

**NGEx Minerals Ltd.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

|   | <i>Note</i> | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|---|-------------|-------------------------------|------------------------------|
| <b>ASSETS</b>   |             |                               |                              |
| Current assets:                                       |             |                               |                              |
| Cash  |             | \$ 66,050,037                 | \$ 23,249,241                |
| Receivables and other assets                          | <i>4</i>    | 2,961,820                     | 4,300,559                    |
| Short-term investments                                | <i>5</i>    | 15,022,541                    | -                            |
|   |             | <u>84,034,398</u>             | <u>27,549,800</u>            |
| Non-current assets:                                   |             |                               |                              |
| Receivables and other assets                          | <i>4</i>    | 513,083                       | 840,337                      |
| Equipment   |             | 11,385                        | 18,723                       |
| Mineral properties                                    | <i>6</i>    | 3,853,432                     | 3,902,697                    |
|   |             | <u>4,377,900</u>              | <u>4,761,757</u>             |
| <b>TOTAL ASSETS</b>                                   |             | <b>88,412,298</b>             | <b>32,311,557</b>            |
| <b>LIABILITIES</b>                                    |             |                               |                              |
| Current liabilities:                                  |             |                               |                              |
| Trade payables and accrued liabilities                |             | 3,690,440                     | 7,327,951                    |
| Non-current liabilities:                              |             |                               |                              |
| Due to exploration partner                            | <i>8</i>    | 629,271                       | 630,460                      |
| Accrued liabilities                                   |             | 338,000                       | 338,600                      |
|   |             | <u>967,271</u>                | <u>969,060</u>               |
| <b>TOTAL LIABILITIES</b>                              |             | <b>4,657,711</b>              | <b>8,297,011</b>             |
| <b>SHAREHOLDERS' EQUITY</b>                           |             |                               |                              |
| Share capital   | <i>9</i>    | 182,113,001                   | 97,613,481                   |
| Contributed surplus                                   |             | 7,869,055                     | 4,347,722                    |
| Deficit   |             | (104,762,474)                 | (75,658,411)                 |
| Accumulated other comprehensive loss                  |             | (1,464,995)                   | (2,288,246)                  |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                     |             | <b>83,754,587</b>             | <b>24,014,546</b>            |
| <b>TOTAL LIABILITIES AND<br/>SHAREHOLDERS' EQUITY</b> |             | <b>\$ 88,412,298</b>          | <b>\$ 32,311,557</b>         |

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

On behalf of the Board:

/s/Alessandro Bitelli  
Director

/s/Wojtek A. Wodzicki  
Director

**NGEx Minerals Ltd.**  
**Condensed Interim Consolidated Statements of Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

|  | <i>Note</i> | <b>Three months ended<br/>September 30,</b> |                     | <b>Nine months ended<br/>September 30,</b> |                      |
|--|-------------|---|---------------------|--|----------------------|
|  |             | <b>2023</b>                                 | <b>2022</b>         | <b>2023</b>                                | <b>2022</b>          |
| <b>Expenses</b>  |             |   |                     |  |                      |
| Exploration and project investigation                    | <i>11</i>   | \$ 4,468,579                                | \$ 4,538,769        | \$ 30,488,647                              | \$ 22,885,356        |
| General and administration:                              |             |   |                     |  |                      |
| Salaries and benefits                                    |             | 1,697,398                                   | 281,566             | 2,478,302                                  | 715,366              |
| Share-based compensation                                 | <i>10c</i>  | 2,043,922                                   | 1,192,442           | 3,015,211                                  | 1,779,945            |
| Management fees  |             | 43,255                                      | 36,780              | 149,845                                    | 110,340              |
| Professional fees  |             | 239,588                                     | 22,637              | 351,132                                    | 107,554              |
| Travel   |             | 13,068                                      | 7,529               | 113,007                                    | 40,793               |
| Promotion and public relations                           |             | 51,155                                      | 102,863             | 260,429                                    | 186,333              |
| Office and general                                       |             | 118,372                                     | 60,131              | 417,683                                    | 209,902              |
| <b>Operating loss</b>                                    |             | <b>8,675,337</b>                            | <b>6,242,717</b>    | <b>37,274,256</b>                          | <b>26,035,589</b>    |
| <b>Other expenses (income)</b>                           |             |   |                     |  |                      |
| Interest Income  |             | (679,899)                                   | (12,174)            | (886,940)                                  | (74,030)             |
| Financing costs  |             | 19,545                                      | 8,524               | 58,500                                     | 28,197               |
| Foreign exchange loss (gain)                             |             | 34,498                                      | 30,964              | 18,381                                     | (64,692)             |
| Net monetary loss (gain)                                 | <i>3</i>    | 590,861                                     | (17,318)            | 463,649                                    | (74,572)             |
| Other recoveries   |             | -   | -                   | (214)                                      | (195)                |
| Gain on use of marketable securities, net                | <i>14</i>   | (4,422,338)                                 | (184,407)           | (7,823,569)                                | (1,455,078)          |
| <b>Net loss</b>  |             | <b>4,218,004</b>                            | <b>6,068,306</b>    | <b>29,104,063</b>                          | <b>24,395,219</b>    |
| <b>Other comprehensive loss</b>                          |             |   |                     |  |                      |
| Items that may be reclassified subsequently to net loss: |             |   |                     |  |                      |
| Foreign currency translation adjustment                  |             | 598,179                                     | 26,808              | 548,960                                    | 242,483              |
| Impact of hyperinflation                                 | <i>3</i>    | (951,342)                                   | 12,969              | (1,372,211)                                | 65,542               |
| <b>Comprehensive loss</b>                                |             | <b>\$ 3,864,841</b>                         | <b>\$ 6,108,083</b> | <b>\$ 28,280,812</b>                       | <b>\$ 24,703,244</b> |
| <b>Basic and diluted loss per common share</b>           |             |   |                     |  |                      |
|  |             | \$ 0.02                                     | \$ 0.04             | \$ 0.17                                    | \$ 0.16              |
| <b>Weighted average common shares outstanding</b>        |             |   |                     |  |                      |
|  |             | 180,292,605                                 | 156,934,852         | 175,091,030                                | 156,755,038          |

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

**NGEx Minerals Ltd.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

|  | <i>Note</i> | <b>2023</b>         | <b>Nine months ended<br/>September 30,<br/>2022</b> |
|--|-------------|---------------------|---|
| <b>Cash flows used in operating activities</b>                 |             |                     |   |
| Net loss for the period  |             | \$ (29,104,063)     | \$ (24,395,219)                                     |
| Adjustments to reconcile net loss to net operating cash flows: |             |                     |   |
| Depreciation   |             | 9,698               | 8,595   |
| Share-based compensation                                       | <i>10c</i>  | 3,912,692           | 2,201,709   |
| Finance costs  |             | 58,500              | 28,197  |
| Foreign exchange loss  |             | 31,236              | 31,956  |
| Interest income from short term investment                     |             | (22,541)            | -   |
| Net monetary loss  |             | 749,507             | 115,009   |
| Net changes in working capital and other items:                |             |                     |   |
| Receivables and other  |             | 1,000,259           | 405,477   |
| Trade payables and accrued liabilities                         |             | (2,888,944)         | 1,511,813   |
|  |             | <u>(26,253,656)</u> | <u>(20,092,463)</u>                                 |
| <b>Cash flows from (for) financing activities</b>              |             |                     |   |
| Payments made on behalf of exploration partner                 |             | (38,885)            | (24,863)  |
| Proceeds from equity financings                                | <i>9</i>    | 85,659,990          | -   |
| Share issuance costs   | <i>9</i>    | (2,439,071)         | -   |
| Proceeds from option exercises                                 |             | 887,242             | 389,780   |
|  |             | <u>84,069,276</u>   | <u>364,917</u>                                      |
| <b>Cash flows used in investing activities</b>                 |             |                     |   |
| Purchase of short-term investment                              | <i>5</i>    | (15,000,000)        | -   |
| Mineral properties and related expenditures                    | <i>6</i>    | (133,923)           | (126,220)   |
|  |             | <u>(15,133,923)</u> | <u>(126,220)</u>                                    |
| <b>Effect of exchange rate change on cash</b>                  |             | 119,099             | (508,464)   |
| <b>Decrease in cash during the period</b>                      |             | 42,800,796          | (20,362,230)  |
| <b>Cash, beginning of the period</b>                           |             | \$ 23,249,241       | \$ 21,000,042                                       |
| <b>Cash, end of the period</b>                                 |             | \$ 66,050,037       | \$ 637,812  |

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**NGEx Minerals Ltd.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

|  | <i>Note</i> | <b>Number of<br/>Shares</b> | <b>Share Capital</b>  | <b>Contributed<br/>Surplus</b> | <b>Deficit</b>          | <b>Accumulated<br/>Other<br/>Comprehensive<br/>Loss</b> | <b>Total<br/>Shareholders'<br/>Equity</b> |
|--|-------------|-----------------------------|-----------------------|--------------------------------|-------------------------|---|---|
| <b>Balance, January 1, 2022</b>                  |             | 156,291,344                 | \$ 67,523,831         | \$ 1,616,855                   | \$ (43,243,149)         | \$ (2,514,164)  | \$ 23,383,373                             |
| Share-based compensation                         | <i>10c</i>  | -                           | -                     | 2,201,709                      | -                       | -   | 2,201,709                                 |
| Shares issued pursuant to credit facilities      | <i>10b</i>  | 12,500                      | 26,250                | -                              | -                       | -   | 26,250                                    |
| Shares issued pursuant to stock option exercises |             | 730,166                     | 537,111               | (147,331)                      | -                       | -   | 389,780                                   |
| Net loss and other comprehensive loss            |             | -                           | -                     | -                              | (24,395,219)            | (308,025)   | (24,703,244)                              |
| <b>Balance, September 30, 2022</b>               |             | <b>157,034,010</b>          | <b>\$ 68,087,192</b>  | <b>\$ 3,671,233</b>            | <b>\$ (67,638,368)</b>  | <b>\$ (2,822,189)</b>                                   | <b>\$ 1,297,868</b>                       |
| <b>Balance, January 1, 2023</b>                  |             | 172,123,530                 | \$ 97,613,481         | \$ 4,347,722                   | \$ (75,658,411)         | \$ (2,288,246)  | \$ 24,014,546                             |
| Share-based compensation                         | <i>10c</i>  | -                           | -                     | 3,912,692                      | -                       | -   | 3,912,692                                 |
| Shares issued pursuant to equity financings      | <i>9</i>    | 13,178,460                  | 85,659,990            | -                              | -                       | -   | 85,659,990                                |
| Share issuance costs                             | <i>9</i>    | -                           | (2,439,071)           | -                              | -                       | -   | (2,439,071)                               |
| Shares issued pursuant to stock option exercises | <i>10b</i>  | 1,122,501                   | 1,278,601             | (391,359)                      | -                       | -   | 887,242                                   |
| Net loss and other comprehensive loss            |             | -                           | -                     | -                              | (29,104,063)            | 823,251   | (28,280,812)                              |
| <b>Balance, September 30, 2023</b>               |             | <b>186,424,491</b>          | <b>\$ 182,113,001</b> | <b>\$ 7,869,055</b>            | <b>\$ (104,762,474)</b> | <b>\$ (1,464,995)</b>                                   | <b>\$ 83,754,587</b>                      |

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

**NGEx Minerals Ltd.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2023 and 2022**  
**(Expressed in Canadian Dollars, unless otherwise stated)**  
**(Unaudited)**

**1. NATURE OF OPERATIONS**

NGEx Minerals Ltd. (the "Company" or "NGEx Minerals") was incorporated on February 21, 2019, under the laws of the Canada Business Corporations Act in connection with a plan of arrangement, which was completed on July 17, 2019.

The Company's principal business activities are the acquisition, exploration and development of mineral properties located in South America. The Company's registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. The Company's common shares trade on the TSX Venture Exchange (the "TSXV") under the symbol "NGEX".

**2. BASIS OF PRESENTATION**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS"), applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. Accordingly, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted, and these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022. In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies as disclosed in the audited consolidated financial statements for the year ended December 31, 2022. Certain prior year comparatives have been reclassified to align with current year presentation. Specifically, interest income is now separately presented on the condensed interim consolidated statements of comprehensive loss.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 24, 2023.

**3. HYPERINFLATION**

Argentina was designated a hyperinflationary economy as of July 1, 2018 for accounting purposes.

Accordingly, the application of hyperinflation accounting has been applied to the Company's Argentine subsidiaries' non-monetary assets and liabilities, shareholders' equity and comprehensive loss items from the transaction date when they were first recognized into the current purchasing power, which reflects a price index current at the end of the reporting period before being included in the consolidated financial statements. To measure the impact of inflation on its financial position and results, the Company has elected to use the Wholesale Price Index (*Indice de Precios Mayoristas* or "*IPIM*") for periods up to December 31, 2016, and the Retail Price Index (*Indice de Precios al Consumidor* or "*IPC*") thereafter. These price indices have been recommended by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences.

As the consolidated financial statements of the Company have been previously presented in Canadian dollars, a stable currency, the comparative period amounts do not require restatement.

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The Company recognized a gain of \$951,342 and \$1,372,211, respectively, for the three and nine months ended September 30, 2023 (2022: loss of \$12,969 and \$65,542) in relation to the impact of hyperinflation within other comprehensive income. The hyperinflationary gains and losses are generally the impact of two opposing factors:

- Gains are driven by the hyperinflationary impacts on capital injected into the Argentine subsidiaries during the period ("Gain on Capital Injected").
- Losses are largely the result of depreciation of the Argentine peso relative to the Canadian dollar during the period, and its impact upon translation of the Argentine subsidiaries' accounts into the Canadian dollar reporting currency ("Loss on Translation").

For the three and nine months ended September 30, 2023, Gains on Capital Injected were the dominant factor due to capital injected into the Company's Argentine subsidiaries in support of operations, which resulted in net hyperinflationary gains in the respective periods.

As a result of changes in the IPC and changes to the Company's net monetary position during the three and nine months ended September 30, 2023, the Company recognized net monetary losses of \$590,861 and \$463,649, respectively (2022: gains of \$17,318 and \$74,572) to adjust transactions recorded during the period into a measuring unit current as of September 30, 2023.

The level of the IPC at September 30, 2023, was 2,304.92 (2022: 1,134.59), which represents an increase of approximately 103% over the IPC at December 31, 2022, and an approximate 40% increase over the average level of the IPC during the nine months ended September 30, 2023.

**4. RECEIVABLES AND OTHER ASSETS**

|  | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|--|-------------------------------|------------------------------|
| <b>Current</b>                             |                               |                              |
| Taxes receivable                           | 74,015                        | 108,932                      |
| Other receivables                          | 1,917,388                     | 2,857,214                    |
| Prepaid expenses, advances<br>and deposits | 970,417                       | 1,334,413                    |
|  | <b>2,961,820</b>              | <b>4,300,559</b>             |
| <b>Non-current</b>                         |                               |                              |
| Deferred surface access rights             | 513,083                       | 840,337                      |
|  | <b>513,083</b>                | <b>840,337</b>               |

Receivable from Exploration Partner

As at September 30, 2023, current other receivables includes a Canadian dollar equivalent of approximately \$1,106,203 (2022: \$2,730,489) receivable from the Company's exploration partner at the Los Helados properties (Note 6).

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Deferred Surface Access Rights

*Reduced Surface Access Rights Agreements*

Historically, the Company has had a contractual agreement with the owners of the surface rights covering the Los Helados properties, which gave the Company access over these surface rights for exploration, development, and mining through to closure of any mining operation, in exchange for certain payments which are linked to project activities and certain development milestones (the "Original Surface Access Agreement"). The Original Surface Access Agreement provided for minimum annual payments of US\$0.5 million which covered basic access to the property and minimal surface disturbance such as road maintenance.

On January 26, 2021, the Original Surface Access Agreement was mutually terminated by the Company and the holders of the surface rights and replaced with a reduced surface access agreement with an effective period of three years (the "Reduced Surface Access Agreement"). The Reduced Surface Access Agreement resulted in decreased payments receivable by the holders of the surface rights in return for a reduction in permitted activities by the Company at the Los Helados properties over its term. As a result, the payments by the Company to the holders of the surface rights were reduced to a total of US\$400,000 over the term of the Reduced Surface Access Agreement, with US\$200,000 paid upon execution in January 2021 and the remainder paid in January 2022.

As the payments related to the Reduced Surface Access Agreement provide the Company the benefit of access for the period ending January 26, 2024, the contractual amount was initially deferred and has been amortized over the life of the agreement.

On November 22, 2022, the Company and the owners of the Los Helados surface rights negotiated an amendment to the Reduced Surface Access Agreement, whereby the term of the agreement was extended to January 26, 2026, in exchange for a US\$250,000 payment upon execution, and additional payments of US\$250,000 in each November 22, 2023, and 2024 (the "Extension Agreement"). Accordingly, as at September 30, 2023, the payment of US\$250,000 due in November 2023 has been recognized within current trade payables and accrued liabilities, and the payment of US\$250,000 due in November 2024 has been recognized within non-current accrued liabilities. As at September 30, 2023, each of the current and non-current portions of the contractual liability had a Canadian dollar equivalent of approximately \$338,000.

Similar to above, all contractual amounts with respect to the Extension Agreement were initially deferred and will be amortized over the term of the agreement ending January 26, 2026. In addition, the term over which the remaining undeferred amounts with respect to the Reduced Surface Access Agreement will be amortized was prospectively extended to January 26, 2026.

The pro rata portion of deferred amounts relating to the 12 months ending September 30, 2024, have been classified as a current asset, whereas all other deferred amounts have been classified as non-current.

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*Temporarily Restored Surface Access Rights*

On November 30, 2021, the Company and the owners of the surface rights at Los Helados executed a temporary restoration of the Company's surface access rights as outlined in the Original Surface Access Agreement (the "2021-2022 Restored Rights Agreement"). Pursuant to the 2021-2022 Restored Rights Agreement, the Company paid US\$300,000 to the holders of the Los Helados surface rights in exchange for reinstated surface access from date of execution until December 31, 2022. The amounts paid with respect to the 2021-2022 Restored Rights Agreement were initially deferred and have been amortized through the consolidated statements of comprehensive loss.

On November 22, 2022, the Company and the owners of the Los Helados surface access rights further restored the Company's surface access rights on a temporary basis with an additional agreement (the "2023 Restored Rights Agreement"). The 2023 Restored Rights Agreement allows the Company to carry on drilling and exploration activities at Los Helados during the year ending December 31, 2023, in exchange for a payment of US\$450,000. As the incremental payment related to the temporary reinstatement of surface access rights provides the Company the benefit of access up to December 31, 2023, the pro rata portion relating to the three months ending December 31, 2023, have been deferred as a current asset.

**5. SHORT-TERM INVESTMENTS**

Short-term investments include monetary instruments which cannot be redeemed or otherwise liquidated within three months of its purchase date.

At September 30, 2023, the Company held short-term, fixed-income monetary instruments earning interest at an average rate of 5.5% per annum and maturing on or before September 20, 2024. At September 30, 2023, the total value of the short-term investments totaled \$15,022,541 (2022: \$nil), which included \$15,000,000 in total principal.

**6. MINERAL PROPERTIES**

|  | <b>Los Helados<br/>Project</b> |
|--|--------------------------------|
| Balance at January 1, 2022             | <b>\$ 3,537,087</b>            |
| Additions                              | 126,220                        |
| Effect of foreign currency translation | 239,390                        |
| Balance at December 31, 2022           | <b>\$ 3,902,697</b>            |
| Additions                              | 133,923                        |
| Effect of foreign currency translation | (183,188)                      |
| Balance at September 30, 2023          | <b>\$ 3,853,432</b>            |
| <u>Los Helados Project</u>             |                                |

The Company's holds interests in the Los Helados properties and the La Rioja properties (together, the "Los Helados Project"), which are comprised of adjacent mineral titles in Region III, Chile, and the San Juan Province in Argentina. At September 30, 2023, the Company held an approximate 69% interest in the underlying Los Helados properties and a 60% interest in the La Rioja properties.

## **NGEx Minerals Ltd.**

### **Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2023 and 2022 (Expressed in Canadian Dollars, unless otherwise stated) (Unaudited)**

The Company is the majority partner and operator of the Los Helados Project, which is subject to a Joint Exploration Agreement ("JEA") with its exploration partner, Nippon Caserones Resources LLC ("NCR", previously Nippon Caserones Resources Co. Ltd). NCR is a subsidiary of JX Nippon Mining and Metals Corporation, a Tokyo-based mining and smelting company that also has an indirect 49% ownership interest in the Caserones Mine, located approximately 12 kilometres from the Los Helados properties. The 51% controlling interest in the Caserones Mine is held by Lundin Mining Corporation.

The Company had sole funded 100% of the expenditures related to the Los Helados properties as the result of elections by the exploration partner pursuant to the JEA not to fund its share of expenditures for the period from September 1, 2015, to August 31, 2022. The sole funding of expenditures at the Los Helados properties during this period resulted in dilution of NCR's interest, and corresponding increases to the Company's interest, resulting in the amounts noted above.

The foregoing notwithstanding, NCR elected to exercise its right to fund its pro rata share of qualifying expenditures related to the Los Helados properties since September 1, 2022. Amounts contributed or contributable by NCR with respect to its funding commitment for the Los Helados properties are recorded as reductions to exploration and project investigation costs and total \$178,849 and \$6,174,330, respectively, for the three and nine months ended September 30, 2023 (2022: \$nil).

#### Valle Ancho Properties

In November 2022, the Company secured a 100% interest in the Valle Ancho and Interceptor properties (collectively, the "Valle Ancho Properties"), located in Catamarca, Argentina, by making its formal submissions to the Province of Catamarca to evidence its completion of the US\$8.0 million minimum expenditure requirement.

#### Lunahuasi Project

The Company holds a 100% interest in the Lunahuasi Project, previously known as Potro Cliffs, an exploration target located in San Juan Province, Argentina. Lunahuasi lies along the same major north-northeast structural trend that controls the Filo del Sol deposit located approximately 6 km to the south and the Los Helados deposit located approximately 9 km to the north.

## **7. CREDIT FACILITIES**

On September 28, 2022, the Company obtained an unsecured US\$3.0 million credit facility (the "2022 Facility") from Zebra Holdings and Investments S.à.r.l ("Zebra") and Lorito Holdings S.à.r.l. ("Lorito") to provide financial flexibility to fund ongoing exploration and for general corporate purposes. Zebra and Lorito are related parties of the Company by virtue of their combined shareholding in the Company in excess of 20%.

As consideration for the 2022 Facility, Zebra and Lorito received 12,500 common shares upon execution thereof (the "2022 Commitment Shares") and were entitled to receive an additional 200 common shares each month, for every US\$50,000 in principal outstanding, prorated accordingly for the number of days outstanding.

During the three and nine months ended September 30, 2023, the Company made no draws against the 2022 Facility, which matured on September 28, 2023. No interest was payable in cash during its term.

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During the three and nine months ended September 30, 2023 the Company issued no common shares to Zebra and Lorito in connection with the 2022 Facility (2022: 12,500). As a result of amortization of the 2022 Commitment Shares, the Company recognized \$6,563 and \$19,688, respectively, for the three and nine months ended September 30, 2023 (2022: \$nil and \$3,334) in financing costs through the consolidated statement of comprehensive loss.

All common shares issued in conjunction with the facilities were subject to a four-month hold period under applicable securities laws.

## **8. DUE TO EXPLORATION PARTNER**

The Company has an obligation to fund a partner's share of exploration expenditures related to the La Rioja properties (the "Obligation"). In accordance with the terms of the JEA between the Company and the partner, NCR, the Company has elected to settle the Obligation through funding NCR's share of exploration expenditures, which remained US\$3.4 million as at September 30, 2023, and has no defined timeline for settlement.

The Company considered the estimated timeframe required to expend the remaining US\$3.4 million on behalf of NCR at the La Rioja properties and has presented the remaining obligation as a non-current liability, discounted to its present value at an annual effective rate of 8%. As at September 30, 2023, the present value of the Obligation had the Canadian dollar equivalent of \$629,271 (2022: \$630,460).

## **9. SHARE CAPITAL**

The Company has authorized an unlimited number of voting common shares without par value.

On August 11, 2023, the Company closed a non-brokered private placement, pursuant to which the Company sold an aggregate of 13,178,460 common shares at a price of \$6.50 per common share, generating aggregate gross proceeds of \$85.7 million (the "Financing"). Share issuance costs related to the Financing totaled \$2.4 million, and included professional fees, regulatory fees, and 5% finders' fees payable in cash on approximately \$20.6 million of the gross proceeds from the Financing.

Pursuant to the Financing, Nemesia S.à.r.l. ("Nemesia"), which acts jointly and reports its shareholdings together with Zebra and Lorito, purchased 4,307,692 common shares pursuant to the terms outlined above, for gross proceeds of \$30.0 million. By virtue of Nemesia, Zebra and Lorito's combined shareholding in the Company in excess of 20%, Nemesia is also considered a related party of the Company. In addition, pursuant to the Financing, directors of the Company purchased a total of 465,000 common shares pursuant to the terms outlined above, for gross proceeds of \$3.0 million.

The common shares issued under the Financing are subject to a hold period, which expires on December 12, 2023.

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**10. SHARE OPTIONS**

**a) Share option plan**

The Company has a share option plan adopted by the Board of Directors on May 7, 2019, and amended on May 19, 2022, which reserves an aggregate of 10% of the issued and outstanding shares of the Company for issuance upon the exercise of options granted. The granting, vesting and terms of the share options are at the discretion of the Board of Directors.

**b) Share options outstanding**

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

|                               | <b>Number of<br/>shares issuable<br/>pursuant to<br/>share options</b> | <b>Weighted<br/>average<br/>exercise price<br/>per share</b> |
|-------------------------------|--|--|
| Balance at January 1, 2022    | 9,160,834  | \$ 0.56  |
| Granted                       | 4,640,000  | 1.98   |
| Exercised                     | (816,834)  | 0.61   |
| Expired or forfeited          | (270,000)  | 1.59   |
| Balance at December 31, 2022  | 12,714,000   | \$ 1.06  |
| Granted                       | 1,500,000  | 6.21   |
| Exercised                     | (1,122,501)  | 0.79   |
| Balance at September 30, 2023 | 13,091,499   | \$ 1.67  |

On August 28, 2023, the Company granted a total of 1,425,000 share options to officers, employees, directors and other eligible persons at an exercise price of \$6.20 per share. In addition, on September 5, 2023, the Company granted a total of 75,000 share options to the newly appointed officer at an exercise price of \$6.36 per share.

The Company uses the Black-Scholes option pricing model to estimate the fair value for all options granted and the resulting stock-based compensation. The weighted average assumptions used in this pricing model, and the resulting fair values per option, for the 1,500,000 share options granted during the nine months ended September 30, 2022, are as follows:

|       |                          |         |
|-------|--------------------------|---------|
| (i)   | Risk-free interest rate: | 3.96%   |
| (ii)  | Expected life:           | 4 years |
| (iii) | Expected volatility:     | 79.11%  |
| (iv)  | Expected dividends:      | nil     |
| (v)   | Fair value per option:   | \$3.75  |

The weighted average share price on the exercise date for the share options exercised during the nine months ended September 30, 2023, was \$5.87.

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The following table details the share options outstanding and exercisable as at September 30, 2023:

| Exercise price | Outstanding options |   |                                 | Exercisable options |   |                                 |
|----------------|---------------------|---|---------------------------------|---------------------|---|---------------------------------|
|                | Options outstanding | Weighted average remaining contractual life (Years) | Weighted average exercise price | Options exercisable | Weighted average remaining contractual life (Years) | Weighted average exercise price |
| \$0.475        | 2,515,000           | 0.99  | \$0.475                         | 2,515,000           | 0.99  | \$0.475                         |
| \$0.54         | 2,355,000           | 2.17  | \$0.54                          | 2,355,000           | 2.17  | \$0.54                          |
| \$0.68         | 2,561,499           | 2.32  | \$0.68                          | 1,886,503           | 2.11  | \$0.68                          |
| \$1.65         | 1,418,333           | 3.28  | \$1.65                          | 471,667             | 3.28  | \$1.65                          |
| \$2.08         | 2,456,667           | 3.94  | \$2.08                          | 1,629,997           | 3.94  | \$2.08                          |
| \$3.16         | 285,000             | 4.17  | \$3.16                          | 145,000             | 4.17  | \$3.16                          |
| \$6.20         | 1,425,000           | 4.92  | \$6.20                          | 475,001             | 4.92  | \$6.20                          |
| \$6.36         | 75,000              | 4.94  | \$6.36                          | -                   | -   | -                               |
|                | <u>13,091,499</u>   | 2.78  | \$1.671                         | <u>9,478,168</u>    | 2.37  | \$1.194                         |

**c) Share-based compensation**

|                                       | Three months ended<br>September 30,<br>2023 |                  | Nine months ended<br>September 30,<br>2023 |                  |
|---------------------------------------|---|------------------|--|------------------|
| Exploration and project investigation | 685,332                                     | 249,755          | 897,481                                    | 421,764          |
| General and administration            | 2,043,922                                   | 1,192,442        | 3,015,211                                  | 1,779,945        |
|                                       | <b>2,729,254</b>                            | <b>1,442,197</b> | <b>3,912,692</b>                           | <b>2,201,709</b> |

**11. EXPLORATION AND PROJECT INVESTIGATION**

The Company expensed the following exploration and project investigation costs for the three and nine months ended September 30, 2023 and 2022:

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| <b>Three months<br/>ended<br/>September 30,</b> |  | <b>Los Helados<br/>Project</b> | <b>Valle<br/>Ancho</b> | <b>Lunahuasi</b> | <b>Other</b>  | <b>Total</b>     |
|---|--|--------------------------------|------------------------|------------------|---------------|------------------|
| <b>2023</b>                                     | Land holding and access costs  | 390,129                        | 1,175                  | 632              | 1,652         | 393,588          |
|   | Drilling, fuel, camp costs and field supplies                                      | 388,676                        | -                      | 952,206          | -             | 1,340,882        |
|   | Roadwork, travel and transport   | (90,807)                       | 149                    | 68,187           | 4             | (22,467)         |
|   | Engineering and conceptual studies   | 69,971                         | -                      | -                | -             | 69,971           |
|   | Consultants, geochemistry and geophysics   | 196,055                        | -                      | 41,599           | -             | 237,654          |
|   | Environmental and community relations  | 16,743                         | -                      | 58,924           | -             | 75,667           |
|   | VAT and other taxes  | 34,756                         | 14,644                 | 476,359          | 790           | 526,549          |
|   | Office, field and administrative salaries, overhead and other administrative costs | 344,844                        | 55,142                 | 760,983          | 434           | 1,161,403        |
|   | Share-based compensation   | 333,308                        | 4,043                  | 347,415          | 566           | 685,332          |
|   | <b>Total</b>   | <b>1,683,675</b>               | <b>75,153</b>          | <b>2,706,305</b> | <b>3,446</b>  | <b>4,468,579</b> |
| <b>2022</b>                                     | Land holding and access costs  | 228,149                        | 16,941                 | -                | 9,010         | 254,100          |
|   | Drilling, fuel, camp costs and field supplies                                      | 1,162,022                      | 9,609                  | -                | 362           | 1,171,993        |
|   | Roadwork, travel and transport   | 1,084,325                      | 1,567                  | -                | 5,728         | 1,091,620        |
|   | Engineering and conceptual studies   | 120,906                        | -                      | -                | -             | 120,906          |
|   | Consultants, geochemistry and geophysics   | 234,002                        | 15,350                 | -                | -             | 249,352          |
|   | Environmental and community relations  | 49,196                         | 13,128                 | -                | 14,685        | 77,009           |
|   | VAT and other taxes  | 461,261                        | 43,236                 | -                | 5,638         | 510,135          |
|   | Office, field and administrative salaries, overhead and other administrative costs | 322,186                        | 484,213                | -                | 4,407         | 810,806          |
|   | Share-based compensation   | 198,462                        | 49,998                 | -                | 1,295         | 249,755          |
|   | COVID-19-related health and safety   | 880                            | 2,213                  | -                | -             | 3,093            |
|   | <b>Total</b>   | <b>3,861,389</b>               | <b>636,255</b>         | <b>-</b>         | <b>41,125</b> | <b>4,538,769</b> |

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| Nine months<br>ended<br>September 30, |  | Los Helados<br>Project | Valle<br>Ancho   | Lunahuasi         | Other          | Total             |
|---------------------------------------|--|------------------------|------------------|-------------------|----------------|-------------------|
| <b>2023</b>                           | Land holding and access costs  | 933,857                | 5,881            | 10,332            | 7,140          | 957,210           |
|                                       | Drilling, fuel, camp costs and field supplies                                      | 7,704,566              | -                | 8,549,476         | -              | 16,254,042        |
|                                       | Roadwork, travel and transport   | 1,406,845              | 198              | 1,017,017         | 10             | 2,424,070         |
|                                       | Engineering and conceptual studies   | 321,057                | -                | -                 | -              | 321,057           |
|                                       | Consultants, geochemistry and geophysics   | 1,045,407              | 5,654            | 727,681           | -              | 1,778,742         |
|                                       | Environmental and community relations  | 85,410                 | -                | 79,209            | -              | 164,619           |
|                                       | VAT and other taxes  | 1,696,025              | 27,571           | 2,455,946         | 7,769          | 4,187,311         |
|                                       | Office, field and administrative salaries, overhead and other administrative costs | 1,179,435              | 119,518          | 2,194,991         | 9,490          | 3,503,434         |
|                                       | Share-based compensation   | 441,114                | 4,757            | 450,866           | 744            | 897,481           |
|                                       | COVID-19-related health and safety   | -                      | -                | 681               | -              | 681               |
|                                       | <b>Total</b>   | <b>14,813,716</b>      | <b>163,579</b>   | <b>15,486,199</b> | <b>25,153</b>  | <b>30,488,647</b> |
| <b>2022</b>                           | Land holding and access costs  | 514,878                | 17,034           | -                 | 20,848         | 552,760           |
|                                       | Drilling, fuel, camp costs and field supplies                                      | 8,439,551              | 1,419,678        | -                 | 855            | 9,860,084         |
|                                       | Roadwork, travel and transport   | 4,389,963              | 762,656          | -                 | 5,988          | 5,158,607         |
|                                       | Engineering and conceptual studies   | 245,759                | -                | -                 | -              | 245,759           |
|                                       | Consultants, geochemistry and geophysics   | 943,499                | 209,872          | -                 | -              | 1,153,371         |
|                                       | Environmental and community relations  | 121,874                | 88,971           | -                 | 22,496         | 233,341           |
|                                       | VAT and other taxes  | 2,549,384              | 768,460          | -                 | 16,614         | 3,334,458         |
|                                       | Office, field and administrative salaries, overhead and other administrative costs | 385,484                | 1,388,583        | -                 | 31,788         | 1,805,855         |
|                                       | Share-based compensation   | 330,284                | 89,629           | -                 | 1,851          | 421,764           |
|                                       | COVID-19-related health and safety   | 880                    | 118,477          | -                 | -              | 119,357           |
|                                       | <b>Total</b>   | <b>17,921,556</b>      | <b>4,863,360</b> | <b>-</b>          | <b>100,440</b> | <b>22,885,356</b> |

**NGEx Minerals Ltd.****Notes to the Condensed Interim Consolidated Financial Statements  
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(Unaudited)****12. 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 these condensed interim consolidated financial statements, the Company may, from time to time, engage with Filo Corp. ("Filo"), a related party 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.

**a) Related party services**

The Company has a cost sharing arrangement with Filo. Under the terms of this arrangement, the Company may, from time to time, provide management, technical, administrative and/or financial services (collectively, "Management Services") to Filo, 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<br/>September 30,<br/>2023</b> |           | <b>Nine months ended<br/>September 30,<br/>2023</b> |           |
|------------------------------------|--|-----------|---|-----------|
| Management Services to Filo        | 55,461   | 87,032    | 242,686   | 261,700   |
| Management Services from Filo      | (92,024)   | (213,513) | (375,877)   | (607,859) |
| Exploration Consultation from MOAR | -  | -         | -   | (12,750)  |

**b) Related party balances**

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

|  | <b>Related Party</b> | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|--|----------------------|-------------------------------|------------------------------|
| Receivables and other assets             | Filo                 | 58,415                        | 112,163                      |
| Accounts payable and accrued liabilities | Filo                 | (56,938)                      | (186,449)                    |

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(Unaudited)****c) 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<br/>September 30,</b> |                  | <b>Nine months ended<br/>September 30,</b> |                  |
|------------------------------|---|------------------|--|------------------|
|                              | <b>2023</b>                                 | <b>2022</b>      | <b>2023</b>                                | <b>2022</b>      |
| Salaries and other payments  | 226,094                                     | 130,250          | 634,761                                    | 364,750          |
| Short-term employee benefits | 6,358                                       | 3,310            | 19,062                                     | 10,992           |
| Directors fees               | 24,250                                      | 24,250           | 72,529                                     | 68,208           |
| Stock-based compensation     | 1,753,397                                   | 985,413          | 2,568,788                                  | 1,442,186        |
| Short-term incentive bonuses | 1,122,000                                   | -                | 1,122,000                                  | -                |
|                              | <b>3,132,099</b>                            | <b>1,143,223</b> | <b>4,417,140</b>                           | <b>1,886,136</b> |

**13. SEGMENTED INFORMATION**

The Company is principally engaged in the acquisition, exploration and development of mineral properties in South America. The information regarding mineral properties and exploration and project investigation costs presented in Notes 6 and 11, respectively, represent the manner in which management reviews its business performance. Materially all of the Company's mineral properties and exploration and project investigation costs relate to South America, particularly Chile and Argentina. The net gains on the use of marketable securities are allocated to the underlying projects for which the funding was provided. Materially all of the Company's administrative costs are incurred by the Canadian parent, where materially all of the Company's cash is held in the normal course of business until it is required to be deployed to the Company's South American subsidiaries in support of ongoing and planned work programs.

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The following are summaries of the Company's current and non-current assets, current liabilities, and net losses by segment:

|   |   | <b>Los Helados<br/>Project</b> | <b>Lunahuasi &amp;<br/>Valle Ancho</b> | <b>Corporate</b>                       | <b>Total</b>      |
|---|---|--------------------------------|--|--|-------------------|
| <b>As at<br/>September 30,<br/>2023</b> | Current assets                              | 2,561,540                      | 4,118,188                              | 77,354,670                             | 84,034,398        |
|   | Non-current receivables and<br>other assets | 513,083                        | -                                      | -                                      | 513,083           |
|   | Equipment                                   | -                              | 11,385                                 | -                                      | 11,385            |
|   | Mineral properties                          | 3,853,432                      | -                                      | -                                      | 3,853,432         |
|   | <b>Total assets</b>                         | <b>6,928,055</b>               | <b>4,129,573</b>                       | <b>77,354,670</b>                      | <b>88,412,298</b> |
|   | Current liabilities                         | 1,141,360                      | 976,027                                | 1,573,053                              | 3,690,440         |
|   | Accrued liabilities and others              | 338,000                        | -                                      | -                                      | 338,000           |
|   | Due to exploration<br>partner               | -                              | -                                      | 629,271                                | 629,271           |
|   | <b>Total liabilities</b>                    | <b>1,479,360</b>               | <b>976,027</b>                         | <b>2,202,324</b>                       | <b>4,657,711</b>  |
|   |   |                                | <b>Los Helados<br/>Project</b>         | <b>Lunahuasi &amp;<br/>Valle Ancho</b> | <b>Corporate</b>  |
| <b>As at<br/>December 31,<br/>2022</b>  | Current assets                              | 8,301,240                      | 536,267                                | 18,712,293                             | 27,549,800        |
|   | Non-current receivables and<br>other assets | 840,337                        | -                                      | -                                      | 840,337           |
|   | Equipment                                   | -                              | 18,723                                 | -                                      | 18,723            |
|   | Mineral properties                          | 3,902,697                      | -                                      | -                                      | 3,902,697         |
|   | <b>Total assets</b>                         | <b>13,044,274</b>              | <b>554,990</b>                         | <b>18,712,293</b>                      | <b>32,311,557</b> |
|   | Current liabilities                         | 6,044,223                      | 432,919                                | 850,809                                | 7,327,951         |
|   | Non-current accrued liabilities             | 338,600                        | -                                      | -                                      | 338,600           |
|   | Due to exploration<br>partner               | -                              | -                                      | 630,460                                | 630,460           |
|   | <b>Total liabilities</b>                    | <b>6,382,823</b>               | <b>432,919</b>                         | <b>1,481,269</b>                       | <b>8,297,011</b>  |

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| <b>Three months ended September 30,</b> |  | <b>Los Helados Project</b> | <b>Lunahuasi &amp; Valle Ancho</b> | <b>Corporate</b> | <b>Other</b>  | <b>Total</b>     |
|---|--|----------------------------|------------------------------------|------------------|---------------|------------------|
| <b>2023</b>                             | Exploration and project investigation      | 1,683,675                  | 2,781,458                          | -                | 3,446         | 4,468,579        |
|   | Gain on use of marketable securities       | -                          | (4,422,338)                        | -                | -             | (4,422,338)      |
|   | General and administration and other items | 25,013                     | 592,818                            | 3,553,932        | -             | 4,171,763        |
|   | <b>Net loss</b>                            | <b>1,708,688</b>           | <b>(1,048,062)</b>                 | <b>3,553,932</b> | <b>3,446</b>  | <b>4,218,004</b> |
|   |  | <b>Los Helados Project</b> | <b>Valle Ancho</b>                 | <b>Corporate</b> | <b>Other</b>  | <b>Total</b>     |
| <b>2022</b>                             | Exploration and project investigation      | 3,861,389                  | 636,255                            | -                | 41,125        | 4,538,769        |
|   | Gain on use of marketable securities       | (26,489)                   | (129,011)                          | -                | (28,907)      | (184,407)        |
|   | General and administration and other items | 10,113                     | (18,416)                           | 1,722,247        | -             | 1,713,944        |
|   | <b>Net loss</b>                            | <b>3,845,013</b>           | <b>488,828</b>                     | <b>1,722,247</b> | <b>12,218</b> | <b>6,068,306</b> |

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| <b>Nine months ended September 30,</b> |  | <b>Los Helados Project</b> | <b>Lunahuasi &amp; Valle Ancho</b> | <b>Corporate</b> | <b>Other</b> | <b>Total</b> |
|--|--|----------------------------|------------------------------------|------------------|--------------|--------------|
| <b>2023</b>                            | Exploration and project investigation      | 14,813,716                 | 15,649,778                         | -                | 25,153       | 30,488,647   |
|  | Gain on use of marketable securities       | (22,746)                   | (7,800,823)                        | -                | -            | (7,823,569)  |
|  | General and administration and other items | 78,568                     | 474,914                            | 5,885,503        | -            | 6,438,985    |
|  | Net loss                                   | 14,869,538                 | 8,323,869                          | 5,885,503        | 25,153       | 29,104,063   |
|  |  | <b>Los Helados Project</b> | <b>Valle Ancho</b>                 | <b>Corporate</b> | <b>Other</b> | <b>Total</b> |
| <b>2022</b>                            | Exploration and project investigation      | 17,921,556                 | 4,863,360                          | -                | 100,440      | 22,885,356   |
|  | Gain on use of marketable securities       | (26,489)                   | (1,399,682)                        | -                | (28,907)     | (1,455,078)  |
|  | General and administration and other items | 54,271                     | (67,149)                           | 2,977,819        | -            | 2,964,941    |
|  | Net loss                                   | 17,949,338                 | 3,396,529                          | 2,977,819        | 71,533       | 24,395,219   |
|  |  | <b>Los Helados Project</b> | <b>Valle Ancho</b>                 | <b>Corporate</b> | <b>Other</b> | <b>Total</b> |

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**14. USE OF MARKETABLE SECURITIES**

From time to time, the Company may acquire and transfer marketable securities to facilitate intragroup funding transfers between the Canadian parent and its Argentine operating subsidiaries.

The Company does not acquire marketable securities or engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large and well established companies, with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations are unavoidable.

As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading. Accordingly, all changes in the fair value of the instruments, between acquisition and disposition, are recognized through profit or loss.

As a result of having utilized this mechanism for intragroup funding for the three and nine months ended September 30, 2023, the Company realized net gains of \$4,422,338 and \$7,823,569, respectively, (2022: \$184,407 and \$1,455,078). For the three months ended September 30, 2023, the net gain was comprised of a favorable foreign currency impact of \$4,824,060 (2022: \$214,941) and a trading loss of \$401,722 (2022: \$30,534). For the nine months ended September 30, 2023, the net gain was comprised of a favorable foreign currency impact of \$8,689,593 (2022: \$1,689,113) and a trading loss of \$866,024 (2022: loss of \$234,035).