NGEX MINERALS LTD.

2021 YEAR END REPORT

Management's Discussion and Analysis
and
Consolidated Financial Statements

For the Twelve Months Ended December 31, 2021
(AUDITED)

NGEX MINERALS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(Amounts in Canadian Dollars unless otherwise indicated)

The following management's discussion and analysis ("MD&A") of NGEx Minerals Ltd. ("NGEx Minerals" or the "Company") should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021 and related notes therein. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is derived from the Company's annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The effective date of this MD&A is April 13, 2022. Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and the Company's website www.ngexminerals.com.

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

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

CORE BUSINESS

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

The Company's current flagship asset is its Los Helados copper-gold deposit, located in Region III of Chile. The Company is the majority partner and operator of the Los Helados Project, which is subject to a Joint Exploration Agreement with its partner, Nippon Caserones Resources Co. Ltd. ("NCR"). NCR became the Company's partner on April 1, 2020 when Pan Pacific Copper ("PPC") transferred its interest in Los Helados to NCR. NCR is a subsidiary of JX Nippon Mining and Metals Corporation, a Tokyo-based mining and smelting company that also owns the Caserones Mine, located approximately 15km from Los Helados.

The Company's strategy is to create value for its shareholders through prudent management and deployment of its capital resources, by expanding and increasing the quality of its mineral resources through successful exploration and acquisitions and by advancing the engineering and other studies that are required to prepare its projects for eventual development by the Company and its partners or by third parties. The overall objective is to position the Company as a top tier mineral exploration-development investment opportunity.

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

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

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

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

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

2021 OPERATING HIGHLIGHTS AND OUTLOOK

Focus Shifts Back on Los Helados Amid Strong Outlook for Copper

In September 2021, the Company received and released assay results from previously unsampled core that was drilled at Los Helados in 2015. The core was collected from two geotechnical holes that were drilled into the high-grade core of the deposit, and the assay results are highlighted by the following:

- LHDHG02A, intersected 1,101m @ 0.70% copper equivalent ("CuEq") (0.52% Cu, 0.28 g/t Au, 1.7 g/t Ag), including a high-grade interval of 224m @ 1.04% CuEq (0.79% Cu, 0.37 g/t Au, 2.7 g/t Ag); and

- LHDHG03, which returned 1,134m @ 0.79% CuEq (0.59% Cu, 0.30 g/t Au, 1.9 g/t Ag), including a high-grade interval of 440m @ 1.03% CuEq (0.82% Cu, 0.31 g/t Au, 2.9 g/t Ag).

These results confirm the existence of high-grades over considerable lengths at Los Helados, serve as a reminder of the global significance of Los Helados as one of the largest copper discoveries in the past decade, and validate the Company's improved understanding of the deposit's geology, which was reinterpreted in 2020 as a result of a core relogging program.

Following up on these assay results, the Company began preparations in late 2021 for a drill program at the project to advance Los Helados amid a backdrop of strong copper market fundamentals. Drilling started in late January, 2022 and approximately 5,800 metres have been completed as of the date of this MD&A. Drilling is expected to continue until the onset of winter weather in May. The current drill program includes a mix of infill holes, designed to convert material within in the high-grade core of the Los Helados deposit from the Indicated category to Measured, and holes designed to test areas where geological and geophysical modelling suggests potential for extensions of the high-grade breccia zone. Initial assay results are still pending and will be released once received and analyzed by the Company.

The data generated from the current drill program at Los Helados, together with the revised geological model, will form the basis for a future update to the Mineral Resource estimate. In turn, an updated Mineral Resource will enable evaluation of alternate development scenarios for Los Helados, exploring optionality in scale of operations and mine plan strategies, which may illustrate alternate strategies for realization of value on this asset. In addition, the drill program will provide samples for additional detailed metallurgical testwork, which will allow for optimization of process flowsheets and a better understanding of variability within the orebody.

Drill Program Launched at Valle Ancho; Seeks to Complete Earn-In

During the third quarter of 2021, the Company commenced its 2021/2022 field and drill program at the Valle Ancho project, located in the Province of Catamarca, Argentina. The field program, which concluded in March 2022, completed 3,060 metres of diamond drilling in 8 holes.

To date complete results have been received from the initial two holes completed at the Nordin gold target, and are highlighted by VADH001, returning 150m at 1.05 g/t Au from surface, and VADH002 intersecting 198m at 0.63 g/t Au from surface, including 70m at 0.90 g/t Au. This mineralization occurs completely within oxidized rock and is characterized by even grade distribution throughout the depth of each hole. Initial assessment and interpretation suggest that the mineralization discovered in these two holes is consistent with the style of mineralization observed in the neighbouring Maricunga Gold Belt in Chile.

The initial assay results are an encouraging first step and confirm the prospectivity of the exploration targets generated by the Company's earlier reconnaissance work at Valle Ancho. Additional drill holes completed during this 2021/2022 drill campaign include:

- Five holes testing the La Quebrada target, a porphyry copper-gold target 15km southeast of Nordin, where rock chip samples collected in 2019/2020 averaged 0.5 g/t Au and 0.2% Cu from oxided and leached rock, and samples collected from structurally controlled zones in the area returning values of up to 8.57 g/t Au and 114 g/t Ag; and

- One hole testing the Anomalia 4 target, which is located midway between Nordin and La Quebrada with strongly anomalous gold values ranging from 0.5 g/t to 7.07 g/t and silver values up to 580 g/t.

Additional assay results from the recently completed drill campaign are pending and will be released once received and analyzed by the Company.

The Company's interest in the Valle Ancho project, comprised of the Valle Ancho and Interceptor properties, is held through an option agreement with the Province of Catamarca, whereby it may earn a 100% interest in Valle Ancho, by making US$8.0 million in total project expenditures by the end of 2022. As of the date of this MD&A, the Company anticipates making the remaining earn-in expenditures prior by the required deadline with additional expenses related, but not limited, to demobilization following the conclusion of the 2021/2022 field campaign, geochemical assay and analysis of the remaining core collected during the program, and ongoing technical consultation with respect to, and analysis of, the results of the Company's first drill campaign at Valle Ancho, which may include developing preliminary geological models and interpretations. The Company may also proceed with planning future exploration programs at Valle Ancho, including identification and prioritization of potential drill targets.

$25 Million Private Placement

On November 1, 2021, the Company closed a non-brokered private placement, pursuant to which the Company sold an aggregate of 31,250,000 common shares at a price of $0.80 per common share, generating aggregate gross proceeds of $25.0 million (the "Financing"). Share issuance costs related to the Financing totaled $0.7 million, and included professional fees, regulatory fees, and 5% finders' fees payable in cash on approximately $13.3 million of the gross proceeds from the Financing.

The common shares issued under the Financing were subject to a hold period, which expired on March 2, 2022.

Approximately $3.2 million of the net proceeds was used shortly after closing of the Financing to fully repay the amounts drawn against a US$3 million credit facility, and the remaining net proceeds from the Financing have been, and will continue to be, used towards furthering work programs in Chile and Argentina, as well as for general corporate and working capital purposes.

Potential Impacts of COVID-19

The Company's current plans are subject to certain risks and uncertainties, including, but not limited to, the ongoing COVID-19 pandemic. As the Company continues to monitor developments with respect to COVID-19, both globally and within its operating jurisdictions, it may implement changes to its business as may be deemed appropriate to mitigate any potential impacts to its business and its employees, contractors, visitors, and stakeholders (collectively, "Stakeholders"). Such changes may include, but are not limited to, temporary closures of the Company's project sites or offices, and deviations from the timing and nature of previous operating plans. Moreover, sustained COVID-19 outbreaks globally have resulted in operational and supply chain delays and disruption as a result of governmental regulation and preventative measures being implemented worldwide, including in Argentina and Chile. The Company could also be required to close, curtail or otherwise limit its operating activities as a result of the implementation of any such governmental regulation or preventative measures in the jurisdictions in which the Company operates, or as a result of sustained COVID-19 outbreaks at its project site or facilities. Any such closures or curtailments could have an adverse impact on the business of the Company.

RESULTS FROM OPERATIONS

Year Ended	Dec-21	Dec-20	Dec-19[1]
Net loss ($000's)	5,457	5,893	5,307
Loss per share, basic and diluted ($)	0.04	0.05	0.04
Total assets ($000's)	25,733	5,378	10,840

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

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

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

Three Months Ended	Dec-21	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
Exploration costs ($000's)	3,518	1,390	356	402	563	390	484	1,867
Operating loss ($000’s)	4,188	1,863	810	833	1,302	1,684	829	2,272
Net loss ($000’s)	2,390	1,491	784	793	1,302	1,678	843	2,070
Net loss per share, basic and diluted ($)	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02

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

NGEx Minerals incurred a net loss of $5.5 million for the year ended December 31, 2021 (2020: $5.9 million), including an operating loss of $7.7 million (2020: $6.1 million). Exploration and project investigation costs are the most significant expenditure category of the Company and for the year ended December 31, 2021 accounted for approximately 74% of the operating loss (2020: 54%). This is reflective of the Company’s accounting policy to expense its exploration costs through the consolidated statement of comprehensive loss, except for mineral property option payments and mineral property acquisition costs, which are capitalized.

Exploration and project investigation costs for the year ended December 31, 2021 were $5.7 million (2020: $3.3 million). The increase for the year ended December 31, 2021 is primarily due to the Company’s commencement of its 2021/2022 field and drill program at Valle Ancho and the additional work undertaken in late 2021 in preparation for the 2021/2022 drill campaign at Los Helados, as discussed in the “2021 Operating Highlights” section above. By comparison, during the year ended December 31, 2020, the Company only undertook an initial reconnaissance program Valle Ancho between January and March 2020, and then did not pursue any significant exploration work following the cessation of field activity in April 2020 as a result of COVID-19 and related travel restrictions and safety concerns.

Excluding share-based compensation, administration costs for the year ended December 31, 2021 totaled $1.5 million (2020: $1.4 million). Share-based compensation, a non-cash cost, reflects the amortization of the estimated fair value of options over their vesting period and is based to a large degree on the Company’s share price and its volatility. The actual future value to the option holders may differ materially from these estimates as it depends on the trading price of the Company’s shares if and when the options are exercised. In addition, as the granting of options and their vesting is at the discretion of the Board, the related expense is unlikely to be uniform across quarters or financial years. Administration costs, exclusive of share-based compensation costs, for the year ended December 31, 2021 were higher than 2020 due primarily to an increase in compensation costs resulting from severance payments and the general easing of COVID-19 restrictions, which led to increased travel, promotional and general office support costs. These increases were partially offset by lower professional fees, as the Company incurred higher legal fees in 2020 in connection with its then project generation initiatives.

For the year ended December 31, 2021 the Company recognized financing costs of $136,436 (2020: $26,238). The increase is the result of the Company’s use of an unsecured US$3.0 million credit facility dated February 19, 2021 (the “2021 Facility”) from Zebra Holdings and Investments S.à.r.l (“Zebra”) and Lorito Holdings S.à.r.l. (“Lorito”) to provide financial flexibility to fund ongoing exploration and for general corporate purposes up until the closing of the Financing in November 2021.

Also, the Company recognized net monetary loss of $54,923 during the year ended December 31, 2021 (2020: $6,022), in relation to the application of hyperinflationary accounting for the Company's Argentine subsidiaries. The monetary loss recognized is the result of changes in the Argentine price indices and changes to the Company's net monetary position during the year. Further discussion regarding the application of hyperinflationary accounting has been provided in the notes to the consolidated financial statements.

From time to time, the Company acquires and transfers marketable securities as a mechanism to facilitate intragroup funding transfers between its Canadian parent and its Argentine operating subsidiaries. During the year ended December 31, 2021, the Company recognized a gain of $2,477,478 (2020: $270,198) on the use of marketable securities for this purpose, which represents the net benefit of having used this funding mechanism over traditional methods. The increase in the gain is the result of more funding provided to its Argentine subsidiaries during the year ended December 31, 2021, compared to 2020, and an increase in the average spread that the Company is able to achieve through this funding mechanism.

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

In other comprehensive income, the Company reported foreign currency translation losses of $686,032 for the year ended December 31, 2021 (2020: gain of $62,413) on translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. For the year ended December 31, 2021, the foreign currency translation loss is primarily the result of fluctuations of the Canadian dollar relative to the Chilean peso over the year. In addition, for the year ended December 31, 2021, the impacts of hyperinflation amounted to a gain of $56,277 (2020: loss of $179,426) and consist of adjustments recognized on the continuing inflation of opening non-monetary balances during the year and the ongoing translation of the Company's Argentine subsidiary into the Canadian dollar presentation currency.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2021, the Company had cash of $21.0 million and net working capital of $20.0 million, compared to cash of $0.9 million and net working capital of $0.5 million as at December 31, 2020. The Company's cash and net working capital balance increased during the year ended December 31, 2021 due to the net proceeds generated by the Financing, which have been partially offset by funds used in operations, including mineral property and surface access rights payments, and for general corporate purposes.

The Company anticipates that it will deploy the majority of its treasury to fund ongoing work programs at Los Helados in Chile and Valle Ancho in Argentina, to progress the Company's business development efforts, as warranted, and also to support general corporate and working capital purposes.

2021 Facility

The 2021 Facility was extended to the Company by Zebra and Lorito, companies controlled by a trust settled by the late Adolf H. Lundin. Zebra and Lorito report their respective security holdings in the Company as joint actors, as the term is defined by Canadian securities regulations, and are related parties of the Company by virtue of their combined shareholding therein in excess of 20%.

As consideration for the 2021 Facility, Zebra and Lorito received 40,000 common shares upon execution thereof (the "Commitment Shares") and were entitled to receive an additional 600 common shares each month, for every US$50,000 in principal outstanding, prorated accordingly for the number of days outstanding.

During the year ended December 31, 2021, the Company drew a total of US$2,550,000 against the 2021 Facility, and the amount was fully repaid in November 2021 following the completion of the Financing. As at December 31, 2021, no amount remained drawn or outstanding against the 2021 Facility, and it matured on February 19, 2022 with no interest paid in cash during its term.

All common shares issued in conjunction with the 2021 Facility were subject to a four-month hold period under applicable securities laws.

RELATED PARTY TRANSACTIONS

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. Other than those related party transactions identified elsewhere in this MD&A, the Company also engages with Josemaria and Filo Mining Corp. ("Filo Mining"), related parties by way of directors, officers and shareholders in common, and MOAR Consulting Inc. ("MOAR"), an exploration consulting firm, of which a director of the Company is the president.

Related party services

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

	Year ended December 31,	
	2021	**2020**
Management Services to Josemaria	83,524	139,906
Management Services to Filo Mining	591,415	500,101
Management Services from Josemaria	(42,058)	(150,750)
Management Services from Filo Mining	(549,787)	(433,148)
Exploration Consultation from MOAR	(57,000)	(106,875)

Related party balances

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

	Related Party	**December 31, 2021**	**December 31, 2020**
Receivables and other assets	Josemaria	27,996	-
Receivables and other assets	Filo Mining	24,343	5,850
Accounts payable and accrued liabilities	Josemaria	(1,667)	-
Accounts payable and accrued liabilities	Filo Mining	(15,113)	(11,752)
Accounts payable and accrued liabilities	MOAR	-	(14,125)

Key management compensation

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

		Year ended December 31,
	2021	**2020**
Salaries and other payments	474,000	435,333
Short-term employee benefits	14,000	15,440
Directors fees	82,000	82,000
Stock-based compensation	458,478	514,877
Severance	75,000	-
	1,103,478	**1,047,650**

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant account policies are described in Note 3 the consolidated financial statements for the year ended December 31, 2021, as filed on SEDAR at www.sedar.com.

New Accounting Pronouncements

The IASB and/or the IFRS Interpretations Committee have issued new standards, amendments, or interpretations to existing standards, which were not yet in effect nor applied by the Company as at December 31, 2021, such as:

IAS 16, Property, plant and equipment

IAS 16 has been amended to provide clarity with respect to the treatment of net proceeds generated from selling any items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Specifically, the amendments prohibit entities from deducting amounts resulting from the selling of items produced during this phase from the cost of property, plant and equipment. Instead, an entity shall recognize such sales proceeds and related costs in profit or loss.

The amendments to IAS 16 are effective for annual reporting periods beginning on or after January 1, 2022, and are not expected to have an impact on the Company's financial results for the year ending December 31, 2022.

There are no other IFRS standards or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have any impact on the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS, such as the underlying consolidated financial statements for the year ended December 31, 2021, requires management to make estimates, assumptions and judgements that affect the reported amounts of assets, liabilities and expenditures. These estimates, assumptions and judgements are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual results could differ and such differences could be material. Estimates, assumptions and judgements are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates, assumptions and judgements, and the resulting effects on the carrying amounts of the Company's assets and liabilities, are accounted for prospectively. Information about estimates, assumptions, judgements and other sources of estimation uncertainty as at December 31, 2021 that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year are provided below:

Valuation of mineral properties – The Company carries the acquisition costs of its mineral properties at cost less any provision for impairment. At each reporting date, the Company reviews its mineral properties for indicators of impairment, which requires the Company to exercise key judgements, including but not limited to, the Company's right to explore the mineral property, whether the Company has further plans or budgets for substantive expenditures for the ongoing exploration and evaluation of the mineral property, the impact of exploration and evaluation results to date with respect to the mineral property, and the likelihood that the carrying value of the mineral property will be recovered in the future through development or sale of the asset. If indicators of impairment are identified, the Company would further review the carrying values of the applicable mineral properties to determine if their carrying values may exceed their fair value, which also requires the Company to make significant judgments and estimates. The judgments and estimates mentioned above are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the mineral properties.

The Company has determined that no indicators of impairment exist for its mineral properties as of December 31, 2021.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables and other assets, trade payables and accrued liabilities, amounts owing pursuant to the 2021 Facility, if any, and the amounts due to its exploration partner. Other than for the amounts due to its exploration partner, the carrying values of the Company's financial instruments are considered to be reasonable approximations of fair value due to their short-term nature. For amounts due to its exploration partner, the Company revalues the liability from time to time based on revisions to the timing and amounts of expected future settlement, which the Company believes is a reasonable approximation of fair value. Between revaluations, the liability is accreted.

As at December 31, 2021 the Company's financial instruments are exposed to the following financial risks, including credit, liquidity and currency risks:

(i) Credit risks associated with cash is mitigated by the Company's practice of holding the majority of its cash with a large Canadian financial institution that has been accorded a strong investment grade rating by a primary rating agency.

(ii) Liquidity risks associated with the inability to meet obligations as they become due is minimized through the management of its capital structure and by maintaining good relationships with significant shareholders and creditors, such as Zebra and Lorito. The Company also closely monitors and reviews its costs to date and actual cash flows on a monthly basis.

The maturities of the Company's financial liabilities as at December 31, 2021 are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	1,955,817	1,955,817	-	-
Due to exploration partner	4,324,641	-	-	**4,324,641**
Total	**6,280,458**	**1,955,817**	**-**	**4,324,641**

In accordance with the terms of a Joint Exploration Agreement between the Company and the partner, NCR, the Company is required to fund NCR's share of exploration expenditures related to the La Rioja properties (the "Obligation"). The undiscounted value of the Obligation remained US$3.4 million as at December 31, 2021, and has no defined timeline for settlement. The Obligation has been discounted at an annual effective rate of 8%, and recorded at its present value having the Canadian dollar equivalent of $393,719 at December 31, 2021. The figure provided in the preceding table represents the Canadian dollar equivalent of the liability on an undiscounted basis.

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

At December 31, 2021, the Company's largest foreign currency risk exposure existed at the level of its Canadian headquarters, where the Company held a net financial asset position denominated in US dollars having a Canadian dollar equivalent of approximately $341,000. A 10% change in the foreign exchange rate between the US dollar, and the Canadian dollar, NGEx Minerals' functional currency, would give rise to increases/decreases of approximately $34,000 in financial position/comprehensive loss.

OUTSTANDING SHARE DATA

As at April 13, 2021, the Company had 156,688,844 common shares outstanding and 10,523,334 share options outstanding under its share-based incentive plan.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which includes the acquisition, financing, exploration, development and operation of mineral and mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, and these risk factors could materially affect the Company's future operations and financial position and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Significant risk factors have been identified by the Company and are listed below. The following information pertains to the outlook and conditions currently known to the Company that could have a material impact on the financial condition of the Company. Other factors may arise that are not currently foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors, as they could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Exploration and Development Risk

Mining exploration, development and operations generally involve a high degree of risk that cannot be eliminated, and which can adversely impact the Company's success and financial performance. Exploration for and development of mineral deposits involves a high degree of risk and few properties that are explored are ultimately developed into producing mines.

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 Company'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 dependent upon a number of factors, some of which are discussed separately in the subsequent sections, and include 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 price fluctuations; 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 Company. 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, as major expenses are typically required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Company's business.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration and development of copper, gold, and silver projects and properties, including unusual and unexpected geologic formations, seismic activity, rock slides, ground instabilities or failures, mechanical failures, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, facilities, damage to life or property, environmental damage and possible legal liability.

As appropriate, the Company may seek to mitigate its exploration risk by diversifying its portfolio, or through the establishment of joint ventures and option agreements with third parties.

Mineral Resource Estimates

The Company's reported Mineral Resources are estimations only. No assurance can be given that the estimated Mineral Resources will be recovered. By their nature, Mineral Resource estimations 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 estimations may require revision (either up or down). There are numerous uncertainties inherent in estimating Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. There can be no assurance that recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions. In particular, factors that may affect Mineral Resource estimates include:

- changes in interpretations of mineralization geometry and continuity of mineralization zones;
- input parameters used to constrain the block cave underground mining shapes that constrain the Mineral Resources ;
- metallurgical and mining recoveries;
- operating and capital cost assumptions;
- metal price and exchange rate assumptions;
- confidence in modifying factors, including assumptions that surface rights to allow infrastructure to be constructed will be forthcoming;
- delays or other issues in reaching agreements with local or regulatory authorities and stakeholders;
- changes in land tenure requirements or permitting requirements from those discussed in the report; and
- changes in the environmental regulations or laws governing the property.

Changes in key assumptions and parameters could result in a restatement of Mineral Resource estimates. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty which may attach to Mineral Resources, there is no assurance that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. Any material reductions in estimates of Mineral Resources could have a material adverse effect on the Company's results of operations and financial condition.

Title Risk

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Company'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 Company has not conducted surveys of all of its properties, and the precise area and location of claims or the properties may be challenged and no assurances can be given that there are no title defects affecting such properties. The rules governing mining concessions in Chile and Argentina are complex and any failure by the Company to meet requirements would have a material adverse effect on the Company. Any defects in the title to the Company's properties could have a material and adverse effect on the Company.

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 Company 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 Company is earning an interest in the Valle Ancho properties through an option agreement requiring the Company to make certain expenditures with respect to the properties within a specific time period. If the Company does not satisfactorily complete these option conditions in the period laid out in the option agreement, the Company's title to the related properties will not vest and the Company would forego its interest in the Valle Ancho properties.

Surface Access

The Company has surface access rights but does not own any surface rights at the Los Helados Project. The owners of the surface rights are in agreement with the Company's subsidiaries in conducting activities on their ground.

From time to time, a land possessor may dispute the Company's surface access rights and, as a result, the Company 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 Company.

The Company 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 Company to fully operate. Surface rights may also be regulated and restricted by applicable law. There is no assurance that the Company 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 Company.

Environmental and Socio-Political Risks

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company conducts activities. The Company also aims to conduct its activities in accordance with high corporate social responsibility principles. Present or future laws and regulations, however, may affect the Company's operations. Environmental legislation is evolving in a manner that 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. The Company is currently engaged in exploration with limited environmental impact. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. The Company 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 Company holds interests which are unknown to the Company 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 environmental opposition to both mineral exploration and mining. Accordingly, there may be a certain degree of anti-mining sentiment that could potentially affect the risk of successfully exploring and developing the Company's assets in those provinces.

In Chile, a newly elected government is discussing changes to its constitution which may include changes to the current environmental and socio-political landscape in that country. Additionally, the Chilean Congress is also considering legislation designed to protect the country's glaciers. No changes have yet been made to the constitution and any proposed legislation has not yet been approved; however, depending on its final language, these changes could affect the Company's ability to develop the Los Helados project. See below for further discussion.

Foreign Operations Risk

The Company conducts exploration activities in foreign countries, including Argentina and Chile. Each of these countries expose the Company 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, as well as the revocation or suspension of previously issued mining permits. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Company's existing assets and operations. Real and perceived political risk may also affect Company's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities. Chile is typically viewed as a favourable mining jurisdiction; however, certain Canadian issuers have recently experienced regulatory action with regards to Chilean operations, specifically with respect to increased permitting timelines.

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 Company has assets, including mineral exploration, will not be nationalized. There is a risk 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 Company. There can be no assurance that the Company'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 Company 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 Company 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 Company 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 Company.

Non-compliance with applicable laws, regulations and permitting requirements (including allegations of such) may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed or causing the withdrawal of permits or mining licenses, and the imposition of corrective measures requiring material capital expenditure or remedial action resulting in materially increased cost of compliance, reputational damage and potentially impaired ability to secure future approvals and permits. The Company may be required to compensate third parties for loss or damage and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Economic and Political Instability in Argentina

Some of the Company's mineral properties, such as the Valle Ancho project, are located in Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina, especially as there is social opposition to mining operations in certain parts of the country. During an economic crisis in 2001 to 2003 and again in 2014 and 2020, Argentina defaulted on foreign debt repayments and on the repayment on a number of official loans to multinational organizations. In addition, the government has renegotiated or defaulted on contractual arrangements. The current government, which took office in December 2019, has reinstated currency controls previously lifted by the opposition government, which, among other impacts, restricts 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 multinational companies to distribute dividends abroad in United States dollars).

While the political environment in Argentina continues to develop, and the status of currency controls and restrictions remains fluid, past actions indicate that the Argentinean government may from time to time alter or impose additional requirements or policies that may adversely affect the Company's activities in Argentina, or in its ability to attract joint venture partners or obtain financing for its projects in the future. In addition, economic instability in Argentina may negatively impact the timeliness or recoverability of amounts collectible from the government of Argentina.

The current government has also reversed corporate tax rate reductions previously introduced by the previous opposition government.

Economic and Political Uncertainty in Chile

Since October 2019, Chile has been experiencing widescale public demonstrations demanding, among other things, constitutional and legal reforms, including demands for social program benefit increases and public funding for services that are currently private. In 2020, Chile voted in favor of drafting a new Constitution and in 2021 elected the constituent assembly tasked with preparing a new draft for consideration by the voters in the future. In December 2021, Gabriel Boric was elected President on a platform that committed to implement significant social, economic, and political changes. Simultaneously, the government has been considering tax and royalty reforms and has introduced or proposed a number of changes that affect or could affect businesses, including but not limited to a new royalty structure. Other changes could be considered or proposed in the future, including but not limited to increases to mining or income taxes or new royalties or changes to value added taxes. The constituent assembly may also propose a Constitution that could fundamentally alter key rights (such as water rights and mineral tenure) or introduce new ones (like environmental personage) that could affect the Company's Los Helados project and financial condition.

Permitting

The Company's development and exploration activities are subject to permitting requirements in both Argentina and Chile. In particular, comprehensive environmental impact assessments will be necessary in Chile for any future development of Los Helados, and similarly in Argentina for Valle Ancho. Following the receipt of environmental approvals, additional permits, licences, authorizations, and certificates will be required to proceed to project construction, including, for example, mining water and fuel delivery, sewage water treatment, hazardous waste plans, drilling and closure plans. Failure to obtain required permits and/or to maintain compliance with permits once obtained could result in injunctions, fines, suspension or revocation of permits and other penalties.

There can be no assurance that the Company will obtain all such permits and/or achieve or maintain full compliance with such permits at all times. Activities required to obtain and/or achieve or maintain full compliance with such permits can be costly and involve extended timelines.

Previously issued permits may be suspended or revoked for a variety of reasons, including through government or court action. Failure to obtain and/or comply with required permits can have serious consequences, including: damage to the Company's reputation, stopping the Company from proceeding with the development of a project, negatively impacting further development of a mine, and increasing the costs of development and litigation or regulatory action against the Company, and may materially adversely affect the Company's business, results of operations or financial condition.

Negative Operating Cash Flow

The Company is an exploration stage company and has not generated cash flow from operations. The Company is devoting significant resources to the development and acquisition of its properties, however there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. The Company currently has negative cash flow from operating activities.

Uncertainty of Funding and Dilution of Shareholders' Interests in the Company

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Company'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 Company, a significant disruption to the Company's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Company 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 Company needs to raise additional funds, such financing may substantially dilute the economic and voting rights of the Company's shareholders and reduce the value of their investment. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Company bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Company.

Metal Price Risk

The Company's portfolio of properties and investments have exposure to predominantly copper, gold, and silver. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company'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 Company, the price of the common shares of the Company 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 Company's assets at different metals prices.

COVID-19

The COVID-19 pandemic has negatively impacted and increased volatility of global financial markets and may continue to do so. The economic viability of the Company's long-term business plan is impacted by its ability to obtain financing, and global economic conditions impact the general availability of financing through public and private debt and equity markets, as well as through other avenues.

The health and safety of the Stakeholders remain the Company's priority, and the Company's camp facilities and offices have implemented travel restrictions, surveillance, monitoring and response plans to reduce the risk of COVID-19 exposure and outbreak, including health screening of personnel when appropriate.

As the Company continues to monitor developments with respect to COVID-19, both globally and within its operating jurisdictions, it will remain adaptive and will implement any such changes to its COVID-19 protocol, or its business in general, as may be deemed appropriate to mitigate any potential impacts to its business and its Stakeholders. Such changes, may include, but are not limited to, reduced operations, temporary closures of the Company's project site or offices, and deviations from the timing and nature of previous operating plans. Moreover, sustained COVID-19 outbreaks have resulted in operational and supply chain delays and disruption as a result of governmental regulation and preventative measures being implemented worldwide, including in Argentina. The Company could also be required to close, curtail or otherwise limit its operating activities as a result of the implementation of any such governmental regulation or preventative measures in the jurisdictions in which the Company operates, or as a result of sustained COVID-19 outbreaks at its project site or facilities. Any such closures or curtailments could have an adverse impact on the business of the Company.

Non-Governmental Organization Intervention

In recent years, certain communities of both indigenous peoples and others, as well as non-governmental organizations, have been vocal and negative with respect to mining activities. The Company's relationship with the communities in which it operates is critical to ensure the future success of its existing operations and the construction and development of its projects. Community groups or non-governmental organizations may create or inflame public unrest and anti-mining sentiment among the inhabitants in areas of mineral development. These communities and organizations have taken such actions as protests, road closures, work stoppages and initiating lawsuits for damages. Such organizations can be involved, with financial assistance from various groups, in mobilizing sufficient local anti-mining sentiment to prevent the issuance of required permits for the development of mineral projects of other companies. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk. Any actions by communities and non-governmental organizations may have a material adverse effect on the Company's activities, financial position, cash flow and results of operations.

Ability to Import Key Services and Suppliers

The Company operates in Argentina and Chile and requires the importation and use of specialist services and equipment to successfully execute on planned work programs. The ability to import key services and supplies into Argentina and Chile is regulated by various governmental authorities and the rules and regulations governing the importation of key services and supplies are subject to change. The Company has no control over changes which may affect the ability to import required services and supplies.

Dependence on Key Personnel

The Company'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 Company does not foresee any reason why such officers and key employees will not remain with the Company, if for any reason they do not, the Company could be adversely affected. In addition, certain of these individuals are also senior officers and key employees of Filo Mining or Josemaria and, pursuant to the terms of a shared services agreement between the Company, Filo Mining and Josemaria (the "Services Agreement"), the employment costs associated with these individuals are shared between the Company, Josemaria and Filo Mining on a pro-rata basis. If such officers and key employees do not remain employed with Filo Mining and/or Josemaria for the purposes of the cost-sharing basis under the Services Agreement, the Company could be adversely affected. The Company has not purchased key man life insurance for any of these individuals.

No Operating History

Exploration projects have no operating history upon which to base estimates of future cash flows. Substantial expenditures are required to develop mineral projects. It is possible that actual costs and future economic returns may differ materially from the Company's estimates. There can be no assurance that the underlying assumed levels of expenses for any project will prove to be accurate. Further, it is not unusual in the mining industry for new mining operations to experience unexpected problems during start-up, resulting in delays and requiring more capital than anticipated. There can be no assurance that the Company's projects will move beyond the exploration stage and be put into production, achieve commercial production or that the Company will produce revenue, operate profitably or provide a return on investment in the future. Mineral exploration involves considerable financial and technical risk. There can be no assurance that the funds required for exploration and future development can be obtained on a timely basis. There can be no assurance that the Company will not suffer significant losses in the near future or that the Company will ever be profitable.

Conflicts of Interest

Some of the directors and employees/officers of the Company are also directors and employees/officers of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. In addition, certain individuals also serve as officers of Josemaria and/or Filo Mining and are subject to the Services Agreement. 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 or employee/officer of the Company may be offered to another company or companies with which the director or employee/officer is associated and may not be presented or made available to the Company. The directors and employees/officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any interest that they may have in any project or opportunity of the Company, 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 Company's Code of Business Conduct and Ethics and the *Canada Business Corporations Act*.

Trading Price for the Common Shares is Volatile

The securities of publicly traded companies, particularly mineral exploration and development companies, can experience a high level of price and volume volatility and the value of the Company's securities can be expected to fluctuate depending on various factors, not all of which are directly related to the success of the Company and its operating performance, underlying asset values or prospects. These include the risks described elsewhere in this MD&A. The trading price of the Company's common shares has been and may continue to be subject to large fluctuations, which may result in losses to investors. The trading price of the Company's common shares may increase or decrease in response to a number of events and factors, including:

- issuances of common shares or debt securities by the Company;
- the Company's operating performance and the performance of competitors and other similar companies;
- the addition or departure of key management and other personnel;
- the expiration of lock-up or other transfer restrictions on outstanding common shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities;
- changes in recommendations by research analysts who track the Company's common shares or the shares of other companies in the resource sector;
- the number of common shares to be publicly traded after an offering; and
- the factors listed under the heading "Cautionary Note Regarding Forward-Looking Statements".

In addition, the market price of the common shares is affected by many variables not directly related to the Company's success and therefore not within the Company's control. Factors which may influence the price of the Company's securities, include, but are not limited to: worldwide economic conditions;

changes in government policies; local community opposition to mining projects generally; investor perceptions; movements in global interest rates and global stock markets; variations in operating costs; the cost of capital that the Company may require in the future; the market price of metals, including copper, gold and silver; the price of commodities necessary for the Company's operations; recommendations by securities research analysts; the share price performance of the Company's competitors; news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related industry and market issues affecting the mining sector; publicity about the Company, the Company's personnel or others operating in the industry; loss of a major funding source; and all market conditions that are specific to the mining industry, including other developments that affect the market for all resource sector shares, the breadth of the public market for the common shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of Shares on the exchanges on which the Company trades has historically made the Company's share price volatile and suggests that the Company's share price will continue to be volatile in the future.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company 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.

Control of NGEx Minerals

As at the date of this MD&A, Zebra and Lorito, who report their security holdings as joint actors, are control persons of NGEx Minerals (as defined by the Canadian securities regulations). As long as Zebra and Lorito maintain significant interests in the Company, they will have the ability to exercise certain influence with respect to its affairs and significantly affect the outcome of the votes of shareholders. There is a risk that the interests of Zebra and Lorito differ from those of other shareholders.

As a result of the significant holdings of Zebra and Lorito, there is a risk that the Company's securities are less liquid and trade at a relative discount compared to circumstances where these persons did not have the ability to influence or determine matters affecting NGEx Minerals. Additionally, there is a risk that their significant interests in the Company discourages transactions involving a change of control thereof, including transactions in which an investor, as a holder of the Company's securities, would otherwise receive a premium for its Company's securities over the then-current market price.

Infrastructure

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power and water supplies are important determinants that affect costs. The Company'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 Company to explore and develop its Chilean project. 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 Company.

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 Company will secure these power, water and access rights going forward or on reasonable terms.

Current Global Financial Conditions

The economic viability of the Company's business plan is impacted by the Company's ability to obtain financing. The economic conditions and outlook of the jurisdictions in which the Company's projects reside, and more generally global economic conditions, may impact the general availability of financing through public and private debt and equity markets, as well as through other avenues.

Significant political, market, economic, natural or manmade events may have wide-reaching effects and, to the extent they are not accurately anticipated or priced into markets, may result in sudden periods of market volatility and correction. Periods of market volatility and correction may have an adverse impact on economic growth and outlook, as well as lending and capital markets activity, all of which may impact the Company's ability to secure adequate financing on favourable terms, or at all.

Most recently, global financial markets experienced a period of correction and increased volatility during the COVID-19 pandemic and the conflict between the Russian Federation and Ukraine, which began in March 2020 and February 2022, respectively, and are ongoing as of the date of this MD&A. As these global events evolve, there is no guarantee that credit market conditions will not worsen. A general risk-adverse approach to investing, decreases in consumer spending and increases in the unemployment rate and consumer debt levels, which may become more predominant as a result of market turmoil, may limit the Company's ability to obtain future equity financing. Inability to obtain financing at all, or on acceptable terms, may have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Other events may also result in volatility and disruption to global supply chains, operations, mobility of people, patterns of consumption and service, and financial markets, and therefore potentially have a negative impact on the Company's ability to secure financing on favourable terms, or at all, its access to the Filo del Sol Project, or its ability to execute its business initiatives, including its field programs. Such events may include catastrophic events, either on a global scale or in the specific jurisdictions where the Company has its projects, and include, but are not limited to, financial crises, such as that which occurred globally in 2008, earthquakes, tsunamis, floods, typhoons, fires, power disruptions, other natural or manmade disasters, terrorist attacks, wars, riots, civil unrest or other conflicts, outbreaks of a public health crises, including epidemics, pandemics or outbreaks of new infectious diseases or viruses, as well as related and attendant events.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Company's operating environment and its operating costs, profit margins and share price. Uncertainty or adverse changes relating to government regulation, economic and foreign policy matters, and other world events have the potential to adversely affect the performance of and outlook for the Canadian and global economies, which in turn may affect the ability of the Company to access financing on favourable terms or at all. The occurrence of negative sentiment or events in the Canadian and broader global economy could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Currency Risk

The Company 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 Company. Future changes in exchange rates could materially affect the Company’s results in either a positive or a negative direction. The Company does not currently engage in foreign currency hedging activities.

Information Systems and Cyber Security

The Company's operations depend on information technology (“IT”) systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Application of Anti-Corruption and Anti-Bribery Laws

The Company is required to comply with anti-corruption and anti-bribery laws, including the *Extractive Sector Transparency Measures Act*, the *Canadian Corruption of Foreign Public Officials Act* and the U.S. *Foreign Corrupt Practices Act*, as well as similar laws in the countries in which the Company conducts its business. If the Company 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 Company resulting in a material adverse effect on the Company.

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 Company competes with other exploration and mining companies, many of which have greater financial resources, operational experience and technical capabilities than the Company, 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 Company 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.

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 Company 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 Company. The Company does not maintain insurance against political risks.

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.

Tax

The Company 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 Company due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes. The Company has no control over withholding tax rates.

QUALIFIED PERSON AND TECHNICAL INFORMATION

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

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

Mineral Resources are reported using a CuEq cutoff grade. Copper equivalent is calculated using US$3.00/lb copper, US$ 1,300/oz gold and US$23/oz silver, and includes a provision for selling costs and metallurgical recoveries corresponding to three zones defined by depth below surface. The formulas used are: CuEq% = Cu% + 0.6264*Au (g/t) + 0.0047*Ag (g/t) for the Upper Zone (surface to ~ 250 m); Cu% + 0.6366*Au (g/t) + 0.0077*Ag (g/t) for the Intermediate Zone (~250 m to ~600 m); Cu% + 0.6337*Au (g/t) + 0.0096*Ag (g/t) for the Deep Zone (> ~600 m).

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made and information contained herein in the MD&A constitutes "forward-looking information" and forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information" or "forward-looking statements") concerning the business, operations, financial performance and condition of NGEx Minerals. The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume, any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", “projects” , “estimates”, “budgets”, “scheduled”, “forecasts”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible”, "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results “will”, "may", "could", "would", “should”, "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding Mineral Resource estimates, cost estimates, changes in commodity prices, currency fluctuation, financings, changes in share price; unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the “Risks and Uncertainties” section of the MD&A, and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information pertaining to: the assumptions used in the Mineral Resources estimates for the Los Helados Project, including, but not limited to, geological interpretation and grades; assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits; expectations regarding access and demand for equipment, skilled labour and services needed for exploration and development of mineral properties; and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks. In addition, this MD&A may contain forward-looking statements or information pertaining to: the Company’s ability to respond to or navigate, and/or methods by which it responds to or navigates, the COVID-19 pandemic; the expected size, scope and results of the Company’s most recent exploration programs at Los Helados and Valle Ancho, including the expected timing of receipt of pending assay results therefrom; exploration and development plans and expenditures, including those pertaining to the 2021/2022 program at Valle Ancho and the 2021/2022 program at Los Helados, including an update to its Mineral Resource estimate; the ability and/or the willingness of the Company to meet the remaining earn-in expenditure at Valle Ancho to secure a 100% interest therein; the timing and nature of work undertaken to advance the Los Helados Project or the Valle Ancho Project; the future uses of the net proceeds from the Financing; the success of future exploration activities; potential for the discovery of new mineral deposits; ability to build shareholder value; expectations with regard to adding to Mineral Resources through exploration; expectations with respect to the conversion of Inferred Resources to an Indicated Resource classification, or the conversion of Indicated Resources to a Measured Resource classification; ability to execute the planned work programs; estimation of commodity prices, Mineral Resources, estimations of costs, and permitting time lines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as the Company's actual results and future events could differ materially from those anticipated in such statements, as a result of the factors discussed in the "Risk and Uncertainties" section of this MD&A, and elsewhere. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

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

Independent auditor's report

To the Shareholders of NGEx Minerals Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of NGEx Minerals Ltd. and its subsidiaries (together, the Company) as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2021 and 2020;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Kevin Bromley.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 13, 2022

NGEx Minerals Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2021	December 31, 2020
ASSETS			
Current assets:			
Cash		$ 21,000,042	$ 898,818
Receivables and other assets	5	929,612	241,367
		21,929,654	1,140,185
Non-current assets:			
Receivables and other assets	5	242,199	105,950
Equipment		23,968	26,314
Mineral properties	6	3,537,087	4,105,871
		3,803,254	4,238,135
TOTAL ASSETS		25,732,908	5,378,320
LIABILITIES			
Current liabilities:			
Trade payables and accrued liabilities		1,955,816	590,516
Non-current liabilities:			
Due to exploration partner	8	393,719	345,977
TOTAL LIABILITIES		2,349,535	936,493
SHAREHOLDERS' EQUITY			
Share capital	9	67,523,831	43,053,810
Contributed surplus		1,616,855	1,058,841
Deficit		(43,243,149)	(37,786,415)
Accumulated other comprehensive loss		(2,514,164)	(1,884,409)
TOTAL SHAREHOLDERS' EQUITY		23,383,373	4,441,827
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 25,732,908	$ 5,378,320

Commitments (Note 5)
Subsequent Events (Notes 7, 18)

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

On behalf of the Board:

/s/William A. Rand
Director

/s/Wojtek A. Wodzicki
Director

NGEx Minerals Ltd.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	**2021**	**Year ended December 31, 2020**
Expenses			
Exploration and project investigation	*11*	$ 5,664,896	$ 3,303,659
Write down of mineral property interest		-	827,343
General and administration:			
Salaries and benefits		874,855	710,398
Share-based compensation	*10c*	487,837	539,085
Management fees		128,640	142,500
Professional fees		199,698	348,087
Travel		33,893	7,029
Promotion and public relations		87,223	52,434
Office and general		216,277	157,014
Operating loss		7,693,319	6,087,549
Other expenses (income)			
Financing costs		136,436	26,238
Foreign exchange gain		(28,059)	(18,041)
Net monetary loss	*4*	54,923	6,022
Gain on use of marketable securities, net	*15*	(2,477,478)	(270,198)
Other losses	*8*	33,431	24,114
Other expenses		44,162	37,194
Net loss		5,456,734	5,892,878
Other comprehensive loss			
Items that may be reclassified subsequently to net loss:			
Foreign currency translation adjustment		686,032	(62,413)
Impact of hyperinflation	*4*	(56,277)	179,426
Comprehensive loss		$ 6,086,489	$ 6,009,891
Basic and diluted loss per common share		$ 0.04	$ 0.05
Weighted average common shares outstanding		130,091,342	124,793,652

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

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

	Note	**2021**	**Year ended December 31, 2020**
Cash flows used in operating activities			
Net loss for the year		$ (5,456,734)	$ (5,892,878)
Adjustments to reconcile net loss to net operating cash flows:			
Depreciation		8,811	7,299
Write down of mineral property interest		-	827,343
Share-based compensation	*10c*	574,076	639,613
Finance costs		136,436	26,238
Foreign exchange gain		(28,473)	(7,892)
Net monetary loss		103,588	44,791
Other losses	*8*	33,431	24,114
Net changes in working capital and other items:			
Receivables and other		(892,418)	64,553
Trade payables and accrued liabilities		1,493,954	(19,990)
		(4,027,329)	(4,286,809)
Cash flows from (for) financing activities			
Proceeds from equity financings, net	*9*	24,284,109	-
Drawdown of credit facility		3,201,050	-
Repayment of credit facility	*7*	(3,174,495)	-
Proceeds from option exercises		58,225	-
Payments made on behalf of exploration partner		(11,915)	(5,965)
		24,356,974	(5,965)
Cash flows used in investing activities			
Mineral properties and related expenditures	*6*	(125,756)	(133,558)
		(125,756)	(133,558)
Effect of exchange rate change on cash		(102,665)	(234,304)
Increase (decrease) in cash during the year		20,101,224	(4,660,636)
Cash, beginning of the year		$ 898,818	$ 5,559,454
Cash, end of the year		$ 21,000,042	$ 898,818

Non-cash Financing Activities (Note 7)

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

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

	Note	Number of Shares	Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance, January 1, 2020		124,793,652	$ 43,053,810	$ 419,228	$ (31,893,537)	$ (1,767,396)	$ 9,812,105
Share-based compensation		-	-	639,613	-	-	639,613
Net loss and other comprehensive loss		-	-	-	(5,892,878)	(117,013)	(6,009,891)
Balance, December 31, 2020		**124,793,652**	**$ 43,053,810**	**$ 1,058,841**	**$ (37,786,415)**	**$ (1,884,409)**	**$ 4,441,827**
Balance, January 1, 2021		124,793,652	$ 43,053,810	$ 1,058,841	$ (37,786,415)	$ (1,884,409)	$ 4,441,827
Share-based compensation	*10c*	-	-	574,076	-	-	574,076
Shares issued pursuant to the equity financings	*9*	31,250,000	25,000,000	-	-	-	25,000,000
Share issuance costs	*9*	-	(715,891)	-	-	-	(715,891)
Shares issued pursuant to credit facility	*7*	146,026	111,625	-	-	-	111,625
Shares issued pursuant to stock option exercises	*10b*	101,666	74,287	(16,062)	-	-	58,225
Net loss and other comprehensive loss		-	-	-	(5,456,734)	(629,755)	(6,086,489)
Balance, December 31, 2021		**156,291,344**	**$ 67,523,831**	**$ 1,616,855**	**$ (43,243,149)**	**$ (2,514,164)**	**$ 23,383,373**

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

1. NATURE OF OPERATIONS

NGEx Minerals Ltd. (the "Company" or "NGEx Minerals") was incorporated on February 21, 2019 under the laws of the Canada Business Corporations Act in connection with a plan of arrangement to reorganize Josemaria Resources Inc. ("Josemaria"), which was completed on July 17, 2019 (the "Josemaria Arrangement").

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

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. These consolidated financial statements are prepared on a historical cost basis except for certain financial assets, which are measured at fair value.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 13, 2022.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Consolidation

The consolidated financial statements of the Company include the following subsidiaries:

Subsidiaries	Jurisdiction	Nature of operations
Suramina Resources Inc.	Canada	Holding company
NGEx Argentina Holdings Inc.	Canada	Holding company
NGEx RioEx Holdings Inc.	Canada	Holding company
Frontera Holdings (Bermuda) I Ltd.	Bermuda	Holding company
Frontera Holdings (Bermuda) II Ltd.	Bermuda	Holding company
Frontera Holdings (Bermuda) III Ltd.	Bermuda	Holding company
Urupampa S.A.	Uruguay	Holding company
RioEx Uruguay S.A.	Uruguay	Holding company
Minera Frontera del Oro SPA.	Chile	Exploration company
Desarrollo de Prospectos Mineros Peruanos S.A.C.	Peru	Exploration Company
Pampa Exploracion S.A.	Argentina	Exploration company
RioEx S.A.	Argentina	Exploration company

The Company consolidates an entity when it has power over that entity, is exposed, or has rights, to variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity.

All the Company's subsidiaries are wholly-owned and all intercompany balances, transactions, including income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

b) Critical accounting estimates, assumptions and judgements

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions and judgements that affect the reported amounts of assets, liabilities and expenditures on the financial statements. These estimates, assumptions and judgements are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual results could differ and such differences could be material. Estimates, assumptions and judgements are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates, assumptions and judgements, and the resulting effects on the carrying amounts of the Company's assets and liabilities, are accounted for prospectively. Information about estimates, assumptions, judgments and other sources of estimation uncertainty as at December 31, 2021 that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year are provided below:

Valuation of mineral properties – The Company carries the acquisition costs of its mineral properties at cost less any provision for impairment. At each reporting date, the Company reviews its mineral properties for indicators of impairment, which requires the Company to exercise key judgements, including but not limited to, the Company's right to explore the mineral property, whether the Company has further plans or budgets for substantive expenditures for the ongoing exploration and evaluation of the mineral property, the impact of exploration and evaluation results to date with respect to the mineral property, and the likelihood that the carrying value of the mineral property will be recovered in the future through development or sale of the asset. If indicators of impairment are identified, the Company would further review the carrying values of the applicable mineral properties to determine if their carrying values may exceed their fair value, which also requires the Company to make significant judgments and estimates. The judgments and estimates mentioned above are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the mineral properties.

The Company has determined that no indicators of impairment exist for its mineral properties as of December 31, 2021.

c) Foreign currency translation

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. The functional currencies of its material subsidiaries, which have operations in Chile and Argentina, are the Chilean peso and the Argentine peso, respectively.

For the Company's Argentine subsidiaries, which are affected by hyperinflationary accounting as described in Notes 3n and 4 below, and use the Argentine peso as their functional currency, the results and financial position of this subsidiary are translated into the presentation currency using the exchange rate prevailing at the date of the statement of financial position.

The results and financial position of all other subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated using the exchange rate prevailing at the date of that statement of financial position.

- Income, expenses, and other comprehensive income for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

- All resulting exchange differences are recognized as a separate component of equity and in other comprehensive income.

d) Mineral properties and exploration expenditure

The Company capitalizes acquisition costs for property rights, including payments for exploration rights and estimated fair value of exploration properties acquired as part of an acquisition.

Mineral exploration costs and maintenance payments are expensed prior to the determination that a property has economically recoverable ore reserves. When it has been established that a mineral property is considered to be sufficiently advanced to the development stage, with economic viability and technical feasibility demonstrated, all further expenditures for the current year and subsequent years are capitalized as incurred and subsequently amortized on a units of production based on proven and probable reserves of the assets to which they relate.

e) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units, or "CGU's"). Value in use is determined as the present value of future cash inflows expected to be derived from a CGU using a pre-tax discount rate that reflects the current time value of money and the risks specific to that CGU.

Non-financial assets that have been previously impaired are reviewed for possible reversal of the impairment at each reporting date.

f) Financial instruments

(i) Recognition

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

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

Investments in marketable securities, such as equity instruments of publicly listed entities, are required to be measured at fair value through profit or loss, unless the Company makes an irrevocable election to present subsequent changes in the fair value of such instruments through OCI. The Company has not elected to measure any of its marketable securities through OCI.

(ii) Derecognition

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

(iii) Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized costs based on a probability-weighted estimate of credit losses over the expected life of the financial asset.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the expected credit losses are reversed after the impairment was recognized.

g) Cash

Cash includes cash on hand, and deposits held with financial institutions with a fixed deposit term of three months or less, net of bank overdrafts.

h) Equipment

Equipment is carried at cost less accumulated depreciation and impairment losses. The cost of an asset consists of its purchase price, any directly attributable costs of bringing the asset to the working condition and location of its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation of each asset is calculated using the straight line method to allocate its cost less its residual value over its estimated useful life. The depreciation rates and methods for the Company's equipment are as follows:

Vehicles/Mobile Equipment	Straight line over 5 years

The assets' residual values, depreciation methods, and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

When an asset is disposed of, the difference between the net sale proceeds and its carrying amount is recognized as a gain or loss within net loss on the consolidated statement of comprehensive loss.

i) Current and deferred income tax

The Company follows the liability method of accounting for income taxes. Under the liability method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, unused tax losses and other income tax deductions. Deferred income tax assets are recognized for deductible temporary differences, unused tax losses and other income tax deductions to the extent that it is probable the Company will have taxable income against which those deductible temporary differences, unused tax losses and other income tax deductions can be utilized.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the related assets are realized or the liabilities are settled. The measurement of deferred income tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover and settle the carrying amounts of its assets and liabilities, respectively. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the period in which the change is substantively enacted.

j) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

k) Share-based compensation

The Company has a share-based compensation plan, whereby it is authorized to grant share options to officers, employees, directors, and other eligible persons. The fair value of the options is measured at the date the options are granted, using the Black-Scholes option-pricing model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the common shares and an expected life of the options. The fair value less estimated forfeitures is charged over the vesting period of the related options as an expense on its financial statements.

l) Provisions

Provisions for restructuring costs and legal claims are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligations using the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

m) Segment reporting

As the Company primarily focuses its activity on the exploration and development of mineral properties, its operating and reportable segments are the Los Helados Project, the Company's exploration projects in Argentina, other exploration projects, and the Company's corporate administration function. Operating segments are components of an entity that engage in business activities from which they incur expenses and whose operating results are regularly reviewed by a chief operating decision maker to make resource allocation decisions and to assess performance. The Chief Executive Officer, the chief operating decision-maker for the Company, obtains and reviews operating results of each operating segment on a monthly basis.

n) Hyperinflation

The Company applies IAS 29, Financial Reporting in Hyperinflationary Economies, which outlines the use of the hyperinflationary accounting to consolidate and report its Argentine operating subsidiaries.

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

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

o) New accounting pronouncements

The IASB and/or the IFRS Interpretations Committee have issued new standards and amendments, or interpretations to existing standards, which were not yet effective and not applied by the Company as at December 31, 2021. The Company continues to evaluate these changes to determine their impact, if any.

IAS 16, Property, plant and equipment

IAS 16 has been amended to provide clarity with respect to the treatment of net proceeds generated from selling any items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Specifically, the amendments prohibit entities from deducting amounts resulting from the selling of items produced during this phase from the cost of property, plant and equipment. Instead, an entity shall recognize such sales proceeds and related costs in profit or loss.

The amendments to IAS 16 are effective for annual reporting periods beginning on or after January 1, 2022 and are not expected to have an impact on the Company's financial results for the year ended December 31, 2022.

There are no other IFRS standards or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have any impact on the Company.

4. HYPERINFLATION

Argentina was designated a hyperinflationary economy as of July 1, 2018 for accounting purposes.

The Company recognized a gain of $56,277 for the year ended December 31, 2021 (2020: loss of $179,426) in relation to the impact of hyperinflation within other comprehensive income, which is primarily the result of continued inflation during the year and the resulting adjustments recognized on the net asset position of held by the Company's Argentine operating subsidiaries.

As a result of changes in the IPC and changes to the Company's net monetary position, the Company recognized a net monetary loss of $54,923 for the year ended December 31, 2021 (2020: $6,022), to adjust transactions recorded during the year into a measuring unit current as of December 31, 2021.

The level of the IPC at December 31, 2021 was 582.5 (December 31, 2020: 385.9), which represents an increase of approximately 51% over the IPC at December 31, 2020, and an approximate 19% increase over the average level of the IPC during the year ended December 31, 2021.

(Expressed in Canadian Dollars, unless otherwise stated)

5. RECEIVABLES AND OTHER ASSETS

	December 31, 2021	December 31, 2020
Current		
Taxes receivable	49,076	62,297
Other receivables and advances	193,059	41,175
Other prepaid expenses and deposits	687,477	137,895
	929,612	**241,367**
Non-current		
Taxes receivable	86,489	105,950
Deferred surface access rights	155,710	-
	242,199	**105,950**

Deferred Surface Access Rights

Historically, the Company has had a contractual agreement with the owners of the surface rights covering the Los Helados properties, which gave the Company access over these surface rights for exploration, development, and mining through to closure of any mining operation, in exchange for certain payments which are linked to project activities and certain development milestones (the "Original Surface Access Agreement"). The Original Surface Access Agreement provided for minimum annual payments of US$0.5 million which covered basic access to the property and minimal surface disturbance such as road maintenance.

On January 26, 2021, the Original Surface Access Agreement was mutually terminated by the Company and the holders of the surface rights and replaced with an interim surface access agreement with an effective period of three years (the "Interim Surface Access Agreement"). The Interim Surface Access Agreement reduces the Company's payments to the holders of the surface rights to coincide with the current, reduced level of activities at the Los Helados properties. As a result, the payments by the Company to the holders of the surface rights have been reduced, with US$200,000 paid upon execution and another US$200,000 to be paid in January 2022. In return, during the effective period of the Interim Surface Access Agreement, the Company is permitted to access the surface rights for conducting environmental data collection, site visits, and general maintenance of the Los Helados properties, but prohibits the undertaking of programs for the purposes of exploration or development.

Accordingly, as at December 31, 2021, the payment of US$200,000 due in January 2022 has been recognized within trade payables and accrued liabilities. As at December 31, 2021, this contractual liability had a Canadian dollar equivalent of approximately $253,560.

As the payments related to the Interim Surface Access Agreement provide the Company the benefit of access for a period of three years ending January 2024, the pro rata portion relating to the 12 months ending December 31, 2022 have been classified as a current asset, whereas all other amounts have been classified as non-current.

(Expressed in Canadian Dollars, unless otherwise stated)

On November 30, 2021, in preparation for a drill program at the Los Helados properties to occur in early 2022, the Company and the owners of the surface rights executed an addendum to the Interim Surface Access Agreement, whereby in exchange for an incremental US$300,000 payment, the Company has temporarily reinstated its access rights as per the Original Surface Access Agreement for a period ending December 31, 2022. As the incremental payment related to the temporary reinstatement of surface access rights provides the Company the benefit of access up to December 31, 2022, the pro rata portion relating to the year ending December 31, 2022 has been deferred as a current asset.

Non-current Taxes Receivable

Pursuant to local regulations, the Company is entitled to a refund of certain value added taxes ("VAT") paid in Argentina. While the Company continues to expect full payment of the amounts claimed, the timing of receipt of the refunds has become increasingly uncertain due to ongoing delays which have now exceeded the Company's prior expectations and experiences. Accordingly, the corresponding taxes receivable balance has been classified as non-current.

6. MINERAL PROPERTIES

	Los Helados Project	**Nacimientos Properties**	**Total**
January 1, 2020	**$ 3,924,374**	**$ 840,831**	**$ 4,765,205**
Additions	133,558	-	133,558
Write down		(827,343)	(827,343)
Effect of foreign currency translation	47,939	-	47,939
Adjustments for impacts of hyperinflation	-	(13,488)	(13,488)
December 31, 2020	**$ 4,105,871**	**$ -**	**$ 4,105,871**
Additions	125,756	-	125,756
Effect of foreign currency translation	(694,540)	-	(694,540)
December 31, 2021	**$ 3,537,087**	**$ -**	**$ 3,537,087**

Los Helados Project

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

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

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

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

Valle Ancho Properties

On August 29, 2019, the Company entered into an option agreement with the Province of Catamarca, Argentina to earn a 100% interest in the Valle Ancho and Interceptor properties (collectively, the "Valle Ancho Properties"), located in Catamarca, Argentina, by making US$8.0 million in qualifying exploration expenditures on the Valle Ancho Properties over a two-year period. In August 2020, the option period for Valle Ancho was extended from August 2021 to December 2022.

7. CREDIT FACILITY

On February 19, 2021, the Company obtained an unsecured US$3.0 million credit facility (the "2021 Facility") from Zebra Holdings and Investments S.à.r.l. ("Zebra") and Lorito Holdings S.à.r.l. ("Lorito") to provide financial flexibility to fund ongoing exploration and for general corporate purposes. Zebra and Lorito are companies controlled by a trust settled by the late Adolf H. Lundin. Zebra and Lorito report their respective security holdings in the Company as joint actors, as defined by Canadian securities regulations, and are related parties of the Company by virtue of their combined shareholding in the Company in excess of 20%.

As consideration for the 2021 Facility, Zebra and Lorito received 40,000 common shares upon execution thereof (the "Commitment Shares") and is entitled to receive an additional 600 common shares each month, for every US$50,000 in principal outstanding, prorated accordingly for the number of days outstanding.

During the year ended December 31, 2021, the Company drew a total of US$2,550,000 against the 2021 Facility, and the amount was fully repaid in November 2021 following the completion of an equity financing (Note 9). The repayment had a Canadian dollar equivalent of approximately $3.2 million. As at December 31, 2021, no amount remained drawn or outstanding against the 2021 Facility, and it matured on February 19, 2022 with no interest paid in cash during its term.

As a result of the amounts previously drawn, during the year ended December 31, 2021, 146,026 common shares were issued to Zebra and Lorito in connection with the 2021 Facility, and the Company has recognized $108,291 (2020: $nil) in financing costs through the consolidated statement of comprehensive loss. In addition, $3,334 has been deferred within prepaid expenses and other deposits as at December 31, 2021 as it relates to a portion of the Commitment Shares.

All common shares issued in conjunction with the facilities are subject to a four-month hold period under applicable securities laws.

8. DUE TO EXPLORATION PARTNER

Pursuant to the Josemaria Arrangement, the Company assumed from Josemaria an obligation to fund a partner's share of exploration expenditures related to the La Rioja properties (the "Obligation"). In accordance with the terms of the JEA between the Company and the partner, NCR, the Company has elected to settle the Obligation through funding NCR's share of exploration expenditures, which remained US$3.4 million as at December 31, 2021, and has no defined timeline for settlement.

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

As at December 31, 2021, the Company reviewed the nature and timing of future expenditures at the La Rioja properties and increased its expected annual funding of NCR's share of future exploration expenditures from US$22,400 to US$25,600 based on its best estimate of exploration activities to be conducted on the project. This revision reduces the estimated timeframe for the settlement of the Obligation. The effect of this change in future estimated expenditures at the La Rioja properties is an increase in the amount due to exploration partner by $33,431, with a corresponding amount recognized within other losses on the consolidated statement of comprehensive loss for the year ended December 31, 2021.

9. SHARE CAPITAL

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

On November 1, 2021, the Company closed a non-brokered private placement, pursuant to which the Company sold an aggregate of 31,250,000 common shares at a price of $0.80 per common share, generating aggregate gross proceeds of $25.0 million (the "Financing"). Share issuance costs related to the Financing totaled $0.7 million, and included professional fees, regulatory fees, and 5% finders' fees payable in cash on approximately $13.3 million of the gross proceeds from the Financing.

The common shares issued under the Financing were subject to a hold period, which expired on March 2, 2022.

10. SHARE OPTIONS

a) Share option plan

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

b) Share options outstanding

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

(Expressed in Canadian Dollars, unless otherwise stated)

	Number of shares issuable pursuant to share options	**Weighted average exercise price per share**
Balance at January 1, 2020	6,657,500	$ 0.64
Options granted	2,660,000	0.54
Expired	(1,182,500)	0.89
Balance at December 31, 2020	8,135,000	$ 0.57
Options granted	2,280,000	0.68
Exercised	(101,666)	0.57
Expired or forfeited	(1,152,500)	0.81
Balance at December 31, 2021	9,160,834	$ 0.56

On September 1, 2021, the Company granted a total of 2,280,000 share options to officers, employees, directors and other eligible persons at an exercise price of $0.68 per share.

The Company uses the Black-Scholes option pricing model to estimate the fair value for all options granted and the resulting stock-based compensation. The weighted average assumptions used in this pricing model, and the resulting fair values per option, for the 2,280,000 share options granted during the year ended December 31, 2021, are as follows:

(i)	Risk-free interest rate:	0.71%
(ii)	Expected life:	5 years
(iii)	Expected volatility:	60.81%
(iv)	Expected dividends:	nil
(v)	Fair value per option:	$0.35

The following table details the share options outstanding and exercisable as at December 31, 2021:

	Outstanding options			Exercisable options		
Exercise price	Options outstanding	Weighted average remaining contractual life (Years)	Weighted average exercise price	Options exercisable	Weighted average remaining contractual life (Years)	Weighted average exercise price
$0.475	3,410,000	2.74	$0.475	3,410,000	2.74	$0.475
$0.54	2,583,334	3.92	$0.54	1,746,668	3.92	$0.54
$0.68	3,167,500	3.89	$0.68	987,500	2.15	$0.68
	9,160,834	3.47	$0.56	6,144,168	2.98	$0.53

(Expressed in Canadian Dollars, unless otherwise stated)

c) Share-based compensation

	Year ended December 31, 2021	2020
Exploration and project investigation	86,239	100,528
General and administration	487,837	539,085
	574,076	**639,613**

11. EXPLORATION AND PROJECT INVESTIGATION

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

The Company expensed the following exploration and project investigation costs for the years ended December 31, 2021 and 2020:

(Expressed in Canadian Dollars, unless otherwise stated)

Year ended December 31,		Los Helados Project	Nacimientos Properties	Valle Ancho	Other	Total
2021	Land holding and access costs	400,219	-	8,010	30,174	438,403
	Fuel, camp costs and field supplies	261,069	-	1,194,990	21	1,456,080
	Roadwork, travel and transport	142,014	-	673,076	122	815,212
	Consultants, geochemistry and geophysics	112,765	-	515,605	65,575	693,945
	Environmental and community relations	39,442	-	16,728	-	56,170
	VAT and other taxes	104,478	-	540,916	7,913	653,307
	Office, field and administrative salaries, overhead and other administrative costs	260,259	-	1,039,153	31,423	1,330,835
	Share-based compensation	20,409	-	60,542	5,288	86,239
	COVID-19-related health and safety	-	-	134,705	-	134,705
	Total	**1,340,655**	**-**	**4,183,725**	**140,516**	**5,664,896**
2020	Land holding and access costs	809,249	6,194	9,481	32,071	856,995
	Fuel, camp costs and field supplies	34,127	12,316	117,974	44	164,461
	Roadwork, travel and transport	29,811	3,009	143,720	51	176,591
	Engineering and conceptual studies	26,517	-	-	-	26,517
	Consultants, geochemistry and geophysics	53,131	-	394,712	157,190	605,033
	Environmental and community relations	64,427	184	35,339	-	99,950
	VAT and other taxes	29,640	11,935	208,739	11,179	261,493
	Office, field and administrative salaries, overhead and other administrative costs	293,366	42,756	660,571	15,398	1,012,091
	Share-based compensation	42,063	2,398	49,290	6,777	100,528
	Total	**1,382,331**	**78,792**	**1,619,826**	**222,710**	**3,303,659**

(Expressed in Canadian Dollars, unless otherwise stated)

12. RELATED PARTY TRANSACTIONS

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. Other than those related party transactions identified elsewhere in these consolidated financial statements, the Company also engages with Josemaria and Filo Mining Corp. ("Filo Mining"), related parties by way of directors, officers and shareholders in common, and MOAR Consulting Inc. ("MOAR"), an exploration consulting firm, of which a director of the Company is the president.

a) Related party services

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

	Year ended December 31, 2021	**2020**
Management Services to Josemaria	83,524	139,906
Management Services to Filo Mining	591,415	500,101
Management Services from Josemaria	(42,058)	(150,750)
Management Services from Filo Mining	(549,787)	(433,148)
Exploration Consultation from MOAR	(57,000)	(106,875)

b) Related party balances

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

	Related Party	**December 31, 2021**	**December 31, 2020**
Receivables and other assets	Josemaria	27,996	-
Receivables and other assets	Filo Mining	24,343	5,850
Accounts payable and accrued liabilities	Josemaria	(1,667)	-
Accounts payable and accrued liabilities	Filo Mining	(15,113)	(11,752)
Accounts payable and accrued liabilities	MOAR	-	(14,125)

(Expressed in Canadian Dollars, unless otherwise stated)

c) Key management compensation

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

		Year ended December 31,
	2021	**2020**
Salaries and other payments	474,000	435,333
Short-term employee benefits	14,000	15,440
Directors fees	82,000	82,000
Stock-based compensation	458,478	514,877
Severance	75,000	-
	1,103,478	**1,047,650**

13. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to the loss for the year. These differences result from the following items:

		Year ended December 31,
	2021	**2020**
Loss before taxes	5,456,734	5,892,878
Combined Canadian federal and provincial statutory income tax rates	27.00%	27.00%
Income tax recovery based on the above rate	1,473,318	1,591,077
Changes to income tax balances and other items that have not been recognized	671,598	(1,152,100)
Impacts of changes and differences in foreign tax and currency rates	(3,048,874)	(133,457)
Non-deductible expenses and permanent differences	903,958	(305,520)
Total income tax recovery	**-**	**-**

(Expressed in Canadian Dollars, unless otherwise stated)

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset has been recognized consist of the following:

		Year ended December 31,
	2021	**2020**
Non-capital losses carried forward	1,896,749	1,216,823
Mineral properties and related expenditures	17,870,945	19,183,197
Other	154,632	-
	19,922,326	**20,400,020**

As at December 31, 2021, the non-capital loss carry-forwards and their respective expiration dates are as follows:

Year	**Canada**	**Argentina**	**Other**	**Total**
2022	-	16,587	20,225	36,812
2023	-	296,021	22,980	319,001
2024	-	17,321	37,428	54,749
2025	-	18,203	32,379	50,582
2026 and onwards	5,920,264	406,971	18,451	6,345,686
	5,920,264	**755,103**	**131,463**	**6,806,830**

14. SEGMENTED INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in South America. The information regarding mineral properties and exploration and project investigation costs presented in Notes 6 and 11, respectively, represent the manner in which management reviews its business performance. Materially all of the Company's mineral properties and exploration and project investigation costs relate to South America, particularly Chile and Argentina. The net gains on the use of marketable securities are allocated to the Valle Ancho Project, as for the year ended December 31, 2021, they are solely the result of funding provided to an Argentine subsidiary, Pampa Exploracion S.A., in support of this project. Materially all of the Company's administrative costs are incurred by the Canadian parent, where materially all of the Company's cash is held in the normal course of business until it is required to be deployed to the Company's South American subsidiaries in support of ongoing and planned work programs.

(Expressed in Canadian Dollars, unless otherwise stated)

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

		Los Helados Project	Valle Ancho	Corporate	Total
As at December 31, 2021	Current assets	1,077,512	2,472,602	18,379,540	21,929,654
	Non-current receivables and other assets	155,710	86,489	-	242,199
	Equipment	-	23,968	-	23,968
	Mineral properties	3,537,087	-	-	3,537,087
	Total assets	4,770,309	2,583,059	18,379,540	25,732,908
	Current liabilities	537,961	1,158,217	259,638	1,955,816
	Due to exploration partner	-	-	393,719	393,719
	Total liabilities	537,961	1,158,217	653,357	2,349,535

		Los Helados Project	Nacimientos & Valle Ancho	Corporate	Total
As at December 31, 2020	Current assets	128,924	201,442	809,819	1,140,185
	Non-current receivables and other assets	-	105,950	-	105,950
	Equipment	-	26,314	-	26,314
	Mineral properties	4,105,871	-	-	4,105,871
	Total assets	4,234,795	333,706	809,819	5,378,320
	Current liabilities	67,847	222,337	300,332	590,516
	Due to exploration partner	-	-	345,977	345,977
	Total liabilities	67,847	222,337	646,309	936,493

(Expressed in Canadian Dollars, unless otherwise stated)

Year ended December 31,		**Los Helados Project**	**Valle Ancho**	**Corporate**	**Other**	**Total**
2021	Exploration and project investigation	1,340,655	4,183,725	-	140,516	5,664,896
	Gain on use of marketable securities	-	(2,477,478)	-	-	(2,477,478)
	General and administration and other items	78,883	110,868	2,079,565	-	2,269,316
	Net loss	1,419,538	1,817,115	2,079,565	140,516	5,456,734
		Los Helados Project	**Nacimientos & Valle Ancho**	**Corporate**	**Other**	**Total**
2020	Exploration and project investigation	1,382,331	1,698,618	-	222,710	3,303,659
	Write down of mineral property interest	-	827,343	-	-	827,343
	Gain on use of marketable securities	-	(270,198)	-	-	(270,198)
	General and administration and other items	80,798	60,184	1,891,092	-	2,032,074
	Net loss	1,463,129	2,315,947	1,891,092	222,710	5,892,878

15. USE OF MARKETABLE SECURITIES

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

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

As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading. Accordingly, all changes in the fair value of the instruments, between acquisition and disposition, are recognized through profit or loss.

As a result of having utilized this mechanism for intragroup funding for the year ended December 31, 2021, the Company realized a net gain of $2,477,478 (2020: $270,198). The net gain for the year ended December 31, 2021 was comprised of a favorable foreign currency impact of $2,943,625 (2020: $219,831) and a trading loss of $466,147 (2020: gain of $50,367), including the impact of fees and commissions.

16. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the definition and management of capital, the Company considers the items included in shareholders' equity to be capital.

The Company manages the capital structure and makes adjustments, as necessary, in light of changes in economic conditions and the risk characteristics of its assets. In order to maintain or adjust the capital structure, the Company may attempt to issue new shares or debt instruments, acquire or dispose of assets, or to bring in joint venture partners.

To facilitate the management of its capital requirements, the Company may prepare expenditure plans and budgets that are updated as necessary depending on various factors, including, but not limited to, successful capital deployment and general industry conditions.

(Expressed in Canadian Dollars, unless otherwise stated)

17. FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISKS

The Company has estimated the fair values of its financial instruments based on appropriate valuation methodologies. These values are not materially different from their carrying value.

The Company classifies the fair value of its financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, receivables and other assets, trade payables and accrued liabilities, amounts owing against the 2021 Facility, if any, and the amounts due to its exploration partner. Other than for the amounts due to its exploration partner, the carrying values of the Company's financial instruments are considered to be reasonable approximations of fair value due to their short-term nature. For amounts due to its exploration partner, the Company revalues the liability from time to time based on revisions to the timing and amounts of expected future settlement, which the Company believes is a reasonable approximation of fair value. Between revaluations, the liability is accreted.

As at December 31, 2021, the Company's financial instruments are exposed to the following financial risks, including credit, liquidity and currency risks:

(i) Credit risks associated with cash is minimal as the Company deposits the majority of its cash with a large Canadian financial institution that has been accorded a strong investment grade rating by a primary rating agency.

(ii) Liquidity risks associated with the inability to meet obligations as they become due is minimized through the management of its capital structure as explained on Note 16 and by maintaining good relationships with significant shareholders and creditors, such as Zebra and Lorito. The Company also closely monitors and reviews its costs to date and actual cash flows on a monthly basis.

The maturities of the Company's financial liabilities as at December 31, 2021 are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	1,955,817	1,955,817	-	-
Due to exploration partner	4,324,641	-	-	**4,324,641**
Total	**6,280,458**	**1,955,817**	**-**	**4,324,641**

In accordance with the terms of a JEA between the Company and the partner, NCR, the Company has elected to settle the Obligation through funding NCR's share of exploration expenditures, which remained US$3.4 million as at December 31, 2021, and has no defined timeline for settlement. The Obligation has been discounted and recorded at its present value at an annual effective rate of 8%.

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

At December 31, 2021, the Company's largest foreign currency risk exposure existed at the level of its Canadian headquarters, where the Company held a net financial asset position denominated in US dollars having a Canadian dollar equivalent of approximately $341,000. A 10% change in the foreign exchange rate between the US dollar, and the Canadian dollar, NGEx Minerals' functional currency, would give rise to increases/decreases of approximately $34,000 in financial position/comprehensive loss.

18. SUBSEQUENT EVENT

On January 11, 2022, the Company granted a total of 1,760,000 share options to officers, employees, directors and other eligible persons at an exercise price of $1.65 per share. The stock options are exercisable, subject to vesting provisions, over a period of five years.

NGEX Minerals Corporate Directory

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Jeff Yip, Chief Financial Officer
Bob Carmichael, Vice President Exploration
Judy McCall, Corporate Secretary

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Wojtek Wodzicki
Adam I. Lundin
David Mullen
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