



Independent auditor's report

To the Shareholders of NGEx Minerals Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of NGEx Minerals Ltd. and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Lana Kirk.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 15, 2021

NGEx Minerals Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	<i>Note</i>	December 31, 2020	December 31, 2019
ASSETS			
Current assets:			
Cash		\$ 898,818	\$ 5,559,454
Receivables and other assets	5	241,367	479,886
		1,140,185	6,039,340
Non-current assets:			
Taxes receivable	5	105,950	-
Equipment		26,314	35,106
Mineral properties	6	4,105,871	4,765,205
		4,238,135	4,800,311
TOTAL ASSETS		5,378,320	10,839,651
LIABILITIES			
Current liabilities:			
Trade payables and accrued liabilities		590,516	718,065
Non-current liabilities:			
Due to exploration partner	7	345,977	309,481
TOTAL LIABILITIES		936,493	1,027,546
SHAREHOLDERS' EQUITY			
Share capital		43,053,810	43,053,810
Contributed surplus		1,058,841	419,228
Deficit		(37,786,415)	(31,893,537)
Accumulated other comprehensive loss		(1,884,409)	(1,767,396)
TOTAL SHAREHOLDERS' EQUITY		4,441,827	9,812,105
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 5,378,320	\$ 10,839,651

Nature of Operations and Liquidity Risk (Note 1)
Commitments (Note 17)
Subsequent Events (Notes 17 and 18)

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

On behalf of the Board:

/s/William A. Rand
Director

/s/Wojtek A. Wodzicki
Director

NGEx Minerals Ltd.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

			Year ended December 31, 2019
	<i>Note</i>	2020	
Expenses			
Exploration and project investigation	<i>10</i>	\$ 3,303,659	\$ 3,850,337
Impairment of mineral property interest	<i>6</i>	827,343	-
General and administration:			
Salaries and benefits		710,398	508,147
Share-based compensation	<i>9c</i>	539,085	430,840
Management fees		142,500	54,173
Professional fees		348,087	219,621
Travel		7,029	31,281
Promotion and public relations		52,434	37,335
Office and general		157,014	169,204
Operating loss		6,087,549	5,300,938
Other expenses (income)			
Financing costs		26,238	13,292
Foreign exchange gain		(18,041)	(22,633)
Net monetary loss	<i>4</i>	6,022	31,882
Gain on use of marketable securities, net	<i>14</i>	(270,198)	-
Other losses (gains)	<i>7</i>	24,114	(16,560)
Other expenses		37,194	-
Net loss		5,892,878	5,306,919
Other comprehensive loss			
Items that may be reclassified subsequently to net loss:			
Foreign currency translation adjustment		(62,413)	508,120
Impact of hyperinflation	<i>4</i>	179,426	49,427
Comprehensive loss		\$ 6,009,891	\$ 5,864,466
Basic and diluted loss per common share		\$ 0.05	\$ 0.04
Weighted average common shares outstanding		124,793,652	124,793,652

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

NGEx Minerals Ltd.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	<i>Note</i>	2020	Year ended December 31, 2019
Cash flows used in operating activities			
Net loss for the year		\$ (5,892,878)	\$ (5,306,919)
Items not involving cash:			
Depreciation		7,299	2,943
Write down of mineral property interest	6	827,343	-
Share-based compensation	9c	639,613	535,464
Finance costs		26,238	13,292
Foreign exchange loss (gain)		(7,892)	8,437
Net monetary loss		44,791	101,231
Other losses (gains)	7	24,114	(16,560)
Net changes in working capital items:			
Receivables and other		64,553	(335,960)
Trade payables and accrued liabilities		(19,990)	453,451
		(4,286,809)	(4,544,621)
Cash flows from (for) financing activities			
Cash received pursuant to the Josemaria Arrangement			7,300,000
Funding received from Josemaria for operations		-	3,547,819
Payments made on behalf of exploration partner		(5,965)	(13,292)
		(5,965)	10,834,527
Cash flows used in investing activities			
Acquisition of equipment		-	(35,578)
Mineral properties and related expenditures	6	(133,558)	(735,664)
		(133,558)	(771,242)
Effect of exchange rate change on cash		(234,304)	(214,969)
Increase (decrease) in cash during the year		(4,660,636)	5,303,695
Cash, beginning of the year		\$ 5,559,454	\$ 255,759
Cash, end of the year		\$ 898,818	\$ 5,559,454

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

NGEx Minerals Ltd.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	<i>Note</i>	Number of Shares	Share Capital	Contributed Surplus	Other Capital Reserves	Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance, January 1, 2019		-	\$ -	\$ -	\$ 114,010,097	\$ (108,186,386)	\$ (1,209,849)	\$ 4,613,862
Funding and expenses paid by Josemaria		-	-	-	3,549,600	-	-	3,549,600
Share-based compensation		-	-	419,228	116,236	-	-	535,464
Net cash received and liabilities assumed pursuant to the Josemaria Arrangement		-	-	-	6,977,645	-	-	6,977,645
Shares issued pursuant to the Josemaria Arrangement		124,793,652	43,053,810	-	(43,053,810)	-	-	-
Adjustment for shares issued pursuant to the Josemaria Arrangement		-	-	-	(81,599,768)	81,599,768	-	-
Net loss and other comprehensive loss		-	-	-	(5,306,919)	(5,306,919)	(557,547)	(5,864,466)
Balance, December 31, 2019		124,793,652	\$ 43,053,810	\$ 419,228	\$ -	\$ (31,893,537)	\$ (1,767,396)	\$ 9,812,105
Balance, January 1, 2020		124,793,652	\$ 43,053,810	\$ 419,228	\$ -	\$ (31,893,537)	\$ (1,767,396)	\$ 9,812,105
Share-based compensation	9c	-	-	639,613	-	-	-	639,613
Net loss and other comprehensive loss		-	-	-	(5,892,878)	(5,892,878)	(117,013)	(6,009,891)
Balance, December 31, 2020		124,793,652	\$ 43,053,810	\$ 1,058,841	\$ -	\$ (37,786,415)	\$ (1,884,409)	\$ 4,441,827

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

NGEx Minerals Ltd.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian Dollars, unless otherwise stated)

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

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

Pursuant to the Josemaria Arrangement, Josemaria transferred to NGEx Minerals cash of \$7,300,000 million, its wholly owned subsidiaries that directly or indirectly hold the Los Helados properties in Chile, the Nacimientos properties in Argentina and the La Rioja properties in Argentina, and \$322,355 in liabilities, comprised primarily of a contractual obligation to fund an exploration partners' share of future exploration activities at La Rioja. In exchange, NGEx Minerals issued to Josemaria 124,793,652 common shares of the Company, which were distributed to holders of common shares of Josemaria on a pro rata basis.

The Company's principal business activities are the acquisition, exploration and development of mineral properties located in South America. The Company's registered office is located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. The Company's common shares trade on the TSX Venture Exchange (the "TSXV") under the symbol "NGEX".

Based on NGEx Minerals' financial position at December 31, 2020, and an unsecured US\$3.0 million credit facility secured by the Company subsequent thereto (see Note 18), these consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that it will be able to meet its existing obligations and commitments and fund ongoing operations in the normal course of business for at least twelve months from December 31, 2020. However, the Company does anticipate the need for further funding should it seek to reinitiate substantial field programs at its South American projects or to repay amounts drawn against the credit facility, which matures in February 2022.

Accordingly, the Company is currently evaluating potential additional sources of financing. Historically, including the period prior to the completion of the Josemaria Arrangement, capital requirements have been primarily funded through equity financing, joint ventures, disposition of mineral properties and investments, and the use of short-term credit facilities extended by its major shareholders, such as Zebra Holdings and Investments S.à.r.l. ("Zebra") and Lorito Holdings S.à.r.l. ("Lorito"). Zebra and Lorito are companies controlled by a trust settled by the late Adolf H. Lundin, and jointly extended the Company the aforementioned US\$3.0 million credit facility in February 2021. Zebra and Lorito report their respective security holdings in the Company as joint actors, as the term is defined by Canadian securities regulations, and are related parties by virtue of their combined shareholding in the Company in excess of 20% (see Note 18).

NGEx Minerals Ltd.
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While management is confident that additional sources of funding will be secured to fund future field programs at its South American projects, if so decided, and to repay amounts drawn pursuant to the credit facility, factors that could affect the availability of financing include the progress and results of ongoing exploration at the Company's mineral properties, the state of international debt and equity markets (see Note 19), and investor perceptions and expectations of the global copper, gold, and/or silver markets. There can be no assurance that such financing will be available 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. If necessary, the Company may explore opportunities to reduce its discretionary expenditures, revise the due dates of its liabilities, negotiate deferrals on upcoming lump sum payments with respect to the Company's mineral properties, and/or settle its liabilities through the issuance of the common shares and other equity instruments. Based on the actual deployment of the Company's current working capital, the amounts available through the aforementioned credit facility, and the amount of funding raised, if any, the Company's planned initiatives and other work programs may be revised, as necessary.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. These consolidated financial statements are prepared on a historical cost basis except for certain financial assets, which are measured at fair value.

In addition, certain comparative information as presented in these consolidated financial statements have been prepared on a continuity of interest basis of accounting, which requires that prior to July 17, 2019, the assets, liabilities, results of operations and cash flows of NGEx Minerals be on a 'carve-out' basis from the consolidated financial statements and accounting records of Josemaria, in accordance with the financial reporting framework specified in subsection 3.11(6) of National Instrument 52-107, *Acceptable Accounting Principles and Auditing Standards*, for carve-out financial statements. As the carve-out entity did not operate as a separate legal entity, the financial position, results of operations and cash flows do not necessarily reflect the financial position, results of operations and cash flows had the carve-out entity operated as an independent entity during the comparative period presented.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 15, 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Consolidation

These consolidated financial statements of the Company include the following subsidiaries:

NGEx Minerals Ltd.
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<u>Subsidiaries</u>	<u>Jurisdiction</u>	<u>Nature of operations</u>
Suramina Resources Inc.	Canada	Holding company
NGEx Argentina Holdings Inc.	Canada	Holding company
NGEx RioEx Holdings Inc.	Canada	Holding company
Frontera Holdings (Bermuda) I Ltd.	Bermuda	Holding company
Frontera Holdings (Bermuda) II Ltd.	Bermuda	Holding company
Frontera Holdings (Bermuda) III Ltd.	Bermuda	Holding company
Urupampa S.A.	Uruguay	Holding company
RioEx Uruguay S.A.	Uruguay	Holding company
Minera Frontera del Oro SPA.	Chile	Exploration company
Desarrollo de Prospectos Mineros Peruanos S.A.C.	Peru	Exploration Company
Pampa Exploracion S.A.	Argentina	Exploration company
RioEx S.A.	Argentina	Exploration company

The Company consolidates an entity when it has power over that entity, is exposed, or has rights, to variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity.

All the Company's subsidiaries are wholly-owned and all intercompany balances, transactions, including income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

b) Critical accounting estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions and judgements that affect the reported amounts of assets, liabilities and expenditures on the financial statements. These estimates, assumptions and judgements are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual results could differ and such differences could be material. Estimates, assumptions and judgements are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates, assumptions and judgements, and the resulting effects on the carrying amounts of the Company's assets and liabilities, are accounted for prospectively. Information about estimates, assumptions, judgments and other sources of estimation uncertainty as at December 31, 2020 that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year are provided below:

Valuation of mineral properties – The Company carries the acquisition costs of its mineral properties at cost less any provision for impairment. The Company reviews its mineral properties for indicators of impairment at each reporting period end, which requires the Company to exercise key judgements, including but not limited to, the Company's right to explore the mineral property, whether the Company has further plans or budgets for substantive expenditures for the ongoing exploration and evaluation of the mineral property, the impact of exploration and evaluation results to date with respect to the mineral property, and the likelihood that the carrying value of the mineral property will be recovered in the future through development or sale of the asset. If indicators of impairment are identified, the Company would further review the carrying values of the applicable mineral properties to determine if their carrying values may exceed their fair value, which also requires the Company to make significant judgments and estimates. The judgments and estimates mentioned above are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the mineral properties.

NGEx Minerals Ltd.
Notes to the Consolidated Financial Statements
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The Company has determined that no indicators of impairment exist for its mineral properties as of December 31, 2020.

c) Foreign currency translation

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. The functional currencies of its material subsidiaries, which have operations in Chile and Argentina, are the Chilean peso and the Argentine peso, respectively.

For the Company's Argentine subsidiaries, which are affected by hyper-inflationary accounting as described in Notes 3n and 4 below, and use the Argentine peso as their functional currency, the results and financial position of this subsidiary are translated into the presentation currency using the exchange rate prevailing at the date of the statement of financial position.

The results and financial position of all other subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated using the exchange rate prevailing at the date of that statement of financial position.
- Income, expenses, and other comprehensive income for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
- All resulting exchange differences are recognized as a separate component of equity and in other comprehensive income.

d) Mineral properties and exploration expenditure

The Company capitalizes acquisition costs for property rights, including payments for exploration rights and estimated fair value of exploration properties acquired as part of a business acquisition.

Mineral exploration costs and maintenance payments are expensed prior to the determination that a property has economically recoverable ore reserves. When it has been established that a mineral property is considered to be sufficiently advanced to the development stage, with economic viability and technical feasibility demonstrated, all further expenditures for the current year and subsequent years are capitalized as incurred and subsequently amortized on a units of production based on proven and probable reserves of the assets to which they relate.

e) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, which may include indicators of impairment as they relate to mineral properties. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units, or "CGU's"). Value in use is determined as the present value of future cash inflows expected to be derived from a CGU using a pre-tax discount rate that reflects the current time value of money and the risks specific to that CGU.

NGEx Minerals Ltd.
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Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

f) Financial instruments

(i) Recognition

The Company measures and classifies its financial assets based on its business model for managing its financial assets and the contractual cash flow characteristics of those financial assets. Financial assets are classified into three measurement categories on initial recognition: those measured at fair value through profit or loss, those measured at fair value through other comprehensive income ("OCI") and those measured at amortized cost.

Financial assets and liabilities at amortized costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Investments in marketable securities, such as equity instruments of publicly listed entities, are required to be measured at fair value through profit or loss, unless the Company makes an irrevocable election to present subsequent changes in the fair value of such instruments through OCI. The Company has not elected to measure any of its marketable securities through OCI.

(ii) Derecognition

The Company derecognizes financial assets when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risk and rewards of ownership to another entity. A financial liability is derecognized when the obligation under the liability is discharged, canceled or expired. Gains and losses on derecognition of financial assets and liabilities are generally recognized in the consolidated statements of comprehensive losses.

(iii) Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized costs based on a probability-weighted estimate of credit losses over the expected life of the financial asset.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the expected credit losses are reversed after the impairment was recognized.

g) Cash

Cash and cash equivalents include cash on hand, and deposits held with financial institutions with a fixed deposit term of three months or less, net of bank overdrafts.

NGEx Minerals Ltd.
Notes to the Consolidated Financial Statements
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(Expressed in Canadian Dollars, unless otherwise stated)

h) Equipment

Equipment is carried at cost less accumulated depreciation and impairment losses. The cost of an asset consists of its purchase price, any directly attributable costs of bringing the asset to the working condition and location of its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation of each asset is calculated using the straight line method to allocate its cost less its residual value over its estimated useful life. The depreciation rates and methods for the Company's equipment are as follows:

Vehicles/Mobile Equipment	Straight line over 5 years
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The assets' residual values, depreciation methods, and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

When an asset is disposed of, the difference between the net sale proceeds and its carrying amount is recognized as a gain or loss within net loss on the consolidated statement of comprehensive loss.

i) Current and deferred income tax

The Company follows the liability method of accounting for income taxes. Under the liability method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, unused tax losses and other income tax deductions. Deferred income tax assets are recognized for deductible temporary differences, unused tax losses and other income tax deductions to the extent that it is probable the Company will have taxable income against which those deductible temporary differences, unused tax losses and other income tax deductions can be utilized.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the related assets are realized or the liabilities are settled. The measurement of deferred income tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover and settle the carrying amounts of its assets and liabilities, respectively. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the period in which the change is substantively enacted.

j) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NGEx Minerals Ltd.
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k) Share-based compensation

The Company has a share-based compensation plan, whereby it is authorized to grant share options to officers, employees, directors, and other eligible persons. The fair value of the options is measured at the date the options are granted, using the Black-Scholes option-pricing model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the common shares and an expected life of the options. The fair value less estimated forfeitures is charged over the vesting period of the related options as an expense on its financial statements.

l) Provisions

Provisions for restructuring costs and legal claims are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligations using the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

m) Segment reporting

As the Company primarily focuses its activity on the exploration and development of mineral properties, its operating and reportable segments are the Los Helados Project, the Company's exploration projects in Argentina, other exploration projects, and the Company's corporate administration function. Operating segments are components of an entity that engage in business activities from which they incur expenses and whose operating results are regularly reviewed by a chief operating decision maker to make resource allocation decisions and to assess performance. The Chief Executive Officer, the chief operating decision-maker for the Company, obtains and reviews operating results of each operating segment on a monthly basis.

n) Hyperinflation

On July 1, 2018, the Company adopted IAS 29, Financial Reporting in Hyperinflationary Economies, which outlines the use of the hyperinflationary accounting to consolidate and report its Argentine operating subsidiary.

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

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

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o) New accounting pronouncements

The IASB and/or the IFRS Interpretations Committee have issued new standards and amendments, or interpretations to existing standards, which were not yet effective and not applied by the Company as at December 31, 2020. The Company continues to evaluate these changes to determine their impact, if any.

IAS 16, Property, plant and equipment

IAS 16 has been amended to provide clarity with respect to the treatment of net proceeds generated from selling any items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Specifically, the amendments prohibit entities from deducting amounts resulting from the selling of items produced during this phase from the cost of property, plant and equipment. Instead, an entity shall recognize such sales proceeds and related costs in profit or loss.

The amendments to IAS 16 are effective for annual reporting periods beginning on or after January 1, 2022, with early adoption permitted. Upon adoption, the amendments shall be applied retrospectively, but only to property, plant and equipment assets commissioned for their intended use by management on or after the beginning of the earliest period presented in the financial statements.

4. HYPERINFLATION

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

The Company recognized a loss of \$179,426 for the year ended December 31, 2020 (2019: \$49,427) in relation to the impact of hyperinflation within other comprehensive income, which is primarily the result of devaluation of the Argentine peso relative to the Canadian dollar during the year.

As a result of changes in the IPC and changes to the Company's net monetary position during the year ended December 31, 2020, the Company recognized a net monetary loss of \$6,022 (2019: \$31,882) to adjust transactions recorded during the year into a measuring unit current as of December 31, 2020.

The level of the IPC at December 31, 2020 was 385.9 (December 31, 2019: 283.4), which represents an increase of approximately 36% over the IPC at December 31, 2019, and an approximate 17% increase over the average level of the IPC during the year ended December 31, 2020.

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5. RECEIVABLES AND OTHER ASSETS

	December 31, 2020	December 31, 2019
Current		
Taxes receivable	62,297	145,331
Other receivables	41,175	154,683
Prepaid expenses and deposits	137,895	179,872
	241,367	479,886
Non-current		
Taxes receivable	105,950	-
	105,950	-

Pursuant to local regulations, the Company is entitled to a refund of certain value added taxes ("VAT") paid in Argentina. While the Company continues to expect full payment of the amounts claimed, the timing of receipt of the refunds has become increasingly uncertain. Accordingly, the corresponding taxes receivable balance has been reclassified as non-current.

6. MINERAL PROPERTIES

	Los Helados Project	Nacimientos Properties	Total
January 1, 2019	\$ 4,040,164	\$ 494,826	\$ 4,534,990
Additions	328,774	406,890	735,664
Effect of foreign currency translation	(444,564)	-	(444,564)
Adjustments for impacts of hyperinflation	-	(60,885)	(60,885)
December 31, 2019	\$ 3,924,374	\$ 840,831	\$ 4,765,205
Additions	133,558	-	133,558
Write down		(827,343)	(827,343)
Effect of foreign currency translation	47,939	-	47,939
Adjustments for impacts of hyperinflation	-	(13,488)	(13,488)
December 31, 2020	\$ 4,105,871	\$ -	\$ 4,105,871

Los Helados Project

The Company's primary mineral property assets are the Los Helados properties and the La Rioja properties (together, the "Los Helados Project"), which are comprised of adjacent mineral titles in Region III, Chile, and the San Juan Province in Argentina.

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The Company is the majority partner and operator of the Los Helados Project, which is subject to a Joint Exploration Agreement ("JEA") with its exploration partner, Nippon Caserones Resources Co. Ltd. ("NCR"). NCR became the Company's partner on April 1, 2020 when Pan Pacific Copper Co. Ltd. transferred its interest in the Los Helados Project to NCR, a subsidiary of JX Nippon Mining and Metals Corporation, a Tokyo-based mining and smelting company that also owns the Caserones Mine, located approximately 12 kilometres from the Los Helados properties.

The Company holds an approximate 64% interest in the underlying Los Helados properties, which are located in Region III, Chile, and a 60% interest in the La Rioja properties, located in the adjacent San Juan Province in Argentina.

The Company has been funding and accounting for 100% of the expenditures related to the Los Helados Project following the election by the exploration partner pursuant to the JEA not to fund its share of expenditures since September 1, 2015. The sole funding of expenditures at the Los Helados Project has resulted in dilution of NCR's interest, and corresponding increases to the Company's interest, resulting in the amounts noted in the preceding paragraph.

Nacimientos Properties

On May 3, 2017, the Company signed an option agreement whereby it could acquire a 100% interest in the Nacimientos properties located in the San Juan Province, Argentina by making option payments totaling US\$1.65 million in cash over a four-year period ending May 15, 2021 (the "Earn-in Date"). In order to acquire a 100% interest, the Company was also required to fund at least US\$2.5 million in expenditures on the Nacimientos properties on or before the Earn-in Date.

In August 2020, the Company elected to opt out of the earn-in at the Nacimientos properties, by allowing an August 16, 2020 deadline lapse without making the scheduled US\$400,000 option payment. Accordingly, the Company has written off all capitalized costs related to Nacimientos on August 16, 2020.

Valle Ancho Properties

On August 29, 2019, the Company entered into an option agreement with the Province of Catamarca, Argentina to earn a 100% interest in the Valle Ancho, Interceptor, Filo del las Vicunas properties (collectively, the "Valle Ancho Properties"), located in Catamarca, Argentina, by making US\$8.2 million in expenditures on the Valle Ancho Properties over a two-year period. In August 2020, the option period for Valle Ancho was extended from August 2021 to December 2022.

7. DUE TO EXPLORATION PARTNER

Pursuant to the Josemaria Arrangement, the Company assumed from Josemaria an obligation to fund a partner's share of exploration expenditures related to the La Rioja properties (the "Obligation"). In accordance with the terms of the JEA between the Company and the partner, NCR, the Company has elected to settle the Obligation through funding NCR's share of exploration expenditures, which remained US\$3.4 million as at December 31, 2020, and has no defined timeline for settlement.

The Company considered the estimated timeframe required to expend the remaining US\$3.4 million on behalf of NCR at the La Rioja properties and has presented the remaining obligation as a non-current liability, discounted to its present value at an annual effective rate of 8%.

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As at December 31, 2020, the Company reviewed the nature and timing of future expenditures at the La Rioja properties and increased its expected annual funding of PPC's share of future exploration expenditures from US\$19,600 to US\$22,400 based on its best estimate of exploration activities to be conducted on the project. This revision reduces the estimated timeframe for the settlement of the Obligation. The effect of this change in future estimated expenditures at the La Rioja properties is an increase in the amount due to exploration partner by \$24,114, with a corresponding amount recognized within other losses on the consolidated statement of comprehensive loss for the year ended December 31, 2020.

8. SHARE CAPITAL

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

9. SHARE OPTIONS

a) Share option plan

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

b) Share option outstanding

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

	Number of shares issuable pursuant to share options	Weighted average exercise price per share
Balance at January 1, 2019	-	\$ -
Options pursuant to Josemaria Arrangement	3,305,000	0.81
Options granted	3,445,000	0.48
Expired	(92,500)	0.86
Balance at December 31, 2019	6,657,500	\$ 0.64
Options granted	2,660,000	0.54
Expired	(1,182,500)	0.89
December 31, 2020	8,135,000	\$ 0.57

On November 30, 2020, the Company granted a total of 2,660,000 share options to officers, employees, directors and other eligible persons at an exercise price of \$0.54 per share.

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The Company uses the Black-Scholes option pricing model to estimate the fair value for all options granted and the resulting stock-based compensation. The weighted average assumptions used in this pricing model, and the resulting fair values per option, for the 2,660,000 share options granted during the year ended December 31, 2020, are as follows:

(i)	Risk-free interest rate:	0.32%
(ii)	Expected life:	5 years
(iii)	Expected volatility:	63.16%
(iv)	Expected dividends:	nil
(v)	Fair value per option:	\$0.28

The following table details the share options outstanding and exercisable as at December 31, 2020:

Exercise prices	Outstanding options			Exercisable options		
	Options outstanding	Weighted average remaining contractual life (Years)	Weighted average exercise price	Options exercisable	Weighted average remaining contractual life (Years)	Weighted average exercise price
\$0.475	3,445,000	3.74	\$0.475	2,296,668	3.74	\$0.475
\$0.54	2,660,000	4.92	\$0.54	886,667	4.92	\$0.54
\$0.68	1,077,500	3.15	\$0.68	1,077,500	3.15	\$0.68
\$0.85	952,500	0.16	\$0.85	952,500	0.16	\$0.85
	<u>8,135,000</u>	3.63	\$0.57	<u>5,213,335</u>	3.16	\$0.60

c) Share-based compensation

	Year ended December 31,	
	2020	2019
Exploration and project investigation	100,528	104,624
General and administration	539,085	430,840
	639,613	535,464

10. EXPLORATION AND PROJECT INVESTIGATION

Due to the geographic location of the Company's main mineral property interests, the Company's business activities generally fluctuate with the seasons, with 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.

The Company expensed the following exploration and project investigation costs for the years ended December 31, 2020 and 2019:

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Year ended December 31,		Los Helados Project	Nacimientos Properties	Valle Ancho	Other	Total
2020	Land holding and access costs	809,249	6,194	9,481	32,071	856,995
	Fuel, camp costs and field supplies	34,127	12,316	117,974	44	164,461
	Roadwork, travel and transport	29,811	3,009	143,720	51	176,591
	Engineering and conceptual studies	26,517	-	-	-	26,517
	Consultants, geochemistry and geophysics	53,131	-	394,712	157,190	605,033
	Environmental and community relations	64,427	184	35,339	-	99,950
	VAT and other taxes	29,640	11,935	208,739	11,179	261,493
	Office, field and administrative salaries, overhead and other administrative costs	293,366	42,756	660,571	15,398	1,012,091
	Share-based compensation	42,063	2,398	49,290	6,777	100,528
	Total	1,382,331	78,792	1,619,826	222,710	3,303,659
2019	Land holding and access costs	862,184	10,193	21,996	40,284	934,657
	Fuel, camp costs and field supplies	59,241	42,380	110,783	81	212,485
	Roadwork, travel and transport	65,889	76,540	122,622	17	265,068
	Consultants, geochemistry and geophysics	-	3,893	307,554	18,570	330,017
	Environmental and community relations	515,527	2,232	23,429	-	541,188
	VAT and other taxes	58,778	51,057	34,929	8,819	153,583
	Office, field and administrative salaries, overhead and other administrative costs	657,455	170,553	439,050	41,657	1,308,715
	Share-based compensation	65,448	11,238	24,953	2,985	104,624
	Total	2,284,522	368,086	1,085,316	112,413	3,850,337

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11. RELATED PARTY TRANSACTIONS

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. Namely, the Company engages with Josemaria and Filo Mining Corp. ("Filo Mining"), related parties by way of directors, officers and shareholders in common, and MOAR Consulting Inc. ("MOAR"), an exploration consulting firm, of which a director of the Company is the president and proprietor.

a) Related party services

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

	Year ended December 31,	
	2020	2019
Management Services to Josemaria	139,906	84,051
Management Services to Filo Mining	500,101	363,373
Management Services from Josemaria	(150,750)	(72,485)
Management Services from Filo Mining	(433,148)	(238,003)
Exploration Consultation from MOAR	(106,875)	(15,625)

b) Related party balances

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

	Related Party	December 31, 2020	December 31, 2019
Receivables and other assets	Josemaria	-	16,848
Receivables and other assets	Filo Mining	5,850	57,490
Accounts payable and accrued liabilities	Josemaria	-	(102,675)
Accounts payable and accrued liabilities	Filo Mining	(11,752)	(64,222)
Accounts payable and accrued liabilities	MOAR	(14,125)	(17,656)

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c) Key management compensation

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

	Year ended December 31,	
	2020	2019
Salaries and wages	435,333	304,824
Short-term employee benefits	15,440	6,351
Directors fees	82,000	60,538
Stock-based compensation	514,877	404,852
	1,047,650	776,565

12. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to the loss for the year. These differences result from the following items:

	Year ended December 31,	
	2020	2019
Loss before taxes	5,892,878	5,306,919
Combined Canadian federal and provincial statutory income tax rates	<u>27.00%</u>	<u>27.00%</u>
Income tax recovery based on the above rate	1,591,077	1,432,868
Income tax benefits that have not been recognized and other items	(1,152,100)	1,643,886
Impacts of changes and differences in foreign tax and currency rates	(133,457)	(2,872,459)
Non-deductible expenses and permanent differences	(305,520)	(204,295)
Total income tax recovery	-	-

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset has been recognized consist of the following:

	Year ended December 31,	
	2020	2019
Non-capital losses carried forward	1,216,823	891,741
Mineral properties and related expenditures	19,183,197	18,946,275
	20,400,020	19,838,016

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As at December 31, 2020, the non-capital loss carry-forwards and their respective expiration dates are as follows:

Year	Canada	Argentina	Other	Total
2021	-	20,442	30,045	50,487
2022	-	20,319	20,245	40,564
2023	-	362,628	23,010	385,638
2024	-	21,219	37,454	58,673
2025 and onwards	3,963,122	22,298	25,211	4,010,631
	3,963,122	446,906	135,965	4,545,993

13. SEGMENTED INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in South America. The information regarding mineral properties and exploration and project investigation costs presented in Notes 6 and 10, respectively, represent the manner in which management reviews its business performance. Materially all of the Company's mineral properties and exploration and project investigation costs relate to South America, particularly Chile and Argentina. The net gains on the use of marketable securities are allocated to the Nacimientos and Valle Ancho Projects, as they are the result of funding provided to the Company's Argentine subsidiary in support of these projects. Materially all of the Company's administrative costs are incurred by the Canadian parent, where materially all of the Company's cash is held in the normal course of business until it is required to be deployed to the Company's South American subsidiaries in support of ongoing and planned work programs.

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

As at		Los Helados	Nacimientos & Valle Ancho	Corporate	Total
December 31, 2020	Current assets	128,924	201,442	809,819	1,140,185
	Tax receivable	-	105,950	-	105,950
	Equipment	-	26,314	-	26,314
	Mineral properties	4,105,871	-	-	4,105,871
	Total assets	4,234,795	333,706	809,819	5,378,320
	Current liabilities	67,847	222,337	300,332	590,516
	Due to exploration partner	-	-	345,977	345,977
	Total liabilities	67,847	222,337	646,309	936,493
December 31, 2019	Current assets	219,069	663,209	5,157,062	6,039,340
	Equipment	-	35,106	-	35,106
	Mineral properties	3,924,374	840,831	-	4,765,205
	Total assets	4,143,443	1,539,146	5,157,062	10,839,651
	Current liabilities	112,396	359,599	246,070	718,065
	Due to exploration partner	-	-	309,481	309,481
	Total liabilities	112,396	359,599	555,551	1,027,546

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Year ended December 31,		Los Helados	Nacimientos & Valle Ancho	Corporate	Other	Total
2020	Exploration and project investigation	1,382,331	1,698,618	-	222,710	3,303,659
	Write down of mineral property interest	-	827,343	-	-	827,343
	Gain on use of marketable securities	-	(270,198)	-	-	(270,198)
	General and administration and other items	80,798	60,184	1,891,092	-	2,032,074
	Net loss	1,463,129	2,315,947	1,891,092	222,710	5,892,878
2019	Exploration and project investigation	2,284,522	1,453,402	-	112,413	3,850,337
	General and administration and other items	71,770	53,604	1,331,208	-	1,456,582
	Net loss	2,356,292	1,507,006	1,331,208	112,413	5,306,919

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14. USE OF MARKETABLE SECURITIES

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

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

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

As a result of having utilized this mechanism for intragroup funding for the year ended December 31, 2020, the Company realized a net gain of \$270,198 (2019: \$nil), comprised of a favorable foreign currency impact of \$219,831 (2019: \$nil) and a trading gain of \$50,367 (2019: \$nil).

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the definition and management of capital, the Company considers the items included in shareholders' equity to be capital.

The Company manages the capital structure and makes adjustments, as necessary, in light of changes in economic conditions and the risk characteristics of its assets. In order to maintain or adjust the capital structure, the Company may attempt to issue new shares or debt instruments, acquire or dispose of assets, or to bring in joint venture partners.

To facilitate the management of its capital requirements, the Company may prepare expenditure plans and budgets that are updated as necessary depending on various factors, including, but not limited to, successful capital deployment and general industry conditions.

16. FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISKS

The Company has estimated the fair values of its financial instruments based on appropriate valuation methodologies. These values are not materially different from their carrying value.

The Company classifies the fair value of its financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

As at December 31, 2020, 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 minimal as the Company deposits the majority of its cash with a large Canadian financial institution that has been accorded a strong investment grade rating by a primary rating agency.
- (ii) Liquidity risks associated with the inability to meet obligations as they become due is minimized through the management of its capital structure as explained on Note 15 and by maintaining good relationships with significant shareholders and creditors, such as Zebra and Lorito. The Company also closely monitors and reviews its costs to date and actual cash flows on a monthly basis.

Based on NGEx Minerals' financial position at December 31, 2020, and an unsecured US\$3.0 million credit facility secured by the Company subsequent thereto (see Note 18), these consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that it will be able to meet its existing obligations and commitments and fund ongoing operations in the normal course of business for at least twelve months from December 31, 2020. However, the Company does anticipate the need for further funding should it seek to reinitiate substantial field programs at its South American projects or to repay amounts drawn against the credit facility, which matures in February 2022

Based on the Company's financial position at December 31, 2020, and an unsecured US\$3.0 million credit facility secured by the Company subsequent thereto (see Note 18), the Company does not anticipate the need for further funding to meet its existing obligations and commitments and to support ongoing operations for at least twelve months from December 31, 2020. However, the Company does anticipate the need for further funding should it seek to reinitiate substantial field programs at its South American projects or to repay amounts drawn against the credit facility, which matures in February 2022. Please refer to Note 1 for further discussion.

The maturities of the Company's financial liabilities as at December 31, 2020 are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	590,516	590,516	-	-
Due to exploration partner	4,355,430	-	-	4,355,430
Total	4,945,946	590,516	-	4,355,430

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In accordance with the terms of a JEA between the Company and the partner, NCR, the Company has elected to settle the Obligation through funding NCR's share of exploration expenditures, which remained US\$3.4 million as at December 31, 2020, and has no defined timeline for settlement. The Obligation has been discounted and recorded at its present value at an annual effective rate of 8%.

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

At December 31, 2020, the Company's largest foreign currency risk exposure existed at the level of its Canadian headquarters, where the Company held a net financial liability position denominated in US dollars having a Canadian dollar equivalent of approximately \$276,000. A 10% change in the foreign exchange rate between the US dollar, and the Canadian dollar, NGEx Minerals' functional currency, would give rise to increases/decreases of approximately \$28,000 in financial position/comprehensive loss.

17. COMMITMENTS

As at December 31, 2020, the Company had a contractual agreement with the owners of the surface rights covering the Los Helados Properties, which gave the Company access over these surface rights for exploration, development, and mining through to closure of any mining operation, in exchange for certain payments which are linked to project activities and certain development milestones (the "Original Surface Access Agreement"). The Original Surface Access Agreement provided for minimum annual payments of US\$0.5 million which cover basic access to the property and minimal surface disturbance such as road maintenance.

On January 26, 2021, the Original Surface Access Agreement was mutually terminated by the Company and the holders of the surface rights, and replaced with a temporary surface access agreement with an effective period of three years (the "Temporary Surface Access Agreement"). The Temporary Surface Access Agreement reduces the Company's payments to the holders of the surface rights to coincide with the reduced field programs planned for the Los Helados properties. As a result, the payments by the Company to the holders of the surface rights have been reduced, with US\$200,000 paid upon execution and another US\$200,000 to be paid in January 2022. In return, during the effective period of the Temporary Surface Access Agreement, the Company is permitted to access the surface rights for conducting environmental data collection, site visits, and general maintenance of the Los Helados Properties, but prohibits the undertaking of programs for the purposes of exploration or development.

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18. SUBSEQUENT EVENT

On February 19, 2021, the Company obtained an unsecured US\$3.0 million credit facility (the "2021 Facility") from Zebra and Lorito to provide financial flexibility to fund ongoing exploration and for general corporate purposes. Zebra and Lorito report their security holdings in the Company as a joint actor, as the term is defined by Canadian securities regulations, and at the time of entering into the 2021 Facility they collectively held more than 20% of the Company's issued and outstanding common shares.

As consideration for the 2021 Facility, Zebra and Lorito received 40,000 common shares upon execution thereof, and shall receive an additional 600 common shares each month, for every US\$50,000 in principal outstanding, prorated accordingly for the number of days outstanding.

The 2021 Facility matures on February 19, 2022, and no interest is payable in cash during its term.

As at April 15, 2021, the Company has drawn a total of US\$450,000 against the 2021 Facility.

19. COVID-19 IMPACT AND RESPONSE

On March 11, 2020, the World Health Organization officially declared the global outbreak of the novel coronavirus, COVID-19, a pandemic. The impacts of COVID-19 on global commerce and financial markets to date have been broad and significant.

The Company continues to respond to the COVID-19 pandemic within the framework of internal protocols, and local and national health authority requirements and recommendations. The health and safety of the Company's employees, contractors, visitors, and stakeholders remain NGEx Minerals' top priority. Since March 2020, the Company has implemented travel restrictions, surveillance, monitoring and response plans to reduce the risk of COVID-19 exposure and outbreak.

Any tightening/retightening of COVID-19-related travel restrictions or new developments in local or national health protocols, particularly in Chile and Argentina, would likely impact the activities of the Company and result in a reduction to cash expenditures and exploration costs during the period impacted. As of the date of these consolidated financial statements, the Company cannot be certain of the impact of the COVID-19 pandemic on its future financial position, results of operations and cash flows.

The Company's longer term business plans remain dependent on its ability to obtain additional financing through global financial markets. It is anticipated that should the COVID-19 pandemic and/or the resultant high levels of volatility in financial markets and commodity prices persist in the longer term, the Company's ability to access financing on favorable terms may be negatively impacted.