

Second Quarter 2009 Highlights

- Towards the end of the second quarter the Company began to mobilize personnel, supplies and equipment to the **Josemaria** project for the drill program that is expected to start in November, 2009. The drill program will test possible extensions of the current inferred resource of 460 million tonnes at 0.39% copper and 0.30 grams/tonne gold at a cut off grade of 0.3% copper. Reprocessing and reinterpretation of previously collected geophysical data highlighted a chargeability anomaly that is coincident with the known resource and extends for approximately 500 metres to the northeast and 750 metres to the southwest. Copper and gold in soils are strongly anomalous over the northeast lobe of the geophysical anomaly. This suggests that there is potential to increase the resource at Josemaria. We plan to drill up to 2000 metres in 5 or 6 holes to test these targets. The US\$ 2 million program is funded by JOGMEC who may earn up to a 40% interest in Josemaria by spending \$6.13 million over three years.
- Once the drill program at Josemaria is complete the rig will move to **Los Helados** in Chile. Approximately 3500 metres of drilling at Los Helados will test a 1 square kilometre chargeability anomaly that lies just to the north of a hole drilled earlier this year that cut 762 metres of 0.43% copper and 0.22 grams/tonne gold with the final 43 metres grading 0.74% copper and 0.23 grams/tonne gold. Los Helados is part of the Vicuna joint venture with JOGMEC and work programs are funded 60% by NGEX and 40% by JOGMEC.
- At the **Zymo** copper-gold project in BC the Company completed a 5 hole drill program totaling 1,964 metres. The target at Zymo is copper-gold mineralization within a large porphyry-style alteration system that is 8 kilometres long by 2 kilometres wide and hosts several copper-gold mineralized targets including the Hobbes and the FM. Four holes were drilled in the Hobbes target, three (ZY-09-13, 15, 16) were each 100 metre stepouts to the west of last year's drill hole ZY08-09 which intersected 72.0 metres grading 0.72% copper and 0.54 grams/tonne gold from 15.0 to 87.0 metres. Each of the 2009 holes intersected mineralization and the Hobbes zone has now been traced over 600 metres in an east-west direction. The most westerly hole, ZY-09-16, intersected the longest interval of mineralization to date indicating good potential for further extension of the mineralized zone to the west and south. The fourth hole, ZY-09-14 is a vertical hole drilled at the site of ZY-08-09 which was an angle hole. This hole intersected 273 metres of 0.23% copper and 0.15 grams/tonne gold and confirms that mineralization persists to greater depth. The fifth hole ZY-09-17 was drilled in the FM zone located approximately 4 kilometres to the west of Hobbes, and hit lower grade copper-gold mineralization. NGEx has the option to earn a 60% interest in the property from Eastfield Resources Ltd by completing exploration expenditures of \$4 million over five years, and may earn an additional 10% interest by completing a feasibility study and further 5% by arranging mine financing for Eastfield.
- Field work on the Company's **Eritrean** licenses restarted in early October 2009 after the end of the rainy season. A gradient IP survey is underway along the structural trend north and south of Hambok. It has so far identified a chargeability anomaly that surrounds the known massive sulfide body and extends for several hundred metres north and south of the current limits of drilling. This suggests the possibility of additional mineralization on strike. The anomalies are still open and the IP survey continues. After the work in the Hambok area is completed the geophysical crew will move to the Koken target. Drilling of both the Hambok extensions and Koken is planned for later this year.
- During the quarter, the Company was granted two new prospecting licenses which cover a new discovery of volcanic-hosted massive sulfide (VHMS) occurrences in northern **Eritrea**. The massive sulfide prospects were discovered during regional exploration and are on a new and virtually unexplored VHMS trend in northern Eritrea. The **Shukula** prospect consists of outcropping gossan approximately 100 metres in length on which the best grab and chip-channel samples returned up to 2.8, 5.4, and 5.6 ppm gold, 0.5% copper, 1841 ppm zinc and 1164 ppm lead. The altered rock package hosting the gossan extends for an additional 3 kilometres and contains discontinuous narrower lenses of gossan as well as oxidized stockwork zones. Work in the coming months will aim to define drill targets. The second license covers 4 kilometres along the southwestern extension of the Shukula gossan horizon. Rock chip samples from gossan and altered metavolcanic rocks on the license area returned results as high as 2.2 and 3.7 ppm gold, 2361 ppm copper as well strongly

anomalous zinc and lead.

- In early October the Company co-hosted a visit to Eritrea by a number of mining industry analysts who visited the Company's Hambok project as well as other projects in the country including Nevsun's Bisha development project. Feedback on the country and its exploration potential was very positive and we hope that this helps to more widely disseminate information about the tremendous exploration potential that we see in Eritrea.

Looking Forward

During the third quarter the Company plans drill programs at Josemaria in Argentina, Los Helados in Chile, as well as its massive sulfide targets in Eritrea. We will continue our efforts to leverage our exploration dollars and to realize value from our project portfolio by pursuing joint ventures and/or sales of projects where this makes commercial sense.