the CIM Definition Standards.

According to the classification scheme, a block was considered Indicated if: the distance to the nearest drill hole from the center 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 0.5. If the number of drill holes or the kriging variance requirement was not satisfied within this distance range (0-75 m), then the block was placed into Inferred category.

Similarly, a block was considered to be Inferred if the distance to the nearest drill hole from the block was 75 to 150 m and there were at least two drill holes used for the grade interpolation and the kriging efficiency estimation was less than 0.5.

A 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 75m 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 Mineral Resources. 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 economic extraction, a Whittle pit shell was generated and only Indicated and Inferred blocks falling within the Whittle pit shell were included in the reported resource estimate. This does not constitute an economic analysis of the deposit, but is done to define the resource volume by determining which portion of the block model may reasonably be expected to be economically extracted under the chosen set of parameters.

The analysis was done based on the copper equivalent (CuEq) grades in the block model. CuEq is calculated using US\$3.00/lb copper, US\$ 1,400/oz gold and US\$23/oz Ag, with no provision for metallurgical recoveries. The analysis assumed a copper price of US\$ 3.00/lb, mining cost of US\$ 2.20 / tonne, processing and G&A cost of US\$ 7.40 / tonne, copper selling cost of US\$ 0.35/lb and an overall pit slope angle of 42°.

The Josemaría Project Mineral Resource is summarized as:

Sulphide Resource (0.3% CuEq* cutoff):

- 789 million tonnes at a grade of 0.35% copper and 0.24 g/t gold for a copper equivalent grade of 0.53% (6.1 billion pounds of copper and 6.1 million ounces of gold) in the Indicated Resource category; and,
- 315 million tonnes at a grade of 0.28% copper and 0.17 g/t gold for a copper equivalent grade of 0.41% (1.9 billion pounds of copper and 1.7 million ounces of gold) in the Inferred Resource category.

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

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

The Mineral Resources are reported in accordance with National Instrument 43-101 and have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. It should be noted that the Mineral Resource estimate presented here is not a Mineral Reserve, and does not have demonstrated economic viability. While the Corporation strongly believes that the Mineral Resource warrants additional study to determine the development potential, there can be no guarantee that any or all of the Mineral Resource will ultimately be determined to be economically viable.

As the Josemaría Project is an early-stage project, no engineering or infrastructure data or studies are available to evaluate economic development parameters for the Mineral Resource. The base-case cutoff grade of 0.30% CuEq was chosen based on comparison with other similar nearby deposits. The Josemaría Project is located in an area of the Andes which currently has several copper-gold porphyry deposits in similar geologic and geographic settings which are in advanced exploration or development. These other projects provide useful benchmarks and have been used to select the base-case cutoff grade for Josemaría.

For more details on the Mineral Resource estimate please see the Josemaría Report, which is incorporated by reference herein. The Mineral Resource estimate as of the effective date of September 27, 2013 is shown in the tables below.

JOSEMARIA INDICATED MINERAL RESOURCE (SULPHIDE)								
Cutoff (CuEq*)	Million Tonnes	Resource Grade				Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq* (%)	Cu (billion lbs)	Au (million oz)	Ag (million oz)
0.50	355	0.44	0.33	1.27	0.68	3.44	3.77	14.50
0.45	456	0.41	0.30	1.22	0.63	4.12	4.40	17.89

0.40	571	0.39	0.28	1.17	0.59	4.91	5.14	21.48
0.35	679	0.37	0.26	1.12	0.56	5.54	5.68	24.45
0.30	789	0.35	0.24	1.08	0.53	6.09	6.09	27.40
0.25	894	0.33	0.23	1.04	0.50	6.50	6.61	29.89
0.20	986	0.31	0.22	1.01	0.47	6.74	6.97	32.02

JOSEMARIA INFERRED MINERAL RESOURCE (SULPHIDE)								
Cutoff (CuEq*)	Million Tonnes	Resource Grade				Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq* (%)	Cu (billion lbs)	Au (million oz)	Ag (million oz)
0.50	46	0.37	0.25	1.16	0.55	0.38	0.37	1.72
0.45	87	0.35	0.24	1.07	0.52	0.67	0.67	2.99
0.40	151	0.32	0.21	1.02	0.48	1.07	1.02	4.95
0.35	229	0.30	0.19	0.96	0.45	1.51	1.40	7.07
0.30	315	0.28	0.17	0.92	0.41	1.94	1.72	9.32
0.25	430	0.26	0.15	0.88	0.38	2.46	2.07	12.17
0.20	554	0.24	0.14	0.82	0.34	2.93	2.49	14.61

JOSEMARIA INDICATED MINERAL RESOURCE (OXIDE)						
Cutoff (Au g/t)	Million Tonnes	Resource Grade			Contained Metal	
		Cu (%)	Au (g/t)	Ag (g/t)	Au (thousand oz)	Ag (thousand oz)
0.40	10	0.18	0.47	1.39	150	450
0.35	16	0.17	0.44	1.38	230	710
0.30	23	0.16	0.40	1.34	300	990
0.25	31	0.15	0.37	1.28	370	1,280
0.20	45	0.14	0.32	1.19	460	1,720
0.15	69	0.13	0.27	1.10	600	2,440
0.10	97	0.12	0.23	1.01	720	3,150

JOSEMARIA INFERRED MINERAL RESOURCE (OXIDE)						
Cutoff (Au g/t)	Million Tonnes	Resource Grade			Contained Metal	
		Cu (%)	Au (g/t)	Ag (g/t)	Au (thousand oz)	Ag (thousand oz)
0.40	0.4	0.11	0.44	1.15	6	15
0.35	1	0.05	0.39	1.01	13	32
0.30	2	0.04	0.37	0.99	24	64
0.25	3	0.04	0.35	0.98	34	95
0.20	3	0.05	0.33	0.97	32	94
0.15	5	0.05	0.28	0.87	45	140
0.10	11	0.09	0.19	0.79	67	280

- *CuEq - Copper Equivalent is calculated using US\$3.00/lb copper, US\$ 1,400/oz gold and US\$23/oz Ag, with no provision for metallurgical recoveries. The formula used is $CuEq = Cu\% + 0.6806 * Au (g/t) + 0.011 * Ag (g/t)$;
- Mineral Resources are reported within a Whittle pit shell based on: 42 degree pit slope; \$2.20/tonne mine cost; \$7.40/tonne process cost;
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability;
- Small discrepancies may exist due to rounding errors.

4.4.3. Filo del Sol Project, Argentina

The Filo del Sol project straddles the international border between San Juan Province, Argentina and Region III, Chile (the “Filo del Sol Project”). The Filo del Sol Project is comprised of adjacent mineral titles in Chile and Argentina which are 100% controlled by the Corporation through direct ownership or option agreements. In Argentina the Corporation owns four exploration permits (“Cateos”) and 12 exploitation permits (“Manifestaciones”). In Chile the Corporation owns 16 exploration concessions and one unilateral and irrevocable option agreement to purchase 17 mining licenses (also known as the Tamberias project) subject to an option agreement between the Corporation and the property owners. The project area is located approximately 15 km west of the Josemaría Project. Elevations in the project area range from 4,600 to 5,200 m. Access to the Filo del Sol Project is by dirt road from the Josemaría camp or alternatively by road from Copiapo, Chile.

In October 2014, the Corporation acquired the 40% interest in the Filo del Sol Project held by its partner Pan Pacific Copper under the PPC JEA. Pursuant to a definitive agreement made effective as of September 1, 2014 and signed on October 23, 2014 between the Corporation and PPC, the Corporation purchased all of PPC’s right, title and interest in and to an undivided 40% interest in the Filo del Sol Property (as defined in the definitive agreement) for total cash consideration of US\$7.0 million payable in two installments. Pursuant to the definitive agreement, US\$3.5 million was payable upon execution of the definitive agreement (paid) and US\$3.5 million is payable on the date that is the earlier of: (i) 10 business days after completion of the transfer of the Remaining Properties (as defined in the definitive agreement) to a newly formed corporation owned or controlled by the Corporation; or (ii) November 1, 2015. Pursuant to the definitive agreement, if the Corporation does not for any reason satisfy this payment obligations under section 2.2(b) of the definitive agreement, the parties agree that in lieu of and in full satisfaction the Corporation’s obligation under section 2.2(b), PPC shall be deemed as of November 2, 2015 to have funded US\$3,500,000 of Exploration Expenditures (as defined in the PPC JEA) in respect of the Remaining Properties and such deemed amount shall be set-off against any then current or future funding obligations of PPC pursuant to section 9 of the PPC JEA.

Information detailed below of a scientific or technical nature regarding the Filo del Sol Project is derived from 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 is an abridged summary only which has been reproduced in its entirety from the Filo del Sol Project 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, the Corporation owns four exploration permits (“Cateos”) and 12 exploitation permits (“Manifestaciones”). In Chile, the Corporation is the owner of 16 exploration concessions (“Manifestaciones”) and one unilateral and irrevocable option agreement to purchase 17 mining licenses (“Mensuras”). The total area of the Project is approximately 16,160 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 which 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. The Corporation 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. Overlapping mineralizing events combined with weathering effects, including supergene enrichment, have created several different styles of mineralization at Filo, 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

The Corporation, or its predecessor companies, have been exploring at Filo del Sol since the 1999-2000 field season. A total of ten work programs have been completed over these years, and there have been five seasons (2001-02, 2002-03, 2006-07, 2008-09, 2009-10) where no work was done. Exploration has been limited to the

summer season, typically between November and April, and so exploration seasons are described by the years which they bridge.

The following table summarizes the surface work done during each field season, including drilling.

Season	Surface	Geophysics	Drilling
1999-2000	1470 talus fine samples 3720 trench samples 1150 rock channel samples	153 km MAG 37.8 km IP-CSAMT	
2000-2001	462 rock chip samples	100 km MAG	2,662 m
2003-2004	216 talus fine samples		1,171 m
2004-2005	149 talus fine samples	30.4 km IP-Res 29.4 km MAG	1,762 m
2005-2006	83 talus fine samples 11 rock chip samples		1,708 m
2007-2008	310 talus fine samples	30.0 km IP-Res. 77.6 km MAG	2,890 m
2010-2011	Geological mapping 1:5000		156 m
2011-2012		36.2 km P-DP	1,853 m
2012-2013			821 m
2013-2014			8,772 m

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 21,848 m of reverse circulation (RC) drilling in 87 holes and 4,052 m of diamond drilling (DD) in 17 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 16 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 55% of the current RC and DDH dataset has been controlled with blanks, standards and laboratory duplicates. Another 13% has been checked with a second lab but does not have blank and standard controls. The remaining 33% 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 has 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.

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.

Mineral Resource Estimate

The resource estimate presented in this report is the first reported for the Filo del Sol deposit. Copper, gold, silver and molybdenum grades were estimated by ordinary kriging. The resource was estimated by James N. Gray of Advantage Geoservices Ltd. who is the qualified person for this estimate. A geological model of mineralization type was used to control grade interpolation of all elements. Gold and molybdenum grades were also controlled by an interpreted zone of silica alteration and silver and arsenic grades were also controlled by a geochemically defined zone of secondary silver enrichment. High-grade capping was applied to economic metals, with a generally low impact on metal reduction. The reporting of the resource inside an optimized pit ensures reasonable prospects of economic extraction.

This initial resource estimate for Filo del Sol (FDS) is based on assay data available as of November 25, 2014 and includes results from 23,600 m of drilling in 90 holes. Drilling has been predominantly by reverse circulation; only 16 of the holes used for resource estimation were core holes.

Density values were measured for 878 drill core samples using the wax-dip water immersion method. Estimated grades for all elements were validated visually by comparing composite to block values in plan view and on cross-sections. There is good visual correlation between composite and estimated block grades for all modelled elements.

Estimated grades were also compared spatially against nearest neighbour (NN) estimates in swath plots. The OK estimates are appropriately smooth in comparison to the nearest neighbor models. Globally, model average grades above zero cutoff compare very closely, indicating no bias.

The mineral resource was classified based on spatial parameters related to drill density and configuration. To ensure appropriate classification of contiguous blocks, blocks were classified inside a solid volume. That solid was generated such that blocks were initially classified as Inferred Mineral Resource where:

- They have sample data in at least three octants of a 150m spherical search, and/or
- They are within 50m of sample data.

The total Inferred Resource for the Filo del Sol deposit, at a 0.30% CuEq cutoff grade is:

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

The Mineral Resource estimate as of the effective date of November 25, 2014 is shown in the tables below:

Inferred Mineral Resource at 0.3% CuEq Cut-off

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	34.5	0.39	0.37	7.5	52	640	0.68	0.3	0.4	8.3
Sulphide	246.0	0.37	0.31	10.1	54	605	0.66	2.0	2.5	79.5
Total:	280.5	0.38	0.32	9.7	54	610	0.66	2.3	2.9	87.8

Resource by CuEq Cutoff Grade

COG (% CuEq)	Inferred Mineral Resource							Metal		
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	CuEq (%)	Cu (billion lb)	Au (million oz)	Ag (million oz)	
0.10	323.4	0.34	0.30	8.6	50	0.60	2.4	3.1	89.7	
0.20	300.3	0.36	0.31	9.2	52	0.63	2.4	3.0	88.7	
0.30	280.5	0.38	0.32	9.7	54	0.66	2.3	2.9	87.8	
0.40	235.7	0.41	0.34	11.3	56	0.72	2.1	2.5	85.3	
0.50	156.5	0.48	0.37	15.8	61	0.86	1.7	1.8	79.5	
0.60	98.7	0.58	0.40	23.2	68	1.04	1.3	1.3	73.7	
0.70	70.3	0.65	0.42	30.6	71	1.20	1.0	0.9	69.2	
0.80	54.0	0.71	0.44	37.7	71	1.34	0.8	0.8	65.4	
0.90	44.3	0.75	0.45	43.4	70	1.45	0.7	0.6	61.8	
1.00	36.4	0.80	0.45	48.8	72	1.56	0.6	0.5	57.1	

Contained Copper Zone

COG (% Cu)	Contained within Inferred Mineral Resource							Metal		
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	CuEq (%)	Cu (billion lb)	Au (million oz)	Ag (million oz)	
0.5	38.3	0.85	0.36	12.8	71	1.20	0.7	0.4	15.8	
0.7	17.3	1.19	0.37	16.1	72	1.57	0.5	0.2	9.0	

Contained Silver Zone

COG (g/t Ag)	Contained within Inferred Mineral Resource							Metal		
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	CuEq (%)	Cu (billion lb)	Au (million oz)	Ag (million oz)	
20	17.7	0.41	0.40	82.7	73	1.49	0.2	0.2	47.1	
50	11.8	0.45	0.40	105.5	79	1.77	0.1	0.2	40.1	
80	6.3	0.50	0.42	142.4	84	2.20	0.1	0.1	28.7	

This mineral resource remains open to expansion in all directions.

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 initial mineral resource estimate presented in this report which indicates good potential to establish an important copper-gold-silver deposit on the property and remains open in all 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 deposit as defined by the resource estimate, the property contains several other target areas as defined by talus fine and rock sampling 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 Filo del Sol 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 is amenable to recovery of copper through leaching – possibly using only water. Additional testwork should be completed in order to investigate this further.

The Filo del Sol 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 a world class 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.

Recommendations

The initial resource estimate established for the Filo del Sol deposit clearly indicates that additional work is warranted to continue to investigate the deposit and larger property. The goal of future work programs should be to continue to expand the size of the deposit through additional drilling, to begin to upgrade the resource classification from inferred to indicated through infill drilling and to continue to explore the mineralized showings away from the deposit in order to evaluate the potential for a second deposit.

- A new exploratory drilling program is recommended for the 2014 – 2015 season. This program should focus on expansion of the resource, guided by the Induced Polarization (IP) geophysics and mineralization trends established by previous drill campaigns. The primary targets should be the leachable copper mineralization and the high-grade silver zone. RC drilling is recommended in order to drill as efficiently as possible during the short field season, but a strong effort should be made to solve the problems associated with diamond drilling so that this can become the main drilling method in the future.
- Drilling should focus on the western, southwestern and northeastern extensions of the deposit, as the relatively flat-lying copper and silver zones are expected to daylight on the eastern slopes of the main ridge just to the east of the resource. In particular, the distinct IP feature to the west of the deposit which is comprised of a steeply-dipping chargeability contrast (Figure 21.) should be drilled as it could represent a steep feeder zone to the flat-lying high-grade zones.

- Similar deposits to Filo del Sol, such as La Coipa and Pascua-Lama, are characterized by small, vertical, high-grade breccia zones. The current wide spacing and vertical orientation of the drilling at Filo del Sol make it possible that such important breccias could have been missed within the existing drill pattern. Infill drilling to explore for these zones and convert inferred resources to indicated is also recommended, however this is of a lower priority than the resource expansion drilling.
- IP geophysics is an effective exploration tool, and coverage should be extended to the north of the Filo del Sol deposit. The results of any new surveys should be combined with historical datasets and modern 3D inversion processing and interpretation should be carried out on the combined data set.
- Geological mapping should be re-done at various scales across the entire property. In addition to taking advantage of new exposures created by the numerous new drill roads, this mapping should incorporate new deposit interpretations and information gained from the recent drilling.
- Portable Infrared Mineral Analyzer (PIMA) readings should continue to be completed on a regular basis on drill hole cuttings and core. The PIMA identifies changes in alterations with good precision, especially the transition from quartz-alunite to quartz-illite quartz-pyrophyllite.
- Specific gravity measurements should be carried out on any new core drilled on the project.
- Mineralogical studies should be initiated in order to understand the mineralogy of the various mineralization types. Information gained from these studies should be used to design preliminary metallurgical testwork programs in order to further investigate the metallurgical response of the zones and help to prioritize what the main target mineralization should be.

A total budget of US\$ 11.3 million, including 8,000 m of RC drilling, is recommended in order to complete the next phase of exploration.

On February 18, 2015 the Corporation announced results from the first eight holes of the ongoing 2014-2015 drill program at the Filo del Sol Project. The drill holes targeted possible extensions of the high grade silver zone within the resource and extended the high grade silver mineralization to the west of the current resource.

4.4.4. Other Chilean Properties

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

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

Information detailed below of a scientific or technical nature regarding the GJ/Kinaskan copper-gold project is derived, in part, from a NI 43-101 technical report entitled “Technical Report on the GJ Copper-Gold Porphyry Project Laird Mining Division British Columbia, Canada” dated April 30, 2007 (the “**GJ Copper-Gold Porphyry Report**”) prepared by David T. Mehner, M.Sc., P.Geo., Gary H. Giroux, M.A.Sc., P.Eng., and Giles R. Peatfield, Ph.D., P.Eng., each of whom is a qualified person under NI 43-101. The GJ Copper-Gold Porphyry Report is available under the Corporation’s profile on SEDAR www.sedar.com. The reader is cautioned that the information is an abridged summary only. To put the contents hereof in the context of the full technical report, together with its illustrations, figures, footnotes, bibliography, etc.

Project Description and Location

The GJ/Kinaskan property is situated in northwestern British Columbia about 200 km north of Stewart. The property is centered at latitude 57° 45' N and longitude 130° 14' W (UTM 425500E, 6398000N). The claim group covers about 20,550 hectares. All the mineral claims comprising the GJ/Kinaskan Lake property are owned 100% by the Corporation and are in good standing.

The Donnelly, North Donnelly, GJ and North copper-gold porphyry zones are the principal mineralized zones on the GJ/Kinaskan property. This deposit type is present elsewhere in the region, with other examples being the Red Chris, Schaft Creek, Galore Creek, and Copper Canyon deposits.

In August, 2010 the Corporation entered into an option agreement (the “**Option Agreement**”) with Teck Resources Limited (“**Teck**”) whereby Teck was granted options to earn up to a 75% interest in the project by making the following cash payments and expenditures (all amounts are Canadian dollars):

1. a \$100,000 cash payment to the Corporation upon signing of the Option Agreement (the “**initial cash payment**”).
2. 1st Option: Teck will have the option to earn an initial 51% in the GJ/Kinaskan project by making the following expenditures:

<u>On or Before</u>	<u>Cumulative Aggregate Expenditures</u>
December 31, 2011	\$2,500,000 ⁽¹⁾⁽²⁾
December 31, 2012	\$5,000,000
December 31, 2013	\$8,000,000
December 31, 2014	\$12,000,000

Notes:

⁽¹⁾ The first \$1,500,000 in expenditures is a firm commitment by Teck.

⁽²⁾ Must include at least 1,500 m of drilling.

3. 2nd Option: Upon making the initial cash payment and incurring \$12,000,000 in expenditures under the 1st option Teck will have a one-time option to elect to earn an additional 9% interest for a total 60% interest by sole funding an additional \$12,000,000 in expenditures prior to December 31, 2017 with a minimum required annual expenditure of \$2,000,000 per year.
4. 3rd Option: Upon exercising the 2nd option Teck will have a one-time option to earn an additional 15% interest for a total 75% interest by sole funding another \$20,000,000 in expenditures prior to December 31, 2020 with a minimum required annual expenditure of \$4,000,000 per year.

Teck has advised the Corporation that it has completed the expenditures required to complete the 1st Option and that it has elected not to exercise its option to earn an additional interest the “2nd Option”. Therefore the parties will form a joint venture in which Teck holds a 51% interest and the Corporation holds a 49% interest and will fund further expenditures pro-rata according to their percentage interest at that time. If a party’s interest falls below 10% it will convert to a 2% NSR that begins after payback of all project expenditures.

Accessibility, Climate, Local Resource, Infrastructure and Physiography

Access to the GJ/Kinaskan property is by road from Smithers, 500 km to the south, and then by helicopter from Tatogga Lake, located 17 km to the northeast, or from Dease Lake, 80 km further north on Highway 37.

The climate is typical of a northern Canadian Cordilleran setting, with windy, cold winters due to the generally high elevations and short summers lasting from June through early September.

Small settlements at Iskut, Eddontenajon and Tatogga Lake along Highway 37, and some 15 to 20 km northeast of the GJ/Kinaskan property, provide basic services such as telephone, fuel, accommodation, meals, storage facilities, expediting services to Smithers and helicopter staging points. Dease Lake, 80 km to the north, provides similar services and has a permanent helicopter base.

Construction of a new 287kV power line along the highway 37 corridor is currently underway. This powerline will pass less than 50 km from the property.

History

Exploration work on the copper-gold porphyry mineralization dates back to 1964, when Conwest Exploration Co. Ltd. first recorded work on the property (concentrating on the GJ Zone on Groat Creek). From 1970 until 1983, when the Corporation first became involved in the GJ project through a predecessor company, numerous companies explored the GJ, Donnelly (as it was then known) and to a lesser extent, the North Zones. Although encouraging drill results were obtained by earlier work, no mineralized zones of significant size and grade were defined.

The Corporation acquired the ground covering the Donnelly, GJ and North Zones in 2000 and initiated a systematic exploration program including IP geophysics and ground magnetic surveys, bedrock surface geochemical sampling, and geological mapping.

Geological Setting

The rocks underlying the GJ/Kinaskan project have been mapped as Upper Triassic, Stuhini Group (basic volcanic flows, volcanoclastics and sedimentary rocks), unconformably overlain by Lower Jurassic, Hazelton Group andesitic to felsic flows and volcanoclastic rocks. Intruding the sequence throughout the GJ/Kinaskan project are numerous small, quartz deficient plugs, sills and dykes of Late Triassic or Early Jurassic age, of diorite to monzodiorite and monzonite composition. The largest of these is the south-west striking Groat Stock which is at least 10 km long and up to 1.5 km wide, and is off-set by numerous, north-south striking faults. Adjacent to the south-west extremities of the stock, porphyry copper-gold mineralization occurs in at least four areas, referred to herein as the Donnelly, North Donnelly, GJ and North Zones.

Exploration

In 2000, after acquiring all the ground covering the Donnelly, GJ and North zones, the Corporation initiated a systematic exploration program including IP geophysics and ground magnetic surveys, bedrock surface geochemical sampling, and geological mapping. By 2004, that work had outlined a broad IP chargeability anomaly measuring at least 4.5 km east-west by 3.3 km north-south. Within the Donnelly Zone, surveys outlined two significantly stronger chargeability zones with coincident magnetic highs and copper-gold bedrock geochemical anomalies. The larger was an open-ended anomaly measuring 3,500 m southeast-northwest by 1,000 m wide that encompasses both the GJ and Donnelly zones (as presently known). The second was an 1,800 m east-west by 800 m north-south anomaly covering the North Zone.

Drilling by the Corporation from 2004 to 2007 of 59,491 m in 199 drill holes successfully extended the known limits of the Donnelly copper-gold zone over an east-west length of 1,600 m. The Donnelly Zone forms a relatively homogenous, keel-shaped mineralized body 300 m wide in the eastern half that broadens into more complex bodies extending up to 500 m in depth in the western half. The Zone is closed off to the east but remains open to depth in places to the west where it is overlain by post-mineral, Hazelton volcanic rocks.

No field work was conducted on the GJ/property during the 2008 and 2009 field seasons apart from camp maintenance and continued environmental studies. As at December 31, 2009, the Corporation had expended approximately \$11.4 million on this property.

During 2010 Teck initiated its work program at the GJ/Kinaskan project including a large ground geophysical program, as well as surface mapping, relogging of drill core and refurbishment of the camp. During the third quarter of 2011, Teck completed and fully funded an exploration program at GJ/Kinaskan that included 10 diamond drill holes totalling 4,307 m, 77 line km of IP, 50 line km of ground magnetic as well as mapping and 1185 soil samples. Teck also refurbished the 40 man exploration camp and conducted baseline environmental and archaeological surveys.

The 2012 exploration program on the GJ property was carried out between June 23rd and September 27th. Teck's exploration program included:

- 730 line km of ZTEM airborne geophysical survey covering the north half of the property.
- Collection of 1300 AH soil samples.

- Geologic mapping programs at QC, Wolf, Seestor and GJ and the collection of 247 rock samples.
- 10.4 line km of IP and mag geophysical surveys northeast of Seestor.
- 4,000 m of diamond drilling in eight holes testing geological, geochemical and geophysical targets at Wolf (5), Seestor (1) and on the plateau near camp (2).
- Historic core re-logging and re-interpretation from GJ, Donnelly and North Donnelly.

The program was 100% funded by Teck as part of its earn-in under the Option Agreement.

2013 Teck Program

Work during 2013 included diamond drilling, re-logging of historic drill core, geological mapping, ground magnetic survey, and soil and rock geochemical sampling. Diamond drilling occurred in the Donnelly deposit area, and included three drill holes comprising a total of 2,028 m of drilling. Pursuant to the Option Agreement the exploration program was 100% funded by Teck. As of December 31, 2013 Teck's expenditures under the Option Agreement totaled \$11,700,150.

Teck has advised the Corporation that it has completed the expenditures required to complete the 1st Option as of December 31, 2014 and that it has elected not to exercise its option to earn an additional interest the "2nd Option". Expenditures to the end of 2013 of \$11,700,150 and the 2014 expenditures totalling \$309,705.40 up to November 1, 2014 have increased the cumulative aggregate expenditures on the project to \$12,009,856.08.

Mineralization

The principal types of mineralization on the GJ/Kinaskan project are:

- porphyry copper-gold deposits associated with the Lower Jurassic Groat monzodiorite and monzonite stock and compositionally similar satellite intrusions in the southern part of the property; and
- gold-silver-copper-zinc-bearing quartz veins developed peripheral to early Jurassic quartz diorite, monzodiorite and monzonite stocks along Quash Creek in the northwest and around the Groat Stock in the southeast (Trevor Peak).

Mineral Resource Estimates

Several Mineral Resource calculations have been done on the GJ/Kinaskan project over the years. A detailed discussion of the April 2007 resource status is provided in GJ Copper-Gold Porphyry Report. G. H. Giroux, one of the authors of the GJ Copper-Gold Porphyry Report updated the resource estimate in October 2008, for the Donnelly Zone and the North Donnelly Zone by utilizing 218 drill holes completed by the end of the 2007 field season in addition to drill holes completed by prior operators.

The Mineral Resource estimate as of the effective date of April 30, 2007 is shown in the tables below:

DONNELLY ZONE - MEASURED MINERAL RESOURCE

Cutoff (Cu %)	Metric Tons > Cutoff (metric tons)	Grade > Cutoff		Contained Metal	
		Cu (%)	Au (g/t)	Million lbs Cu	Million ozs Au
0.05	153,700,000	0.248	0.284	840.49	1.403
0.10	133,410,000	0.274	0.312	806.02	1.338
0.15	108,820,000	0.307	0.348	736.64	1.218
0.20	84,490,000	0.346	0.390	644.60	1.059
0.25	62,380,000	0.389	0.435	535.06	0.872
0.30	44,270,000	0.436	0.487	425.60	0.693
0.35	30,760,000	0.486	0.538	329.63	0.532
0.40	21,890,000	0.531	0.585	256.30	0.412
0.45	15,370,000	0.577	0.643	195.55	0.318
0.50	10,900,000	0.619	0.692	148.77	0.243

DONNELLY ZONE - MEASURED MINERAL RESOURCE

Cutoff (Cu %)	Metric Tons > Cutoff (metric tons)	Grade > Cutoff		Contained Metal	
		Cu (%)	Au (g/t)	Million lbs Cu	Million ozs Au

DONNELLY & NORTH DONNELLY ZONES - INDICATED RESOURCE

Cutoff (Cu %)	Metric Tons > Cutoff (metric tons)	Grade > Cutoff		Contained Metal	
		Cu (%)	Au (g/t)	Million lbs Cu	Million ozs Au
0.05	216,120,000	0.173	0.219	824.42	1.522
0.10	159,870,000	0.208	0.255	733.23	1.311
0.15	108,670,000	0.247	0.298	591.85	1.041
0.20	68,830,000	0.290	0.344	440.13	0.761
0.25	41,050,000	0.335	0.387	303.23	0.511
0.30	22,040,000	0.388	0.433	188.56	0.307
0.35	11,570,000	0.449	0.489	114.55	0.182
0.40	6,970,000	0.500	0.530	76.84	0.119
0.45	4,170,000	0.550	0.577	50.57	0.077
0.50	2,620,000	0.598	0.629	34.55	0.053

DONNELLY & NORTH DONNELLY ZONES - MEASURED PLUS INDICATED MINERAL RESOURCE

Cutoff (Cu %)	Metric Tons > Cutoff (metric tons)	Grade > Cutoff		Contained Metal	
		Cu (%)	Au (g/t)	Million lbs Cu	Million ozs Au
0.05	369,820,000	0.204	0.246	1663.52	2.925
0.10	293,280,000	0.238	0.281	1539.10	2.650
0.15	217,490,000	0.277	0.323	1328.40	2.259
0.20	153,320,000	0.321	0.369	1085.21	1.819
0.25	103,440,000	0.367	0.416	837.07	1.383
0.30	66,300,000	0.420	0.469	614.00	1.000
0.35	42,330,000	0.476	0.524	444.29	0.713
0.40	28,860,000	0.523	0.572	332.82	0.531
0.45	19,540,000	0.571	0.629	246.02	0.395
0.50	13,520,000	0.615	0.680	183.34	0.296

DONNELLY & NORTH DONNELLY ZONES - INFERRED RESOURCE

Cutoff (Cu %)	Metric Tons > Cutoff (metric tons)	Grade > Cutoff		Contained Metal	
		Cu (%)	Au (g/t)	Million lbs Cu	Million ozs Au
0.05	115,470,000	0.134	0.187	341.18	0.694
0.10	63,980,000	0.183	0.238	258.17	0.490
0.15	37,560,000	0.226	0.282	187.17	0.341
0.20	23,010,000	0.260	0.310	131.92	0.229
0.25	11,290,000	0.295	0.335	73.44	0.122
0.30	4,180,000	0.332	0.330	30.60	0.044
0.35	790,000	0.378	0.294	6.58	0.007
0.40	150,000	0.421	0.354	1.39	0.002
0.45	30,000	0.455	0.325	0.30	0.000

All Mineral Resources have been calculated in accordance with CIM Standards.

The Mineral Resources set out in the table above have been estimated by G. H. Giroux, who is a qualified person under NI 43-101.

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, 2014, 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 187,712,994 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".

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 2014	1.67	1.28	2,065,855
February 2014	1.84	1.42	778,513
March 2014	1.99	1.42	1,203,616
April 2014	1.98	1.56	2,012,137
May 2014	2.34	1.85	6,303,658
June 2014	2.38	1.88	2,871,291
July 2014	2.24	2.05	1,851,129
August 2014	2.21	1.90	1,143,247
September 2014	1.97	1.69	1,896,968
October 2014	1.88	1.26	1,663,458
November 2014	1.44	1.15	1,198,203
December 2014	1.25	0.92	1,823,060

The price of the common shares of the Corporation as quoted by the TSX at the close of business on December 31, 2014 was \$1.17 and on March 16, 2015 the last trading day prior to the date of this AIF, was \$0.99.

ITEM 8 PRIOR SALES

As at December 31, 2014, the Corporation had outstanding stock options to purchase 4,812,500 common shares. During the year ended December 31, 2014, the Corporation issued stock options as follows:

Date of Issuance	Number	Exercise Price	Expiry
May 7, 2014	2,167,500	\$2.05	May 7, 2017
Total:	2,167,500	\$2.05	May 7, 2017

ITEM 9

DIRECTORS AND OFFICERS

9.1. Name, Occupation and Security Holding

During the year ended December 31, 2014, 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, 2014 (and the date hereof) 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	Chairman since September 12, 2002 and Director since June 23, 1995	Chairman and director of Lundin Mining Corporation and Lundin Gold Inc.; Chairman and director of a number of publicly traded resource-based companies.
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.; President and Chief Executive Officer, Sanu Resources Ltd. from April, 2007 to present; Director of Horn Petroleum Corporation from September 20, 2011 to March 10, 2015; VP Strategic Partnerships, Lundin Mining Corporation from March 2007 to April 2009.
Paul K. Conibear British Columbia, Canada	Director since April 17, 2009	President and Chief Executive Officer of Lundin Mining Corporation since October 2011; 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 of Lundin Mining Corporation.
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; Managing Director of Graycliff Partners (USA) from 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 British Columbia, Canada	Chief Financial Officer since August 16, 2013	Chief Financial Officer of the Corporation; 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.

Name, Province and Country of Residence	Period of Service as an Officer or Director	Principal Occupation and Occupation during the Past Five Years
Robert Carmichael British Columbia, Canada	Vice President, Exploration since September 1, 2011	Vice President, Exploration of the Corporation 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.

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, 2014 and the date of this AIF:

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
William A. Rand Paul K. Conibear David F. Mullen	Lukas H. Lundin William A. Rand Paul K. Conibear	David F. Mullen William A. Rand Paul K. Conibear

Securities Holdings

As at December 31, 2014, the directors and executive officers of the Corporation, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 3,791,908 common shares of the Corporation, representing approximately 2.0% of the issued and outstanding common shares of the Corporation (excluding securities issuable on exercise of stock options).

As at the date of this AIF, the directors and executive officers of the Corporation, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 3,791,908 common shares of the Corporation, representing approximately 2.0% of the issued and outstanding common shares of the Corporation (excluding securities issuable on exercise of stock options).

9.2. 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. Lukas Lundin and Paul Conibear resigned as directors of Sirocco on January 31, 2014 and February 1, 2014, respectively, at which time Sirocco was financially solvent. Pursuant to a plan of arrangement completed on January 31, 2014, Canadian Lithium Corp. acquired Sirocco. The final step in the plan of arrangement transaction was the amalgamation of Canadian Lithium Corp. and Sirocco to form RB Energy Inc. ("**RBI**"). On October 13, 2014, RBI announced that, among other things, the Board of Directors of RBI had approved a filing on October 14, 2014, for an Initial Order to commence proceedings under the Companies' Creditors Arrangement Act (the "**CCAA**") from the Quebec Superior Court. On October 15, 2014, RBI further announced that the Quebec Superior Court had issued an Amended and Restated Initial Order in respect of RBI and certain of its subsidiaries under the CCAA. RBI is now under the protection of the Court. KPMG LLP has been appointed monitor under the Court Order. The TSX delisted RBI's common shares effective at the close of business on November 24, 2014 for failure to meet the continued listing requirements of the TSX. Since that time, RBI's common shares have been suspended from trading. Although neither Paul Conibear nor Lukas Lundin was ever a director or officer of RBI, each was a director of Sirocco within the 12 month period prior to RBI filing 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.

9.3. 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 10 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

10.1. 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.

10.2. 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 11 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 2013. The Audit Committee Charter is attached as Schedule “A” to this AIF.

11.1. 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 5, 2014, prepared in connection with the Corporation’s annual and special meeting of shareholders held on June 12, 2014, 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, 2014 for its annual meeting to be held in June, 2015.

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 B.Comm. from McGill University (Honours in Economics and Major in Accounting), who 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 more than 30 years of experience in the mining industry. Mr. Conibear has also 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 and Graycliff Partners (USA); 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.

(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.

11.2. 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.

11.3. 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).

11.4. 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).

11.5. 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 internal auditor which was not adopted by the Corporation's Board of Directors.

11.6. Pre-Approval Policies and Procedures

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

11.7. 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, 2014, and December 31, 2013:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2014	\$120,000	\$47,250	\$6,620	\$6,610
December 31, 2013	\$114,519	\$47,250	\$13,524	Nil

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. The services rendered are in connection with the Corporation's NASDAQ Stockholm listing and corporate reorganization (\$5,250) and Canadian Public Accountability Board audit quality review (\$1,360).

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, 2014 and 2013. 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 12 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below, to the best of the Corporation's knowledge, no director, executive officer or person or company that beneficially owns or controls or directs, directly or indirectly, more than 10 percent of any class or series of the Corporation's outstanding voting securities, or any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the most recently completed financial year, that has materially affected or is reasonably expected to materially affect the Corporation.

Together, Lorito Holdings S.a.r.l. ("**Lorito**") and Zebra Holdings & Investments S.a.r.l. ("**Zebra**"), each a company owned by a trust whose settlor was the late Adolf H. Lundin, and are joint actors, hold more than 10% of the common shares of the Corporation. During the financial year ended December 31, 2013, the Corporation completed a private placement on a non-brokered basis, of 10,000,000 common shares at a price of \$3.40 per common share, of which, Lorito purchased 1,000,000 common shares and Zebra purchased 1,000,000 common shares at a price of \$3.40 per common share. During the year ended December 31, 2014, the Corporation completed a private placement to Swedish and international investors, of 17,412,935 common shares at a price of approximately \$2.01 per common share, of which, Lorito and Zebra each purchased 1,750,000 common shares at a price of approximately \$2.01 per common share. As at the date hereof, together Lorito and Zebra have control of or direction over an aggregate of approximately 37,161,841 common shares of the Corporation, or 19.8% of the issued and outstanding common shares of the Corporation.

During the financial year ended December 31, 2014, the Corporation incurred management, office facilities and administrative service fees of \$540,000 with Namdo Management Services Ltd., a company associated with Mr. Lukas Lundin, Chairman and a director of the Corporation during the year. At December 31, 2014, an amount of \$4,017 is due to this company.

ITEM 13 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 14 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, 2014 (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, 2002 and remain in effect during 2014.

- 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, JOGMEC, Frontera Holdings (Bermuda) I Ltd., Frontera Holdings (Bermuda) II Ltd., and Deprominsa described under the heading "Mineral Projects - Josemaría Project, Argentina".
- Joint exploration agreement made as of February 1, 2008 among Suramina, JOGMEC, Frontera Holdings (Bermuda) II Ltd., Deprominsa and MFDO described under the heading "Mineral Projects – Los Helados Project, Chile".
- Consent, novation and agreement to be bound made as of September 7, 2012 among JOGMEC, PPC, Suramina, Frontera Holdings (Bermuda) II Ltd., Deprominsa and MFDO described under the heading "Mineral Projects - Los Helados Project, Chile"

ITEM 15 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:

- David T. Mehner, M.Sc., P.Geo., Giles R. Peatfield, Ph.D., P.Eng., and Gary H. Giroux, M.A.Sc., P.Eng., in respect of the April 30, 2007 GJ Copper-Gold Porphyry Report. Each of them is an independent “qualified person” for the purposes of NI 43-101.
- 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, 30,000 common shares and 355,000 stock options to purchase 150,000 common shares exercisable at \$1.65 per share until August 10, 2015, 30,000 common shares exercisable at \$1.90 per share until August 22, 2016, and 175,000 common shares exercisable at \$2.05 per share until May 7, 2017. If all the options held by Robert Carmichael were exercised, he would hold 0.21% of the common shares of the Corporation.
- Anthony George, P.Eng., subsequent to January 1, 2013, in respect of the preparation of certain technical information in the Corporation’s news releases, this AIF, and other disclosure documents. Mr. George 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, 15,000 common shares and 212,500 stock options to purchase 150,000 common shares of the Corporation exercisable at \$2.95 per share until March 26, 2016, 25,000 common shares exercisable at \$1.90 per share until August 22, 2016 and 37,500 common shares exercisable at \$2.05 per share until May 7, 2017. If all the options held by Anthony George were exercised, he would hold 0.12% of the common shares of the Corporation.
- Gino Zandonai, B.Sc., M.Sc. Mining, SME, MAusIMM, CRIRSCO, Senior Associate of Behre Dolbear International Ltd. in respect of the Josemaria Report and Los Helados Report. Mr. Zandonai is an independent “qualified person” for the purposes of NI 43-101.
- Cristian Quinones, RM CMC; Alfonso Ovalle, RM CMC; David Frost, FAusIMM; Doina Priscu P.Eng., Vikram Khera, P. Eng. and Nicolas Pizarro, P.Geo of AMEC and Gino Zandonai RM CMC of Behre Dolbear International Ltd. in respect of the PEA Report. Each of Cristian Quinones, Alfonso Ovalle, David Frost, Doina Priscu, Vikram Khera, Nicolas Pizarro, Gino Zandonai is an independent “qualified person” for the purposes of NI 43-101.
- 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 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, 2014 and 2013. PricewaterhouseCoopers LLP has

advised the Corporation that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Other than Mr. Carmichael, Vice President, Exploration and Mr. George, 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 16 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, 2014 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 reviewed and approved by the Board on March 24, 2014)

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.