

**NGEX MINERALS LTD.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024**  
**(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 and nine months ended September 30, 2024, 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 as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The effective date of this MD&A is November 12, 2024. Additional information about the Company and its business activities is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) 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 copper-gold and gold exploration projects in Argentina and Chile. 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 engineering and other studies that are required to prepare its projects for eventual development by the Company, in collaboration with its partners, as applicable, 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. 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 common shares trade on the Toronto Stock Exchange under the symbol "NGEX", and on the OTCQX under the symbol "NGXXF".

### ***Lunahuasi***

The Company owns a 100% interest in the Lunahuasi project, a high-grade copper-gold-silver deposit located in San Juan Province, Argentina ("Lunahuasi" or the "Lunahuasi Project"), which is the most recent major deposit discovered in the emerging Vicuña District, which also hosts the Caserones Mine, the Josemaria deposit, the Filo del Sol deposit, and the Company's Los Helados Project. Drilling at Lunahuasi has discovered a significant new zone of high-grade copper, gold and silver mineralization, which includes some of the highest copper grades drilled to date in the Vicuña District and intersected globally in recent years. Follow-up drilling completed during the 2023-2024 field program has demonstrated the significant size potential of the initially discovered high-grade copper-gold-silver veins and confirmed the presence of longer intercepts of high-grade stockwork mineralization. Both styles of mineralization are interpreted to be part of a porphyry copper-gold system centered nearby and following up on these initial findings will continue to be a focus for the Company moving forward.

The Lunahuasi Project, as currently defined, is located on the Nacimiento I concession. As of the date of this MD&A, the Nacimiento I concession is subject to a 1% NSR royalty, held by Filo Corp. ("Filo"), a related party by way of directors, officers and shareholders in common.

The Nacimiento I concession is also subject to an additional third-party NSR royalty of 0.5% covering the first 10 years of production. The same third party is also entitled to a one-time payment of US\$ 2.0 million upon commencement of production at Nacimiento I.

### **Los Helados**

The Company's most advanced asset is its Los Helados copper-gold deposit, located in Region III of Chile ("Los Helados", the "Los Helados Property" or the "Los Helados Project"). The Company is the majority (approximately 69%) partner and operator of the Los Helados Project, which is subject to a Joint Exploration Agreement (the "JEA") with its partner (approximately 31%), Nippon Caserones Resources LLC ("NCR"). NCR is a subsidiary of JX Advanced Metals Corporation, a Tokyo-based mining and smelting company that also has an indirect 30% ownership interest in the Caserones Mine, located approximately 17km from Los Helados. The remaining 70% controlling interest in the Caserones Mine is held by Lundin Mining Corporation ("Lundin Mining"). The Company and Lundin Mining are not related parties, however they are respectively part of the Lundin Group of Companies, which are entities in which companies owned by trusts whose settlor was the late Adolf H. Lundin hold varying degrees of equity interest. Lundin Mining is a base metals mining company which currently owns the Josemaria development project and is the majority partner of the Caserones Mine. Subject to successful completion of a pending joint bid with BHP to acquire the Filo del Sol project, Lundin Mining would become a joint venture partner of, or have a controlling interest in, three of the neighbouring projects to the Company's Los Helados and Lunahuasi projects in the Vicuña District.

The total area of the Los Helados Property legal tenure is 31,428 hectares, all of which is subject to the JEA. While the Los Helados concessions are not subject to royalties, back-in rights, or other obligations in favour of third parties, pursuant to the terms of the JEA, a party's interest is automatically converted to a 0.5% net smelter return ("NSR") royalty if it is diluted to below 5%. In addition to a specific tax on mining activities, the Chilean government also levies royalties in the form of a mining tax on dividends paid by a Chilean mining company.

The Company's most recent Mineral Resource Estimate for the Los Helados Project is summarized in the following table, which has an effective date of October 31, 2023. The Company's Mineral Resources 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. In this MD&A, Mineral Resources may be referred to interchangeably as "Mineral Resource Estimates" or "Mineral Resource Estimations".

<b>Los Helados Mineral Resources (0.33% CuEq Cutoff)</b>								
	<b>Tonnage</b>	<b>Resource Grade</b>				<b>Contained Metal</b>		
<b>Class</b>	<b>(billion 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	2.08	0.40	0.15	1.5	0.51	18.4	10.2	97.5
Inferred	1.08	0.34	0.10	1.5	0.42	8.2	3.6	50.2

The key assumptions, parameters, and methods used to develop these Mineral Resource Estimates are contained in the 43-101 technical report entitled "Technical Report on the Los Helados and Lunahuasi Projects, Chile and Argentina", dated December 13, 2023 (the "Technical Report"), prepared by Luke Evans, M.Sc., P.Eng., SLR Consulting (Canada) Ltd., and Giovanni Di-Prisco, Ph.D., P.Geo., Terra Mineralogical Services Inc. 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.sedarplus.ca](http://www.sedarplus.ca).

## Q3 2024 AND SUBSEQUENT PERIOD HIGHLIGHTS

### *Operations: Restart of Drilling at High-grade Lunahuasi Project*

Final assays results from the successful Phase 2 drill campaign at Lunahuasi, San Juan, Argentina, were received and released in June 2024, following which the Company shifted its focus to planning the project's next phase of drilling. Preparations were undertaken during the three months ended September 30, 2024, and Phase 3 drilling commenced in October 2024.

The Phase 3 drill program will be the largest ever undertaken at Lunahuasi, targeting the completion of up to 20,000m of diamond drilling, which would more than double the total drill metres completed to date at the deposit. Initial results are expected toward the end of the fourth quarter of 2024, but exact timing will be subject to drilling rates and assay turn-around times.

Phase 2 drilling confirmed the presence of mineralized high-grade structures throughout a volume measuring at least 400m by 900m by 960m. The mineralized volume remains open in all directions and several holes completed at the outer boundaries of the current drill pattern are marked by significant mineralization, such as:

- **Northern boundary:** DPDH002 which included 60m at 7.52% copper equivalent ("CuEq") (5.65% Cu, 2.04 g/t Au, 44.0 g/t Ag);
- **Southern boundary:** DPDH021 which included 58.1m at 6.04% CuEq (3.53% Cu, 2.76 g/t Au, 56.3 g/t Ag); and
- **Western boundary:** DPDH022 which included 12m at 4.48% CuEq (3.82% Cu, 0.59 g/t Au, 25.2 g/t Ag) at the bottom of the hole.

In addition, due to limited rig capacity, certain holes from the Phase 2 program ended in strong mineralization, such as DPDH021, which returned 20m at 1.32% CuEq (1.07% Cu, 0.25 g/t Au, 7.1 g/t Ag) at the end of the hole.

The Lunahuasi project continues to hold significant exploration potential. Over the first two phases of exploration drilling which began in early 2023, only 17,862m have been drilled into the deposit. The Phase 3 program is designed to improve the Company's understanding of the full extent of the high-grade mineral system at Lunahuasi and to provide enough data to develop an Exploration Target, as defined and provided for in NI 43-101.

To achieve these objectives the planned program will test the deposit at three target scales:

- **Long-range exploration holes** (+300m spacing) are big step-outs that will test for significant extensions of mineralization to the north, south, and west and include holes that will explore for the central part of the Lunahuasi system.
- **Mid-range step out holes** (50-300m spacing) will explore extensions of the mineralized zone in all directions.
- **Short-range infill holes** (30-50m spacing) will test the short-range variability of mineralized structures and high-grade zones and confirm the main structural orientations and ultimately contribute towards developing a future mineral resource estimate for Lunahuasi.

Phase 3 drilling includes drill rigs with depth capacities beyond 2,000m, which will help achieve the program's objectives by testing for expansion below where previous holes ended in strong mineralization during the last campaign.

In addition, the Company will be conducting a ground-based SPARTAN MT (magnetotelluric) survey over the Lunahuasi project area. The 2024/25 program will improve survey coverage over the deposit area, making use of new access roads that were not available when an earlier survey was completed in 2023. The new survey will tie into the earlier dataset and is anticipated to allow for imaging of the porphyry/high sulphidation epithermal target area to assist with drillhole targeting and interpretation.

***Corporate: Successful Completion of Oversubscribed Financing***

On October 31, 2024, the Company successfully closed an oversubscribed non-brokered private placement, pursuant to which the Company sold an aggregate of 16,082,453 common shares at a price of CAD\$11.00 per common share, generating gross proceeds of approximately CAD\$176.9 million (the "Private Placement"). A 5.0% finders' fee of approximately CAD\$5.2 million was paid in cash on a portion of the Financing upon closing. The common shares issued under the Private Placement are subject to a hold period expiring on March 1, 2025.

The net proceeds of the Private Placement will be predominantly used towards furthering exploration programs at the Lunahuasi project, continued exploration and maintenance of the Company's Los Helados project located in Region III, Chile, as well as for general corporate and working capital purposes.

**RESULTS FROM OPERATIONS**

NGEx Minerals is an 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>Sep-24</b>	<b>Jun-24</b>	<b>Mar-24</b>	<b>Dec-23</b>	<b>Sep-23</b>	<b>Jun-23</b>	<b>Mar-23</b>	<b>Dec-22</b>
Exploration costs (\$000's)	6,218	7,818	22,519	9,795	4,469	10,898	15,122	6,038
Operating loss (\$000's)	12,253	9,795	24,378	11,714	8,675	12,116	16,483	8,384
Net loss (\$000's)	9,847	7,579	19,744	8,614	4,218	9,719	15,167	8,020
Net loss per share, basic and diluted (\$)	0.05	0.04	0.11	0.04	0.02	0.06	0.09	0.04

NGEx Minerals incurred net losses of \$9.8 million and \$37.2 million, respectively, for the three and nine months ended September 30, 2024 (2023: \$4.2 million and \$29.1 million), including respective operating losses of \$12.3 million and \$46.4 million (2023: \$8.7 million and \$37.3 million). As a result 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, exploration and project investigation costs are the most significant expenditure category of the Company and for the three and nine months ended September 30, 2024, accounted for approximately 51% and 79% of the respective operating losses for these periods (2023: 52% and 82%). 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 or project work, could affect the level of exploration activities and net loss in a particular period.

Exploration and project investigation costs for the three and nine months ended September 30, 2024, were \$6.2 million and \$36.6 million, respectively (2023: \$4.5 million and \$30.5 million). For the three months ended September 30, 2024, the increase is predominantly due to earlier and more extensive preparations undertaken during the period in advance of the upcoming Phase 3 drill program at Lunahuasi, which began in October 2024. For the comparative 2023 period, while the focus was also on planning and preparations for the then upcoming Phase 2 Lunahuasi drill program, the scope was smaller due to the relative sizes of the two programs.

For the nine months ended September 30, 2024, in addition to the foregoing, another contributing factor for the increased costs relative to the 2023 comparative period is the location in which the respective activities occurred. While the Company undertook field and drill programs of comparable size during the nine months ended September 30, 2024, and the comparative 2023 period, the higher exploration and project investigation costs for the current period is due to the activity and related expenditures predominantly occurring in Argentina for the Lunahuasi project. By comparison, during the comparative 2023 period, the Company only conducted a small maiden drill program at Lunahuasi, followed by preparation for a second follow-up program which began in October 2023, and the majority of drilling was completed at the Los Helados Project, located in Chile.

Operating in Argentina, relative to Chile, generally results in higher reported costs for financial reporting purposes due to the country's high inflation, which increases Argentine peso-denominated costs, and restrictions placed on the official exchange rates, which value the Argentine peso at artificially high levels. In addition, costs incurred by the Company's Argentine's operating subsidiaries are subject to hyperinflation accounting adjustments, which increase transactions recorded during the period into a measuring unit current as of the period end. During the nine months ended September 30, 2024, exploration and project investigation costs included a hyperinflation adjustment of approximately \$2.6 million as a result of the Company's exploration activity in Argentina (2023: \$1.0 million).

Further details on the Company's application of hyperinflation accounting, and the methods by which it manages the deployment of capital into Argentina through the use of alternate funding mechanisms, refer to the Company's condensed interim consolidated financial statements and related notes therein.

Excluding share-based compensation, administration costs for the three and nine months ended September 30, 2024 totaled \$2.6 million and \$5.2 million, respectively (2023: \$2.2 million and \$3.8 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 and nine months ended September 30, 2024, were higher than the 2023 comparative periods primarily due to higher compensation costs, promotion and public relations costs and general office expenses. The increase in compensation costs for the three and nine months ended September 30, 2024, is due to severance payments made in the current periods, as well as a higher average personnel headcount and base compensation levels, which reflect increases in resources and support in response to the Company's recent growth. The increase in promotion and public relations costs during the three and nine months ended September 30, 2024, is the result of an increase in scope in the Company's investor relations initiatives to coincide with the recent increase in the Company's market capitalization and profile. General office costs have increased during the nine months ended September 30, 2024, due to additional fees paid in connection with the commencement of trading of the Company's common shares on the TSX and OTCQX in February and March 2024, respectively.

Interest income for the three and nine months ended September 30, 2024, totalled \$556,245 and \$2,102,532, respectively (2023: \$679,899 and \$886,940). The increase in interest income earned for the nine months ended September 30, 2024, is due primarily to the higher average total balance of cash and short-term investments held by the Company during the period, which resulted from the Company raising \$85.7 million in gross proceeds in August 2023 through a non-brokered private placement.

The Company recognized net monetary losses of \$113,639 and \$988,661, respectively, during the three and nine months ended September 30, 2024 (2023: \$590,861 and \$463,649), in relation to the application of hyperinflationary accounting for the Company's Argentine subsidiaries. The monetary losses recognized are the results of changes in the Argentine price indices and changes to the net monetary position of the Company's Argentine operating subsidiaries during the respective periods. Further discussion regarding the application of hyperinflationary accounting has been provided in the notes to the unaudited condensed interim consolidated financial statements.

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 and nine months ended September 30, 2024, the Company recognized gains of \$2.1 million and \$8.1 million, respectively, (2023: \$4.4 million and \$7.8 million) on the use of marketable securities for this purpose, which represents the net benefit of having used this funding mechanism over traditional methods. The reduction in the gain realized for the three months ended September 30, 2024, relative to the comparative 2023 period, is due primarily to a broad decrease in the premiums achieved through use of this funding mechanism since late 2023. Nonetheless, despite these broad reductions to the premiums, the gain recognized for the nine months ended September 30, 2024, was larger than that realized in the comparative 2023 period as a result of significantly more funding provided over the period. The increase in downstream funding provided into Argentina during the nine months ended September 30, 2024, is a reflection of the significantly larger scope of the work undertaken at the Lunahuasi project thus far in 2024.

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 gains of \$172,887 and \$10,863, respectively, for the three and nine months ended September 30, 2024, (2023: losses of \$598,179 and \$548,960) on translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. For the three and nine months ended September 30, 2024, the foreign currency translation impacts are primarily the result of fluctuations of the Canadian dollar relative to the Chilean peso over the respective periods. In addition, for the three and nine months ended September 30, 2024, the impacts of hyperinflation amounted gains of \$214,256 and \$2,914,188, respectively (2023: \$951,342 and \$1,372,211), which consist of adjustments recognized on the continuing inflation of opening non-monetary balances during the respective periods and the ongoing translation of the Company's Argentine subsidiaries into the Canadian dollar presentation currency for consolidation.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at September 30, 2024, the Company had cash of \$44.1 million and net working capital of \$41.6 million compared to cash of \$59.5 million and net working capital of \$69.7 million as at December 31, 2023. The Company's total cash and net working capital decreased during the nine months ended September 30, 2024, due primarily to funds used in operations, including mineral property acquisition and option payments, and for general corporate purposes. The cash outflows have been partially offset by \$15.6 million in proceeds received on the redemption of short-term investments (2023: purchase of \$15.0 million), and \$2.6 million in gross proceeds received pursuant to the exercise of stock options (2023: \$0.9 million).

The Company's cash and working capital position have significantly increased following the closing of the Private Placement on October 31, 2024, as discussed in the "Q3 2024 and Subsequent Period Highlights" section above.

## 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, the Company may, from time to time, engage with Filo, as discussed below.

### *Acquisition of mineral properties*

In April 2024, the Company acquired a 100% interest in certain exploitation and exploration concessions located in Chile (the "Maricunga Properties") from Filo for total cash consideration having a Canadian dollar equivalent of \$94,096. The Maricunga Properties are adjacent to the Valle Ancho and Interceptor properties, in which the Company holds a 100% interest.

### *Related party services*

The Company has cost sharing arrangements with Filo. Under the terms of these arrangements, the Company may, from time to time, provide management, technical, administrative and/or financial services (collectively, "Management Services") to Filo, and vice versa. These transactions were incurred in the normal course of operations, and are summarized as follows:

	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Management Services to Filo	74,700	55,461	192,612	242,686
Management Services from Filo	(108,403)	(92,024)	(226,228)	(375,877)

### *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>September 30, 2024</b>	<b>December 31, 2023</b>
Receivables and other assets	Filo	78,500	67,466
Accounts payable and accrued liabilities	Filo	(56,508)	(52,858)

### **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 September 30, 2024</b>		<b>Nine months ended September 30, 2024</b>	
Salaries and other payments	561,890	226,094	839,540	634,761
Short-term employee benefits	16,864	6,358	25,152	19,062
Directors fees	65,792	24,250	90,042	72,529
Stock-based compensation	2,995,224	1,753,397	3,598,300	2,568,788
Short-term incentive bonuses	1,130,000	1,122,000	1,130,000	1,122,000
Severance	290,000	-	290,000	-
	<b>5,059,770</b>	<b>3,132,099</b>	<b>5,973,034</b>	<b>4,417,140</b>

### **MATERIAL 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, 2023, as filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) on March 22, 2024.

### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the consolidated financial statements in accordance with IFRS Accounting Standards, including the condensed interim consolidated financial statements for the three and nine months ended September 30, 2024, 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 MD&A for the year ended December 31, 2023, as filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) on March 22, 2024.

### **FINANCIAL INSTRUMENTS**

As at September 30, 2024, the Company's financial instruments consist of cash, receivables and other assets, short-term investments, trade payables and accrued liabilities, and the amounts due to its exploration partner, NCR. 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 September 30, 2024, 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 Canadian financial institutions that have been accorded a strong investment grade rating by a primary rating agency or received adequate deposit insurance coverage.
- (ii) Liquidity risks associated with the inability to meet obligations as they become due are minimized through the management of its capital structure and by maintaining good relationships with significant shareholders. 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 at September 30, 2024, 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	5,229,297	5,229,297	-	-
Due to exploration partner	4,483,562	-	-	4,483,562
<b>Total</b>	<b>9,712,859</b>	<b>5,229,297</b>	<b>-</b>	<b>4,483,562</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 was US\$ 3.3 million as of September 30, 2024, 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 \$647,802 at September 30, 2024 (2023: \$634,740). 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.

As at September 30, 2024, the Company's largest foreign currency risk exposure existed at the level of its Canadian headquarters, where the Company held a net financial asset position denominated in US dollars having a Canadian dollar equivalent of approximately \$13.0 million. A 10% change in the foreign exchange rate between the US dollar, and the Canadian dollar, NEX Minerals' functional currency, would give rise to increases/decreases of approximately \$1.3 million in financial position/comprehensive loss.

## **OUTSTANDING SHARE DATA**

As at November 12, 2024, the Company had 206,914,445 common shares outstanding and 10,650,665 share options outstanding under its share-based incentive plan.

## **DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

### *Disclosure controls and procedures ("DC&P")*

DC&P are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. They include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There have not been any material changes in the Company's DC&P during the three and nine months ended September 30, 2024.

### *Internal controls over financial reporting ("ICFR")*

The Company's ICFR are designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. The design of the Company's ICFR is the responsibility of its management.

The Company's ICFR include policies and procedures that: pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS Accounting Standards; that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements. Any system, no matter how well conceived or operated, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation and will not prevent all, or detect all, misstatements and frauds. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Management uses the Internal Control – Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations for the Treadway Commission (COSO) in order to assess the effectiveness of the Company's ICFR.

There have not been any material changes in the Company's internal controls during the three and nine months ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

## **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 MD&A and most recent annual information form (AIF) for the year ended December 31, 2023, as filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) on March 22, 2024.

## **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 October 31, 2023. The key assumptions, parameters, and methods used to estimate this Mineral Resource Estimate are contained in the 43-101 technical report entitled "*Technical Report on the Los Helados and Lunahuasi Projects, Chile and Argentina*", dated December 13, 2023 (the "Technical Report"), prepared by Luke Evans, M.Sc., P.Eng., SLR Consulting (Canada) Ltd., and Giovanni Di-Prisco, Ph.D., P.Geo., Terra Mineralogical Services Inc. 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.sedarplus.ca](http://www.sedarplus.ca).

Mineral Resources are reported using a CuEq cutoff grade. Copper equivalent is calculated using US\$ 3.90/lb copper, US\$ 1,800/oz gold and US\$ 20/oz silver, and includes a provision for selling costs and metallurgical recoveries corresponding to three zones defined by depth below surface. The formulas used are:  $CuEq\% = Cu\% + 0.681008 * Au (g/t) + 0.002989 * Ag (g/t)$  for the Upper Zone (surface to ~ 250 m);  $Cu\% + 0.692039 * Au (g/t) + 0.004877 * Ag (g/t)$  for the Intermediate Zone (~250 m to ~600 m);  $Cu\% + 0.688852 * Au (g/t) + 0.006068 * Ag (g/t)$  for the Deep Zone (> ~600 m).

Copper equivalent for Lunahuasi drill intersections is calculated based on US\$ 3.00/lb Cu, US\$ 1,500/oz Au and US\$ 18/oz Ag, with 80% metallurgical recoveries assumed for all metals. The formula is:  $CuEq\% = Cu\% + (0.7292 * Au g/t) + (0.0088 * Ag g/t)$ .

The Company's Mineral Resources 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 NGEx 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", "budgets", "scheduled", "estimates", "forecasts", "intends", "projects", "targets", "assumes", "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 this MD&A, if any, and elsewhere, such as in the Company's most recent AIF, as filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), 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 timing of receipt of all required regulatory approvals related to the Private Placement; the use of net proceeds of the Private Placement; the future or ultimate owner(s) of strategic mineral assets within the Vicuña District where the Company's Los Helados and Lunahuasi projects are located; exploration and development plans and expenditures, including the size, scope, nature, timing and foci of the Company's future exploration programs, particularly at Lunahuasi; whether current interpretation of the exploration and/or drill results to date at Lunahuasi will be confirmed by future work, including statements regarding prospectivity of exploration properties or specific targets, the accuracy of a geological model or geological interpretation, the ability of future drilling to convert exploration potential to a Mineral Resource Estimate, the scale, grade, or significance of the centre of the system that is the source of the high-grade mineralization intersected at Lunahuasi, or the Company's ability to locate it; 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 or expansion of existing 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; assumptions that the Company will be able to carry out exploration program at Lunahuasi as planned; fluctuations in the current price of and demand for commodities; material adverse changes in general business and economic conditions, particularly in Argentina with respect to uncertainty around exchange rate and other economic policies potentially affecting the Company, as well as other factors associated with ongoing financial instability in Argentina; 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.