NGEX RESOURCES INC

FIRST QUARTER REPORT

MARCH 31, 2013

NGEx Resources Inc.

To Our Shareholders

During the first quarter of 2013 our efforts were focused on our three main South American projects; Los Helados, Josemaría, and Filo del Sol. The field season for the Company's South American Projects typically runs from October to April and we completed our 2012/2013 drilling campaign in early April. This season's drill program at just over 44,000 metres, is slightly larger than last season's very successful program and is the largest completed to date on the projects. At the height of the season we had 11 drills in operation and a team of 13 geologists logging core in Chile and Argentina.

The objectives of the Los Helados program were to upgrade the existing inferred resource to the indicated category and to test for possible extensions of the resource. Results received to date suggest that the program achieved both objectives although this will not be quantified until a resource update is completed later this year. Highlights from the results received to date include:

- LHDH21 (extension of previously reported hole) with 1,286 metres of 0.58% CuEq (0.46% copper, 0.18 g/t gold) including 304 metres of 0.77% CuEq (0.63 % copper, 0.20 g/t gold)
- LHDH 50 with 1,175 metres of 0.65% CuEq (0.52% Cu and 0.19 gpt Au);
- LHDH55 886 metres of 0.68% CuEq (0.55% Cu, 0.19 g/t gold) including 304 metres of 1.06% CuEq (0.86% copper; 0.29 g/t gold);

Drilling at Josemaria focused on extending the high grade supergene enriched mineralization intersected during last season's drilling. The results of the first three holes drilled have extended the high grade zone by approximately 100 metres to the north. The results of another 11 holes which step out another 600 metres are pending. A resource update is planned for later this year. Highlights from drilling received to date include:

- Josemaria: JMDH 61 with 231 metres at 0.62% copper and 0.24 grams per tonne gold

Both Los Helados and Josemaria have advanced to the resource stage fairly quickly and although the resources in both cases are still being defined we have begun a high level study of possible development scenarios. In support of this study, we collected additional samples for metallurgical testing from both Los Helados and Josemaría. Metallurgical test-work at SGS laboratories in Santiago commenced In April. Collection of geotechnical data from Los Helados was also started, with the drilling of the first dedicated geotechnical hole as well as geotechnical logging of several additional holes. Data collection in support of the conceptual study will continue through the coming quarters. There is still further resource expansion potential at both deposits.

We completed 4 diamond drill holes at Filo del Sol which confirmed the geological model and partially tested the high-grade copper-silver zone identified in last year's drilling. Assays results from this season's drilling at Filo Del Sol are pending. Filo del Sol is a very large system and we plan to return with a larger drill program next season.

Los Helados and Filo del Sol are part of a joint venture with Pan Pacific Copper Co., Ltd., a Japanese mining and smelting company who hold a 40% interest in the project. NGEx holds a 60% interest and is the operator of the joint venture. Josemaria is a joint venture between NGEx (60%) and Japan Oil, Gas and Metals National Corporation (“JOGMEC”). NGEx is also the operator of the Josemaria joint venture.

In addition to drilling on the three main projects, an initial drill campaign was completed on the Company’s 100% owned Colmillos project which is located in Region 4, Chile, 280 kilometres southwest of Los Helados and 25 kilometres northwest of McEwen Mining’s Los Azules project. Three holes totalling 1,482 metres were drilled at Colmillos during the quarter, and the program is now complete. Assays results are pending.

On the Corporate front, in January 2013, the Company successfully completed a non-brokered, private placement of 10 million shares of the Company at a price of $3.40 per share for gross proceeds of $34 million. The Company is sufficiently funded to complete its planned exploration programs.

The 2012/2013 drill programs are now complete. The remaining assays are expected to be received over the next few months. The geological models for both deposits will be updated in the coming months. We plan to update the resource estimates for Los Helados and Josemaria during the third quarter. Metallurgical test work and other work in support of the conceptual development studies as well as preliminary planning for next season’s exploration programs will continue through the South American winter (second and third quarters).

NGEx RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2013

This MD&A focuses on significant factors that have affected NGEx Resources Inc. ("the Company" or "NGEx") and its subsidiaries and such factors that may affect its future performance. The MD&A should be read in conjunction with the unaudited condensed consolidated financial statements for the three months ended March 31, 2013 and the December 31, 2012 year end audited consolidated financial statements and the related notes therein. The financial information in this MD&A is derived from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars, unless otherwise indicated.

The effective date of this MD&A is May 3, 2013.

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

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

OVERVIEW

The Company is principally engaged in the acquisition, exploration, and development of precious and base metal properties located in North and South America.

FIRST QUARTER HIGHLIGHTS

During the quarter ended March 31, 2013 exploration activity continued on the Company's projects in Chile and Argentina. Highlights from the quarter include:

- Completion on January 29, 2013 of a non-brokered, private placement of 10 million shares of the Company at a price of $3.40 per share for gross proceeds of $34 million;

- Completion of 30,000 metres of drilling on the Company's South American projects including Los Helados, Josemaria and Filo del Sol. A total of 44,306 metres of drilling was completed during the 2012-2013 field season. The 2012-2013 season at Los Helados and Filo del Sol ended during the quarter, and the Josemaria program ended on April 4th;

- Completion of an updated mineral resource estimate for the Josemaria copper-gold porphyry deposit which resulted in a significant increase in the resource. Preliminary metallurgical test work was also completed and yielded positive results. A step-out drill program targeting possible extensions of higher grade supergene enriched mineralization intersected last season was completed subsequent to the quarter end. Initial assay results from this drill program were received, and included 231 metres at 0.62% copper and 0.24 grams per tonne gold which extended the high grade zone by approximately 100 metres to the north of previous drilling.

- Receipt of initial assay results from the Los Helados drill program which included infill holes designed to convert inferred resources to the indicated category and holes designed to test possible extensions of the existing resource. Highlights include infill holes: LHDH50 with 1,175 metres of 0.65% CuEq (0.52% Cu and 0.19 gpt Au) and; LHDH55 with 886 metres of 0.68% CuEq (0.55% Cu, 0.19 g/t gold) including 304 metres of 1.06% CuEq (0.86% copper; 0.29 g/t gold).

- Completion of an initial drill program which included 3 diamond drill holes totaling 1,482 metres on the Colmillos Property. Colmillos is located in Region 4, Chile, approximately 275 kilometres south of Los Helados.

SOUTH AMERICAN PROJECTS

Field exploration programs were conducted on the Company's South American projects during the quarter as described in more detail below.

Vicuña Property (Los Helados and Filo del Sol Projects), Chile and Argentina

The Vicuña properties comprise a large land package of approximately 31,650 hectares that covers a number of porphyry copper and high sulphidation gold targets in Region III of Chile and immediately adjacent parts of San Juan Province, Argentina. Los Helados and Filo del Sol are individual exploration projects within the overall Vicuña Property. Nearby deposits held by other companies include Caserones–Regalito (Pan Pacific Copper Co., Ltd. ("PPC")) and El Morro-La Fortuna (Goldcorp/New Gold). The Vicuña Properties are adjacent to the Company's Josemaria copper-gold porphyry deposit and are subject to a Joint Exploration Agreement (the "Vicuña JEA") in which the Company holds a 60% interest and PPC holds a 40% interest. Each party funds its pro-rata share of exploration expenditures. PPC is a Japanese mining and smelting company that is owned by JX Nippon Mining and Metals (66%) and Mitsui Mining and Smelting (34%).

Los Helados Project, Chile

Los Helados is a large copper-gold porphyry system located in Region III of Chile. Los Helados has a current Mineral Resource, estimated at a base case 0.30% copper equivalent* cutoff, as follows:

- 1,114 million tonnes at a grade of 0.42% copper and 0.19 g/t gold for a copper equivalent grade of 0.55% (10.34 billion pounds of copper and 6.65 million ounces of gold) in the Indicated Resource category; and
- 1,015 million tonnes at a grade of 0.38% copper and 0.14 g/t gold for a copper equivalent grade of 0.47% (8.41 billion pounds of copper and 4.70 million ounces of gold) in the Inferred Resource category.

**CuEq - Copper Equivalent is calculated using US$3.00/lb copper and US$ 1,400/oz gold, with no provision for metallurgical recoveries. Silver is not included in the CuEq. The formula used is CuEq% = Cu% + 0.6806*Au (g/t).*

The Mineral Resource Estimate for the Los Helados Project, dated November 26, 2012, was prepared by Gino Zandonai, B.Sc., M.Sc. Mining, SME, MAusIMM, CRIRSCO, Senior Associate of Behre Dolbear International Ltd. in accordance with NI 43-101 and filed on SEDAR under the Company's profile. Mr. Zandonai is the Qualified Person for the estimate and is independent of the Company. It should be noted that the Mineral Resource estimate presented here is not a Mineral Reserve, and has not demonstrated economic viability. While the Company strongly believes that the Mineral Resource warrants additional study to determine the development potential, there can be no guarantee that any or all of the Mineral Resource will ultimately be determined to be economically viable.

A total of 19,550 metres was drilled at Los Helados during the quarter, bringing the total for the 2012/2013 program to 32,707 metres. The objectives of this season's drilling were to upgrade a portion of the resource from the inferred category to the indicated category and to test for possible extensions of the resource. Significant results received to date from this season's (2012/2013) program include:

- LHDH50 with 1,175 metres of 0.65% CuEq (052% Cu and 0.19 gpt Au), including 308 metres at 0.82% CuEq (0.70% Cu and 0.17 gpt Au); and
- LHDH22 with 1,168 metres of 0.53% CuEq (0.40% Cu and 0.20 gpt Au) including 376 metres at 0.63% CuEq (0.51% Cu and 0.16 gpt Au).
- LHDH21 (extension of previously reported hole) with 1,286 metres of 0.58% CuEq (0.46% copper, 0.18 g/t gold) including 304 metres of 0.77% CuEq (0.63 % copper, 0.20 g/t gold) and;
- LHDH55 with 886 metres of 0.68% CuEq (0.55% Cu, 0.19 g/t gold) including 304 metres of 1.06% CuEq (0.86% copper; 0.29 g/t gold).

The drill program was concluded on March 28, 2013 with work now focused on completing core logging and sampling. Additional metallurgical test work is also underway with results expected in the third quarter of 2013. The results of this year's drilling will be incorporated into an updated resource estimate that is expected to be completed later this year.

Filo del Sol Property, Argentina

The Vicuña Property covers several copper-gold targets in addition to Los Helados including Filo del Sol. A total of 804 metres was drilled at Filo del Sol during the quarter, bringing the total for the 2012/2013 program to 829 metres. The drill program was concluded on February 18, 2013. Assay results from Filo del Sol are pending.

Josemaria Project, Argentina

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

The Company completed an updated Mineral Resource estimate for the Josemaria deposit during the quarter. The updated estimate resulted in a substantial increase over the previous resource estimate. It was completed by Gino Zandonai, senior associate of Behre Dolbear International Ltd. in accordance with NI 43-101 and filed on SEDAR under the Company's profile. The Report is dated February 22, 2013 and replaces and increases the previous resource estimate completed in 2007. The updated resource estimate is summarized below:

<u>Sulphide Copper-Gold Mineralization (0.30% copper equivalent* cutoff)</u>

- 656 million tonnes at a grade of 0.36% copper and 0.26 g/t gold for a copper equivalent grade of 0.54% (5.2 billion pounds of copper and 5.6 million ounces of gold) in the <u>Indicated Resource</u> category; and

- 326 million tonnes at a grade of 0.33% copper and 0.19 g/t gold for a copper equivalent grade of 0.46% (2.4 billion pounds of copper and 2.0 million ounces of gold) in the <u>Inferred Resource</u> category.

Oxide Cap (0.30% copper equivalent* cutoff)

- 44 million tonnes at a grade of 0.22% copper and 0.33 g/t gold for a copper equivalent grade of 0.45% (0.22 billion pounds of copper and 0.47 million ounces of gold) in the Indicated Resource category; and

- 6 million tonnes at a grade of 0.10% copper and 0.35 g/t gold for a copper equivalent grade of 0.34% (10 million pounds of copper and 70 thousand ounces of gold) in the Inferred Resource category.

**CuEq - Copper Equivalent is calculated using US$3.00/lb copper and US$ 1,400/oz gold, with no provision for metallurgical recoveries. Silver is not included in the CuEq. The formula used is CuEq% = Cu% + 0.6806*Au (g/t).*

It should be noted that the Mineral Resource estimate presented here is not a Mineral Reserve, and has not demonstrated economic viability. While the Company strongly believes that the Mineral Resource warrants additional study to determine the development potential, there can be no guarantee that all or any of the Mineral Resource will ultimately be determined to be economically viable.

A program of metallurgical test work completed during the quarter indicated that the Josemaria mineralization is amenable to standard flotation concentration. One locked-cycle test was completed, achieving copper recoveries of 85.1% and gold recoveries of 69.4%, with test concentrate grades of 25.1% copper and 16.8 g/t gold. The concentrate samples produced by this work were clean, with all deleterious elements below penalty levels and also had silver grades that would provide payment for part of the silver content under current general smelter contract terms. Additional metallurgical test work is underway with results expected later this year.

Drilling at Josemaria during the quarter totaled 7,708 metres and an additional 37 metres were drilled in April 2013. The final total for the 2012/2013 season was 8,242 metres with 18 drill holes completed. Significant intersections from the first three holes of this program included JMDH61 with 231 metres at 0.62% copper and 0.24 g/t gold. The results received to date have extended the higher grade zone discovered during the 2011/2012 drill campaignby about 100 metres to the north of previous drill holes. Once all assay results have been received the Company plans to produce an updated resource estimate for Josemaria.

Other Chilean Projects

Tamberias Property, Chile

The Tamberias property is located in Region III, Chile and is adjacent to the Filo del Sol Project which is discussed above and located just across the international border in Argentina. Work on the Tamberias property by previous operators has defined potential for both porphyry copper and high-sulfidation gold mineralization. The Company has an option agreement (the "Agreement") with Compania Minera Tamberias SCM ("Tamberias SCM") whereby the Company can earn a 100% interest in the Tamberias property by making option payments totaling US$20 million on or before September 30, 2020 of which US$2.8 million is payable on or before June 30, 2016, US$5 million on or before June 30, 2018 and US$10 million on or before June 30, 2020.

Tamberias SCM will retain a 1.5% NSR royalty that will be paid only after the Company has recovered all of its exploration and development costs. The Company has cumulatively paid US$800,000 as at March 31, 2013. During the quarter base line environmental work was completed. This work will be filed in support of an application for drilling permits for next season.

Colmillos Project, Chile

The Colmillos project consists of 100% owned exploration licenses covering approximately 3,400 hectares. Mapping and sampling to date have defined a 4.3 by 0.7 kilometre trend of tourmaline breccia bodies with occasional copper oxides and strongly anomalous molybdenum analyses in rock chip samples. Copper mineralized tourmaline breccias are a common feature of many major porphyry copper systems. Three holes totalling 1,482 metres were drilled at Colmillos during the quarter, and the program is now complete. Assay results are expected to be received during the second quarter.

GJ Project, British Columbia, Canada

The GJ Project located in northern British Columbia covers an area of about 150 square kilometres and covers a number of significant mineral showings, including the Donnelly, GJ and North zones.

The project has a Measured and Indicated resource of 153.3 million tonnes grading 0.32% copper and 0.37 g/t gold, at a cut off grade of 0.20% copper which contains 1.09 billion pounds of copper and 1.82 million ounces of gold. The resource estimate was prepared to NI 43-101 standards by qualified person Mr. Gary Giroux P.Eng. and is filed on SEDAR under the Company's profile.

The Company has optioned the GJ Project to Teck Resources Limited ("Teck") whereby Teck can earn an initial 51% interest in the project by spending $12 million by December 31, 2014 and up to a 75% interest by making exploration expenditures totaling $44 million by December 31, 2020.

Teck has cumulatively spent $9.1 million to December 31, 2012. Teck has not yet advised the Company as to its exploration program for 2013.

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended	**Mar-13**	**Dec-12**	**Sep-12**	**Jun-12**	**Mar-12**	**Dec-11**	**Sep-11**	**Jun-11**
(In thousands $ except for per share amounts)								
Exploration Expenses, net of recoveries	15,469	6,866	1,035	6,493	9,764	3,636	1,073	1,623
Net loss from continuing operations	(17,042)	(7,512)	(3,222)	(5,198)	(10,743)	(5,253)	(1,340)	(2,497)
Net loss from discontinued operations	(49)	(790)	(105)	(4,126)	(1,854)	(4,226)	(518)	(966)
Net loss	(17,091)	(8,302)	(3,327)	(9,324)	(12,597)	(9,479)	(1,858)	(3,463)
Basic and diluted loss per share from continuing operations (i)	(0.10)	(0.05)	(0.02)	(0.03)	(0.07)	(0.04)	(0.01)	(0.01)
Basic and diluted loss per share from discontinued operations (i)	(0.00)	(0.00)	(0.00)	(0.03)	(0.01)	(0.02)	(0.00)	(0.01)
Total basic and diluted loss per share (i)	(0.10)	(0.05)	(0.02)	(0.06)	(0.08)	(0.06)	(0.01)	(0.02)

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

QUARTERLY ANALYSIS

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

As a result of encouraging drill results, exploration expenditures have been increasing in recent quarters due to increased exploration on the Company's projects in South America.

The net loss from continuing operations for the second quarter ended June 30, 2012 included a gain of $2.8 million from the termination of a 1.5% Net Smelter Return Royalty that the Company held with respect to 70% of production from the Caballo Blanco Project in Mexico.

The exploration activities in Africa were accounted for as discontinued operations in 2012 with the Company's decision to divest its non-core African properties and the eventual sale of Hambok mineral property in Eritrea to Bisha Mining Share Company during the year. The net loss from discontinued operations also includes the write down of the Hambok to net recoverable amount based on its fair value less costs to sell and a $0.4 million payment to Namibian Copper in connection with the Termination and Mutual Release Agreement on the sale of Hambok.

RESULTS OF OPERATIONS

The Company's net loss for the three months ended March 31, 2013 was $17.1 million or $(0.10) per share as compared to a loss of $12.6 million or $(0.08) share for the three months ended March 31, 2012. Net loss from continuing operations was $17 million or $(0.10) per share compared with a net loss from continuing operations of $10.7 million or $(0.07) per share for 2012. Net loss from discontinued operations for the three months ended March 31, 2013 was $49,000 as compared to $1.9 million.

The increase in net loss from continuing operations of $6.3 million is primarily due to increased exploration expenditures of $5.7 million to $15.5 million compared to $9.8 million spent in 2012. The Company's level of exploration has increased and conceptual studies work has commenced on the Los Helados and Josemaria joint venture projects. The net loss for the quarter also included an unrealized loss of $0.3 million in respect of investments at fair value based on quoted market prices. In addition, promotion and public relations expenses have increased by $0.1 million from 2012 and a donation of $0.3 million was made to Lundin Foundation, a registered Canadian nonprofit organization that provides grants, risk capital and loans guarantees to organizations dedicated to alleviating poverty in areas where the Company is operating.

The operating losses are a reflection of the Company's status as a non-revenue producing mineral exploration company. As the Company has no main source of income, losses are expected to continue for the foreseeable future.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2013, the Company had cash and working capital of $35.9 million and $25.7 million, respectively, as compared to cash and working capital of $17.3 million and $9.7 million, respectively, at December 31, 2012.

The increase in cash and working capital is primarily a result of net proceeds of $33.3 million received from the completion of a private placement of 10 million shares at $3.40 per share. Finder's fees totalling $657,357 was paid on a portion of the private placement.

Net cash used in operating activities was $14.3 million for the three months ended March 31, 2013 and consisted primarily of the loss from operations of $17.1 million, which included exploration expenditures and conceptual studies work of $15.5 million and was adjusted for the impact of non-cash items and changes in non-cash working capital items.

Cash flow from financing activities was $33.3 million, which comprised of net proceeds of $33.3 million from the completion of a private placement of 10 million shares at $3.4 per share and the exercise of stock options.

Net cash used in investing activities was $0.6 million, which consisted primarily of expenditures relating to mineral property option payments and equipment purchases.

The Company anticipates that its current financial position will provide sufficient working capital to fund its share of planned exploration expenditures and corporate expenses for the next twelve months. As the Company is an exploration company and has no sources of revenue, additional funding from equity financing, joint ventures or disposition of mineral properties and investments may be required to fund further exploration and corporate expenses.

There can be no assurance that such financing will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

OUTLOOK

The Company's exploration efforts are focused on large scale copper-gold targets that demonstrate the potential for world class discoveries. The Company is fully focused on its South American copper-gold projects including its very significant Los Helados project in Chile and Josemaria project in Argentina.

Drilling programs for the 2012/2013 field season were substantially completed during the quarter, and work is now focused on geological logging and interpretation including awaiting the receipt of final assay results. Once all data has been received, compiled and interpreted, the Company plans to complete updated mineral resource estimates for the Los Helados and Josemaria projects.

Exploration work on the South American projects is expected to resume during the fourth quarter of 2013. Subsequent to the financing completed this quarter the Company has sufficient funds to complete its planned exploration programs.

CRITICAL ACCOUNTING ESTIMATES

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

For a complete discussion of critical accounting estimates deemed most critical by the Company, refer to the Company's annual 2012 Management Discussion and Analysis.

RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2013, the Company incurred:

(a) management fees of $135,000 (2012 - $135,000) in respect of office facilities and administrative services from Namdo Management Services Ltd. ("Namdo"), a company controlled by a director. At March 31, 2013, $45,737 (December 31, 2012 - $32,921) was due to this company and included in amounts due to related parties.

(b) $113,040 (2012 - $54,856) of aircraft chartered service from Mile High Holdings Ltd, a company associated with the Chairman of the Company. At March 31, 2013, $113,040 (December 31, 2012 - $nil) was due to this company

(c) $107,625 (2012 - $nil) of consulting services from Sirocco Mining Inc., Lucara Diamond Corp. and Lundin Mining Corporation, companies related by common directors. At March 31, 2013, a total of $27,178 (2012 - $nil) was due to these companies.

(d) $16,750 (2012 - $nil) of director fees at March 31, 2013. At March 31, 2013, $16,750 (2012 - $nil) was payable to the directors.

(e) $4,396 (2012 - $nil) of legal services from Cassels Brock & Blackwell LLP, a company in which a director is the Senior Business Advisor. At March 31, 2013, $nil (2012 - $6,171) was due to this company.

These transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

OUTSTANDING SHARE DATA

As at May 3, 2013, the Company had 168,630,726 common shares outstanding and 5,938,417 share options outstanding under its stock-based incentive plans.

FINANCIAL INSTRUMENTS

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

CONTINGENCY

The Company's Argentine subsidiary, Desarrollo de Prospectos Mineros SA ("DPM") received a claim in January 2009 from the Banco Central de la Republia Argentina ("BCRA") in connection with two foreign exchange transactions made in 2003. It has been alleged that DPM exceeded the maximum allowable limit by approximately US$63,000 for foreign exchange conversions on those days.

DPM has filed a statement of defence to dismiss this claim. Provisions have not been made in the consolidated financial statements as the likelihood of the loss occurring cannot be determined and the amount of loss if it should occur cannot be reasonably estimated. DPM will continue to defend its position.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that material information related to the Company is identified and communicated as appropriate on a timely basis. Management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), is responsible for the design and operation of disclosure controls and.

There have been no changes in the Company's disclosure controls and procedures during the three months ended March 31, 2013.

Internal Control over financial reporting

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance IFRS. Any system no matter how well conceived or operated has inherent limitations.

Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation and will not prevent all or detect errors and frauds.

Management has used the Committee of Sponsoring Organizations of the Treadway Commission framework to evaluate the effectiveness of our internal control over financial reporting. There have been no changes in the Company's internal control over financial reporting during the three months ended March 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

RISKS AND UNCERTAINTIES

There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's 2012 annual MD&A filed March 22, 2013.

OFF-BALANCE SHEET AGREEMENTS

The Company has no off-balance sheet arrangements.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION AND STATEMENTS

Certain statements made and information contained herein in the MD&A constitutes “forward-looking information” and forward-looking statements” within the meaning of applicable securities legislation. Generally, these forward-looking statements or information can frequently, but not always, be identified by use of forward-looking terminology such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “planned”, ”budget”, “scheduled”, “possible”, “project” or variations of such words and phrases, or statements that certain actions, events, conditions or results “will”, “may”, “could”, ”would” or “should” occur or achieved.

The forward-looking statements and information are based on the opinions and estimates of management as of the date such statements and information are made and they are subject to a number of known and unknown risks, uncertainties and other factors, including, without limitation, those referred to in the “Risks and Uncertainties” section of the MD&A, the Company’s Annual Information Return under the heading “Risks Factors” and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or information.

The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information speaks as of the date of the MD&A. In particular, this MD&A contain forward-looking statements or information pertaining to the following: the Company’s exploration and development expenditures programs and objectives; mineral reserves and resources estimates, geology, size, grade and continuity of mineral deposits, exploration/drill results and budgets; impact of metal prices and foreign currency fluctuations; uncertain political and economic environments; changes in laws or policies; delays or the inability to obtain the necessary government permits; the need to obtain financing and uncertainty as to the availability and terms of future financing; uncertainties involved in dispute or litigation and other risks and uncertainties.

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

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

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

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

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

Readers are encouraged to see our Annual Information Form for the year ended December 31, 2012 filed on SEDAR for additional information on risks, uncertainties and other factors relating to forward-looking information and statements. There can be no assurance that such forward-looking statements or information will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking information or statements, which speak only as of the date the statements were made. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The Company does not undertake or assume any obligations to update or revise any forward-looking statements and information after the date of this MD&A, except as required by applicable laws.

See our Annual Information Form for the year ended December 31, 2012 filed on Sedar for additional information on risks, uncertainties and other factors relating to forward-looking information and statements. There can be no assurance that such forward-looking statements or information will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking information or statements, which speak only as of the date the statements were made. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The Company does not undertake or assume any obligations to update or revise any forward-looking statements and information after the date of this MD&A, except as required by applicable laws.

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

	Note	March 31 2013	December 31, 2012
ASSETS			
Current:			
Cash and cash equivalents		$ 35,917,744	$ 17,296,923
Investments		550,000	836,000
Receivables and other		977,832	627,004
		37,445,576	18,759,927
Non-current:			
Equipment, net		453,767	271,679
Mineral properties	3	11,876,411	11,566,206
Other assets		8,000	8,000
		$ 49,783,754	$ 30,605,812
LIABILITIES AND EQUITY			
Current:			
Trade payables and accrued liabilities		$ 11,104,866	$ 6,174,204
Due to related parties	7	202,704	44,717
Due to joint venture partners		405,717	2,877,567
		11,713,287	9,096,488
Share Capital	4	214,820,384	181,485,132
Reserved for issuance		1,284	1,284
Contributed surplus	5	6,734,694	6,348,030
Cumulative deficit		(181,850,896)	(164,759,836)
Accumulated other comprehensive loss		(1,634,999)	(1,565,286)
		38,070,467	21,509,324
		$ 49,783,754	$ 30,605,812

ON BEHALF OF THE BOARD:

/s/William A. Rand
Director

/s/Wojtek A. Wodzicki
Director

The accompanying notes are an integral part of these financial statements

NGEx Resources Inc.
Condensed Consolidated Statements of Comprehensive Loss
(All amounts expressed in Canadian Dollars, unless otherwise indicated.)
(Unaudited)

	Note	Three months ended March 31 2013	Three months ended March 31 2012
Expenses			
Exploration and project investigation	6	$ 15,468,932	$ 9,763,839
General and Administration:			
Salaries and benefits	7	192,542	130,995
Share-based compensation		363,483	258,972
Management fees	7	135,000	135,000
Professional fees		76,692	156,640
Travel		42,862	78,402
Promotion and public relations		197,907	79,504
Donation		270,000	119,000
Office and general		133,532	99,186
Operating loss		16,880,950	10,821,538
Other (income) expenses			
Interest income		(60,325)	(110,630)
Foreign exchange		(64,311)	31,796
Other expenses		-	545
Unrealized loss on investments		286,000	-
Net loss from continuing operations		17,042,314	10,743,249
Net loss from discontinued operations		48,746	1,854,150
Net Loss		17,091,060	12,597,399
Other Comprehensive loss			
Cumulative foreign currency translation adjustment		69,713	1,135,145
Comprehensive loss		$ 17,160,773	$ 13,732,544
Basic and diluted net loss per common share attributed to NGEx shareholders:			
Continuing operations		$ 0.10	$ 0.07
Discontinuing operations		$ 0.00	$ 0.01
		$ 0.10	$ 0.08
Total weighted average number of shares outstanding			
Basic and Diluted		165,287,542	158,154,332

The accompanying notes are an integral part of these financial statements

NGEx Resources Inc.
Condensed Consolidated Statements of Cash Flows
(All amounts expressed in Canadian Dollars, unless otherwise indicated.)
(Unaudited)

	For the Three Months Ended March 31, 2013	For the Three Months Ended March 31, 2012
Cash flows used in operating activities		
Net loss for the period	$ (17,091,060)	$ (12,597,399)
Items not affecting cash		
Depreciation	23,616	43,594
Share-based compensation	408,602	361,315
Unrealized loss on investment	286,000	-
Changes in non-cash working capital items:		
Receivables and other	(341,937)	7,874
Trade payables and accrued liabilities	4,818,795	2,850,565
Due to related parties	157,987	92,765
Due to joint venture partners	(2,515,026)	(3,995,627)
	(14,253,023)	(13,236,913)
Cash flows from financing activities		
Common shares issued, net	33,276,316	-
Exercise of stock options	36,998	51,110
	33,313,314	51,110
Cash flows from (used in) investing activities		
Mineral properties and related expenditures	(380,406)	(35,033)
Purchase of equipment	(207,411)	-
	(587,817)	(35,033)
Effect of foreign exchange rate change on cash and cash equivalents	148,346	(829,807)
(Decrease) increase in cash and cash equivalents	18,620,820	(14,050,643)
Cash and cash equivalents, beginning of the period	17,296,923	41,337,097
Cash and cash equivalents, end of period	$ 35,917,743	$ 27,286,454

The accompanying notes are an integral part of these financial statements

NGEx Resources Inc.
Condensed Consolidated Statements of Changes in Equity
(All amounts expressed in Canadian Dollars, unless otherwise indicated.)
(Unaudited)

	Number of Shares issued and outstanding	Number of Shares reserved for issuance	Share capital	Reserved for issuance	Contributed surplus	Accumulated other comprehensive income (loss)	Accumulated Deficit	Total
Balance January 1, 2013	158,582,393	20,240	$ 181,485,132	$ 1,284	$ 6,348,030	$ (1,565,286)	$ (164,759,836)	21,509,324
Exercise of shares options	48,333	-	58,937	-	(21,938)	-	-	36,999
Stock-based compensation	-	-	-	-	408,602	-	-	408,602
Effects of foreign currency translation	-	-	-	-	-	(69,713)	-	(69,713)
Private Placement	10,000,000	-	33,276,315	-	-	-	-	33,276,315
Loss for the period	-	-	-	-	-	-	(17,091,060)	(17,091,060)
Balance March 31, 2013	168,630,726	20,240	$ 214,820,384	$ 1,284	$ 6,734,694	$ (1,634,999)	$ (181,850,896)	$ 38,070,467
Balance January 1, 2012	158,121,010	20,348	$ 180,786,894	$ 1,284	$ 4,732,202	$ (1,435,309)	$ (131,209,781)	$ 52,875,290
Exercise of shares options	69,500	-	85,320	-	(34,210)	-	-	51,110
Stock-based compensation	-	-	-	-	361,315	-	-	361,315
Effects of foreign currency translation	-	-	-	-	-	(1,135,145)	-	(1,135,145)
Loss for the period	-	-	-	-	-	-	(12,597,399)	(12,597,399)
Balance March 31, 2012	158,190,510	20,348	$ 180,872,214	$ 1,284	$ 5,059,307	$ (2,570,454)	$ (143,807,180)	$ 39,555,171

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

NGEx Resources Inc. and its subsidiaries and joint ventures (collectively referred to as the "Company") is principally engaged in the acquisition, exploration and development of mineral properties located in North and South America.

The Company is governed by the Canada Business Corporations Act and its registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. The Company's common shares are listed on the Toronto Stock Exchange.

2. BASIS OF PRESENTATION

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2012.

The interim financial statements should be read in conjunction with the most recently issued Annual Report of NGEx Resources Inc. which includes information necessary or useful to understanding the Company's businesses and financial statement presentation. In particular, the Company's significant accounting policies were presented as Note 3 to the Consolidated Financial Statements for the fiscal year ended December 31, 2012 included in that report, and have been consistently applied in the preparation of these interim financial statements, except as described below.

Effective January 1, 2013, the Company has adopted the amendments to IAS 1, Presentation of Financial Statements and the new accounting standard IFRS 13, Fair Value Measurement. The amendments to IAS 1 required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. These changes did not result in any adjustments to other comprehensive income or comprehensive income. IFRS 13 provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

The interim financial statements are unaudited. Financial information in this report reflects any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to a fair statement of results for the interim periods in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

These financial statements were authorized for issuance by the Board of Directors of the Company on May 3, 2013.

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

3. MINERAL PROPERTIES

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

	Canada	South America							Africa	
		Vicuna Joint Exploration Agreement			Josemaria Joint Exploration Agreement	Other Projects				
	GJ/Kinaskan	Los Helados	La Chola	Lirio	Josemaria	Paramillos	Papagallos	Tamberias	Hambok	Total
Cost	$	$	$	$	$	$	$	$	$	$
At January 1, 2012	136,997	2,584,058	-	58,557	7,790,107	464,953	-	407,960	8,000,000	19,442,632
Additions	-	59,046	126,837	-	-	593,606	121,482	396,062	-	1,297,033
Disposal	-	-	-	-	-	-	-	-	(4,918,500)	(4,918,500)
Impairment charge	-	-	-	-	-	-	-	-	(2,861,917)	(2,861,917)
Effect of changes in foreign exchange rates	-	101,323	(5,867)	(8,570)	(1,140,096)	(113,308)	(10,729)	3,788	(219,583)	(1,393,042)
At December 31, 2012	136,997	2,744,427	120,970	49,987	6,650,011	945,251	110,753	807,810	-	11,566,206
Additions	-	152,341	-	-	174,023	-	54,042	-	-	380,406
Effect of changes in foreign exchange rates	-	98,097	(2,450)	(1,013)	(137,873)	(10,160)	(45,569)	28,767	-	(70,201)
At March 31, 2013	136,997	2,994,865	118,520	48,974	6,686,161	935,091	119,226	836,577	-	11,876,411

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge; all of its properties are in good standing.

4. SHARE CAPITAL

The Company has authorized an unlimited number of voting common shares without par value. All issued shares are fully paid.

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

5. SHARE OPTIONS

a) Share Option Plan

The Company has a rolling share option plan approved by shareholders on September 15, 2008 and recently ratified, reserving an aggregate of 10% of the issued and outstanding shares of the Company for issuance upon the exercise of options granted. Vesting and terms of the option agreement are at the discretion of the Board of Directors.

During the three months ended March 31, 2013, the Company granted a total of 345,000 (2012 - 75,000) share options to officers, employees, directors and other eligible persons at exercise price of $2.95 per share.

The weighted average fair value of the options granted during the three months ended March 31, 2013, was estimated at $1.17 (2012 - $1.11) per option at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	Three months ended March 31,	
	2013	**2012**
Dividend yield	0%	0%
Risk-free interest rate	1.02%	1.12%
Expected option life	2.5 years	3 years
Expected volatility (i)	63.78%	66.26%

(i) A share-based compensation cost of $404,540 for the options granted for the three months ended March 31, 2013 (2012 - $83,132) will be amortized over the vesting period of 2 years. $151,708 was recognized in the three months ended March 31, 2013 (2012 - $27,711).

The total share-based compensation for the three months ended March 31, 2013 was $408,602 (2012 - $361,315) of which $363,484 (2012 - $258,972) has been allocated to Administration expenses, $43,004 (2012 - $102,343) to Exploration and project investigation and exploration expenses and $2,114 to discontinued operations in Africa.

b) Share Options Outstanding

The following is a summary of the movements in the number of share options outstanding and their related weighted average exercise prices:

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

	March 31, 2013		**March 31, 2012**	
	Number of Share Options	Weighted Average Exercise Price $	Number of Share Options	Weighted Average Exercise Price $
Outstanding at beginning of period	5,641,750	1.66	4,577,673	1.67
Granted	345,000	2.95	75,000	2.50
Exercised	(48,333)	0.77	(69,500)	0.74
Forfeited/expired	-	-	(38,334)	2.83
Outstanding at end of period	5,938,417	1.74	4,544,839	1.68
Options exercisable at end of period	4,079,235	1.57	3,161,498	1.32

The following summarized information about the share options outstanding and exercisable at March 31, 2013:

	Options Outstanding			**Options exercisable**		
Range of Exercise Prices	Number of Share Options Outstanding	Weighted Average Remaining Contractual Life (yrs)	Weighted Average Exercise Price $	Number of Share Options Outstanding	Weighted Average Remaining Contractual Life (yrs)	Weighted Average Exercise Price $
$0.50 - $1.30	1,665,750	1.64	0.71	1,665,750	1.64	0.71
$1.31 - $3.42	4,272,667	1.83	2.15	2,413,485	1.55	2.17
	5,938,417	1.78	1.74	4,079,235	1.59	1.57

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

6. EXPLORATION AND PROJECT INVESTIGATION

	South America					Canada	Total
	Vicuna Joint Venture	**Josemaria Joint Venture**	**Colmillos**	**Andrea**	**Other**		
For the three months ended March 31, 2013							
Gov't fees, licenses, permits, taxes, rights and land access	$ 217,060	$ 17,402	$ 33,187	$ 18,871	$ 299,414	$ 980	$ 586,914
Field salaries, contract labour, field supplies & equipment rental	627,120	125,106	97,003	-	33,019	-	882,248
Camp costs	1,058,079	241,960	163,338	-	42,256	-	1,505,633
Consultants	35,531	36,501	-	-	-	-	72,032
Drilling and Fuel	6,021,473	1,199,561	333,623	-	156,528	-	7,711,185
Geochemistry and geophysics	282,478	54,498	-	-	6,740	5,130	348,845
Conceptual study	275,339	193,136	-	-	23,289		491,765
Road work & trenching	485,681	194,299	42,445	-	34,127	-	756,552
Transport and travel	639,191	45,394	57,539	-	25,813	-	767,937
Environmental & community relations	97,673	26,122	10,299	-	32,161	-	166,255
Value added tax	1,496,940	440,093	126,100	-	92,032	-	2,155,165
Office & general expense, net of recoveries from joint venture partner	(86,288)	65,644	2,040	-	-	-	(18,604)
Share based compensation	43,005	-	-	-	-	-	43,005
Total for the period	$ 11,193,282	$ 2,639,716	$ 865,574	$ 18,871	$ 745,379	$ 6,110	$ 15,468,932
For the three months ended March 31, 2012							
Gov't fees, licenses, permits, taxes, rights and land access	$ 128,731	$ 5,871	$ 28,595	$ 4,279	$ 303,046	$ 980	$ 471,502
Field salaries, contract labour, field supplies & equipment rental	458,771	356,833	1,054	865	37,726	-	855,249
Camp costs	457,418	367,191	243	-	6,627	-	831,479
Consultants	-	-	121	4	301	-	426
Drilling and Fuel	2,886,021	2,013,570	-	-	-	-	4,899,591
Geochemistry and geophysics	235,174	165,845	95	-	(709)	5,130	405,535
Conceptual study	-	-	-	-	-	-	-
Road work & trenching	517,666	115,394	-	-	-	-	633,060
Transport and travel	136,676	99,252	2,166	8	4,394	-	242,496
Environmental & community relations	69,674	36,373	65,520	-	300	-	171,867
Value added tax	703,656	551,381	10,044	-	(142,005)	-	1,123,076
Office & general expense, net of recoveries from joint venture partner	23,657	(21,889)	287	9	39,578	-	41,642
Share based compensation	87,916	-	-	-	-	-	87,916
Total for the period	$ 5,705,360	$ 3,689,821	$ 108,125	$ 5,165	$ 249,258	$ 6,110	$ 9,763,839

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

7. RELATED PARTY TRANSACTIONS

(a) Related parties expenses

The Company incurred the following expenses with Namdo Management Services Limited ("Namdo"), Lundin Mining Corporation ("Lundin Mining"), Lucara Diamond Corp. ("Lucara") and Sirocco Mining Inc. ("Sirocco"), companies related by way of certain common directors and shareholders. In addition, the Company incurred air charter services from Mile High Holdings Ltd ("Mile''), a company associated with the Chairman of the Company. The Company is related to Cassels Brock & Blackwell LLP ("Cassels Brock") in which a director is senior business advisor.

		Three months ended March 31	
	Related party	2013 $	2012 $
Management fee	Namdo	135,000	135,000
Aircraft charter and travel	Mile	113,040	54,856
Consulting services	Sirocco, Lucara, Lundin Mining	107,625	-
Legal services	Cassels Brock	4,396	-
Director fees	Directors	16,750	-
Total related parties expenses		376,811	189,856

(b) Related parties liabilities

The liabilities of the Company include the following amounts due to related parties:

	March 31, 2013 $	December 31, 2012 $
Namdo	45,737	32,921
Sirocco	3,937	5,625
Mile	113,040	-
Lucara	23,240	-
Cassels Brock	-	6,171
Director fees	16,750	-
Total related parties liabilities	202,704	44,717

(c) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company has identified its key management personnel to include the Company's executive officers, vice-presidents and members of its Board of Directors.

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

The remuneration of key management personnel were as follows:

	Three months ended March 31	
	2013	**2012**
	$	**$**
Salaries	133,750	130,625
Employee benefits	11,575	13,801
Director fees	16,750	-
Share based compensation	256,894	219,058
Total compensation of key management	418,969	363,484

8. SEGMENTED INFORMATION

The geographic distribution of non-current assets and expenditures by segment are as follows:

Non-Current Assets:

	March 31, 2013			**December 31, 2012**		
	Equipment	**Mineral Properties**	**Other Assets**	**Equipment**	**Mineral Properties**	**Other Assets**
Canada	154,025	136,997	8,000	158,600	136,997	8,000
South America	299,742	11,739,414	-	113,079	11,429,209	-
Africa	-	-	-	-	-	-
	453,767	11,876,411	8,000	271,679	11,566,206	8,000

Exploration Expenditures:

	March 31, 2013			**December 31, 2012**		
	Vicuna JEA	**Josemaria JEA**	**Others**	**Vicuna JEA**	**Josemaria JEA**	**Others**
Canada	-	-	6,110	-	-	6,110
South America	11,193,282	2,639,716	1,629,824	5,705,360	3,689,821	362,548
	11,193,282	2,639,716	1,635,934	5,705,360	3,689,821	368,658

9. CONTINGENCY

a) The Company's Argentine subsidiary, Desarrollo de Prospectos Mineros SA ("DPM") received a claim in January 2009 from the Banco Central de la Republia Argentina ("BCRA") in connection with two foreign exchange transactions made in 2003. It has been alleged that DPM exceeded the maximum allowable limit by approximately US$63,000 for foreign exchange conversions on those days. DPM have filed a statement of defence to dismiss this claim.

Provisions have not been made in the consolidated financial statements as the likelihood of the loss occurring cannot be determined and the amount of loss if it should occur cannot be reasonably estimated. DPM will continue to defend its position.