NGEX MINERALS LTD.

2020 YEAR END REPORT

Management's Discussion and Analysis
and
Consolidated Financial Statements

For the Year Ended December 31, 2020
(AUDITED)

NGEX MINERALS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020
(Amounts in Canadian Dollars unless otherwise indicated)

The following management's discussion and analysis ("MD&A") of NGEx Minerals Ltd. ("NGEx Minerals" or the "Company") should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020 and related notes therein. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is derived from the Company's 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 15, 2021. 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 large 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 12 km from Los Helados.

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

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

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

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

The key assumptions, parameters, and methods used to estimate the mineral resources are contained in the 43-101 technical report for the project, entitled *"Technical Report on the Los Helados Porphyry Copper-Gold Deposit, Chile"*, dated August 6, 2019 and authored by F. Devine, P.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".

2020 OPERATING HIGHLIGHTS

Initial Reconnaissance Program at Valle Ancho Completed

The Company successfully completed an initial field program at the Valle Ancho Project, which was undertaken from October 2019 to late March 2020. The project consists of a significant land package in the Argentine Province of Catamarca, covering approximately 1,000 km^2 of underexplored and highly prospective ground. The Valle Ancho Project is located on the Argentine side of Chile's renowned Maricunga Gold Belt, and earlier exploration work performed in the 1990's has yielded some interesting results, including two copper-gold porphyry prospects and one gold prospect.

During its maiden campaign, the Company achieved its main objectives, which were to review historical data, perform mapping and surface sampling, and conduct an airborne geophysical survey over the project area to identify, develop and prioritize targets for further evaluation. Processing and interpretation of the results from the surface sampling and airborne geophysical surveys undertaken at the Valle Ancho Project have generated several interesting copper and gold targets for future follow-up, including: two large targets with outcropping porphyry copper mineralization, two targets with outcropping epithermal gold mineralization; and a copper skarn target.

The Valle Ancho Project is subject to an option agreement, for which an extension was granted in August 2020, pursuant to which the Company may earn a 100% interest in the project by making US$8.2 million in expenditures on the project by December 2022.

Low Cost, Business Development Initiatives Continue

For the better part of the year ended December 31, 2020, the Company's main focus was the identification and assessment of projects for potential acquisition. The undertaking of these low cost project generation and business development initiatives is consistent with the Company's goal of bolstering its asset portfolio and establishing itself as a top tier mineral exploration-development investment, but also aligned with its implementation of cost savings measures in response to COVID-19, and the attendant increase in volatility in financial markets.

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

OUTLOOK AND CONTINUED RESPONSE TO COVID-19

Last season's exploration program confirmed the prospectivity of the Valle Ancho Project and successfully identified a number of copper and gold targets that merit future analysis and drill testing. The Company has received expressions of interest in Valle Ancho from potential joint venture partners and continues to assess these options in conjunction with considering self-funding further work. The extension to the option's expenditure deadline to December 2022 will provide the Company with the flexibility to complete a thorough assessment of the foregoing and develop a plan to advance the Valle Ancho Project.

Notwithstanding, it is anticipated that the Company's primary focus for the foreseeable future will continue to be its project generation and business development initiatives, which are directed towards identifying new projects for potential acquisition. With the strong ongoing support that it receives from its key shareholders, the Company seeks to capitalize on opportunities to grow its portfolio of exploration and development projects, ultimately strengthening its thesis as a premier exploration-development investment opportunity.

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. All non-critical business travel continues to be curtailed and this has delayed site visits related to the Company's review of potential business development targets.

While the Company initially implemented certain cost saving measures, such as reductions to discretionary expenditures, in response to the COVID-19 crisis and the resulting global economic instability, it will likely continue these initiatives until new capital funding arrangements can be secured, in the amounts required, and on terms satisfactory to the Company. Such arrangements may include but are not limited to equity issuances, credit facilities and other debt instruments, disposition of mineral properties and investments, or the establishment of joint ventures.

RESULTS FROM OPERATIONS

Year Ended	**Dec-20**	**Dec-19[1]**	**Dec-18[1]**
Net loss ($000's)	5,893	5,307	6,337
Loss per share, basic and diluted ($)	0.05	0.04	0.05
Total assets ($000's)	5,378	10,840	5,003

[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-20**	**Sep-20**	**Jun-20**	**Mar-20**	**Dec-19**	**Sep-19**[1]	**Jun-19**[1]	**Mar-19**[1]
Exploration costs ($000's)	563	390	484	1,867	1,092	604	801	1,353
Operating loss ($000's)	1,302	1,684	829	2,272	1,533	1,085	1,027	1,656
Net loss ($000's)	1,302	1,678	843	2,070	1,549	1,074	1,034	1,650
Net loss per share, basic and diluted ($)	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01

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

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

NGEx Minerals incurred a net loss of $5.9 million for the year ended December 31, 2020 (2019: $5.3 million), including an operating loss of $6.1 million (2019: $5.3 million). Exploration and project investigation costs are one of the most significant expenditure categories of the Company and for the year ended December 31, 2020 accounted for approximately 54% of the operating losses (2019: 73%). This is reflective of the Company's accounting policy to expense its exploration costs through the consolidated statement of comprehensive loss, except for mineral property option payments and mineral property acquisition costs, which are capitalized.

Exploration and project investigation costs for the year ended December 31, 2020 were $3.3 million (2019: $3.9 million). The primary driver of this decrease is the cessation of field activity in 2020 as a result of COVID-19 and related travel restrictions and safety concerns. By comparison, during 2019, the Company continued environmental baseline studies at the Los Helados Project, which required field and administrative support. In addition, during the year ended December 31, 2020, the Company terminated its option to earn into the Nacimientos properties, and accordingly expenditures related to this project have decreased compared to 2019. These decreases have been partially offset by an increase in project generation activities and a generally larger field program undertaken at the Valle Ancho Project. Namely, during the 2019/2020 field season, which ran until March 2020, the Company completed an initial exploration campaign at Valle Ancho, including field examination, surface sampling and mapping of existing prospects, and the undertaking of an airborne geophysical survey. By comparison, the 2018/2019 field program, which continued through March 2019, only focused on continuation of environmental baseline studies at the Los Helados Project, with minimal other field work conducted.

As noted above, in August 2020, the Company wrote off all capitalized costs related to the optioned Nacimientos properties, totaling $827,343 (2019: $nil). The Company elected to opt out of the earn-in at the Nacimientos properties, by allowing the extended deadline of August 16, 2020 lapse without making the scheduled US$400,000 option payment.

Excluding share-based compensation, administration costs for the year ended December 31, 2020 totaled $1.4 million (2019: $1.0 million). Share-based compensation, a non-cash cost, reflects the amortization of the estimated fair value of options over their vesting period and is based to a large degree on the Company's share price and its volatility. The actual future value to the option holders may differ materially from these estimates as it depends on the trading price of the Company's shares if and when the options are exercised. In addition, as the granting of options and their vesting is at the discretion of the Board, the related expense is unlikely to be uniform across quarters or financial years. In addition, share-based compensation relating to periods prior to the completion of the Josemaria Arrangement on July 17, 2019, were allocated from amounts previously reported by Josemaria, and such allocations may not necessarily reflect, or be otherwise indicative of, the future financial performance of the Company.

Administration costs, exclusive of share-based compensation costs, for the year ended December 31, 2020 were higher than 2019 due primarily to higher compensation costs and management fees. The higher administration costs reflect the additional corporate costs associated with operating a stand-alone public entity following the completion of the Josemaria Arrangement on July 17, 2019. In addition, for the year ended December 31, 2020, the Company had higher professional fees than the prior year, which is reflective of increased professional legal consultation incurred as a result of its aforementioned business development initiatives.

Also, the Company recognized a net monetary loss of $6,022 during the year ended December 31, 2020 (2019: $31,882), in relation to the application of hyperinflationary accounting for the Company's Argentine subsidiaries, which began July 1, 2018. 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 respective years. Further discussion regarding the application of hyperinflationary accounting has been provided in the notes to the consolidated financial statements.

In addition, during 2020, the Company began acquiring and transferring marketable securities as a mechanism to facilitate intragroup funding transfers between its Canadian parent and its Argentine operating subsidiaries. Accordingly, for the year ended December 31, 2020, the Company recognized a gain of $270,198 (2019: $nil) on the use of marketable securities for the purposes of facilitating intragroup funding transfers, which represents the net benefit of having used this funding mechanism over traditional methods.

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

In other comprehensive income, the Company reported a foreign currency translation gain of $62,413 for the year ended December 31, 2020 (2019: loss of $508,120) on translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. For the year ended December 31, 2020, the foreign currency translation gain 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, 2020, the impact of hyperinflation was a loss of $179,426 (2019: $49,427), and consists of adjustments recognized on the continuing inflation of opening non-monetary balances during the year and the ongoing translation of the Company's Argentine subsidiaries into the Canadian dollar presentation currency.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2020, the Company had cash of $0.9 million and net working capital of $0.5 million, compared to cash of $5.6 million and net working capital of $5.3 million, as at December 31, 2019. The decrease in the Company's cash and net working capital is due primarily to funds used in operations.

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

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

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 report their security holdings in the Company as a joint actor, as the term is defined by Canadian securities regulations, and are related parties by virtue of their combined shareholding in the Company in excess of 20%.

Based on NGEx Minerals' financial position at December 31, 2020, and the 2021 Facility, the Company does not anticipate the need to obtain further funding to continue its planned operations for at least twelve months from December 31, 2020. However, the Company does anticipate the need for further funding should it seek to reinitiate substantial field programs at its South American projects or to repay amounts drawn against the 2021 Facility, which matures in February 2022. Accordingly, the Company is currently evaluating potential additional sources of financing. Historically, including the period prior to the completion of the Josemaria Arrangement, capital requirements have been primarily funded through equity financing, joint ventures, disposition of mineral properties and investments, and the use of short-term credit facilities extended by its major shareholders, such as Zebra and Lorito.

While management is confident that additional sources of funding will be secured to fund future field programs at its South American projects, if so decided, and to repay amounts drawn against the 2021 Facility in February 2022, factors that could affect the availability of financing include the progress and results of ongoing exploration at the Company's mineral properties, the state of international debt and equity markets, and investor perceptions and expectations of the global copper, gold, and/or silver markets. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. If necessary, the Company may explore opportunities to reduce its discretionary expenditures, revise the due dates of its liabilities, negotiate deferrals on upcoming lump sum payments with respect to the Company's mineral properties, and/or settle its liabilities through the issuance of the common shares and other equity instruments. Based on the actual deployment of the Company's current working capital, the amounts available through the 2021 Facility, and the amount of funding raised, if any, the Company's planned initiatives and other work programs may be revised, as necessary.

RELATED PARTY TRANSACTIONS

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

Related party services

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

	Year ended December 31, 2020	2019
Management Services to Josemaria	139,906	84,051
Management Services to Filo Mining	500,101	363,373
Management Services from Josemaria	(150,750)	(72,485)
Management Services from Filo Mining	(433,148)	(238,003)
Exploration Consultation from MOAR	(106,875)	(15,625)

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, 2020	December 31, 2019
Receivables and other assets	Josemaria	-	16,848
Receivables and other assets	Filo Mining	5,850	57,490
Accounts payable and accrued liabilities	Josemaria	-	(102,675)
Accounts payable and accrued liabilities	Filo Mining	(11,752)	(64,222)
Accounts payable and accrued liabilities	MOAR	(14,125)	(17,656)

Key management compensation

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

	Year ended December 31, 2020	2019
Salaries and wages	435,333	304,824
Short-term employee benefits	15,440	6,351
Directors fees	82,000	60,538
Stock-based compensation	514,877	404,852
	1,047,650	**776,565**

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are provided in Note 3 to the consolidated financial statements for the year ended December 31, 2020, as on SEDAR at www.sedar.com.

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, 2020. 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, with early adoption permitted. Upon adoption, the amendments shall be applied retrospectively, but only to property, plant and equipment assets commissioned for their intended use by management on or after the beginning of the earliest period presented in the financial statements.

CRITICAL ACCOUNTING ESTIMATES

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, 2020 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. The Company reviews its mineral properties for indicators of impairment at each reporting period end, 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, 2020.

FINANCIAL INSTRUMENTS

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

As at December 31, 2020, the Company's financial instruments are exposed to the following financial risks, including credit, liquidity and currency risks:

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

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

Based on NGEx Minerals' financial position at December 31, 2020, and the 2021 Facility, the Company does not anticipate the need to obtain further funding to support ongoing operations and maintenance of its South American exploration projects, as currently planned. However, the Company does anticipate, the need for further funding should it seek to reinitiate field programs at its South American projects and to repay amounts drawn against the 2021 Facility, which matures in February 2022. Please refer to the discussion provided in the Liquidity and Capital Resources section above for further details.

The maturities of the Company's financial liabilities as at December 31, 2020 are as follows:

	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
Accounts payable and accrued liabilities	590,516	590,516	-	-
Due to exploration partner	4,355,430	-	-	**4,355,430**
Total	**4,945,946**	**590,516**	**-**	**4,355,430**

Pursuant to the Josemaria Arrangement, the Company assumed from Josemaria an obligation to fund a partner's share of exploration expenditures related to the La Rioja properties (the "Obligation"). In accordance with the terms of a Joint Exploration Agreement between the Company and the partner, NCR, the Company has elected to settle the Obligation through funding NCR's share of exploration expenditures, which remained US$3.4 million as at December 31, 2020, and has no defined timeline for settlement. The Obligation has been discounted and recorded at its present value at an annual effective rate of 8%.

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

At December 31, 2020, the Company's largest foreign currency risk exposure existed at the level of its Canadian headquarters, where the Company held a net financial liability position denominated in US dollars having a Canadian dollar equivalent of approximately $276,000. 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 $28,000 in financial position/comprehensive loss.

OUTSTANDING SHARE DATA

As at April 15, 2021, the Company had 124,836,604 common shares outstanding and 7,182,500 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 Resources 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 in the Whittle shell that constrains the Mineral Resources amenable to open pit mining methods;
- 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.

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, 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 recently elected 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 multi-national 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.

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 facilities and offices have implemented travel restrictions, surveillance, monitoring and response plans to reduce the risk of COVID-19 exposure and outbreak, including health screening of personnel when appropriate. All non-critical business travel has also been curtailed.

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, 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.

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 Josemaria and/or Filo Mining and, pursuant to the terms of 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 Josemaria and/or Filo Mining 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

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

Most recently, global financial markets experienced a period of correction and increased volatility during the COVID-19 pandemic, which began in March 2020. While financial markets have generally recovered, there is no guarantee that credit market conditions will not worsen, nor that favourable equity market conditions will persist. 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 its projects, 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.

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, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the "Risks and Uncertainties" section of the MD&A, and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information pertaining to: the assumptions used in the Mineral Resources estimates for the Los Helados Project, including, but not limited to, geological interpretation and grades; assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits; expectations regarding access and demand for equipment, skilled labour and services needed for exploration and development of mineral properties; and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks. In addition, this MD&A may contain forward-looking statements or information pertaining to: the Company's ability to respond to or navigate, and/or methods by which it responds to or navigates, the COVID-19 pandemic; the expected timing, nature or results of the Company's recent business development initiatives; the expected nature or usefulness of results related to the Company's recently completed field season; potential of identifying prospective targets at the Valle Ancho Project that warrant further evaluation and potential drill testing; the results and impact of future exploration at the Valle Ancho Project; assumptions and interpretations around historical exploration results obtained in regards to the Valle Ancho Project; the exploration potential of the Valle Ancho Property; assumptions and interpretations around the Valle Ancho Project's location relative to the Maricunga Gold Belt and the potential correlation with respect to prospectivity; the timing, amount and duration of reductions to discretionary expenditures and salaries; the materialization of opportunities for the Company to make acquisition of strategic assets; the ability of the Company to secure additional financing and/or the quantum and terms thereof; exploration and development plans and expenditures; the timing and nature of work undertaken to advance the Los Helados Project; the success of future exploration activities; potential for the discovery of new mineral deposits; ability to build shareholder value; expectations with regard to adding to Mineral Resources through exploration; expectations with respect to the conversion of inferred resources to an indicated resources classification; ability to execute the planned work programs; estimation of commodity prices, Mineral Resources, estimations of costs, and permitting time lines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

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

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

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, 2020 and 2019, 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, 2020 and 2019;
- 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.

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 Lana Kirk.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 15, 2021

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

	Note	**December 31, 2020**	**December 31, 2019**
ASSETS			
Current assets:			
Cash		$ 898,818	$ 5,559,454
Receivables and other assets	*5*	241,367	479,886
		1,140,185	6,039,340
Non-current assets:			
Taxes receivable	*5*	105,950	-
Equipment		26,314	35,106
Mineral properties	*6*	4,105,871	4,765,205
		4,238,135	4,800,311
TOTAL ASSETS		5,378,320	10,839,651
LIABILITIES			
Current liabilities:			
Trade payables and accrued liabilities		590,516	718,065
Non-current liabilities:			
Due to exploration partner	*7*	345,977	309,481
TOTAL LIABILITIES		936,493	1,027,546
SHAREHOLDERS' EQUITY			
Share capital		43,053,810	43,053,810
Contributed surplus		1,058,841	419,228
Deficit		(37,786,415)	(31,893,537)
Accumulated other comprehensive loss		(1,884,409)	(1,767,396)
TOTAL SHAREHOLDERS' EQUITY		4,441,827	9,812,105
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 5,378,320	$ 10,839,651

Nature of Operations and Liquidity Risk (Note 1)
Commitments (Note 17)
Subsequent Events (Notes 17 and 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	**2020**	**Year ended December 31, 2019**
Expenses			
Exploration and project investigation	*10*	$ 3,303,659	$ 3,850,337
Impairment of mineral property interest	*6*	827,343	-
General and administration:			
Salaries and benefits		710,398	508,147
Share-based compensation	*9c*	539,085	430,840
Management fees		142,500	54,173
Professional fees		348,087	219,621
Travel		7,029	31,281
Promotion and public relations		52,434	37,335
Office and general		157,014	169,204
Operating loss		6,087,549	5,300,938
Other expenses (income)			
Financing costs		26,238	13,292
Foreign exchange gain		(18,041)	(22,633)
Net monetary loss	*4*	6,022	31,882
Gain on use of marketable securities, net	*14*	(270,198)	-
Other losses (gains)	*7*	24,114	(16,560)
Other expenses		37,194	-
Net loss		5,892,878	5,306,919
Other comprehensive loss			
Items that may be reclassified subsequently to net loss:			
Foreign currency translation adjustment		(62,413)	508,120
Impact of hyperinflation	*4*	179,426	49,427
Comprehensive loss		$ 6,009,891	$ 5,864,466
Basic and diluted loss per common share		$ 0.05	$ 0.04
Weighted average common shares outstanding		124,793,652	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	**2020**	**Year ended December 31, 2019**
Cash flows used in operating activities			
Net loss for the year		$ (5,892,878)	$ (5,306,919)
Items not involving cash:			
Depreciation		7,299	2,943
Write down of mineral property interest	*6*	827,343	-
Share-based compensation	*9c*	639,613	535,464
Finance costs		26,238	13,292
Foreign exchange loss (gain)		(7,892)	8,437
Net monetary loss		44,791	101,231
Other losses (gains)	*7*	24,114	(16,560)
Net changes in working capital items:			
Receivables and other		64,553	(335,960)
Trade payables and accrued liabilities		(19,990)	453,451
		(4,286,809)	(4,544,621)
Cash flows from (for) financing activities			
Cash received pursuant to the Josemaria Arrangement			7,300,000
Funding received from Josemaria for operations		-	3,547,819
Payments made on behalf of exploration partner		(5,965)	(13,292)
		(5,965)	10,834,527
Cash flows used in investing activities			
Acquisition of equipment		-	(35,578)
Mineral properties and related expenditures	*6*	(133,558)	(735,664)
		(133,558)	(771,242)
Effect of exchange rate change on cash		(234,304)	(214,969)
Increase (decrease) in cash during the year		(4,660,636)	5,303,695
Cash, beginning of the year		$ 5,559,454	$ 255,759
Cash, end of the year		$ 898,818	$ 5,559,454

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	Other Capital Reserves	Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance, January 1, 2019		-	$ -	$ -	$ 114,010,097	$ (108,186,386)	$ (1,209,849)	$ 4,613,862
Funding and expenses paid by Josemaria		-	-	-	3,549,600	-	-	3,549,600
Share-based compensation		-	-	419,228	116,236	-	-	535,464
Net cash received and liabilities assumed pursuant to the Josemaria Arrangement		-	-	-	6,977,645	-	-	6,977,645
Shares issued pursuant to the Josemaria Arrangement		124,793,652	43,053,810	-	(43,053,810)	-	-	-
Adjustment for shares issued pursuant to the Josemaria Arrangement		-	-	-	(81,599,768)	81,599,768	-	-
Net loss and other comprehensive loss		-	-	-		(5,306,919)	(557,547)	(5,864,466)
Balance, December 31, 2019		**124,793,652**	**$ 43,053,810**	**$ 419,228**	**$ -**	**$ (31,893,537)**	**$ (1,767,396)**	**$ 9,812,105**
Balance, January 1, 2020		124,793,652	$ 43,053,810	$ 419,228	$ -	$ (31,893,537)	$ (1,767,396)	$ 9,812,105
Share-based compensation	*9c*	-	-	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**

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

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

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

Pursuant to the Josemaria Arrangement, Josemaria transferred to NGEx Minerals cash of $7,300,000 million, its wholly owned subsidiaries that directly or indirectly hold the Los Helados properties in Chile, the Nacimientos properties in Argentina and the La Rioja properties in Argentina, and $322,355 in liabilities, comprised primarily of a contractual obligation to fund an exploration partners' share of future exploration activities at La Rioja. In exchange, NGEx Minerals issued to Josemaria 124,793,652 common shares of the Company, which were distributed to holders of common shares of Josemaria on a pro rata basis.

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".

Based on NGEx Minerals' financial position at December 31, 2020, and an unsecured US$3.0 million credit facility secured by the Company subsequent thereto (see Note 18), these consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that it will be able to meet its existing obligations and commitments and fund ongoing operations in the normal course of business for at least twelve months from December 31, 2020. However, the Company does anticipates the need for further funding should it seek to reinitiate substantial field programs at its South American projects or to repay amounts drawn against the credit facility, which matures in February 2022.

Accordingly, the Company is currently evaluating potential additional sources of financing. Historically, including the period prior to the completion of the Josemaria Arrangement, capital requirements have been primarily funded through equity financing, joint ventures, disposition of mineral properties and investments, and the use of short-term credit facilities extended by its major shareholders, such as Zebra Holdings and Investments S.à.r.l. ("Zebra") and Lorito Holdings S.à.r.l. ("Lorito"). Zebra and Lorito are companies controlled by a trust settled by the late Adolf H. Lundin, and jointly extended the Company the aforementioned US$3.0 million credit facility in February 2021. Zebra and Lorito report their respective security holdings in the Company as joint actors, as the term is defined by Canadian securities regulations, and are related parties by virtue of their combined shareholding in the Company in excess of 20% (see Note 18).

While management is confident that additional sources of funding will be secured to fund future field programs at its South American projects, if so decided, and to repay amounts drawn pursuant to the credit facility, factors that could affect the availability of financing include the progress and results of ongoing exploration at the Company's mineral properties, the state of international debt and equity markets (see Note 19), and investor perceptions and expectations of the global copper, gold, and/or silver markets. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. If necessary, the Company may explore opportunities to reduce its discretionary expenditures, revise the due dates of its liabilities, negotiate deferrals on upcoming lump sum payments with respect to the Company's mineral properties, and/or settle its liabilities through the issuance of the common shares and other equity instruments. Based on the actual deployment of the Company's current working capital, the amounts available through the aforementioned credit facility, and the amount of funding raised, if any, the Company's planned initiatives and other work programs may be revised, as necessary.

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.

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

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 15, 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Consolidation

These 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 and assumptions

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, 2020 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. The Company reviews its mineral properties for indicators of impairment at each reporting period end, 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, 2020.

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 hyper-inflationary 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 a business 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, which may include indicators of impairment as they relate to mineral properties. 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 suffered impairment 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 costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost loss 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 statements of comprehensive losses.

(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 and cash equivalents include 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

On July 1, 2018, the Company adopted IAS 29, Financial Reporting in Hyperinflationary Economies, which outlines the use of the hyperinflationary accounting to consolidate and report its Argentine operating subsidiary.

The application of hyperinflationary accounting requires restatement of the Argentine subsidiary's 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, 2020. 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, with early adoption permitted. Upon adoption, the amendments shall be applied retrospectively, but only to property, plant and equipment assets commissioned for their intended use by management on or after the beginning of the earliest period presented in the financial statements.

4. HYPERINFLATION

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

The Company recognized a loss of $179,426 for the year ended December 31, 2020 (2019: $49,427) in relation to the impact of hyperinflation within other comprehensive income, which is primarily the result of devaluation of the Argentine peso relative to the Canadian dollar during the year.

As a result of changes in the IPC and changes to the Company's net monetary position during the year ended December 31, 2020, the Company recognized a net monetary loss of $6,022 (2019: $31,882) to adjust transactions recorded during the year into a measuring unit current as of December 31, 2020.

The level of the IPC at December 31, 2020 was 385.9 (December 31, 2019: 283.4), which represents an increase of approximately 36% over the IPC at December 31, 2019, and an approximate 17% increase over the average level of the IPC during the year ended December 31, 2020.

(Expressed in Canadian Dollars, unless otherwise stated)

5. RECEIVABLES AND OTHER ASSETS

	December 31, 2020	December 31, 2019
Current		
Taxes receivable	62,297	145,331
Other receivables	41,175	154,683
Prepaid expenses and deposits	137,895	179,872
	241,367	**479,886**
Non-current		
Taxes receivable	105,950	-
	105,950	**-**

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. Accordingly, the corresponding taxes receivable balance has been reclassified as non-current.

6. MINERAL PROPERTIES

	Los Helados Project	Nacimientos Properties	Total
January 1, 2019	**$ 4,040,164**	**$ 494,826**	**$ 4,534,990**
Additions	328,774	406,890	735,664
Effect of foreign currency translation	(444,564)	-	(444,564)
Adjustments for impacts of hyperinflation	-	(60,885)	(60,885)
December 31, 2019	**$ 3,924,374**	**$ 840,831**	**$ 4,765,205**
Additions	133,558	-	133,558
Write down		(827,343)	(827,343)
Effect of foreign currency translation	47,939	-	47,939
Adjustments for impacts of hyperinflation	-	(13,488)	(13,488)
December 31, 2020	**$ 4,105,871**	**$ -**	**$ 4,105,871**

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.

Nacimientos Properties

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

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

Valle Ancho Properties

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

7. 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, 2020, and has no defined timeline for settlement.

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

(Expressed in Canadian Dollars, unless otherwise stated)

As at December 31, 2020, the Company reviewed the nature and timing of future expenditures at the La Rioja properties and increased its expected annual funding of PPC's share of future exploration expenditures from US$19,600 to US$22,400 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 $24,114, with a corresponding amount recognized within other losses on the consolidated statement of comprehensive loss for the year ended December 31, 2020.

8. SHARE CAPITAL

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

9. 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 option outstanding

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

	Number of shares issuable pursuant to share options	Weighted average exercise price per share
Balance at January 1, 2019	-	$ -
Options pursuant to Josemaria Arrangement	3,305,000	0.81
Options granted	3,445,000	0.48
Expired	(92,500)	0.86
Balance at December 31, 2019	6,657,500	$ 0.64
Options granted	2,660,000	0.54
Expired	(1,182,500)	0.89
December 31, 2020	8,135,000	$ 0.57

On November 30, 2020, the Company granted a total of 2,660,000 share options to officers, employees, directors and other eligible persons at an exercise price of $0.54 per share.

(Expressed in Canadian Dollars, unless otherwise stated)

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 2,660,000 share options granted during the year ended December 31, 2020, are as follows:

(i)	Risk-free interest rate:	0.32%
(ii)	Expected life:	5 years
(iii)	Expected volatility:	63.16%
(iv)	Expected dividends:	nil
(v)	Fair value per option:	$0.28

The following table details the share options outstanding and exercisable as at December 31, 2020:

	Outstanding options			Exercisable options		
Exercise prices	Options outstanding	Weighted average remaining contractual life (Years)	Weighted average exercise price	Options exercisable	Weighted average remaining contractual life (Years)	Weighted average exercise price
$0.475	3,445,000	3.74	$0.475	2,296,668	3.74	$0.475
$0.54	2,660,000	4.92	$0.54	886,667	4.92	$0.54
$0.68	1,077,500	3.15	$0.68	1,077,500	3.15	$0.68
$0.85	952,500	0.16	$0.85	952,500	0.16	$0.85
	8,135,000	3.63	$0.57	5,213,335	3.16	$0.60

c) Share-based compensation

	Year ended December 31, 2020	**2019**
Exploration and project investigation	100,528	104,624
General and administration	539,085	430,840
	639,613	**535,464**

10. EXPLORATION AND PROJECT INVESTIGATION

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

The Company expensed the following exploration and project investigation costs for the years ended December 31, 2020 and 2019:

(Expressed in Canadian Dollars, unless otherwise stated)

Year ended December 31,		**Los Helados Project**	**Nacimientos Properties**	**Valle Ancho**	**Other**	**Total**
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**
2019	Land holding and access costs	862,184	10,193	21,996	40,284	934,657
	Fuel, camp costs and field supplies	59,241	42,380	110,783	81	212,485
	Roadwork, travel and transport	65,889	76,540	122,622	17	265,068
	Consultants, geochemistry and geophysics	-	3,893	307,554	18,570	330,017
	Environmental and community relations	515,527	2,232	23,429	-	541,188
	VAT and other taxes	58,778	51,057	34,929	8,819	153,583
	Office, field and administrative salaries, overhead and other administrative costs	657,455	170,553	439,050	41,657	1,308,715
	Share-based compensation	65,448	11,238	24,953	2,985	104,624
	Total	**2,284,522**	**368,086**	**1,085,316**	**112,413**	**3,850,337**

(Expressed in Canadian Dollars, unless otherwise stated)

11. RELATED PARTY TRANSACTIONS

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

a) Related party services

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

	Year ended December 31, 2020	Year ended December 31, 2019
Management Services to Josemaria	139,906	84,051
Management Services to Filo Mining	500,101	363,373
Management Services from Josemaria	(150,750)	(72,485)
Management Services from Filo Mining	(433,148)	(238,003)
Exploration Consultation from MOAR	(106,875)	(15,625)

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, 2020	December 31, 2019
Receivables and other assets	Josemaria	-	16,848
Receivables and other assets	Filo Mining	5,850	57,490
Accounts payable and accrued liabilities	Josemaria	-	(102,675)
Accounts payable and accrued liabilities	Filo Mining	(11,752)	(64,222)
Accounts payable and accrued liabilities	MOAR	(14,125)	(17,656)

(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, 2020	**2019**
Salaries and wages	435,333	304,824
Short-term employee benefits	15,440	6,351
Directors fees	82,000	60,538
Stock-based compensation	514,877	404,852
	1,047,650	**776,565**

12. 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, 2020	**2019**
Loss before taxes	5,892,878	5,306,919
Combined Canadian federal and provincial statutory income tax rates	27.00%	27.00%
Income tax recovery based on the above rate	1,591,077	1,432,868
Income tax benefits that have not been recognized and other items	(1,152,100)	1,643,886
Impacts of changes and differences in foreign tax and currency rates	(133,457)	(2,872,459)
Non-deductible expenses and permanent differences	(305,520)	(204,295)
Total income tax recovery	**-**	**-**

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, 2020	**2019**
Non-capital losses carried forward	1,216,823	891,741
Mineral properties and related expenditures	19,183,197	18,946,275
	20,400,020	**19,838,016**

(Expressed in Canadian Dollars, unless otherwise stated)

As at December 31, 2020, the non-capital loss carry-forwards and their respective expiration dates are as follows:

Year	Canada	Argentina	Other	Total
2021	-	20,442	30,045	50,487
2022	-	20,319	20,245	40,564
2023	-	362,628	23,010	385,638
2024	-	21,219	37,454	58,673
2025 and onwards	3,963,122	22,298	25,211	4,010,631
	3,963,122	**446,906**	**135,965**	**4,545,993**

13. 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 10, 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 Nacimientos and Valle Ancho Projects, as they are the result of funding provided to the Company's Argentine subsidiary in support of these projects. 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:

As at		**Los Helados**	**Nacimientos & Valle Ancho**	**Corporate**	**Total**
December 31, 2020	Current assets	128,924	201,442	809,819	1,140,185
	Tax receivable	-	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
December 31, 2019	Current assets	219,069	663,209	5,157,062	6,039,340
	Equipment	-	35,106	-	35,106
	Mineral properties	3,924,374	840,831	-	4,765,205
	Total assets	4,143,443	1,539,146	5,157,062	10,839,651
	Current liabilities	112,396	359,599	246,070	718,065
	Due to exploration partner	-	-	309,481	309,481
	Total liabilities	112,396	359,599	555,551	1,027,546

(Expressed in Canadian Dollars, unless otherwise stated)

Year ended December 31,		**Los Helados**	**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
2019	Exploration and project investigation	2,284,522	1,453,402	-	112,413	3,850,337
	General and administration and other items	71,770	53,604	1,331,208	-	1,456,582
	Net loss	2,356,292	1,507,006	1,331,208	112,413	5,306,919

14. 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, 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, 2020, the Company realized a net gain of $270,198 (2019: $nil), comprised of a favorable foreign currency impact of $219,831 (2019: $nil) and a trading gain of $50,367 (2019: $nil).

15. 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.

16. FINANCIAL INSTRUMENTS AND MANAGEMETN 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).

(Expressed in Canadian Dollars, unless otherwise stated)

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

As at December 31, 2020, the Company's financial instruments are exposed to the following financial risks, including credit, liquidity and currency risks:

(i) Credit risks associated with cash is 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 15 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.

Based on NGEx Minerals' financial position at December 31, 2020, and an unsecured US$3.0 million credit facility secured by the Company subsequent thereto (see Note 18), these consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that it will be able to meet its existing obligations and commitments and fund ongoing operations in the normal course of business for at least twelve months from December 31, 2020. However, the Company does anticipates the need for further funding should it seek to reinitiate substantial field programs at its South American projects or to repay amounts drawn against the credit facility, which matures in February 2022

Based on the Company's financial position at December 31, 2020, and an unsecured US$3.0 million credit facility secured by the Company subsequent thereto (see Note 18), the Company does not anticipate the need for further funding to meet its existing obligations and commitments and to support ongoing operations for at least twelve months from December 31, 2020. However, the Company does anticipates the need for further funding should it seek to reinitiate substantial field programs at its South American projects or to repay amounts drawn against the credit facility, which matures in February 2022. Please refer to Note 1 for further discussion.

The maturities of the Company's financial liabilities as at December 31, 2020 are as follows:

	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
Accounts payable and accrued liabilities	590,516	590,516	-	-
Due to exploration partner	4,355,430	-	-	**4,355,430**
Total	**4,945,946**	**590,516**	**-**	**4,355,430**

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, 2020, and has no defined timeline for settlement. The Obligation has been discounted and recorded at its present value at an annual effective rate of 8%.

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

At December 31, 2020, the Company's largest foreign currency risk exposure existed at the level of its Canadian headquarters, where the Company held a net financial liability position denominated in US dollars having a Canadian dollar equivalent of approximately $276,000. 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 $28,000 in financial position/comprehensive loss.

17. COMMITMENTS

As at December 31, 2020, the Company 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 cover 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 a temporary surface access agreement with an effective period of three years (the "Temporary Surface Access Agreement"). The Temporary Surface Access Agreement reduces the Company's payments to the holders of the surface rights to coincide with the reduced field programs planned for 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 Temporary 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.

18. SUBSEQUENT EVENT

On February 19, 2021, the Company obtained an unsecured US$3.0 million credit facility (the "2021 Facility") from Zebra and Lorito to provide financial flexibility to fund ongoing exploration and for general corporate purposes. Zebra and Lorito report their security holdings in the Company as a joint actor, as the term is defined by Canadian securities regulations, and at the time of entering into the 2021 Facility they collectively held more than 20% of the Company's issued and outstanding common shares.

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

The 2021 Facility matures on February 19, 2022, and no interest is payable in cash during its term.

As at April 15, 2021, the Company has drawn a total of US$450,000 against the 2021 Facility.

19. COVID-19 IMPACT AND RESPONSE

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

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

Any tightening/retightening of COVID-19-related travel restrictions or new developments in local or national health protocols, particularly in Chile and Argentina, would likely impact the activities of the Company and result in a reduction to cash expenditures and exploration costs during the period impacted. As of the date of these consolidated financial statements, the Company cannot be certain of the impact of the COVID-19 pandemic on its future financial position, results of operations and cash flows.

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

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Share Listing

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