



2101 - 885 West Georgia Street
Vancouver, B.C. Canada V6C 3E8
Tel: (604) 689-7842 • Fax: (604) 689-4250 •
www.NGExResources.com

June 21, 2011

Attention: U.S. SHAREHOLDERS

IMPORTANT TAX NOTICE

Re: 2010 PFIC status

This notice is provided for shareholders who are U.S. persons for purposes of the U.S. Internal Revenue Code. It is not relevant to other shareholders.

The attached passive foreign investment company ("PFIC") Annual Information Statement is being provided to you pursuant to U.S. Treasury Regulations Section 1.1295-1(g)(1). The PFIC Annual Information Statement contains information to enable you or your tax advisor to prepare your U.S. federal income tax return if you elect to treat NGEx Resources Inc. ("NGEx") and its subsidiaries as qualified electing funds ("QEFs") for U.S. federal income tax purposes.

A U.S. shareholder who makes a QEF election is required to annually include in his, her or its income his, her or its *pro rata* share of the ordinary earnings and net capital gains of NGEx and its subsidiaries that are PFICs. The QEF election is made by completing and attaching Form 8621 to your U.S. federal income tax return filed by the due date of the return, as extended.

WE STRONGLY URGE U.S. SHAREHOLDERS TO CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY DECISION TO MAKE (OR REFRAIN FROM MAKING) ANY ELECTION THAT MAY BE AVAILABLE TO THEM BECAUSE ANY SUCH DECISION WILL DEPEND UPON THEIR OWN PARTICULAR TAX SITUATION AND MAY HAVE SIGNIFICANT AND CONTINUING U.S. FEDERAL INCOME TAX CONSEQUENCES.

NGEX IS UNABLE TO GIVE ADVICE IN THIS REGARD.

Further information on the PFIC rules is available at the U.S. Internal Revenue Service website.

Detailed information about the PFIC rules and the QEF election:
www.irs.gov/instructions/i8621/ch01.html

Instructions to complete Form 8621: www.irs.gov/pub/irs-pdf/i8621.pdf

Form 8621: www.irs.gov/pub/irs-pdf/f8621.pdf

Any discussion of tax issues set forth in this document was written in connection with the matters described in this document. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be imposed on such person. Each investor should seek advice based on his, her or its particular circumstances from an independent tax advisor.

PFIC ANNUAL INFORMATION STATEMENT

Any discussion of tax issues set forth in this PFIC Annual Information Statement was written in connection with the matters described in this PFIC Annual Information Statement. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be imposed on such person. Each investor should seek advice based on his, her or its particular circumstances from an independent tax advisor.

1. This PFIC Annual Information Statement applies to NGEx and its subsidiaries listed below for the taxable year beginning on January 1, 2010 and ending on December 31, 2010. The address for each company is: Suite 2101, 885 West Georgia Street, Vancouver, BC V6C 3E8, Canada.
2. Your *pro rata* shares of ordinary earnings and net capital gain of NGEx and its subsidiaries listed below for the taxable year specified in paragraph (1) above are:

	NGEx Resources Inc.	Royal County Minerals Corp.	Suramina Resources Inc.	Frontera Holdings (Bermuda) I Ltd.
Your <i>pro rata</i> share of ordinary earnings:	Nil	Nil	Nil	Nil
Your <i>pro rata</i> share of net capital gain:	Nil	Nil	Nil	Nil

	Frontera Holdings (Bermuda) II Ltd.	Frontera Holdings (Bermuda) III Ltd.	Desarrollo de Prospectos Mineros S.A.	Minera Frontera del Oro S.C.M.
Your <i>pro rata</i> share of ordinary earnings:	Nil	Nil	Nil	Nil
Your <i>pro rata</i> share of net capital gain:	Nil	Nil	Nil	Nil

	Desarrollo de Prospectos Mineros Peruanos S.A.C.	Sanu Resources Ltd. ¹	Sanu Resources, Inc.	Sanu Exploration (BVI) Ltd.
Your <i>pro rata</i> share of ordinary earnings:	Nil	Nil	Nil	Nil
Your <i>pro rata</i> share of net capital gain:	Nil	Nil	Nil	Nil

	Sanu Resources Brazzaville (BVI) Inc.	Sanu Resources Ltd. ²	Sanu Resources Holdings Inc.	Bada Potash Ltd.
Your <i>pro rata</i> share of ordinary earnings:	Nil	Nil	Nil	Nil
Your <i>pro rata</i> share of net capital gain:	Nil	Nil	Nil	Nil

¹ A Canadian corporation.

² A corporation formed under the laws of the Republic of Congo.

3. The amount of cash and the fair market value of other property distributed or deemed distributed to you by NGEx and its subsidiaries listed below during the taxable year specified in paragraph (1) above are:

	NGEx Resources Inc.	Royal County Minerals Corp.	Suramina Resources Inc.	Frontera Holdings (Bermuda) I Ltd.
Cash:	Nil	Nil	Nil	Nil
Fair market value of property:	Nil	Nil	Nil	Nil

	Frontera Holdings (Bermuda) II Ltd.	Frontera Holdings (Bermuda) III Ltd.	Desarrollo de Prospectos Mineros S.A.	Minera Frontera del Oro S.C.M.
Cash:	Nil	Nil	Nil	Nil
Fair market value of property:	Nil	Nil	Nil	Nil

	Desarrollo de Prospectos Mineros Peruanos S.A.C.	Sanu Resources Ltd.	Sanu Resources, Inc.	Sanu Exploration (BVI) Ltd.
Cash:	Nil	Nil	Nil	Nil
Fair market value of property:	Nil	Nil	Nil	Nil

	Sanu Resources Brazzaville (BVI) Inc.	Sanu Resources Ltd.	Sanu Resources Holdings Inc.	Bada Potash Ltd.
Cash:	Nil	Nil	Nil	Nil
Fair market value of property:	Nil	Nil	Nil	Nil

4. To the extent required by U.S. Treasury Regulations, NGEx and its subsidiaries listed above will permit shareholders to inspect and copy the permanent books of account, records, and such other documents as may be maintained by them that are necessary to establish that their ordinary earnings and net capital gain are computed in accordance with U.S. federal income tax principles, and to verify these amounts and a shareholder's pro rata shares thereof.

Date: June 21, 2011

By: 
 Title: Chief Financial Officer

THIS PFIC ANNUAL INFORMATION STATEMENT PROVIDED TO U.S. SHAREHOLDERS OF NGEX IN ORDER TO ASSIST THE U.S. SHAREHOLDERS THAT WISH TO MAKE A QUALIFIED ELECTING FUND (“QEF”) ELECTION FOR U.S. FEDERAL INCOME TAX PURPOSES. THIS PFIC ANNUAL INFORMATION STATEMENT DOES NOT CONSTITUTE TAX ADVICE. U.S. SHAREHOLDERS THAT HAVE MADE OR MAY MAKE A QEF ELECTION SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF MAKING A QEF ELECTION IN THEIR PARTICULAR CIRCUMSTANCES.