

**NGEx RESOURCES INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE MONTHS ENDED MARCH 31, 2014**

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, 2014 and the December 31, 2013 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 5, 2014.

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](http://www.sedar.com) and at the Company's website [www.ngexresources.com](http://www.ngexresources.com).

## **CORE BUSINESS AND STRATEGY**

The Company is principally engaged in the acquisition, exploration, and development of precious and base metal properties located in Chile, Argentina, and Canada. The Company's common shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol "NGQ".

NGEx has built a strong portfolio of exploration stage copper-gold projects in Chile, Argentina, and Canada. The Company has a strong management team and board with extensive experience in Chile and Argentina and an appropriate mix of geological, engineering, financial, and business skills to advance its projects and to generate value for its shareholders.

The Company's principal projects are Los Helados Project and Josemaria which are advanced exploration stage copper-gold projects located in Chile and Argentina respectively. The Company's long term view of the copper market is positive, with the expectation that over time tightening mine supply and growing demand especially from developing countries will contribute to stronger prices and will require the development of new greenfields mining projects. The Company's strategy is to create value for its shareholders by expanding and increasing the quality of its resources as well as 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 Company intends to increase shareholder value through successful exploration and to eventually convert its exploration successes into tomorrow's development projects positioning the Company as a top tier copper industry investment.

## **HIGHLIGHTS AND SIGNIFICANT EVENTS**

- On February 21, 2014, the Company announced the initial drilling results from the 2013/2014 field season at the Josemaria Project including the interception of 0.54% copper and 0.11g/t gold over 340 metres.

- On March 17, 2014, the Company announced the results of the first seven of 23 holes drilled during its 2013/2014 field season at the Filo del Sol Project which expanded the high grade zone.
- On April 10, 2014, the Company announced the results of ten additional holes drilled at the Filo del Sol Project which included some of the highest copper and silver grades intercepted to date including an intercept of 5.80% copper over 22 metres.
- On April 24, 2014 the Company announced the results of the final seven holes drilled this year at the Josemaria Project. The results of this year's drilling will be incorporated into an updated resource estimate and once the results of ongoing metallurgical test work are received the Company intends to complete an updated Technical Report for Josemaria.
- On April 29, 2014 the Company announced that it intends to apply for a secondary listing of its common shares (the "Shares") in Sweden on Nasdaq OMX Stockholm ("Nasdaq OMX"). Trading on Nasdaq OMX is subject to a number of conditions including affiliation of the Shares to Euroclear Sweden, sufficient shareholder distribution in Sweden and publication of a prospectus that is approved by the Swedish Financial Supervisory Authority. The Company's objective is to have the listing completed by the middle of 2014.
- On April 30, 2014, the Company announced the results from the final nine holes drilled in the first quarter of 2014 at Filo del Sol which included an intercept of 7.59% copper over 10 metres and 314.5 g/t silver over 12 metres.

#### **QUALIFIED PERSONS**

Technical disclosure for the Company's projects included in this MD&A, with the exception of the technical disclosure related to ongoing engineering studies, has been reviewed and approved by Bob Carmichael P. Eng. (BC). Mr. Carmichael is NGEx's Vice-President of Exploration and a Qualified Person ("QP") under National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). Technical disclosure related to the engineering studies has been reviewed and approved by Anthony George P. Eng. (BC). Mr. George is the Company's Project Manager and a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101)

#### ***Los Helados Project, Chile***

Los Helados is a large copper-gold porphyry deposit located approximately 175 kilometers southeast of the city of Copiapo in Region III of Chile. Nearby deposits held by other companies include Caserones-Regalito (Pan Pacific Copper Co., Ltd. ("PPC")), Candelaria (Freeport-McMoRan/Sumitomo), and El Morro-La Fortuna (Goldcorp/New Gold). Los Helados is subject to a Joint Exploration Agreement with PPC (the "PPC 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%).

#### ***Mineral Resource Estimate***

Los Helados has a current Mineral Resource at a base case 0.30% copper equivalent\* ("CuEq") cutoff, as follows:

- 1,730 million tonnes at a grade of 0.40% copper and 0.16 g/t gold for a copper equivalent grade of 0.52% (15.26 billion pounds of copper and 8.90 million ounces of gold) in the Indicated Resource category; and

- 681 million tonnes at a grade of 0.32% copper and 0.11 g/t gold for a copper equivalent grade of 0.41% (4.80 billion pounds of copper and 2.41 million ounces of gold) in the Inferred Resource category.

\*CuEq - Copper Equivalent is calculated using US\$3.00/lb copper, US\$ 1,400/oz gold and US\$23/oz Ag, with no provision for metallurgical recoveries. The formula used is  $CuEq\% = Cu\% + 0.6806 * Au (g/t) + 0.011 * Ag (g/t)$ ;

The Mineral Resource estimate for the Los Helados Project has an effective date of October 15, 2013 and was prepared by Gino Zandonai, B.Sc., M.Sc. Registered Member of the Comision Calificadora de Competencias en Recursos y Reservas Mineras (Chilean Mining Commission), Senior Associate of Behre Dolbear International Ltd. in accordance with NI 43-101. Mr. Zandonai is the Qualified Person for the estimate and is independent of the Company. To put the Los Helados resource into its full context the reader is encouraged to read the Technical Report dated October 31, 2013 and amended March 24, 2014 and titled "*Updated Mineral Resource Estimate for the Los Helados Property, Region III of Atacama, Chile*" in its entirety. This report describing the details of the resource estimate is available under the Company's profile on SEDAR [www.sedar.com](http://www.sedar.com). It should be noted that the Mineral Resource estimate presented here is not a Mineral Reserve, and does not have demonstrated economic viability. While the 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.

#### *Activities in the Current Quarter*

##### *Engineering Studies*

The Company is conducting a high level assessment of possible development options for the Los Helados Project. The scope of this ongoing option study includes an evaluation of potential mining methods and production rates, geotechnical drilling, ongoing metallurgical test work, including comminution studies, and development of high level processing flow sheets and mass balances. Work, including review of areas for potential infrastructure, is ongoing and a variety of potential development scenarios continue to be considered.

Baseline environmental programs, including review of areas for potential infrastructure are underway, with field work in progress and expected to continue until the onset of winter weather during the second quarter.

#### **Josemaria Project, Argentina**

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

##### *Mineral Resource Estimate*

Josemaria has a current Resource at a base case 0.30% copper equivalent\* ("CuEq") cutoff, as follows:

##### Sulphide Resource (0.3% CuEq\* cutoff):

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

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

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

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

\*CuEq - Copper Equivalent is calculated using US\$3.00/lb copper, US\$ 1,400/oz gold and US\$23/oz Ag, with no provision for metallurgical recoveries. The formula used is  $CuEq\% = Cu\% + 0.6806 * Au (g/t) + 0.011 * Ag (g/t)$ .

The Mineral Resource estimate for the Josemaria Project has an effective date of September 27, 2013 and was prepared by Gino Zandonai, B.Sc., M.Sc. Registered Member of the Comision Calificadora de Competencias en Recursos y Reservas Mineras (Chilean Mining Commission), Senior Associate of Behre Dolbear International Ltd. in accordance with NI 43-101. Mr. Zandonai is the Qualified Person for the estimate and is independent of the Company. To put the Josemaria resource into its full context the reader is encouraged to read the Technical Report dated November 13, 2013 and amended March 24, 2014 and titled "*Second Updated Mineral Resource Estimate for the Josemaria Property San Juan Province Argentina*". This report describing the details of the resource estimate is available under the Company's profile on SEDAR [www.sedar.com](http://www.sedar.com). It should be noted that the Mineral Resource estimate presented here is not a Mineral Reserve, and does not have demonstrated economic viability. While the 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.

*Activities in the Current Quarter*

A total of 7,302 metres of diamond drilling in 14 holes was completed during the field season which spanned the fourth quarter of 2013 and the first quarter of 2014. Results from seven holes were released on February 21, 2014, and assays for the remaining seven holes were released on April 24, 2014. A total of 3,608 metres of diamond drilling in eight holes was completed at Josemaria during the first quarter. Two of the holes were designed to provide geotechnical information, and six tested for an extension of the Josemaria mineralization to the west. The drilling completed this season largely defined the high grade zone of supergene mineralization at the north end of the deposit. A number of step out holes drilled several hundred metres to the west and northwest of the current resource boundary intercepted copper-gold mineralization with grades close to average grades for the deposit suggesting that the system is still open in that direction. The Company plans to incorporate the results of this year's drilling into an updated resource estimate. Once the metallurgical test work that is currently underway is complete we expect to be in a position to complete an updated NI 43-101 Technical Report during the fourth quarter of 2014.

*Engineering Studies*

Mine engineering studies at the Josemaria project are on hold while the Company focuses its efforts on the studies underway at Los Helados. Metallurgical test work and baseline environmental programs, including review of areas for potential infrastructure continued during the quarter. Field work in support of the environmental program was carried out during the quarter.

**Filo del Sol Property, Argentina**

Filo del Sol project is an exploration project located approximately 17 kilometres south of Los Helados in San Juan Province, Argentina. Filo del Sol is also subject to the PPC JEA.

Filo del Sol is a high sulphidation epithermal copper-gold-silver system that overlies a porphyry copper-gold system. Filo del Sol is a very large mineralized system, with minimum dimensions, based on wide spaced drill holes, of 2.8 kilometres in a north-south direction and 1 kilometre in an east-west direction. Overlapping mineralizing events combined with weathering effects, including supergene enrichment, have created several different styles of mineralization at Filo, including copper-gold porphyry, structurally-controlled gold, manto-style high-grade silver (+/- copper) and high-grade supergene copper enrichment.

#### *Activities in the Current Quarter*

The 2013/2014 drill program which began in December 2013 was designed to provide sufficient data to allow the estimation of an initial mineral resource for the stratabound, high-grade silver-copper zone which forms part of this large mineralized system. A secondary goal was to explore the area to the north of the current drilling, where the geological interpretation suggests the occurrence of a feeder zone to the stratabound mineralization.

A total of 8,208 metres of drilling in 23 holes were completed during the season (7,968 of these in the first quarter), which ended on March 5, 2014. On March 17, 2014, the Company announced the results of the first seven holes which significantly extended the previously identified manto zone and expanded the broader zone of disseminated copper, gold, and silver mineralization that surrounds the high grade zone. On April 10 the Company announced results from ten additional holes drilled during the 2014 drill program. Highlights include:

- VRC70 which intersected 22 metres of 5.80% copper (from 146m) in the supergene blanket plus a 6 metre interval of 12.41 g/t gold (from 120m);
- VRC72 which intersected the high-grade manto zone with 12 metres of 907 g/t silver (from 176m), extending the zone 140 metres to the east of previous drilling (VRC34);
- All drill holes terminated in porphyry mineralization.
- Results for the remaining six holes were released on April 30 which included an intercept of 7.59% copper over 10 metres and 314.5 g/t silver over 12 metres.
- Now that complete drill results have been received the Company plans to start work on an initial resource estimate for the Filo del Sol project. This is expected to be complete in the fourth quarter of 2014.

#### **Other Chilean and Argentinean Projects**

The Company holds a number of early stage exploration projects in Chile and Argentina. Work on these projects is currently on hold while the Company focuses its efforts on Los Helados, Josemaria, and Filo del Sol.

#### **NORTH AMERICAN PROJECTS**

##### **GJ Project, British Columbia, Canada**

The GJ Project is 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 GJ project is the subject of a NI 43-101 technical report entitled "Technical Report on the GJ Copper-Gold Porphyry Project Laird Mining Division British Columbia, Canada" dated April 30, 2007. The Report is available under the Corporation's profile on SEDAR [www.sedar.com](http://www.sedar.com).

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 cutoff 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 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 \$11.7 million to December 31, 2013. Teck carried out exploration in 2013 which comprised a total of 2,027 metres of diamond drilling in 3 holes, as well as re-logging of existing drill core, geological mapping, and geochemical sampling from areas of interest, including the Sun Plateau and infill lines on the Donnelly Plateau. No work was carried out at GJ during the current quarter of due to winter weather. Teck has advised the Company that it will only carry out a limited program at GJ in 2014 focused mostly on compilation and interpretation of data and potentially some re-logging of existing drill core.

## SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended	Mar-14	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12	Jun-12
(In thousands \$ except for per share amounts)								
Exploration and project investigation, net of recoveries	8,221	2,339	1,505	3,385	15,469	6,866	1,035	6,493
Net loss from continuing operations	(9,358)	(3,186)	(2,066)	(5,994)	(17,042)	(7,512)	(3,222)	(5,198)
Net loss from discontinued operations	(3)	96	(106)	(25)	(49)	(790)	(105)	(4,126)
Net loss	(9,361)	(3,090)	(2,172)	(6,019)	(17,091)	(8,302)	(3,327)	(9,324)
Basic and diluted loss per share from continuing operations (i)	(0.05)	(0.02)	(0.01)	(0.04)	(0.10)	(0.05)	(0.02)	(0.03)
Basic and diluted loss per share from discontinued operations (i)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.03)
Total basic and diluted loss per share (i)	(0.05)	(0.02)	(0.01)	(0.04)	(0.10)	(0.05)	(0.02)	(0.06)

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

Exploration and project investigation expenditures during the first quarter of 2014 mainly relate to exploration activity at Filo del Sol and conceptual studies on the Los Helados and Josemaria projects. In the first quarter of 2014, exploration and project investigation expenditures were lower than the same

quarter in 2013 due to a reduction in drilling activity at Los Helados and Josemaria offset by costs relating to conceptual studies at these properties and the commencement of drilling at Filo del Sol. In aggregate, a total of 11,576 metres of drilling on the Company's South American projects was completed in the first quarter of 2014 compared to approximately 30,000 metres in the first quarter of 2013.

The net loss from continuing operations was \$7.7 million lower for the first quarter ended March 31, 2014 compared to the same period in 2013. This is mainly due to a decrease of \$7.2 million of exploration and project investigation expenditures as explained above. In addition, the Company recorded an unrealized gain of \$352,000 in the first quarter of 2014 from the change in value of the Company's shares of Goldgroup Mining Inc. compared to an unrealized loss of \$286,000 in the first quarter of 2013.

The net loss from discontinued operations is due to exploration activities in Africa which 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. The remaining expenditures relate to costs to wind-up the Company's operations in Eritrea.

## **RESULTS OF OPERATIONS**

The Company's net loss for the quarter ended March 31, 2014 was \$9.4 million or \$0.05 per share as compared to a loss of \$17.1 million or \$0.10 share for 2013. Net loss from continuing operations for the first quarter of 2014 was \$9.4 million or \$0.05 per share compared with a net loss from continuing operations of \$17.0 million or \$0.10 per share for 2013. The quarterly variances are discussed in greater detail in the previous section.

The Company's business is not driven by seasonal trends, but rather the achievement of project milestones such as the achievement of various technical, environmental, socio-economic and legal objectives, including obtaining the necessary permits, preparation of engineering designs, as well as receipt of financings to fund these objectives.

## **LIQUIDITY AND CAPITAL RESOURCES**

At March 31, 2014, the Company had cash and working capital of \$10.8 million and \$5.2 million, respectively, as compared to cash and working capital of \$21.3 million and \$14.2 million, respectively, at December 31, 2013. The decrease in cash and working capital is primarily a result of exploration and general and administration expenses incurred during the period.

Net cash used in operating activities was \$10.4 million for the three months ended March 31, 2014 and consisted primarily of the loss from operations of \$9.4 million, which included exploration and project investigation expenditures and conceptual studies work of \$8.2 million and was adjusted for the impact of non-cash items and changes in non-cash working capital.

Cash flow from financing activities was \$0.3 million, which comprised of proceeds from the exercise of stock options.

Net cash used in investing activities was \$0.4 million, which consisted primarily of expenditures relating to mineral property option payments.

As the Company is an exploration company and has no sources of revenue, the Company expects that it will operate at a loss for the foreseeable future. Further funding is required in order for the Company to meet its existing obligations, commitments and fund ongoing exploration. Factors that could affect the availability of financing include the progress and results of exploration properties, the state of

international debt and equity markets, investor perceptions and expectations and the global financial and copper markets. Historically, operating, capital and exploration requirements have been funded primarily from equity financing, joint ventures, disposition of mineral properties and investments. 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. Based on the amount of funding raised, the Company's exploration program may be tailored accordingly.

## **OUTLOOK**

The Company's efforts are focused on large scale copper-gold-silver targets that demonstrate the potential for world class discoveries and exploration opportunities in the region. The Company is focused on its South American copper-gold projects including its very significant Los Helados project in Chile as well as the Josemaria and Filo del Sol projects in Argentina. In addition, the Company continues to evaluate opportunities elsewhere in Chile and Argentina.

The 2013/2014 exploration drill programs at Josemaria and Filo del Sol are now complete and remaining drill results are expected to be received during the second quarter. Once complete drill results are received the Company plans to start work on an initial resource estimate for the Filo del Sol project. This is expected to be complete in the third quarter of 2014. Until all drill results are received, the Company does not have sufficient data to commence this assessment.

The Company continues to advance the engineering studies at Los Helados to assess possible development options in addition to completing the metallurgical test work program at Josemaria. Baseline work in support of the environmental programs at both properties will progress.

The Company intends to apply for a secondary listing on Nasdaq OMX in Stockholm Sweden Trading on Nasdaq OMX is subject to a number of conditions including affiliation of the Shares to Euroclear Sweden, sufficient shareholder distribution in Sweden and publication of a prospectus that is approved by the Swedish Financial Supervisory Authority. The Company's objective is to have the listing completed by the third quarter of 2014. The Company hopes that the secondary listing in Stockholm will complement its existing listing on the TSX and increase liquidity and depth of distribution of the Company's shares.

## **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 2013 Management Discussion and Analysis.

## **RELATED PARTY TRANSACTIONS**

During the three months ended March 31, 2014, the Company incurred:

- (a) management fees of \$135,000 (2013 - \$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, 2014, \$40,418 (December 31, 2013 - \$982) was due to this company.
- (b) \$103,680 (2013 - \$113,040) of aircraft chartered service from Mile High Holdings Ltd, a company associated with the Chairman of the Company. At March 31, 2014, \$103,680 (December 31, 2013 - \$nil) was due to this company.
- (c) \$11,275 (2013 - \$107,625) of technical consulting services from Sirocco Mining Inc., Lucara Diamond Corp. and Lundin Mining Corporation, companies related by common directors. The Company engaged technical personnel on a part-time basis from these companies to support technical studies at the Company's projects. At March 31, 2014, a net amount of \$26,840 (December 31, 2013 - \$(26,489)) was receivable from these companies.
- (d) \$4,324 (2013 - \$4,396) of legal services from Cassels Brock & Blackwell LLP, a company in which a director is the Senior Business Advisor.

## **OUTSTANDING SHARE DATA**

As at the date of this MD&A, the Company had 168,940,059 common shares outstanding and 5,487,750 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 exploration partners, trade payable and accrued liabilities, due to related parties and due to joint exploration 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.

## **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 internal control over financial reporting.

There have been no changes in the Company's disclosure controls and procedures during the three months ended March 31, 2014.

### ***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, 2014 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 2013 annual MD&A filed March 28, 2014.

### **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 Form 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 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 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 exploration 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, 2013 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 Interim Consolidated Balance Sheets**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated.)**  
**(Unaudited)**

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 10,762,346	\$ 21,259,598
Investments	658,000	326,000
Receivables and other assets	682,346	1,118,105
	12,102,692	22,703,703
Equipment	183,695	247,077
Mineral properties (Note 3)	9,797,137	10,438,840
Other non-current assets	8,000	8,000
<b>TOTAL ASSETS</b>	<b>\$ 22,091,524</b>	<b>\$ 33,397,620</b>
<b>LIABILITIES</b>		
Current liabilities:		
Trade payables and accrued liabilities	\$ 6,106,473	\$ 4,328,090
Due to related parties (Note 7)	117,258	27,471
Due to joint exploration partners	726,022	4,101,231
	6,949,753	8,456,792
Other non-current liabilities	-	319,080
<b>TOTAL LIABILITIES</b>	<b>6,949,753</b>	<b>8,775,872</b>
<b>EQUITY</b>		
Share capital (Note 4)	215,419,423	214,924,582
Reserved for issuance	1,284	1,284
Contributed surplus (Note 5)	7,443,104	7,482,860
Cumulative deficit	(202,492,872)	(193,132,284)
Accumulated other comprehensive loss	(5,229,168)	(4,654,694)
<b>TOTAL EQUITY</b>	<b>15,141,771</b>	<b>24,621,748</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 22,091,524</b>	<b>\$ 33,397,620</b>

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

ON BEHALF OF THE BOARD:

/s/William A. Rand  
Director

/s/Wojtek A. Wodzicki  
Director

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

	<b>For the Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
<b>Expenses</b>		
Exploration and project investigation (Note 6)	\$ 8,221,197	\$ 15,468,932
General and Administration:		
Salaries and benefits (Note 7)	244,138	192,542
Share-based compensation (Note 5)	115,438	363,483
Management fees (Note 7)	135,000	135,000
Professional fees	89,192	76,692
Travel	28,818	42,862
Promotion and public relations	198,692	197,907
Donation	-	270,000
Office and general	120,056	133,532
<b>Operating loss</b>	<b>9,152,531</b>	<b>16,880,950</b>
<b>Other (income) expenses</b>		
Interest income	(12,914)	(60,325)
Foreign exchange (gain) / loss	570,237	(64,311)
Unrealized (gain) / loss on investments	(352,000)	286,000
<b>Net loss from continuing operations</b>	<b>9,357,854</b>	<b>17,042,314</b>
<b>Net loss from discontinued operations</b>	<b>2,734</b>	<b>48,746</b>
<b>Net loss</b>	<b>\$ 9,360,588</b>	<b>\$ 17,091,060</b>
<b>Other comprehensive loss</b>		
Change in fair value of available-for-sale securities	20,000	-
Foreign currency translation adjustment	554,474	69,713
<b>Comprehensive loss</b>	<b>\$ 9,935,062</b>	<b>\$ 17,160,773</b>
<b>Basic and diluted loss per common share</b>		
<b>Continuing operations</b>	<b>\$ 0.05</b>	<b>\$ 0.10</b>
<b>Discontinued operations</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
	<b>\$ 0.05</b>	<b>\$ 0.10</b>
<b>Weighted average common shares outstanding</b>	<b>168,869,765</b>	<b>165,287,542</b>

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

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

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Cash flows used in operating activities</b>		
Net loss for the period	\$ (9,360,588)	\$ (17,091,060)
Items not involving cash and cash equivalents:		
Depreciation	53,561	23,616
Share-based compensation	133,236	408,602
Unrealized (gain) / loss on investments	(352,000)	286,000
Net changes in working capital items:		
Receivables and other	546,849	(341,937)
Trade payables and accrued liabilities	2,101,821	4,818,795
Due to related parties	49,369	157,987
Advances to joint exploration partners	(3,530,155)	(2,515,026)
	<b>(10,357,907)</b>	<b>(14,253,023)</b>
<b>Cash flows from financing activities</b>		
Common shares issued, net	-	33,276,316
Proceeds from exercise of stock options	321,849	36,998
	<b>321,849</b>	<b>33,313,314</b>
<b>Cash flows used in investing activities</b>		
Mineral properties and related expenditures	(358,879)	(380,406)
Acquisition of equipment	-	(207,411)
	<b>(358,879)</b>	<b>(587,817)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(102,315)</b>	<b>148,346</b>
<b>Increase / (decrease) in cash and cash equivalents during the period</b>	<b>(10,497,252)</b>	<b>18,620,820</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>21,259,598</b>	<b>17,296,923</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 10,762,346</b>	<b>\$ 35,917,743</b>

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

**NGEx Resources Inc.**  
**Condensed Interim 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 loss	Accumulated Deficit	Total
<b>Balance, January 1, 2014</b>	168,714,559	20,240	\$ 214,924,582	\$ 1,284	\$ 7,482,860	\$ (4,654,694)	\$ (193,132,284)	\$ 24,621,748
Exercise of stock options	225,500	-	494,841	-	(172,992)	-	-	321,849
Share-based compensation	-	-	-	-	133,236	-	-	133,236
Foreign currency translation	-	-	-	-	-	(574,474)	-	(574,474)
Net loss for the period	-	-	-	-	-	-	(9,360,588)	(9,360,588)
<b>Balance, March 31, 2014</b>	168,940,059	20,240	\$ 215,419,423	\$ 1,284	\$ 7,443,104	\$ (5,229,168)	\$ (202,492,872)	\$ 15,141,771
<b>Balance, January 1, 2013</b>	158,582,393	20,240	\$ 181,485,132	\$ 1,284	\$ 6,348,030	\$ (1,565,286)	\$ (164,759,836)	\$ 21,509,324
Exercise of stock options	48,333	-	58,936	-	(21,938)	-	-	36,998
Share-based compensation	-	-	-	-	408,602	-	-	408,602
Foreign currency translation	-	-	-	-	-	(69,713)	-	(69,713)
Private placement	10,000,000	-	33,276,316	-	-	-	-	33,276,316
Net loss for the period	-	-	-	-	-	-	(17,091,060)	(17,091,060)
<b>Balance, March 31, 2013</b>	168,630,726	20,240	\$ 214,820,384	\$ 1,284	\$ 6,734,694	\$ (1,634,999)	\$ (181,850,896)	\$ 38,070,467

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

**NGEx Resources Inc.**  
**Notes to Unaudited Condensed Interim Consolidated Financial Statements**  
**March 31, 2014**  
**(All amounts expressed in Canadian Dollars, unless otherwise stated.)**

**1. NATURE OF OPERATIONS & GOING CONCERN**

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

While our condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that we will be able to meet commitments, continue operations, realize assets and discharge liabilities in the normal course of business for the foreseeable future, further funding is required in order for us to meet our existing obligations, commitments and fund ongoing exploration. Factors that could affect the availability of financing include the progress and results of our exploration properties, the state of international debt and equity markets, investor perceptions and expectations and the global financial and copper markets. Historically, operating, capital and exploration requirements have been funded primarily from equity financing, joint ventures, disposition of mineral properties and investments. There can be no assurance that such financing will be available to us in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to us. Based on the amount of funding raised, our exploration program may be tailored accordingly.

The material uncertainties described above may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumptions deemed to be inappropriate. These adjustments could be material.

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

**2. BASIS OF PRESENTATION**

Our 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, 2013.

Our 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 our businesses and financial statement presentation. In particular, our significant accounting policies were presented as Note 3 to the Consolidated Financial Statements for the fiscal year ended December 31, 2013 included in that report, and have been consistently applied in the preparation of our interim financial statements.

Our 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.

Our consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 5, 2014.

**NGEx Resources Inc.**  
**Notes to Unaudited Condensed Interim Consolidated Financial Statements**  
**March 31, 2014**  
**(All amounts expressed in Canadian Dollars, unless otherwise stated.)**

**3. MINERAL PROPERTIES**

The carrying value of our mineral properties, capitalized at acquisition costs, is as follows:

	South America					Canada	Total
	Los Helados & Filo del Sol Joint Exploration Agreement	Josemaria Joint Exploration Agreement	Tamberias	Paramillos	Papagallos	GJ / Kinaskan	
<b>January 1, 2013</b>	<b>2,915,384</b>	<b>6,650,011</b>	<b>807,810</b>	<b>945,251</b>	<b>110,753</b>	<b>136,997</b>	<b>11,566,206</b>
Additions	851,678	174,279	412,312	-	158,481	-	1,596,750
Impairment	-	-	-	(931,439)	(264,689)	-	(1,196,128)
Currency translation effect	(148,013)	(1,323,694)	(37,924)	(13,812)	(4,545)	-	(1,527,988)
<b>December 31, 2013</b>	<b>\$ 3,619,049</b>	<b>\$5,500,596</b>	<b>\$1,182,198</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 136,997</b>	<b>\$ 10,438,840</b>
Additions	73,195	-	285,684	-	-	-	358,879
Currency translation effect	(137,984)	(852,085)	(10,513)	-	-	-	(1,000,582)
<b>March 31, 2014</b>	<b>\$ 3,554,260</b>	<b>\$4,648,511</b>	<b>\$1,457,369</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 136,997</b>	<b>\$ 9,797,137</b>

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. We have investigated title to all of our mineral properties and, to the best of our knowledge, all of our properties are in good standing.

**4. SHARE CAPITAL**

We have authorized an unlimited number of voting common shares without par value. All issued shares are fully paid.

**NGEx Resources Inc.**  
**Notes to Unaudited Condensed Interim Consolidated Financial Statements**  
**March 31, 2014**  
**(All amounts expressed in Canadian Dollars, unless otherwise stated.)**

**5. SHARE OPTIONS**

**a) Share Option Plan**

We have a rolling share option plan approved and ratified by shareholders on September 15, 2008, 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.

The Company did not issue any share options during the three months ended March 31, 2014.

The total share-based compensation for the three months ended March 31, 2014 was \$133,236 (2013 - \$408,602) of which \$115,438 (2013 - \$363,484) has been allocated to Administration expenses, and \$17,798 (2013 - \$45,118) to Exploration and project investigation expenses.

**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:

	<b>March 31, 2014</b>		<b>March 31, 2013</b>	
	<b>Number of share issuable pursuant to share options</b>	<b>Weighted average exercise price per share (CDN\$)</b>	<b>Number of share issuable pursuant to share options</b>	<b>Weighted average exercise price per share (CDN\$)</b>
Balance at beginning of period	6,256,250	1.76	5,641,750	1.66
Granted	-	-	345,000	2.95
Exercised	(225,500)	1.43	(48,333)	0.77
Forfeited / expired	(543,000)	1.52	-	-
Balance at end of period	5,487,750	1.80	5,938,417	1.74

The following summarized information about the share options outstanding and exercisable at March 31, 2014:

Range of exercise prices CDN\$	<b>Outstanding Options</b>			<b>Exercisable Options</b>		
	Number of options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price CDN\$	Number of options exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price CDN\$
\$0.50 - \$1.30	1,562,750	0.71	\$ 0.71	1,562,750	0.71	\$ 0.71
\$1.31 - \$3.42	3,925,000	1.27	2.23	2,936,655	1.11	2.35
	5,487,750	1.11	\$ 1.80	4,499,405	0.97	\$ 1.78

**NGEx Resources Inc.**  
**Notes to Unaudited Condensed Interim Consolidated Financial Statements**  
**March 31, 2014**  
**(All amounts expressed in Canadian Dollars, unless otherwise stated.)**

**6. EXPLORATION AND PROJECT INVESTIGATION**

We have expensed the following mineral properties costs for the three months ended March 31, 2014:

	South America				Canada	Total
	Los Helados & Filo del Sol Exploration Agreement	Josemaria Exploration Agreement	Colmillos	Other		
Gov't fees, licenses, permits, taxes, rights and land access	\$ 476	\$ 13,408	\$ 56,075	\$ 227,884	\$ -	\$ 297,843
Field related expenses	277,165	300,863	-	97,374	-	675,402
Camp cost	299,209	216,441	-	22,335	-	537,985
Consultants	9,940	23,559	-	-	-	33,499
Drilling and fuel	1,052,698	1,237,877	-	-	-	2,290,575
Geochemistry & conceptual study	140,105	645,994	-	42,217	-	828,316
Road work and trenching	114,544	348,231	-	99,760	-	562,535
Transport and travel	169,726	130,386	-	54,783	-	354,895
Environmental & community relations	395,442	347,983	-	-	-	743,425
Value added tax	720,392	790,920	-	202,202	-	1,713,514
Office and general expense	(18,198)	135,977	-	47,631	-	165,410
Share-based compensation (Note 9)	17,798	-	-	-	-	17,798
<b>Total for the period</b>	<b>\$ 3,179,297</b>	<b>\$ 4,191,639</b>	<b>\$ 56,075</b>	<b>\$ 794,186</b>	<b>\$-</b>	<b>\$ 8,221,197</b>

We have expensed the following mineral properties costs for the three months ended March 31, 2013:

	South America				Canada	Total
	Los Helados & Filo del Sol Exploration Agreement	Josemaria Exploration Agreement	Colmillos	Other		
Gov't fees, licenses, permits, taxes, rights and land access	\$ 217,060	\$ 17,402	\$ 33,187	\$ 318,285	\$ 980	\$ 586,914
Field related expenses	627,120	125,106	97,003	33,019	-	882,248
Camp cost	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 & conceptual study	557,817	247,634	-	30,029	5,130	840,610
Road work and 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 and general expense	(86,288)	65,644	2,040	-	-	(18,604)
Share-based compensation (Note 5)	43,005	-	-	-	-	43,005
<b>Total for the period</b>	<b>\$11,193,282</b>	<b>\$2,639,716</b>	<b>\$865,574</b>	<b>\$764,250</b>	<b>\$6,110</b>	<b>\$ 15,468,932</b>

**NGEx Resources Inc.**  
**Notes to Unaudited Condensed Interim Consolidated Financial Statements**  
**March 31, 2014**  
**(All amounts expressed in Canadian Dollars, unless otherwise stated.)**

**7. RELATED PARTY TRANSACTIONS**

**a) Related parties expenses**

We 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. We engaged technical personnel on a temporary basis from Lundin Mining, Lucara, and Sirocco to support technical studies at our projects. In addition, we incurred air charter services from Mile High Holdings Ltd ("Mile"), a company associated with the Chairman of the Company. We are related to Cassels Brock & Blackwell LLP ("Cassels Brock") in which a director is senior business advisor.

<b>Description of services</b>	<b>Related party</b>	<b>Three months ended March 31,</b>	
		<b>2014</b>	<b>2013</b>
Management fees	Namdo	\$ 135,000	\$ 135,000
Technical consulting services	Sirocco, Lucara, Lundin Mining	11,275	107,625
Aircraft charter and travel	Mile	103,680	113,040
Legal services	Cassels Brock	4,324	4,396
		\$ 254,279	\$ 360,061

**b) Related parties liabilities**

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
Namdo and others	\$ 13,578	\$ 982
Lundin Mining	-	26,489
Aircraft charter and travel	103,680	-
	\$ 117,258	\$ 27,471

**c) Key management compensation**

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

	<b>Three months ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Salaries	\$ 186,250	\$ 133,750
Employee benefits	21,557	11,575
Director fees	16,750	16,750
Share-based compensation	67,938	256,894
	\$ 292,495	\$ 418,969

**NGEx Resources Inc.**  
**Notes to Unaudited Condensed Interim Consolidated Financial Statements**  
**March 31, 2014**  
**(All amounts expressed in Canadian Dollars, unless otherwise stated.)**

**8. SEGMENTED INFORMATION**

We are principally engaged in the acquisition, exploration and development of mineral properties in North and South America. The segments presented below together with the mineral property information presented in Note 3 and Note 6 reflects the way in which management reviews its business performance. Operating segments are reported in a manner consistent with the internal reporting provided to executive management who act as the chief operating decision - maker. Our Chief Executive Officer is responsible for allocating resources and assessing performance of the operating segments.

The geographic distribution of our non-current assets is as follows:

	<b>At March 31, 2014</b>			<b>At December 31, 2013</b>		
	<b>Equipment, net</b>	<b>Mineral properties</b>	<b>Others</b>	<b>Equipment, net</b>	<b>Mineral properties</b>	<b>Others</b>
Canada	\$ 135,725	\$ 136,997	\$ 8,000	\$ 140,300	\$ 136,997	\$ 8,000
South America	47,970	9,660,140	-	106,777	10,301,843	-
	<b>\$ 183,695</b>	<b>\$ 9,797,137</b>	<b>\$ 8,000</b>	<b>\$ 247,077</b>	<b>\$ 10,438,840</b>	<b>\$ 8,000</b>