

**NGEX MINERALS LTD.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**THREE MONTHS ENDED MARCH 31, 2022**  
**(Amounts in Canadian Dollars unless otherwise indicated)**

The following management's discussion and analysis ("MD&A") of NGEx Minerals Ltd. ("NGEx Minerals" or the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2022 and related notes therein. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is derived from the Company's condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The effective date of this MD&A is May 19, 2022. Additional information about the Company and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website [www.ngexminerals.com](http://www.ngexminerals.com).

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

## **CORE BUSINESS**

NGEx Minerals is a mineral exploration company with current exploration projects in Argentina and Chile. While the Company currently holds copper-gold and gold projects in South America, going forward it may also consider other jurisdictions and commodities with an emphasis on the quality and value-creation potential of each opportunity rather than a strict commodity or geographic focus.

The Company's current flagship asset is its Los Helados copper-gold deposit, located in Region III of Chile. The Company is the majority partner and operator of the Los Helados Project, which is subject to a Joint Exploration Agreement with its partner, Nippon Caserones Resources Co. Ltd. ("NCR"). NCR became the Company's partner on April 1, 2020 when Pan Pacific Copper ("PPC") transferred its interest in Los Helados to NCR. NCR is a subsidiary of JX Nippon Mining and Metals Corporation, a Tokyo-based mining and smelting company that also owns the Caserones Mine, located approximately 15km from Los Helados.

As of the date of this MD&A, the Company held an approximate 67% interest in the Los Helados Project. The Company has been funding 100% of the expenditures related to the Los Helados Project following the election by NCR pursuant to the JEA not to fund its share of expenditures since September 1, 2015. The sole funding of expenditures at the Los Helados Project has resulted in dilution of NCR's interest, and corresponding increases to the Company's interest.

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

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

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

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

The key assumptions, parameters, and methods used to estimate the mineral resources are contained in the 43-101 technical report for the project, entitled "*Technical Report on the Los Helados Porphyry Copper-Gold Deposit, Chile*", dated August 6, 2019 and authored by F. Devine, P.Geol., G. Zandonai, RMCMC, and G. Di Prisco, P.Geol. This report is available on the Company's website at [www.ngexminerals.com](http://www.ngexminerals.com) or under the Company's profile at [www.sedar.com](http://www.sedar.com).

The Company's common shares are listed on the TSX Venture Exchange under the symbol "NGEX".

## **Q1 2022 OPERATING HIGHLIGHTS AND OUTLOOK**

### ***Drill Program at Los Helados Demonstrates Continuity and Confirms Extension of High-grade Core***

In late January 2022, the Company commenced its 2022 drill program at the Los Helados copper-gold project. The program is currently ongoing with three rigs and drilling is anticipated to continue until mid-June, coinciding with the onset of winter weather in South America. The program is designed to further define and potentially extend the high-grade core of the Los Helados deposit, which is defined by a 0.7% copper equivalent ("CuEq") grade shell within the current Mineral Resource model.

To date, assay results from the first three completed holes of the 2022 drill program have been received and released by the Company. Key achievements by these three holes include:

- LHDH073 infilling a 180m gap between previously completed holes and confirming continuity of the strong mineralization within the deposit's high-grade core;
- LHDH074 infilling an area where spacing between previous holes was between 170m and 270m and adding high-grade mineralization above and below the 0.7% CuEq grade shell; and
- LHDH075 extending the high-grade zone to the south.

The assay results of these three holes are summarized as follows:

<b>Hole-ID</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Length (m)</b>	<b>Cu (%)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>CuEq<sup>1</sup> (%)</b>
LHDH073	124.0	1,000.0	876.0	0.56	0.28	2.1	0.74
incl.	216.0	912.0	696.0	0.60	0.31	2.2	0.80
incl.	314.0	524.0	210.0	0.76	0.45	2.8	1.06
LHDH074	42.0	1,058.3	1,016.3	0.45	0.31	1.9	0.65
incl.	136.0	890.0	754.0	0.52	0.30	2.0	0.71
and incl.	210.0	504.0	294.0	0.60	0.41	2.1	0.87
and incl.	606.0	746.0	140.0	0.64	0.29	2.5	0.83
and incl.	816.0	890.0	74.0	0.58	0.25	2.5	0.74

LHDH075	14.0	922.0	908.0	0.39	0.24	1.3	0.55
incl.	88.0	652.0	564.0	0.47	0.29	1.4	0.65
incl.	222.0	602.0	380.0	0.51	0.31	1.6	0.70
incl.	222.0	378.0	156.0	0.59	0.42	1.7	0.86

<sup>1</sup> CuEq for drill intersections is calculated based on US\$ 3.50/lb Cu, US\$ 1,700/oz Au and US\$ 20/oz Ag, with metallurgical recoveries of 88% for copper, 76% for gold and 60% for silver based on a comprehensive program of metallurgical testwork. The formula is: CuEq % = Cu % + (0.6117 \* Au g/t) + (0.0057 \* Ag g/t).

Intersections of the high-grade zone by these holes are respectively represented by the 696m interval commencing at 216m for LHDH073, the 754m interval commencing at 136m for LHDH074, and the 380m interval starting at 222m for LHDH075.

The results from the first three holes of the 2022 program continue to validate the Company's improved understanding of the deposit's geology, and provide valuable information for the Company to further refine its understanding of the controls on the higher grades at Los Helados and highlight areas for potential further extension thereof.

Four additional holes have been completed to date, with assays pending and three holes are currently underway. The objective of these additional holes are as follows:

Hole	Status	Objectives
LHDH076	Completed	To test the gap between the main high-grade zone and the western zone of the deposit and to test potential extension of the western zone.
LHDH077	Completed	To test potential southern extension of the high-grade zone.
LHDH078	Completed	To test a resistivity anomaly at the northwest edge of the current Mineral Resource and to test potential northern extension of the deposit.
LHDH079	In Progress	To test for potential extension of high-grade zone at depth.
LHDH080	Completed	To test a northwest resistivity anomaly.
LHDH081	In Progress	To test potential extension of western zone.
LHDH082	In Progress	To test for potential extension of high-grade zone at depth.

Assay results for these holes will be released as they are received, analyzed and confirmed by the Company.

The data generated from the current drill program at Los Helados will form the basis for a revised geological model and will enable evaluation of alternate development scenarios for Los Helados, exploring optionality in scale of operations and mine plan strategies, which may illustrate alternate strategies for realization of value on this asset. In addition, the drill program will provide samples for additional detailed metallurgical testwork, which will allow for optimization of process flowsheets and a better understanding of variability within the orebody.

### ***Valle Ancho Drill Program Successfully Completed; New Copper-Gold Porphyry System Discovered***

The Company concluded its 2021/2022 field and drill program at the Valle Ancho copper-gold project in Catamarca Province, Argentina, in March 2022. Based on the results of previously completed reconnaissance work and geophysical surveys, the Company focused its drill program on three high priority targets and completed 3,060m of diamond drilling in 8 holes. The highlight of the program was the discovery of a new copper-gold porphyry system at the La Quebrada target with an intersection of 596.5m of 0.50% CuEq, which merits additional work to fully evaluate.

The Company completed five wide-spaced reconnaissance holes at La Quebrada during its 2021/2022 campaign, three of which intersected significant intervals of copper-gold mineralization consistent with a large porphyry system. The three discovery holes were drilled to respective depths of 601m, 271m and 431m, with each ending in mineralization.

At Nordin, hole VADH001 returned 150m at 1.05 g/t Au from surface, and VADH002 intersected 198m at 0.63 g/t Au from surface, including 70m at 0.94 g/t Au. This mineralization occurs completely within oxidized rock and is characterized by even grade distribution throughout the depth of each hole. Initial assessment and interpretation suggest that the mineralization discovered in these two holes is consistent with the style of mineralization observed in the neighbouring Maricunga Gold Belt in Chile.

Overall, the Company's first drill program at Valle Ancho has been considered a success. The discoveries made at La Quebrada and Nordin have validated the results of the Company's earlier reconnaissance and target generation work, and also confirm the prospectivity of the large and underexplored Valle Ancho land package located on the Argentinian side of the Maricunga Gold Belt.

All assay results from the Company's 8-hole campaign at Valle Ancho have now been received and are summarized as follows:

#### **Nordin Target – Near Surface, Oxide Gold Discovery**

<b>Hole-ID</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Length (m)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>
VADH001	0.0	150.0	150.0	1.05	0.67
incl.	4.0	128.0	124.0	1.21	0.73
incl.	36.0	56.0	20.0	2.12	0.59
VADH002	0.0	198.0	198.0	0.63	0.44
incl.	0.0	70.0	70.0	0.94	0.46

#### **La Quebrada Target – Copper-gold Porphyry Discovery**

<b>Hole-ID</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Length (m)</b>	<b>Cu (%)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>CuEq<sup>1</sup> (%)</b>
VADH003	4.0	600.5	596.5	0.23	0.37	1.4	0.50
incl.	4.0	108.0	104.0	0.25	0.50	1.5	0.62
incl.	350.0	600.5	250.5	0.23	0.40	1.6	0.53
VADH004	No significant values						
VADH005	0.0	271.0	271.0	0.12	0.26	1.1	0.32
incl.	76.0	271.0	195.0	0.14	0.29	1.2	0.36
incl.	138.0	224.0	86.0	0.15	0.33	1.5	0.40
VADH006	8.0	431.0	423.0	0.19	0.27	2.2	0.40
incl.	162.0	270.0	108.0	0.22	0.38	1.9	0.50
incl.	292.0	428.0	136.0	0.25	0.32	4.2	0.50
VADH007	No significant values						

<sup>1</sup> CuEq for drill intersections is calculated based on US\$ 3.50/lb Cu, US\$ 1,700/oz Au and US\$ 20/oz Ag, with metallurgical recoveries of 80% assumed for all metals. The formula is: CuEq % = Cu % + (0.7083 \* Au g/t) + (0.0083 \* Ag g/t).

#### **Anomalia 4 Target**

<b>Hole-ID</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Length (m)</b>	<b>Cu (%)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>CuEq (%)</b>
VADH008	No significant values						

The Company is now analyzing the assays from the 2021/2022 drill campaign alongside the results of regional prospecting and target development work. In addition, the Company is planning the next phase of work at La Quebrada and Nordin. Ongoing data compilation and analysis will also seek to evaluate other areas of interest for future exploration and drill programs at Valle Ancho.

The Company's interest in the Valle Ancho project, comprised of the Valle Ancho and Interceptor properties, is held through an option agreement with the Province of Catamarca, whereby it may earn a 100% interest in Valle Ancho, by making US\$8.0 million in total project expenditures by the end of 2022. As of the date of this MD&A, the Company anticipates making the remaining earn-in expenditures prior by the required deadline with additional expenses related, but not limited, to ongoing technical consultation with respect to, and analysis of, the results of the Company's first drill campaign at Valle Ancho, which may include developing preliminary geological models and interpretations.

### **Potential Impacts of COVID-19**

The Company's current plans are subject to certain risks and uncertainties, including, but not limited to, the ongoing COVID-19 pandemic. As the Company continues to monitor developments with respect to COVID-19, both globally and within its operating jurisdictions, it may implement changes to its business as may be deemed appropriate to mitigate any potential impacts to its business and its employees, contractors, visitors, and stakeholders (collectively, "Stakeholders"). Such changes may include, but are not limited to, temporary closures of the Company's project sites or offices, and deviations from the timing and nature of previous operating plans. Moreover, sustained COVID-19 outbreaks globally have resulted in operational and supply chain delays and disruption as a result of governmental regulation and preventative measures being implemented worldwide, including in Argentina and Chile. The Company could also be required to close, curtail or otherwise limit its operating activities as a result of the implementation of any such governmental regulation or preventative measures in the jurisdictions in which the Company operates, or as a result of sustained COVID-19 outbreaks at its project site or facilities. Any such closures or curtailments could have an adverse impact on the business of the Company.

## **RESULTS FROM OPERATIONS**

NGEx Minerals is a junior exploration company and, as such, its net losses are largely driven by its exploration and project investigation activities and there is no expectation of generating operating profits until it identifies and develops a commercially viable mineral deposit.

Key financial results for the last eight quarters are provided in the table below.

<b>Three Months Ended</b>	<b>Mar-22</b>	<b>Dec-21</b>	<b>Sep-21</b>	<b>Jun-21</b>	<b>Mar-21</b>	<b>Dec-20</b>	<b>Sep-20</b>	<b>Jun-20</b>
Exploration costs (\$000's)	8,582	3,518	1,390	356	402	563	390	484
Operating loss (\$000's)	9,266	4,188	1,863	810	833	1,302	1,684	829
Net loss (\$000's)	8,676	2,390	1,491	784	793	1,302	1,678	843
Net loss per share, basic and diluted (\$)	0.06	0.01	0.01	0.01	0.01	0.01	0.01	0.01

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

NGEx Minerals incurred a net loss of \$8.7 million for the three months ended March 31, 2022 (2021: \$0.8 million), including an operating loss of \$9.3 million (2021: \$0.8 million). Exploration and project investigation costs are the most significant expenditure category of the Company and for the three months ended March 31, 2022 accounted for approximately 93% of the operating loss (2021: 48%). This is reflective of the Company's accounting policy to expense its exploration costs through the consolidated statement of comprehensive loss, except for mineral property option payments and mineral property acquisition costs, which are capitalized.

Exploration and project investigation costs for the three months ended March 31, 2022 were \$8.6 million (2021: \$0.4 million). The increase for the three months ended March 31, 2022 is due to the Company's undertaking of simultaneous field and drill programs at the Valle Ancho properties in the Province of Catamarca, Argentina, and the Los Helados properties in Region III, Chile, as discussed in the "Q1 2022 Operating Highlights" section above. By comparison, during the three months ended March 31, 2021, the Company was focused on business development initiatives and did not conduct any significant field work at its mineral properties due to the safety concerns at the time related to the COVID-19 pandemic.

Excluding share-based compensation, administration costs for the three months ended March 31, 2022 totaled \$0.4 million (2021: \$0.3 million). Share-based compensation, a non-cash cost, reflects the amortization of the estimated fair value of options over their vesting period and is based to a large degree on the Company's share price and its volatility. The actual future value to the option holders may differ materially from these estimates as it depends on the trading price of the Company's shares if and when the options are exercised. In addition, as the granting of options and their vesting is at the discretion of the Board, the related expense is unlikely to be uniform across quarters or financial years.

Administration costs, exclusive of share-based compensation costs, for the three months ended March 31, 2022 were marginally higher than the 2021 comparative period due primarily to higher travel and promotional costs. During the three months ended March 31, 2021, the Company had curtailed all non-essential business travel and had reduced its discretionary spending, including promotional costs, in response to COVID-19 and the resulting uncertainty and heightened volatility in public markets. The Company has resumed these activities in late 2021, resulting in higher costs for the first quarter of 2022.

The Company recognized net monetary gain of \$113,459 during the three months ended March 31, 2022 (2021: \$3,797), in relation to the application of hyperinflationary accounting for the Company's Argentine subsidiaries. The monetary gain recognized is the result of changes in the Argentine price indices and changes to the Company's net monetary position during the period. Further discussion regarding the application of hyperinflationary accounting has been provided in the notes to the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2022.

From time to time, the Company acquires and transfers marketable securities as a mechanism to facilitate intragroup funding transfers between its Canadian parent and its Argentine operating subsidiaries. During the three months ended March 31, 2022, the Company recognized a gain of \$459,908 (2021: \$42,680) on the use of marketable securities for this purpose, which represents the net benefit of having used this funding mechanism over traditional methods. The increase in the gain is the result of more funding provided to its Argentine subsidiaries during the three months ended March 31, 2022, compared to the 2021 comparative period.

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

In other comprehensive income, the Company reported foreign currency translation gain of \$183,875 for the three months ended March 31, 2022 (2021: loss of \$113,789) on translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. For the three months ended March 31, 2022, the foreign currency translation gain is primarily the result of fluctuations of the Canadian dollar relative to the Chilean peso over the period. In addition, for the three months ended March 31 2022, the impacts of hyperinflation amounted to a loss of \$119,838 (2021: \$8,868) and consists of adjustments recognized on the continuing inflation of non-monetary balances during the period and the ongoing translation of the Company's Argentine subsidiary into the Canadian dollar presentation currency.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at March 31, 2022, the Company had cash of \$16.0 million and net working capital of \$11.6 million, compared to cash of \$21.0 million and net working capital of \$20.0 million as at December 31, 2021. The Company's cash and net working capital balance decreased during the three months ended March 31, 2022 due primarily to funds used in operations, including option payments made for the Los Helados properties, and for general corporate purposes. This was partially offset by gross proceeds of \$0.2 million received by the Company on the exercise of stock options during the three months ended March 31, 2022 (2021: \$nil).

The Company anticipates that it will deploy the majority of its treasury to fund ongoing work programs at Los Helados in Chile and Valle Ancho in Argentina and also to support general corporate and working capital purposes.

### ***Maturation of 2021 Facility***

In February 2021, the Company obtained an unsecured US\$3.0 million credit facility (the "2021 Facility") from Zebra Holdings and Investments S.à.r.l. ("Zebra") and Lorito Holdings S.à.r.l. ("Lorito"), companies controlled by a trust settled by the late Adolf H. Lundin. Zebra and Lorito report their respective security holdings in the Company as joint actors, as defined by Canadian securities regulations, and are related parties of the Company by virtue of their combined shareholding in the Company in excess of 20%.

The 2021 Facility matured on February 19, 2022 with no amounts drawn or owing. No interest was paid in cash during its term.

## **RELATED PARTY TRANSACTIONS**

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. Other than those related party transactions identified elsewhere in this MD&A, during the three months ended March 31, 2022, the Company also engaged with Josemaria Resources Inc. ("Josemaria") and Filo Mining Corp. ("Filo Mining"), related parties by way of directors, officers and shareholders in common, and MOAR Consulting Inc. ("MOAR"), an exploration consulting firm, of which a director of the Company is the president.

### ***Related party services***

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

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2022</b>	<b>2021</b>
Management Services to Josemaria	29,432	14,532
Management Services to Filo Mining	93,062	134,303
Management Services from Josemaria	-	(21,784)
Management Services from Filo Mining	(189,078)	(89,469)
Exploration Consultation from MOAR	(12,750)	(24,375)

### ***Related party balances***

The amounts due from (to) related parties, and the components of the consolidated statement of financial position in which they are included, are as follows:

	<b>Related Party</b>	<b>March 31,</b>	<b>December 31,</b>
		<b>2022</b>	<b>2021</b>
Receivables and other assets	Josemaria	32,633	27,996
Receivables and other assets	Filo Mining	67,466	24,343
Accounts payable and accrued liabilities	Josemaria	-	(1,667)
Accounts payable and accrued liabilities	Filo Mining	(90,109)	(15,113)
Accounts payable and accrued liabilities	MOAR	(17,675)	-

### ***Key management compensation***

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

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2022</b>	<b>2021</b>
Salaries and other payments	123,500	118,500
Short-term employee benefits	4,371	3,567
Directors fees	20,500	20,500
Stock-based compensation	228,396	105,183
	<b>376,767</b>	<b>247,750</b>

## **SIGNIFICANT ACCOUNTING POLICIES**

The Company continues to follow the accounting policies described in Note 3 to the consolidated financial statements for the year ended December 31, 2021, as filed on SEDAR at [www.sedar.com](http://www.sedar.com) on April 13, 2022.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS, including the condensed interim consolidated financial statements for the three months ended March 31, 2022, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenditures. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual results could differ from those estimates and such differences could be material. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. There have been no material changes to the critical accounting estimates discussed in the annual 2021 MD&A filed on SEDAR at [www.sedar.com](http://www.sedar.com) on April 13, 2022.

## FINANCIAL INSTRUMENTS

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

As at March 31, 2022 the Company's financial instruments are exposed to the following financial risks, including credit, liquidity and currency risks:

- (i) Credit risks associated with cash is mitigated by the Company's practice of holding the majority of its cash with a large Canadian financial institution that has been accorded a strong investment grade rating by a primary rating agency.
- (ii) Liquidity risks associated with the inability to meet obligations as they become due is minimized through the management of its capital structure and by maintaining good relationships with significant shareholders and creditors, such as Zebra and Lorito. The Company also closely monitors and reviews its costs to date and actual cash flows on a monthly basis.

The maturities of the Company's financial liabilities as of March 31, 2022 are as follows:

	<b>Total</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
Accounts payable and accrued liabilities	5,376,629	5,376,629	-	-
Due to exploration partner	4,254,561	-	-	<b>4,254,561</b>
<b>Total</b>	<b>9,631,190</b>	<b>5,376,629</b>	-	<b>4,254,561</b>

In accordance with the terms of a Joint Exploration Agreement between the Company and the partner, NCR, the Company is required to fund NCR's share of exploration expenditures related to the La Rioja properties (the "Obligation"). The undiscounted value of the Obligation remained US\$3.4 million as at March 31, 2022, and has no defined timeline for settlement. The Obligation has been discounted at an annual effective rate of 8%, and recorded at its present value having the Canadian dollar equivalent of \$388,067 at March 31, 2022. The figure provided in the preceding table represents the Canadian dollar equivalent of the liability on an undiscounted basis.

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

At March 31, 2022, the Company's largest foreign currency risk exposure existed at the level of its Chilean operating subsidiary, where the Company held a net financial asset position denominated in US dollars having a Canadian dollar equivalent of approximately \$2.1 million. A 10% change in the foreign exchange rate between the US dollar, and the Chilean Peso, the subsidiary's functional currency, would give rise to increases/decreases of approximately \$210,000 in financial position/comprehensive loss.

## **OUTSTANDING SHARE DATA**

As at May 19, 2022, the Company had 156,698,844 common shares outstanding and 10,513,334 share options outstanding under its share-based incentive plan.

## **RISKS AND UNCERTAINTIES**

The operations of the Company are speculative due to the high-risk nature of its business, which includes the acquisition, financing, exploration, development and operation of mineral and mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, and these risk factors could materially affect the Company's future operations and financial position and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's annual 2021 MD&A, as filed on SEDAR at [www.sedar.com](http://www.sedar.com) on April 13, 2022.

## **QUALIFIED PERSON AND TECHNICAL INFORMATION**

The scientific and technical disclosure included in this MD&A have been reviewed and approved by Bob Carmichael, P. Eng. (BC). Mr. Carmichael is the Company's Vice-President of Exploration and a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects. ("NI 43-101").

Mineral Resource estimates for the Los Helados Project have an effective date of April 26, 2019. The key assumptions, parameters, and methods used to estimate the mineral resources are contained in the 43-101 technical report for the project, entitled "*Technical Report on the Los Helados Porphyry Copper-Gold Deposit, Chile*", dated August 6, 2019 and authored by F. Devine, P.Geo., G. Zandonai, RMCMC, and G. Di Prisco, P.Geo. This report is available on the Company's website at [www.ngexminerals.com](http://www.ngexminerals.com) or under the Company's profile at [www.sedar.com](http://www.sedar.com).

Mineral Resources are reported using a copper equivalent cutoff grade. For the Mineral Resource estimate, copper equivalent at the time was calculated using US\$3.00/lb copper, US\$ 1,300/oz gold and US\$23/oz silver, and included a provision for selling costs and metallurgical recoveries corresponding to three zones defined by depth below surface. The formulas used were:  $CuEq\% = Cu\% + 0.6264 * Au (g/t) + 0.0047 * Ag (g/t)$  for the Upper Zone (surface to ~ 250 m);  $Cu\% + 0.6366 * Au (g/t) + 0.0077 * Ag (g/t)$  for the Intermediate Zone (~250 m to ~600 m);  $Cu\% + 0.6337 * Au (g/t) + 0.0096 * Ag (g/t)$  for the Deep Zone (> ~600 m).

Copper equivalent values reported for the 2021/2022 Valle Ancho and 2022 Los Helados drill results were based on US\$ 3.50/lb Cu, US\$ 1,700/oz Au and US\$ 20/oz Ag. Respective assumed metal recoveries and CuEq formulae are as presented in the footnote to the associated tables of summarized drill results (see "Q1 2022 Operating Highlights" section above).

The Company's Mineral Resource estimates as reported in this MD&A have been prepared in accordance with the CIM Definition Standards that are incorporated by reference in NI 43-101.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements made and information contained herein in the MD&A constitutes "forward-looking information" and forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information" or "forward-looking statements") concerning the business, operations, financial performance and condition of NEX Minerals. The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume, any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects", "estimates", "budgets", "scheduled", "forecasts", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "should", "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding Mineral Resource estimates, cost estimates, changes in commodity prices, currency fluctuation, financings, changes in share price; unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the "Risks and Uncertainties" section of the MD&A, and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information pertaining to: the assumptions used in the Mineral Resources estimates for the Los Helados Project, including, but not limited to, geological interpretation and grades; assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits; expectations regarding access and demand for equipment, skilled labour and services

needed for exploration and development of mineral properties; and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks. In addition, this MD&A may contain forward-looking statements or information pertaining to: the Company's ability to respond to or navigate, and/or methods by which it responds to or navigates, the COVID-19 pandemic; the expected size, scope and results of the Company's current exploration program at Los Helados, including the expected timing of receipt of pending assay results therefrom and conclusion thereof; whether current interpretation of the exploration and/or drill results to date at Valle Ancho will be confirmed by future work, including statements regarding the prospectivity or significance of the Valle Ancho land package or portions thereof; exploration and development plans and expenditures, including those pertaining to Valle Ancho and the 2021/2022 program at Los Helados; the ability and/or the willingness of the Company to meet the remaining earn-in expenditure at Valle Ancho to secure a 100% interest therein by December 31, 2022; the timing and nature of work undertaken to advance the Los Helados Project or the Valle Ancho Project; the future uses of the Company's cash and working capital; the success of future exploration activities; potential for the discovery of new mineral deposits; ability to build shareholder value; expectations with regard to adding to Mineral Resources through exploration; expectations with respect to the conversion of Inferred Resources to an Indicated Resource classification, or the conversion of Indicated Resources to a Measured Resource classification; ability to execute the planned work programs; estimation of commodity prices, Mineral Resources, estimations of costs, and permitting time lines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

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

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