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NEWS RELEASE

NGEX REPORTS THIRD QUARTER 2014 RESULTS

November 10, 2014 (TSX:NGQ; Nasdaq Stockholm:NGQ) NGEx Resources Inc. ("NGEx" or the "Company") is pleased to announce its operating and financial results for the three and nine months ended September 30, 2014 and to provide an update on results of work on its projects to during the quarter.

HIGHLIGHTS AND SIGNIFICANT EVENTS

Los Helados

- Subsequent to the quarter end the Company announced the results of a Preliminary Economic Assessment ("PEA" or the "Study") of its 60% owned Los Helados Project in Chile. The PEA considered the potential stand-alone development of an underground block caving operation and a standard sulphide flotation processing plant. The Study indicates that Los Helados has the potential to become a large mine with low operating costs, producing an annual average of 115,000 tonnes of copper, 133,000 ounces of gold, and 675,000 ounces of silver. Although the PEA contemplates the construction of a stand-alone mining and milling complex at Los Helados the Company believes that there are clear opportunities to improve project economics by realizing potential synergies with nearby deposits-including Josemaria, and future efforts will address these possibilities.

Josemaria

- Work during the quarter included ongoing metallurgical test work and baseline environmental programs. Once the metallurgical test work is complete, currently expected to be during the first quarter of 2015, the Company expects to be in a position to complete an updated NI 43-101 Technical Report which will included an updated resource estimate that will incorporate drilling completed earlier in the year. As usual, no exploration work was carried out during the third quarter which coincides with the South American winter.

Filo del Sol

- On October 23, 2014, the Company announced the acquisition of the 40% interest in the Filo del Sol Project held by its partner PPC for total cash consideration of US$7.0 million. As a result, the Company holds a 100% interest in the Filo del Sol Project.

- The acquisition of the minority interest in Filo del Sol gives the Company a 100% interest in what we believe is a highly prospective exploration project with excellent upside. The Filo del Sol alteration zone is one of the largest in this part of the Andes and drilling to date has tested only a small portion of it. Mineralization is open in all directions and at depth, and the Company believes that there is excellent potential to further extend it through additional drilling. The Company is particularly excited about the high copper, silver, and gold grades in the near surface "manto" zone and by the potential for a large scale porphyry copper-gold deposit beneath the manto zone. The Company expects to complete an initial resource estimate later in the fourth quarter of 2014.

LOS HELADOS PROJECT, CHILE

On October 20, 2014, the Company announced the results of a PEA completed on the Los Helados Project, together with an updated Mineral Resource Estimate. The proposed project concept is to develop a green-fields underground mine using block cave mining methods, followed by (Semi-Autogenous Grinding) SAG milling and conventional sulphide flotation producing a copper concentrate containing significant gold and silver with all deleterious elements below penalty levels.

For more detailed information on the PEA and the Resource Estimate refer to the Company's news release dated October, 20, 2014. The PEA was prepared by AMEC International Ingeniería y Construcción Limitada ("AMEC") of Santiago, Chile, under the direction of Anthony George, Project Manager (NGEx Resources). The National Instrument 43-101 Technical Report summarizing the results of the PEA and updated Mineral Resource Estimate will be filed on SEDAR (www.sedar.com) and on the Company's website (www.ngexresources.com) within 45 days. Subsequent to the effective date of the PEA, the corporate tax rate in Chile was raised from 20% to 27%. Accordingly, the Company has asked the QP authors to prepare the Technical Report using the new 27% rate. The after-tax financial results shown below reflect this increase in tax rate and differ from those first reported in the October 20, 2014 news release.

PEA Summary

	130,000 t/d Option	**65,000 t/d Option**
Pre-Tax NPV (8%) & IRR	$923 million NPV 10.8% IRR	$723million NPV 10.4% IRR
After-Tax NPV (8%) & IRR	$270 million NPV 8.9% IRR	$198 million NPV 8.8% IRR
Metals Prices	$3.25/lb Cu $1,300/oz Au $21.50/oz Ag	$3.25/lb Cu $1,300/oz Au $21.50/oz Ag
Initial Capital Expenditures	$4.3 billion	$3.1 billion
LOM Sustaining Capital Expenditures	$1.3 billion	$1.3 billion
LOM C-1 Cash Costs (net of by-product credits)	$1.10/lb Cu sold	$1.13/lb Cu sold
Nominal Mill Capacity	130,000 t/d	65,000 t/d
Mine Life	26 years	37 years
LOM Average Annual Metal Production	115,000 t Cu 133,000 oz Au 675,000 oz Ag	81,000 t Cu 93,000 oz Au 474,000 oz Ag
LOM Average Process Recovery	89.4% Cu 80.2% Au 51.0% Ag	89.4% Cu 80.2% Au 51.0% Ag

* All figures reported are in 2014 US dollars and on a 100% Project and 100% equity basis valuation. A US dollar (USD) to Chilean Peso (CLP) exchange rate of 500 CLP = 1 USD was used for all cost estimates.

Note: The reader is advised that the PEA study results in this document are only intended to provide an initial, high-level summary of the project. The PEA is preliminary in nature and includes the use of inferred mineral resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Mineral Resource Estimate

In conjunction with the PEA the Company updated the mineral resource estimate for Los Helados. Los Helados has a current Mineral Resource at a base case 0.33% copper equivalent ("CuEq") cutoff, as follows:

- 2,099 million tonnes at a grade of 0.38% copper, 0.15 g/t gold, and 1.37 g/t silver for a copper equivalent grade of 0.48% (17.6 billion pounds of copper, 10.1 million ounces of gold, and 92.5 million ounces of silver) in the Indicated Resource category; and

- 827 million tonnes at a grade of 0.32% copper, 0.10 g/t gold, and 1.32 g/t silver for a copper equivalent grade of 0.39% (5.8 billion pounds of copper, 2.7 million ounces of gold, and 35.1 million ounces of silver) in the Inferred Resource category.

Copper Equivalent (CuEq) is calculated using US$3.00/lb copper, US$1,300/oz gold and US$23/oz Ag, and includes a provision for selling costs and metallurgical recoveries corresponding to three zones which vary with depth. The formulas used are: CuEq% = Cu% + 0.6264*Au (g/t) + 0.0047*Ag (g/t) for the Upper Zone (surface to ~ 250m); Cu% + 0.6366*Au (g/t) + 0.0077*Ag (g/t) for the Intermediate Zone (~250m to ~600m); Cu% + 0.6337*Au (g/t) + 0.0096*Ag (g/t) for the Deep Zone (> ~600m).

Mineral Resources are reported within a block cave underground mining shape based on $13.07/tonne operating costs and including a provision for capital expenditure. The base case cutoff grade of 0.33% CuEq was derived through an economic evaluation of several block cave shapes developed over a range of different cutoff grades and is the cutoff grade which results in a zero NPV.

The Mineral Resource estimate for the Los Helados Project has an effective date of September 19, 2014 and was prepared by Gino Zandonai, B.Sc., M.Sc. Registered Member of the Comision Calificadora de Competencias en Recursos y Reservas Mineras (Chilean Mining Commission), Senior Associate of Behre Dolbear International Ltd. in accordance with NI 43-101. Mr. Zandonai is the Qualified Person for the estimate and is independent of the Company. For more information about the current resource estimate refer to the Company's news release dated October 20, 2014

RESULTS OF OPERATIONS

The Company's net loss for the nine months ended September 30, 2014 was $15.6 million or $0.09 per share as compared to a loss of $25.3 million or $0.15 per share for 2013. Net loss from continuing operations for the nine months ended September 30, 2014 was $15.5 million or $0.09 per share compared with a net loss from continuing operations of $25.1 million or $0.15 per share for 2013. The decrease in the net loss of $9.7 million is mainly due to a decrease in exploration and project investigation expenditures of $8.0 million resulting from a reduction in drilling activity at Los Helados and Josemaria offset by costs relating to conceptual studies at these properties and the commencement of drilling at Filo del Sol. In addition, the Company recorded a write-down of certain mineral property interests during the nine months ended September 30, 2013 of $1.2 million.

Exploration and project investigation expenditures during the first and second quarter of 2014 mainly relate to exploration activity at Filo del Sol and conceptual studies on the Los Helados and Josemaria projects. In the third quarter of 2014, exploration and project investigation expenditures were higher than the same quarter in 2013 given that the Company incurred expenditures relating to the conceptual studies at Los Helados which resulted in the announcement of the completion of the PEA in October 2014. During the third quarter of 2013, the conceptual studies at Los Helados and Josemaria were only in its early stages.

The net loss from continuing operations was $0.2 million lower for the third quarter ended September 30, 2014 compared to the same period in 2013. This is mainly due to an increase of $1.4 million of foreign exchange gain offset by an increase in exploration and project investigation expenditures of $0.3 million as explained above and an increase in general and administrative expenses of $0.5 million due to the payment of performance incentive bonuses to key employees of the Company. In addition, the Company recorded an unrealized loss on investments of $0.1 million during the third quarter of 2014 compared to a gain on disposal of investments of $0.2 million recorded during the third quarter of 2013.

The Company's business is driven by seasonal trends through increased exploration activity during the summer months in South America as well as the achievement of project milestones such as the achievement of various technical, environmental, socio-economic and legal objectives, including obtaining the necessary permits, preparation of engineering designs, as well as receipt of financings to fund these objectives.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2014, the Company had cash and working capital of $34.0 million and $28.1 million, respectively, as compared to cash and working capital of $21.3 million and $14.2 million, respectively, at December 31, 2013. The increase in cash and working capital is primarily a result of the completion of a private placement whereby the Company sold an aggregate of 17,412,935 common shares of the Company for gross proceeds of approximately $35 million. This is offset by exploration and general and administrative expenses incurred during the period.

Net cash used in operating activities was $20.9 million for the nine months ended September 30, 2014 and consisted primarily of the loss from operations of $15.6 million, which included exploration and project investigation expenditures and conceptual studies work of $12.4 million and was adjusted for the impact of non-cash items and changes in non-cash working capital.

Cash flow from financing activities was $33.4 million, which comprised of net proceeds from the private placement completed during the period and proceeds from the exercise of stock options.

Net cash used in investing activities was $0.4 million, which consisted primarily of expenditures relating to mineral property option payments.

As the Company is an exploration company and has no sources of revenue, the Company expects that it will operate at a loss for the foreseeable future.

The Company anticipates that its current financial position will provide sufficient working capital to fund its share of planned exploration and project investigation expenditures, which are discretionary, and corporate expenses for the next twelve months. As the Company is an exploration company and has no sources of revenue, additional funding from equity financing, joint ventures or disposition of mineral properties and investments may be required to fund further exploration and corporate expenses.

There can be no assurance that such financing will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

OUTLOOK

At Los Helados, the completion of the PEA helped identify a number of opportunities to potentially improve the project economics, many of which have already been initiated in the ongoing project development process for Los Helados. These include:

- Exploring regional synergies for capital and operating cost reductions;
    - Through potential synergies and cooperative development plans with other regional operators to utilize spare capacity of process plants and infrastructure – desalination plants, water pipeline routes and ports;
    - Through expanding the resource base within our regional land package which includes the Josemaria and Filo del Sol projects – all within 20 kilometres of the Los Helados deposit;
- Extending the life of mine, and project cash-flow, of the Los Helados resource through the application of a variable cut-off grade which over the life of mine has the potential to add tonnage to the proposed mine plans – extending the life of mine and increasing cash for later life mine planning;
- Increasing metallurgical recoveries with further test work and optimization;
- Evaluating the use of seawater in the process plant reducing capital and operating costs for the desalination plant;
- Reviewing the suitability of High Pressure Grinding Roll technology (HPGR) and its potential to reduce overall power use and costs; and
- Delineating more or higher grade feed material for the process plant through continued exploration.

An infill drilling program expected to total approximately 9,000 metres is expected to start in December 2014, in order to upgrade a portion of the Los Helados mineral resource to the Measured Category and to build upon our geotechnical understanding of the resource. Baseline environmental programs will continue.

The Company is currently working on an initial resource estimate for the Filo del Sol project. The Filo del Sol resource estimate is expected to be completed during the fourth quarter of 2014. A step out drilling program expected to total approximately 6,000 metres is planned for Filo del Sol. Drilling is expected to start in December 2014.

The Company plans to incorporate the results of the 2013/2014 drill program into an updated resource estimate. Once the metallurgical test work that is currently underway is complete, we expect to be in a position to complete an updated NI 43-101 Technical Report during the first quarter of 2015.

About NGEx

NGEx is a Canadian mineral exploration company with exploration projects in Chile, Argentina, and Canada. The Company's shares are listed on the Toronto Stock Exchange and Nasdaq Stockholm under the symbol "NGQ". The Company's focus is on advancing its South American projects which include several large copper-gold systems including the Josemaria, Los Helados, and Filo del Sol projects, located on a land package that the Company holds in Chile's Region III and adjacent San Juan Province, Argentina. Los Helados is part of a joint venture in which the Company holds 60% and Pan Pacific Copper Co., Ltd. holds 40%. Josemaria is part of a joint venture in which the Company holds 60% and Japan Oil, Gas, and Metals National Corporation (JOGMEC) owns 40%. In addition, NGEx holds a 100% interest in Filo del Sol amongst an extensive portfolio of other 100% owned early stage exploration projects located in Chile and Argentina. It also owns a 100% interest in the GJ copper and gold project located in British Columbia Canada. The GJ project is optioned to Teck Resources who are earning up to a 75% interest.

On behalf of the board

Wojtek Wodzicki
President and CEO

For further information, please contact: Sophia Shane, Corporate Development (604) 689-7842.

Qualified Person

The disclosure of scientific and technical information in this news release regarding NGEx's projects, has been reviewed and approved by Mr. Bob Carmichael, B.A.Sc, P.Eng., Vice President, Exploration for the Company, who is a Qualified Person in accordance with the requirements of National Instrument 43-101. For a description of the quality assurance program and quality control measures applied by NGEx, please see NGEx's Annual Information Form dated March 31, 2014 available at http://www.sedar.com.

Additional Information

NGEx's consolidated financial statements for the three and nine months ended September 30, 2013 and related management's discussion and analysis are available on NGEx's website at www.ngexresources.com or under its profile on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation, concerning the business, operations and financial performance and condition of NGEx Resources Inc. Forward-looking information includes, but is not limited to, statements with respect to the timing and nature of any potential development scenarios, opportunities to improve project economics, estimation of commodity prices, mineral resources, costs, the success of exploration activities, expectations with regard to adding to mineral resources through exploration, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining activities, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotations thereof. All such forward-looking information is based on the opinions and estimates of the relevant management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond the Company's ability to control or predict.

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 cost estimates, changes in commodity prices, currency fluctuation, financing, 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 described under "Risks Factors" in the Company's Annual Information Form available under the Company's profile at www.sedar.com and the Company's website.

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 actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers should not place undue reliance on forward-looking information.

Forward-looking information is provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. These factors are not, and should not be construed as being, exhaustive. 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. The forward-looking information contained in this press release is expressly qualified by this cautionary statement. The Company expressly disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

NGEX RESOURCES INC

SEPTEMBER 30, 2014

NGEx RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

This MD&A focuses on significant factors that have affected NGEx Resources Inc. (the "Company" or "NGEx") and its subsidiaries and such factors that may affect its future performance. The MD&A should be read in conjunction with the unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2014 and the December 31, 2013 year end audited consolidated financial statements and the related notes therein. The financial information in this MD&A is derived from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars, unless otherwise indicated.

The effective date of this MD&A is November 10, 2014.

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.

Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and at the Company's website www.ngexresources.com.

CORE BUSINESS AND STRATEGY

The Company is principally engaged in the acquisition, exploration, and development of precious and base metal properties located in Chile, Argentina, and Canada. The Company's common shares are listed on the Toronto Stock Exchange (the "TSX") and NASDAQ OMX Stockholm under the symbol "NGQ".

NGEx has built a strong portfolio of exploration stage copper-gold projects in Chile, Argentina, and Canada. The Company has a strong management team and board with extensive experience in Chile and Argentina and an appropriate mix of geological, engineering, financial, and business skills to advance its projects and to generate value for its shareholders.

The Company's principal projects are the Los Helados and Josemaria projects which are advanced exploration stage copper-gold projects located in Chile and Argentina respectively as well as Filo del Sol located in Argentina which is in the resource definition stage. The Company's long term view of the copper market is positive, with the expectation that over time tightening mine supply and growing demand especially from developing countries will contribute to stronger prices and will require the development of new greenfield mining projects. The Company's strategy is to create value for its shareholders by expanding and increasing the quality of its resources as well as by advancing the engineering and other studies that are required to prepare its projects for eventual development by the Company and its partners or by third parties. The Company intends to increase shareholder value through successful exploration and to eventually convert its exploration successes into tomorrow's development projects positioning the Company as a top tier copper industry investment.

HIGHLIGHTS AND SIGNIFICANT EVENTS

- On October 20, 2014, the Company announced the results of a Preliminary Economic Assessment ("PEA") and an updated Mineral Resource estimate for the Los Helados Project. The study defines a robust resource which forms a strong base for a mining and processing solution, indicating that Los Helados as a standalone operation has the potential to become a large, low cost mine producing a highly marketable concentrate

- On October 23, 2014, the Company announced the acquisition of the 40% interest in the Filo del Sol Project held by its partner Pan Pacific Co., Ltd. ("PPC") for total cash consideration of US$7.0 million. The Company believes that the Filo del Sol Project has excellent exploration potential and has the potential to grow into a significant asset.

QUALIFIED PERSONS
Technical disclosure for the Company's projects included in this MD&A, with the exception of the technical disclosure related to ongoing engineering studies, has been reviewed and approved by Bob Carmichael P. Eng. (BC). Mr. Carmichael is NGEx's Vice-President of Exploration and a Qualified Person ("QP") under National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). Technical disclosure related to the engineering studies has been reviewed and approved by Anthony George P. Eng. (BC). Mr. George is the Company's Project Manager and a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101).

Los Helados Project, Chile

Los Helados is a large copper-gold porphyry deposit located approximately 125 kilometres southeast of the city of Copiapo in Region III of Chile. Nearby deposits held by other companies include Caserones-Regalito (PPC), Candelaria (Lundin Mining/Sumitomo), and El Morro-La Fortuna (Goldcorp/New Gold). Los Helados is subject to a Joint Exploration Agreement with PPC (the "PPC JEA") in which the Company holds a 60% interest and PPC holds a 40% interest. Each party funds its pro-rata share of exploration expenditures. PPC is a Japanese mining and smelting company that is owned by JX Nippon Mining and Metals (66%) and Mitsui Mining and Smelting (34%).

On October 20, 2014, the Company announced the results of a Preliminary Economic Assessment (the "PEA") completed on the Los Helados Project, together with an updated Mineral Resource Estimate. The proposed project concept is to develop a green-fields underground mine using block cave mining methods, followed by (Semi-Autogenous Grinding) SAG milling and conventional sulphide flotation producing a copper concentrate containing significant gold and silver with all deleterious elements below penalty levels.

For more detailed information on the PEA and the Resource Estimate refer to the Company's news release dated October, 20, 2014. The PEA was prepared by AMEC International Ingeniería y Construcción Limitada ("AMEC") of Santiago, Chile, under the direction of Anthony George, Project Manager (NGEx Resources). The National Instrument 43-101 Technical Report summarizing the results of the PEA and updated Mineral Resource Estimate will be filed on SEDAR (www.sedar.com) and on the Company's website (www.ngexresources.com) within 45 days. Subsequent to the effective date of the PEA, the corporate tax rate in Chile was raised from 20% to 27%. Accordingly, the Company has asked the QP authors to prepare the Technical Report using the new 27% rate. The after-tax financial results shown below reflect this increase in tax rate and differ from those first reported in the October 20, 2014 news release.

PEA Summary

	130,000 t/d Option	65,000 t/d Option
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After-Tax NPV (8%) & IRR	$270 million NPV 8.9% IRR	$198 million NPV 8.8% IRR
Metals Prices	$3.25/lb Cu $1,300/oz Au $21.50/oz Ag	$3.25/lb Cu $1,300/oz Au $21.50/oz Ag
Initial Capital Expenditures	$4.3 billion	$3.1 billion
LOM Sustaining Capital Expenditures	$1.3 billion	$1.3 billion
LOM C-1 Cash Costs (net of by-product credits)	$1.10/lb Cu sold	$1.13/lb Cu sold
Nominal Mill Capacity	130,000 t/d	65,000 t/d
Mine Life	26 years	37 years
LOM Average Annual Metal Production	115,000 t Cu 133,000 oz Au 675,000 oz Ag	81,000 t Cu 93,000 oz Au 474,000 oz Ag
LOM Average Process Recovery	89.4% Cu 80.2% Au 51.0% Ag	89.4% Cu 80.2% Au 51.0% Ag

* All figures reported are in 2014 US dollars and on a 100% Project and 100% equity basis valuation. A US dollar (USD) to Chilean Peso (CLP) exchange rate of 500 CLP = 1 USD was used for all cost estimates.

Note: The reader is advised that the PEA study results in this MD&A are only intended to provide an initial, high-level summary of the project. The PEA is preliminary in nature and includes the use of inferred mineral resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Mineral Resource Estimate

Los Helados has a current Mineral Resource at a base case 0.33% copper equivalent ("CuEq") cutoff, as follows:

- 2,099 million tonnes at a grade of 0.38% copper, 0.15 g/t gold, and 1.37 g/t silver for a copper equivalent grade of 0.48% (17.6 billion pounds of copper, 10.1 million ounces of gold, and 92.5 million ounces of silver) in the <u>Indicated Resource</u> category; and
- 827 million tonnes at a grade of 0.32% copper, 0.10 g/t gold, and 1.32 g/t silver for a copper equivalent grade of 0.39% (5.8 billion pounds of copper, 2.7 million ounces of gold, and 35.1 million ounces of silver) in the <u>Inferred Resource</u> category.

Copper Equivalent (CuEq) is calculated using US$3.00/lb copper, US$1,300/oz gold and US$23/oz Ag, and includes a provision for selling costs and metallurgical recoveries corresponding to three zones which vary with depth. The formulas used are: CuEq% = Cu% + 0.6264*Au (g/t) + 0.0047*Ag (g/t) for the Upper Zone (surface to ~ 250m); Cu% + 0.6366*Au (g/t) + 0.0077*Ag (g/t) for the Intermediate Zone (~250m to ~600m); Cu% + 0.6337*Au (g/t) + 0.0096*Ag (g/t) for the Deep Zone (> ~600m).

Mineral Resources are reported within a block cave underground mining shape based on $13.07/tonne operating costs and including a provision for capital expenditure. The base case cutoff grade of 0.33% CuEq was derived through an economic evaluation of several block cave shapes developed over a range of different cutoff grades and is the cutoff grade which results in a zero NPV.

The Mineral Resource estimate for the Los Helados Project has an effective date of September 19, 2014 and was prepared by Gino Zandonai, B.Sc., M.Sc. Registered Member of the Comision Calificadora de Competencias en Recursos y Reservas Mineras (Chilean Mining Commission), Senior Associate of Behre Dolbear International Ltd. in accordance with NI 43-101. Mr. Zandonai is the Qualified Person for the estimate and is independent of the Company. For more information about the current resource estimate refer to the Company's news release dated October 20, 2014.

It should be noted that the Mineral Resource estimate presented here is not a Mineral Reserve, and does not have demonstrated economic viability. While the Company strongly believes that the Mineral Resource warrants additional study to determine the development potential, there can be no guarantee that any or all of the Mineral Resource will ultimately be determined to be economically viable.

Activities in the Current Quarter

Engineering Studies

On October 20, 2014, the Company announced the results of a PEA completed on the Los Helados Project. The study defines a robust resource which forms a strong base for a mining and processing solution, indicating that Los Helados as a standalone operation has the potential to become a large, low cost mine producing a highly marketable concentrate. Future studies are planned during the next 18 months which will focus on opportunities to improve project returns by seeking ways to reduce initial capital costs by realizing potential synergies with other deposits in the region, as well as opportunities to increase the tonnage mined, improve metallurgical recoveries, and potentially increase throughput. Work is ongoing and a variety of potential development scenarios continue to be considered.

Baseline environmental programs, including review of areas for potential infrastructure in support of the PEA are ongoing. Field and desktop work in support of the environmental studies were carried out during the current quarter. Field work will resume in the fourth quarter of 2014 and is expected to include approximately 9,000 metres of infill drilling which is expected to convert a portion of the Indicated Resource to Measured. The drilling will also be used to gather detailed geotechnical information and provide additional samples for metallurgical test work.

Josemaria Project, Argentina

Josemaria is a large copper/gold porphyry project located in San Juan Province, Argentina. The Josemaria deposit is located 11 kilometres southeast of Los Helados. The project is being explored under a separate Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") in which the Company holds a 60% interest and JOGMEC holds a 40% interest. Each party funds its pro-rata share of expenditures.

Mineral Resource Estimate

Josemaria has a current Resource at a base case 0.30% copper equivalent* ("CuEq") cutoff, as follows:

Sulphide Resource (0.3% CuEq* cutoff):

- 789 million tonnes at a grade of 0.35% copper and 0.24 g/t gold for a copper equivalent grade of 0.53% (6.1 billion pounds of copper and 6.1 million ounces of gold) in the Indicated Resource category; and,
- 315 million tonnes at a grade of 0.28% copper and 0.17 g/t gold for a copper equivalent grade of 0.41% (1.9 billion pounds of copper and 1.7 million ounces of gold) in the Inferred Resource category.

Plus: Oxide Resource (0.2 g/t Au cutoff):

- 45 million tonnes at a grade of 0.14% copper and 0.32 g/t gold (463 thousand ounces of gold) in the Indicated Resource category; and,
- 3 million tonnes at a grade of 0.05% copper and 0.33 g/t gold (30 thousand ounces of gold) in the Inferred Resource category.

*CuEq - Copper Equivalent is calculated using US$3.00/lb copper, US$1,400/oz gold and US$23/oz Ag, with no provision for metallurgical recoveries. The formula used is CuEq% = Cu% + 0.6806*Au (g/t) + 0.011*Ag (g/t).

The Mineral Resource estimate for the Josemaria Project has an effective date of September 27, 2013 and was prepared by Gino Zandonai, B.Sc., M.Sc. Registered Member of the Comision Calificadora de Competencias en Recursos y Reservas Mineras (Chilean Mining Commission), Senior Associate of Behre Dolbear International Ltd. in accordance with NI 43-101. Mr. Zandonai is the Qualified Person for the estimate and is independent of the Company. To put the Josemaria resource into its full context the reader is encouraged to read the Technical Report dated November 13, 2013 and amended March 24, 2014 and titled *"Second Updated Mineral Resource Estimate for the Josemaria Property San Juan Province Argentina"*. This report describing the details of the resource estimate is available under the Company's profile on SEDAR www.sedar.com. It should be noted that the Mineral Resource estimate presented here is not a Mineral Reserve, and does not have demonstrated economic viability. While the Company strongly believes that the Mineral Resource warrants additional study to determine the development potential, there can be no guarantee that any or all of the Mineral Resource will ultimately be determined to be economically viable.

Activities in the Current Quarter

Drilling at Josemaria was completed during the first quarter of 2014 and no field work was carried out during the second and third quarter. Final assay results from the 2013/2014 drill program were released on April 24, 2014.

Engineering Studies

Mine engineering studies at the Josemaria project are on hold while the Company focuses its efforts on the studies underway at Los Helados. Metallurgical test work and baseline environmental programs, including review of areas for potential infrastructure continued during the quarter. Field work in support of the environmental program was carried out during the quarter.

Filo del Sol Property, Argentina

Filo del Sol project is an exploration project located approximately 17 kilometres south of Los Helados in San Juan Province, Argentina.

Filo del Sol is a high sulphidation epithermal copper-gold-silver system that overlies a porphyry copper-gold system. Filo del Sol is a very large mineralized system, with minimum dimensions, based on wide spaced drill holes, of 2.8 kilometres in a north-south direction and 1 kilometre in an east-west direction. Overlapping mineralizing events combined with weathering effects, including supergene enrichment, have created several different styles of mineralization at Filo, including copper-gold porphyry, structurally-controlled gold, manto-style high-grade silver (+/- copper) and high-grade supergene copper enrichment.

Activities in the Current Quarter

On October 23, 2014, the Company announced the acquisition of the 40% interest in the Filo del Sol Project held by its partner PPC for total cash consideration of US$7.0 million effective September 1, 2014. The consideration is payable in two installments: US$3.5 million payable in November 2014 and US$3.5 million by the earlier of November 1, 2015 or upon completion of an administrative restructuring of certain exploration licenses. As a result, the Company holds a 100% interest in the Filo del Sol Project. In addition the Company holds a 100% interest in the Tamberias Project which is located across the international border in Chile and is interpreted to have the potential to host a possible extension of the mineralization at Filo del Sol.

The 2013/2014 drill program was completed during the first quarter of 2014, and no field work was carried out at Filo del Sol during the second and third quarter.

The Company is working on an initial resource estimate for the Filo del Sol project. This is expected to be completed in the fourth quarter of 2014. A step out drill program of approximately 6,000 metres is expected to begin late in the fourth quarter of 2014.

Other Chilean and Argentinean Projects

The Company holds a number of early stage exploration projects in Chile and Argentina. Work on these projects is currently on hold while the Company focuses its efforts on Los Helados, Josemaria, and Filo del Sol.

NORTH AMERICAN PROJECTS

GJ Project, British Columbia, Canada

The GJ Project is located in northern British Columbia covers an area of about 150 square kilometres and covers a number of significant mineral showings, including the Donnelly, GJ and North zones. The GJ project is the subject of a NI 43-101 technical report entitled "Technical Report on the GJ Copper-Gold Porphyry Project Laird Mining Division British Columbia, Canada" dated April 30, 2007. The Report is available under the Corporation's profile on SEDAR www.sedar.com.

The project has a Measured and Indicated resource of 153.3 million tonnes grading 0.32% copper and 0.37 g/t gold, at a cutoff grade of 0.20% copper which contains 1.09 billion pounds of copper and 1.82 million ounces of gold. The resource estimate was prepared by Qualified Person Mr. Gary Giroux P.Eng. and is filed on SEDAR under the Company's profile.

The Company has optioned the GJ Project to Teck Resources Limited ("Teck") whereby Teck can earn an initial 51% interest in the project by spending $12 million by December 31, 2014 and up to a 75% interest by making exploration expenditures totaling $44 million by December 31, 2020. Teck has cumulatively spent $11.7 million to December 31, 2013. Teck carried out exploration in 2013 which comprised a total of 2,027 metres of diamond drilling in 3 holes, as well as re-logging of existing drill core, geological mapping, and geochemical sampling from areas of interest, including the Sun Plateau and infill lines on the Donnelly Plateau. Work done at GJ during the third quarter of 2014 included re-logging of selected core intervals, the collection of 271 soil samples and targeted geological mapping over the deposit area.

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended	**Sep-14**	**Jun-14**	**Mar-14**	**Dec-13**	**Sep-13**	**Jun-13**	**Mar-13**	**Dec-12**
(In thousands $ except for per share amounts)								
Exploration and project investigation, net of recoveries	1,837	2,300	8,221	2,339	1,505	3,385	15,469	6,866
Net loss from continuing operations	(1,834)	(4,354)	(9,358)	(3,186)	(2,066)	(5,994)	(17,042)	(7,512)
Net loss from discontinued operations	(5)	(10)	(3)	96	(106)	(25)	(49)	(790)
Net loss	(1,839)	(4,364)	(9,361)	(3,090)	(2,172)	(6,019)	(17,091)	(8,302)
Basic and diluted loss per share from continuing operations (i)	(0.01)	(0.03)	(0.05)	(0.02)	(0.01)	(0.04)	(0.10)	(0.05)
Basic and diluted loss per share from discontinued operations (i)	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)
Total basic and diluted loss per share (i)	(0.01)	(0.03)	(0.05)	(0.02)	(0.01)	(0.04)	(0.10)	(0.05)

(i) As a result of rounding the sum of the quarterly amounts may differ from the year to date.

QUARTERLY ANALYSIS

Net loss, quarter over quarter, is affected by the level of exploration and project investigation expenses incurred and write-off/down of mineral properties interests and will vary accordingly. Net loss is also impacted by the recognition of share-based payments in each quarter which depends on options granted and vested. Exploration and project investigation expenditures are affected to some extent by seasonal factors, exploration results, share-based payments and availability of funds.

Exploration and project investigation expenditures during the first and second quarter of 2014 mainly relate to exploration activity at Filo del Sol and conceptual studies on the Los Helados and Josemaria projects. In the third quarter of 2014, exploration and project investigation expenditures were higher than the same quarter in 2013 given that the Company incurred expenditures relating to the conceptual studies at Los Helados which resulted in the announcement of the completion of the PEA in October 2014. During the third quarter of 2013, the conceptual studies at Los Helados and Josemaria were only in its early stages.

The net loss from continuing operations was $0.2 million lower for the third quarter ended September 30, 2014 compared to the same period in 2013. This is mainly due to an increase of $1.4 million of foreign exchange gain offset by an increase in exploration and project investigation expenditures of $0.3 million as explained above and an increase in general and administrative expenses of $0.5 million due to the payment of performance incentive bonuses to key employees of the Company. In addition, the Company recorded an unrealized loss on investments of $0.1 million during the third quarter of 2014 compared to a gain on disposal of investments of $0.2 million recorded during the third quarter of 2013.

The net loss from discontinued operations is due to exploration activities in Africa which were accounted for as discontinued operations in 2012 with the Company’s decision to divest its non-core African properties and the eventual sale of Hambok mineral property in Eritrea to Bisha Mining Share Company. The remaining expenditures relate to costs to wind-up the Company’s operations in Eritrea.

RESULTS OF OPERATIONS

The Company's net loss for the nine months ended September 30, 2014 was $15.6 million or $0.09 per share as compared to a loss of $25.3 million or $0.15 per share for 2013. Net loss from continuing operations for the nine months ended September 30, 2014 was $15.5 million or $0.09 per share compared with a net loss from continuing operations of $25.1 million or $0.15 per share for 2013. The decrease in the net loss of $9.7 million is mainly due to a decrease in exploration and project investigation expenditures of $8.0 million resulting from a reduction in drilling activity at Los Helados and Josemaria offset by costs relating to conceptual studies at these properties and the commencement of drilling at Filo del Sol. In addition, the Company recorded a write-down of certain mineral property interests during the nine months ended September 30, 2013 of $1.2 million.

The quarterly variances are discussed in greater detail in the previous section.

The Company's business is driven by seasonal trends through increased exploration activity during the summer months in South America as well as the achievement of project milestones such as the achievement of various technical, environmental, socio-economic and legal objectives, including obtaining the necessary permits, preparation of engineering designs, as well as receipt of financings to fund these objectives.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2014, the Company had cash and working capital of $34.0 million and $28.1 million, respectively, as compared to cash and working capital of $21.3 million and $14.2 million, respectively, at December 31, 2013. The increase in cash and working capital is primarily a result of the completion of a private placement whereby the Company sold an aggregate of 17,412,935 common shares of the Company for gross proceeds of approximately $35 million. This is offset by exploration and general and administrative expenses incurred during the period.

Net cash used in operating activities was $20.9 million for the nine months ended September 30, 2014 and consisted primarily of the loss from operations of $15.6 million, which included exploration and project investigation expenditures and conceptual studies work of $12.4 million and was adjusted for the impact of non-cash items and changes in non-cash working capital.

Cash flow from financing activities was $33.4 million, which comprised of net proceeds from the private placement completed during the period and proceeds from the exercise of stock options.

Net cash used in investing activities was $0.4 million, which consisted primarily of expenditures relating to mineral property option payments.

As the Company is an exploration company and has no sources of revenue, the Company expects that it will operate at a loss for the foreseeable future.

The Company anticipates that its current financial position will provide sufficient working capital to fund its share of planned exploration and project investigation expenditures, which are discretionary, and corporate expenses for the next twelve months. As the Company is an exploration company and has no sources of revenue, additional funding from equity financing, joint ventures or disposition of mineral properties and investments may be required to fund further exploration and corporate expenses.

There can be no assurance that such financing will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

OUTLOOK

At Los Helados, the completion of the PEA helped identify a number of opportunities to potentially improve the project economics, many of which have already been initiated in the ongoing project development process for Los Helados. These include:

- Exploring regional synergies for capital and operating cost reductions;
    - Through potential synergies and cooperative development plans with other regional operators to utilize spare capacity of process plants and infrastructure – desalination plants, water pipeline routes and ports;
    - Through expanding the resource base within our regional land package which includes the Josemaria and Filo del Sol projects – all within 20 kilometres of the Los Helados deposit;
- Extending the life of mine, and project cash-flow, of the Los Helados resource through the application of a variable cut-off grade which over the life of mine has the potential to add tonnage to the proposed mine plans – extending the life of mine and increasing cash for later life mine planning;
- Increasing metallurgical recoveries with further test work and optimization;
- Evaluating the use of seawater in the process plant reducing capital and operating costs for the desalination plant;
- Reviewing the suitability of High Pressure Grinding Roll technology (HPGR) and its potential to reduce overall power use and costs; and
- Delineating more or higher grade feed material for the process plant through continued exploration.

An infill drilling program expected to total approximately 9,000 metres is expected to start in December 2014, in order to upgrade a portion of the Los Helados mineral resource to the Measured Category and to build upon our geotechnical understanding of the resource. Baseline environmental programs will continue.

The Company is currently working on an initial resource estimate for the Filo del Sol project. The Filo del Sol resource estimate is expected to be completed during the fourth quarter of 2014. A step out drilling program expected to total approximately 6,000 metres is planned for Filo del Sol. Drilling is expected to start in December 2014.

The Company plans to incorporate the results of the 2013/2014 drill program into an updated resource estimate. Once the metallurgical test work that is currently underway is complete, we expect to be in a position to complete an updated NI 43-101 Technical Report during the first quarter of 2015.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires the Company's management to make certain critical accounting estimates, judgments and assumptions about future events that effect the amounts reported in the consolidated financial statements and related notes to the financial statements. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments, estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from amounts included in the financial statements.

For a complete discussion of critical accounting estimates, refer to the Company's annual 2013 Management Discussion and Analysis.

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2014, the Company incurred:

(a) management fees of $405,000 (2013 - $405,000) in respect of office facilities and administrative services from Namdo Management Services Ltd. ("Namdo"), a company controlled by a director. At September 30, 2014, $Nil (December 31, 2013 - $982) was due to this company.

(b) $114,048 (2013 - $135,504) of aircraft chartered service from Mile High Holdings Ltd, a company associated with the Chairman of the Company.

(c) $33,825 (2013 - $128,246) of technical consulting services from Lucara Diamond Corp. and Lundin Mining Corporation, companies related by common directors. The Company engaged technical personnel on a part-time basis from these companies to support technical studies at the Company's projects. At September 30, 2014, $18,267 (December 31, 2013 - $26,489) was payable to these companies.

(d) $49,701 (2013 - $12,470) of legal services from Cassels Brock & Blackwell LLP, a company in which a director is the Senior Business Advisor.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 186,515,494 common shares outstanding and 7,327,750 share options outstanding under its stock-based incentive plans.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as either held-to-maturity, available-for-sale, held for trading, loans and receivables or other financial liabilities. The Company's financial instruments consist of cash and cash equivalents, receivables and others, investments, due from joint exploration partners, trade payable and accrued liabilities, due to related parties and due to joint exploration partners. With the exception of investments, the carrying value of its financial investments approximates their fair value due to their immediate or short-term maturity. The fair value of investments is determined directly by reference to quoted market prices in active markets.

MANAGEMENT'S RESPONSIBILTY FOR THE FINANCIAL STATEMENTS

The Audit Committee is responsible for reviewing the contents of this document along with the interim quarterly financial statements to ensure the reliability and timeliness of the Company's disclosure while providing another level of review for accuracy and oversight. There have been no changes in the Company's disclosure controls and procedures during the nine months ended September 30, 2014.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures

Disclosure controls and procedures 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 and 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.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. As of December 31, 2013, the Chief Executive Officer and Chief Financial Officer have each concluded that the Company's disclosure controls and procedures, as defined in NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed.

Internal Control over financial reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's internal controls over financial reporting 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 and 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.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting. As of December 31, 2013, the Chief Executive Officer and Chief Financial Officer have each concluded that the Company's internal controls over financial reporting, as defined in NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed.

Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required under Multilateral Instrument 52-109, management advises that there have been no changes in the Company's internal control over financial reporting that occurred during the most recent interim period, beginning July 1, 2014 and ending September 30, 2014, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS AND UNCERTAINTIES

There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's 2013 annual MD&A filed March 28, 2014.

FINANCIAL INFORMATION

The report for the year ended December 31, 2014 is expected to be published on February 26, 2015.

OFF-BALANCE SHEET AGREEMENTS

The Company has no off-balance sheet arrangements.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION AND 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. Generally, these forward-looking statements or information can frequently, but not always, be identified by use of forward-looking terminology such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "planned", "budget", "scheduled", "possible", "project" or variations of such words and phrases, or statements that certain actions, events, conditions or results "will", "may", "could", "would" or "should" occur or achieved.

The forward-looking statements and information are based on the opinions and estimates of management as of the date such statements and information are made and they are subject to a number of known and unknown risks, uncertainties and other factors, including, without limitation, those referred to in the "Risks and Uncertainties" section of the MD&A, the Company's Annual Information Form under the heading "Risks Factors" and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or 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 speaks as of the date of the MD&A. In particular, this MD&A contain forward-looking statements or information pertaining to the following: the Company's exploration and development expenditures, cost estimates and other assumptions used in the Los Helados PEA, programs and objectives, mineral resources estimates, geology, size, grade and continuity of mineral deposits, exploration/drill results and budgets; impact of metal prices and foreign currency fluctuations; uncertain political and economic environments; changes in laws or policies; delays or the inability to obtain the necessary government permits; the need to obtain financing and uncertainty as to the availability and terms of future financing; uncertainties involved in dispute or litigation and other risks and uncertainties.

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 reserves and mineral resources described can be profitably produced in the future.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources: This MD&A" may use the terms "Measured", "Indicated" and "Inferred" Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility.

It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

The forward-looking statements and information contained herein are based on a number of material assumptions, including, but not limited to, assumptions regarding general business and economic conditions, metal prices, timing and receipt of government permits, success of exploration/drill results, ability to carry out the Company's exploration activities as planned, sufficiency of Company's funds to perform the planned activities, financial markets, accuracy of the Company's resource and reserves estimates (including with respect to size, grade and recoverability) and geological, operational and price assumptions on which these are based, and our ongoing relations with joint exploration partners.

The list of assumptions and factors are not and should not be construed as exhaustive. Events or circumstances beyond the Company's control could cause actual results to vary materially.

Readers are encouraged to see our Annual Information Form for the year ended December 31, 2013 filed on SEDAR for additional information on risks, uncertainties and other factors relating to forward-looking information and statements. There can be no assurance that such forward-looking statements or information will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking information or statements, which speak only as of the date the statements were made. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The Company does not undertake or assume any obligations to update or revise any forward-looking statements and information after the date of this MD&A, except as required by applicable laws.

NGEx Resources Inc.
Condensed Interim Consolidated Balance Sheets
(All amounts expressed in Canadian Dollars, unless otherwise indicated.)
(Unaudited)

	September 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents (Note 3)	$ 34,025,181	$ 21,259,598
Investments	441,000	326,000
Receivables and other assets	772,752	1,118,105
	35,238,933	22,703,703
Equipment	166,460	247,077
Mineral properties (Note 4)	17,202,346	10,438,840
Other non-current assets	8,000	8,000
TOTAL ASSETS	$ 52,615,739	$ 33,397,620
LIABILITIES		
Current liabilities:		
Trade payables and accrued liabilities (Note 4)	$ 5,520,214	$ 4,355,561
Due to joint exploration partners	1,649,785	4,101,231
	7,169,999	8,456,792
Other non-current liabilities (Note 4)	3,922,800	319,080
TOTAL LIABILITIES	11,092,799	8,775,872
EQUITY		
Share capital (Note 5)	248,587,661	214,924,582
Reserved for issuance	1,284	1,284
Contributed surplus (Note 6)	8,379,434	7,482,860
Cumulative deficit	(208,696,311)	(193,132,284)
Accumulated other comprehensive loss	(6,749,128)	(4,654,694)
TOTAL EQUITY	41,522,940	24,621,748
TOTAL LIABILITIES AND EQUITY	$ 52,615,739	$ 33,397,620

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

ON BEHALF OF THE BOARD:

/s/William A. Rand
Director

/s/Wojtek A. Wodzicki
Director

NGEx Resources Inc.
Condensed Interim Consolidated Statements of Comprehensive Loss
(All amounts expressed in Canadian Dollars, unless otherwise indicated.)
(Unaudited)

	Three months ended September 30, 2014	Three months ended September 30, 2013	Nine months ended September 30, 2014	Nine months ended September 30, 2013
Expenses				
Exploration and project investigation (Note 7)	1,837,359	1,505,102	12,358,978	20,359,377
General and Administration:				
Salaries and benefits (Note 8)	727,470	168,189	1,194,731	878,585
Share-based compensation (Note 6)	194,408	287,905	887,328	896,122
Management fees (Note 8)	135,000	135,000	405,000	405,000
Professional fees	77,818	93,104	229,943	233,064
Travel	87,602	42,803	204,103	141,768
Promotion and public relations	37,974	49,816	292,138	267,846
Donation	-	-	-	340,000
Office and general	52,031	26,049	337,424	242,613
Operating loss	3,149,662	2,307,968	15,909,645	23,764,375
Other (income) expenses				
Interest income	(15,974)	(59,043)	(34,350)	(192,463)
Foreign exchange gain	(1,443,033)	(3,838)	(308,166)	(191,204)
Other expenses	33,653	813	198,948	111,638
Unrealized (gain) / loss on investments	110,000	-	(220,000)	594,000
Write-down of mineral property interests	-	-	-	1,196,128
Gain on disposition of investments	-	(180,000)	-	(180,000)
Net loss from continuing operations	1,834,308	2,065,900	15,546,077	25,102,474
Net loss from discontinued operations	5,244	106,314	17,950	179,757
Net loss	$ 1,839,552	$ 2,172,214	$ 15,564,027	$ 25,282,231
Other comprehensive loss				
Change in fair value of available-for-sale securities	90,000	35,000	105,000	35,000
Foreign currency translation adjustment	568,808	1,437,284	1,989,434	1,685,612
Comprehensive loss	$ 2,498,360	$ 3,644,498	$ 17,658,461	$ 27,002,843
Basic and diluted loss per common share				
Continuing operations	$ 0.01	$ 0.01	$ 0.09	$ 0.15
Discontinued operations	$ 0.00	$ 0.00	$ 0.00	$ 0.00
	$ 0.01	$ 0.01	$ 0.09	$ 0.15
Weighted average common shares outstanding	186,475,494	168,661,009	175,670,449	167,541,247

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

NGEx Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
(All amounts expressed in Canadian Dollars, unless otherwise indicated.)
(Unaudited)

	For the Nine Months Ended September 30, 2014	2013
Cash flows used in operating activities		
Net loss for the period	$ (15,564,027)	$ (25,282,231)
Items not involving cash and cash equivalents:		
Depreciation	72,211	143,989
Share-based compensation	1,130,529	1,031,608
Gain on disposition of investments	-	(180,000)
Unrealized foreign exchange gain	(985,200)	-
Unrealized gain (loss) on investments	(220,000)	629,000
Write-down of mineral property interests	-	1,196,128
Net changes in working capital items:		
Receivables and other	209,452	14,198
Trade payables and accrued liabilities	(2,829,173)	(5,647,949)
Due to related parties	(15,020)	13,162
Due to joint exploration partners	(2,692,066)	(2,946,445)
	(20,893,294)	(31,028,540)
Cash flows from financing activities		
Common shares issued, net	33,012,025	33,276,316
Proceeds from exercise of stock options	417,099	62,560
	33,429,124	33,338,876
Cash flows used in investing activities		
Mineral properties and related expenditures	(424,444)	(973,420)
Acquisition of equipment	(3,295)	(207,411)
	(427,739)	(1,180,831)
Effect of exchange rate change on cash and cash equivalents	657,492	(63,628)
Increase in cash and cash equivalents during the period	12,765,583	1,065,877
Cash and cash equivalents, beginning of period	21,259,598	17,296,923
Cash and cash equivalents, end of period	$ 34,025,181	$ 18,362,800

Supplemental Information:

Changes in trade payables and accrued liabilities relating to mineral property acquisition (Note 4)	(7,845,600)	-

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

NGEx Resources Inc.
Condensed Interim Consolidated Statements of Changes in Equity
(All amounts expressed in Canadian Dollars, unless otherwise indicated.)
(Unaudited)

	Number of shares issued and outstanding	Number of shares reserved for issuance	Share capital	Reserved for issuance	Contributed surplus	Accumulated other comprehensive loss	Accumulated Deficit	Total
Balance, January 1, 2014	168,714,559	20,240	$ 214,924,582	$ 1,284	$ 7,482,860	$ (4,654,694)	$ (193,132,284)	$ 24,621,748
Exercise of stock options	348,000	-	651,054	-	(233,955)	-	-	417,099
Share-based compensation	-	-	-	-	1,130,529	-	-	1,130,529
Change in fair value of available-for-sale securities	-	-	-	-	-	(105,000)		(105,000)
Foreign currency translation	-	-	-	-	-	(1,989,434)	-	(1,989,434)
Private placement	17,412,935	-	33,012,025	-	-	-	-	33,012,025
Net loss for the period	-	-	-	-	-	-	(15,564,027)	(15,564,027)
Balance, September 30, 2014	186,475,494	20,240	$ 248,587,661	$ 1,284	$ 8,379,434	$ (6,749,128)	$ (208,696,311)	$ 41,522,940
Balance, January 1, 2013	158,582,393	20,240	$ 181,485,132	$ 1,284	$ 6,348,030	$ (1,565,286)	$ (164,759,836)	$ 21,509,324
Exercise of stock options	81,333	-	101,252	-	(38,692)	-	-	62,560
Share-based compensation	-	-	-	-	1,031,608	-	-	1,031,608
Change in fair value of available-for-sale securities	-	-	-	-	-	(35,000)	-	(35,000)
Foreign currency translation	-	-	-	-	-	(1,685,612)	-	(1,685,612)
Private placement	10,000,000	-	33,276,316	-	-	-	-	33,276,316
Net loss for the period	-	-	-	-	-	-	(25,282,231)	(25,282,231)
Balance, September 30, 2013	168,663,726	20,240	$ 214,862,700	$ 1,284	$ 7,340,946	$ (3,285,898)	$ (190,042,067)	$ 28,876,965

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

(All amounts expressed in Canadian Dollars, unless otherwise stated.)

1. NATURE OF OPERATIONS

NGEx Resources Inc. and its subsidiaries (collectively referred to as the "Company") are principally engaged in the acquisition, exploration and development of mineral properties located in North and South America.

We are governed by the Canada Business Corporations Act and our registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. Our common shares are listed on the Toronto Stock Exchange. Effective June 19, 2014, we also began trading on the NASDAQ OMX Stockholm Stock Exchange.

2. BASIS OF PRESENTATION

Our condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2013.

Our interim consolidated financial statements should be read in conjunction with the most recently issued Annual Report of NGEx Resources Inc. which includes information necessary or useful to understanding our businesses and financial statement presentation. In particular, our significant accounting policies were presented as Note 3 to the Consolidated Financial Statements for the fiscal year ended December 31, 2013 included in that report, and have been consistently applied in the preparation of our interim financial statements.

Our interim consolidated financial statements are unaudited. Financial information in this report reflects any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to a fair statement of results for the interim periods in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Our interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 10, 2014.

3. CASH AND CASH EQUIVALENTS

	September 30, 2014	December 31, 2013
Cash on hand	$ 16,092,417	$ 21,259,598
Short-term deposits	17,932,764	-
	$ 34,025,181	$ 21,259,598

(All amounts expressed in Canadian Dollars, unless otherwise stated.)

4. MINERAL PROPERTIES

The carrying value of our mineral properties, capitalized at acquisition costs, is as follows:

	South America						**Canada**	**Total**
	Los Helados & Filo del Sol Joint Exploration Agreement	**Josemaria Joint Exploration Agreement**	**Filo del Sol**	**Tamberias**	**Paramillos**	**Papagallos**	**GJ / Kinaskan**	
January 1, 2013	**2,915,384**	**6,650,011**	**-**	**807,810**	**945,251**	**110,753**	**136,997**	**11,566,206**
Additions	851,678	174,279	-	412,312	-	158,481	-	1,596,750
Impairment	-	-	-	-	(931,439)	(264,689)	-	(1,196,128)
Currency translation effect	(148,013)	(1,323,694)	-	(37,924)	(13,812)	(4,545)	-	(1,527,988)
December 31, 2013	**$ 3,619,049**	**$5,500,596**	**-**	**$1,182,198**	**$ -**	**$ -**	**$ 136,997**	**$ 10,438,840**
Additions (i)	7,984,359	-	-	285,684	-	-	-	8,270,043
Currency translation effect	(353,362)	(1,048,942)	-	(104,233)	-	-	-	(1,506,537)
Acquisition of Filo del Sol interest from PPC (i)	(7,845,600)	-	7,845,600	-	-	-	-	-
September 30, 2014	**$ 3,404,446**	**$4,451,654**	**$7,845,600**	**$1,363,649**	**$ -**	**$ -**	**$ 136,997**	**$ 17,202,346**

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyancing history characteristic of many mineral properties. We have investigated title to all of our mineral properties and, to the best of our knowledge, all of our properties are in good standing.

(i) On October 23, 2014, we announced the agreement to acquire the 40% interest in the Filo del Sol project held by our joint exploration partner Pan Pacific Copper Co., Ltd. ("PPC") effective September 1, 2014 for total cash consideration of US$7.0 million. The consideration is payable in two installments: US$3.5 million payable in November 2014 and US$3.5 million by the earlier of November 1, 2015 or upon completion of an administrative restructuring of certain exploration licenses.

5. SHARE CAPITAL

We have authorized an unlimited number of voting common shares without par value. All issued shares are fully paid.

(All amounts expressed in Canadian Dollars, unless otherwise stated.)

6. SHARE OPTIONS

a) Share Option Plan

We have a rolling share option plan approved and ratified by shareholders on September 15, 2008, reserving an aggregate of 10% of the issued and outstanding shares of the Company for issuance upon the exercise of options granted. Vesting and terms of the option agreement are at the discretion of the Board of Directors.

During the nine months ended September 30, 2014, the Company granted a total of 2,167,500 (2013 – 790,000) share options to officers, employees, directors and other eligible persons at exercise price of $2.05 per share. A share-based compensation cost of $1,537,046 for the options granted during the nine months ended September 30, 2014 (2013 - $723,501) will be amortized over the vesting period of 2 years. $832,611 was recognized in the nine months ended September 30, 2014 (2013 - $385,760).

The total share-based compensation for the nine months ended September 30, 2014 was $1,130,529 (2013 - $1,031,608) of which $887,328 (2013 - $896,122) has been allocated to Administration expenses, and $243,201 (2013 - $135,486) to Exploration and project investigation expenses.

b) Share Options Outstanding

The following is a summary of the movements in the number of share options outstanding and their related weighted average exercise prices:

	September 30, 2014		September 30, 2013	
	Number of share issuable pursuant to share options	Weighted average exercise price per share	Number of share issuable pursuant to share options	Weighted average exercise price per share
Balance at beginning of period	6,256,250	$ 1.76	5,641,750	$ 1.66
Granted	2,167,500	2.05	790,000	2.36
Exercised	(348,000)	1.20	(81,333)	0.77
Forfeited / expired	(693,000)	1.93	(35,000)	2.83
Balance at end of period	7,382,750	$ 1.86	6,315,417	$ 1.75

The following summarized information about the share options outstanding and exercisable at September 30, 2014:

	Outstanding Options			Exercisable Options		
Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of options exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price
$0.50 - $1.30	1,450,250	0.21	$ 0.71	1,450,250	0.21	$ 0.71
$1.31 - $3.42	5,932,500	1.46	2.14	4,224,157	1.05	2.15
	7,382,750	1.22	$ 1.86	5,674,407	0.84	$ 1.78

(All amounts expressed in Canadian Dollars, unless otherwise stated.)

7. EXPLORATION AND PROJECT INVESTIGATION

We have expensed the following mineral properties costs, all incurred in South America, for the nine months ended September 30, 2014:

	Los Helados Exploration Agreement	Josemaria Exploration Agreement	Filo Del Sol	Tamberias	Others	Total
Gov't fees, licenses, permits, taxes, rights and land access	$ 551,148	$ 311,771	$ 50,356	$ 39,892	$ 615,982	$ 1,569,149
Field related expenses	197,314	311,495	513,872	55,842	223,122	1,301,645
Camp cost	180,917	194,230	242,690	23,152	70,934	711,923
Consultants	912	53,495	89,449	-	-	143,856
Drilling and fuel	17,227	673,786	1,344,054	-	-	2,035,067
Geochemistry & conceptual study	603,872	646,902	242,188	44,829	112,952	1,650,743
Road work and trenching	14,129	185,470	231,557	165,183	-	596,339
Transport and travel	60,794	82,856	208,989	35,826	158,448	546,913
Environmental & community relations	857,374	386,595	268,514	2,371	-	1,514,854
Value added tax	72,200	545,646	988,401	4,770	249,567	1,860,584
Office and general expense	19,561	20,013	145,129	-	-	184,703
Share-based compensation (Note 6)	-	-	-	-	243,202	243,202
Total for the period	**$ 2,575,448**	**$ 3,412,259**	**$ 4,325,199**	**$ 371,865**	**$1,674,207**	**$ 12,358,978**

We have expensed the following mineral properties costs, all incurred in South America unless otherwise noted, for the nine months ended September 30, 2013:

	Los Helados Exploration Agreement	Josemaria Exploration Agreement	Filo Del Sol	Tamberias	Others*	Total
Gov't fees, licenses, permits, taxes, rights and land access	$ 395,291	$ 51,929	$ 62,174	$ 42,497	$ 468,308	$ 1,020,199
Field related expenses	1,146,911	306,156	-	-	281,555	1,734,622
Camp cost	1,030,160	285,825	271,886	-	394,943	1,982,814
Consultants	134,394	53,992	1,374	-	13,959	203,719
Drilling and fuel	5,763,239	1,244,514	610,844	-	416,438	8,035,035
Geochemistry & conceptual study	1,016,437	743,214	40,937	-	134,285	1,934,873
Road work and trenching	551,902	191,568	50,321	-	99,397	893,188
Transport and travel	622,846	111,145	91,158	-	189,050	1,014,199
Environmental & community relations	275,954	73,036	66,155	-	92,348	507,493
Value added tax	1,612,741	488,271	2,651	28,311	360,461	2,492,435
Office and general expense	35,346	-	-	-	369,968	405,314
Share-based compensation (Note 6)	-	-	-	-	135,486	135,486
Total for the period	**$12,585,221**	**$ 3,549,650**	**$ 1,197,500**	**$ 70,808**	**$2,956,198**	**$ 20,359,377**

(* $6,110 of these costs was incurred in Canada)

(All amounts expressed in Canadian Dollars, unless otherwise stated.)

8. RELATED PARTY TRANSACTIONS

a) Related parties expenses

We incurred the following expenses with Namdo Management Services Limited ("Namdo"), Lundin Mining Corporation ("Lundin Mining") and Lucara Diamond Corp. ("Lucara"), companies related by way of certain common directors. We engaged technical personnel on a temporary basis from Lundin Mining and Lucara to support technical studies at our projects. In addition, we incurred air charter services from Mile High Holdings Ltd ("Mile"), a company associated with the Chairman of the Company. We are related to Cassels Brock & Blackwell LLP ("Cassels Brock") in which a director is senior business advisor.

		Nine months ended September 30,	
Description of services	**Related party**	**2014**	**2013**
Management fees	Namdo	$ 405,000	$ 405,000
Technical consulting services	Lucara, Lundin Mining	33,825	128,246
Aircraft charter and travel	Mile	114,048	135,504
Legal services	Cassels Brock	49,701	12,470
		$ 602,574	$ 681,220

b) Related parties liabilities

	September 30, 2014	December 31, 2013
Lucara	18,267	-
Namdo	-	982
Lundin Mining	-	26,489
	$ 18,267	$ 27,471

c) Key management compensation

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

	Nine months ended September 30,	
	2014	**2013**
Salaries	$ 982,483	$ 778,333
Employee benefits	38,115	27,169
Director fees	50,250	50,250
Share-based compensation	651,176	554,614
	$ 1,722,024	$ 1,410,366

(All amounts expressed in Canadian Dollars, unless otherwise stated.)

9. SEGMENTED INFORMATION

We are principally engaged in the acquisition, exploration and development of mineral properties in North and South America. The segments presented below together with the mineral property information presented in Note 4 and Note 7 reflects the way in which management reviews its business performance. Operating segments are reported in a manner consistent with the internal reporting provided to executive management who act as the chief operating decision-maker. Our Chief Executive Officer is responsible for allocating resources and assessing performance of the operating segments.

The geographic distribution of our non-current assets is as follows:

	At September 30, 2014			At December 31, 2013		
	Equipment, net	**Mineral properties**	**Others**	**Equipment, net**	**Mineral properties**	**Others**
Canada	$ 126,575	$ 136,997	$ 8,000	$ 140,300	$ 136,997	$ 8,000
South America	39,885	17,065,349	-	106,777	10,301,843	-
	$ 166,460	$ 17,202,346	$ 8,000	$ 247,077	$ 10,438,840	$ 8,000