

**NOTICE OF MEETING
AND
INFORMATION CIRCULAR
for the Special Meeting of
Shareholders and Optionholders of**



**NGEX RESOURCES INC.
to be held on August 11, 2016**

Unless otherwise stated, the information herein is given as of July 8, 2016

Information has been incorporated by reference in this document from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of NGEx Resources Inc. at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, Telephone: (604) 689-7842, and are also available electronically on the NGEx Resources Inc. website and at www.sedar.com under the NGEx Resources Inc. profile.



NOTICE OF SPECIAL MEETING OF SHAREHOLDERS AND OPTIONHOLDERS

TO: The Shareholders and Optionholders of NGEx Resources Inc.

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders of common shares (the "**NGEx Shareholders**") and the holders of stock options ("**NGEx Optionholders**") (together, the "**Securityholders**") of NGEx Resources Inc. ("**NGEx**") will be held at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, on August 11, 2016 at the hour of 10:00 a.m. (Pacific Time) for the following purposes:

1. To consider and, if thought fit, to pass, with or without variation, a Special Resolution of the Securityholders, voting together as a single class (the "**Arrangement Resolution**") approving an arrangement (the "**Arrangement**") pursuant to Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") among NGEx, the NGEx Shareholders, and Filo Mining Corp. ("**Filo Mining**"), which will result in NGEx distributing the common shares of Filo Mining held by NGEx which comprise all of the outstanding shares of Filo Mining, to the NGEx Shareholders, as more fully described in the accompanying management information circular ("**Circular**");
2. To consider and, if thought fit, to pass, with or without variation, an ordinary resolution approving the adoption by Filo Mining of a rolling 10% Stock Option Plan, subject to regulatory acceptance, as more fully described in the accompanying Circular; and
3. To transact such further or other business as may properly come before the Meeting and any adjournments thereof.

AND TAKE NOTICE that dissenting registered NGEx Shareholders in respect of the proposed Arrangement in paragraph 1 above are entitled to be paid the fair value of their shares in accordance with Section 190 of the CBCA. Pursuant to the Interim Order of the Supreme Court of British Columbia dated July 7, 2016 and the CBCA, a registered NGEx Shareholder may until 5:00 p.m. (Vancouver time) on August 9, 2016 give NGEx a notice of objection by registered mail addressed to NGEx at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8 with respect to the Arrangement Resolution. As a result of giving a notice of objection, a registered NGEx Shareholder may, on receiving a notice of adoption of the Arrangement Resolution under Section 190 of the CBCA, require NGEx to purchase all of the common shares of NGEx held by such registered NGEx Shareholder in respect of which the notice of objection was given. These dissent rights are described in the accompanying Circular in respect of the Meeting.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice.

This notice is accompanied by the Circular and either a form of proxy for Registered NGEx Shareholders or a voting instruction form for beneficial NGEx Shareholders.

Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

Only NGEx Shareholders and NGEx Optionholders of record at the close of business on July 8, 2016 will be entitled to receive notice of and vote at the Meeting. If you are unable to attend the Meeting in person, please complete, sign and date the enclosed form of proxy and return the same in the enclosed return envelope provided for that purpose within the time and to the location set out in the form of proxy accompanying this notice.

DATED at Vancouver, British Columbia this 8th day of July, 2016.

BY ORDER OF THE BOARD

/s/ "Wojtek Wodzicki"

Wojtek Wodzicki

President, Chief Executive Officer and Director

Registered NGEx Shareholders and NGEx Optionholders unable to attend the Meeting are requested to date, sign and return their form of proxy in the enclosed envelope. If you are a non-registered NGEx Shareholder and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares or options not being eligible to be voted by proxy at the Meeting.

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Capitalized terms used in this Notice are defined in the Glossary of Terms or elsewhere in the Circular.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Circular contains “forward-looking statements” or “forward-looking information” within the meaning of U.S. securities laws and applicable Canadian securities legislation. Forward-looking information is provided as of the date of this Circular or, in the case of documents incorporated by reference herein, as of the date of such documents and neither NGEx nor Filo Mining intend to, nor do they assume any obligation, to update this forward-looking information, except as required by law. Generally, 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 statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking information is based on reasonable assumptions that have been made by NGEx as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of NGEx to be materially different from those expressed or implied by such forward-looking information, including but not limited to: the risk of NGEx not obtaining court, Securityholder or stock exchange approvals to proceed with the Arrangement; the risk of unexpected tax consequences to the Arrangement, the risk of unanticipated material expenditures required by NGEx prior to completion of the Arrangement; risks of the market valuing NGEx and Filo Mining in a manner not anticipated by NGEx; risks relating to the benefits of the Arrangement not being realized or as anticipated, including Filo Mining being unable to add additional properties to its portfolio and the occurrence of potential dilution at Project Constellation (as defined herein); risks associated with mineral exploration and development; metal and mineral prices; availability of capital; accuracy of NGEx’s projections and estimates; interest and exchange rates; competition; stock price fluctuations; availability of drilling equipment and access; actual results of current exploration activities; government regulation; political or economic developments; environmental risks; insurance risks; capital expenditures; operating or technical difficulties in connection with development activities; personnel relations; the speculative nature of base and precious metal exploration and development including the risks of diminishing quantities of grades of reserves; contests over title to properties; and changes in project parameters as plans continue to be refined; 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, global financial conditions; the market price of NGEx’s securities; volatility in market prices for copper and gold; ability to access capital; changes in foreign currency exchange rates and interest rates; liabilities and risks inherent in exploration and development, operations; uncertainties associated with estimating mineral resources and production; uncertainty as to reclamation and decommissioning liabilities; failure to obtain industry partner and other third party consents and approvals when required; delays in obtaining permits and licenses for development properties; competition for, among other things, capital, acquisitions of mineral reserves, undeveloped lands and skilled personnel; public resistance to mining; mining industry competition and international trade restrictions; incorrect assessments of the value of acquisitions; property title risk; geological, technical and processing problems; the ability of NGEx to meet its obligations to its creditors; actions taken by regulatory authorities with respect to mining activities; the potential influence of or reliance upon its business partners, and the adequacy of

insurance coverage; as well as those factors discussed in the sections entitled “NGEx Resources Inc. – Risk Factors” and “Filo Mining Corp. – Risk Factors” herein and in the NGEx AIF (as defined herein) which has been incorporated by reference herein. Other documents incorporated by reference in the Circular, such as the audited consolidated financial statements of NGEx as at, and for the financial years ended, December 31, 2015 and 2014 (together with the auditors’ report thereon and the notes thereto) and related management’s discussion and analysis for the financial year ended December 31, 2015, as well as the unaudited interim consolidated financial statements of NGEx as at, and for the three months ended, March 31, 2016 (together with the notes thereto) and related management’s discussion and analysis, each include forward-looking information with respect to, among other things, NGEx’s corporate development and strategy. Forward-looking information is based on certain assumptions that NGEx believes are reasonable, including that the required shareholder, court and regulatory approvals for the transactions described in this Circular will be obtained; that the transactions described in this Circular will be completed as disclosed herein; that the existing directors and officers of NGEx and Filo Mining will continue in their respective capacities as directors and officers of NGEx and Filo Mining, as applicable; that sufficient working capital will be available for both NGEx and Filo Mining; that the Filo Mining common shares will be listed on the TSX Venture Exchange (“**TSXV**”) and Nasdaq First North; that the acquisition of exploration properties for Filo Mining’s portfolio will progress; and that shareholdings of certain shareholders of NGEx will not change prior to the closing of the transactions described herein; the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that NGEx will not experience any material labour dispute, accident, or failure of plant or equipment and such other assumptions and factors as set out herein.

Although NGEx has attempted to identify important factors that could 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 information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. NGEx does not undertake to update any forward-looking information contained herein or that is incorporated by reference herein, except in accordance with applicable securities laws.

NOTICE TO SWEDISH SHAREHOLDERS

This Circular does not constitute an offer of, nor is it an invitation for an offer of NGEx Common Shares, Filo Common Shares or other securities or investment instruments of NGEx or Filo Mining which require the publication of a prospectus for the purposes of the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) and the Directive 2003/71/EC of the European Parliament and of the Council, and the amendments thereto (including those resulting from Directive 2010/73/EU) (the “**Prospectus Directive**”) or any implementing legislation in any member of the European Economic Area (“**EEA**”) that has implemented the Prospectus Directive (“**Relevant Member State**”). No Filo Common Shares or other securities or investment instruments have or will be allotted or issued with a view to any of them being offered for sale to or subscription by the public in any manner which constitutes an offer to the public of securities requiring publication of a prospectus for the purposes of the Prospectus Directive or any implementing legislation in any Relevant Member State, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”). Filo Common Shares, other securities and/or investment instruments may only be allotted in a Relevant Member State (with effect from and including the Relevant Implementation Date) under circumstances that do not require the publication by

the Company of a prospectus pursuant to the Prospectus Directive or the Swedish Financial Instruments Trading Act. Any Shareholder receiving the Filo Common Shares is solely responsible for ensuring that any offer or resale of the Filo Common Shares it receives occurs in compliance with applicable laws and regulations.

The financial statements of NGEx incorporated by reference in this Circular have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board, and are subject to Canadian auditing and auditor independence standards. The Filo Mining financial statements included in this Circular have been prepared in accordance with IFRS, and are subject to Canadian auditing and auditor independence standards. Therefore, such financial statements may not be comparable to financial statements of Swedish companies.

Shareholders who are resident in, or citizens of, Sweden are advised to review the summary under the heading “Certain Swedish income tax considerations” and to consult their own tax advisors to determine the particular Swedish tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local or other taxing jurisdiction.

This Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Shareholders in Sweden should be aware that such requirements are different from those of Sweden applicable to registration of prospectuses in accordance with the Prospectus Directive and the Swedish Financial Instruments Trading Act. This Circular does not constitute a prospectus for the purposes of the Prospectus Directive or any implementing legislation in any Relevant Member State, and has not been reviewed by any regulatory authority in any Relevant Member State.

NOTICE TO UNITED STATES SHAREHOLDERS

THE FILO COMMON SHARES TO BE ISSUED TO SHAREHOLDERS PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES AUTHORITIES OF ANY STATE IN THE UNITED STATES PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The pro rata distribution of Filo Common Shares to NGEx Shareholders pursuant to the Arrangement is not a “sale” within the meaning of Section 2(3) of the U.S. Securities Act and SEC Staff Legal Bulletin No. 4 and consequently the Filo Common Shares have not and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. It is intended that Filo Mining will comply with the provisions of SEC Rule 12g3-2(b) under the U.S. Exchange Act so that the Filo Common Shares will also be exempt from registration under the U.S. Exchange Act.

As a result, the Filo Common Shares to be received by NGEx Shareholders pursuant to the Arrangement will be freely transferable under U.S. federal Securities Laws except by persons who are “affiliates” (as such term is understood under U.S. Securities Laws) of Filo Mining after the Effective Date or were “affiliates” of Filo Mining within 90 days prior to the date of any proposed resale. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such Filo Common Shares by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an

exemption therefrom. See “Securities Law Considerations – United States Securities Laws and Resale of Securities”.

NGEx is a corporation organized and existing under the federal laws of Canada and a “foreign private issuer” as such term is defined in Rule 405 of Regulation C under the U.S. Securities Act. The solicitation of proxies pursuant to this Circular is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 under the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with the disclosure requirements of Canadian securities law. Such requirements are different than those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. NGEx Shareholders should be aware that requirements under such Canadian laws may differ from requirements under United States corporate and securities laws relating to United States corporations. However, in order to comply with conditions of SEC Staff Legal Bulletin No. 4, this Circular contains information in substantial compliance with Rule 14A under the U.S. Securities Exchange Act.

The financial statements of NGEx incorporated by reference in this Circular have been prepared in accordance with IFRS, and are subject to Canadian auditing and auditor independence standards. The financial statements of Filo Mining included or incorporated by reference in this Circular have been prepared in accordance with IFRS, and are subject to Canadian auditing and auditor independence standards. Therefore, such financial statements may not be comparable to financial statements of United States corporations.

NGEx Shareholders should be aware that the transactions described herein may have tax consequences to NGEx Shareholders who are resident in, or citizens of, the United States and such consequences may not be fully described in this Circular or the materials provided to the NGEx Shareholders. NGEx Shareholders who are resident in, or citizens of, the United States are advised to review the summary under the heading “United States Federal Income Tax Considerations” and to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local or other taxing jurisdiction.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the parties to the Arrangement are incorporated or organized outside the United States, that all of its officers and directors and the experts named in this Circular are residents of a foreign country, and that all of the assets of NGEx and such persons are located outside the United States. As a result, it may be difficult or impossible for NGEx Shareholders in the United States to effect service of process within the United States upon NGEx, its officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. In addition, NGEx Shareholders in the United States should not assume that the courts of Canada: (i) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States; or (ii) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States.

This Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. NGEx Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act.

Without limiting the forgoing, information concerning the mineral properties of NGEx and Filo Mining has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of securities laws of the United States applicable to U.S. companies subject to the reporting and disclosure requirements of the SEC. **These standards differ significantly from the disclosure requirements of the SEC, and mineral reserve and mineral resource information contained and incorporated by reference herein may not be comparable to similar information disclosed by U.S. companies in accordance with the rules and regulations promulgated by the SEC.**

Under SEC standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time of the reserve determination. Among other things, all necessary permits would be required to be in hand or issued imminently in order to classify mineralized material as reserves under SEC standards. Accordingly, mineral reserve estimates contained in this Circular may not qualify as “reserves” under SEC standards. Further, the SEC does not recognize the reporting of mineral deposits which do not meet the SEC Industry Guide 7 definition of “reserve”. In accordance with NI 43-101, the terms “mineral reserve”, “proven mineral reserve”, “probable mineral reserve”, “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” used in this Circular or in the documents incorporated by reference in this Circular are defined in the CIM Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council, as amended. While the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are recognized and required by NI 43-101, the SEC does not recognize them. **We advise that, while those terms are recognized and required by securities laws, the SEC’s Industry Guide 7 does not permit the inclusion of information concerning “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” or other descriptions of the amount of mineralization in mineral deposits that do not constitute “reserves” by United States standards in documents they file with the SEC. U.S. NGEx Shareholders are specifically cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves, as defined by the SEC.**

NGEx Shareholders are cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Inferred mineral resources have a high degree of uncertainty as to their existence as to whether they can be economically or legally mined. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, NGEx Shareholders are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, NGEx Shareholders are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded to mineral reserves.

In addition, disclosure of mineral resources using “contained ounces” is permitted under Canadian regulations; however, the SEC only permits issuers to report mineralization that does not qualify as a mineral reserve as in place tonnage and grade without reference to unit measures.

For the above reasons, information contained or incorporated by reference in this Circular may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the U.S. federal securities laws and the rules and regulations thereunder.

DATE OF INFORMATION

Information contained in this Circular is as at July 8, 2016, unless otherwise indicated.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

The historical financial statements of NGEx and Filo Mining contained in this Circular are reported in Canadian dollars and have been prepared in accordance with IFRS. All references to dollar amounts in this Circular are to Canadian dollars unless stated otherwise or the context otherwise requires.

CURRENCY AND EXCHANGE RATES

Unless otherwise indicated herein, references to “\$”, “Cdn\$” “Canadian dollars” are to Canadian dollars, and references to “US\$” or “U.S. dollars” are to United States dollars.

The following table sets out: (i) the rates of exchange for one U.S. dollar expressed in Canadian dollars in effect at the end of the periods indicated; (ii) the average rates of exchange for such periods; and (iii) the highest and lowest rates of exchange during such periods, based on the closing rates of exchange as quoted by the Bank of Canada.

	Year Ended December 31, 2015 ⁽¹⁾			3 Months Ended March 31, 2016 ⁽¹⁾	
	2013	2014	2015	2015	2016
Low	0.9816	1.0589	1.1599	1.1599	1.2858
High	1.0738	1.1674	1.4001	1.2835	1.4690
Average	1.0300	1.1046	1.2790	1.2403	1.3721
Close	1.0623	1.1621	1.3839	1.2686	1.3004

Note:

(1) Historical US\$-Cdn\$ exchange rate data obtained from Bloomberg.

On July 7, 2016, the closing exchange rate for one United States dollar expressed in Canadian dollars as reported by the Bank of Canada was Cdn\$1.3003.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Circular from documents filed by NGEx with the securities commissions or similar authorities in the provinces of British Columbia, Alberta, Ontario, and Québec. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of NGEx at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8 (Telephone (604) 689-7842). These documents are also available under NGEx’s profile on the SEDAR website at www.sedar.com.

The following documents are specifically incorporated by reference into, and form an integral part of, this Circular:

1. the NGEx AIF;
2. the audited consolidated financial statements of NGEx as at, and for the financial years ended, December 31, 2015 and 2014, together with the auditors’ report thereon and the notes thereto;
3. management’s discussion and analysis for the financial year ended December 31, 2015;

4. the management information circular of NGEx dated May 6, 2016 prepared in connection with the annual meeting of NGEx Shareholders of NGEx held on June 16, 2016;
5. the unaudited interim consolidated financial statements of NGEx as at, and for the three months ended, March 31, 2016, together with the notes thereto;
6. management's discussion and analysis for the three months ended March 31, 2016;
7. the material change report of NGEx filed on January 7, 2016 relating to results of a Preliminary Economic Assessment ("PEA") that evaluates the development Project Constellation;
8. the material change report of NGEx filed on February 19, 2016 relating to the closing of NGEx's \$8 million private placement;
9. the material change report of NGEx filed on February 22, 2016, relating to the elimination of the export retention tax applicable to copper concentrate exports from Argentina and its effect on the PEA, and the filing of a National Instrument 43-101 technical report;
10. the material change report of NGEx filed on March 22, 2016 relating to the closing of NGEx's \$2.92 million private placement; and
11. the material change report of NGEx filed on June 17, 2016 relating to the entering into of the Arrangement Agreement.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained in this Circular or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies, replaces or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of such a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

SUMMARY

The following is a summary of the principal features of the Arrangement and certain other matters and should be read together with the more detailed information and financial data and statements contained elsewhere in the Circular, including the schedules hereto. This Summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere herein. Unless otherwise indicated, all currency amounts are stated in Canadian dollars. The information contained herein is as of July 8, 2016 unless otherwise indicated.

Capitalized terms used in this Summary are defined in the Glossary of Terms.

THE MEETING

Time, Date and Place of Meeting

The Meeting of NGEx Shareholders and NGEx Optionholders will be held on August 11, 2016 at 10:00 a.m. (Vancouver time) at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia.

The Record Date

The Record Date for determining the registered NGEx Shareholders entitled to receive notice of and to vote at the Meeting is July 8, 2016.

Purpose of the Meeting

This Circular is furnished in connection with the solicitation of proxies by management of NGEx for use at the Meeting.

The Arrangement

The Securityholders, voting as a single class, by Special Resolution, will be asked to approve the Arrangement involving NGEx, the NGEx Shareholders and Filo Mining, a wholly-owned subsidiary of NGEx incorporated for the purposes of the Arrangement.

NGEx will transfer the Filo Working Capital and two wholly-owned subsidiaries of NGEx, who together hold a 100% interest in the Filo del Sol Property (through direct ownership or option agreements), in exchange for a specified number of Filo Common Shares, which number of Filo Common Shares will be equal to one-quarter of the number of NGEx Common Shares outstanding at the Effective Time on a non-diluted basis. Pursuant to the Arrangement, the outstanding Filo Common Shares will consist of one incorporation share and the Filo Common Shares issued to NGEx as described in the preceding sentence, immediately prior to the Effective Time.

The Arrangement will involve certain steps resulting in the NGEx Shareholders (other than dissenting NGEx Shareholders) at the Effective Time being entitled to receive one Filo Common Share for every four NGEx Common Shares held as at the Effective Time. The NGEx Shareholders will continue to hold their NGEx Common Shares and will also hold Filo Common Shares.

NGEx Optionholders will receive a fully-vested NGEx Replacement Option and one quarter of one fully-vested Filo Option, and the exercise prices for the NGEx Replacement Options and the Filo Options will be adjusted to reflect the relative value of the shares.

The Toronto Stock Exchange (“**TSX**”) has conditionally accepted the Arrangement and Filo Mining has made application to list the Filo Common Shares on the TSXV and will also apply for a listing on Nasdaq First North. Any listing will be subject to the approval of the TSXV and Nasdaq First North. Filo Mining has also applied for a waiver of the sponsorship requirements under the rules of the TSXV.

Pursuant to Section 192 of the CBCA and in accordance with the terms of the Arrangement Agreement, the Arrangement Resolution must be approved, with or without variation, by not less than two-thirds of the votes cast at the Meeting in person or by proxy by Securityholders. See “Particulars of Matters to be Acted Upon – The Arrangement” in this Circular.

Other Matters to be Acted Upon at the Meeting

The NGEx Shareholders will also be asked to approve the Filo Option Plan for use by Filo Mining following completion of the Arrangement. See “Particulars of Matters to be Acted Upon – Filo Option Plan” in this Circular.

SUMMARY OF THE ARRANGEMENT, THE RESULTING ISSUERS AND THEIR BUSINESSES

The Arrangement will be completed by way of plan of arrangement pursuant to Section 192 of the CBCA involving NGEx, the NGEx Shareholders and Filo Mining. The disclosure of the principal features of the Arrangement, as summarized below, is qualified in its entirety by reference to the full text of the Arrangement Agreement.

Principal Steps of the Arrangement

Commencing at the Effective Time, each of the events set out below shall occur and be deemed to occur in the following order, without any further act or formality:

- (a) NGEx will transfer the Filo del Sol Property (through the transfer of two wholly-owned subsidiaries) and the Filo Working Capital to Filo Mining in exchange for a specified number of Filo Common Shares, which number of Filo Common Shares will be equal to one-quarter of the number of NGEx Common Shares outstanding at the Effective Time;
- (b) Each outstanding NGEx Option will be deemed to be exchanged for a fully-vested NGEx Replacement Option and one-quarter of one fully-vested Filo Option, and the exercise prices for the NGEx Replacement Options and the Filo Options will be adjusted to reflect the relative value of the shares; and
- (c) NGEx will distribute the Filo Common Shares to the holders of NGEx Common Shares (other than a Dissenting Shareholder) on the basis of one-quarter of one Filo Common Share for each NGEx Common Share.

The foregoing matters will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto may not be completed until after the Effective Date.

The Board may, in its absolute discretion, determine whether or not to proceed with the Arrangement without further approval, ratification or confirmation by the Securityholders.

No Fractional Shares

No fractional Filo Common Shares will be issued. In the event that an NGEx Shareholder would otherwise be entitled to a fractional Filo Common Share under the Plan of Arrangement, the number of Filo Common Shares issued to such NGEx Shareholder shall, without any additional compensation, be rounded down to the next lesser whole number of Filo Common Shares. In calculating such fractional interests, all NGEx Common Shares registered in the name of or beneficially held by such NGEx Shareholder or their Intermediary shall be aggregated.

Effect of the Arrangement

As a result of the Arrangement, NGEx Shareholders will continue to hold their NGEx Common Shares and will receive one Filo Common Share for every four NGEx Common Shares held at the Effective Time. It is expected that the issued capital of Filo Mining will be approximately 51,265,933 Filo Common Shares, post-Arrangement (assuming no NGEx Options are exercised prior to the Effective Time). NGEx Shareholders will own all of the outstanding Filo Common Shares, post-Arrangement, as of the Effective Time. NGEx will continue to hold Project Constellation and Filo Mining will hold the Filo del Sol Property.

Filo Mining will be a reporting issuer in the provinces of British Columbia, Alberta, and Québec. Filo Mining has made application to list the Filo Common Shares on the TSXV and will also apply to list the Filo Common Shares on the Nasdaq First North. Any listing will be subject to the approval of the TSXV and Nasdaq First North. Filo Mining has also applied for a waiver of the sponsorship requirements under the rules of the TSXV.

The NGEx Options outstanding immediately prior to the Effective Time will be subject to the Plan of Arrangement and the NGEx Optionholders will be entitled to vote on the Arrangement Resolution. The NGEx Options will be arranged such that each NGEx Option outstanding at the Effective Time will be exchanged for:

- (i) one fully-vested Replacement NGEx Option. Each Replacement NGEx Option will be governed by the terms of the NGEx Option Plan and will have: (1) an exercise price per NGEx Common Share (rounded up to the nearest whole cent) equal to the exercise price of each NGEx Option so exchanged immediately before the Effective Time multiplied by the Valuation Factor; and (2) the same expiry date as the expiry date of the NGEx Option for which such Replacement NGEx Option was exchanged; and
- (ii) one-quarter of one fully-vested Filo Option. Each whole Filo Option will be governed by the terms of the Filo Option Plan and will have: (1) an exercise price per Filo Common Share (rounded up to the nearest whole cent) equal to the exercise price of each such NGEx Option so exchanged immediately before the Effective Time (A) multiplied by four, and (B) multiplied by a number which is equal to one minus the Valuation Factor; and (2) the same expiry date as the expiry date of the NGEx Option for which such Filo Option was exchanged,

provided that the exercise prices of each Replacement NGEx Option and each Filo Option issued pursuant to the step above shall be and be deemed to be automatically adjusted such that the aggregate In-the-Money Amounts thereof immediately after the steps above does not exceed the In the Money Amount of the exchanged NGEx Option determined immediately before the exchange, with the intention that subsection 7(1.4) of the Tax Act will apply to each exchange.

As of the date of this Circular, there are no holders of NGEx Options resident in the United States.

Filo Mining

The Filo Board will be comprised of Lukas Lundin, Wojtek Wodzicki, Ashley Heppenstall, Paul McRae and Alessandro Bitelli. Wojtek Wodzicki is the President and Chief Executive Officer of Filo Mining. Joyce Ngo will be the Interim Chief Financial Officer of Filo Mining and Bob Carmichael will be the Vice President, Exploration of Filo Mining. Changes and additions to the management team and the Filo Board will be made as needed and as the Filo del Sol Property progresses. Since NGEx's focus is primarily its Project Constellation, a combination of the Los Helados and the Josemaria projects which are advanced stage copper-gold projects, and Filo Mining's focus will be on the Filo del Sol Property,

which is in the mineral resource definition stage, the common directors are not expected to be subject to any conflicts of interest. See “Filo Mining – Directors and Officers” in this Circular.

Reasons for the Arrangement

NGEx believes that the Arrangement is in the best interests of NGEx for numerous reasons, including the fact that NGEx will continue as a junior resource company in the business of advancing Project Constellation in Chile and Argentina. NGEx has a significant market capitalization, a strong balance sheet and a solid management team. The Filo del Sol Property is not required for NGEx’s primary business focus. NGEx expects to have broad appeal to the investment community with its focus being primarily on the advancement of Project Constellation, and NGEx believes that the Arrangement will also minimize potential dilution of Project Constellation. Following the Arrangement, Filo Mining is expected to focus on the Filo del Sol Property and on the future acquisition of early stage exploration assets in South America. The Arrangement will allow the market to value the Filo del Sol Property independently of the later stage Project Constellation assets held by NGEx. Filo Mining will benefit from a strong board of directors and management team with experience acquiring and developing exploration stage assets in South America. It is expected that transferring the Filo del Sol Property from NGEx to Filo Mining will accelerate development of the Filo del Sol Property and give scope to new acquisitions. NGEx Shareholders who continue as NGEx Shareholders will hold shares in two companies with distinct businesses and projects.

In the course of its deliberations, the NGEx Board also identified and considered a variety of risks and potentially negative factors, including, but not limited to the risks set out under “The Arrangement – Arrangement Risk Factors”.

The foregoing discussion summarizes the material information and factors considered by the NGEx Board in their consideration of the Plan of Arrangement. The NGEx Board collectively reached its unanimous decision with respect to the Plan of Arrangement in light of the factors described above and other factors that each member of the NGEx Board felt were appropriate. In view of the wide variety of factors and the quality and amount of information considered, the NGEx Board did not find it useful or practicable to, and did not make specific assessments of, quantify, rank or otherwise assign relative weights to the specific factors considered in reaching its determination. Individual members of the NGEx Board may have given different weight to different factors.

For further information on the reasons for the Arrangement, see “Particulars of Matters to be Acted Upon – The Arrangement – Recommendation of the Directors” in this Circular.

The Companies

NGEx, a CBCA incorporated company, is listed on the TSX and on the Nasdaq Stockholm and is engaged in the exploration and development of South American copper-gold prospects.

Filo Mining is a wholly-owned subsidiary of NGEx incorporated under the CBCA for the purpose of the Arrangement. As of the Effective Date, Filo Mining will acquire NGEx Chile and NGEx Filo del Sol, who together hold a 100% interest in the Filo del Sol Property (through direct ownership or option agreements).

See “NGEx Resources Inc.” and “Filo Mining Corp.” in this Circular for disclosure about each of NGEx and Filo Mining, on a current and post-Arrangement basis.

Pro forma Business Objectives

Upon completion of the Arrangement, NGEx will continue to hold Project Constellation. NGEx is actively pursuing future growth opportunities, primarily through the exploration and development of Project Constellation. Upon completion of the Arrangement, Filo Mining will have working capital of approximately \$3 million and will hold the Filo del Sol Property. Filo Mining intends to concentrate its activities on the exploration of the Filo del Sol Property and on the future acquisition of early stage exploration assets in South America. Filo Mining has made an application to list the Filo Common Shares on the TSXV and will also apply to list the Filo Common Shares on Nasdaq First North. Any listing will be subject to the approval of the TSXV AND Nasdaq First North. Filo Mining has also applied for a waiver of the sponsorship requirements under the rules of the TSXV.

Fairness Opinion

Evans & Evans, Inc. has provided the Fairness Opinion to the NGEx Board in respect of the fairness of the terms of the Arrangement, from a financial point of view, to the NGEx Shareholders. See “Particulars of Matters to be Acted Upon – The Arrangement – Fairness Opinion” in this Circular. The Fairness Opinion is available for viewing up to the commencement of the Meeting during normal business hours at NGEx’s offices located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8 and will be available for review at the Meeting.

Recommendation of the Directors

The NGEx Board has reviewed the Arrangement Agreement and the Fairness Opinion and concluded that the transactions contemplated by the Arrangement Agreement are fair and reasonable to the Securityholders and in the best interests of NGEx.

The NGEx Board recommends that the Securityholders vote in favour of the Arrangement Resolution. Each director and officer of NGEx who owns NGEx Common Shares and/or NGEx Options has indicated his or her intention to vote his or her NGEx Common Shares and NGEx Options in favour of the Arrangement Resolution. See “Particulars of Matters to be Acted Upon – The Arrangement – Recommendation of the Directors” in this Circular.

Additional Terms of the Arrangement Agreement

In addition to the terms and conditions of the Arrangement Agreement set out elsewhere in this Circular, additional terms described below apply. The description of the Arrangement Agreement, both below and elsewhere in this Circular, is summary only, not comprehensive and is qualified in its entirety by reference to the terms of the Arrangement Agreement which may be found at www.sedar.com.

Conditions to the Arrangement

The Arrangement is subject to a number of specified conditions, certain of which may only be waived in accordance with the Arrangement Agreement, including receipt by NGEx and Filo Mining of all required approvals, including approval by: not less than two-thirds of the votes cast at the Meeting in person or by proxy by Securityholders voting as a single class; approval of the TSX of the Arrangement subject only to compliance with the usual conditions of such approval; and approval of the Arrangement by the Court. See “Particulars of Matters To Be Acted Upon – The Arrangement – Conduct of Meeting and Other Approvals” and “Arrangement Agreement – Conditions to the Arrangement Becoming Effective” in this Circular.

Stock Exchange Approvals

The NGEx Common Shares are and will continue to be listed and posted for trading on the TSX and Nasdaq Stockholm upon completion of the Arrangement.

TSX approval is required in order for NGEx to complete the Arrangement and, on July 8, 2016, the TSX conditionally accepted the Arrangement, subject to satisfying customary TSX conditions. Filo Mining has made application to list the Filo Common Shares on the TSXV and will also apply to list the Filo Common Shares on Nasdaq First North. Any listing will be subject to the approval of the TSXV and Nasdaq First North. Filo Mining has also applied for a waiver of the sponsorship requirements under the rules of the TSXV.

See “Particulars of Matters To Be Acted Upon – The Arrangement – Conduct of Meeting and Other Approvals” in this Circular. There is no assurance that Filo Mining and NGEx will receive the required approvals.

Court Approval of the Arrangement

Under the CBCA, NGEx is required to obtain the approval of the Court to the calling and holding of the Meeting and to the Arrangement. On July 7, 2016, prior to the mailing of the material in respect of the Meeting, NGEx obtained an Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order is appended as Schedule “F” to this Circular. A copy of the Notice of Hearing of Petition for Final Order approving the Arrangement is appended as Schedule “G” to this Circular.

The Court hearing in respect of the Final Order is scheduled to take place at 9:45 a.m. (Vancouver time) on August 15, 2016, following the Meeting or as soon thereafter as the Court may direct or counsel for NGEx may be heard, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, subject to the approval of the Arrangement Resolution at the Meeting. **Securityholders who wish to participate in or be represented at the Court hearing should consult with their legal advisors as to the necessary requirements.**

At the Court hearing, Securityholders who wish to participate or to be represented or to present evidence or arguments may do so, subject to the rules of the Court. Although the authority of the Court is very broad under the CBCA, the Court will consider, among other things, the procedural and substantive fairness and reasonableness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement as proposed or as amended in any manner as the Court may direct. The Court’s approval is required for the Arrangement to become effective. In addition, the Court will have determined, prior to approving the Final Order, that the terms and conditions of the issuance and exchange of securities comprising the Arrangement are procedurally and substantively fair to the NGEx Shareholders.

Under the terms of the Interim Order, each Securityholder will receive proper notice that they will have the right to appear and make representations at the application for the Final Order. Any person desiring to appear at the hearing to be held by the Court to approve the Arrangement as detailed in the Notice of Hearing of Petition for the Final Order is required to file with the Court and serve upon NGEx, at the address set out below, prior to 4:00 p.m. (Vancouver time) on August 12, 2016, a notice of his intention to appear (“**Appearance Notice**”), including his address for service, together with any evidence or materials which are to be presented to the Court. The Appearance Notice and supporting materials must be delivered, within the time specified, to:

Cassels Brock & Blackwell LLP
Suite 2200, HSBC Building
885 West Georgia Street
Vancouver, British Columbia
V6C 3E8

Attention: Matthew Nied

See “Particulars of Matters to be Acted Upon – The Arrangement – Conduct of Meeting and Other Approvals” in this Circular.

DISSENT RIGHTS TO THE ARRANGEMENT

Registered NGEx Shareholders have the right to dissent to the Arrangement. Dissenting Shareholders who strictly comply with the provisions of the Interim Order are entitled to be paid the fair value of their NGEx Common Shares by NGEx. See the Interim Order appended as Schedule “F” to this Circular. In addition, the dissent rights applicable to the Arrangement are summarized under the heading “NGEx Shareholders’ Rights of Dissent to the Arrangement”.

Dissenting Shareholders should note that the exercise of dissent rights can be a complex, time-sensitive and expensive procedure. Dissenting Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement and the dissent rights.

PROCEDURE FOR RECEIPT OF FILO COMMON SHARES

The following information is a summary only. For full details of procedures for the delivery of DRS Statements see Article 3 “Certificates and Fractional Shares” of the Plan of Arrangement appended as Schedule “E” to this Circular.

As soon as practicable after the Effective Date, the Transfer Agent will forward to each registered NGEx Shareholder at the Effective Time who have not dissented to the Arrangement, DRS Statements representing the Filo Common Shares to which they are entitled under the Arrangement.

DRS is a system that will allow registered NGEx Shareholders to hold their Filo Common Shares in “book-entry” form without having a physical share certificate issued as evidence of ownership. Instead, Filo Common Shares will be held in the name of registered NGEx Shareholders and registered electronically in Filo Mining’s records, which will be maintained by its transfer agent and registrar, Computershare Investor Services Inc. The first time Filo Common Shares are recorded under DRS (upon completion of the Arrangement), registered NGEx Shareholders will receive an initial DRS Statement acknowledging the number of Filo Common Shares held in their DRS account. Anytime that there is movement of Filo Common Shares into or out of a registered NGEx Shareholder’s DRS account, an updated DRS Statement will be mailed. Registered NGEx Shareholders may request a statement at any time by contacting the Transfer Agent. There is no fee to participate in DRS and dividends, if any, will not be affected by DRS.

You will receive the DRS Statement in lieu of physical share certificates evidencing the Filo Common Shares that you are entitled to following completion of the Arrangement. Instructions will be provided upon receipt of the DRS Statements representing Filo Common Shares for registered holders of NGEx Common Shares that would like to request a physical Filo Common Share certificate. Only registered holders of NGEx Shares will receive a DRS Statement representing Filo Common Shares.

NGEx has established that the record date for the purpose of determining the NGEx Shareholders entitled to receive Filo Common Shares under the Arrangement and the NGEx Optionholders entitled to receive NGEx Replacement Options and Filo Options under the Arrangement, will be set as seven

Business Days following the Effective Date (being the date of certification of the Articles of Arrangement by the Director in accordance with section 192(8) of the CBCA) in accordance with the policies of the TSX (the “**Filo Distribution Record Date**”). The payout date for the Filo Common Shares to be distributed to NGEx Shareholders pursuant to the Arrangement will be three Business Days following the Filo Distribution Record Date.

NGEx Shareholders should not deliver certificates for NGEx Common Shares to the Transfer Agent as certificates representing NGEx Common Shares are not being exchanged pursuant to the Arrangement.

NGEX SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets out selected consolidated financial information for the periods indicated and should be considered in conjunction with the more complete information contained in the consolidated financial statements of NGEx for the years ended December 31, 2015 and 2014, and for the three month period ended March 31, 2016 incorporated by reference in this Circular and filed on SEDAR at www.sedar.com. All currency amounts are stated in Canadian dollars and the financial statements have been prepared in accordance with IFRS.

	Year Ended December 31, 2015	Three Months Ended March 31, 2016
Loss	\$21,377,067	\$3,370,763
Comprehensive loss	\$23,168,780	\$4,430,135
Basic and diluted loss per share	\$0.11	\$0.02
Total assets	\$17,008,110	\$22,931,185
Mineral interests	\$12,770,477	\$12,164,733

NGEX SELECTED PRO FORMA FINANCIAL INFORMATION

The following table sets out selected *pro forma* financial information in respect of NGEx as at March 31, 2016, as if the Arrangement had been completed as of March 31, 2016 and should be considered in conjunction with the more complete information contained in the *pro forma* balance sheet of NGEx appended as Schedule “C” to this Circular. All currency amounts are stated in Canadian dollars.

	Three Months Ended March 31, 2016
Current assets	\$5,922,287
Mineral property interests	\$6,323,684
Total assets	\$13,276,760
Total liabilities	\$2,232,226
NGEx Shareholders’ equity	\$11,044,534

The following table sets out selected *pro forma* financial information in respect of NGEx for the three months ended March 31, 2016 and for the year ended December 31, 2015, as if the Arrangement had been completed as of January 1, 2015, and should be read in conjunction with the more complete information provided in the *pro forma* consolidated statement of comprehensive loss of NGEx appended as Schedule “C” to this Circular. All currency amounts are stated in Canadian dollars.

	Year Ended December 31, 2015	Three Months Ended March 31, 2016
Operating Loss	\$11,871,476	\$1,428,957
Net Loss	\$9,560,314	\$1,508,552
Net Comprehensive Loss	\$10,576,704	\$2,039,184
Loss per Share (basic and diluted)	0.05	0.01

FILO MINING SELECTED PRO FORMA FINANCIAL INFORMATION

The following table sets out selected *pro forma* financial information in respect of Filo Mining as at March 31, 2016 as if the Arrangement had been completed as of March 31, 2016 and should be considered in conjunction with the more complete information contained in the *pro forma* balance sheet of Filo Mining appended as Schedule “D” to this Circular. All currency amounts are stated in Canadian dollars.

	March 31, 2016
Current assets	\$3,813,377
Mineral property interests	\$5,841,049
Total assets	\$9,654,426
Total liabilities	\$406,066
NGEx Shareholders’ equity	\$9,248,360

The following table sets out selected *pro forma* financial information in respect of Filo Mining for the year ended December 31, 2015, and for the three months ended March 31, 2016 as if the Arrangement had been completed as of January 1, 2015, and should be read in conjunction with the more complete information provided in the *pro forma* consolidated statement of comprehensive loss of Filo Mining appended as Schedule “D” to this Circular. All currency amounts are stated in Canadian dollars.

	Year Ended December 31, 2015	Three Months Ended March 31, 2016
Operating Loss	\$10,995,111	\$1,789,043
Net Loss	\$11,819,803	\$1,862,211
Net Comprehensive Loss	\$12,595,126	\$2,390,951
Loss per Share (basic and diluted)	0.24	0.05

INCOME TAX CONSIDERATIONS

Holders of NGEx securities should consult their own tax advisors about the applicable Canadian or United States federal, provincial, state and local tax consequences of the Arrangement. A summary of the principal Canadian federal income tax considerations of the Arrangement is included under “Canadian Federal Income Tax Considerations” in this Circular. A summary of the principal United States federal income tax considerations of the Arrangement is included under “United States Federal Income Tax Considerations” in this Circular.

The following disclosure is provided as general information only. Each NGEx Shareholder should consult his own professional advisors to determine the conditions and restrictions applicable to trades in the Filo Common Shares.

SECURITIES LAWS INFORMATION FOR CANADIAN SHAREHOLDERS

The issuance of the Filo Common Shares pursuant to the Arrangement will constitute a distribution of securities, which is exempt from the prospectus requirement of Canadian securities legislation. The Filo Common Shares issued pursuant to the Arrangement may be resold in each of the provinces and territories of Canada, provided the holder is not a ‘control person’ as defined in the applicable legislation, no unusual effort is made to prepare the market or create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale.

Each NGEx Shareholder is urged to consult their own professional advisors to determine the conditions and restrictions applicable to trades in such securities.

See “Securities Law Considerations – Canadian Securities Laws and Resale of Securities” in this Circular.

SECURITIES LAWS INFORMATION FOR SWEDISH SHAREHOLDERS

This Circular does not constitute an offer of, nor is it an invitation for an offer of NGEx Common Shares, Filo Common Shares or other securities or investment instruments of NGEx or Filo Mining which require the publication of a prospectus for the purposes of the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) and the Directive 2003/71/EC of the European Parliament and of the Council, and the amendments thereto (including those resulting from Directive 2010/73/EU) (the “**Prospectus Directive**”) or any implementing legislation in any member of the European Economic Area (“**EEA**”) that has implemented the Prospectus Directive (“**Relevant Member State**”). No Filo Common Shares or other securities or investment instruments have or will be allotted or issued with a view to any of them being offered for sale to or subscription by the public in any manner which constitutes an offer to the public of securities requiring publication of a prospectus for the purposes of the Prospectus Directive or any implementing legislation in any Relevant Member State, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”). Filo Common Shares, other securities and/or investment instruments may only be allotted in a Relevant Member State (with effect from and including the Relevant Implementation Date) under circumstances that do not require the publication by the Company of a prospectus pursuant to the Prospectus Directive or the Swedish Financial Instruments Trading Act. Any NGEx Shareholder receiving the Filo Common Shares is solely responsible for ensuring that any offer or resale of the Filo Common Shares it receives occurs in compliance with applicable laws and regulations.

Each NGEx Shareholder is urged to consult their own professional advisors to determine the conditions and restrictions applicable to trades in such securities.

See “Securities Law Considerations – Swedish Securities Laws and Resale of Securities” in this Circular.

SECURITIES LAWS INFORMATION FOR UNITED STATES SHAREHOLDERS

We believe that the pro rata distribution of Filo Common Shares to Shareholders pursuant to the Arrangement is not an “offer to sell” or a “disposition for value” within the meaning of Section 2(3) of the U.S. Securities Act and SEC Staff Legal Bulletin No. 4 and consequently the Filo Common Shares have not and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. It is intended that Filo Mining will comply with the provisions of SEC Rule 12g3-2(b) under the U.S. Exchange Act so that the Filo Common Shares will also be exempt from registration under the U.S. Exchange Act. As a result, the Filo Common Shares to be received by NGEx Shareholders pursuant to the Arrangement will be freely transferable under U.S. federal Securities Laws except by persons who are “affiliates” (as such term is understood under U.S. Securities Laws) of Filo Mining after the Effective Date or were “affiliates” of Filo Mining within 90 days prior to the date of any proposed resale. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such Filo Common Shares by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom.

Each Shareholder is urged to consult their own professional advisors to determine the conditions and restrictions applicable to trades in such securities.

See “Securities Law Considerations – United States Securities Laws and Resale of Securities” in this Circular.

THE FILO COMMON SHARES TO BE ISSUED TO NGEX SHAREHOLDERS PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

RISK FACTORS

The securities of NGEx and Filo Mining should be considered highly speculative investments and the transactions contemplated herein should be considered of a high-risk nature. NGEx Shareholders should carefully consider all of the information disclosed in this Circular prior to voting on the matters being put before them at the Meeting.

There are risks associated with the Arrangement that should be considered by Securityholders, including (i) market reaction to the Arrangement and the future trading prices of the NGEx Common Shares and of the Filo Common Shares, if listed, cannot be predicted; (ii) the transactions may give rise to significant adverse tax consequences to NGEx Shareholders and each NGEx Shareholder is urged to consult his own tax advisor; (iii) uncertainty as to whether the Arrangement will have a positive impact on the entities involved in the transactions; and (iv) there is no assurance that required regulatory or court approvals will be received or that the Filo Common Shares will be listed on a stock exchange.

There are risks associated with the businesses of NGEx and Filo Mining that should be considered by Securityholders, including (i) the need for additional capital by NGEx and Filo Mining, through financings and the risk that such funds may not be raised; (ii) the speculative nature of exploration and the stages of the properties or assets of NGEx and Filo Mining; (iii) the effect of changes in commodity prices; (iv) regulatory risks that development will not be acceptable for social, environmental or other reasons; (v) reliance on the management; (vi) the potential for conflicts of interest; (vii) those risk factors outlined under the heading “Risk Factors” in the NGEx AIF; and (viii) other risks associated with either NGEx or Filo Mining as described in greater detail elsewhere in this Circular.

Securityholders should review carefully the risk factors set forth under “Particulars of Matters to be Acted Upon – The Arrangement – Arrangement Risk Factors”, “NGEx Resources Inc. – Risk Factors” and “Filo Mining Corp. – Risk Factors”.

FILO MINING STOCK OPTION PLAN

In contemplation of the completion of the Arrangement at the Meeting, NGEx Shareholders will be asked to approve the Filo Option Plan.

See “Particulars of Matters to be Acted Upon – Filo Option Plan”.

GLOSSARY OF TERMS

In this Circular, the following capitalized words and terms shall have the following meanings:

Appearance Notice	The notice of intention to appear filed with the Court and served upon NGEx if any NGEx Securityholder desires to appear at the hearing to be held by the Court to approve the Arrangement as detailed in the Notice of Hearing of Petition for the Final Order.
Arrangement	The arrangement under section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with this Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of NGEx.
Arrangement Agreement	The arrangement agreement dated as of June 13, 2016, including the Schedules appended hereto, as may be supplemented or amended from time to time.
Arrangement Resolution	The special resolution of the Securityholders voting as a single class in respect of the Arrangement to be considered at the Meeting, the full text of which is appended as Schedule "A" hereto.
Business Day	A day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Toronto, Ontario or Vancouver, British Columbia for the transaction of banking business.
Carve-Out Financial Statements	Audited carve-out consolidated financial statements and unaudited carve-out consolidated financial statements.
CBCA	The <i>Canada Business Corporations Act</i> and the regulations made thereunder, as promulgated or amended from time to time.
CCAA	The <i>Companies' Creditors Arrangement Act</i> .
Circular	This management information circular of NGEx dated as of July 8, 2016 prepared and sent to the NGEx Securityholders in connection with the Meeting.
Company Notice	Ten days after the NGEx Securityholders adopt the Arrangement, the notice that NGEx sends out to each dissenting registered NGEx Shareholder who has filed an objection notice that states that the Arrangement Resolution has been adopted.
Consideration	The 0.25 Filo Common Shares that each NGEx Shareholder will receive for every NGEx Common Share held by them.
Court	The Supreme Court of British Columbia.

CRA	Canada Revenue Agency, the federal agency that administers tax laws for the Government of Canada.
Demand Notice	The written notice a dissenting registered NGEx Shareholder can send within 20 days after receipt of the Company Notice to demand for payment of the fair value of the dissenting registered NGEx Shareholder's NGEx Common Shares .
Director	The director appointed under Section 260 of the CBCA.
Dissent Rights	The meaning set forth in section 5.1 of the Plan of Arrangement.
Dissenting Shareholder	A registered NGEx Shareholder who has duly exercised the Dissent Rights and is ultimately entitled to be paid for their NGEx Common Shares.
Dissenting Shares	NGEx Common Shares the holders whereof have duly exercised their Dissent Rights.
DRS Statements	Statements delivered by the Transfer Agent pursuant to the Transfer Agent's electronic direct registration system.
EEA	European Economic Area.
Effective Date	The date of certification of the Articles of Arrangement by the Director in accordance with section 192(8) of the CBCA.
Effective Time	12:01 a.m. (Vancouver time) on the Effective Date.
Fairness Advisor	Evans & Evans, Inc.
Fairness Opinion	The fairness opinion provided by the Fairness Advisor to the Board dated June 10, 2016, stating that the Arrangement is fair, from a financial point of view, to the NGEx Shareholders.
FI	Finansinspektionen(Financial Supervisory Authority (Sweden)).
Filo Board	The duly appointed board of directors of Filo Mining.
Filo Common Shares	The common shares of Filo Mining.
Filo del Sol Property	The Filo del Sol copper-gold-silver property located in San Juan Province, Argentina and Region III, Chile.
Filo del Sol Report	The NI 43-101 technical report dated June 10, 2016, prepared by Fionnuala Devine, P. Geo., Diego Chrchafli, P. Geo., and James N. Gray, P. Geo., titled Geological Report for the Filo del Sol Property, Region II, Chile and San Juan Province, Argentina" with an effective date of May 30, 2016.

Filo Mining	Filo Mining Corp., a company incorporated pursuant to the laws of Canada.
Filo Option Plan	The stock option plan of Filo Mining to be approved by the NGEx Shareholders at the Meeting.
Filo Options	The stock options of Filo Mining that will be granted to NGEx Optionholders pursuant to the Arrangement in exchange for the NGEx Options and will be exercisable for Filo Common Shares pursuant to the Filo Option Plan.
Filo Working Capital	The \$3 million to be transferred by NGEx to Filo Mining on the Effective Date under the Arrangement.
Final Order	The final order of the Court pursuant to section 192(3) of the CBCA, in a form acceptable to NGEx approving the Arrangement as such order may be amended by the Court (with the consent of NGEx) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to NGEx) on appeal, such Court having approved the procedural and substantive fairness of the terms and conditions of the distribution of the securities by NGEx Shareholders in the United States, and after notice and a hearing upon the fairness of such terms and conditions at which all NGEx Shareholders have the right to appear.
Holder	A beneficial owner of NGEx Common Shares who, for the purposes of the Tax Act: (i) holds NGEx Common Shares, and will hold Filo Common Shares acquired on the Arrangement, as capital property; (ii) deals at arm's length with NGEx and Filo Mining; and (iii) is not "affiliated" with NGEx or Filo Mining for the purposes of the Tax Act.
IFRS	International Financial Reporting Standards as adopted by the International Accounting Standards Board or a successor entity, as amended from time to time.
Interim Order	The interim order of the Court dated July 7, 2016 containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be affirmed, amended and modified (provided that any such amendment is acceptable to NGEx) by any court of competent jurisdiction.
Intermediary	Banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, among others, that the Non-Registered Holder deals with in respect of their NGEx Common Shares.
In-the-Money Amount	At a particular time with respect to a NGEx Option, Replacement NGEx Option, or Filo Option means the amount, if any, by which the fair market value of the relevant underlying security exceeds the exercise price of the relevant option at the particular time.
IRS	United States Internal Revenue Service.

Josemaría Project	The Josemaría copper-gold porphyry project located in San Juan Province, Argentina.
Los Helados Project	The Los Helados copper-gold porphyry project located approximately 125 kilometres southeast of the City of Copiapo in Region III of Chile.
Management Proxyholder	Officers or directors of NGEx whose names are printed in the enclosed form of proxy who can vote the proxy on a Securityholder's behalf in accordance with the instructions given by the Securityholder in the proxy.
Meeting	The special meeting of NGEx Shareholders and NGEx Optionholders scheduled to be held at 10:00 a.m. (Vancouver time) on August 11, 2016 and any adjournment(s) or postponement(s) thereof, to be called and held in accordance with the Interim Order to consider and to vote on the Arrangement Resolution and any other matters set out in the Notice of Meeting.
Meeting Materials	The Notice of Meeting, the Circular, and the form of proxy.
NGEx	NGEx Resources Inc., a company incorporated pursuant to the laws of Canada.
NGEx AIF	The NGEx annual information form for the year ended December 31, 2015 dated March 31, 2016.
NGEx Board	The duly appointed board of directors of NGEx.
NGEx Chile	NGEx Chile Holdings Inc., a company incorporated pursuant to the laws of Canada.
NGEx Common Shares	The common shares of NGEx.
NGEx Filo del Sol	NGEx Filo del Sol Holding Inc., a company incorporated pursuant to the laws of Canada.
NGEx Options	The stock options issued by NGEx to acquire NGEx Common Shares.
NGEx Optionholder	A holder of unexercised NGEx Options immediately before the Effective Time.
NGEx Shareholders	The holders of NGEx Common Shares.
NGEx Option Plan	The stock option plan of NGEx last approved by the NGEx Shareholders on June 12, 2014.
Nasdaq First North	Nasdaq First North Exchange (Stockholm).

Nasdaq Stockholm	Nasdaq Stockholm AB.
NOBOs	Non-Objecting Beneficial Owners are beneficial owners who do not object to their name being made known to the issuers of securities which they own.
Non-Registered Holders	NGEx Shareholders whose shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares.
Notice of Meeting	The notice of the Meeting to be sent to the NGEx Shareholders and NGEx Optionholders, which notice will accompany the Circular.
NI 43-101	National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> .
NI 54-101	National Instrument 54-101 – <i>Communication with Beneficial Owners of Securities of Reporting Issuers</i> .
OBOs	Beneficial owners of NGEx Common Shares who object to their name being made known to the issuers of securities which they own.
Offer to Purchase	NGEx’s written offer to each dissenting Registered Holder to pay for the NGEx Common Shares held by the dissenting Registered Holder in an amount considered by the directors of NGEx to be the fair value thereof, accompanied by a statement showing how the fair value was determined.
Person or person	Is and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof.
Plan of Arrangement	The Plan of Arrangement appended as Schedule “E” to this Circular, and any amendments or variations thereto made in accordance with the Arrangement Agreement, the Plan of Arrangement or upon the direction of the Court in the Final Order with the consent of NGEx.
Project Constellation	Project Constellation means the two copper/gold/silver deposits, the Los Helados deposit, Chile, and the Josemaria deposit, Argentina, integrated together as one project.
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council, and the amendments thereto (including those resulting from Directive 2010/73/EU).
QEF	Qualified electing fund.

Replacement NGEx Options	The stock options of NGEx that will be granted to NGEx Optionholders under the Arrangement in exchange for NGEx Options and will be exercisable for NGEx Common Shares pursuant to the NGEx Option Plan.
Record Date	July 8, 2016, being the date determined by the NGEx Board for the determination of which NGEx Shareholders and NGEx Optionholders are entitled to receive notice of and vote at the Meeting.
Registered Holder	A holder of record of NGEx Common Shares or NGEx Options.
Regulation S	Regulation S promulgated under the U.S. Securities Act.
Regulations	Regulations under the ITA in force on the date hereof.
Relevant Implementation Date	The date on which the Prospectus Directive is implemented in that Relevant Member State's jurisdiction.
Relevant Member State	Any member of the EEA that has implemented the Prospectus Directive.
SEC	United States Securities Exchange Commission.
Securities Legislation	The securities legislation of the provinces and territories of Canada, the FI, the securities legislation of Sweden, the U.S. Exchange Act and the U.S. Securities Act, each as now enacted or as amended, and the applicable rules, regulations, rulings, orders, instruments and forms made or promulgated under such statutes, as well as the rules, regulations, by-laws and policies of the TSX, Nasdaq Stockholm, TSXV and Nasdaq First North.
Securityholders	The NGEx Shareholders and the NGEx Optionholders.
SEDAR	System for Electronic Document Analysis and Retrieval at www.sedar.com .
Special Resolution	A resolution required to be approved under the CBCA by not less than two-thirds of the votes cast by those Securityholders who vote in person or by proxy at the Meeting for which appropriate notice has been given.
Subsidiary	Is, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and shall include any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in a like relation to a subsidiary.

Tax Act	The <i>Income Tax Act</i> (Canada) and the regulations made thereunder, as promulgated or amended from time to time.
Transfer Agent	Computershare Investor Services Inc. or such other trust company or transfer agent as may be designated by NGEx.
TSX	The Toronto Stock Exchange.
TSXV	The TSX Venture Exchange.
U.S.	United States.
U.S. Exchange Act	The United States <i>Securities Exchange Act of 1934</i> , as amended, and the rules and regulations promulgated from time to time thereunder.
U.S. Holder	A beneficial owner of NGEx Common Shares or Filo Common Shares that is: <ul style="list-style-type: none"> (1) a citizen or individual resident of the U.S., (2) a corporation (or an entity classified as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S. or any political subdivision thereof, (3) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (4) a trust if (A) a U.S. court is able to exercise primary supervision over its administration and one or more U.S. persons, within the meaning of section 7701(a)(30) of the U.S. Tax Code, have authority to control all of its substantial decisions or (B) it has properly elected under applicable Treasury regulations to be treated as a U.S. person.
U.S. NGEx Shareholders	Persons in or subject to the securities laws of the United States who are issued Filo Common Shares.
U.S. Securities Act	The United States <i>Securities Act of 1933</i> , as amended, and the rules and regulations promulgated from time to time thereunder.
U.S. Tax Code	The Internal Revenue Code of 1986.
Valuation Factor	0.829.

In addition, words and phrases used herein and defined in the CBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the CBCA unless the context otherwise requires.

NGEX RESOURCES INC.
Suite 2000, 885 West Georgia Street,
Vancouver, British Columbia
V6C 3E8
Tel: (604) 689-7842
Fax: (604) 689-4250

MANAGEMENT CIRCULAR

(As at July 8, 2016, except as indicated)

NGEx is providing this Circular and a form of proxy in connection with management's solicitation of proxies for use at the special meeting (the "**Meeting**") of Securityholders scheduled to be held on August 11, 2016 and at any adjournments. Unless the context otherwise requires, reference in this Circular to NGEx includes its subsidiaries. NGEx will conduct its solicitation by mail and officers and employees of NGEx may, without receiving special compensation, also telephone or make other personal contact. NGEx will pay the cost of solicitation.

All dollar amounts referenced herein are expressed in Canadian Dollars, unless otherwise stated.

GENERAL PROXY INFORMATION

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a Securityholder's behalf in accordance with the instructions given by the Securityholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of NGEx (the "**Management Proxyholders**").

A Securityholder has the right to appoint a person other than a Management Proxyholder, to represent the Securityholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Securityholder.

VOTING BY PROXY

Only Registered Holders or duly appointed proxyholders are permitted to vote at the Meeting. NGEx Common Shares and NGEx Options represented by a properly executed proxy will be voted for or against or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Registered Holder on any ballot that may be called for and if the Registered Holder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a Securityholder does not specify a choice and the Securityholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of NGEx knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of NGEx's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, P.O. Box 4572, Toronto, Ontario, M5J 2Y1, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only Registered Holders or the persons they appoint as their proxies are permitted to vote at the Meeting. Registered Holders are holders whose names appear on the share or option register of NGEx and are not held in the name of a brokerage firm, bank or trust company. Whether or not you are able to attend the Meeting, Securityholders are requested to vote their proxy in accordance with the instructions on the proxy. Most NGEx Shareholders are "non-registered" NGEx Shareholders ("**Non-Registered Holders**") because the shares they own are not registered in their names but are instead registered in the name of a brokerage firm, bank or trust company. NGEx Common Shares beneficially owned by a Non-Registered Holder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of their NGEx Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plan (a "**RRSP**"), registered retirement income fund (a "**RRIF**"), RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from Intermediaries via their transfer agents, pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of Reporting Issuers* ("**NI 54-101**") and issuers can use this NOBO list for distribution of proxy-related materials directly to NOBOs. NGEx has decided to take advantage of those provisions of NI 54-101 that allow it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form from the Transfer Agent. These voting instruction forms are to be completed and returned to the Transfer Agent in the postage paid envelope provided or by facsimile. The Transfer Agent will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by voting instruction forms they receive. Alternatively, NOBOs may vote following the instructions on the voting instruction form, via the internet or by phone.

With respect to OBOs, in accordance with applicable securities law requirements, NGEx will have distributed copies of the Notice of Meeting, this Circular and the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with NGEx, c/o Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1.**

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of their NGEx Common Shares they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the persons named in the form of proxy and insert the Non-Registered Holder or such other person’s name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

REVOCABILITY OF PROXY

Any Registered Holder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Registered Holder, their attorney authorized in writing or, if the Registered Holder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of NGEx, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. Only registered NGEx Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their Intermediary to revoke the proxy on their behalf.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of the date hereof, there are 205,063,733 NGEx Common Shares issued and outstanding 6,987,500 NGEx Options issued and outstanding. Each NGEx Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting, and each NGEx Option entitles the holder thereof to one vote on the Arrangement Resolution. A quorum for the Meeting is two persons entitled to vote at the Meeting, being present in person or being represented by proxy. The record date for the determination of NGEx Shareholders entitled to receive notice of, and to vote at, the Meeting has been fixed as July 8, 2016. All such holders of record of NGEx Common Shares and NGEx Options are entitled

either to attend and vote thereat in person the NGEx Common Shares and NGEx Options held by them or, provided a completed and executed proxy shall have been delivered to the Transfer Agent within the time specified in the attached Notice of Special Meeting of NGEx Shareholders and NGEx Optionholders to attend and vote thereat by proxy the NGEx Common Shares and NGEx Options held by them.

To the knowledge of NGEx’s directors and executive officers, and based on existing information as of the date hereof, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities of NGEx carrying 10% or more of the voting rights attached to any class of voting securities of NGEx, except as set forth in the table below.

Name	Number of NGEx Common Shares Held	Percentage of NGEx Shares Outstanding
Lorito Holdings S.à.r.l. (“ Lorito ”) ⁽¹⁾	18,000,000	8.78%
Zebra Holdings and Investments S.à.r.l.(“ Zebra ”) ⁽¹⁾	21,762,539	10.61%

Note:

(1) Lorito and Zebra, who report their security holdings as joint actors, are private corporations owned by a trust whose settlor was the late Adolf H. Lundin. Together, Lorito and Zebra hold a total of 39,762,539 NGEx Common Shares, which represents approximately 19.39% of the current outstanding NGEx Common Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of NGEx at any time since January 1, 2015 and no associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting, other than directors and executive officers of NGEx having an interest in the resolution regarding the approval of the Filo Option Plan as such persons will be eligible to participate in such plan as directors and executive officers of Filo Mining.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as defined in National Instrument 51-102, *Continuous Disclosure*) and no associate or affiliate of an informed person has or has had any material interest, direct or indirect, in any transaction since January 1, 2015 or in any proposed transaction which in either such case has materially affected or would materially affect NGEx or any of its subsidiaries.

PARTICULARS OF MATTERS TO BE ACTED UPON – THE ARRANGEMENT

The Arrangement will become effective on the Effective Date, subject to satisfaction of the applicable conditions. The disclosure of the principal features of the Arrangement among NGEx, the NGEx Shareholders and Filo Mining, as summarized below, is qualified in its entirety by reference to the full text of the Arrangement Agreement, which is available under NGEx’s profile on SEDAR at www.sedar.com.

REASONS FOR THE ARRANGEMENT

NGEx believes that the Arrangement is in the best interests of NGEx for numerous reasons, including the fact that NGEx will continue as a junior resource company in the business of advancing Project Constellation in Chile and Argentina. NGEx has a significant market capitalization, a strong balance sheet and a solid management team. The Filo del Sol Property is not required for NGEx’s primary business focus. NGEx expects to have broad appeal to the investment community with its focus being

primarily on the advancement of Project Constellation, and NGEx believes that the Arrangement will also minimize potential dilution of Project Constellation. Following the Arrangement, Filo Mining is expected to focus on the Filo del Sol Property and on the future acquisition of early stage exploration assets in South America. The Arrangement will allow the market to value the Filo del Sol Property independently of the later stage Project Constellation assets held by NGEx. Filo Mining will benefit from a strong board of directors and management team with experience acquiring and developing exploration stage assets in South America. It is expected that transferring the Filo del Sol Property from NGEx to Filo Mining will accelerate development of the Filo del Sol Property and give scope to new acquisitions. NGEx Shareholders who continue as NGEx Shareholders will hold shares in two companies with distinct businesses and projects.

In the course of its deliberations, the NGEx Board also identified and considered a variety of risks and potentially negative factors, including, but not limited to the risks set out under "The Arrangement – Arrangement Risk Factors".

The foregoing discussion summarizes the material information and factors considered by the NGEx Board in their consideration of the Plan of Arrangement. The NGEx Board collectively reached its unanimous decision with respect to the Plan of Arrangement in light of the factors described above and other factors that each member of the NGEx Board felt were appropriate. In view of the wide variety of factors and the quality and amount of information considered, the NGEx Board did not find it useful or practicable to, and did not make specific assessments of, quantify, rank or otherwise assign relative weights to the specific factors considered in reaching its determination. Individual members of the NGEx Board may have given different weight to different factors.

PRINCIPAL STEPS OF THE ARRANGEMENT

Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following sequence or as otherwise provided below or herein, without any further act or formality:

- (a) Each Dissent Share shall be deemed to have been repurchased by NGEx for cancellation in consideration for a debt-claim against NGEx to be paid the fair value of such Dissent Share in accordance with Article 3 of the Plan of Arrangement, net of any applicable withholding tax, and such Dissent Share shall thereupon be cancelled;
- (b) NGEx will transfer approximately \$3 million in cash, and all of the outstanding shares of NGEx Chile and NGEx Filo del Sol to Filo Mining in exchange for that number of Filo Common Shares, as determined by the Filo Board, and NGEx and Filo Mining will file an election under section 85 of the Tax Act and any applicable provincial tax laws;
- (c) Notwithstanding the terms of the NGEx Option Plan, including any agreement made thereunder, each NGEx Option (whether vested or not) exercisable for an NGEx Common Share that is outstanding immediately before the Effective Time which has not been duly exercised or cancelled will be and will be deemed to be exchanged for:
 - (i) one fully-vested Replacement NGEx Option. Each Replacement NGEx Option will be governed by the terms of the NGEx Option Plan and will have:
 - (1) an exercise price per NGEx Common Share (rounded up to the nearest whole cent) equal to the exercise price of each NGEx Option so exchanged immediately before the Effective Time multiplied by the Valuation Factor; and
 - (2) the same expiry date as the expiry date of the NGEx Option for which such

Replacement NGEx Option was exchanged; and

(ii) one-quarter of one fully-vested Filo Option. Each whole Filo Option will be governed by the terms of the Filo Option Plan and will have: (1) an exercise price per Filo Common Share (rounded up to the nearest whole cent) equal to the exercise price of each such NGEx Option so exchanged immediately before the Effective Time (A) multiplied by four, and (B) multiplied by a number which is equal to one minus the Valuation Factor; and (2) the same expiry date as the expiry date of the NGEx Option for which such Filo Option was exchanged,

provided that the exercise prices of each Replacement NGEx Option and each Filo Option issued pursuant to the step above shall be and be deemed to be automatically adjusted such that the aggregate In-the-Money Amounts thereof immediately after the steps above does not exceed the In-the-Money Amount of the exchanged NGEx Option determined immediately before the exchange, with the intention that subsection 7(1.4) of the Tax Act will apply to each exchange;

- (d) Filo Mining will purchase for cancellation from NGEx for \$1 the Filo Common Share held by NGEx; and
- (e) NGEx will distribute the Filo Common Shares to the holders of NGEx Common Shares (other than a Dissenting Shareholder) on the basis of one-quarter of one Filo Common Share for each NGEx Common Share then held as a return of stated capital, and reduction of paid-up capital for purposes of the Tax Act.

The foregoing matters will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not being completed until after the Effective Date.

The NGEx Board may, in its absolute discretion, determine whether or not to proceed with the Arrangement without further approval, ratification or confirmation by the NGEx Shareholders.

NO FRACTIONAL SHARES

No fractional Filo Common Shares will be issued. In the event that a NGEx Shareholder would otherwise be entitled to a fractional Filo Common Share under the Plan of Arrangement, the number of Filo Common Shares issued to such NGEx Shareholder shall, without any additional compensation, be rounded down to the next lesser whole number of Filo Common Shares. In calculating such fractional interests, all NGEx Common Shares registered in the name of or beneficially held by such NGEx Shareholder or their Intermediary shall be aggregated.

EFFECT OF THE ARRANGEMENT

As a result of the Arrangement, NGEx Shareholders will continue to hold their NGEx Common Shares and will receive one Filo Common Share for every four NGEx Common Shares held at the Effective Time. It is expected that the issued capital of Filo Mining will be approximately 51,265,933 Filo Common Shares, post-Arrangement (assuming no NGEx Options are exercised prior to the Effective Time). NGEx Shareholders will own all of the outstanding Filo Common Shares, post-Arrangement, as of the Effective Time.

NGEx will continue to hold Project Constellation and Filo Mining will hold the Filo del Sol Property.

Filo Mining will be a reporting issuer in the provinces of British Columbia, Alberta, and Québec. Filo

Mining has made application to list the Filo Common Shares on the TSXV and the Nasdaq First North. Any listing will be subject to the approval of the TSXV and Nasdaq First North. Filo Mining has also applied for a waiver of the sponsorship requirements under the rules of the TSXV.

The NGEx Options outstanding immediately prior to the Effective Time will be subject to the Plan of Arrangement and the NGEx Optionholders will be entitled to vote on the Arrangement Resolution. The NGEx Options will be arranged such that each NGEx Option outstanding at the Effective Time will be exchanged for:

- (i) one fully-vested Replacement NGEx Option. Each Replacement NGEx Option will be governed by the terms of the NGEx Option Plan and will have: (1) an exercise price per NGEx Common Share (rounded up to the nearest whole cent) equal to the exercise price of each NGEx Option so exchanged immediately before the Effective Time multiplied by the Valuation Factor; and (2) the same expiry date as the expiry date of the NGEx Option for which such Replacement NGEx Option was exchanged; and
- (ii) one-quarter of one fully-vested Filo Option. Each whole Filo Option will be governed by the terms of the Filo Option Plan and will have: (1) an exercise price per Filo Common Share (rounded up to the nearest whole cent) equal to the exercise price of each such NGEx Option so exchanged immediately before the Effective Time (A) multiplied by four, and (B) multiplied by a number which is equal to one minus the Valuation Factor; and (2) the same expiry date as the expiry date of the NGEx Option for which such Filo Option was exchanged,

provided that the exercise prices of each Replacement NGEx Option and each Filo Option issued pursuant to the step above shall be and be deemed to be automatically adjusted such that the aggregate In-the-Money Amounts thereof immediately after the steps above does not exceed the In the Money Amount of the exchanged NGEx Option determined immediately before the exchange, with the intention that subsection 7(1.4) of the Tax Act will apply to each exchange.

As of the date of the Circular, there are no holders of NGEx Options resident in the United States.

Assuming there are no changes in NGEx's issued capital of 205,063,733 NGEx Common Shares prior to the Effective Time, it is expected that Filo Mining's non-diluted share capital, post-Arrangement as of the Effective Date, will be approximately 51,265,933 Filo Common Shares. Up to an additional approximately 1,746,875 Filo Common Shares may be outstanding, post-Arrangement on the Effective Date, if all of the existing NGEx Options are exercised before the Effective Time.

AMENDMENTS TO THE PLAN OF ARRANGEMENT

NGEx reserves the right to amend, modify or supplement (or do all of the foregoing) the Plan of Arrangement from time to time and at any time prior to the Effective Date provided that any such amendment, modification and/or supplement must be contained in a written document that is:

- (a) filed with the Court and, if made following the Meeting, approved by the Court; and
- (b) communicated to Securityholders in the manner required by the Court (if so required).

Any amendment, modification or supplement to the Plan of Arrangement may be proposed by NGEx at any time prior to or at the Meeting, with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of the Plan of Arrangement for all purposes.

Any amendment, modification or supplement to the Plan of Arrangement which is approved by the

Court following the Meeting shall be effective only:

- (a) if it is consented to by NGEx; and
- (b) if required by the Court or applicable law, it is consented to by the Securityholders.

Any amendment, modification or supplement to the Plan of Arrangement may be made following the Effective Date unilaterally by NGEx, provided that it concerns a matter which, in the reasonable opinion of NGEx, is of an administrative nature required to better give effect to the implementation of the Plan of Arrangement and is not adverse to the financial or economic interest of any holder of NGEx Common Shares or Filo Common Shares.

DIRECTORS AND OFFICERS OF FILO MINING

The Filo Board will be comprised of Lukas Lundin, Wojtek Wodezicki, Ashley Heppenstall, Paul McRae and Alessandro Bitelli. Wojtek Wodzicki is currently the President and Chief Executive Officer of Filo Mining, Joyce Ngo will be the Interim Chief Financial Officer of Filo Mining and Bob Carmichael will be the Vice-President, Exploration of Filo Mining. It is the intent of Filo Mining to add individuals to the Filo Board and management to ensure Filo Mining has the appropriate amount of local knowledge and skill sets with respect to South America. Since NGEx's focus is primarily as a junior resource company in the business of advancing Project Constellation and Filo Mining's focus will be on the Filo del Sol Property and earlier stage exploration projects in South America, any common directors on the Filo Board and the NGEx Board are not expected to be subject to any conflicts of interest. See "Filo Mining – Directors and Officers" in this Circular.

FAIRNESS OPINION

Fairness Advisor

NGEx has undertaken a number of steps to ensure that the Securityholders are treated in a manner that is fair. The Fairness Advisor has been retained by the Board to act as an independent advisor to NGEx, and to provide an independent opinion as to the fairness of the Arrangement, from a financial point of view, to the NGEx Shareholders.

In consideration for its services in connection with the Fairness Opinion, NGEx has agreed to pay the Fairness Advisor a flat professional fee for its services. In addition, the Fairness Advisor is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by NGEx in certain circumstances. The fee for the Fairness Opinion is not contingent on the conclusion reached in the Fairness Opinion.

The Fairness Advisor is not an insider, associate or affiliate of either of NGEx or Filo Mining. The Fairness Advisor has not acted as advisor to NGEx or Filo Mining or their respective affiliates in connection with the Arrangement. The Fairness Advisor has no past, present or intended interest in the shares or assets of NGEx and its affiliates.

There are no understandings, commitments or agreements between the Fairness Advisor and either NGEx or Filo Mining or their respective predecessor, subsidiary companies and affiliates with respect to future business dealings. The Fairness Advisor may in the future in the ordinary course of business perform financial advisory services to a broad spectrum of corporate clients, and perform financial and research services for NGEx or Filo Mining. The management of NGEx has determined the Fairness Advisor to be qualified.

Summary of Fairness Opinion

The following summary of the Fairness Opinion is qualified in its entirety by the full text of the Fairness Opinion. The analyses conducted by the Fairness Advisor, as described in the Fairness Opinion, should be considered as a whole. To focus on specific portions of each analysis and of the factors considered, without considering all analyses and factors, could create an incomplete and misleading view of the processes underlying the Fairness Opinion. The Fairness Opinion may be inspected at any time up to the commencement of the Meeting during normal business hours at NGEx's offices at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8 and will be available for review at the Meeting.

In connection with the preparation of the Fairness Opinion, the Fairness Advisor relied upon financial, technical and other information, data, advice, opinions and representations obtained by the Fairness Advisor from public sources or provided to the Fairness Advisor by NGEx or otherwise pursuant to the engagement of the Fairness Advisor. The Fairness Opinion is conditional upon the facts or representations that were relied upon. Subject to the exercise of their professional judgment and except as expressly described in the Fairness Opinion, the Fairness Advisor did not attempt to verify independently the accuracy or completeness of any such information, data, advice, opinions or representations.

The Fairness Opinion has been prepared on the basis of securities markets as well as economic conditions and general business and financial conditions, economic principles, comparison to peer group companies, and on the condition and prospects, financial or otherwise, of NGEx as reflected in the information and documents reviewed by the Fairness Advisor and as represented by executive officers and operating management of NGEx. The Fairness Advisor considered the Arrangement from the perspective of NGEx Shareholders as a whole and did not consider the specific circumstances of any particular shareholder, including with regard to income tax considerations.

NGEx is proposing to transfer the Filo del Sol Property, and the Filo Working Capital to its wholly-owned subsidiary Filo Mining. In exchange, Filo Mining will issue to NGEx that number of Filo Common Shares which is equal to one-quarter of the number of NGEx Common Shares outstanding on a non-diluted basis. Upon completion of such transfer, NGEx Shareholders at the Effective Time will be entitled to receive one Filo Common Share for every four NGEx Common Shares held as at the Effective Time.

The Arrangement will enable NGEx, as a corporate entity, to focus on moving Project Constellation forward. Filo Mining will have as its focus the Filo del Sol Property, and the potential to acquire additional exploration properties in the future. If NGEx were to retain the Filo del Sol Property there is risk it would not be explored to the same extent within NGEx as it would in Filo Mining which could forego the future potential of the Filo del Sol Property. As the Project Constellation is much larger and more advanced than the Filo del Sol Property, NGEx and Filo Mining may have different risk profiles going forward which would attract differing investor bases. The Fairness Advisor found data to support the combined market capitalizations from NGEx post-Arrangement and Filo Mining, would exceed the market capitalization of NGEx pre-Arrangement.

In its analysis, the Fairness Advisor considered that, on a post-Arrangement basis, current NGEx Shareholders will hold the same pro rata ownership of Filo Mining as they hold in NGEx. Further, on completion of the Arrangement, the proportional interest that NGEx Shareholders will own in the assets of NGEx (pre-Arrangement) will remain unchanged.

Based on the above information, observations and analyses by the Fairness Advisor, as well as other relevant factors applying to NGEx, Filo Mining and the Arrangement, the Fairness Advisor is of the opinion that the proposed distribution to NGEx Shareholders under the Arrangement consisting of one

Filo Common Share for every four NGEx Common Shares held is fair, from a financial point of view, to the NGEx Shareholders.

RECOMMENDATION OF THE DIRECTORS

NGEx has reviewed the terms and conditions of the proposed Arrangement, has received the Fairness Opinion and has concluded that the Arrangement is fair and reasonable to the Securityholders and in the best interests of NGEx.

In arriving at this conclusion, the Board considered, among other matters:

1. the financial condition, business and operations of NGEx, on both a historical and prospective basis, and information in respect of Filo Mining on a *pro forma* basis;
2. the procedures by which the Arrangement is to be approved, including the requirement for approval of the Arrangement by the Court after a hearing at which fairness to NGEx Shareholders and NGEx Optionholders will be considered;
3. the availability of rights of dissent to registered NGEx Shareholders with respect to the Arrangement;
4. the assets to be held by each of NGEx and Filo Mining and the unrealized value of the Filo del Sol Property within NGEx;
5. the advantages of segregating the property risk profiles of NGEx in an advanced stage development projects and Filo Mining in earlier stage exploration projects;
6. the results of similar transactions by other companies in NGEx's peer group, and the positive market reaction thereto;
7. historical information regarding the price of the NGEx Common Shares;
8. the Canadian and Swedish tax treatment of NGEx Shareholders under the Arrangement;
9. NGEx Shareholders will own securities of two publicly listed companies, if the intended listing of the Filo Common Shares is obtained; and
10. NGEx will be able to concentrate its efforts on the advancement of Project Constellation and Filo Mining will be able to concentrate its efforts on exploring the Filo del Sol Property and may explore potential opportunities for acquisition of additional exploration properties, appealing to prospective investors.

The NGEx Board did not assign a relative weight to each specific factor and each director may have given different weights to different factors. Based on its review of all the factors, the NGEx Board considers the Arrangement to be advantageous to NGEx and fair and reasonable to the Securityholders. The NGEx Board also identified disadvantages associated with the Arrangement including the fact that there will be the additional costs associated with running two companies and there is no assurance that the proposed Arrangement will result in positive benefits to NGEx Shareholders. See "Particulars of Matters to be Acted Upon – The Arrangement – Arrangement Risk Factors", "NGEx Resources Inc. – Risk Factors" and "Filo Mining Corp. – Risk Factors".

The NGEx Board recommends that the Securityholders vote in favour of the Arrangement Resolution. Each director and officer of NGEx who owns NGEx Common Shares and/or NGEx Options has indicated his or her intention to vote his or her NGEx Common Shares and NGEx Options in favour of the Arrangement Resolution.

ARRANGEMENT RISK FACTORS

NGEx and Filo Mining should each be considered as highly speculative investments and the transactions contemplated herein should be considered of a high-risk nature. Securityholders should carefully consider all of the information disclosed in this Circular prior to voting on the matters being put before them at the Meeting.

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of NGEx and Filo Mining, including receipt of Securityholder approval at the Meeting and receipt of the Final Order. There can be no certainty, nor can NGEx or Filo Mining provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

In addition to the other information presented in this Circular (without limitation, see also “NGEx Resources Inc. – Risk Factors” and “Filo Mining Corp. – Risk Factors”), the following risk factors should be given special consideration:

1. The trading price of NGEx Common Shares on the Effective Date may vary from the price as at the date of execution of the Arrangement Agreement, the date of this Circular and the date of the Meeting and may fluctuate depending on investors’ perceptions of the merits of the Arrangement.
2. Pursuant to the provisions of the Plan of Arrangement, the Consideration is fixed and it will not increase or decrease due to fluctuations in the market price of the NGEx Common Shares. The implied value of the Consideration to be received pursuant to the Arrangement will partly depend on the market price of the NGEx Common Shares on the Effective Date. If the market price of the NGEx Common Shares increases or decreases, the value of the Consideration will correspondingly increase or decrease. There can be no assurance that the market price of the NGEx Common Shares on the Effective Date will not be lower or higher than the market price of the NGEx Common Shares on the date of the Meeting. In addition, the number of Filo Common Shares being issued in connection with the Arrangement will not change despite decreases or increases in the market price of the NGEx Common Shares. Many of the factors that affect the market price of the NGEx Common Shares are beyond the control of NGEx. These factors include fluctuations in commodity prices, fluctuations in currency exchange rates, changes in the regulatory environment, adverse political developments, prevailing conditions in the capital markets and interest rate fluctuations.
3. There is no assurance that the Arrangement will be completed or that, if completed, the Filo Common Shares will be listed and posted for trading on the TSXV or the Nasdaq First North.
4. There is no assurance that the Arrangement can be completed as proposed or without NGEx Shareholders exercising their dissent rights in respect of a substantial number of NGEx Common Shares.
5. There is no assurance that the businesses of NGEx or Filo Mining, after completing the Arrangement, will be successful.
6. While NGEx believes that the Filo Common Shares to be issued to NGEx Shareholders pursuant to the Arrangement will not be subject to any resale restrictions save securities held by control persons and save for any restrictions flowing from current restrictions associated with a Shareholder’s NGEx Common Shares, there is no assurance that this is the case and each NGEx Shareholder is urged to obtain appropriate legal advice regarding applicable securities legislation.

7. The transactions may give rise to significant adverse tax consequences to NGEx Shareholders and each such NGEx Shareholder is urged to consult his own tax advisor.
8. There is no assurance that the number of Filo Common Shares to be issued to NGEx Shareholders accurately reflects the value of the Filo del Sol Property.
9. Certain costs related to the Arrangement, such as legal and accounting fees, must be paid by NGEx even if the Arrangement is not completed.
10. If the Arrangement Resolution is not approved by the Securityholders or, even if the Arrangement Resolution is approved, as a result of the Filo del Sol Property being transferred to Filo Mining, an entity separate from NGEx, the market price of the NGEx Common Shares may decline to the extent that the current market price of the NGEx Common Shares reflects a market assumption that the Plan of Arrangement will be completed or to the extent the current market price of the NGEx Common Shares reflects the value associated with the Filo del Sol Property, as applicable.

EFFECTS OF THE ARRANGEMENT ON SHAREHOLDERS' RIGHTS

As a result of the Arrangement, NGEx Shareholders will continue to be shareholders of NGEx and will also be shareholders of Filo Mining. Shareholders of NGEx and Filo Mining will have the same rights accorded to them as NGEx Shareholders of each respective entity, as both NGEx and Filo Mining are governed by the CBCA.

CONDUCT OF MEETING AND OTHER APPROVALS

Shareholder Approval of the Arrangement

The Arrangement Resolution must be approved, with or without variation, by not less than two-thirds of the votes cast at the Meeting in person or by proxy by Securityholders, voting as a single class.

Court Approval of the Arrangement

Under the CBCA, NGEx is required to obtain the approval of the Court to the calling and holding of the Meeting and to the Arrangement. On July 7, 2016, prior to mailing the material in respect of the Meeting, NGEx obtained an Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order and the Notice of Hearing of Petition for Final Order are appended as Schedules "F" and "G", respectively, to this Circular. As set out in the Notice of Hearing of Petition for Final Order, the Court hearing in respect of the Final Order is scheduled to take place at 9:45 a.m. (Vancouver time) on August 15, 2016, following the Meeting or as soon thereafter as the Court may direct or counsel for NGEx may be heard, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, subject to the approval of the Arrangement Resolution at the Meeting. **Securityholders who wish to participate in or be represented at the Court hearing should consult with their legal advisors as to the necessary requirements.**

At the Court hearing, any Securityholders who wish to participate or to be represented or to present evidence or argument may do so, subject to the rules of the Court. Although the authority of the Court is very broad under the CBCA, the Court will consider, among other things, the procedural and substantive fairness and reasonableness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement as proposed or as amended in any manner as the Court may direct. The Court's approval is required for the Arrangement to become effective. In addition, it is a condition of the Arrangement that the Court will have determined, prior to approving the Final Order that the terms and conditions of the issuance of

securities comprising the Arrangement are procedurally and substantively fair to the Securityholders.

Under the terms of the Interim Order, each Securityholder will receive proper notice that they will have the right to appear and make representations at the application for the Final Order. Any person desiring to appear at the hearing to be held by the Court to approve the Arrangement pursuant to the Notice of Hearing of Petition for Final Order is required to file with the Court and serve upon NGEx, at the address set out below, prior to 4:00 p.m. (Vancouver time) on August 12, 2016, a notice of his intention to appear ("**Appearance Notice**"), including his address for service, together with any evidence or materials which are to be presented to the Court. The Appearance Notice and supporting materials must be delivered,

Cassels Brock & Blackwell LLP
Suite 2200, HSBC Building
885 West Georgia Street
Vancouver, British Columbia
V6C 3E8

Attention: Matthew Nied

Regulatory Approvals

If the Arrangement Resolution is approved by the requisite two-thirds of the NGEx Shareholders and NGEx Optionholders voting together as a single class, final regulatory approval must be obtained for all the transactions contemplated by the Arrangement before the Arrangement may proceed.

The NGEx Common Shares are currently listed and posted for trading on the TSX and on NASDAQ Stockholm. NGEx is a reporting issuer in the provinces of British Columbia, Alberta, Ontario, and Québec. Approval from the TSX is required for the completion of the Arrangement, conditional acceptance having been obtained on July 8, 2016. Upon completion of the Arrangement, Filo Mining will be a reporting issuer in the provinces of British Columbia, Alberta, and Québec and intends to seek a listing of the Filo Common Shares on the TSXV and on Nasdaq First North. Filo Mining has made an application to list the Filo Common Shares on the TSXV and will make an application to list the Filo Common Shares on the Nasdaq First North. Any listing will be subject to the approval of the TSXV and Nasdaq First North. Filo Mining has also applied for a waiver of the sponsorship requirements under the rules of the TSXV.

Securityholders should be aware that certain of the foregoing approvals have not yet been received from the regulatory authorities referred to above. There is no assurance that such approvals will be obtained.

DIRECTORS AND OFFICERS

The following table discloses the current positions and security holdings of directors and executive officers of NGEx as well as the anticipated positions and shareholdings in Filo Mining, post-Arrangement.

Director and/or Executive Officer	NGEx Position(s), NGEx Common Shares and NGEx Options	Post-Arrangement Filo Mining Position(s) and Filo Common Shares⁽¹⁾ and Filo Options⁽²⁾
Lukas H. Lundin	Chairman (Non-executive) of the Board and Director 1,751,844 NGEx Common Shares 500,000 NGEx Options	Chairman (Non-executive) of the Board and Director 437,961 Filo Common Shares 125,000 Filo Options
Paul K. Conibear	Director 670,266 NGEx Common Shares 500,000 NGEx Options	N/A 167,566 Filo Common Shares 125,000 Filo Options
David F. Mullen	Director 35,000 NGEx Common Shares 500,000 NGEx Options	N/A 8,750 Filo Common Shares 125,000 Filo Options
William A. Rand	Lead Director 394,098 NGEx Common Shares 500,000 NGEx Options	N/A 98,524 Filo Common Shares 125,000 Filo Options
Wojtek Wodzicki	President, Chief Executive Officer and Director 753,200 NGEx Common Shares 1,275,000 NGEx Options	President, Chief Executive Officer and Director 188,300 Filo Common Shares 318,750 Filo Options
Joyce Ngo	Interim Chief Financial Officer Nil NGEx Common Shares 265,000 NGEx Options	Interim Chief Financial Officer Nil Filo Common Shares 66,250 Filo Options
Bob Carmichael	Vice-President, Exploration 40,000 NGEx Common Shares 655,000 NGEx Options	Vice-President, Exploration 10,000 Filo Common Shares 163,750 Filo Options

Notes:

- (1) Holders of NGEx Common Shares will receive one Filo Common Share for every four NGEx Common Shares as described in the Plan of Arrangement. See "Particulars of Matters to be Acted Upon – The Arrangement – Principal Steps of the Arrangement".
- (2) Holders of NGEx Options will receive one fully-vested Replacement NGEx Option and one-quarter of one fully vested Filo Option for every NGEx Option held immediately before the Effective Time as described in the Plan of Arrangement. See "Particulars of Matters to be Acted Upon – The Arrangement – Principal Steps of the Arrangement".

PROCEDURE FOR RECEIPT OF FILO COMMON SHARES

The following information is a summary only. For full details of procedures for the delivery of DRS Statements see Article 3 “Certificates and Fractional Shares” of the Plan of Arrangement appended as Schedule “E” to this Circular.

As soon as practicable following the Effective Date, Filo Mining will forward or cause to be forwarded by the Transfer Agent or otherwise, by registered mail (postage prepaid) or hand delivery to NGEx Shareholders as of the Effective Date at the address specified in the register of NGEx Shareholders, DRS Statements representing the number of Filo Common Shares to be delivered to such NGEx Shareholders under the Arrangement.

DRS is a system that will allow registered NGEx Shareholders to hold their Filo Common Shares in “book-entry” form without having a physical share certificate issued as evidence of ownership. Instead, Filo Common Shares will be held in the name of registered NGEx Shareholders and registered electronically in Filo Mining’s records, which will be maintained by its transfer agent and registrar, Computershare Investor Services Inc. The first time Filo Common Shares are recorded under DRS (upon completion of the Arrangement), registered NGEx Shareholders will receive an initial DRS Statement acknowledging the number of Filo Common Shares held in their DRS account. Anytime that there is movement of Filo Common Shares into or out of a registered NGEx Shareholder’s DRS account, an updated DRS Statement will be mailed. Registered NGEx Shareholders may request a statement at any time by contacting the Transfer Agent. There is no fee to participate in DRS and dividends, if any, will not be affected by DRS.

You will receive the DRS Statement in lieu of physical share certificates evidencing the Filo Common Shares that you are entitled to following completion of the Arrangement. Instructions will be provided upon receipt of the DRS Statements representing Filo Common Shares for registered holders of NGEx Common Shares that would like to request a physical Filo Common Share certificate. Only registered holders of NGEx Shares will receive a DRS Statement representing Filo Common Shares.

NGEx has established that the record date for the purpose of determining the NGEx Shareholders entitled to receive Filo Common Shares under the Arrangement and the NGEx Optionholders entitled to receive NGEx Replacement Options and Filo Options under the Arrangement, will be set as seven Business Days following the Effective Date (being the date of certification of the Articles of Arrangement by the Director in accordance with section 192(8) of the CBCA) in accordance with the policies of the TSX (the “**Filo Distribution Record Date**”). The payout date for the Filo Common Shares to be distributed to NGEx Shareholders pursuant to the Arrangement will be three Business Days following the Filo Distribution Record Date.

NGEx Shareholders should not deliver certificates for NGEx Common Shares as certificates representing NGEx Common Shares are not being exchanged pursuant to the Arrangement.

Pursuant to the NGEx Option Plan, the NGEx Board has determined that the NGEx Options outstanding immediately prior to the Effective Time will be subject to the Plan of Arrangement and the NGEx Optionholders will be entitled to vote on the Arrangement Resolution. Pursuant to the Arrangement each outstanding NGEx Option will be deemed to be exchanged for a fully-vested NGEx Replacement Option and one-quarter of one fully-vested Filo Option, and the exercise prices for the NGEx Replacement Options and the Filo Options will be adjusted to reflect the relative value of the shares. NGEx will send notice to each NGEx Optionholder which will set out the entitlement to such options and the procedure for exercise.

FEES AND EXPENSES

NGEx will pay the costs, fees and expenses of the Arrangement.

EFFECTIVE DATE OF ARRANGEMENT

If: (1) the Arrangement Resolution is approved by Special Resolution of the Securityholders, (2) the Final Order of the Court is obtained approving the Arrangement; (3) the required TSX approvals to the completion of the Arrangement are obtained; (4) every requirement of the CBCA relating to the Arrangement has been complied with; and (5) all other conditions disclosed under “Arrangement Agreement – Conditions to the Arrangement Becoming Effective” are met or waived, the Arrangement will become effective on the Effective Date.

The full particulars of the Arrangement are contained in the Plan of Arrangement appended as Schedule “E” to this Circular. See also “Arrangement Agreement” below.

Notwithstanding receipt of the above approvals, NGEx may abandon the Arrangement without further approval from the NGEx Shareholders or NGEx Optionholders.

ARRANGEMENT AGREEMENT

The Arrangement will be carried out pursuant to the provisions of the CBCA and will be effected in accordance with the Arrangement Agreement, the Interim Order and the Final Order. The steps of the Arrangement, as set out in the Arrangement Agreement, are summarized under “Particulars of Matters to be Acted Upon – The Arrangement – Principal Steps of the Arrangement” herein.

The general description of the Arrangement Agreement which follows is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is available for review by Securityholders, at the head office of NGEx as shown on the Notice of Meeting, during normal business hours prior to the Meeting and under NGEx’s profile on SEDAR at www.sedar.com.

GENERAL

On June 13, 2016, NGEx and Filo Mining entered into the Arrangement Agreement which includes the Plan of Arrangement. The Plan of Arrangement is reproduced as Schedule “E” to this Circular. Pursuant to the Arrangement Agreement, NGEx and Filo Mining agree to effect the Arrangement pursuant to the provisions of Section 192 of the CBCA on the terms and subject to the conditions contained in the Arrangement Agreement.

In the Arrangement Agreement, NGEx and Filo Mining provide representations and warranties to one another regarding certain customary commercial matters, including corporate, legal and other matters, relating to their respective affairs.

Under the Arrangement Agreement, NGEx will call the Meeting for the purpose of, among other matters, the Securityholders approving the Arrangement Resolution, and that, if the approval of the Securityholders of the Arrangement Resolution as set forth in the Interim Order is obtained by NGEx, as soon as reasonably practicable thereafter, NGEx will take the necessary steps to submit the Arrangement to the Court and apply for the Final Order.

CONDITIONS TO THE ARRANGEMENT BECOMING EFFECTIVE

The respective obligations of NGEx and Filo Mining to complete the transactions contemplated by the Arrangement Agreement are subject to the satisfaction, on or before the Effective Date, of a number of conditions precedent, certain of which may only be waived in accordance with the Arrangement Agreement. The mutual conditions precedent, among others, are as follows:

- (a) the Interim Order shall have been granted in form and substance satisfactory to NGEx;
- (b) the Arrangement Resolution, with or without amendment, shall have been approved at the Meeting, in accordance with the Interim Order;
- (c) the Court shall have determined that the terms and conditions of the Arrangement are procedurally and substantively fair to the Securityholders and the Final Order shall have been granted in form and substance satisfactory to NGEx, and shall not have been set aside or modified in a manner unacceptable to NGEx, on appeal or otherwise;
- (e) the TSXV shall have conditionally approved the listing of the Filo Mining Common Shares, subject only to compliance with the usual requirements of the TSXV;
- (f) all governmental, court, regulatory, third party and other approvals, consents, expiry of waiting periods, waivers, permits, exemptions, orders and agreements and all amendments and modifications to, and terminations of, agreements, indentures and arrangements considered by NGEx to be necessary or desirable for the Arrangement to become effective shall have been obtained or received on terms that are satisfactory to NGEx;
- (g) no action will have been instituted and be continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of, or damages on account of or relating to the Arrangement and there will not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Arrangement Agreement and no cease trading or similar order with respect to any securities of any of the parties will have been issued and remain outstanding;
- (h) none of the consents, orders, rulings, approvals or assurances required for the implementation of the Arrangement will contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by NGEx;
- (g) no law, regulation or policy will have been proposed, enacted, promulgated or applied that interferes or is inconsistent with the completion of the Arrangement; and
- (j) the Arrangement Agreement shall not have been terminated.

The obligations of each of NGEx and Filo Mining to complete the Arrangement are subject to the further condition that the covenants of the other party shall have been duly performed.

AMENDMENT

Subject to any restrictions under the CBCA or in the Final Order, the Arrangement Agreement (including the schedules appended thereto) may, at any time and from time to time before or after the holding of the Meeting, but not later than the Effective Date, be amended by written agreement of the parties thereto without, subject to applicable law, further notice to, or authorization on the part of, the Securityholders. Without limiting the generality of the foregoing, any such amendment may:

- (a) change the time for performance of any of the obligations or acts of the parties;
- (b) waive any inaccuracies or modify any representation contained in the Arrangement Agreement or in any document to be delivered pursuant to the Arrangement Agreement;
- (c) waive compliance with or modify any of the covenants contained in the Arrangement Agreement or waive or modify performance of any of the obligations of the parties; or
- (d) make such alterations in the Arrangement Agreement (including the Plan of Arrangement) as the parties may consider necessary or desirable in connection with the Interim Order or the Final Order.

Notwithstanding the foregoing, certain terms of the Arrangement and the Arrangement Agreement, including required Court, regulatory and Securityholder approval shall not be amended in any material respect without obtaining any required approval of the Shareholder in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

TERMINATION

The Arrangement Agreement may, at any time before or after the holding of the Meeting but prior to the Effective Date, be unilaterally terminated by NGEx without further notice to, or action on the part of, the NGEx Shareholders for whatever reason NGEx may consider appropriate. The Arrangement Agreement will terminate without any further action by the parties if the Effective Date has not occurred on or before September 30, 2016 or such later date as NGEx may determine.

Upon the termination as provided in the Arrangement Agreement, neither party shall have any liability or further obligation to the other party.

SHAREHOLDERS' RIGHTS OF DISSENT TO THE ARRANGEMENT

As indicated in the Notice of Meeting, any registered NGEx Shareholder is entitled to be paid the fair value of his NGEx Common Shares in accordance with Section 190 of the CBCA if such holder dissents to the Arrangement and the Arrangement becomes effective.

In accordance with Section 5.3 of the Plan of Arrangement, in addition to any other restrictions in the CBCA, none of the following shall be entitled to exercise Dissent Rights: (i) NGEx Optionholders; and (ii) NGEx Shareholders who vote in favour of the Arrangement Resolution.

A registered NGEx Shareholder is not entitled to dissent with respect to such holder's NGEx Common Shares if such holder votes any of their NGEx Common Shares in favour of the Arrangement Resolution. For greater certainty, a Proxy submitted by a registered NGEx Shareholder that does not contain voting instructions will, unless revoked, be voted in favour of the Arrangement. A brief summary of the provisions of Section 190 of the CBCA is set out below.

Section 190 of the CBCA

A dissenting registered NGEx Shareholder has until 5:00 p.m. (Vancouver time) on August 9, 2016 to send to NGEx with respect to the Arrangement Resolution a written notice of dissent pursuant to Section 190 of the CBCA and the Arrangement Agreement by registered mail. Within ten days after the Securityholders adopt the Arrangement Resolution, NGEx will send to each dissenting registered NGEx Shareholder who has filed an objection notice a notice stating that the Arrangement Resolution has been adopted (the “**Company Notice**”). A Company Notice is not required to be sent to any registered NGEx Shareholder who voted for the Arrangement Resolution or who has withdrawn the objection notice.

The dissenting registered NGEx Shareholder then has 20 days after receipt of the Company Notice or, if the dissenting registered NGEx Shareholder does not receive a Company Notice, within 20 days after learning that the Arrangement Resolution has been adopted, to send to NGEx a written notice (the “**Demand Notice**”) containing the dissenting registered NGEx Shareholder’s name and address, the number of NGEx Common Shares in respect of which the dissenting registered NGEx Shareholder dissents and a demand for payment of the fair value of such NGEx Common Shares. A dissenting registered NGEx Shareholder must, within 30 days after sending the Demand Notice, send the certificates representing the NGEx Common Shares in respect of which the dissenting registered NGEx Shareholder dissents to NGEx or else the dissenting registered NGEx Shareholder will lose such right to make a claim for the fair value of the NGEx Common Shares. On sending the Demand Notice, the dissenting registered NGEx Shareholder ceases to have any rights as a NGEx Shareholder except the right to be paid the fair value of his or her NGEx Common Shares in respect of which the dissent has been given, except where the registered NGEx Shareholder withdraws the Demand Notice before NGEx sends its Offer to Purchase (defined below), or NGEx decides not to proceed with the Arrangement, in which case such registered NGEx Shareholder’s rights are reinstated as of the date the dissenting registered NGEx Shareholder sent the Demand Notice.

NGEx is required, not later than seven days after the later of the Effective Date or the date NGEx receives a Demand Notice, to deliver to each dissenting registered NGEx Shareholder a written offer (the “**Offer to Purchase**”) to pay for the NGEx Common Shares held by the dissenting registered NGEx Shareholder in an amount considered by the directors of NGEx to be the fair value thereof, accompanied by a statement showing how the fair value was determined. Every Offer to Purchase shall be on the same terms as all other Offers to Purchase for the same class and series of NGEx Common Shares. Dissenting registered NGEx Shareholders who accept the Offer to Purchase will, unless such payment is prohibited by the CBCA, be paid within ten days. The Offer to Purchase lapses if NGEx does not receive an acceptance within 30 days after the date on which the Offer to Purchase was made.

If NGEx fails to make the Offer to Purchase, or the dissenting registered NGEx Shareholder fails to accept the Offer to Purchase, NGEx may apply to a court to fix a fair value for the NGEx Common Shares held by dissenting registered NGEx Shareholders within 50 days after the Arrangement is given effect or within such further period as the court may allow. Upon any such application by NGEx, NGEx shall notify each affected dissenting registered NGEx Shareholder of the date, place and consequences of the application and of such dissenting registered NGEx Shareholder’s right to appear and be heard in person or by counsel. If NGEx fails to make such an application, a dissenting registered NGEx Shareholder has the right to so apply within a further period of 20 days or within such further period as the court may allow. The applications referred to above shall be made to a court having jurisdiction in the place where NGEx has its registered office (currently being Vancouver, British Columbia, Canada) or in the province where the dissenting registered NGEx Shareholder resides if NGEx carries on business in that province. All

dissenting registered NGEx Shareholders whose NGEx Common Shares have not been purchased by NGEx will be joined as parties to the application and will be bound by the decision of the court. The Court may determine whether any person is a dissenting registered NGEx Shareholder who should be joined as a party and the Court will fix a fair value for the NGEx Common Shares of all dissenting registered NGEx Shareholders. In its discretion, the Court may appoint one or more appraisers to assist the Court to fix a fair value for the shares of the dissenting registered NGEx Shareholder. A Court may include, in its discretion, a reasonable rate of interest on the amount payable to each dissenting registered NGEx Shareholder from the effective date of the Arrangement until the date of payment. The final order of a Court would be rendered against the corporation in favour of each dissenting registered NGEx Shareholder and for the amount of the shares as fixed by the Court.

Address for Notice

All notices of dissent to the Arrangement pursuant to Section 190 of the CBCA should be sent, within the time specified, to:

NGEx Resources Inc.
Suite 2000,885 West Georgia Street,
Vancouver, British Columbia
V6C 3E8

Attention: Wojtek Wodzicki
President and Chief Executive Officer

Strict Compliance with Dissent Provisions Required

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting registered NGEx Shareholder who seeks payment of the fair value of his or her NGEx Common Shares. The CBCA requires strict adherence to the procedures established therein and failure to do so may result in the loss of all dissenter's rights. Accordingly, each registered NGEx Shareholder who might desire to exercise the dissenter's rights should carefully consider and comply with the dissent provisions of the CBCA, the full text of which is set out in Schedule "H" to this Circular, and consult such holder's legal advisor.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

THE TAX CONSEQUENCES OF THE ARRANGEMENT MAY VARY DEPENDING UPON THE PARTICULAR CIRCUMSTANCES OF EACH NGEX SHAREHOLDER AND OTHER FACTORS. ACCORDINGLY, NGEX SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE ARRANGEMENT.

In the opinion of Cassels Brock & Blackwell LLP, Canadian counsel to NGEx, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act relating to the Arrangement applicable to a beneficial owner of NGEx Common Shares who, for the purposes of the Tax Act: (i) holds NGEx Common Shares, and will hold Filo Common Shares acquired on the Arrangement, as capital property; (ii) deals at arm's length with NGEx and Filo Mining; and (iii) is not "affiliated" with NGEx or Filo Mining for the purposes of the Tax Act (a "**Holder**").

NGEx Common Shares and Filo Common Shares will generally be considered to be capital property to a Holder unless such securities are held by the Holder in the course of carrying on a business of buying and selling securities, or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon the current provisions of the Tax Act and counsel's understanding of the current administrative practices and assessing policies of the Canada Revenue Agency (the "CRA"). This summary also takes into account all specific proposals to amend the Tax Act (the "Proposed Amendments") announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and assumes that all Proposed Amendments will be enacted in the form proposed. There can be no assurance that the Proposed Amendments will be enacted in the form proposed or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action or decision, nor does it take into account other federal or any provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of the Arrangement.

This summary is not applicable to a Holder: (i) that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market property" rules contained in the Tax Act; (ii) that is a "specified financial institution" or "restricted financial institution" as defined in the Tax Act (iii) who has acquired NGEx Common Shares on the exercise of an NGEx Option; (iv) an interest in which is, or whose NGEx Common Shares are, a "tax shelter investment" as defined in the Tax Act; (v) to who has made a "functional currency" reporting election under section 261 of the Tax Act apply; or (vi) that has entered, or will enter, into a "derivative forward agreement", as defined in the Tax Act, with respect to the NGEx Common Shares or Filo Common Shares. Such Holders should consult their own tax advisors.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT, AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER AND NO REPRESENTATIONS WITH RESPECT TO THE TAX CONSEQUENCES TO ANY PARTICULAR HOLDER ARE MADE. THIS SUMMARY IS NOT EXHAUSTIVE OF ALL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS. ACCORDINGLY, HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.

Holders Resident in Canada

The following portion of this summary applies to a Holder who, at all relevant times is or is deemed to be resident in Canada for purposes of the Tax Act (a "Resident Holder").

Certain Resident Holders whose NGEx Common Shares or Filo Common Shares might not otherwise be capital property may, in certain circumstances, be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to have such shares, and every other "Canadian security" as defined in the Tax Act owned by such Holder in the taxation year in which the election is made and in all subsequent taxation years, deemed to be capital property. **Any Resident Holder contemplating making a subsection 39(4) election should consult their tax advisor for advice as to whether the election is available or advisable in their particular circumstances.**

Deemed Dividend

NGEx has informed counsel that the aggregate fair market value of the Filo Common Shares to be distributed by NGEx is not expected to exceed the "paid-up capital", as defined in the Tax Act, of the NGEx Common Shares immediately before Effective Date. Accordingly, Resident Holders are not expected to be deemed to receive a dividend with respect to the distribution of the Filo Common Shares. Rather, such distribution will reduce a Resident Holder's adjusted cost base of its NGEx Common Shares by the fair market value of the Filo Common Shares distributed (determined at the time of distribution). The paid-up capital of such NGEx Common Shares will also be reduced by such amount.

NGEX HAS PERFORMED A VALUATION OF THE FILO COMMON SHARES WHICH WILL BE USED FOR THE PURPOSE OF DETERMINING THE CANADIAN FEDERAL INCOME TAX CONSEQUENCES OF THE EXCHANGE. COUNSEL IS NOT QUALIFIED TO COMMENT ON THE ACCURACY OR REASONABLENESS OF THE VALUATION.

In the event that the fair market value of all Filo Common Shares (determined at the time of distribution) exceeds the paid-up capital of the NGEx Common Shares, the Resident Holders will be deemed to receive a dividend on such NGEx Common Shares equal to the amount of such excess.

Dividends on NGEx Common Shares and Filo Common Shares

A Resident Holder who is an individual and who is deemed to receive a dividend on its NGEx Common Shares or who receives a dividend paid on its Filo Common Shares will be required to include in income such dividend, and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by NGEx or Filo Mining, as the case may be, as “eligible dividends”, as defined in the Tax Act.

A Resident Holder that is a corporation will be required to include in income any dividend received or deemed to be received on its NGEx Common Shares or paid on its Filo Common Shares, and generally will be entitled to deduct an equivalent amount in computing its taxable income. A “private corporation” as defined in the Tax Act or a “subject corporation” as defined in the Tax Act may be liable under Part IV of the Tax Act to pay a refundable tax of 38½% on any dividend that it receives or is deemed to receive on its NGEx Common Shares or Filo Common Shares to the extent that the dividend is deductible in computing the corporation’s taxable income.

Disposition of Filo Common Shares

A Resident Holder that disposes or is deemed to dispose of a Filo Common Share in a taxation year will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the share exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder of such share, determined immediately before the disposition, and any reasonable costs of disposition. The Resident Holder will be required to include any resulting taxable capital gain in income, or be entitled to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to capital gains and capital losses. See “Holders Resident in Canada — Taxation of Capital Gains and Capital Losses”.

Exchange of NGEx Options for Replacement NGEx Options and Filo Options

A Resident Holder who exchanges NGEx Options for Replacement NGEx Options and Filo Options will be deemed not to dispose of their NGEx Options and not to have acquired the Replacement NGEx Options and Filo Options received on the exchange. The Replacement NGEx Options and Filo Options will be deemed to be a continuation of the exchanged NGEx Options. Consequently, a Resident Holder will not realize a capital gain (or a capital loss), or be required to include in income any amount as a result of the exchange of NGEx Options for Replacement NGEx Options and Filo Options.

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder will be required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by it in that year. A Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back

to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, subject to the detailed rules contained in the Tax Act.

A capital loss realized on the disposition of a Filo Common Share by a Resident Holder that is a corporation may, to the extent and under the circumstances specified by the Tax Act, be reduced by the amount of dividends received or deemed to have been received by the corporation on such shares (or on a share for which such share is substituted or exchanged). Similar rules may apply where shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. **Resident Holders to whom these rules may be relevant should consult their own advisors.**

Alternative Minimum Tax on Resident Holders who are Individuals

A capital gain realized, or a dividend received, by a Resident Holder who is an individual (including certain trusts and estates) may give rise to liability for alternative minimum tax under the Tax Act.

Additional Refundable Tax on Canadian-Controlled Private Corporations

A Resident Holder that is a “Canadian-controlled private corporation” as defined in the Tax Act may be required to pay an additional 10% refundable tax on certain investment income, including certain amounts in respect of net taxable capital gains, dividends or deemed dividends and interest.

Eligibility for Investment

Filo Common Shares will be qualified investments under the Tax Act for a trust governed by a RRSP, RRIF, deferred profit sharing plan, registered education savings plan, registered disability savings plan or a tax-free savings account (a “TFSA”), at any particular time, provided that, at that time, the Filo Common Shares are listed on a “designated stock exchange” (which currently includes the TSX and the TSXV).

Notwithstanding the foregoing, if the Filo Common Shares are a “prohibited investment” for the purposes of a TFSA, a RRSP or a RRIF, the holder of such TFSA or the annuitant of such RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Filo Common Shares will not be a prohibited investment for a TFSA, RRSP or RRIF provided the holder or annuitant thereof, as the case may be, (i) deals at arm’s length with Filo Mining for purposes of the Tax Act, and (ii) does not have a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in Filo Mining. In addition, the Filo Common Shares will not be a “prohibited investment” for a TFSA, RRSP or RRIF if such shares are “excluded property” as defined in the Tax Act for trusts governed by such TFSA, RRSP or RRIF. Resident Holders who intend to hold Filo Common Shares in a TFSA, RRSP or RRIF are advised to consult their own tax advisors.

Dissenting Resident Holders

A Resident Holder who dissents in respect of the Arrangement (a “**Resident Dissenter**”) and who is entitled to receive payment from NGEx equal to the fair value of the Resident Dissenter’s NGEx Common Shares will be considered to have disposed of the NGEx Common Shares for proceeds of disposition equal to the amount received by the Resident Dissenter, less the amount of any interest awarded by a court, as the case may be. A Resident Dissenter generally will be deemed to have received a dividend equal to the amount by which such proceeds exceed the paid-up capital of such shares, and such deemed dividend will reduce the proceeds of disposition for purposes of computing any capital gain (or a capital loss) on the disposition of such NGEx Common Shares. The tax treatment accorded to any deemed dividend is discussed above under the heading, “Holders Resident in Canada — Dividends on NGEx Common Shares and Filo Common Shares”.

A Resident Dissenter will also realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of such NGEx Common Shares, as reduced by the amount of any deemed dividend as discussed above, exceed (or are less than) the adjusted cost base of such shares immediately before the disposition and any reasonable costs of disposition,. The tax treatment of capital gains and capital losses (including the potential reduction of a capital loss due to the receipt of a deemed dividend) is discussed above under the heading, “Holders Resident in Canada — Taxation of Capital Gains and Capital Losses”.

Interest awarded by a court to a Resident Dissenter will be included in the Resident Dissenter’s income for a particular taxation year to the extent the amount is received or receivable in that year, depending upon the method regularly followed by the Resident Dissenter in computing income. Where the Resident Dissenter is a corporation, partnership or, subject to certain exceptions, a trust, the Resident Dissenter must include in income for a taxation year the amount of interest that accrues to it before the end of the taxation year, or becomes receivable or is received before the end of the year (to the extent not included in income for a preceding taxation year). **Resident Dissenters who are contemplating exercising their dissent rights should consult their own tax advisors.**

Holders Not Resident in Canada

The following portion of the summary applies to a Holder who, for the purposes of the Tax Act: (i) at all relevant times is not and is not deemed to be resident in Canada; and (ii) does not and will not use or hold, and is not and will not be deemed to use or hold, NGEx Common Shares or Filo Common Shares in connection with carrying on a business in Canada (a “**Non-resident Holder**”). This portion of the summary is not applicable to a Non-resident Holder that is: (i) an insurer carrying on an insurance business in Canada and elsewhere; (ii) a “financial institution” as defined in the Tax Act; or (iii) an “authorized foreign bank” as defined in the Tax Act.

Dividends on NGEx Common Shares and Filo Common Shares

Dividends paid or credited, or deemed to be paid or credited, on NGEx Common Shares or Filo Common Shares to a Non-resident Holder generally will be subject to Canadian withholding tax at a rate of 25% of the gross amount of the dividend, unless the rate is reduced under the provisions of an applicable income tax convention. The rate of withholding tax under the U.S. Treaty applicable to a Non-resident Holder, who is a resident of the United States for the purposes of the U.S. Treaty, is the beneficial owner of the dividend, is entitled to all of the benefits under the U.S. Treaty generally will be 15% (5% for a company than holds at least 10% of the voting stock of NGEx or Filo Mining, as the case may be). Similarly, the rate of withholding tax under the Canada-Sweden Tax Treaty applicable to a Non-resident Holder who is a resident of Sweden for purposes of such treaty and who is the beneficial owner of the

dividend is generally 15% (5% for a company that controls directly at least 10% of the voting power, or that holds directly at least 25% of the capital, of NGEx or Filo Mining, as the case may be). NGEx or Filo Mining, as the case may be, will be required to withhold the required amount of withholding tax from the dividend, and to remit it to the CRA for the account of the Non-resident Holder.

Exchange of NGEx Options for Replacement NGEx Options and Filo Options

A Non-resident Holder who exchanges NGEx Options for Replacement NGEx Options and Filo Options will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the NGEx Options exceed (or are less than) the aggregate of the adjusted cost base to the Non-resident Holder of such options, determined immediately before the disposition, and any reasonable costs of disposition. The proceeds of disposition will be equal to the fair market value of the Replacement NGEx Options and Filo Options received on the exchange of NGEx Options. Such gain will not be subject to tax in Canada, unless the NGEx Options are “taxable Canadian property” to a Non-resident Holder.

The NGEx Options will be taxable Canadian property to a Non-resident Holder if, at any time in the 60 month period preceding the disposition, 25% or more of the issued shares of any class of the capital stock of NGEx were owned by any combination of (a) the Non-resident holder, (b) persons with whom the Non-resident holder did not deal at arm’s length and (c) partnerships in which persons referred to in (a) or (b) holds a membership interest (directly or indirectly through one or more partnerships), and more than 50% of the fair market value of the NGEx Common Shares was derived from, directly or indirectly, any combination of (i) real or immovable property situated in Canada, (ii) Canadian resource property, (iii) timber resource property, and (iv) options in respect or, or interest in, the property described in (i) to (iii). If the NGEx Options constitute taxable Canadian property, a capital gain arising on the disposition of such shares may be exempt from tax in Canada under the terms of a tax treaty between Canada and the country of residence of the Non-resident Holder. Such holders should consult their tax advisors about their particular circumstances.

Disposition of Filo Common Shares

A Non-resident Holder that disposes or is deemed to dispose of a Filo Common Share in a taxation year will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the share exceed (or are less than) the aggregate of the adjusted cost base to the Non-resident Holder of such share, determined immediately before the disposition, and any reasonable costs of disposition.

Such gain will not be subject to tax in Canada, unless the Filo Common Shares are “taxable Canadian property” to the Non-resident Holder. The Filo Common Shares will be taxable Canadian property to a Non-resident Holder if, at any time in the 60 month period preceding the disposition, 25% or more of the issued shares of any class of the capital stock of Filo Mining were owned by any combination of (a) the Non-resident holder, (b) persons with whom the Non-resident holder did not deal at arm’s length and (c) partnerships in which persons referred to in (a) or (b) holds a membership interest (directly or indirectly through one or more partnerships), and more than 50% of the fair market value of the Filo Common Shares was derived from, directly or indirectly, any combination of (i) real or immovable property situated in Canada, (ii) Canadian resource property, (iii) timber resource property, and (iv) options in respect or, or interest in, the property described in (i) to (iii). If the Filo Common Shares constitute taxable Canadian property, a capital gain arising on the disposition of such shares may be exempt from tax in Canada under the terms of a tax treaty between Canada and the country of residence of the Non-resident Holder. **Such holders should consult their tax advisors about their particular circumstances.**

Dissenting Non-resident Holders

A Non-resident Holder who dissents in respect of the Arrangement (a “**Non-resident Dissenter**”) will be entitled to receive a payment from NGEx equal the fair value of such Non-resident Dissenter’s NGEx Common Shares and will be considered to have disposed of such shares for proceeds of disposition equal to the amount received by the Non-resident Dissenter, less the amount of any interest awarded by a court (if applicable). A Non-resident Dissenter generally will be deemed to have received a dividend equal to the amount by which such proceeds exceed the paid-up capital of such shares and such deemed dividend will reduce the proceeds of disposition for purposes of computing any capital gain (or capital loss) on the disposition of such NGEx Common Shares. The deemed dividend will be subject to Canadian withholding tax as described above under “ **Holders Not Resident in Canada —Filo Common Shares—Deemed Dividend**”.

A Non-resident Dissenter will also realize a capital gain to the extent that the proceeds of disposition for such shares, as reduced by the amount of any deemed dividend as discussed above, exceed the adjusted cost base of such NGEx Common Shares immediately before the disposition and any reasonable costs of disposition. A Non-resident Dissenter generally will not be subject to income tax under the Tax Act in respect of any such capital gain provided such shares do not constitute taxable Canadian property of the Non-resident Dissenter, as described above under “ **Holders Not Resident in Canada —Disposition of Filo Mining Common Share**”.

Any interest paid to a Non-resident Dissenter upon the exercise of dissent rights will not be subject to Canadian withholding tax.

Non-resident Dissenter upon the exercise of dissent rights will not be subject to Canadian withholding tax.

CERTAIN SWEDISH INCOME TAX CONSIDERATIONS

The following summary of certain tax considerations that may arise as a result of the Arrangement is based on current Swedish tax legislation and is intended only as general information for Shareholders who are resident in Sweden for tax purposes. The information is limited and general in nature. This description does not deal comprehensively with all tax consequences that may occur for Shareholders. For instance, it does not cover the specific rules concerning so called qualified shares in closely held companies (Sw. *fåmansföretag*), shares held through a life insurance (Sw. *kapitalförsäkring*) or an investment savings account (Sw. *investeringsparkonto*) where shares held by a partnership or constitute current assets in a business operation. Furthermore, it does not cover the specific rules concerning tax exempt capital gains (including non-deductible capital losses). The summary also does not cover tax issues related to holdings in unlisted shares. Shares are considered listed for Swedish tax purposes if the shares are subject to continuous publicly available listing on the basis of marketable trade in the share. The summary is not applicable to shareholders that have ever been resident in Canada for Canadian tax purposes, carried on business or maintained a permanent establishment in Canada or performed independent personal services in Canada from a fixed base situated in Canada, each as defined in the Sweden-Canada Income Tax Convention (1996). Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, mutual funds, insurance companies and persons who are not resident or domiciled in Sweden. Each Shareholder is recommended to consult a tax adviser for information with respect to the special tax consequences that may arise in each individual case, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules, which may be applicable.

No rulings have been or will be sought from the Swedish Tax Agency (“**STA**”), and counsel to NGEx has not rendered any legal opinion, regarding any of the tax consequences discussed herein. No assurance can be given that the STA would not assert, or that a court would not sustain, a position contrary to any of the tax considerations set forth below.

General Considerations

Swedish Income Tax Characterization of the Distribution

The Swedish income tax consequences of the distribution to a Swedish Shareholder depend on whether the distribution of Common Shares in Filo Mining is exempt from Swedish taxation under the “Lex ASEA-provisions”. NGEx believes, and for purposes of the following summary it is assumed, that the distribution of the Filo Common Shares for Swedish tax purposes will be treated as a tax exempt distribution under the Lex ASEA-provisions. However, there is no assurance that the STA would agree with this characterization, and no opinion of legal counsel or ruling from the STA concerning the Swedish income tax consequences of the transactions contemplated by the Arrangement has been obtained, and none will be requested.

Distributions of Filo Common Shares Pursuant to the Arrangement

The tax basis of the NGEx Common Shares giving entitlement to the distribution shall under the Lex ASEA-provisions be allocated between NGEx Common Shares and the Filo Common Shares received. The allocation of the tax basis is made on the basis of the change in value of the NGEx Common Shares due to the distribution of the Common Shares in Filo Mining. NGEx will request guidelines from the STA on the allocation of the tax basis. Information regarding the guidelines will be published as soon as possible on the web pages of NGEx, Filo Mining and the STA.

Tax Consequences for Dissenting Shareholder

Cash proceeds transferred to any dissenting shareholder who is a Swedish Holder in exchange for such shareholder’s NGEx Common Shares will be treated as a taxable disposal in redemption of such shares for Swedish income tax purposes. The capital gain or capital loss will be calculated in accordance with the principles described below under “Disposal of Shares in Filo Mining”.

Disposal of Shares in Filo Mining

General

Capital gains taxation arises upon the disposal of shares in Filo Mining. The capital gain or capital loss on listed shares is computed as the difference between the sales proceeds, after deduction for sales costs, and the tax basis. The tax basis of the shares in Filo Mining received through the distribution is to be determined on the basis of the guidelines that the STA will render. When the capital gain or the capital loss is computed, the tax basis of all shares of the same class and type are added together and computed collectively under the “average method”. Alternatively, “the standard rule” according to which the acquisition cost is deemed to be equal to 20% of the net sales price may be applied on the disposal of listed shares.

Individuals

For individuals, a capital gain is normally taxed in the capital income category at a rate of 30%. A capital loss on listed shares may be fully offset against taxable capital gains on shares and other listed securities that are taxed as shares, except for shares in Swedish mutual funds containing only receivables denominated in the Swedish currency (interest funds), realized in the same year as the loss. A capital

loss in excess of such gain will be deductible from other income from capital at 70%. Should a deficit arise in the capital income category in a given year, such deficit may reduce the tax on income from employment and business operations as well as real estate tax. The tax reduction is granted at 30% of a deficit that does not exceed SEK 100,000 and at 21% for any remaining part. Deficits may not be carried forward.

Limited liability companies

Capital gains on shares that are not held for business purposes are taxed as income from business operations at a rate of 22% for corporations and other legal entities. Capital losses on such shares may be offset against taxable capital gains on shares and other securities that are taxed as shares. Capital losses which have not been utilized within a certain year may be carried forward and be offset against eligible capital gains in future years without limitation in time.

Dividends from Filo Mining

Individuals

In general, dividends, if any, on shares are taxed in Sweden at a rate of 30% as income from capital for individuals.

Since the dividend is generally taxable in both Sweden and Canada, double taxation may occur. However, Canadian withholding tax levied can be credited from Swedish tax to the extent Swedish tax is attributable to foreign income (overall credit).

If the foreign tax should exceed the Swedish tax attributable to foreign income one year, the credit may, subject to certain limitations, be carried forward for up to five years. Alternatively, the foreign tax may be deducted as a cost for the recipient.

Limited liability companies

In general, dividends, if any, on shares to limited liability companies are taxed in Sweden at a rate of 22 per cent as ordinary income from business activities.

Since the dividend is generally taxable in both Sweden and Canada, double taxation may occur. However, Canadian withholding tax levied can be credited from Swedish tax to the extent Swedish tax is attributable to foreign income (overall credit).

If the foreign tax should exceed the Swedish tax attributable to foreign income one year, the credit may, subject to certain limitations, be carried forward for up to five years. Alternatively, the foreign tax may be deducted as a cost for the recipient.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL SWEDISH INCOME TAX CONSIDERATIONS APPLICABLE TO SWEDISH HOLDERS RELATING TO THE DISTRIBUTION OF FILO COMMON SHARES PURSUANT TO THE ARRANGEMENT, AND THE OWNERSHIP AND DISPOSITION OF SUCH FILO COMMON SHARES. SWEDISH HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN THEIR PARTICULAR CIRCUMSTANCES.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes certain United States (“U.S.”) federal income tax consequences generally applicable to “U.S. Holders” (as defined below) of NGEx Common Shares relating to the distribution of Filo Common Shares pursuant to the Arrangement, and the ownership and disposition of such Filo Common Shares. This summary addresses only U.S. Holders who hold the NGEx Common Shares and Filo Common Shares as “capital assets” within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the “U.S. Tax Code”) (generally, assets held for investment purposes).

As used herein, the term “U.S. Holder” means a beneficial owner of NGEx Common Shares or Filo Common Shares that is:

- (1) a citizen or individual resident of the U.S.,
- (2) a corporation (or an entity classified as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S. or any political subdivision thereof,
- (3) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or
- (4) a trust if (A) a U.S. court is able to exercise primary supervision over its administration and one or more U.S. persons, within the meaning of section 7701(a)(30) of the U.S. Tax Code, have authority to control all of its substantial decisions or (B) it has properly elected under applicable Treasury regulations to be treated as a U.S. person.

This summary is for general information purposes only and does not purport to be a complete analysis of all potential U.S. federal income tax considerations that may be relevant to particular U.S. Holders in light of their particular circumstances, including specific tax consequences to a U.S. Holder under an applicable tax treaty, nor does it apply to persons subject to special treatment under the U.S. Tax Code. In particular, it does not apply to:

- persons who are brokers, dealers or traders in securities;
- insurance companies, real estate investment trusts, regulated investment companies, mutual funds, banks and other financial institutions;
- tax-exempt organizations, qualified retirement plans, individual retirement accounts and other tax-deferred accounts;
- persons that have a functional currency other than the U.S. dollar;
- persons who are subject to the alternative minimum tax;
- persons holding NGEx Common Shares or Filo Common Shares as part of a straddle, hedge or conversion transaction or as part of a synthetic security or other integrated transaction;
- NGEx Optionholders;
- persons that elect to use a mark-to-market method of accounting for their securities holdings, NGEx Common Shares, or Filo Common Shares (other than with respect to a mark-to-market election described below);

- persons deemed to sell NGEx Common Shares or Filo Common Shares under the constructive sale provisions of the U.S. Tax Code;
- persons who actually or constructively own or have owned (including through attribution) 5% or more of NGEx's or Filo Mining's shares by vote or value; or
- persons that acquired NGEx Common Shares or Filo Common Shares in connection with the exercise of employee stock options or otherwise as compensation for services.

This summary also does not address the U.S. federal income tax considerations applicable to persons who are not U.S. Holders or to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the ITA; (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold NGEx Common Shares or Filo Common Shares in connection with carrying on a business in Canada; (d) persons whose NGEx Common Shares or Filo Common Shares constitute "taxable Canadian property" under the ITA; or (e) persons that have a permanent establishment in Canada for purposes of the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the "**Canada-U.S. Tax Convention**").

The tax treatment of a partner in a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) may depend on both the partnership's and the partner's status and the activities of the partnership. This summary does not address the U.S. federal income tax treatment of persons that hold an interest in a partnership or other pass-through entity, such as an S corporation, that holds NGEx Common Shares or Filo Common Shares. Partnerships that are beneficial owners of NGEx Common Shares or Filo Common Shares, and partners in such partnerships, should consult their own tax advisors regarding the U.S. federal, state, local and non-U.S. tax considerations applicable to them relating to the distribution of Filo Common Shares pursuant to the Arrangement, and the ownership and disposition of such Filo Common Shares.

In addition, this summary does not address any tax considerations arising under the laws of any state, local, or non-U.S. jurisdiction or other U.S. federal tax considerations (e.g., estate or gift tax) other than those pertaining to the income tax.

U.S. Holders and persons listed above are urged to consult their own tax advisors as to the tax considerations applicable to them.

The following summary is based upon the U.S. Tax Code, Treasury regulations promulgated thereunder, judicial authorities, published positions of the IRS, the Canada-U.S. Tax Convention, and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect).

No rulings have been or will be sought from the IRS, and counsel to NGEx has not rendered any legal opinion, regarding any of the tax consequences discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax considerations set forth below.

HOLDERS OF NGEX COMMON SHARES ARE URGED TO SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM THEIR OWN INDEPENDENT TAX ADVISOR.

General Considerations

U.S. Federal Income Tax Characterization of the Arrangement

NGEx believes, and for purposes of the following summary it is assumed, that the transactions contemplated by the Arrangement will be treated (other than with respect to dissenting shareholders) as a distribution by NGEx of its Filo Common Shares for U.S. federal income tax purposes. However, there is no assurance that the IRS would agree with this characterization, and no opinion of legal counsel or ruling from the IRS concerning the U.S. federal income tax consequences of the transactions contemplated by the Arrangement has been obtained, and none will be requested.

Passive Foreign Investment Company Considerations

The U.S. federal income tax consequences to a U.S. Holder with respect to the Arrangement depend on whether NGEx is treated as a passive foreign investment company (“**PFIC**”) during any year in which a U.S. Holder owns NGEx Common Shares. In general, a non-U.S. corporation will be treated as a PFIC for any taxable year during which either (1) 75% or more of the non-U.S. corporation’s gross income is passive income (the “**income test**”), or (2) 50% or more of the average value of the non-U.S. corporation’s assets produce or are held for the production of passive income (the “**asset test**”).

The determination of PFIC status is inherently factual, is subject to a number of uncertainties, and can be determined only annually at the close of the taxable year in question. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Nevertheless, NGEx believes, and the following discussion assumes, that it was a PFIC in each of its taxable years since its formation. However, there is no assurance that the IRS would agree with this treatment, and no opinion of legal counsel or ruling from the IRS concerning the status of NGEx as a PFIC has been obtained, and none will be requested.

Distribution of Filo Common Shares Pursuant to the Arrangement

The distribution of Filo Common Shares pursuant to the Arrangement is not expected to satisfy all of the technical requirements for tax-free treatment under section 355 of the U.S. Tax Code, and thus NGEx expects that the issuance of Filo Common Shares to U.S. Holders of NGEx Common Shares pursuant to the Arrangement will constitute a taxable distribution with respect to each U.S. Holder’s NGEx Common Shares for U.S. federal income tax purposes. Any distribution received by a U.S. Holder who has not made a timely and valid qualified electing fund (“**QEF**”) or mark-to-market election with respect to its NGEx Common Shares will be taxed under the PFIC “excess distribution” regime (see “— Ownership and Disposition of Filo Common Shares if Filo Mining is a PFIC – Distributions”). Accordingly, because NGEx has not previously made any distributions to its shareholders, the entire amount of the distribution to such a U.S. Holder will be an excess distribution that will be allocated ratably to each day of the U.S. Holder’s holding period with respect to such shares, except where a U.S. Holder acquired its NGEx Common Shares during such shareholder’s current taxable year. Amounts allocated to the year of disposition will be treated as arising in the year of disposition and taxed at ordinary U.S. federal income tax rates. Amounts allocated to each of the other years will be subject to tax as though it were ordinary income taxed at the highest U.S. federal income tax rate in effect for each of those years, and the special interest charge (defined below) will be added to the tax determined for each of those years. The sum of the taxes and interest calculated for all other years will be an addition to the tax for the year in which the distribution of Filo Common Shares occurs. A U.S. Holder that is not a corporation must treat the interest as non-deductible personal interest.

A distribution of Filo Common Shares to a U.S. Holder who has made a timely and valid “mark-to-market election” (see “— Ownership and Disposition of Filo Common Shares if Filo Mining is a PFIC – Mark-to-Market Election”) with respect to its NGEx Common Shares generally will be included in the gross income of the U.S. Holder as dividend income to the extent of the current and accumulated earnings and profits, as determined under U.S. federal income tax principles, of NGEx. Because NGEx is a PFIC, the reduced tax rate applicable to certain dividends would not apply with respect to the NGEx Common Shares. If the fair market value of any Filo Mining stock distributed exceeds NGEx’s current and accumulated earnings and profits, such excess will be treated as a return of capital to the extent of a U.S. Holder’s adjusted tax basis in his NGEx Common Shares, and thereafter as ordinary income. Accordingly, the distribution of Filo Common Shares to a U.S. Holder with respect to such U.S. Holder’s NGEx Common Shares should be treated as a return of capital to the extent of the U.S. Holder’s adjusted tax basis in such NGEx Common Shares, and thereafter as ordinary income.

The tax treatment of a distribution of Filo Common Shares received by a U.S. Holder who has made a timely and valid “QEF election” (see “— Ownership and Disposition of Filo Common Shares if Filo Mining is a PFIC – Qualified Electing Fund Election”) with respect to its NGEx Common Shares depends on whether NGEx has previously had earnings and profits that were included currently in the income of shareholders that made QEF elections, and whether NGEx has made prior distributions of such previously taxed earnings and profits. Distributions of earnings and profits with respect to which a U.S. Holder has been previously taxed will result in a reduction in the recipient U.S. Holder’s adjusted tax basis in the stock and will not be taxed when distributed. Distributions that are not attributable to previously taxed earnings and profits generally will be treated in the manner described in the previous paragraph for a U.S. Holder who has made a mark-to-market election except that, following the reduction to zero of the U.S. Holder’s adjusted tax basis in its NGEx Common Shares by amounts treated as a return of capital, the remainder of the amount distributed would be treated as capital gain.

Regardless of the current tax consequences of the distribution, each U.S. Holder will have a tax basis in the Filo Common Shares received pursuant to the Arrangement equal to their fair market value at the time of their receipt. The U.S. Holder’s holding period for such Filo Common Shares will commence on the day after the date of receipt.

Tax Consequences of the Arrangement for Dissenting NGEx Shareholders

Cash proceeds transferred to any dissenting shareholder who is a U.S. Holder in exchange for such shareholder’s NGEx Common Shares will be treated as a taxable distribution in redemption of such shares for U.S. federal income tax purposes. The redemption proceeds will be treated as received in exchange for a U.S. Holder’s NGEx Common Shares if, after taking into account applicable attribution rules, the redemption is not “essentially equivalent to a dividend,” is “substantially disproportionate” with respect to such U.S. Holder, is a redemption of all of such U.S. Holder’s NGEx Common Shares, or is in “partial liquidation” of NGEx (within the meaning of each term in section 302 of the U.S. Tax Code). If the redemption proceeds received by a U.S. Holder are not treated as received in exchange for such U.S. Holder’s NGEx Common Shares, the full amount of the proceeds received will be treated as described above under “Distribution of Filo Common Shares Pursuant to the Arrangement.”

A U.S. Holder who is treated as receiving the cash proceeds in exchange for its NGEx Common Shares will recognize gain or loss equal to the difference between (i) such cash proceeds and (ii) the U.S. Holder’s adjusted tax basis in the NGEx Common Shares exchanged. Any gain recognized by a U.S. Holder who has not made a timely and valid QEF or mark-to-market election with respect to its NGEx Common Shares will be taxed as an excess distribution under the PFIC “excess distribution” regime (see

“— Ownership and Disposition of Filo Common Shares if Filo Mining is a PFIC – Distributions”). In contrast, any gain recognized by a U.S. Holder who has made a timely and valid QEF election or mark-to-market election with respect to its NGEx Common Shares will be taxed as capital gain or ordinary income, respectively. Any loss recognized by a U.S. Holder who has not made a timely and valid mark-to-market election with respect to its NGEx Common Shares, including a U.S. Holder who has made a timely and valid QEF election, will generally be treated as capital loss. A U.S. Holder who has made a timely and valid mark-to-market election generally will treat any loss recognized as an ordinary loss to the extent of net mark-to-market income recognized for all prior taxable years; however, any loss recognized in excess thereof will be taxed as a capital loss. The deductibility of a capital loss is subject to significant limitations.

Each U.S. Holder is urged to consult its own legal and tax advisors regarding the difference in tax treatment that may result from such U.S. Holder’s receipt of a distribution of Filo Common Shares as compared with such U.S. Holder’s receipt of cash proceeds in exchange for its NGEx Common Shares as a result of an exercise of Dissent Rights.

Ownership and Disposition of Filo Common Shares if Filo Mining is a PFIC

As discussed above, certain adverse U.S. federal income tax rules apply to a person that owns or disposes of stock in a non-U.S. corporation that is treated as a PFIC. NGEx believes that Filo Mining likely will be a PFIC in its first taxable year and may continue to be treated as a PFIC in future taxable years. Accordingly, the U.S. federal income tax consequences discussed below generally will apply to a U.S. Holder of Filo Common Shares if Filo Mining is treated as a PFIC.

Distributions

Except where a U.S. Holder has made a timely and valid QEF or mark-to-market election (each of which is described generally below) with respect to its Filo Common Shares, distributions made by Filo Mining with respect to the Filo Common Shares (including any Canadian taxes withheld from such distribution), to the extent such distributions are treated as “excess distributions” pursuant to section 1291 of the U.S. Tax Code, must be allocated ratably to each day of the U.S. Holder’s holding period for such Filo Common Shares. Distributions received in a taxable year (the “**year of receipt**”) generally will be treated as excess distributions to the extent that such distributions exceed 125% of the average amount of distributions received for each taxable year during the shorter of (1) the three taxable years preceding the year of receipt and (2) the portion of the U.S. Holder’s holding period for its Filo Common Shares before the year of receipt, except that no portion of a distribution will be an excess distribution if received with respect to shares acquired during the U.S. Holder’s current taxable year. The amounts allocated to the U.S. Holder’s taxable year during which the distribution is made, and to any period during such U.S. Holder’s holding period that is prior to the first taxable year in which Filo Mining was treated as a PFIC, are included in such U.S. Holder’s gross income as ordinary income for the taxable year of the U.S. Holder in which the distribution is made. The amount allocated to each other taxable year is subject to tax in the taxable year of the distribution as though it were ordinary income taxed at the highest tax rate in effect for the U.S. Holder in that other taxable year and is subject to an interest charge at the rate applicable to underpayments of tax (the “**special interest charge**”). A U.S. Holder that is not a corporation must treat such interest as “personal interest,” which is not deductible. Any distribution made by Filo Mining that does not constitute an excess distribution generally will be treated in the manner described below under “— Ownership and Disposition of Filo Common Shares if Filo Mining is not a PFIC - Distributions” except that the reduced tax rate applicable to certain dividends would not apply with respect to the Filo Common Shares if Filo Mining is a PFIC.

Dispositions

Except where a U.S. Holder has made a timely and valid QEF or mark-to-market election (each of which is described generally below) with respect to its Filo Common Shares, the entire amount of any gain realized upon a U.S. Holder's disposition of its Filo Common Shares generally will be treated as an excess distribution made in the taxable year during which such disposition occurs, with the consequences described under "— Distributions" above.

Purging the PFIC Taint

Except as described in the next sentence, if a non-U.S. corporation meets the PFIC income test or the asset test for any taxable year during which a U.S. Holder holds stock of such non-U.S. corporation, the non-U.S. corporation will be treated as a PFIC with respect to such U.S. Holder for that taxable year and for all subsequent taxable years, regardless of whether the non-U.S. corporation meets the income test or the asset test for such subsequent taxable years. Under applicable Treasury regulations, the non-U.S. corporation will cease to be treated as a PFIC with respect to a U.S. Holder that holds stock of such non-U.S. corporation if, on the U.S. Holder's original or amended tax return for the last taxable year of its holding period during which the non-U.S. corporation met either the income test or the asset test, such U.S. Holder elects to recognize any unrealized gain in its stock as of the last day of the non-U.S. corporation's last taxable year in which it met either the income test or the asset test. Any gain recognized by a U.S. Holder as a result of making the election described in the previous sentence with respect to its stock will be subject to the adverse ordinary income and special interest charge consequences described above.

Subsidiary PFIC Rules

Certain adverse U.S. federal income tax rules generally will apply to a U.S. Holder for any taxable year in which Filo Mining is treated as a PFIC and has a subsidiary that is also treated as a PFIC (a "**Subsidiary PFIC**"). In such a case, a disposition (or deemed disposition) of the shares of such Subsidiary PFIC or a distribution received by Filo Mining from such Subsidiary PFIC generally may be treated as an indirect disposition by a U.S. Holder or an indirect distribution received by a U.S. Holder, respectively. Any such indirect disposition or indirect distribution generally would be subject to the gain and excess distribution rules described above regardless of the percentage ownership of such U.S. Holder in Filo Mining.

Qualified Electing Fund Election

The adverse U.S. federal income tax consequences of owning stock of a PFIC described above generally may be mitigated if a U.S. Holder of the PFIC is able to, and timely makes, a valid QEF election with respect to the PFIC. In that case, the electing U.S. Holder must report each year, for U.S. federal income tax purposes, his "pro rata share" of the PFIC's ordinary earnings and net capital gain, if any, for the PFIC's taxable year that ends with or within the taxable year of such U.S. Holder, regardless of whether or not the PFIC made distributions to the U.S. Holder. For this purpose, "pro rata share" means the amount which would have been distributed with respect to the U.S. Holder's stock if, on each day of the PFIC's taxable year, it had distributed to each shareholder a pro rata portion of that day's ratable share of the PFIC's ordinary earnings and net capital gain for that tax year.

If a U.S. Holder has made a QEF election with respect to stock of a PFIC, the U.S. Holder's adjusted tax basis in such stock will be increased to reflect earnings and profits of the PFIC that have been taxed, but not distributed, to such U.S. Holder. Distributions of earnings and profits with respect to which any U.S. Holder has been previously taxed will result in a reduction in the U.S. Holder's adjusted tax basis in the stock and will not be taxed again when distributed. Distributions that are not attributable to previously taxed earnings and profits generally will be treated in the manner described below under "— Ownership and Disposition of Filo Common Shares if Filo Mining is not a PFIC - Distributions" except that that the reduced tax rate applicable to certain dividends would not apply with respect to the Filo Common Shares if Filo Mining is a PFIC.

If a PFIC is a QEF as to a U.S. Holder for each of its tax years which includes any portion of the U.S. Holder's holding period, the U.S. Holder's gain on disposing of the PFIC stock is not attributed to earlier years and the U.S. tax is not increased by the special interest charge. Accordingly, a U.S. Holder making a timely and valid QEF election with respect to PFIC stock generally would recognize capital gain or loss on the sale, exchange or other disposition of the stock.

U.S. Holders should be aware that there can be no assurances that Filo Mining will satisfy the record keeping requirements that apply to a QEF, or that Filo Mining will supply U.S. Holders with information that such U.S. Holders require to report under the QEF rules if a U.S. Holder wishes to make a QEF election. Thus, U.S. Holders may not be able to make a QEF election with respect to the Filo Common Shares. Each U.S. Holder should consult its own tax advisor regarding the availability and desirability of, and procedure for making, a timely QEF election.

Mark-to-Market Election

In general, the adverse U.S. federal income tax consequences of owning stock of a PFIC described above also may be mitigated if a U.S. Holder of the PFIC makes a valid mark-to-market election with respect to such stock. A mark-to-market election may be made with respect to the stock of a PFIC if such stock is "regularly traded" on a "qualified exchange or other market" (within the meaning of the U.S. Tax Code and the applicable Treasury regulations). As described under the heading "Conduct of Meeting and Other Approvals – Regulatory Approvals," the TSX has conditionally accepted the Arrangement and Filo Mining has made an application to list the Filo Common Shares on the TSXV and will also apply to have the Filo Common Shares listed on the Nasdaq First North. Any listing will be subject to the approval of the TSXV and the Nasdaq First North. If any such listing is obtained, and if the common shares of Filo Mining are "regularly traded," then a U.S. Holder generally will be eligible to make a mark-to-market election with respect to its Filo Common Shares. However, there is no assurance that such a listing will be obtained or that the common shares of Filo Mining will be "regularly traded" should such a listing be obtained.

A U.S. Holder that makes a valid mark-to-market election with respect to stock of a PFIC at the beginning of the U.S. Holder's holding period for such stock generally will not be subject to the PFIC rules described above with respect to that stock. Instead, the U.S. Holder generally will be required to recognize as ordinary income each taxable year an amount equal to the excess, if any, of the fair market value of such stock as of the close of such taxable year over the U.S. Holder's adjusted tax basis in such stock as of the close of such taxable year. A U.S. Holder's adjusted tax basis in the stock generally will be increased by the amount of ordinary income recognized with respect to such stock. If the U.S. Holder's adjusted tax basis in the stock as of the close of a taxable year exceeds the fair market value of such stock as of the close of such taxable year, the U.S. Holder generally will recognize an ordinary loss, but only to the extent of net mark-to-market income recognized with respect to such stock for all prior

taxable years. A U.S. Holder's adjusted tax basis in its stock generally will be decreased by the amount of ordinary loss recognized with respect to such stock. Any gain recognized upon a disposition of the stock generally will be treated as ordinary income, and any loss recognized upon a disposition generally will be treated as an ordinary loss to the extent of net mark-to-market income recognized for all prior taxable years and any loss recognized in excess thereof will be taxed as a capital loss. The deductibility of capital loss is subject to significant limitations.

Any distributions made by Filo Mining to a U.S. Holder who has made a valid mark-to-market election with respect to its Filo Mining stock generally will be treated in the manner described below under "— Ownership and Disposition of Filo Common Shares if Filo Mining is not a PFIC – Distributions" except that the reduced tax rate applicable to certain dividends would not apply with respect to the Filo Common Shares if Filo Mining is a PFIC and any amounts treated as a return of capital in excess of the U.S. Holder's adjusted tax basis in its Filo Common Shares would be treated as ordinary income.

A U.S. Holder that makes a valid mark-to-market election with respect to stock after the first taxable year of the U.S. Holder during which the non-U.S. corporation is treated as a PFIC with respect to such U.S. Holder generally will be subject to the PFIC excess distribution rules described above with respect to mark-to-market income for the taxable year for which the election is made. A mark-to-market election generally will not be available with respect to stock in a Subsidiary PFIC. Each U.S. Holder should consult its own tax advisor regarding the desirability of, and procedure for making, a timely mark-to-market election.

PFIC Information Reporting

U.S. Holders are required to file annual information statements reporting their ownership of stock of a PFIC. U.S. Holders are urged to consult with their own tax advisors regarding these requirements as they relate to their ownership of the Filo Common Shares.

Ownership and Disposition of Filo Common Shares if Filo Mining is not a PFIC

If Filo Mining is not treated as a PFIC with respect to a U.S. Holder for any taxable year, the U.S. federal income tax consequences discussed below generally will apply to a U.S. Holder of Filo Common Shares.

Distributions

Distributions made with respect to the Filo Common Shares (including any Canadian taxes withheld from such distributions) generally will be included in the gross income of a U.S. Holder as dividend income to the extent of the current and accumulated earnings and profits, as determined under U.S. federal income tax principles, of Filo Mining. Assuming that Filo Mining is eligible for the benefits of a comprehensive income tax treaty with the U.S., dividends paid by Filo Mining to non-corporate U.S. Holders generally would be eligible for the reduced rate of U.S. federal income tax available with respect to certain dividends received in taxable years beginning before January 1, 2013. A corporate U.S. Holder will not be entitled to a dividends received deduction that is otherwise generally available upon the receipt of dividends distributed by U.S. corporations.

Distributions in excess of Filo Mining's current and accumulated earnings and profits, if made with respect to the Filo Common Shares, will be treated as a return of capital to the extent of the U.S. Holder's adjusted tax basis in such Filo Common Shares, and thereafter as capital gain. Filo Mining does not currently intend to calculate its earnings and profits under U.S. federal income tax principles. Accordingly, U.S. Holders should expect that all distributions made with respect to the Filo Common Shares will be treated as dividends (as described above).

Dispositions

Upon the sale, exchange or other taxable disposition of Filo Common Shares, a U.S. Holder generally will recognize capital gain or loss equal to the difference between (1) the amount of cash and the fair market value of any other property received upon the sale, exchange or other taxable disposition and (2) the U.S. Holder's adjusted tax basis in such Filo Common Shares. Such capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period with respect to the Filo Common Shares disposed of is more than one year at the time of the sale, exchange or other taxable disposition. The deductibility of capital loss is subject to significant limitations.

Additional Considerations

Receipt of Foreign Currency

If any distribution or sales proceeds with respect to the NGEx Common Shares or Filo Common Shares is paid in Canadian dollars, the amount treated as received for U.S. federal income tax purposes will be the U.S. dollar value of such distribution or sales proceeds, calculated by reference to the exchange rate in effect on the date of receipt by such U.S. Holder, regardless of whether the currency received is in fact converted into U.S. dollars. Any such Canadian dollars received by a U.S. Holder will have a tax basis equal to their U.S. dollar value at the time received. If such Canadian dollars are converted into U.S. dollars on the date of receipt, the U.S. Holder generally should not be required to recognize foreign currency gain or loss. The amount of gain or loss recognized on a subsequent sale or other disposition of such Canadian dollars will equal the difference between (1) the amount of U.S. dollars, or the fair market value in U.S. dollars of other property received, in such sale or other disposition, and (2) the U.S. Holder's tax basis in such Canadian dollars. Any such gain or loss generally will be treated as U.S. source ordinary income or loss.

Foreign Tax Credit

A U.S. Holder may be entitled to deduct, or claim a foreign tax credit for, any Canadian withholding taxes that may be imposed on distributions or sales proceeds received with respect to the NGEx Common Shares or Filo Common Shares. Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." Generally, dividends paid by a foreign corporation should be treated as foreign source for this purpose, and gains recognized on the sale of stock of a foreign corporation by a U.S. Holder should be treated as U.S. source for this purpose, except as otherwise provided in an applicable income tax treaty, and if an election is properly made under the Code. However, the amount of a distribution with respect to the NGEx Common Shares or Filo Common Shares that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, the foreign tax credit limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each U.S. Holder should consult its own U.S. tax advisor regarding the foreign tax credit rules.

Additional Tax on Investment Income

Certain individuals, estates and trusts whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surtax on "net investment income" including, among other things, dividends and net gain from disposition of property (other than property held in a trade or business). U.S. Holders should

consult their own tax advisors regarding the effect, if any, of this tax on their ownership and disposition of NGEx Common Shares or Filo Common Shares.

Information Reporting and Backup Withholding Tax

Under U.S. federal income tax law and Treasury regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their NGEx Common Shares or Filo Common Shares are held in an account at a domestic financial institution. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns, and, if applicable, filing obligations relating to a mark-to-market or QEF election.

In general, information reporting may apply to cash proceeds received on the disposition of the NGEx Common Shares or the Filo Common Shares and distributions made with respect to NGEx Common Shares or Filo Common Shares that are paid to a U.S. Holder within the U.S. (and, in certain cases, outside of the U.S.), unless the U.S. Holder establishes that it is an exempt recipient. Backup withholding (currently imposed at a rate of 28%) may apply to such payments if the U.S. Holder fails to timely provide a taxpayer identification number or certification of exempt status or has failed to report in full dividend and interest income in prior taxable years. Backup withholding is not an additional tax. A U.S. Holder subject to the backup withholding rules will be allowed a credit of the amount withheld against such U.S. Holder's U.S. federal income tax liability and, if backup withholding results in an overpayment of U.S. federal income tax, such U.S. Holder may be entitled to a refund, provided that the requisite information is correctly furnished to the IRS in a timely manner. U.S. Holders should consult their own tax advisors as to the information reporting and backup withholding rules.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL U.S. FEDERAL INCOME TAX CONSIDERATIONS APPLICABLE TO U.S. HOLDERS RELATING TO THE DISTRIBUTION OF FILO COMMON SHARES PURSUANT TO THE ARRANGEMENT, AND THE OWNERSHIP AND DISPOSITION OF SUCH FILO COMMON SHARES. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS (INCLUDING U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSIDERATIONS) APPLICABLE TO THEM IN THEIR PARTICULAR CIRCUMSTANCES.

SECURITIES LAW CONSIDERATIONS

The following is a brief summary of the securities law considerations applicable to the transactions contemplated herein.

CANADIAN SECURITIES LAWS AND RESALE OF SECURITIES

Each NGEx Shareholder is urged to consult such holder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the Filo Common Shares.

NGEx is a "reporting issuer" in the provinces of British Columbia, Alberta, Ontario, and Québec. The NGEx Common Shares are currently listed and posted for trading on the TSX and Nasdaq Stockholm.

Upon completion of the Arrangement, Filo Mining will be a reporting issuer in the provinces of British Columbia, Alberta, and Québec. Filo Mining has made an application to list the Filo Common Shares on the TSXV and will also apply to list the Filo Common Shares on Nasdaq First North. Any listing will be subject to the approval of the TSXV and Nasdaq First North. Filo Mining has also applied for a waiver of the sponsorship requirements under the rules of the TSXV.

The issuance of the Filo Common Shares pursuant to the Arrangement will constitute a distribution of securities, which is exempt from the prospectus requirements of Canadian securities legislation. The Filo Common Shares issued to NGEx Shareholders may be resold in each of the provinces and territories of Canada provided the holder is not a 'control person' as defined in the applicable Securities Legislation, no unusual effort is made to prepare the market or create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale.

The issuance of the Filo Common Shares upon due exercise of Filo Options issued pursuant to the Arrangement will constitute a distribution of securities, which is exempt from the prospectus requirements of Canadian securities legislation. The Filo Common Shares issued upon due exercise of Filo Options issued pursuant to the Arrangement may be resold in each of the provinces and territories of Canada provided the holder is not a 'control person' as defined in the applicable Securities Legislation, no unusual effort is made to prepare the market or create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale.

SWEDISH SECURITIES LAWS AND RESALE OF SECURITIES

Each NGEx Shareholder is urged to consult such holder's professional advisors to determine the Swedish conditions and restrictions applicable to trades in the Filo Common Shares.

This Circular does not constitute an offer of, nor is it an invitation for an offer of NGEx Common Shares, Filo Common Shares or other securities or investment instruments of NGEx or Filo Mining which require the publication of a prospectus for the purposes of the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) and the Directive 2003/71/EC of the European Parliament and of the Council, and the amendments thereto (including those resulting from the Prospectus Directive) or any implementing legislation in any Relevant Member State). No Filo Common Shares or other securities or investment instruments have or will be allotted or issued with a view to any of them being offered for sale to or subscription by the public in any manner which constitutes an offer to the public of securities requiring publication of a prospectus for the purposes of the Prospectus Directive or any implementing legislation in any Relevant Member State, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"). Filo Common Shares, other securities and/or investment instruments may only be allotted in a Relevant Member State (with effect from and including the Relevant

Implementation Date) under circumstances that do not require the publication by the Company of a prospectus pursuant to the Prospectus Directive or the Swedish Financial Instruments Trading Act. Any Shareholder receiving the Filo Common Shares is solely responsible for ensuring that any offer or resale of the Filo Common Shares it receives occurs in compliance with applicable laws and regulations.

The financial statements of NGEx incorporated by reference in this Circular and the *pro forma* financial statements of NGEx included in this Circular have been prepared in accordance with IFRS, and are subject to Canadian auditing and auditor independence standards. The Filo Mining financial statements and the *pro forma* financial statements of Filo Mining included in this Circular have been prepared in accordance with IFRS, and are subject to Canadian auditing and auditor independence standards. Therefore, such financial statements may not be comparable to financial statements of Swedish companies.

Shareholders who are resident in, or citizens of, Sweden are advised to review the summary under the heading “Certain Swedish income tax considerations” and to consult their own tax advisors to determine the particular Swedish tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local or other taxing jurisdiction.

This Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Shareholders in Sweden should be aware that such requirements are different from those of Sweden applicable to registration of prospectuses in accordance with the Prospectus Directive and the Swedish Financial Instruments Trading Act. This Circular does not constitute a prospectus for the purposes of the Prospectus Directive or any implementing legislation in any Relevant Member State, and has not been reviewed by any regulatory authority in any Relevant Member State.

UNITED STATES SECURITIES LAWS AND RE SALE OF SECURITIES

The Filo Common Shares to be issued to NGEx Shareholders pursuant to the Arrangement have not been approved or disapproved by the SEC or securities regulatory authorities of any state of the United States, nor has the SEC or securities authorities of any state in the United States passed on the adequacy or accuracy of this Circular. Any representation to the contrary is a criminal offence.

Further information applicable to U.S. NGEx Shareholders is disclosed under the heading “Note to U.S. NGEx Shareholders” in this Circular.

Status under U.S. Securities Laws

NGEx is a “foreign private issuer” as defined under the U.S. Exchange Act. The NGEx Common Shares are not registered under the U.S. Exchange Act and, therefore, NGEx is not subject to the reporting requirements of the U.S. Exchange Act. Upon completion of the Arrangement, Filo Mining is expected to also be a foreign private issuer. The Filo Common Shares have not been and will not be registered under the U.S. Exchange Act.

Issuance and Resale of Filo Common Shares Under U.S. Securities Laws

The issuance of the Filo Common Shares to persons in or subject to the securities laws of the United States (“**U.S. NGEx Shareholders**”) and the subsequent resale of the Filo Common Shares held by or to U.S. Shareholders will be subject to U.S. securities laws, including the U.S. Securities Act and applicable state securities laws. **The following discussion is a general overview of certain requirements of U.S. securities laws applicable to U.S. NGEx Shareholders.**

All U.S. NGEx Shareholders are urged to consult with legal counsel to ensure that the resale of Filo Common Shares issued to them under the Arrangement complies with applicable securities laws and regulations.

Exemption from the Registration Requirements of the U.S. Securities Act

SEC Staff Legal Bulletin No. 4 provides that the shares of a subsidiary spun off from a reporting company are not required to be registered under the U.S. Securities Act when the following five (5) conditions are met: (1) the parent shareholders do not provide consideration for the spun-off shares; (2) the spin-off is pro-rata to the parent shareholders; (3) the parent provides adequate information about the spin-off and the subsidiary to its shareholders and to the trading markets; (4) the parent has a valid business purpose for the spin-off; and (5) if the parent spins-off “restricted securities,” it has held those securities for at least two years. NGEx has structured the Arrangement such that each of the conditions are satisfied by this Arrangement or, in the case of the fifth condition, do not apply. NGEx Shareholders are not providing any consideration for receiving the spun-off shares, and the issuance of the Filo Common Shares is being conducted on a pro rata basis to the NGEx Shareholders. NGEx has a valid business purpose for the spin-off, as described in this Circular under the section entitled “*Particulars of Matters to be Acted Upon – The Arrangement – Recommendation of the Directors*”. Finally, the information in this Circular which in providing the information required under Canadian securities laws is also in substantial compliance with Regulation 14A under the U.S. Exchange Act and it is the intent that Filo Mining will comply with the provisions of SEC Rule 12g3-2(b) under the U.S. Exchange Act so that the Filo Common Shares will also be exempt from registration under the U.S. Exchange Act. As a result pro rata distribution of Filo Common Shares to Shareholders pursuant to the Arrangement is not an “offer to sell” or a “disposition for value” within the meaning of Section 2(3) of the U.S. Securities Act and the provisions of SEC Staff Legal Bulletin No. 4 regarding spin-offs and consequently the Filo Common Shares have not and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States.

Resale of Filo Common Shares within the United States after the Completion of the Arrangement

The following discussion does not address the Canadian securities laws that will apply to the issue or resale of Filo Common Shares to U.S. Shareholders within Canada. Filo Mining U.S. Shareholders reselling their securities in Canada must comply with Canadian securities laws, as outlined elsewhere in this Circular.

The Filo Common Shares to be received by NGEx shareholders pursuant to the Arrangement will be freely transferable under U.S. federal Securities Laws except by persons who are “affiliates” (as such term is understood under U.S. Securities Laws) of Filo Mining after the Effective Date or were “affiliates” of Filo Mining within 90 days prior to the date of any proposed resale. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such Filo Common Shares by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom.

Such affiliates (and former affiliates) may resell Filo Common Shares pursuant to Rule 144, if available. In addition, subject to certain limitations, any such affiliates (and former affiliates) who is an affiliate (or former affiliate) solely by virtue of being an executive officer or director of Filo Mining may resell such Filo Common Shares outside the United States without registration under the U.S. Securities Act pursuant to Regulation S under the U.S. Securities Act.

Resales by Affiliates Pursuant to Rule 144

In general, under Rule 144, persons who are, or are selling for the account of, affiliates of Filo Mining after the Arrangement will be entitled to sell in the United States, during any three-month period, a portion of the Filo Common Shares that they receive in connection with the Arrangement, provided that the number of such shares sold does not exceed the certain volume restrictions and subject to specified restrictions on manner of sale, notice requirements, aggregation rules and the availability of current public information about Filo Mining.

Resale of Securities Pursuant to Regulation S

In general, pursuant to Regulation S under the U.S. Securities Act, if at the Effective Date Filo Mining is a “foreign private issuer” (as defined in the U.S. Exchange Act), persons who are “affiliates” of Filo Mining after the Effective Date, or were “affiliates” of Filo Mining within 90 days prior to the date of the proposed resale, solely by virtue of their status as an executive officer or director of Filo Mining, may sell their Filo Common Shares outside the United States in an “offshore transaction” if none of the seller, an affiliate or any person acting on their behalf engages in “directed selling efforts” in the United States with respect to such securities and provided that no selling concession, fee or other remuneration is paid in connection with such sale other than the usual and customary broker’s commission that would be received by a person executing such transaction as agent. For purposes of Regulation S under the U.S. Securities Act, “directed selling efforts” means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered. Also, for purposes of Regulation S under the U.S. Securities Act, an offer or sale of securities is made in an “offshore transaction” if the offer is not made to a person in the United States and either (a) at the time the buy order is originated, the buyer is outside the United States, or the seller reasonably believes that the buyer is outside of the United States, or (b) the transaction is executed in, on or through the facilities of a “designated offshore securities market” (which would include a sale through the TSX or TSX-V, as applicable), and neither the seller nor any person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States. Certain additional restrictions set forth in Rule 903 of Regulation S under the U.S. Securities Act are applicable to sales outside the United States by a holder of Filo Common Shares who is an “affiliate” of Filo Mining after the Effective Date, or was an “affiliate” of Filo Mining within 90 days prior to the date of the proposed resale, other than by virtue of his or her status as an officer or director of Filo Mining.

As a practical matter, the availability of Regulation S for resales of the Filo Common Shares will also depend upon whether Filo Mining maintains a listing for such securities on the TSXV and /or Nasdaq First North. While the TSX has conditionally accepted the Arrangement and Filo Mining has made application to list the Filo Common Shares on the TSXV, Filo Mining will also apply to list the Filo Common Shares on the Nasdaq First North, the listings are still subject to the approval of the TSXV and Nasdaq First North and there can be no assurance that such listings will be obtained or maintained.

Proxy Solicitation Requirements

The solicitation of proxies pursuant to this Circular is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with the disclosure requirements of Canadian securities law. Such requirements are different than those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. However, in order to comply with conditions of SEC Staff Legal Bulletin No. 4, this Circular contains information in substantial compliance with Rule 14A under the U.S. Securities Exchange Act.

As at the date of this Circular, there are no holders of NGEx Options resident in the United States. With respect to NGEx Options outstanding immediately prior to the Effective Time, the issuance of NGEx Common Shares or Filo Common Shares upon the exercise of such NGEx Options held in the U.S. or by U.S. holders after the Effective Time, if any, shall not be covered by such exemption from registration under the U.S. Securities Act and will require the use of an available exemption, if any, from registration under the U.S. Securities Act at the time of such later issuance of such NGEx Common Shares or Filo Common Shares upon exercise of the NGEx Options.

PARTICULARS OF MATTERS TO BE ACTED UPON – FILO STOCK OPTION PLAN

As NGEx's current stock option plan will not carry forward to Filo Mining, and in contemplation of the successful completion of the Arrangement, NGEx Shareholders will be asked to approve the Filo Option Plan at the Meeting.

The purpose of the Filo Option Plan is to allow Filo Mining to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of Filo Mining. The granting of such options is intended to align the interests of such persons with that of the shareholders of Filo Mining. Filo Options will be exercisable over periods of up to 10 years as determined by the Filo Board, except in the event that any Filo Option expires during, or within 48 hours after, a self imposed blackout period on trading securities of Filo Mining, such expiry date will become the tenth day following the end of the blackout period. The Filo Board will establish the exercise price of an Option at the time each Option is granted provided that such price shall not be less than the "Discounted Market Price" (as defined in the policies of the TSXV), provided that the exercise price shall not be less than \$0.05 per Filo Common Share, with the Market Price being the closing price of the Filo Common Shares on the TSXV on the last business day immediately preceding the day the Option is granted. Pursuant to the Filo Option Plan, the Filo Board may from time to time authorize the issue of options to directors, officers, employees and consultants of Filo Mining and its affiliated entities. The maximum number of Filo Common Shares which may be issued pursuant to options granted under the Filo Option Plan, and any other security based compensation plan of Filo Mining, will not exceed 10% of the issued and outstanding Filo Common Shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the aggregate number of Filo Common Shares issued and outstanding as at the date of grant or 2% of the aggregate number of Filo Common Shares issued and outstanding if the optionee is engaged in investor relations activities or is a consultant.

The total number of Filo Common Shares which may be i) reserved for issuance to insiders at any time or ii) issued within any 12 month period may not exceed 10% of the aggregate number of Filo Common Shares issued and outstanding as at the date of grant. The Filo Option Plan contains no vesting requirements, but permits the Filo Board to specify a vesting schedule in its discretion, provided that if required by any stock exchange on which the Filo Common Shares trade, options issued to a person

engaged in investor relations activities must vest in stages over not less than 12 months with no more than one-quarter of the options vesting in any three month period. The Filo Option Plan also provides that if Change of Control, as defined therein, occurs, all shares subject to option shall immediately become vested, notwithstanding any determination of the Board, and may thereupon be exercised in whole or in part by the option holder. If there is any change in the outstanding Filo Common Shares by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of Filo Common Shares, or other fundamental corporate change, the Filo Board will make, subject to stock exchange approval or the approval of other applicable regulatory authorities, if any, an appropriate substitution or adjustment to (i) the exercise price of unexercised options under the Filo Option Plan, (ii) the number and kind of shares or other securities reserved for issuance pursuant to the Filo Option Plan, or (iii) the number and kind of shares subject to unexercised Filo Options under the Filo Option Plan. In the event of the reorganization of Filo Mining or the amalgamation or consolidation of the Corporation with another corporation, the Filo Board may make such provision for the protection of the rights of participants as the Filo Board in its discretion deems appropriate. The determination of the Filo Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

Notwithstanding any other provision of the Filo Option Plan, if the Filo Board at any time by resolution declares it advisable to do so in connection with any proposed sale or conveyance of all or substantially all of the property and assets of the Corporation or any proposed merger, consolidation, amalgamation or offer to acquire all of the outstanding Filo Common Shares (collectively, the "Proposed Transaction"), Filo Mining may give written notice to all participants advising that their respective Filo Options, may be exercised only within 90 days after the date of the notice and not thereafter, and that all rights of the participants under any Filo Options not exercised will terminate at the expiration of the 90-day period, provided that the Proposed Transaction is completed within 180 days after the date of the notice. If the Proposed Transaction is not completed within the 180-day period, no right under any Filo Option will be affected by the notice, except that the Filo Option may not be exercised between the date of expiration of the 90-day period and the day after the expiration of the 180-day period.

If a director, officer, employee or consultant ceases to be an eligible participant for any reason, other than death, each option held will cease to be exercisable 90 days after such termination date or any such longer period as determined by the Filo Board. If such person ceases to be an eligible participant due to termination for cause, the options shall cease to be exercisable immediately. If a director, officer, employee or consultant dies, the legal representative may exercise the options within a period of the earlier of (i) the expiry date of such option; and (ii) 12 months after the date of death, but only to the extent the options were exercisable on the date of death. The Filo Options are non-assignable and non-transferrable.

The Filo Board may make the following types of amendments to the Filo Option Plan, subject to receipt of requisite regulatory approval where required, without obtaining shareholder approval: (i) changes to termination provisions that do not entail an extension beyond the original expiry date of a Filo Option; (ii) addition or modification of a cashless exercise feature; (iii) amendments to comply with applicable laws or regulatory requirements; and (iv) any other change not requiring shareholder approval under the rules of the TSXV or applicable legislation, including amendments of a "clerical" or "housekeeping" nature. Any other amendments to the Filo Option plan require shareholder approval in accordance with the terms of the Filo Option Plan and TSXV policy.

The Filo Option Plan is a rolling stock option plan which sets the number of options available for grant by Filo Mining at an amount equal to 10% of Filo Mining's issued and outstanding common shares from time to time. Following completion of the Arrangement, under TSXV policy, the Filo Option Plan must

be approved and ratified by Filo Mining's shareholders on an annual basis.

Following completion of the Arrangement, there will be approximately 1,746,875 Filo Options outstanding and approximately 51,265,933 Filo Common Shares outstanding, such that the Filo Options outstanding on completion of the Arrangement represent approximately 34% of the Filo Options available for issuance under the Filo Option Plan as at the Effective Date.

The full text of the Filo Option Plan is available for viewing during normal business hours up to the date of the Meeting at NGEx's offices at Suite 2000, 885 West Georgia Street, Street, Vancouver, British Columbia V6C 3E8 and will also be available for review at the Meeting.

Unless such authority is withheld, the persons named in the enclosed proxy intend to vote for the approval of the Filo Option Plan.

At the Meeting, NGEx Shareholders will be asked to pass an ordinary resolution, with or without amendment, in substantially the form set forth below:

"RESOLVED THAT:

1. subject to completion of the Arrangement, a stock option plan for Filo Mining be approved pursuant to which the directors of Filo Mining may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of Filo Mining and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of Filo Mining issued and outstanding shares being reserved to any one person on a yearly basis; and
2. any director or officer of NGEx is hereby authorized and directed, acting for, in the name of and on behalf of NGEx, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer be necessary or desirable to carry out the foregoing resolution."

Recommendation of the Directors

The NGEx Board has reviewed the proposed resolution and concluded that it is fair and reasonable to the NGEx Shareholders and in the best interests of Filo Mining.

The Board recommends that NGEx Shareholders vote in favour of the resolution to approve the Filo Option Plan.

NGEX RESOURCES INC.

The following information is provided by NGEx and is reflective of the current business, financial and share capital position of NGEx and includes certain information reflecting the status of NGEx following the completion of the Arrangement. Unless otherwise indicated, all currency amounts are stated in Canadian dollars.

SUMMARY DESCRIPTION OF BUSINESS

NGEx is a junior resource company in the business of advancing development stage copper and gold assets in South America. NGEx is principally engaged in the acquisition, exploration and development of precious and base metals properties located in Chile and Argentina. NGEx's primary project is Project Constellation, a combination of the Los Helados and the Josemaria projects which are advanced exploration stage copper-gold projects. Additionally, NGEx intends to seek and acquire additional similar stage properties which would complement its flagship assets.

For further information regarding NGEx and its principal asset, Project Constellation, see the NGEx AIF and other documents incorporated by reference in this Circular available at www.sedar.com under NGEx's profile.

BUSINESS OBJECTIVES

NGEx's objective is to complete the Arrangement and to continue in its business of advancing Project Constellation.

AUTHORIZED AND ISSUED SHARE CAPITAL

The authorized share capital of NGEx consists of an unlimited number of common shares, of which 205,063,733 NGEx Common Shares are issued and outstanding as of the date of this Circular. The Arrangement will not have any impact on the number of NGEx Common Shares issued and outstanding.

NGEx Shareholders are entitled to one vote per share at all meetings of NGEx Shareholders. Holders of NGEx Shares are entitled to receive dividends as and when declared by the directors of NGEx and to receive a pro rata share of the assets of NGEx available for distribution to holders of NGEx Common Shares in the event of the liquidation, dissolution or winding-up of NGEx. All NGEx Common Shares rank equally as to all benefits which might accrue to the NGEx Shareholders.

NGEX SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets out selected consolidated financial information for the periods indicated and should be considered in conjunction with the more complete information contained in the consolidated financial statements of NGEx for the years ended December 31, 2015 and 2014, and for the three month period ended March 31, 2016 incorporated by reference in this Circular and filed on SEDAR at www.sedar.com. All currency amounts are stated in Canadian dollars and the financial statements have been prepared in accordance with IFRS.

	Year Ended December 31, 2015	Three Months Ended March 31, 2016
Loss	\$21,377,067	\$3,370,763
Comprehensive loss	\$23,168,780	\$4,430,135
Basic and diluted loss per share	\$0.11	\$0.02
Total assets	\$17,008,110	\$22,931,185
Mineral interests	\$12,770,477	\$12,164,733

NGEX SELECTED PRO FORMA FINANCIAL INFORMATION

The following table sets out selected *pro forma* financial information in respect of NGEx as at March 31, 2016, as if the Arrangement had been completed as of March 31, 2016 and should be considered in conjunction with the more complete information contained in the *pro forma* balance sheet of NGEx appended as Schedule "C" to this Circular. All currency amounts are stated in Canadian dollars.

	Three Months Ended March 31, 2016
Current assets	\$5,922,287
Mineral property interests	\$6,323,684
Total assets	\$13,276,760
Total liabilities	\$2,232,226
NGEx Shareholders' equity	\$11,044,534

The following table sets out selected *pro forma* financial information in respect of NGEx for the year ended December 31, 2015 and the three months ended March 31, 2016, as if the Arrangement had been completed as of January 1, 2015, and should be read in conjunction with the more complete information provided in the *pro forma* consolidated statement of comprehensive loss of NGEx appended as Schedule "C" to this Circular. All currency amounts are stated in Canadian dollars.

	Year Ended December 31, 2015	Three Months Ended March 31, 2016
Operating Loss	\$11,871,476	\$1,428,957
Net Loss	\$9,560,314	\$1,508,552
Net Comprehensive Loss	\$10,576,704	\$2,039,184
Loss per Share (basic and diluted)	0.05	0.01

CONSOLIDATED CAPITALIZATION

There have not been any material changes in the share and loan capital of NGEx since the date of NGEx's most recently filed March 31, 2016 financial statements. There will be no changes to NGEx's share and loan capital as a result of the Arrangement. For details of the share and loan capital of NGEx upon completion of the Arrangement, please refer to the *pro forma* financial statements of NGEx appended at Schedule "C" to this Circular.

PRIOR SALES

Common Shares

The following table summarizes details of the NGEx Common Shares issued by NGEx during the 12 month period prior to the date of this Circular.

Month of Issuance	Security	Price per Security (\$)	Number of Securities
February, 2016	Common Shares ⁽¹⁾	0.60	13,333,333
February, 2016	Common Shares ⁽²⁾	0.60	17,406
March 2016	Common Shares ⁽¹⁾	0.73	4,000,000
			<u>17,350,739</u>

Notes:

(1) Issued pursuant to a private placement of NGEx Common Shares.

(2) Issued pursuant to the terms of US\$525,000 credit facility.

Stock Options

The following table summarizes details of the stock options issued by NGEx during the 12 month period prior to the date of this Circular.

Month of Issuance	Security	Price per Security (\$) ⁽¹⁾	Number of Securities
November, 2015	Stock Options	0.83	250,000
February, 2016	Stock Options	0.61	2,020,000
March, 2016	Stock Options	0.70	40,000
			<u>4,935,000</u>

Note:

(1) Exercise price of the stock options.

TRADING PRICE AND VOLUME

The NGEx Common Shares are listed and posted for trading on the TSX under the symbol “NGQ”. The following table sets forth information relating to the trading of the NGEx Common Shares on the TSX for the months indicated.

Month	High (\$)	Low (\$)	Volume
June 2015	0.96	0.87	576,672
July 2015	0.88	0.70	427,893
August 2015	0.73	0.58	372,662
September 2015	0.67	0.50	576,154
October 2015	0.57	0.44	1,120,008
November 2015	0.95	0.46	2,412,789
December 2015	0.70	0.54	305,292
January 2016	0.73	0.58	424,839
February 2016	0.65	0.56	227,162
March 2016	0.75	0.65	1,726,822
April 2016	0.88	0.66	978,756
May 2016	0.97	0.83	1,049,894
June 2016	1.09	0.88	1,360,109
July 2016 ⁽¹⁾	1.07	0.94	212,954

Note:

(1) From July 1 to 7, 2016.

At the close of business on July 7, 2016, the price of the NGEx Common Shares as quoted by the TSX was \$1.05.

HISTORICAL COMPENSATION INFORMATION FOR DIRECTORS AND EXECUTIVE OFFICERS OF NGEX

The table below sets out historical compensation information for those named executive officers (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*) (“**Named Executive Officers**”) and directors of NGEx that will also be executive officers and directors of Filo Mining.

The following table sets forth a summary of the total compensation paid to, or earned by the Named Executive Officers of NGEx who are or will be executive officers of Filo Mining, during the three most recently completed financial years ended December 31, 2015, 2014, and 2013:

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based Awards ⁽¹⁾ (\$)	Non-equity Incentive Plan Compensation (\$)		Pension value ⁽²⁾ (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans			
Wojtek A. Wodzicki ⁽³⁾ President and CEO	2015	346,750 ⁽⁴⁾	Nil	147,596	Nil	Nil	Nil	Nil	494,346
	2014	333,850	Nil	267,870	Nil	Nil	Nil	Nil	601,720
	2013	323,750	Nil	Nil	275,000 ⁽⁶⁾	Nil	Nil	Nil	598,750
Robert Carmichael VP Exploration	2015	238,917 ⁽⁷⁾	NIL	73,798	Nil ⁽⁵⁾	Nil	Nil	Nil	312,715
	2014	232,683	Nil	125,006	Nil	Nil	Nil	Nil	357,689
	2013	225,833	Nil	21,613	115,000 ⁽⁸⁾	Nil	Nil	Nil	362,446

Notes:

- (1) NGEx used the Black-Scholes option pricing model for determining the fair value of stock options issued at grant date. NGEx selected the Black-Scholes model given its prevalence of use within North America. The key assumptions used for this determination for 2015 are: a) average risk-free rate of 0.67%; b) expected life of 2.5; c) the price of the stock on the grant date; d) expected volatility of 49.5%; and d) no expected dividend payments. For the 2014 assumptions, please refer to NGEx's management information circulars for the respective years. The amount presented in the table represents the fair value of the vested and unvested portion of the options granted in the period. It should be recognized that the actual future value will be based on the difference between the market value at time of exercise and the exercise price. Therefore, the value attributed to the stock options under the Black-Scholes model does not necessarily correspond to the actual future value that will be realized.
- (2) NGEx does not have any pension, retirement or deferred compensation plans, including defined contribution plans.
- (3) Mr. Wodzicki is also a director and does not receive any additional compensation in his role as a director.
- (4) In May 2015, an increase in the base salary was granted to Mr. Wodzicki and accordingly, Mr. Wodzicki's annual base salary was increased by approximately 5.1% from \$336,600 to \$354,000, effective June 1, 2015.
- (5) The NGEx Board, on the recommendation of the Compensation Committee, determined not to pay at this time any bonuses to NEO's in connection with the fiscal year ended December 31, 2015. This may be reviewed, as appropriate, later in 2016.
- (6) Mr. Wodzicki was awarded a bonus of \$275,000 for the 2013 fiscal period, which amount was paid to Mr. Wodzicki in the 2014 financial year. This amount was not previously reported in Mr. Wodzicki's 2013 compensation, and is now reflected in 2013 compensation in the table above. See "Annual Incentive Plans".
- (7) In May 2015, an increase in the base salary was granted to Mr. Carmichael and accordingly, Mr. Carmichael's annual base salary was increased by approximately 3.1% from \$234,600 to \$242,000, effective June 1, 2015.
- (8) Mr. Carmichael was awarded a bonus of \$115,000 for the 2013 fiscal period, which amount was paid to Mr. Carmichael in the 2014 financial year. This amount was not previously reported in Mr. Carmichael's 2013 compensation, and is now reflected in 2013 compensation in the table above. See "Annual Incentive Plans".

Mr. Wodzicki's services to NGEx are provided pursuant to an employment agreement with NGEx dated effective April 17, 2009, as amended June 1, 2010, June 1, 2012, May 3, 2013, May 5, 2014, and May 7, 2015 (the "**Wodzicki Employment Agreement**"). Pursuant to the Wodzicki Employment Agreement, Mr. Wodzicki provides his services as President and Chief Executive Officer of NGEx and NGEx pays Mr. Wodzicki an annual salary of \$354,000. NGEx also reimburses Mr. Wodzicki for any reasonable travelling and other direct expenses incurred by Mr. Wodzicki in connection with his services. The Wodzicki Employment Agreement has an indefinite term and automatically renews each year unless terminated by NGEx (without cause) on 60 days written notice or by Mr. Wodzicki (voluntarily) on 90 days written notice. Mr. Wodzicki receives standard benefits available to all other employees of NGEx, including medical, extended health, and where applicable, life insurance.

Mr. Carmichael’s services to NGEx are provided pursuant to an employment agreement with NGEx dated August 25, 2011, as amended May 3, 2013, May 5, 2014 and May 7, 2015 (the “**Carmichael Employment Agreement**”). Pursuant to the Carmichael Employment Agreement, Mr. Carmichael provides his services as Vice President, Exploration of NGEx and NGEx pays Mr. Carmichael an annual salary of \$242,000, and reimburses Mr. Carmichael for any reasonable travelling and other direct expenses incurred by Mr. Carmichael in connection with his services. The Carmichael Employment Agreement has an indefinite term and automatically renews each year unless terminated by NGEx (without cause) on written notice or by Mr. Carmichael (voluntarily) on 90 days written notice. Mr. Carmichael receives standard benefits available to all other employees of NGEx, including medical, extended health, and where applicable, life insurance.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets forth for the Named Executive Officers of NGEx that will also be executive officers of Filo Mining, the incentive stock options granted pursuant to the NGEx Option Plan, outstanding as at December 31, 2015. As at December 31, 2015, a portion of these option-based awards have vested. NGEx does not grant any share-based awards. There are no share-based awards outstanding.

Option-based Awards				
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-money Options (\$)⁽¹⁾
Wojtek A. Wodzicki	500,000	0.95	May 11, 2018	Nil
President & CEO	375,000	2.05	May 7, 2017	Nil
Robert Carmichael	250,000	0.95	May 11, 2018	Nil
VP Exploration	175,000	2.05	May 7, 2017	Nil
	30,000	1.90	August 22, 2016	Nil

Note:

- (1) Calculated using the closing price of the NGEx Common Shares on the TSX on December 31, 2015 of \$0.65 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the NGEx Common Shares on the date of exercise. using the closing price of the NGEx Common Shares on the TSX on the dates on which stock options vested during the financial year ended December 31, 2015, and subtracting the exercise price of in-the-money stock options.

Incentive Plan Awards – Value Vested or Earning During The Year

The following table sets forth for the Named Executive Officers of NGEx that will also be Named Executive Officers of Filo Mining, the value vested during the financial year ended on December 31, 2015 for options awarded under the Share Option Plan, as well as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards – Value vested during the year⁽¹⁾ (\$)	Share -based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Wojtek A. Wodzicki President and CEO	Nil	Nil	Nil
Robert Carmichael VP Exploration	Nil	Nil	Nil

Note:

- (1) Calculated using the closing price of the NGEx Common Shares on the TSX on the dates on which stock options vested during the financial year ended December 31, 2015, and subtracting the exercise price of in-the-money stock options.

Director Compensation

The following information outlines compensation provided, for the year ended December 31, 2015, to directors of NGEx that are also expected to be directors of Filo Mining.

Director Compensation Table

The following table sets forth all amounts of compensation provided to directors of NGEx that are also expected to be directors of Filo Mining, other than Named Executive Officers, during NGEx's most recently completed financial year:

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based Awards⁽¹⁾ (\$)	Pension value (\$)	All Other Compensation (\$)	Total (\$)
Lukas H. Lundin	15,000 ⁽²⁾	Nil	59,038	Nil	Nil	74,038

Notes:

- (1) NGEx used the Black-Scholes option pricing model for determining the fair value of stock options issued at grant date. See "Summary Compensation Table" for the assumptions underlying the Black-Scholes option pricing model. These amounts do not represent actual amounts received by the directors as any gain, if any, will depend on the market value of the Common Shares on the date that the option is exercised.
- (2) Fees earned include \$15,000 in annual fees.

Outstanding Option-Based Awards

The following table sets forth, for each director of NGEx that is also expected to be a director of Filo Mining, other than those who are also Named Executive Officers of NGEx, all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year. As at December 31, 2015, a portion of these option-based awards have vested. NGEx does not grant any share-based awards.

Name	Option-Based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Lukas H. Lundin	200,000 ⁽²⁾	0.95	May 11, 2018	Nil
	150,000 ⁽³⁾	2.05	May 7, 2017	Nil

Notes:

- (1) Calculated using the closing price of the NGEx Common Shares on the TSX on December 31, 2015 of \$0.65 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) These options vest as to 1/3 on the date grant, 1/3 vesting May 11, 2016 and 1/3 vesting May 11, 2017.
- (3) These options vest as to 1/3 on the date of grant, 1/3 vesting May 7, 2015 and 1/3 vesting May 7, 2016.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each director of NGEx that is also expected to be a director of Filo Mining, other than those who are also Named Executive Officers of NGEx, the value of all incentive plan awards vested during the year ended December 31, 2015.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Lukas H. Lundin	Nil	Nil	N/A

Note:

- (1) Calculated using the closing price of the NGEx Common Shares on the TSX on the dates on which stock options vested during the financial year ended December 31, 2015, and subtracting the exercise price of in-the-money stock options.

INTEREST OF EXPERTS

PricewaterhouseCoopers LLP, Chartered Professional Accountants, is the auditor of NGEx and is independent of NGEx within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Cassels Brock & Blackwell LLP, Canadian tax counsel to NGEx, provided the Canadian tax advice contained within this Circular. As of the date of this Circular, the partners and associates of Cassels Brock & Blackwell LLP own less than 1% of the issued and outstanding NGEx Common Shares.

Fionnuala Devine, P. Geo. Of Merlin Geosciences Inc., Diego Charchaflié, P.Geo. of LPF Consulting SRL, and James N. Gray, P.Geo. of Advantage Geoservices Ltd., prepared the Filo del Sol Report. As of the date of this Circular, neither Fionnuala Devine, Merlin Geosciences Inc., Diego Charchaflié, LPF Consulting SRL, James N. Gray, nor Advantage Geoservices Ltd. own any of the issued and outstanding NGEx Common Shares.

Evans & Evans, Inc. provided the Fairness Opinion with respect to the Arrangement. As of the date of this Circular, neither Evans & Evans, Inc. nor any of its partners and associates own any of the issued and outstanding NGEx Common Shares.

RISK FACTORS

In addition to the other information contained in this Circular, the following factors, among others, should be considered carefully when considering risks related to NGEx's business (including, without limitation, the documents incorporated by reference, and specifically under the section entitled "Risks Factors" in the NGEx AIF). The risks described herein and in the documents incorporated by reference in this Circular are not the only risks facing NGEx. Additional risks and uncertainties not currently known to NGEx, or that NGEx currently deems immaterial, may also materially and adversely affect its business. Furthermore, if the Arrangement is completed, NGEx Shareholders will be NGEx Shareholders of NGEx and Filo Mining and will be subject to the Filo Mining risk factors. See "Filo Mining Corp. – Risk Factors".

Future Sales or Issuances of Securities

NGEx may issue additional securities to finance future activities. NGEx cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the NGEx Common Shares. Sales or issuances of substantial numbers of NGEx Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the NGEx Common Shares. With any additional sale or issuance of NGEx Common Shares, investors will suffer dilution to their voting power and NGEx may experience dilution in its earnings per share.

Regulatory Compliance

As a reporting issuer listed on the TSX and Nasdaq Stockholm, NGEx is subject to various rules and regulations governing matters such as timely disclosure, continuous disclosure obligations and corporate governance practices. Non-compliance with such rules and regulations may result in enforcement actions by the applicable securities regulatory authorities and/or the TSX and Nasdaq Stockholm.

FILO MINING CORP.

The following information is provided by Filo Mining, is presented on a post-Arrangement basis and is reflective of the proposed business, financial and share capital position of Filo Mining. Unless otherwise indicated, all currency amounts are stated in Canadian dollars. The following information should be read together with the Pro Forma Financial Statements, appended hereto as Schedule "D", and the audited carve-out consolidated financial statements and unaudited carve-out consolidated financial statements (the "**Carve-Out Financial Statements**") of the business of Filo Mining (the "**Filo Business**") appended hereto as Schedule "I".

NAME AND INCORPORATION

Filo Mining was incorporated under the CBCA on May 12, 2016 for the purposes of the Arrangement. Filo Mining is currently a private company and is a wholly-owned subsidiary of NGEx. No material amendments have been made to Filo Mining's articles or other constating documents since its incorporation.

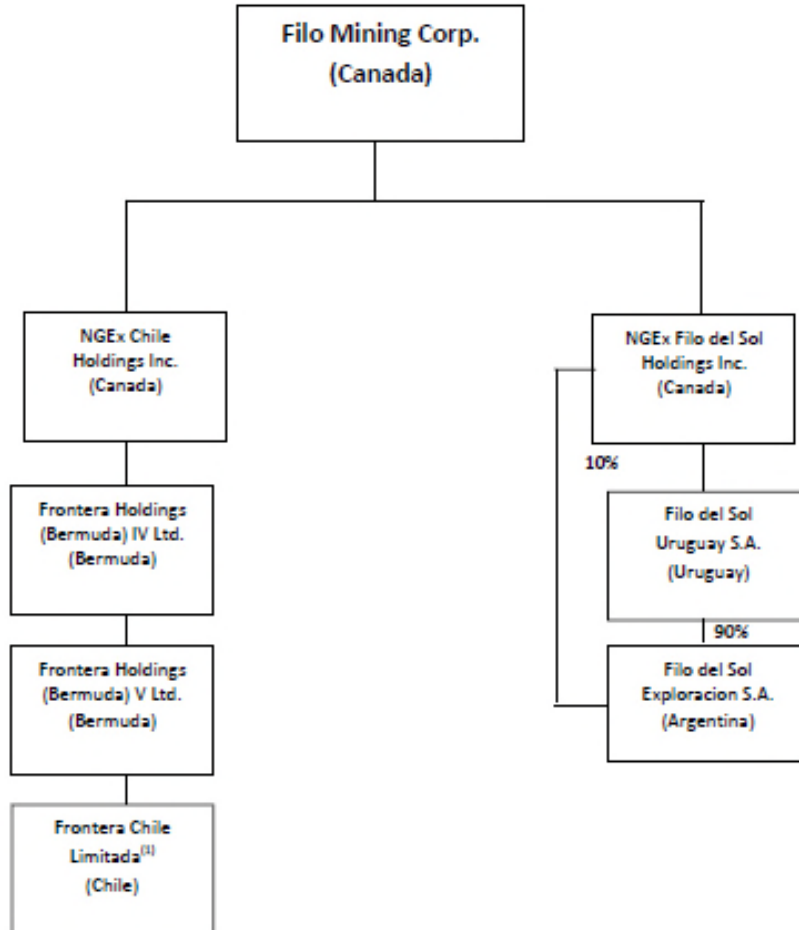
Filo Mining's head and principal business address are all located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8. Filo Mining's registered office address is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

GENERAL DESCRIPTION OF THE BUSINESS

After completion of the Arrangement, Filo Mining will own the Filo del Sol Property, through certain subsidiaries, as set out in the chart below. Filo Mining intends to operate as a copper, gold and silver mineral exploration and development company and will continue to advance its Filo del Sol Property and seek other mining assets. See "Filo del Sol Property - Exploration" below for information on Filo Mining's proposed exploration program on the Filo del Sol Property.

INTERCORPORATE RELATIONSHIPS

Filo Mining currently has no subsidiaries. On completion of the Arrangement, Filo Mining will have the following subsidiaries:



Note:

- (1) In connection with the ownership, 0.01% is held by Pablo Mir Balmaceda in accordance with the instructions of Frontera Holdings (Bermuda) II Ltd.
- (2) Unless otherwise indicated, ownership is 100%.

GENERAL DEVELOPMENT OF THE BUSINESS – THREE YEAR HISTORY

Filo Mining was incorporated on May 12, 2016 and has had no business operations to date.

SIGNIFICANT ACQUISITIONS AND DISPOSITIONS

Filo Mining has not completed a financial year. The future operating results and financial position of Filo Mining cannot be predicted.

TRENDS

Management is not aware of any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on Filo Mining's business, financial condition or results of operations as at the date of this Circular, except as otherwise disclosed herein or except in the ordinary course of business.

FILO DEL SOL PROPERTY, CHILE AND ARGENTINA

Filo Mining's only material property will be the Filo del Sol Property for which disclosure is provided below.

The following disclosure regarding the Filo del Sol Property is derived from the NI 43-101 technical report dated June 10, 2016, prepared by Fionnuala Devine, P. Geo., Diego Chrchafli, P. Geo., and James N. Gray, P. Geo., titled Geological Report for the Filo del Sol Property, Region II, Chile and San Juan Province, Argentina" with an effective date of May 30, 2016. (the "**Filo del Sol Report**"). The Filo del Sol Report is available under NEX's profile on SEDAR www.sedar.com.

Fionnuala Devine, P. Geo., Diego Chrchafli, P. Geo., and James N. Gray, P. Geo., authors of the Filo del Sol Report, are a qualified persons for the purposes of NI 43-101, and have reviewed and approved the scientific and technical information contained herein related to the Filo del Sol Property.

Project Description, Location and Access

The Filo del Sol Property is located in the Atacama Region of Northern Chile and adjacent San Juan province of Argentina, 140 kilometres southeast of the city of Copiapó, Chile and straddles the border between Argentina and Chile. The centre of the main deposit area is located at 28.49° S latitude and 69.66° W longitude.

The Filo del Sol property is comprised of mineral titles in both Chile and Argentina. Those in Argentina are controlled by Filo del Sol Exploración S.A. and are referred to as the Filo del Sol Property, those in Chile are controlled by Frontera Chile Limitada and are referred to as the Tamberías Property. Both Filo del Sol Exploración S.A. and Frontera Chile Limitada will be wholly-owned subsidiaries of Filo Mining Corp upon completion of the Transaction. For the purposes of this report, Filo Mining Corp and the subsidiary companies are referred to interchangeably as "Filo Mining".

The Filo del Sol Property is comprised of adjacent mineral titles in Chile and Argentina which are 100% controlled by NEX either through direct ownership or option agreements. In Argentina, Filo del Sol Exploración S.A. owns four exploration permits ("Cateos") and 12 exploitation permits ("**Manifestaciones**"). In Chile, Frontera Chile Limitada is the owner of 11 exploration concessions ("**Manifestaciones**") 2 exploitation mining concessions ("**Mensuras**") in the process of being granted and one unilateral and irrevocable option agreement to purchase 17 mining licenses ("**Mensuras**"). The total area is approximately 16,616 hectares.

Properties in Argentina

In Argentina, mineral rights are acquired by application to the government through a system based entirely on paper staking. A mineral property may go through several stages of classification during its life time. This begins with a **Cateo** (exploration permit). A Cateo consists of one to twenty units, each unit being 500 ha in size. A fee, calculated per hectare, is required within five days of the Cateo's approval. The term of a Cateo, the length of which varies based on size, begins 30 days after approval. A Cateo of one unit has a duration of 150 days and for each additional unit its duration is increased by an additional 50 days.

To move to the next stage the Cateo holder must apply within the term of the Cateo by reporting a mineral discovery. Upon approval this will result in a Manifestacion de Descubrimiento or mining rights for an area up to 3,000 hectares. This area is comprised of Mining Units, with one Mining Unit being 100 hectares in the case of a disseminated deposit unit and six hectares in the case of a vein deposit unit. Once this is approved the holder may conduct a Mensura or legal survey to apply for a **Mina** or mining lease. The property will generally stay in the Manifestacion stage until a mineral resource has been defined. Filo del Sol Exploración S.A. has the properties detailed in **Table 0-1** and **Table 0-2** below.

Table 0-1: Exploration Cateos Owned - Argentina

CONCESSION	FILE NUMBER	HECTARES
Cateo	182.269-L-91	1,446*
Cateo	338.723-G-92	291*
Cateo	339.215-C-92	3,807
Cateo	339.212-B-92	4,027

An annual exploration fee due to the Province of San Juan is proportional to the mining units covered by each Mina. Each disseminated deposit mining unit covers 100 hectares and costs ARP 3,200 per annum and each vein deposit mining unit covers six hectares and costs ARP 320 per annum. The total fees are shown in **Table 0-2**.

Table 0-2: Manifestaciones Owned – Argentina

CONCESSION	FILE NUMBER	HECTARES	MINING UNITS	ANNUAL FEE (ARP)
Caballo I	520-0323-C-99	451*	5	16,000
Caballo II**	520-0324-C-99	76*	13	4,160
Nacimiento 1	520-0348-D-99	1,446*	15	48,000
Nacimiento 2	1124-285-F-14	291*	3	9,600
Vicuña 1	520-0099-C-98	1,439*	15	48,000
Vicuña 2	520-0100-C-98	1,483*	15	48,000
Vicuña 3	520-0101-B-98	1,491	15	48,000
Vicuña 4	520-0447-B-99	1,033*	11	35,200
Vicuña 5	425-247-B-00	1,500	15	48,000
Vicuña 6	414-145-C-04	1,500	15	48,000
Vicuña 7	1124-029-C-09	1,500	15	48,000
Vicuña 8	1124-286-F-14	1,488	15	48,000

* Area uncertain due to undefined National or Provincial boundary;

** Caballo II is comprised of vein deposit mining units.

The Argentine Mining Code also requires the presentation of a plan of investment for each Mina. The plan of investment contemplates a minimum expenditure of 300 times the annual fee and should be accomplished within five years following the request from the government.

The Properties Nacimiento 1, Nacimiento 2, Permit No. 338.723-G-92 and Permit No. 182.269-L-91 are affected by the payment of royalties as follows: US\$2.0M in the event of commercial production. Furthermore, Filo del Sol Exploración S.A. shall pay the Owners a Net Smelting Return of 0.5% of the amount of the Project benefits over 10 years less costs. The Filo del Sol mineral resource lies within the Caballo I Manifestacion.

Surface Rights

The properties of Filo del Sol Exploración S.A. are located in the Iglesias Department of the Province of San Juan, in the area called “Cerro el Potro” within the “Usos Múltiples” (“Multiple Uses”) Area of the San Guillermo Provincial Reserve, where mining activities are fully authorized. The owner is the Provincial State.

Properties in Chile

Mining rights in Chile are acquired in the following stages.

Pedimento

A pedimento is an initial exploration claim whose position is well defined by UTM coordinates which define north-south and east-west boundaries. The minimum size of a pedimento is 100 hectares and the maximum is 5,000 hectares with a maximum length-to-width ratio of 5:1.

The duration of validity is for a maximum period of two years; however, at the end of this period, and provided that no overlying claim has been staked, the claim may be reduced in size by at least 50% and renewed for an additional two years. If the yearly claim taxes are not paid on a pedimento, the claim can be restored to good standing by paying double the annual claim tax the following year.

New pedimentos are allowed to overlap with pre-existing ones; however, the underlying (previously-staked) claim always takes precedent, providing the claim holder avoids letting the claim lapse due to a lack of required payments, corrects any minor filing errors, and converts the pedimento to a manifestacion within the initial two-year period.

Manifestacion

Before a pedimento expires, or at any stage during its two-year life, it may be converted to a manifestacion or exploration concession. Within 220 days of filing a manifestacion, the applicant must file a "Request for Survey" (Solicitud de Mensura) with the court of jurisdiction, including official publication to advise the surrounding claim holders, who may raise objections if they believe their pre-established rights are being encroached upon. A manifestacion may also be filed on any open ground without going through the pedimento filing process.

Mensura

Within nine months of the approval of the "Request for Survey" by the court, the claim must be surveyed by a government licensed surveyor. Surrounding claim owners may be present during the survey. Once surveyed, presented to the court, and reviewed by the National Mining Service (Sernageomin), the application is adjudicated by the court as a permanent property right (a mensura), which is equivalent to a "patented claim" or exploitation right. Exploitation concessions are valid indefinitely, and are subject to the payment of annual fees. Once an exploitation concession has been granted, the owner can remove materials for sale.

Chilean Properties

Frontera Chile Limitada is the owner of 16 exploration concessions ("Manifestaciones") both granted and in the process of being granted, 2 exploitation mining concessions ("Mensuras") in the process of being granted and one unilateral and irrevocable option agreement to purchase 17 exploitation concessions ("Mensuras"), hereinafter the "**Properties**" that form the Project. These Properties are listed in in Table 0-3 and Table 0 -4.

Table 0-3: Exploration Mining Concessions Owned – Chile

CONCESSION	NATIONAL ID NUMBER (ROL NACIONAL)	STATUS	HOLDER	HECTARE
TAMBERIA 1	03203-D373-8	Granted	Frontera Chile Limitada	300
TAMBERIA 2	03203-D374-6	Granted	Frontera Chile Limitada	300
TAMBERIA 3	03203-D375-4	Granted	Frontera Chile Limitada	300
TAMBERIA 4	03203-D376-2	Granted	Frontera Chile Limitada	300
TAMBERIA 5	03203-D377-0	Granted	Frontera Chile Limitada	300
TAMBERIA 6	03203-D378-9	Granted	Frontera Chile Limitada	300
TAMBERIA 7	03203-D379-7	Granted	Frontera Chile Limitada	100
TAMBERIA 8	03203-D380-0	Granted	Frontera Chile Limitada	300
TAMBERIA 9	03203-D381-9	Granted	Frontera Chile Limitada	300
TAMBERIA 10	03203-D382-7	Granted	Frontera Chile Limitada	300
TAMBERIA 11	03203-D383-5	Granted	Frontera Chile Limitada	200
FRONTERA SEGUNDA 1	03201-K858-5	Granted	Frontera Chile Limitada	300
FRONTERA SEGUNDA 2	03201-K859-3	Granted	Frontera Chile Limitada	300
FRONTERA SEGUNDA 3	03201-K860-7	Granted	Frontera Chile Limitada	300
FRONTERA SEGUNDA 4	03201-K861-5	In Process	Frontera Chile Limitada	300
FRONTERA SEGUNDA 5	03201-K862-3	In Process	Frontera Chile Limitada	300

Table 0-4: Exploitation Mining Concessions in Process of Granting.

CONCESSION	NATIONAL ID NUMBER (ROL NACIONAL)	STATUS	HOLDER	HECTARES
FRONTERA IV 1/60	N/A	In Process	Frontera Chile Limitada	300
FRONTERA V 1/60	N/A	In Process	Frontera Chile Limitada	300

Unilateral and Irrevocable Option Agreement

By public deed dated March 25, 2011 before the Santiago Notary Public of Antonieta Mendoza Escalas, Compañía Minera Tamberías SCM granted to Sociedad Contractual Minera Frontera del Oro SpA a unilateral and irrevocable option to purchase the Mensuras shown in Table 0-5 (the “**Option Agreement**”). By public deed dated July 27, 2012 before the Santiago Notary Public of Antonieta Mendoza Escalas, Sociedad Contractual Minera Frontera del Oro SpA assigned the Option Agreement to Frontera Chile Limitada.

Table 0-5: Exploitation Mining Concessions (Mensuras) Under Option Agreement - Chile

CONCESSION	NATIONAL ID NUMBER (ROL NACIONAL)	STATUS	HECTARES
VICUÑA 14 1/30	03203-2889-6	Granted	300
VICUÑA 13 1/30	03203-2888-8	Granted	300
VICUÑA 12 1/30	03203-2882-9	Granted	300
VICUÑA 11 1/30	03203-2887-K	Granted	300
VICULA 10 1/30	03203-2886-1	Granted	300
VICUÑA 9 1/30	03203-2885-3	Granted	300
VICUÑA 8 1/30	03203-2884-5	Granted	300
VICUÑA 7 1/12	03203-2881-0	Granted	120
TAMBERIA 1 1/20	03203-4046-2	Granted	200
TAMBERIA 1 1/30	03203-4047-0	Granted	300
TAMBERIA 3 1/30	03203-4048-9	Granted	300
TRONCO 1 1/41	03203-4145-0	Granted	41
TRONCO 2 1/76	03203-4146-9	Granted	76
TRONCO 3 1/50	03203-4147-7	Granted	50
TRONCO 6 1/39	03203-4193-0	Granted	178
ANILLO 10 1/81	03203-4351-8	Granted	81
ANILLO 11 1/30	03203-4352-6	Granted	19

Frontera Chile Limitada may exercise the Option Agreement within the period that ends on June 30, 2023. The purchase price of the Option Agreement is US\$ 20,000,000, to be paid in installments during the term of the Option Agreement, and a royalty of 1.5% of the Net Smelter Returns. There are no work commitments.

Surface Rights

Surface land rights in the area of the Chilean Property are held by a local community, “Comunidad Civil Ex Estancia Pulido”. NGEx, through its wholly-owned subsidiaries has previously had a four year access agreement with the community that expired in September 2015, and does not currently own any surface rights at the Chilean Property. NGEx and its subsidiaries maintain a good relationship with the Pulido community, and expects to have a new access agreement in place prior to the 2016/17 exploration season.

The Filo del Sol Property is included within the “Vicuña Additional Protocol” under the Mining Integration and Complementation Treaty between Chile and Argentina. The main benefit during the exploration stage of the Vicuña Additional Protocol is the authorization which allows for people and equipment to freely cross the border of both countries in support of exploration and prospecting activities within an area defined as an “operational area”. Development of transboundary mining projects is possible under the Treaty.

The Filo del Sol Property is accessible by road from either Copiapó, Chile or San Juan, Argentina although Copiapó is much closer and is approximately five hours driving time.

History

Cyprus-Amax was the first company to have done any serious exploration work in the area, beginning in 1997 and based on recognition of auriferous silica and a copper-gold porphyry occurrence on the Chilean side of the border. Cyprus-Amax's work during the 1998/99 season consisted of 1:10,000 geologic mapping, talus fine sampling, rock chip sampling, road construction to the project site, and a drill program of 2,519 metres in 16 reverse circulation ("RC") drill holes. NGEx and its subsidiaries became involved in the project through its predecessor company, Tenke Mining Corp., which negotiated purchase arrangements with Cyprus-Amax in August 1999.

Currently, the Filo del Sol Property is being actively explored by NGEx.

Geological Setting, Mineralization and Deposit Types

Filo del Sol is a high-sulphidation epithermal copper-gold-silver deposit associated with a large porphyry copper-gold system. Overlapping mineralizing events combined with weathering effects, including supergene enrichment, have created several different styles of mineralization, including structurally-controlled gold, manto-style high-grade silver (+/- copper) and high-grade supergene enriched copper within a broader envelope of disseminated sulphide copper and gold mineralization. Mineralization is hosted in clastic rocks inferred to be part of the Jurassic-Paleocene Cuartitos formation as well as underlying rhyolitic volcanic rocks inferred to be part of the Permo-Triassic basement. It is located in the Andean Frontal Mountain Range (in Spanish, Cordillera Frontal), between the Maricunga gold porphyry zone to the north and the El Indio high-sulphidation zone to the south, both of Miocene age.

Three main zones of mineralization occur on the property called, from South to North, Filo del Sol, Maranceles and Potro. Filo del Sol is by far the most advanced and is the location of the mineral resource presented here. Maranceles and Potro are defined by widespread surface alteration very similar to that seen at Filo del Sol, anomalous copper, gold and pathfinder elements in talus fine samples and a few widely spaced, shallow drill holes.

The Filo del Sol Property displays a full transition between a high-sulphidation epithermal environment and a porphyry system, and both deposit types are represented. Weathering and supergene processes have created high-grade copper oxide and silver zones. Mineralization of potential economic interest within the Filo del Sol deposit includes high-grade leachable oxide/mixed copper mineralization, structurally controlled gold-silver mineralization, sub-horizontal "manto" high-grade silver mineralization and disseminated copper, gold, silver, molybdenum sulphide mineralization.

Exploration

NGEx, or its predecessor companies, have been exploring at Filo del Sol since the 1999-2000 field season. A total of twelve work programs have been completed over these years, and there have been four seasons where no work was done. Exploration has been limited to the summer season, typically between November and April, and exploration seasons are described by the years which they bridge. Surface work completed to date has included talus fine sampling, rock chip sampling, geological mapping and induced polarization and magnetic geophysical surveys.

The table below summarizes the surface work done during each field season:

Exploration Summary by Year			
Season	Surface	Geophysics	Drilling
1998/99	1:10000 geological mapping Talus fine and rock sampling		2,519 metres
1999/00	1470 talus fine samples 3720 trench samples 1150 rock channel samples	153 km MAG 37.8 km IP-CSAMT	
2000/01	462 rock chip samples	100 km MAG	2,662 metres
2003/04	216 talus fine samples		1,171 metres
2004/05	149 talus fine samples	km IP-Res 30.4 1,762	metres
2005/06	83 talus fine samples 11 rock chip samples		1,708 metres
2006/07			578 metres
2007/08	310 talus fine samples	30.0 km IP-Re ^s 2,890 77.6 km MAG	metres
2010/11	Geological mapping 1:5000		156 metres
2011/12		36.2 km P-DP IP	1,853 metres
2012/13			821 metres
2013/14			8,406 metres
2014/15	Geological mapping 1:5000 And 1:7500; PIMA sampling	23 km P-DP IP	7,320 metres
2015/16	Geological mapping 1:5000, Geochem and PIMA sampling	27.7 km P-DP IP	

Drilling

Drilling at the Filo del Sol Property was initiated by Cyprus in 1998-1999 and since then a total of 28,963 metres of RC drilling in 109 holes and 4,257 metres of diamond drilling (“DD”) in 19 holes has been completed. All of these holes with the exception of eight RC holes (1,374 metres) were drilled in the Filo del Sol Property deposit area. Three of the eight were drilled in the Maranceles zone and five in the Potro zone. Drilling conditions at Filo del Sol Property are challenging due to the deep weathering profile and thick zone of leached and steam-heated alteration. DD method in particular has been used sparingly due to difficulties in completing holes and cost related to lost equipment. Most of the drilling has been

done by RC methods due to its lower cost and higher productivity. Recovery for RC drilling was estimated by comparing the ideal weight of the sample (calculated as drilled volume multiplied by expected density) and the recovered material weight. This method is not exact as it relies on an estimation of the bulk rock density in order to determine the ideal weight of the sample. Poor recoveries (below 50%) are often related to fault zones or highly porous intervals in the steam-heated and residual silica zones. Recoveries over 100% are to be monitored as these may indicate sample contamination from material that has been introduced to the drilled interval (e.g. wall crumbling or hole cleaning). Detailed recovery records from holes drilled before 2008 are missing, however NGEx's internal reports indicate that the overall average was 72% recovery (intervals with greater than 100% recovery ignored), with a minimum of 0% recovery. There were 81 samples with greater than 100% recovery, or about 1.7% of the total samples. Recoveries for RC holes drilled during the 2013/14 and 2014/15 campaigns were similar. The overall average core recovery for the diamond drill holes in the 2012/13 season was 84%.

Sampling, Analysis and Data Verification

Sampling procedures and protocols from drill programs have evolved over the last 18 years not only at the Filo del Sol Property, but throughout the industry. Sample preparation and security protocols implemented in 2011 at the Filo del Sol Property are adequate.

The quality control protocol implemented in 2013 was continued in the 2014/15 season.

Blank material inserted during the 2014/15 campaign consisted of white quartz chips purchased in Copiapo. The blanks are considered un-mineralized as copper concentration is generally below 20 parts per million and gold is commonly below the 0.01 parts per million detection limit.

Field duplicates were obtained taking a second split of the sample to be analyzed independently. Both preparation and assays duplicates were made by the laboratory and assigned a specific number in the sequence. The preparation duplicate consisted of a second pulp from the original sample whereas the assay duplicate was a subsample made from the original pulp.

In late 2014, three standards were prepared using selected coarse rejects from the Los Helados previous drill season. Selected coarse rejects were submitted to Vigalab Laboratories in Copiapo for crushing, pulverization, homogenization and splitting. Vigalab produced small envelopes containing 80 to 90 grams of material. Five analytical laboratories located within the region were used to perform a round robin test of results: ACME, ActLabs, Andes Analytical Assay, ALS and Vigalab. Five envelopes of each standard were sent to each of these laboratories. Based on the round robin results, the standards have been assigned averages and accepted ranges.

More than 66% of the current RC and DDH dataset had a rigorous follow up with blanks, standards and laboratory duplicates. Another 8% has been checked with a second lab but does not have blank and standard controls. The remaining 26% of the dataset has only being verified (satisfactorily) with duplicates. No sample appears to be misplaced or intentionally deleted from the database. The current drillhole dataset for the Filo del Sol Property is consistent and of adequate quality to be used for mineral resource estimation.

To verify information provided by NGEx, D. Charchaflié (Independent QP) supervised reassaying of historic RC pulps with known gold, silver and copper grades for check analyses, visited the area of drilling and located a number of drillholes with a hand-held GPS. The results of these checks are considered a satisfactory confirmation of the results reported by NGEx.

A visit to the Copiapó office and support facilities was carried out by James Gray, P. Geo. between June 16th and 21st, 2014. Six samples were taken from a variety of geological settings. Samples were coarse rejects from RC drill cuttings and were approximately five kilograms in size. Results of these independent samples agreed closely with the original values.

Mineral Processing and Metallurgical Testing

A preliminary test program was completed in 2001 by Novatec S.A. of Santiago, Chile consisting of Bottle Roll and Sequential Leach tests on 20 samples of RC chips. Testwork was focussed on leach recovery of copper from the oxide and mixed zones.

Testwork resulted in excellent results for recovery of copper through leaching with dilute sulphuric acid solution, including several samples which leached with only potable water and produced sulphuric acid. Bottle Roll tests produced copper recoveries between 27% and 98% with an average of 76% copper.

These preliminary metallurgical results are presented as historical information and have not been verified by the qualified persons, and should not be relied upon nor considered as current. The qualified persons have no reason to doubt the reliability of the information and the testwork program appears to have been completed in a competent manner.

In order to confirm and update the information, NEX is planning to carry out additional leach tests on vacuum-sealed samples collected during the 2014/15 drill campaign during 2016.

Mineral Resource Estimate

The current mineral resource estimate, dated December 11, 2015, is an update to the initial mineral resource reported December 2, 2014 and documented in a technical report dated December 19, 2014. Copper, gold, silver, arsenic and molybdenum grades were estimated by ordinary kriging using Gemcom® software. Conceptually, the controls on grade estimation are the same as used for the initial 2014 mineral resource estimate; an updated geological model of mineralization type was used as control grade for the interpolation of all elements. Additionally, gold and molybdenum grades were controlled by an interpreted zone of silica alteration and silver and arsenic grades were controlled by a geochemically defined zone of silver mineralization. The distribution of assay and composite grades were statistically well-behaved for all elements. High-grade capping was applied to economic metals, with a generally low impact on metal reduction.

The Filo del Sol Property mineral resource is based on assay data available as of August 26, 2015. Results from 30,900 metres of drilling in 114 holes were used for mineral resource estimation. Drilling has been predominantly by reverse circulation; only 18 of the holes used for estimation were core holes. Two grids of 15 x 15 x 10 metre blocks were used in the preparation of the mineral resource estimate. Grades were estimated into a less extensive grid and imported to the larger framework for pit optimization. A third, finer array of 7.5 x 7.5 x 2 metre blocks was used for nearest neighbour interpolation; the small block size was chosen to match the sample composite length.

Reasonable prospects of eventual economic extraction were established by the optimization of a Whittle® pit shell using the following parameters: US\$3 per pound copper, US\$1300 per ounce gold, US\$23 per ounce silver, slope of 42°, mining cost of \$2.20 per tonne and process (including G&A) cost of \$7.40 per tonne. Blocks were assigned as Inferred Mineral Resource where they are: within 50m of a drillhole and/or have sample data in at least three octants of a 150 metre spherical search and fall within the optimized pit shell. At a copper equivalent cutoff grade of 0.3%, the optimized pit shell results in a strip ratio of 1.7 : 1.

The total mineral resource and the included high-grade silver and copper subsets are shown in the following table:

Filo del Sol Mineral Resource Summary

Zone	Inferred Mineral Resource							Metal		
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	As (ppm)	CuEq (%)	Cu (billion lb)	Au (million oz)	Ag (million oz)
Oxide	49.9	0.42	0.39	6.6	50	643	0.70	0.5	0.6	10.5
Transition	133.4	0.51	0.31	23.3	70	892	0.91	1.5	1.3	100.1
Hypogene	197.7	0.31	0.32	6.2	44	499	0.54	1.3	2.1	39.2
Sulphide	331.2	0.39	0.32	13.1	54	657	0.69	2.8	3.4	139.3
Total	381.0	0.39	0.33	12.2	54	656	0.69	3.3	4.0	149.8

COG (% Cu)	Contained within Inferred Mineral Resource					Metal		
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lb)	Au (million oz)	Ag (million oz)
0.7	27.3	1.31	0.32	11.2	1.59	0.8	0.3	9.8
0.5	53.0	0.95	0.34	9.7	1.23	1.1	0.6	16.5

COG (g/t Ag)	Contained within Inferred Mineral Resource					Metal		
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lb)	Au (million oz)	Ag (million oz)
80	14.2	0.52	0.38	160.5	2.37	0.2	0.2	73.2
50	23.1	0.46	0.38	123.2	1.93	0.2	0.3	91.4
20	34.4	0.42	0.38	93.6	1.58	0.3	0.4	103.6

Notes:

- (1) Copper equivalent assumes metallurgical recoveries of 84% for copper, 70% for gold and 77% for silver based on similar deposits, as only limited acid-leach metallurgical testwork has been done on Filo del Sol mineralization, and metal prices of US\$3 per pound copper, US\$1300 per ounce gold, US\$23 per ounce silver. The CuEq formula is: $CuEq = Cu + Ag * 0.0102 + Au * 0.5266$;
- (2) The Qualified Person for the resource estimate is James N. Gray, P.Geol. of Advantage Geoservices Ltd.;
- (3) All figures are rounded to reflect the relative accuracy of the estimate;
- (4) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability;
- (5) The resource was constrained by a Whittle® pit shell using the following parameters: US\$3.00 per pound copper, US\$23 per ounce silver, US\$1300 per ounce gold, slope of 42°, mining cost of \$2.20 per tonne and process cost of \$7.40 per tonne.

Interpretation and Conclusions

The Filo del Sol Property encompasses a very large alteration zone and several mineralized showings within a prolific mineral district. Both high-sulphidation epithermal gold-silver-copper and porphyry copper-gold mineralization have been discovered and both styles of mineralization are compelling exploration targets. Despite a long history of exploration, the short field season and large size of the hydrothermal systems result in a project that remains under-explored and warrants significant additional work. This is reinforced by the updated mineral resource estimate presented in this report which establishes an important copper-gold-silver deposit on the property and remains open in most directions.

The mineral resource estimate for the Filo del Sol deposit includes several different styles of mineralization, in terms of metal combinations and grade distribution, which occur as the result of a complex series of geological processes. Mineralization of potential economic interest within the deposit

includes: high-grade leachable oxide/mixed copper mineralization; structurally controlled gold-silver mineralization; sub-horizontal “manto” high-grade silver mineralization and disseminated copper, gold, silver, molybdenum sulphide mineralization.

In addition to the Filo del Sol resource, the property contains several other target areas defined by talus fine and rock sampling, geophysical surveys and geological mapping within a very large hydrothermal alteration system. These zones represent early-stage exploration targets and additional work is required to fully evaluate them.

Induced Polarization geophysics has proven to be an excellent tool to help define the general geometry of the deposit, including areas of potential expansion. This type of geophysical survey should be extended across all the main mineralized areas.

RC drilling has provided most of the drill information from the Project. Although RC is useful for establishing the grade distribution and general geological framework of the deposit, diamond drilling is essential to fully understand the controls on, and detailed geometry of, the mineralization. Diamond drilling has proven to be difficult in the highly porous and fractured steam-heated and residual quartz alteration associated with the deposit, however similar rock types at other deposits (Pascua-Lama, Yanacocha, Veladero) have been successfully diamond drilled and a concerted effort needs to be made to include extensive diamond drilling in future drill programs.

Very preliminary metallurgical testwork indicates that the oxide and mixed (oxide/sulphide) copper mineralization may be amenable to recovery of copper through leaching – possibly using only water. Additional testwork should be completed in order to investigate this further.

The Filo del Sol Property presents several challenges to exploration and development including its high altitude, short summer season, locally difficult drilling conditions due to bad ground and distance from infrastructure, however these conditions are no worse than those at many successful mines in the region. Balanced against these challenges is the potential for the occurrence of an economic mineral deposit suggested by the tenor of the mineral resource, the size of the alteration zone and analogies with geologically similar deposits in the Maricunga and El Indio belts.

Subsequent Work

Subsequent to December 31, 2015 a small program of surface exploration was completed at Filo del Sol. This program was completed in late February 2016 and compilation and interpretation of data collected is ongoing.

Work included geological mapping, induced polarization geophysical surveying, rock chip and surface talus sampling. The area covered was immediately to the north and south of the Filo del Sol deposit.

Exploration, Development and Production and Recommendations

Filo del Sol represents a very large mineralized system and there is significant potential for expansion of known zones and new discoveries. The mineral resource remains open in several directions and additional drilling has a high potential of increasing its size. Several other exploration targets on the property have seen only very limited exploration and there is a good opportunity for the discovery of new deposits, of different types, with ongoing work. The primary goals of future work programs should be:

- to continue to explore the mineralized targets away from the deposit in order to evaluate the potential for additional deposits on the property;

- to continue to expand the known resource through additional drilling;
- to drill selective infill holes into the resource volume in order to convert Inferred tonnes to Indicated and test for structurally-controlled high-grade gold zones; and
- to initiate early-stage engineering studies (particularly metallurgical) and begin to evaluate the economic potential of the Filo del Sol deposit.

FILO MINING SELECTED PRO FORMA FINANCIAL INFORMATION

The following table sets out selected *pro forma* financial information in respect of Filo Mining as at March 31, 2016, as if the Arrangement had been completed as of March 31, 2016 and should be considered in conjunction with the more complete information contained in the *pro forma* balance sheet of Filo Mining appended as Schedule “D” to this Circular. All currency amounts are stated in Canadian dollars.

	March 31, 2016
Current assets	\$3,813,377
Mineral property interests	\$5,841,049
Total assets	\$9,654,426
Total liabilities .	\$406,066
NGEx Shareholders’ equity	\$9,248,360

The following table sets out selected *pro forma* financial information in respect of Filo Mining for the year ended December 31, 2015, and for the three months ended March 31, 2016 as if the Arrangement had been completed as of January 1, 2015, and should be read in conjunction with the more complete information provided in the *pro forma* consolidated statement of comprehensive loss of Filo Mining appended as Schedule “D” to this Circular. All currency amounts are stated in Canadian dollars.

	Year Ended December 31, 2015	Three Months Ended March 31, 2016
Operating Loss	\$10,995,111	\$1,789,043
Net Loss	\$11,819,803	\$1,862,211
Net Comprehensive Loss	\$12,595,126	\$2,390,951
Loss per Share (basic and diluted)	0.24	0.05

DESCRIPTION OF THE FILO COMMON SHARES

The authorized capital of Filo Mining consists of an unlimited number of common shares. On completion of the Arrangement, it is anticipated that there will be approximately 51,265,933 Filo Common Shares outstanding (assuming no NGEx Options are exercised prior to the Effective Time). Up to an additional approximately 1,746,875 Filo Common Shares may be outstanding, post-Arrangement on the Effective Date, if all of the existing NGEx Options are exercised before the Effective Time. Assuming no NGEx Options are exercised prior to the Effective Time, there will be approximately 1,746,875 Filo Common Shares reserved for issuance on exercise of Filo Options.

DIVIDEND POLICY

Filo Mining has not paid dividends since its incorporation. Filo Mining currently intends to retain all

available funds, if any, for use in its business and does not anticipate paying any dividends for the foreseeable future.

VOTING AND OTHER RIGHTS

Holders of Filo Common Shares are entitled to one vote per share at all meetings of shareholders, to receive dividends as and when declared by the directors and to receive a pro rata share of the assets of Filo Mining available for distribution to holders of Filo Common Shares in the event of liquidation, dissolution or winding up of Filo Mining. All rank *pari passu*, each with the other, as to all benefits which might accrue to the holders of common shares of Filo Mining.

CONSOLIDATED CAPITALIZATION

Filo Mining has not completed a financial year. There have not been any material changes in the share and loan capital of Filo Mining since the date of incorporation. See the balance sheet of Filo Mining for the period ended May 31, 2016, appended as Schedule “B” to this Circular.

OPTIONS AND OTHER RIGHTS TO PURCHASE SHARES

The Filo Board has adopted the Filo Option Plan, subject to approval by the NGEx Shareholders and the TSXV. The purpose of the Filo Option Plan is to allow Filo Mining to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of Filo Mining. The granting of such options is intended to align the interests of such persons with that of the shareholders. See “Particular of Matters to be Acted Upon – Filo Option Plan”.

Pursuant to the Plan of Arrangement, for each NGEx Option exercisable for an NGEx Common Share that is outstanding immediately before the Effective Time, which has not be duly exercised or cancelled, will be deemed to be exchange for one-quarter of one fully-vested Filo Option.

Assuming that no NGEx Options will have been duly exercised or cancelled prior to the Effective Time, it is estimated that the following Filo Options will be issued and outstanding under the Filo Option Plan as of the Effective Date:

Number of Filo Options	Exercise Price ⁽¹⁾	Expiry Date
46,250	\$1.30	August 22, 2016
491,875	\$1.40	May 7, 2017
631,250	\$0.65	May 11, 2018
62,500	\$0.57	November 25, 2018
505,000	\$0.42	February 24, 2019
10,000	\$0.48	March 31, 2019

Note:

(1) Subject to adjustment in accordance with the Plan of Arrangement. The exercise prices of each Replacement NGEx Option and each Filo Option issued pursuant to the Arrangement shall be and be deemed to be automatically adjusted such that the aggregate In-the-Money Amounts thereof does not exceed the In-the-Money Amount of the exchanged NGEx Option determined immediately before the exchange, with the intention that subsection 7(1.4) of the Tax Act will apply to each exchange.

No other stock options have been granted under the Filo Option Plan or otherwise since incorporation. As the date hereof, there is no current market for the Filo Common Shares. As such, the market value of

the Filo Common Shares underlying the Filo Options has not been determined. The exercise prices of the Filo Options are subject to adjustment in accordance with the Plan of Arrangement, such that the In-The-Money Amounts of the Replacement NGEx Options and the Filo Options does not exceed that of the NGEx Options exchanged pursuant to the Plan of Arrangement.

The full text of the Filo Option Plan is available for viewing up to the date of the Meeting at NGEx's offices at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8 and will also be available for review at the Meeting.

PRIOR SALES

Filo Mining has not issued any shares except one incorporation Filo Common Share to NGEx on May 12, 2016 for consideration of \$1.00.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

There are no Filo Common Shares currently held in escrow or that are subject to a contractual restriction on transfer. On completion of the Arrangement, no Filo Common Shares will be held in escrow by the Transfer Agent.

RESALE RESTRICTIONS

See "Securities Law Considerations" in this Circular.

There is currently no market through which the Filo Common Shares may be sold and, unless the Filo Common Shares are listed on a stock exchange, NGEx Shareholders may not be able to resell the Filo Common Shares.

PRINCIPAL SECURITYHOLDERS

To the knowledge of Filo Mining's directors and executive officers, and based on existing information as of the date hereof, no person or company, upon completion of the Arrangement will, beneficially own, or control or direct, directly or indirectly, voting securities of Filo Mining carrying 10% or more of the voting rights attached to any class of voting securities of Filo Mining, except Lorito and Zebra, who report their security holdings as joint actors. Together, Lorito and Zebra hold a total of 39,762,539 NGEx NGEx Common Shares, representing approximately 19.39% of the outstanding NGEx Common Shares. Accordingly, following completion of the Arrangement and assuming no change in securityholdings of Lorito and Zebra in NGEx, Lorito and Zebra will hold a total of 9,940,634 Filo Common Shares, representing approximately 19.39% of the outstanding Filo Common Shares (18.75% on a fully diluted basis).

DIRECTORS AND OFFICERS

The following table sets forth certain information with respect to each proposed director and executive officer of Filo Mining.

Name, Jurisdiction of Residence and Position(s) ⁽¹⁾	Principal Occupation ⁽¹⁾	Number of Filo Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly, Immediately Following the Completion of the Arrangement ⁽³⁾	Percentage of Filo Common Shares Issued and Outstanding Immediately Following the Completion of the Arrangement ⁽⁴⁾
Lukas H. Lundin, Geneva, Switzerland <i>Director and Chairman (non-executive) of the Board</i>	Business/mining executive; director and officer of a number of publicly traded resource-based companies, including Lucara Diamond Corp., Lundin Mining Corporation, Lundin Gold Inc., Denison Mines Corp., and Lundin Petroleum S.A.	437,961 Filo Common Shares 125,000 Filo Options	0.85%
C. Ashley Heppenstall, Geneva, Switzerland <i>Director</i>	Mr. Heppenstall is a director of Lundin Petroleum AB, Lundin Gold Inc., Africa Energy Corp. Etrion Corporation and ShaMaran Petroleum Corp., and was, from May 2010 until May 2013, a director of Vostok Nafta Investment Ltd., a corporation traded on the Nasdaq OMX Nordic Exchange in Stockholm.	1,826,650 Filo Common Shares NIL Filo Options	3.56%
Paul McRae, Algarve, Portugal <i>Director</i>	Senior Vice-President, Projects, Lundin Mining Corporation	NIL Filo Common Shares NIL Filo Options	N/A
Alessandro Bitelli, British Columbia, Canada <i>Director</i>	Executive Vice-President, Chief Financial Officer, Lundin Gold Inc.	NIL Filo Common Shares NIL Filo Options	N/A
Wojtek Wodzicki, British Columbia, Canada <i>President, Chief Executive Officer and Director</i>	President and Chief Executive Officer of NGEx	188,300 Filo Common Shares 318,750 Filo Options	0.37%

Name, Jurisdiction of Residence and Position(s) ⁽¹⁾	Principal Occupation ⁽¹⁾	Number of Filo Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly, Immediately Following the Completion of the Arrangement ⁽³⁾	Percentage of Filo Common Shares Issued and Outstanding Immediately Following the Completion of the Arrangement ⁽⁴⁾
Joyce Ngo, British Columbia, Canada <i>Interim Chief Financial Officer</i>	Interim Chief Financial Officer of NGEx	NIL Filo Common Shares 66,250 Filo Options	N/A
Bob Carmichael, British Columbia, Canada <i>Vice President, Exploration</i>	Vice President, Exploration of NGEx	10,000 Filo Common Shares 163,750 Filo Options	0.02%

Notes:

- (1) The information as to residence and principal occupation, not being within the knowledge of NGEx or Filo Mining, has been furnished by the respective directors and officers individually.
- (2) Directors serve until the earlier of the next annual general meeting or their resignation.
- (3) The information as to securities beneficially owned or over which a director or officer exercises control or direction, not being within the knowledge of NGEx or Filo Mining, has been furnished by the respective directors and officers individually based on shareholdings in NGEx as of the date of this Circular.
- (4) Assuming approximately 51,265,933 Filo Common Shares are outstanding after completion of the Arrangement.

Upon the completion of the Arrangement, it is expected that the directors and executive officers of Filo Mining as a group, will beneficially own, directly or indirectly, or exercise control or direction over an aggregate of approximately 2,737,752 Filo Common Shares, representing approximately 5.34% of the issued Filo Common Shares, assuming no NGEx Options are exercised prior to the Effective Time.

The principal occupations of each of the proposed directors and executive officers of Filo Mining within the past five years are disclosed in the brief biographies set forth below.

Lukas H Lundin, Age: 58 – Chairman (Non-executive) of the Board. Business/mining executive; director and officer of a number of publicly traded resource-based companies, including Lucara Diamond Corp., Lundin Mining Corporation, Lundin Gold Inc., Denison Mines Corp., and Lundin Petroleum S.A. Mr. Lundin is known for recognizing value and superior global investment opportunities in the natural resource sector. His uninhibited pursuit of highly prospective properties around the world has resulted in numerous resource discoveries, including the multi-million ounce Veladero gold discovery. Mr. Lundin has also led several companies through highly profitable business acquisitions and mergers such as Lundin Mining's \$3.3 billion merger with EuroZinc Mining, the \$2 billion sale of Tanganyika Oil Company Ltd. and most recently the \$9.2 billion sale of Red Back Mining Inc. Mr. Lundin is a graduate of the New Mexico Institute of Mining and Technology. Mr. Lundin has not entered into a non-competition or non-disclosure agreement with Filo Mining.

C. Ashley Heppenstall, Age: 54 – Director. Mr. C. Ashley Heppenstall has been Chairman of the Board at Etrion Corporation since June 14, 2016. Prior to that, Mr. Heppenstall served as the Chief Executive Officer and President at Lundin Petroleum AB from 2001 until October 1st 2015. Mr. Heppenstall is also a director of Lundin Petroleum AB, Lundin Gold Inc., Africa Energy Corp., and ShaMaran Petroleum Corp., and, from May 2010 until May 2013, was a director of Vostok Nafta Investment Ltd., a corporation traded on the Nasdaq OMX Nordic Exchange in Stockholm. Mr. Heppenstall holds a Bachelor of Science Degree in Mathematics from the University of Durham. Mr. Heppenstall has not entered into a non-competition or non-disclosure agreement with Filo Mining.

Paul McRae, Age: 67 – Director. Mr. McRae is the Senior Vice-President, Projects, of Lundin Mining Corporation. Mr. McRae has a distinguished global reputation in project and construction management in the mining industry for both surface and underground projects of all scales and complexities. He was most recently responsible for the successful development of Lundin Mining Corporation's Eagle Mine in Northern Michigan. His track record includes on time/on budget project management of major underground investments for INCO including McCreedy East, Garson and Birch Tree projects, serving as Project Manager on the highly successful De Beers Victor Project in Northern Canada, and leadership of numerous other projects from conceptual through construction phases in Australia, Canada, Spain, Portugal and South America, over a career spanning more than 40 years. Mr. McRae is a director of Lundin Gold Inc. Mr. McRae has not entered into a non-competition or non-disclosure agreement with Filo Mining.

Alessandro Bitelli, Age: 57 – Director. Mr. Bitelli is currently Executive Vice President, Chief Financial Officer of Lundin Gold Inc. Mr. Bitelli is a Chartered Professional Accountant with over 30 years of experience in the mining industry and in public accounting, having worked in both North America and Europe. Over the years Mr. Bitelli served as Chief Financial Officer of several public companies including, most recently, Orca Gold Inc. and Red Back Mining Inc. from September 2007 to August 2010; He held the position of Vice President of Finance at Ashton Mining of Canada Inc. from 1995 to 2007. Mr. Bitelli has not entered into a non-competition or non-disclosure agreement with Filo Mining.

Wojtek Wodzicki, Age: 53 – President and Chief Executive Officer. Dr. Wojtek A. Wodzicki, P.Geo. (BC), has been the Chief Executive Officer and President at NGEx Resources Inc. (Formerly Canadian Gold Hunter Corp.) since April 17, 2009. Dr. Wodzicki has worked in the international mining industry since 1987 and has managed exploration programs on five continents. He is a geologist by training and has a doctorate in Geosciences from the University of Arizona. He previously served as Vice President of Strategic Partnerships for Lundin Mining Corporation and President, CEO and Director of Sanu Resources Ltd. Prior to joining the Lundin Group Dr. Wodzicki was with Teck Cominco Ltd. in a variety of roles that included managing exploration offices in Bolivia, Peru, Chile, and Argentina. He finished his career with Teck Cominco as General Manager of Exploration for North America and Europe-Africa. During his tenure as CEO of NGEx Resources Inc., NGEx Resources Inc. has successfully raised numerous rounds of financing. It is anticipated that 50% of Mr. Wodzicki's time will be devoted to Filo. Mr. Wodzicki has not entered into a non-competition or non-disclosure agreement with Filo Mining. It has not yet been determined whether he will be an employee or contractor of Filo Mining.

Joyce Ngo, Age: 39 – Interim Chief Financial Officer. Ms. Ngo has held the position of Corporate Controller of the Company since March, 2012 and has thirteen years of professional experience in both public practice and in public companies. Ms. Ngo spent five years in public accounting with KPMG LLP and is a graduate of Simon Fraser University with a Bachelor of Business Administration, majoring in Accounting and Finance with a minor in Economics. Ms. Ngo is a member of the Institute of Chartered

Professional Accountants of British Columbia. It is anticipated that approximately 50% of Ms. Ngo's time will be devoted to Filo. Ms. Ngo has not entered into a non-competition or non-disclosure agreement with Filo Mining. It has not yet been determined whether she will be an employee or contractor of Filo Mining.

Bob Carmichael, Age: 52 – Vice President, Exploration. Mr. Carmichael joined NGEx from the UK office of Lundin Mining Corporation, where he was General Manager, Resource Exploration with oversight of all near-mine and resource definition exploration activities. Prior to joining Lundin Mining, Mr. Carmichael acted as Vice President, Exploration for EuroZinc Mining Corporation and held executive positions and directorships for several other Canadian exploration companies operating internationally. He has also been a director and first Vice President of the Association for Mineral Exploration British Columbia (AME BC) and sat on the technical committee for Geoscience BC. Mr. Carmichael is a registered Professional Engineer in the province of British Columbia, holds a Bachelor of Applied Science degree from the University of British Columbia and has 23 years of experience in public company management and international mineral exploration. It is anticipated that approximately 50% of Mr. Carmichael's time will be devoted to Filo. Mr. Carmichael has not entered into a non-competition or non-disclosure agreement with Filo Mining. It has not yet been determined whether he will be an employee or contractor of Filo Mining.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions or Individual Bankruptcies

Other than as disclosed below, to the knowledge of Filo Mining, no director or executive officer:

- (a) is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Filo Mining) that:
 - (i) was the subject, while the director was acting in that capacity as a director, chief executive officer or chief financial officer of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director ceased to be a director, chief executive officer or chief financial officer but which resulted from an event that occurred while the director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including Filo Mining) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director; or

Mr. Lukas Lundin was a director of Sirocco Mining Inc. ("**Sirocco**"). Mr. Lundin resigned as a director of Sirocco on January 31, 2014 and February 1, 2014, respectively, at which time Sirocco was a public-traded company and financially solvent. Pursuant to a Plan of Arrangement completed on January 31, 2014, Canada Lithium Corp. ("**Canada Lithium**") acquired Sirocco. The final step in the transaction was the amalgamation of Canada Lithium and Sirocco to form RB Energy Inc. ("**RBI**"). On October 13, 2014, RBI announced that, among other things, RBI's then Board of Directors had approved the filing of an Initial Order (the "**Order**") for creditor protection under the Companies' Creditors Arrangement Act (the "**CCAA**"). The Québec Superior Court issued the requested Order in respect of RBI and its Canadian subsidiaries on October 14, 2014. RBI was then put under the protection of the Court and KPMG LLP was appointed monitor under the Order. The TSX delisted RBI's common shares effective at the close of business on November 24, 2014 for failure to meet its continued listing requirements. Since that time, RBI's common shares have been suspended from trading. On May 8, 2015, the Court appointed Duff & Phelps Canada Restructuring Inc. as receiver of RBI and its subsidiaries to administer and realize upon the assets of RBI. Although Mr. Lundin was never a director or officer or control person of RBI, he was a director of Sirocco within the 12 month period prior to RBI filing for protection under the CCAA.

Mr. Alessandro Bitelli was the chief financial officer of RB Energy Inc. when it sought court protection under the Companies' Creditors Arrangement Act and was granted such protection by an order of the Québec Superior Court on October 14, 2014. The TSX delisted RB Energy Inc. common shares effective at the close of business on November 24, 2014 for failure to meet its continued listing requirements. Since that time, RB Energy Inc. common shares have been suspended from trading. On May 8, 2015, the Québec Superior Court appointed Duff & Phelps Canada Restructuring Inc., now KSV Advisory Inc., as receiver of RB Energy Inc. and its Canadian subsidiaries to administer and realize upon the assets of RB Energy Inc.

Mr. Carmichael was a director of Redcorp Ventures Ltd. which sought court protection under the Companies' Creditors Arrangement Act and was granted such protection by an order of the Supreme Court of British Columbia on March 4, 2009. On June 29, 2009, Redcorp Ventures Ltd. was assigned into bankruptcy and Abakhan & Associates Inc. was appointed as Trustee of the Estates.

To the knowledge of Filo Mining, no director or executive officer has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Indebtedness of Directors, Executive Officers and Senior Officers

There is and has been no indebtedness of any director, executive officer or senior officer or associate of any of them, to or guaranteed or supported by Filo Mining during the period from incorporation.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Filo Mining was incorporated on May 12, 2016 and, accordingly, has not yet completed a financial year and has not yet developed a compensation program. Filo Mining anticipates that it will adopt a compensation program that reflects its stage of development, the main elements of which are expected to be comprised of base salary, option-based awards and annual cash incentives, which elements are similar to those paid by NGEx and described in the management information circular of NGEx dated May 6, 2016 incorporated by reference herein. Please see “NGEx Resources Inc. – Historical Compensation Information For Directors And Executive Officers Of NGEx” in this Circular. There will be a cost-sharing arrangement between NGEx and Filo Mining to be implemented upon completion of the Arrangement.

Summary Compensation

Filo Mining was incorporated on May 12, 2016 and has not yet completed a financial year. No compensation has been paid to date. In addition, it has no compensatory plan or other arrangements in respect of compensation received or that may be received by its Chief Executive Officer, its Interim Chief Financial Officer, or its Vice-President, Exploration in its current financial year.

Following the completion of the Arrangement, Filo Mining will establish a Compensation Committee (the “Compensation Committee”), which will administer the compensation mechanisms to be implemented by the Filo Board. The individuals that will be appointed to the Compensation Committee, once formed, will each have direct experience that is relevant to their responsibilities in determining executive compensation for Filo Mining.

On an annual basis, the Compensation Committee will review the compensation of the Named Executive Officers to ensure that each is being compensated in accordance with the objectives of Filo Mining’s compensation program, which will be to:

- provide competitive compensation that attracts and retains talented employees;
- align compensation with shareholder interests;
- pay for performance;
- support the Filo Mining’s vision, mission and values; and
- be flexible to recognize the needs of Filo Mining in different business environments.

Filo Mining does not currently have any compensation policies or mechanisms in place. The compensation policies are anticipated to be comprised of three components; namely, base salary, equity compensation in the form of stock options, and discretionary performance-based. In addition, Named Executive Officers will be entitled to participate in a benefits program to be implemented by Filo Mining. A Named Executive Officer’s base salary will be intended to remunerate the Named Executive Officer for discharging job responsibilities and will reflect the executive’s performance over time. Base salaries are used as a measure to compare to, and remain competitive with, compensation offered by competitors and as the base to determine other elements of compensation and benefits. The stock option component of a NEO’s compensation, which includes a vesting element to ensure retention, will aim to meet the objectives of the compensation program to be implemented, by both motivating the executive towards increasing share value and enabling the executive to share in the future success of Filo Mining. Discretionary performance-based bonuses will be considered from time to time to reward those who have achieved exceptional performance and meet the objectives of Filo

Mining’s compensation program by rewarding pay for performance. Other benefits will not form a significant part of the remuneration package of any of the Named Executive Officers of Filo Mining.

The Filo Board has adopted the Filo Option Plan, which plan is also subject to approval by the NGEx Shareholders and the TSXV. The Filo Option Plan, once implemented, will allow for the granting of incentive stock options to its officers, employees and directors. The purpose of granting such options would be to assist Filo Mining in compensating, attracting, retaining and motivating the directors of Filo Mining and to closely align the personal interests of such persons to that of the shareholders of Filo Mining.

Option-Based Awards

The purpose of the Filo Option Plan is to allow Filo Mining to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of Filo Mining. The granting of such options is intended to align the interests of such persons with that of the shareholders. The Filo Option Plan, once implemented, will be used to provide stock options which will be awarded based on the recommendations of the directors of Filo Mining, taking into account the level of responsibility of such person, as well as his or her past impact on or contribution to, and/or his or her ability in future to have an impact on or to contribute to the longer-term operating performance of Filo Mining. In determining the number of options to be granted, the Board of Directors of Filo Mining will take into account the number of options, if any, previously granted, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSXV and to closely align the interests of such person with the interests of shareholders. The Filo Board will determine the vesting provisions of all stock option grants.

The approximate number of individuals eligible to participate in the Filo Option Plan, as a result of receiving Filo Options on completion of the Arrangement is set out below:

Class of Eligible Participant	Approximate Number of Eligible Participants
Directors of NGEx (an Affiliate of Filo Mining)	4
Executive Officers of NGEx (an Affiliate of Filo Mining)	3
Employees and Consultants of NGEx (an Affiliate of Filo Mining)	21

Outstanding Option-Based Awards

Pursuant to the Plan of Arrangement, for each NGEx Option exercisable for an NGEx Common Share that is outstanding immediately before the Effective Time, which has not been duly exercised or cancelled, will be deemed to be exchange for one-quarter of one fully-vested Filo Option.

Provided that no NGEx Options will have been duly exercised or cancelled prior to the Effective Time, it is estimated that the following Filo Options will be held by Filo Mining's proposed Named Executive Officers, under the Filo Option Plan, as of the Effective Date:

Name	Number of securities underlying unexercised Filo Options	Expected Filo Option Exercise Price (\$) ⁽¹⁾	Filo Option Expiry Dates
Wojtek Wodzicki, President and Chief Executive Officer	93,750	\$1.40	5/7/2017
	125,000	\$0.65	5/11/2018
	100,000	\$0.42	2/24/2019
Joyce Ngo, Interim Chief Financial Officer	2,500	\$1.30	8/22/2016
	3,750	\$1.40	5/7/2017
	10,000	\$0.65	5/11/2018
	37,500	\$0.57	11/25/2018
	12,500	\$0.42	2/24/2019
Bob Carmichael, Vice-President, Exploration	7,500	\$1.30	8/22/2016
	43,750	\$1.40	5/7/2017
	62,500	\$0.65	5/11/2018
	50,000	\$0.42	2/24/2019

Note:

(1) Subject to adjustment in accordance with the Plan of Arrangement. The exercise prices of each Replacement NGEx Option and each Filo Option issued pursuant to the Arrangement shall be and be deemed to be automatically adjusted such that the aggregate In-the-Money Amounts thereof does not exceed the In-the-Money Amount of the exchanged NGEx Option determined immediately before the exchange, with the intention that subsection 7(1.4) of the Tax Act will apply to each exchange.

Incentive Plan Awards

Filo Mining does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to its Named Executive Officers. Other than the Filo Options that the Named Executive

Officers will receive on completion of the Arrangement, Filo Mining has made no option-based or share-based awards to any of its Named Executive Officers.

Pension Plan Benefits

Filo Mining does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination of Employment, Change in Responsibilities and Employment Contracts

Filo Mining has no employment contracts between it and either of its Named Executive Officers. Further, it has no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of Filo Mining or its subsidiaries, if any, or a change in responsibilities of a Named Executive Officer following a change of control. Filo Mining will consider entering into contracts with its Named Executive Officers following completion of the Arrangement.

Defined Benefit or Actuarial Plan Disclosure

Filo Mining has no defined benefit or actuarial plans.

Director Compensation

Filo Mining currently has no arrangements, standard or otherwise, pursuant to which directors are compensated by Filo Mining for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert since its incorporation on May 12, 2016 and up to and including the date of this Circular.

Upon completion of the Arrangement, Filo Mining will adopt a compensation program for directors. The objectives of the director compensation program will be to attract, retain and inspire performance of members of the Board of a quality and nature that will enhance Filo Mining's growth. The compensation will be intended to provide an appropriate level of remuneration considering the experience, responsibilities, time requirements and accountability of directors. The philosophy, and market comparisons and review with respect to director compensation, will be the same as for the executive compensation programs to be implemented by Filo Mining.

The Filo Option Plan, once implemented, will allow for the granting of incentive stock options to its officers, employees and directors. The purpose of granting such options would be to assist Filo Mining in compensating, attracting, retaining and motivating the directors of Filo Mining and to closely align the personal interests of such persons to that of the shareholders of Filo Mining.

Outstanding Option-Based Awards

Pursuant to the Plan of Arrangement, for each NGEx Option exercisable for an NGEx Common Share that is outstanding immediately before the Effective Time, which has not been duly exercised or cancelled, will be deemed to be exchange for one-quarter of one fully-vested Filo Option.

Provided that no NGEx Options will have been duly exercised or cancelled prior to the Effective Time, it is estimated that the following Filo Options will be held by Filo Mining's directors, other than the Named Executive Officers, under the Filo Option Plan, as of the Effective Date:

Name	Number of securities underlying unexercised Filo Options	Expected Filo Option Exercise Price (\$) ¹⁾	Filo Option Expiry Date
Lukas H. Lundin	37,500	\$1.40	5/7/2017
	50,000	\$0.65	5/11/2018
	37,500	\$0.42	2/24/2019

Note:

(1) Subject to adjustment in accordance with the Plan of Arrangement. The exercise prices of each Replacement NGEx Option and each Filo Option issued pursuant to the Arrangement shall be and be deemed to be automatically adjusted such that the aggregate In-the-Money Amounts thereof does not exceed the In-the-Money Amount of the exchanged NGEx Option determined immediately before the exchange, with the intention that subsection 7(1.4) of the Tax Act will apply to each exchange.

No other stock options have been granted by Filo Mining since the date of its incorporation on May 12, 2016 and Filo Mining does not have a share-based awards program.

Aggregate Options Exercised and Option Values

No stock options have been granted by Filo Mining or exercised since the date of its incorporation on May 12, 2016.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

Filo Mining will appoint an Audit Committee following the completion of the Arrangement. Each member of the Audit Committee to be appointed will have adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Filo Mining's financial statements.

It is intended that the Audit Committee will establish a practice of approving audit and non-audit services provided by the external auditor. The Audit Committee intends to delegate to its Chair the authority, to be exercised between regularly scheduled meetings of the Audit Committee, to pre-approve audit and non-audit services provided by the independent auditor. All such preapprovals would be reported by the Chair at the meeting of the Audit Committee next following the pre-approval.

The charter to be adopted by the Audit Committee is expected to be substantially similar to that of NGEx's Audit Committee charter, which is appended to the NGEx AIF as Schedule "A".

To date, Filo Mining has paid no fees to its external auditor.

Corporate Governance

Please refer to Schedule "J" for the required disclosure under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* for Filo Mining.

RISK FACTORS

In addition to the other information contained in this Circular, the following factors should be considered carefully when considering risk related to Filo Mining's proposed business.

Nature of the Securities and No Assurance of any Listing

Filo Common Shares are not currently listed on any stock exchange and there is no assurance that the shares will be listed. Even if a listing is obtained, the holding of Filo Common Shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Filo Common Shares should not be held by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of Filo Mining should not constitute a major portion of an investor's portfolio.

Possible Non-Completion of Arrangement

There is no assurance that the Arrangement will receive regulatory, court or shareholder approval or will complete. If the Arrangement does not complete, Filo Mining will remain a private company and wholly-owned subsidiary of NGEx. If the Arrangement is completed, Filo Mining NGEx Shareholders (which will consist of NGEx Shareholders who receive Filo Common Shares) will be subject to the risk factors described below relating to resource properties.

Limited Operating History

Filo Mining was incorporated on May 12, 2016 and has a limited operating history and no operating revenues.

Dependence on Management

Filo Mining will be very dependent upon the personal efforts and commitment of its directors and officers, especially Wojtek Wodzicki, Filo Mining's current President and Chief Executive Officer. If one or more of Filo Mining's proposed executive officers become unavailable for any reason, a severe disruption to the business and operations of Filo Mining could result, and Filo Mining may not be able to replace them readily, if at all. As Filo Mining's business activity grows, Filo Mining will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that Filo Mining will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If Filo Mining is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on Filo Mining's future cash flows, earnings, results of operations and financial condition.

Filo Mining's operations are subject to human error

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage Filo Mining's interests, and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to Filo Mining. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in

connection with any tax planning effort Filo Mining might undertake and legal claims for errors or mistakes by Filo Mining personnel.

Financing Risks

If the Arrangement completes, additional funding will be required to conduct future exploration programs on the Filo del Sol Property and to conduct other exploration programs. If Filo Mining's proposed exploration programs are successful, additional funds will be required for the development of an economic mineral body and to place it in commercial production. The only sources of future funds presently available to Filo Mining are the sale of equity capital, or the offering by Filo Mining of an interest in its properties to be earned by another party or parties carrying out exploration or development thereof. There is no assurance that any such funds will be available for operations. Failure to obtain additional financing on a timely basis could cause Filo Mining to reduce or terminate its proposed operations.

Conflicts of Interest

Certain directors and officers of Filo Mining are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of Filo Mining, including possibly NGEx. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of Filo Mining. Directors and officers of Filo Mining with conflicts of interest will be subject to the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

No History of Earnings

Filo Mining has no history of earnings or of a return on investment, and there is no assurance that the Filo del Sol Property or any other property or business that Filo Mining may acquire or undertake will generate earnings, operate profitably or provide a return on investment in the future. Filo Mining has no plans to pay dividends for some time in the future. The future dividend policy of Filo Mining will be determined by the Filo Board.

Exploration and Development

Resource exploration and development is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Filo del Sol Property. There is no certainty that the expenditures to be made by Filo Mining in the exploration of the Filo del Sol Property or otherwise will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by Filo Mining will be affected by numerous factors beyond the control of Filo Mining. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Filo Mining not receiving an adequate return on invested capital.

Environmental Risks and Other Regulatory Requirements

The current or future operations of Filo Mining, including future exploration and development activities and commencement of production on its property or properties, will require permits or licences from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards,

occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which Filo Mining may require for the conduct of its operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any project which Filo Mining might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies and mine reclamation and remediation activities, or more stringent implementation thereof, could have a material adverse impact on Filo Mining and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Dilution

Issuances of additional securities including, but not limited to, its common stock or some form of convertible debentures, will result in a substantial dilution of the equity interests of any persons who may become Filo Mining NGEx Shareholders as a result of or subsequent to the Arrangement.

Market for securities

There is currently no market through which the Filo Common Shares may be sold and Filo Mining NGEx Shareholders may not be able to resell the Filo Common Shares acquired under the Plan of Arrangement. There can be no assurance that an active trading market will develop for the Filo Common Shares following the completion of the Plan of Arrangement, or if developed, that such a market will be sustained at the trading price of the Filo Common Shares on the TSXV immediately after the Effective Date.

Nature of Mineral Exploration and Development

All of Filo Mining's operations are at the exploration stage and there is no guarantee that any such activity will result in commercial production of mineral deposits. The exploration for mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration programs planned by Filo Mining or any future development programs will result in a profitable commercial mining operation. There is no assurance that the Filo Mining's mineral exploration activities will result in any discoveries of commercial quantities of ore. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical; and government regulations, including regulations relating to prices,

taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted. The long-term profitability of Filo Mining will be in part directly related to the cost and success of its exploration programs and any subsequent development programs.

Foreign Country Risks

The Filo del Sol Property is located in Argentina and Chile, countries with social, political and economic policies that differ from Canada's. Although Filo Mining believes the current conditions in Argentina and Chile are stable and conducive to conducting business, there is no assurance that such conditions will continue to prevail. Governmental policies may change to discourage foreign investment or mining; nationalization of mining industries may occur; and other unforeseen limitations, restrictions or requirements may be implemented. There can be no assurance that Filo Mining's assets will not be subject to nationalization, expropriation, requisition or confiscation, whether legitimate or not, by any authority or body. There can also be no assurance that adverse developments such as terrorism, military repression, civil unrest, crime, extreme fluctuations in currency exchange rates or high inflation will not occur.

Filo Mining may encounter difficulties in conducting its business through foreign subsidiaries

Filo Mining will be conducting a portion of its business through one or more foreign subsidiaries, and a portion of its assets may be held by such entities. Accordingly, any limitation on the transfer of cash or other assets between Filo Mining and its subsidiaries, or among its subsidiaries, could restrict Filo Mining's ability to fund operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Filo Mining's valuation.

Filo Mining is a Canadian corporation. All of its directors and officers are residents of Canada and a significant part of its assets are, or will be, located outside of the United States. As a result, it may be difficult or impossible for U.S. NGEx Shareholders to effect service of process within the United States upon Filo Mining, its directors or officers, or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, U.S. NGEx Shareholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

No Operating History

Exploration projects have no operating history upon which to base estimates of future cash flows. Substantial expenditures are required to develop mineral projects. It is possible that actual costs and future economic returns may differ materially from Filo Mining's estimates. There can be no assurance that the underlying assumed levels of expenses for any project will prove to be accurate. Further, it is not unusual in the mining industry for new mining operations to experience unexpected problems during start-up, resulting in delays and requiring more capital than anticipated. There can be no assurance that Filo Mining's projects will move beyond the exploration stage and be put into production, achieve commercial production or that Filo Mining will produce revenue, operate profitably or provide a return on investment in the future. Mineral exploration involves considerable financial and technical risk. There can be no assurance that the funds required for exploration and future development can be obtained on a timely basis. There can be no assurance that Filo Mining will not suffer significant losses in the near future or that Filo Mining will ever be profitable.

Commodity Prices

The price of the Filo Common Shares and Filo Mining's financial results may be significantly adversely affected by a decline in the price of copper, gold, silver and other mineral commodities. Metal prices fluctuate widely and are affected by numerous factors beyond Filo Mining's control. The level of interest rates, the rate of inflation, world supply of mineral commodities, global and regional consumption patterns, speculative trading activities, the value of the United States dollar and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems, political systems and political and economic developments. The price of mineral commodities has fluctuated widely in recent years and future serious price declines could cause potential commercial production to be uneconomic. A severe decline in the price of minerals would have a material adverse effect on Filo Mining.

Acquisition Strategy

As part of Filo Mining's business strategy, it has sought and will continue to seek new exploration, development and mining opportunities in the resource industry. In pursuit of such opportunities, Filo Mining may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into Filo Mining. Filo Mining cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit Filo Mining.

Dividend Policy

No dividends on Filo Common Shares have been paid by Filo Mining to date. Filo Mining anticipates that it will retain all earnings and other cash resources for the foreseeable future for the operation and development of its business. Filo Mining does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board of Directors of Filo Mining after taking into account many factors, including Filo Mining's operating results, financial condition and current and anticipated cash needs.

Permitting

Filo Mining's mineral property interests are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of existing permits, additional permits for any possible future

developments or changes to operations or additional permits associated with new legislation. Prior to any development of any of their properties, Filo Mining must receive permits from appropriate governmental authorities. There can be no assurance that Filo Mining will continue to hold all permits necessary to develop or continue its activities at any particular property. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, may have a material adverse impact on Filo Mining, resulting in increased capital expenditures and other costs or abandonment or delays in development of properties.

Land Title

The acquisition of title to resource properties is a very detailed and time-consuming process. No assurances can be given that there are no title defects affecting the properties in which Filo Mining has an interest. The properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. Other parties may dispute the title to a property or the property may be subject to prior unregistered agreements and transfers or land claims by Indigenous people. The title may also be affected by undetected encumbrances or defects or governmental actions. Filo Mining has not conducted surveys of properties in which it holds an interest and the precise area and location of claims or the properties may be challenged. Filo Mining may not be able to register rights and interests it acquires against title to applicable mineral properties. An inability to register such rights and interests may limit or severely restrict Filo Mining's ability to enforce such acquired rights and interests against third parties or may render certain agreements entered into by Filo Mining invalid, unenforceable, uneconomic, unsatisfied or ambiguous, the effect of which may cause financial results yielded to differ materially from those anticipated. Although Filo Mining believes it has taken reasonable measures to ensure proper title to the properties in which it has an interest, there is no guarantee that such title will not be challenged or impaired.

Influence of Third Party Stakeholders

The mineral properties in which Filo Mining holds an interest, or the exploration equipment and road or other means of access which Filo Mining intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, Filo Mining's work programs may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for Filo Mining.

Insurance

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, ground or slope failures, fires, environmental occurrences and natural phenomena such as prolonged periods of inclement weather conditions, floods and earthquakes. It is not always possible to obtain insurance against all such risks and Filo Mining may decide not to insure against certain risks because of high premiums or other reasons. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to Filo Mining's properties or the properties of others, delays in exploration, development or mining operations, monetary losses and possible legal liability. Filo Mining expects to maintain insurance within ranges of coverage which it

believes to be consistent with industry practice for companies of a similar stage of development. Filo Mining expects to carry liability insurance with respect to its mineral exploration operations, but is not expected to cover any form of political risk insurance or certain forms of environmental liability insurance, since insurance against political risks and environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of Filo Mining. If Filo Mining is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy. The lack of, or insufficiency of, insurance coverage could adversely affect Filo Mining's future cash flow and overall profitability.

Significant Competition for Attractive Mineral Properties

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. Filo Mining expects to selectively seek strategic acquisitions in the future, however, there can be no assurance that suitable acquisition opportunities will be identified. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Filo Mining, Filo Mining may be unable to acquire additional attractive mineral properties on terms it considers acceptable. In addition, Filo Mining's ability to consummate and to integrate effectively any future acquisitions on terms that are favourable to Filo Mining may be limited by the number of attractive acquisition targets, internal demands on resources, competition from other mining companies and, to the extent necessary, Filo Mining's ability to obtain financing on satisfactory terms, if at all.

PROMOTER

NGEx took the initiative in Filo Mining's organization and, accordingly, may be considered to be the promoter of Filo Mining within the meaning of applicable Securities Legislation. NGEx will not, at the closing of the Arrangement, beneficially own, or control or direct, any Filo Common Shares. During the period from incorporation to and including the closing of the Arrangement, the only material thing of value which NGEx has or will receive from Filo Mining is the Filo Common Shares to be issued to NGEx in consideration for the transfer to Filo Mining by NGEx of the Filo del Sol Property, which Filo Common Shares will be distributed to the NGEx Shareholders pursuant to the Arrangement.

LEGAL PROCEEDINGS

Filo Mining is not a party to any material legal proceedings and Filo Mining is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or greater than 10% shareholder of Filo Mining and no associate or affiliate of the foregoing persons has or had any material interest, direct or indirect, in any transaction since incorporation or in any proposed transaction which in either such case has materially affected or will materially affect Filo Mining save as described herein.

AUDITORS

The auditors of Filo Mining are PricewaterhouseCoopers LLP, Suite 700, 250 Howe Street, Vancouver, British Columbia V6C 3R8. The auditors of Filo Mining will be present at the Meeting, and will be able to respond to questions with respect to the Carve-Out Financial Statements.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Filo Common Shares is Computershare Investor Services Inc. at its principal offices at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

The only agreement or contract that Filo Mining has entered into since its incorporation or will enter into as part of the Arrangement which may be reasonably regarded as being material is the Arrangement Agreement dated June 13, 2016 between Filo Mining and NGEx. See “Arrangement Agreement”.

A copy of the Arrangement Agreement may be inspected at any time up to the commencement of the Meeting during normal business hours at Filo Mining’s offices located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8 and under NGEx’s profile on the SEDAR website at www.sedar.com.

INTEREST OF EXPERTS

PricewaterhouseCoopers LLP, Chartered Professional Accountants, is the auditor of Filo Mining and is independent of Filo Mining within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Fionnuala Devine, P. Geo. Of Merlin Geosciences Inc., Diego Charchaflié, P.Geo. of LPF Consulting SRL, and James N. Gray, P.Geo. of Advantage Geoservices Ltd., prepared the Filo del Sol Report. As of the date of this Circular, neither Fionnuala Devine, Merlin Geosciences Inc., Diego Charchaflié, LPF Consulting SRL, James N. Gray, nor Advantage Geoservices Ltd. own any of the issued and outstanding Filo Common Shares.

OTHER MATTERS

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

ADDITIONAL INFORMATION

Additional information relating to NGEx is on SEDAR at www.sedar.com. NGEx Shareholders may contact NGEx at (604) 689-7842 to request copies of NGEx’s financial statements and management’s discussion and analysis.

Financial information is provided in NGEx’s comparative audited consolidated financial statements and management’s discussion and analysis for its most recently completed financial year ended December 31, 2015, and its interim financial statements for the three month period ended March 31, 2016, which are filed on SEDAR.

DIRECTOR'S APPROVAL

The contents of this Circular and the sending thereof to the Securityholders have been approved by the Board.

DATED at Vancouver, British Columbia, this 8 day of July, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Wojtek Wodzicki"
President and Chief Executive Officer

SCHEDULE "A"
TO THE MANAGEMENT CIRCULAR
OF NGEX RESOURCES INC.

ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE SECURITYHOLDERS THAT:

1. The arrangement (the "Arrangement") under section 192 of the Canada Business Corporations Act (the "CBCA") involving NGEx Resources Inc., a corporation existing under the laws of Canada ("NGEx"), its shareholders ("**Shareholders**") and optionholders ("**Optionholders**") (together, the "**Securityholders**") and Filo Mining Corp., a corporation existing under the laws of Canada ("Filo Mining"), all as more particularly described and set forth in the management Circular (the "Circular") of NGEx dated July 8, 2016 accompanying the notice of meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
2. The plan of arrangement (the "Plan of Arrangement"), implementing the Arrangement, the full text of which is set out in Schedule "E" to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
3. The arrangement agreement (the "Arrangement Agreement") between NGEx and Filo Mining dated June 13, 2016 and all the transactions contemplated therein, the actions of the directors of NGEx in approving the Arrangement and the actions of the directors and officers of NGEx in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the Securityholders, voting as a single class, or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of NGEx are hereby authorized and empowered, without further notice to, or approval of, the Securityholders of NGEx:
 - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any director or officer of NGEx is hereby authorized and directed, for and on behalf of NGEx to execute Articles of Arrangement to give effect to the Plan of Arrangement and to deliver such other documents as are necessary or desirable under the CBCA in accordance with the Articles of Arrangement.
6. Any director or officer of NGEx is hereby authorized and directed, for and on behalf and in the name of NGEx, to execute and deliver, whether under the corporate seal of NGEx or otherwise, all such deeds, instruments, assurances, agreements, forms, waivers, notices, certificates, confirmations and other documents and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement, the Articles of

Arrangement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

- (a) all actions required to be taken by or on behalf of NGEx, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
- (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by NGEx;

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE "B"
TO THE MANAGEMENT CIRCULAR
OF NGEX RESOURCES INC.

FILO MINING CORP. FINANCIAL STATEMENTS
(see attached)

Filo Mining Corp.

Condensed Interim Financial Statements

For the period from Incorporation on May 12, 2016 to May 31, 2016

Condensed Interim Financial Statements

**For the period from Incorporation on May 12,
2016 to May 31, 2016**

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July 5, 2016

Independent Auditor's Report

To the Directors of Filo Mining Corp.

We have audited the accompanying condensed interim financial statements of Filo Mining Corp., which comprise the condensed interim statement of financial position as at May 31, 2016 and the condensed interim statements of comprehensive loss, cash flows and changes in equity for the period from incorporation on May 12, 2016 to May 31, 2016, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the condensed interim financial statements

Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting, and for such internal control as management determines is necessary to enable the preparation of condensed interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these condensed interim financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the condensed interim financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the condensed interim financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed interim financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the condensed interim financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the condensed interim financial statements.

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

PricewaterhouseCoopers LLP

*PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada, V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806 www.pwc.com/ca*

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



Opinion

In our opinion, the condensed interim financial statements present fairly, in all material respects, the financial position of Filo Mining Corp. as at May 31, 2016 and its financial performance and its cash flows for the period from incorporation on May 12, 2016 to May 31, 2016 in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants

Filo Mining Corp.
Condensed Interim Statement of Financial Position
(All amounts expressed in Canadian Dollars)

May 31, 2016

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1
<hr/>	
TOTAL ASSETS	\$ 1
<hr/>	
LIABILITIES	
Current liabilities:	
Trade payables and accrued liabilities	\$ 3,050
<hr/>	
TOTAL LIABILITIES	3,050
<hr/>	
SHAREHOLDER'S EQUITY	
Share capital (Note 1,4)	1
Deficit	(3,050)
<hr/>	
TOTAL EQUITY	(3,049)
<hr/>	
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 1

Subsequent Event (Note 8)

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

ON BEHALF OF THE BOARD:

/s/William A. Rand
Director

/s/Wojtek A. Wodzicki
Director

Filo Mining Corp.
Condensed Interim Statement of Comprehensive Loss
(All amounts expressed in Canadian Dollars)

	Period from incorporation on May 12, 2016 To May 31, 2016
Expenses	
Professional fees	\$ 3,050
Net Loss and Comprehensive Loss for the Period	\$ 3,050
Basic and diluted loss per common share	(3,050)
Weighted average common shares outstanding	1

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

Filo Mining Corp.
Condensed Interim Statement of Cash Flows
(All amounts expressed in Canadian Dollars)

	Period from incorporation on May 12, 2016 to May 31, 2016	
<hr/>		
Cash flows used in operating activities		
Net loss for the period	\$	(3,050)
Net change in working capital items:		
Trade payables and accrued liabilities		3,050
<hr/>		
		-
<hr/>		
Cash flows used in financing activities		
Share subscription		1
<hr/>		
Increase in cash and cash equivalents during the period		1
Cash and cash equivalents, beginning of period		-
<hr/>		
Cash and cash equivalents, end of period	\$	1

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

Filo Mining Corp.
Condensed Interim Statement of Changes in Equity
(All amounts expressed in Canadian Dollars)

	Number of shares issued and outstanding	Share capital	Deficit	Total
Balance, Incorporation on May 12, 2016	-	\$ -	\$ -	-
Share issued on incorporation (Note 1,4)	1	1	-	1
Net loss and comprehensive loss for the period	-	-	(3,050)	(3,050)
Balance, May 31, 2016	1	\$ 1	\$ (3,050)	\$ (3,049)

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

Filo Mining Corp.
Notes to the Condensed Interim Financial Statements
(All amounts expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Filo Mining Corp. (the "Company" or "Filo Mining") was incorporated on May 12, 2016 under the laws of Canada Business Corporations Act in anticipation of a plan of arrangement to reorganize the exploration business of NGEx Resources Inc. ("NGEx"), the Company's current parent company (see Note 8). The Company's intended business activity is the exploration and development of the Filo del Sol mineral properties located in South America. To date, the Company has not commenced operations. The Company's registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada.

The Company's ability to settle its existing liabilities and continue as a going concern is dependent upon the Company securing financing and continued support from NGEx (see Note 8).

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared on a historical cost basis in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards 34, Interim Financial Reporting.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on July 5, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Functional and presentation currency

The functional and presentation currency of the Company is the Canadian dollars.

b) Financial instrument classification and risks

In respect of the recognition and measurement of financial instruments, the Company has adopted the following policies:

Accounting classification of the following financial instruments	Other financial liabilities
<i>Measured at amortized cost:</i>	
Trade payables and accrued liabilities	X

c) 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.

Filo Mining Corp.
Notes to the Condensed Interim Financial Statements
(All amounts expressed in Canadian Dollars)

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.

4. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares, without par value. On May 12, 2016, the Company issued one common share upon incorporation to NGEx.

5. 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 management and definition of capital, the Company considers the items included in shareholders' equity to be capital.

The Company manages the capital structure and makes adjustments to it 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.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

6. MANAGEMENT OF FINANCIAL RISKS

The Company relies upon NGEx, its parent company, in managing its capital structure. The Company's financial instruments are exposed to the following financial risk:

- (1) Liquidity risks associated with the inability to meet obligations as they become due is minimized through its dependence on NGEx. Trade payables and accrued liabilities are due within twelve months of the Statement of Financial Position date.

Filo Mining Corp.
Notes to the Condensed Interim Financial Statements
(All amounts expressed in Canadian Dollars)

7. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the period income tax is as follows:

	May 31, 2016
Combined basic federal and provincial income tax rates	26%
Net loss before taxes	\$ (3,050)
Expected income tax recovery	\$ (793)
Income tax benefits not recognized	793
Future income tax recovery	\$ -
	May 31, 2016
Loss carry-forwards	793
Unrecognized deferred tax assets	\$ 793

The income tax benefit, if any, of these losses have not been recorded in the condensed interim financial statements due to the uncertainty of their recovery.

8. SUBSEQUENT EVENT

On June 13, 2016, NGEx announced that its Board of Directors unanimously approved a strategic reorganization of its exploration business through a plan of arrangement under the Canada Business Corporation Act ("Arrangement").

Under the terms of the Arrangement, NGEx will transfer its wholly-owned subsidiaries that directly or indirectly hold the Filo del Sol project and the Tamberias project located in Argentina and Chile, (the "Filo del Sol Exploration Business"), along with approximately \$3 million in cash, to the Company in exchange for 51,265,934 common shares of the Company. The Filo del Sol Exploration Business comprises of properties that straddle the international border between San Juan Province, Argentina and Region III, Chile. The mineral titles for these properties are 100% controlled by the Filo del Sol Exploration Business either through direct ownership or option agreements. Under the Arrangement, NGEx will distribute 100% of the common shares of Filo Mining it receives to NGEx shareholders on a pro rata basis. NGEx shareholders will be entitled to receive one common share of the Company for every four common shares of NGEx held as of the effective date of the Arrangement.

SCHEDULE "C"
TO THE MANAGEMENT CIRCULAR
OF NGEX RESOURCES INC.

NGEX RESOURCES INC. PRO FORMA FINANCIAL STATEMENTS
(see attached)

NGEx Resources Inc.

Pro forma Financial Statements

March 31, 2016

Pro Forma Financial Statements

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NGEx Resources Inc.
Pro forma Consolidated Statement of Financial Position
As at March 31, 2016
(Unaudited – prepared by management)
(All amounts expressed in Canadian Dollars)

	Consolidated NGEx Resources Inc.	Filo Mining Carve-out	Pro forma Adjustments	Note	NGEx Resources Inc. Consolidated Pro Forma
ASSETS					
Current assets					
Cash and cash equivalents	\$ 8,494,552	\$ (740,857)	\$ (3,000,000)	4(a)	\$ 4,753,695
Investments	814,986	-	-		814,986
Receivables and other assets	426,125	(72,519)	-		353,606
	9,735,663	(813,376)	(3,000,000)		5,922,287
Share consideration receivable	898,186	-	-		898,186
Equipment	124,603	-	-		124,603
Mineral properties	12,164,733	(5,841,049)	-		6,323,684
Other non-current assets	8,000	-	-		8,000
TOTAL ASSETS	22,931,185	(6,654,425)	(3,000,000)		13,276,760
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	1,796,710	(403,016)	-		1,393,694
Due to joint exploration partners	31,296	-	-		31,296
	1,828,006	(403,016)	-		1,424,990
Other non-current liabilities	807,236	-	-		807,236
TOTAL LIABILITIES	2,635,242	(403,016)	-		2,232,226
EQUITY					
Share capital	260,642,979	-	(6,251,409)	4(b)	254,391,570
Reserved for issuance	1,284	-	-		1,284
Owner's net investment	-	(6,251,409)	6,251,409	4(b)	-
Contributed surplus	9,272,136	-	-		9,272,136
Cumulative deficit	(241,232,200)	-	(3,000,000)	4(a)	(244,232,200)
Accumulated other comprehensive loss	(8,388,256)	-	-		(8,388,256)
TOTAL EQUITY	20,295,943	(6,251,409)	(3,000,000)		11,044,534
TOTAL LIABILITIES AND EQUITY	\$ 22,931,185	\$ (6,654,425)	\$ (3,000,000)		\$ 13,276,760

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

NGEx Resources Inc.
Pro forma Consolidated Statement of Comprehensive Loss
For the three months ended March 31, 2016
(Unaudited – prepared by management)
(All amounts expressed in Canadian Dollars)

	Consolidated NGEx Resources Inc.	Filo Mining Carve-out	Pro forma Adjustments	NGEx Resources Inc. Consolidated Pro Forma
Expenses				
Exploration and project investigation	\$ 2,275,000	\$ (1,286,328)	-	\$ 988,672
General and administrative				
Salaries and benefits	220,052	(125,434)	-	94,618
Share based compensation	223,012	(127,121)	-	95,891
Management fees	83,000	(47,312)	-	35,688
Professional fees	143,351	(68,650)	-	74,701
Travel	19,875	(11,329)	-	8,546
Promotion and public relations	79,873	(41,808)	-	38,065
Office and general	173,837	(81,061)	-	92,776
Operating loss	3,218,000	(1,789,043)	-	1,428,957
Other expenses				
Interest income	(8,903)	-	-	(8,903)
Finance expenses	10,444	-	-	10,444
Foreign exchange loss	188,871	(73,168)	-	115,703
Accretion of share consideration receivable	(37,649)	-	-	(37,649)
Net loss	\$ 3,370,763	\$ (1,862,211)	-	\$ 1,508,552
Other comprehensive loss				
Net change in fair value of available for sale securities	(163,329)	-	-	(163,329)
Foreign currency translation adjustment	1,222,701	(528,740)	-	693,961
Net comprehensive loss	\$ 4,430,135	\$ (2,390,951)	-	\$ 2,039,184
Loss per share				
<i>Basic and diluted</i>	<i>0.02</i>	<i>-</i>	<i>-</i>	<i>0.01</i>
<i>Weighted average common shares outstanding</i>	<i>194,123,942</i>	<i>-</i>	<i>-</i>	<i>194,123,942</i>

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

NGEx Resources Inc.
Pro forma Consolidated Statement of Comprehensive Loss
For the year ended December 31, 2015
(Unaudited – prepared by management)
(All amounts expressed in Canadian Dollars)

	Consolidated NGEx Resources Inc.	Filo Mining Carve-out	Pro forma Adjustments	NGEx Resources Inc. Consolidated Pro Forma
Expenses				
Exploration and project investigation	\$ 19,837,334	\$ (9,581,054)	-	\$ 10,256,280
General and administrative				
Salaries and benefits	756,567	(365,177)	-	391,390
Share based compensation	712,984	(344,140)	-	368,844
Management fees	407,000	(196,449)	-	210,551
Professional fees	344,498	(148,079)	-	196,419
Travel	172,109	(83,073)	-	89,036
Promotion and public relations	248,371	(118,917)	-	129,454
Office and general	384,674	(155,172)	-	229,502
Operating loss	22,863,537	(10,992,061)	-	11,871,476
Other expenses				
Interest income	(30,387)	-	-	(30,387)
Foreign exchange (gain)	(267,667)	(731,273)	-	(998,940)
Other expenses	220,109	(93,419)	-	126,690
Unrealized loss on investments	144,000	-	-	144,000
Gain on disposition of mineral properties	(1,552,525)	-	-	(1,552,525)
Net loss	\$ 21,377,067	\$ (11,816,753)	-	\$ 9,560,314
Other comprehensive loss				
Items that may be reclassified subsequently to net loss:				
Net change in fair value of available for sale securities	265,443	-	-	265,443
Recognition of unrealized loss on investments to income statement	(114,000)	-	-	(114,000)
Foreign currency translation adjustment	1,640,270	(775,323)	-	864,947
Net comprehensive loss	\$ 23,168,780	\$ (12,592,076)	-	\$ 10,576,704
Loss per share				
<i>Basic and diluted</i>	<i>0.12</i>	<i>-</i>	<i>-</i>	<i>0.05</i>
<i>Weighted average common shares outstanding</i>	<i>187,712,994</i>	<i>-</i>	<i>-</i>	<i>187,712,994</i>

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

NGEx Resources Inc.
Notes to the Pro forma Consolidated Financial Statements
For the year ended December 31, 2015 and the three months ended March 31, 2016
(Unaudited – prepared by management)
(All amounts expressed in Canadian Dollars)

1. PLAN OF ARRANGEMENT

These unaudited pro forma financial statements of NGEx Resources Inc. ("NGEx" or the "Company") have been prepared for inclusion in the Information Circular of NGEx Resources Inc. dated July 8, 2016. They should be read in conjunction with the March 31, 2016 unaudited interim financial statements of NGEx ("March 2016 NGEx Financial Statements"), the audited consolidated financial statements of NGEx ("2015 NGEx Financial Statements"), the unaudited carve-out interim financial statements of the Filo del Sol Exploration Business as at and for the three months ended March 31, 2016 ("2016 Filo Mining Carve-out") and the audited carve-out financial statements of the Filo del Sol Exploration Business as at and for the year ended December 31, 2015 ("2015 Filo Mining Carve-out").

On June 13, 2016, NGEx announced that its Board of Directors unanimously approved a strategic reorganization of its exploration business through a plan of arrangement under the Canada Business Corporation Act (the "Arrangement"). Subject to regulatory, shareholders' and other approvals, NGEx will transfer its wholly owned subsidiaries that directly or indirectly hold the Filo del Sol project and the Tamberias project located in Argentina and Chile (the "Filo del Sol Exploration Business") and working capital to Filo Mining Corp., a newly incorporated entity ("Filo Mining" or "Spinco"), in exchange for Filo Mining common shares.

Under the Arrangement, NGEx will then distribute all of the shares of Spinco to its shareholders on the basis of one Spinco share for every four NGEx shares held by way of a reduction and return of share capital. Upon closing of the transaction, Spinco will be owned exclusively by existing NGEx shareholders in identical proportion to their previous shareholdings of NGEx. There will be no change to shareholders' existing holdings in the Company. Filo Mining is concurrently applying for a listing of the Spinco shares on the TSX Venture Exchange and the Nasdaq First North Exchange in Sweden.

Under the terms of the Arrangement, Spinco will hold the following key assets:

- A 100% interest in the Filo del Sol Exploration Business.
- \$3 million in cash and cash equivalents.

Filo Mining was incorporated on May 12, 2016 and its registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. To date, Filo Mining has not commenced operations.

2. BASIS OF PRESENTATION

These unaudited pro forma consolidated financial statements are prepared to give effect to and reflect the transactions as described in Note 1 (the "Transactions") and the pro-forma assumptions and adjustment described in note 4 below and include:

- Unaudited pro forma consolidated statement of financial position as at March 31, 2016 which removes the carve-out consolidated statement of financial position of the Filo del Sol Exploration Business from the statement of financial position of NGEx as at March 31, 2016, reflecting the Transactions as if they occurred on March 31, 2016.
- Unaudited pro forma consolidated statement of operations and comprehensive loss for the period from January 1, 2016 to March 31, 2016, which removes the carve-out consolidated statement of comprehensive loss of the Filo del Sol Exploration Business from the March 2016 NGEx Financial Statements, reflecting the Transactions as if they occurred on January 1, 2015.

NGEx Resources Inc.
Notes to the Pro forma Consolidated Financial Statements
For the year ended December 31, 2015 and the three months ended March 31, 2016
(Unaudited – prepared by management)
(All amounts expressed in Canadian Dollars)

- Unaudited pro forma consolidated statement of operations and comprehensive loss for the year ended December 31, 2015 which removes the carve-out consolidated statement of comprehensive loss of the Filo del Sol Exploration Business from the 2015 NGEx Financial Statements, reflecting the Transactions as if they occurred on January 1, 2015.

Loss per share information has not been included for the Filo del Sol Exploration Business as the Statement of Comprehensive Loss has been prepared on a carve-out basis whereby there are no common shares outstanding.

These pro forma consolidated financial statements are not intended to reflect the financial position and results of operations that would have occurred if the events reflected therein had been in effect at the dates indicated. Further, these pro forma interim financial statements are not necessarily indicative of the financial position and results of operations that may be obtained in the future.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these unaudited pro forma financial statements are those as set out in the 2015 NGEx Financial Statements.

4. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated financial statements incorporate the following pro forma adjustments and/or assumptions:

- a) As part of the Agreement, Filo Mining receives \$3,000,000 in cash from NGEx.
- b) The amount contained within owner's net investment of \$6,251,409 of the Filo del Sol Exploration Business is treated as a reduction to share capital upon issuance of shares of Filo Mining to NGEx.

SCHEDULE "D"
TO THE MANAGEMENT CIRCULAR
OF NGEX RESOURCES INC.

FILO MINING CORP. PRO FORMA FINANCIAL STATEMENTS
(see attached)

Filo Mining Corp.

Pro forma Financial Statements

March 31, 2016

Pro Forma Financial Statements

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Filo Mining Corp.
Pro forma Consolidated Statement of Financial Position
As at March 31, 2016
(Unaudited – prepared by management)
(All amounts expressed in Canadian Dollars)

	Filo Mining Corp.	Filo Mining Carve-out	Pro forma Adjustments	<i>Note</i>	Filo Mining Corp. Consolidated Pro Forma
ASSETS					
Current assets					
Cash and cash equivalents	\$ 1	\$ 740,857	\$ 3,000,000	<i>4a</i>	\$ 3,740,858
Receivables and other assets	-	72,519	-		72,519
	1	813,376	3,000,000		3,813,377
Non-current assets					
Mineral properties	-	5,841,049	-		5,841,049
TOTAL ASSETS	1	6,654,425	3,000,000		9,654,426
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	3,050	403,016	-		406,066
EQUITY					
Share capital	1	-	9,251,409	<i>4(a)(b),5</i>	9,251,410
Owner's net investment	-	6,251,409	(6,251,409)	<i>4(b)</i>	-
Deficit	(3,050)	-	-		(3,050)
TOTAL EQUITY	(3,049)	6,251,409	3,000,000		9,248,360
TOTAL LIABILITIES AND EQUITY	\$ 1	\$ 6,654,425	\$ 3,000,000		\$ 9,654,426

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

Filo Mining Corp.
Pro forma Consolidated Statement of Comprehensive Loss
For the three months ended March 31, 2016
(Unaudited – prepared by management)
(All amounts expressed in Canadian Dollars)

	Filo Mining Corp.	Filo Mining Carve-Out	Pro forma Adjustments	Note	Filo Mining Corp. Consolidated Pro Forma
Expenses					
Exploration and project investigation	\$ -	\$ 1,286,328	-		\$ 1,286,328
General and administrative					
Salaries and benefits	-	125,434	-		125,434
Share based compensation	-	127,121	-		127,121
Management fees	-	47,312	-		47,312
Professional fees	-	68,650	-		68,650
Travel	-	11,329	-		11,329
Promotion and public relations	-	41,808	-		41,808
Office and general	-	81,061	-		81,061
Operating loss	-	1,789,043	-		1,789,043
Other expenses					
Foreign exchange loss	-	73,168	-		73,168
Net loss	-	1,862,211	-		1,862,211
Other comprehensive loss					
Foreign currency translation adjustment	-	528,740	-		528,740
Net comprehensive loss	\$ -	\$ 2,390,951	-		2,390,951
Loss per share					
<i>Basic and diluted</i>	-	-	-	6	0.05
<i>Weighted average common shares outstanding</i>	1	-	51,265,933		51,265,934

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

Filo Mining Corp.
Pro forma Consolidated Statement of Comprehensive Loss
For the year ended December 31, 2015
(Unaudited – prepared by management)
(All amounts expressed in Canadian Dollars)

	Filo Mining Corp.	Filo Mining Carve-Out	Pro forma Adjustments	Note	Filo Mining Corp. Consolidated Pro Forma
Expenses					
Exploration and project investigation	\$ -	\$ 9,581,054	-		\$ 9,581,054
General and administrative					
Salaries and benefits	-	365,177	-		365,177
Share based compensation	-	344,140	-		344,140
Management fees	-	196,449	-		196,449
Professional fees	3,050	148,079	-		151,129
Travel	-	83,073	-		83,073
Promotion and public relations	-	118,917	-		118,917
Office and general	-	155,172	-		155,172
Operating loss	3,050	10,992,061	-		10,995,111
Other expenses					
Foreign exchange loss	-	731,273	-		731,273
Net worth tax expense	-	93,419	-		93,419
Net loss	3,050	11,816,753	-		11,819,803
Other comprehensive loss					
Foreign currency translation adjustment	-	775,323	-		775,323
Net comprehensive loss	\$ 3,050	\$ 12,592,076	-		12,595,126
Loss per share					
<i>Basic and diluted</i>	3,050	-	-	6	0.24
<i>Weighted average common shares outstanding</i>	1	-	51,265,933		51,265,934

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

Filo Mining Corp.
Notes to the Pro forma Consolidated Financial Statements
For the year ended December 31, 2015 and the three months ended March 31, 2016
(Unaudited – prepared by management)
(All amounts expressed in Canadian Dollars)

1. PLAN OF ARRANGEMENT

These unaudited pro forma financial statements of Filo Mining Corp. ("Filo Mining" or the "Company") have been prepared for inclusion in the Information Circular of NGEx Resources Inc. ("NGEx") dated July 8, 2016. They should be read in conjunction with the May 31, 2016 audited financial statements of Filo Mining ("May 2016 Filo Mining Financial Statements"), the unaudited carve-out condensed interim financial statements of the Filo del Sol Exploration Business of NGEx Resources Inc. as at and for the three months ended March 31, 2016 ("2016 Filo Carve-out") and the audited carve-out financial statements of the Filo del Sol Exploration Business of NGEx Resources Inc. as at and for the year ended December 31, 2015 ("2015 Filo Carve-out").

On June 13, 2016, NGEx Resources Inc. ("NGEx" or the "Company") announced that its Board of Directors unanimously approved a strategic reorganization of its exploration business through a plan of arrangement under the Canada Business Corporation Act (the "Arrangement"). Subject to regulatory, shareholders' and other approvals, NGEx will transfer its wholly owned subsidiaries that directly or indirectly hold the Filo del Sol project and the Tamberias project located in Argentina and Chile (the "Filo del Sol Exploration Business") and working capital to Filo Mining Corp., a newly incorporated entity ("Filo Mining" or "Spinco"), in exchange for Filo Mining common shares.

Under the Arrangement, NGEx will then distribute all of the shares of Spinco to its shareholders on the basis of one Spinco share for every four NGEx shares held by way of a reduction and return of share capital. Upon closing of the transaction, Spinco will be owned exclusively by existing NGEx shareholders in identical proportion to their previous shareholdings of NGEx. There will be no change to shareholders' existing holdings in the Company. Filo Mining is concurrently applying for a listing of the Spinco shares on the TSX Venture Exchange and the Nasdaq First North Exchange in Sweden.

Under the terms of the Arrangement, Spinco will hold the following key assets:

- A 100% interest in the Filo del Sol Exploration Business.
- \$3 million in cash and cash equivalents.

Filo Mining was incorporated on May 12, 2016 and its registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. To date, Filo Mining has not commenced operations.

2. BASIS OF PRESENTATION

The unaudited pro forma consolidated financial statements are prepared to give effect to and reflect the transactions as described in Note 1 (the "Transactions") and the pro-forma assumptions and adjustment described in note 4 below and include:

- Unaudited pro forma consolidated statement of financial position as at March 31, 2016 prepared from the May 2016 Filo Mining Financial Statements and the 2016 Filo Carve-out, as included in the Information Circular, reflecting the Transactions as if they occurred on March 31, 2016.
- Unaudited pro forma consolidated statement of operations and comprehensive loss for the period from January 1, 2016 to March 31, 2016, prepared from the May 2016 Filo Mining Financial Statements and the 2016 Filo Carve-out, as included in the Information Circular, reflecting the Transactions as if they occurred on January 1, 2015.

Filo Mining Corp.
Notes to the Pro forma Consolidated Financial Statements
For the year ended December 31, 2015 and the three months ended March 31, 2016
(Unaudited – prepared by management)
(All amounts expressed in Canadian Dollars)

- Unaudited pro forma consolidated statement of operations and comprehensive loss for the year ended December 31, 2015 prepared from the May 2016 Filo Mining Financial Statements and the 2015 Filo Carve-out, as included in the Information Circular, reflecting the Transactions as if they occurred on January 1, 2015.

These pro forma consolidated financial statements are not intended to reflect the financial position and results of operations that would have occurred if the events reflected therein had been in effect at the dates indicated. Further, these pro forma interim financial statements are not necessarily indicative of the financial position and results of operations that may be obtained in the future.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these unaudited pro forma financial statements are those as set out in the audited carve-out financial statements of the Filo del Sol Exploration Business of NGEx Resources Inc. as at and for the year ended December 31, 2015.

4. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated financial statements incorporate the following pro forma adjustments and/or assumptions:

- As part of the Agreement, Filo Mining receives \$3,000,000 in cash from NGEx.
- The amount contained within owner's net investment of \$6,251,409 is transferred to share capital upon issuance of shares of Filo Mining to NGEx.

5. SHARE CAPITAL

The changes in share capital that will occur pursuant to the Arrangement are as follows:

	Number of Common shares	Amount
Issued on incorporation	1	\$ 1
Issued under the Arrangement	51,265,933	9,251,409
Balance end of period	51,265,934	\$ 9,251,410

6. BASIS OF CALCULATION OF BASIC AND DILUTED LOSS PER SHARE

Pro forma basic and diluted loss per share are calculated based upon the weighted average number of Filo Mining common shares that would have been outstanding, assuming that any shares issued under the Arrangement would have been issued and outstanding for the periods presented. The weighted average number of shares outstanding for the basic and diluted loss per share calculations for the interim period ended March 31, 2016 and the year ended December 31, 2015 was assumed to be 51,265,934.

SCHEDULE "E"
TO THE MANAGEMENT CIRCULAR
OF NGEX RESOURCES INC.

PLAN OF ARRANGEMENT
UNDER THE PROVISIONS OF SECTION 192
OF THE *CANADA BUSINESS CORPORATIONS ACT*
(see attached)

**PLAN OF ARRANGEMENT
UNDER THE PROVISIONS OF SECTION 192
OF THE CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“Agreement” means the arrangement agreement dated as of June 13, 2016, including the Schedules attached hereto, as may be supplemented or amended from time to time;

“Arrangement” means the arrangement under section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with this Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of NGEx;

“Arrangement Resolution” means the special resolution of the NGEx Shareholders and the ordinary resolution of the NGEx Securityholders voting as a single class in respect of the Arrangement to be considered at the Meeting, the full text of which is attached as Appendix “A” hereto;

“Board of Directors” means the duly appointed board of directors of the applicable company;

“Business Day” means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Toronto, Ontario or Vancouver, British Columbia for the transaction of banking business;

“CBCA” means the *Canada Business Corporations Act* and the regulations made thereunder, as promulgated or amended from time to time;

“Circular” means the management information circular of NGEx to be prepared and sent to the NGEx Shareholders in connection with the Meeting;

“Court” means the Supreme Court of British Columbia;

“Director” means the director appointed under Section 260 of the CBCA;

“Dissent Rights” has the meaning set forth in section 5.1 of the Plan of Arrangement;

“Dissent Shares” means NGEx Common Shares the holders whereof have duly exercised their Dissent Rights;

“Dissenting Shareholder” means a NGEx Shareholder who has duly exercised the Dissent Rights and is ultimately entitled to be paid for their NGEx Common Shares;

“Effective Date” means the date of certification of the Articles of Arrangement by the Director in accordance with section 192(8) of the CBCA;

“Effective Time” means 12:01 a.m. (Vancouver time) on the Effective Date;

“Filo Mining” means Filo Mining Corp., a company incorporated pursuant to the laws of Canada;

“Filo Common Shares” means the common shares of Filo Mining;

“Filo Option Plan” means the stock option plan of Filo Mining to be adopted and approved in connection with the Arrangement;

“Filo Options” means the stock options of Filo Mining that will be granted to Former NGEx Optionholders pursuant to the Arrangement and will be exercisable for Filo Common Shares pursuant to the Filo Option Plan;

“Final Order” means the final order of the Court pursuant to section 192(3) of the CBCA, after a hearing upon the fairness of the terms and conditions of the Arrangement, in a form acceptable to NGEx approving the Arrangement as such order may be amended by the Court (with the consent of NGEx) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to NGEx) on appeal, and after notice and a hearing at which all NGEx Securityholders have the right to appear;

“Former NGEx Optionholder” means a holder of unexercised NGEx Options immediately before the Effective Time;

“In the Money Amount” at a particular time with respect to a NGEx Option, Replacement NGEx Option, or Filo Replacement Stock Option means the amount, if any, by which the fair market value of the relevant underlying security exceeds the exercise price of the relevant option at the particular time;

“Interim Order” means the interim order of the Court containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be affirmed, amended and modified;

“Meeting” means the special meeting of NGEx Shareholders to be held on or about August 11, 2016 and any adjournment(s) or postponement(s) thereof, to be called and held in accordance with the Interim Order to consider and to vote on the Arrangement Resolution and any other matters set out in the Notice of Meeting;

“**NGEx**” means NGEx Resources Inc., a company incorporated pursuant to the laws of Canada;

“**NGEx Chile**” means NGEx Chile Holdings Inc., a company incorporated pursuant to the laws of Canada;

“**NGEx Common Shares**” means the common shares of NGEx;

“**NGEx Filo del Sol**” means NGEx Filo del Sol Holding Inc., a company incorporated pursuant to the laws of Canada;

“**NGEx Option Plan**” means the stock option plan of NGEx adopted by the Board of Directors of NGEx on August 12, 2008, as amended from time to time, and most recently approved by the NGEx Shareholders on June 12, 2014;

“**NGEx Optionholders**” means the holders of NGEx Options at the applicable time;

“**NGEx Options**” means stock options issued by NGEx to certain NGEx officers, directors, employees and other eligible persons to acquire NGEx Common Shares;

“**NGEx Shareholders**” means the holders of NGEx Common Shares at the applicable time;

“**Notice of Meeting**” means the notice of the Meeting to be sent to the NGEx Shareholders, which notice will accompany the Circular;

“**Person**” or “**person**” means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof;

“**Plan of Arrangement**” means this plan of arrangement and any amendments or variations thereto made in accordance with this Agreement, the Plan of Arrangement or upon the direction of the Court in the Final Order with the consent of NGEx;

“**Replacement NGEx Options**” means the stock options of NGEx that will be granted to Former NGEx Optionholders under the Arrangement and will be exercisable for NGEx Common Shares pursuant to the NGEx Option Plan;

“**Subsidiary**” means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and shall include any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in a like relation to a subsidiary;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations made thereunder, as promulgated or amended from time to time;

“**Transfer Agent**” means Computershare Investor Services Inc. or such other trust company or transfer agent as may be designated by NGEx;

“**TSXV**” means the TSX Venture Exchange; and

“**Valuation Factor**” means 0.829.

In addition, words and phrases used herein and defined in the CBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the CBCA unless the context otherwise requires.

1.2 Sections and Headings

The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

1.3 Number, Gender and Persons

In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires, words importing the singular number shall include the plural and vice versa, and words importing gender shall include all genders.

1.4 Statutory References

Any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.5 Currency

Unless otherwise stated all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

1.6 Business Day

In the event that the date on which any action is required to be taken hereunder by either of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.7 Governing Law

This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

1.8 Binding Effect

This Plan of Arrangement will become effective at, and be binding at and after, the Effective Time on: NGEx and all registered and beneficial NGEx Shareholders, all NGEx Optionholders and all Dissenting Shareholders. This Plan of Arrangement may be withdrawn prior to the occurrence of any of the events in Section 2.1 in accordance with the terms of the Arrangement Agreement.

ARTICLE 2 ARRANGEMENT

2.1 Arrangement

Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following sequence or as otherwise provided below or herein, without any further act or formality:

- (a) Each NGEx Common Share in respect of which a NGEx Shareholder has exercised Dissent Rights and for which the NGEx Shareholder is ultimately entitled to be paid fair value (each a "**Dissent Share**") shall be deemed to have been repurchased by NGEx for cancellation in consideration for a debt-claim against NGEx to be paid the fair value of such Dissent Share in accordance with Article 3 of this Plan of Arrangement, net of any applicable withholding tax, and such Dissent Share shall thereupon be cancelled;
- (b) NGEx will transfer approximately \$3 million in cash, and all of the outstanding shares of NGEx Chile and NGEx Filo del Sol to Filo Mining in exchange for that number of Filo Common Shares, as determined by the Board of Directors of Filo Mining, and NGEx and Filo Mining will file an election under section 85 of the Tax Act and any applicable provincial tax laws;
- (c) Notwithstanding the terms of the NGEx Option Plan, including any agreement made thereunder:
 - (A) each NGEx Option (whether vested or not) exercisable for an NGEx Common Share that is outstanding immediately before the Effective Time which has not been duly exercised or cancelled will be and will be deemed to be exchanged for:

(i) one fully-vested Replacement NGEx Option to purchase from NGEx one NGEx Common Share for every NGEx Common Share that could be purchased under the NGEx Option. Each Replacement NGEx Option will be governed by the terms of the NGEx Option Plan and will have: (1) an exercise price per NGEx Common Share (rounded up to the nearest whole cent) equal to the exercise price of each NGEx Option so exchanged immediately before the Effective Time multiplied by the Valuation Factor; and (2) the same expiry date as the expiry date of the NGEx Option for which such Replacement NGEx Option was exchanged; and

(ii) one-quarter of one (0.25) fully-vested Filo Option to purchase from Filo Mining one Filo Common Share for every NGEx Common Share that could be purchased under the NGEx Option. Each Filo Option will be governed by the terms of the Filo Option Plan and will have: (1) an exercise price per Filo Common Share (rounded up to the nearest whole cent) equal to the exercise price of each such NGEx Option so exchanged immediately before the Effective Time (A) multiplied by four (4), and (B) multiplied by a number which is equal to one minus the Valuation Factor; and (2) the same expiry date as the expiry date of the NGEx Option for which such Filo Option was exchanged,

provided that the exercise prices of each Replacement NGEx Option and each Filo Option issued pursuant to the step above shall be and be deemed to be automatically adjusted such that the aggregate In-the-Money Amounts thereof immediately after the steps above does not exceed the In the Money Amount of the exchanged NGEx Option determined immediately before the exchange, with the intention that subsection 7(1.4) of the *Income Tax Act* (Canada) will apply to each exchange;

- (d) Filo Mining will purchase for cancellation from NGEx for \$1 the Filo Common Share held by NGEx; and
- (e) NGEx will distribute the Filo Common Shares to the holders of NGEx Common Shares (other than a Dissenting Shareholder) on the basis of one-quarter (0.25) of one Filo Common Share for each NGEx Common Share then held as a return of stated capital, and reduction of paid-up capital for purposes of the Tax Act.

**ARTICLE 3
CERTIFICATES AND FRACTIONAL SHARES**

3.1 Delivery of Securities

As soon as practicable following the Effective Date, Filo Mining will forward or cause to be forwarded by the Transfer Agent or otherwise, by registered mail (postage prepaid) or hand delivery to NGEEx Shareholders as of the Effective Date at the address specified in the register of NGEEx Shareholders, certificates representing the number of Filo Common Shares to be delivered to such NGEEx Shareholders under the Arrangement.

3.2 Withholding Rights

NGEEx and the Transfer Agent shall be entitled to deduct and withhold from any amount otherwise payable to any NGEEx Shareholder such amounts as NGEEx or the Transfer Agent is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the NGEEx Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

3.3 No Fractional Shares

No fractional Filo Common Shares will be issued. In the event that a NGEEx Shareholder would otherwise be entitled to a fractional Filo Common Share hereunder, the number of Filo Common Shares issued to such NGEEx Shareholder shall, without any additional compensation, be rounded down to the next lesser whole number of Filo Common Shares. In calculating such fractional interests, all NGEEx Common Shares registered in the name of or beneficially held by such NGEEx Shareholder or their nominee shall be aggregated.

**ARTICLE 4
AMENDMENTS**

4.1 Right to Amend

NGEEx reserves the right to amend, modify or supplement (or do all of the foregoing) this Plan of Arrangement from time to time and at any time prior to the Effective Date provided that any such amendment, modification and/or supplement must be contained in a written document that is:

- (a) filed with the Court and, if made following the Meeting, approved by the Court;

and

- (b) communicated to NGEx Securityholders in the manner required by the Court (if so required).

4.2 Amendment Before the Meeting

Any amendment, modification or supplement to this Plan of Arrangement may be proposed by NGEx at any time prior to or at the Meeting, with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

4.3 Amendment After the Meeting

Any amendment, modification or supplement to this Plan of Arrangement which is approved by the Court following the Meeting shall be effective only:

- (a) if it is consented to by NGEx; and
- (b) if required by the Court or applicable law, it is consented to by the NGEx Securityholders.

4.4 Amendment After the Effective Date

Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by NGEx, provided that it concerns a matter which, in the reasonable opinion of NGEx, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interest of any holder of NGEx Common Shares or Filo Common Shares.

ARTICLE 5 RIGHTS OF DISSENT

5.1 Rights of Dissent

Pursuant to the Interim Order, registered holders of NGEx Common Shares may exercise rights of dissent (the "**Dissent Rights**") under section 190 of the CBCA, as modified by this Article 5, the Interim Order and the Final Order, with respect to NGEx Common Shares in connection with the Arrangement, provided that the written notice setting forth the objection of such registered NGEx Shareholders to the Arrangement and exercise of Dissent Rights must be received by NGEx not later than 5:00 p.m. (Vancouver time) on the Business Day that is two Business Days before the Meeting or any date to which the Meeting may be postponed or adjourned and provided further that holders who exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their Dissent Shares, which fair value, notwithstanding anything to the contrary contained in the CBCA, shall be determined immediately prior to the approval of the Arrangement Resolution, shall be deemed to have transferred their Dissent Shares to NGEx as of the Effective Time in consideration for a debt claim against NGEx to be paid the fair value of such Dissent Shares and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights; and
- (b) are ultimately not entitled, for any reason, to be paid fair value for their NGEx Common Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of NGEx Common Shares.

5.2 Recognition of Dissenting Shareholders

In no circumstances shall NGEx or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is a registered holder of those NGEx Common Shares in respect of which such rights are sought to be exercised. From and after the Effective Date, neither NGEx nor any other Person shall be required to recognize a Dissenting Shareholder as a shareholder of NGEx and the names of the Dissenting Shareholders shall be deleted from the register of holders of NGEx Common Shares previously maintained or caused to be maintained by NGEx.

5.3 General Dissent Rights

For greater certainty, in addition to any other restrictions in the *Canada Business Corporations Act*, none of the following shall be entitled to exercise Dissent Rights: (i) NGEx Optionholders; and (ii) NGEx Shareholders who vote in favour of the Arrangement Resolution.

**ARTICLE 6
FURTHER ASSURANCES**

6.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur at the time and in the manner set out in this Plan of Arrangement without any further act or formality, NGEx and Filo Mining shall make, do and execute, or cause to be made, done or executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

**ARTICLE 7
TERMINATION**

7.1 Termination

Notwithstanding any prior approvals by the Court or by the NGEx Securityholders, the Board of Directors of NGEx may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution adopted at the Meeting without further approval of the Court or the NGEx Securityholders.

APPENDIX "A"

ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE NGEX SECURITYHOLDERS THAT:

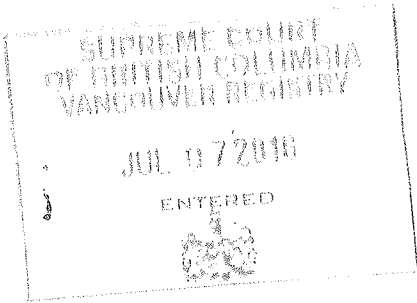
1. The arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving NGEx Resources Inc., a corporation existing under the laws of Canada ("NGEx"), its shareholders and Filo Mining Corp., a corporation existing under the laws of Canada ("**Filo Mining**"), all as more particularly described and set forth in the management information circular (the "**Circular**") of NGEx dated July ●, 2016 accompanying the notice of meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
2. The plan of arrangement (the "**Plan of Arrangement**"), implementing the Arrangement, the full text of which is appended to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
3. The arrangement agreement (the "**Arrangement Agreement**") between NGEx and Filo Mining dated June 13, 2016 and all the transactions contemplated therein, the actions of the directors of NGEx in approving the Arrangement and the actions of the directors and officers of NGEx in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of NGEx or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of NGEx are hereby authorized and empowered, without further notice to, or approval of, the shareholders of NGEx:
 - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any director or officer of NGEx is hereby authorized and directed, for and on behalf of NGEx to execute Articles of Arrangement to give effect to the Plan of Arrangement and to deliver such other documents as are necessary or desirable under the CBCA in accordance with the Articles of Arrangement.

6. Any director or officer of NGEx is hereby authorized and directed, for and on behalf and in the name of NGEx, to execute and deliver, whether under the corporate seal of NGEx or otherwise, all such deeds, instruments, assurances, agreements, forms, waivers, notices, certificates, confirmations and other documents and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement, the Articles of Arrangement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
- (a) all actions required to be taken by or on behalf of NGEx, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by NGEx;

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE "F"
TO THE MANAGEMENT CIRCULAR
OF NGEX RESOURCES INC.

INTERIM ORDER
(see attached)



NO.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 192 OF
THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C, 1985, c. C-44 AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT
BETWEEN NGEx RESOURCES INC.
AND FILO MINING CORP.

NGEx RESOURCES INC.

PETITIONER

**ORDER MADE AFTER APPLICATION
(INTERIM ORDER)**

BEFORE) ~~THE HONOURABLE JUSTICE~~)
))
) or MASTER *SCARTH*) 7/Jul/2016
))

ON THE APPLICATION of the Petitioner, NGEx Resources Inc. ("**NGEx**") for an Interim Order under section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**") in connection with an arrangement with Filo Mining Corp. ("**Filo Mining**"), without notice coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on July 7, 2016, and, ON HEARING Matthew Nied, counsel for NGEx, and upon reading the First Affidavit of Wojtek Wodzicki sworn on July 6, 2016 (the "**Supporting Affidavit**"), and UPON BEING ADVISED that the staff of the Director appointed under the CBCA has determined that the Director does not need to appear or be heard on the Application;

THIS COURT ORDERS that:

DEFINITIONS

1. As used in this Order, unless otherwise defined, terms beginning with capital letters will have the respective meanings set out in the notice of special meeting of shareholders and optionholders (the "**Notice of Meeting**") and accompanying management information circular (the "**Circular**") attached as Exhibit "A" to the Supporting Affidavit.

SPECIAL MEETING

2. Pursuant to section 192 of the CBCA, NGEx is authorized and directed to call, hold and conduct a special meeting (the "**Meeting**") of the holders of the common shares of NGEx (the "**NGEx Shareholders**") and the holders of the options of NGEx (the "**NGEx Optionholders**") to be held at 885 West Georgia St., Suite 2200, Vancouver, British Columbia on August 11, 2016 at 10:00 a.m. (Vancouver time) to, inter alia, consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") approving and adopting in accordance with section 192 of the CBCA an arrangement substantially as contemplated in the Plan of Arrangement (the "**Arrangement**"), a draft of which special resolution is attached as Appendix "A" to the Circular.
3. NGEx is also authorized to transact such other business as may properly come before the Meeting or any adjournment including the consideration of an ordinary resolution approving the adoption by Filo Mining of a stock option plan, subject to regulatory acceptance, as more fully described in the Circular.
4. The Meeting will be called, held and conducted in accordance with the CBCA, the Notice of Meeting, the Circular, the articles of NGEx and applicable securities laws, subject to the terms of this Interim Order and any further Order of this Court, and the rulings and directions of the chair of the Meeting (the "**Chair**"), such rulings and directions not to be inconsistent with this Interim Order, and to the extent of any inconsistency this Interim Order will govern or, if not specified in the Interim Order, the Circular will govern.

AMENDMENTS

5. NGEx is authorized to make such amendments, modifications or supplements to the Arrangement, the Plan of Arrangement, the Arrangement Agreement and the Notice of Meeting as it may determine without any additional notice to the NGEx Shareholders or the NGEx Optionholders (collectively, the "**Securityholders**") or authorization of the Securityholders or further orders of this Court. The Arrangement, the Plan of Arrangement, the Arrangement Agreement and the Notice of Meeting as so amended, modified or supplemented, will be the Arrangement, the Plan of Arrangement, the Arrangement Agreement and the Notice of Meeting to be submitted to the Securityholders at the Meeting, as applicable, and the subject of the Arrangement Resolution.

ADJOURNMENTS AND POSTPONEMENTS

6. Notwithstanding the provisions of the CBCA and the articles of NGEEx, the board of directors of NGEEx (the "**Board**"), subject to the Arrangement Agreement, will be entitled to adjourn or postpone the Meeting by resolution on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders respecting the adjournment or postponement, and without the need for approval of this Court. Notice of any such adjournment or postponement will be given by press release, newspaper advertisement or notice sent to the Securityholders by one of the methods specified in paragraph 8 of this Interim Order, as determined to be the most appropriate method of communication by the Board.

RECORD DATE

7. The record date for determining the Securityholders entitled to receive the Notice of Meeting, the Circular and the forms of proxy or voting instruction form, as applicable, for use by the Securityholders (collectively, the "**Meeting Materials**"), will be the close of business on July 8, 2016 (the "**Record Date**"), as previously approved by the Board and published by NGEEx, and the Record Date will remain the same despite any adjournments of the Meeting.

NOTICE OF SPECIAL MEETING

8. The Meeting Materials, with such amendments or additional documents as counsel for NGEEx may advise are necessary or desirable, and as are not inconsistent with the terms of this Interim Order, will be sent:
 - (a) To registered NGEEx Shareholders, determined as at the Record Date (the "**Registered NGEEx Shareholders**"), at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or delivery, by prepaid ordinary mail or by delivery in person or by recognized courier service, addressed to the Registered NGEEx Shareholder at its address as it appears in NGEEx's central securities register as at the Record Date;
 - (b) To non-registered NGEEx Shareholders (those whose names do not appear in the securities register of NGEEx) (the "**Non-Registered NGEEx Shareholders**"), by providing, in accordance with National Instrument 54-101 - Communications with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators, the requisite number of copies of the Meeting Materials to intermediaries and registered nominees to facilitate the distribution of the Meeting Materials to the Non-Registered NGEEx Shareholders;
 - (c) To the registered NGEEx Optionholders (the "**Registered NGEEx Optionholders**"), determined as at the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or delivery, by prepaid ordinary mail or by delivery in person or by recognized courier service addressed to the Registered NGEEx Optionholder at its

address as it appears in the register of NGEEx Optionholders as at the Record Date, or by email or facsimile transmission;

- (d) At any time by email or facsimile transmission to any Securityholder who identifies himself to the satisfaction of NGEEx (acting through its representatives), who requests such email or facsimile transmission and, if required by NGEEx, agrees to pay the charges related to such transmission; and
- (e) To the directors and auditors of NGEEx and to the Director appointed under the CBCA by prepaid ordinary mail or by delivery in person or by recognized courier service or by email or facsimile transmission at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmission;

and substantial compliance with this paragraph will constitute good and sufficient notice of the Meeting.

- 9. The Meeting Materials need not be sent to Registered NGEEx Shareholders or Registered NGEEx Optionholders where mail previously sent to such Registered NGEEx Shareholders or Registered NGEEx Optionholders by NGEEx or its registrar and transfer agent has been returned to NGEEx or its registrar and transfer agent on at least two previous consecutive occasions.
- 10. Accidental failure of or omission by NGEEx to give notice to any one or more Securityholders, or the non-receipt of such notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of NGEEx (including, without limitation, any inability to use postal services) will not constitute a breach of this Interim Order or a defect in the calling of the Meeting and will not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of NGEEx, then it will use commercially reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

DEEMED RECEIPT OF NOTICE

- 11. The Meeting Materials and any amendments, modifications, updates or supplements to the Meeting Materials and any notice of adjournment or postponement of the Meeting, will be deemed to have been received:
 - (a) in the case of mailing, at the time specified at section 253(3) of the CBCA;
 - (b) in the case of delivery in person, upon receipt thereof at the intended recipient's address or, in the case of delivery by courier, one (1) business day after receipt by the courier;
 - (c) in the case of transmission by email or facsimile, upon the transmission thereof;

- (d) in the case of advertisement, at the time of publication of the advertisement;
- (e) in the case of electronic filing on SEDAR, upon receipt by NGEEx from SEDAR of confirmation of filing; and
- (f) in the case of the Non-Registered NGEEx Shareholders, three (3) days after delivery thereof to intermediaries and registered nominees.

UPDATING MEETING MATERIALS

12. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Meeting Materials may be communicated, at any time prior to the Meeting, to the Securityholders by press release, news release, newspaper advertisement or by notice sent to the Securityholders by any of the means set forth in paragraph 8, as determined to be the most appropriate method of communication by the Board.

PERMITTED ATTENDEES

13. The only persons entitled to attend the Meeting will be:
- (a) Registered NGEEx Shareholders and Registered NGEEx Optionholders, or their respective proxyholders, as at the close of business on the Record Date;
 - (b) Directors, officers, auditors and advisors of NGEEx and Filo Mining;
 - (c) The CBCA Director or a representative of the CBCA Director; and
 - (d) Any other persons with the prior permission of the Chair of the Meeting;

and the only persons entitled to vote at the Meeting will be the Registered NGEEx Shareholders and the Registered NGEEx Optionholders at the close of business on the Record Date, or their respective proxyholders.

SOLICITATION OF PROXIES

14. NGEEx is authorized to use the form of proxy in substantially the same form as is attached as Exhibit "C" to the Supporting Affidavit, subject to NGEEx's ability to insert dates and other relevant information in the final form thereof and to make other non-substantive changes and changes legal counsel advise are necessary or appropriate. NGEEx is authorized, at its expense, to solicit proxies directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose and by mail, telephone or such other form of personal or electronic communication as it may determine.
15. The procedures for the use of proxies at the Meeting and revocation of proxies will be as set out in the Notice of Meeting and the Circular.

16. NGEEx may in its discretion generally waive the time limits for the deposit of proxies by the Securityholders if NGEEx deems it advisable to do so, such waiver to be endorsed on the proxy by the initials of the Chair of the Meeting.

QUORUM AND VOTING

17. At the Meeting, the votes will be taken on the following bases:
- (a) Each Registered NGEEx Shareholder whose name is entered on the central securities register of NGEEx as at the close of business on the Record Date is entitled to one (1) vote for each NGEEx Common Share registered in his/her/its name;
 - (b) Each Registered NGEEx Optionholder whose name is entered on the central securities register of NGEEx as at the close of business on the Record Date is entitled to one (1) vote for each NGEEx Option registered in his/her/its name;
 - (c) The requisite and sole approval required to pass the Arrangement Resolution will be the affirmative vote of at least two-thirds of the total votes cast by the Securityholders, voting as a single class, present in person or represented by proxy and entitled to vote at the Meeting (excluding from the count of total votes cast any spoiled, illegible and/or defective ballots and abstentions);
 - (d) A quorum at the Meeting will be two (2) or more voting persons present in person or by proxy. If a quorum is present at the opening of the Meeting, the Securityholders present or represented by proxy may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting the Shareholders present in person or represented by proxy may adjourn the Meeting to a fixed time and place but may not transact any other business. If a quorum is not present within 30 minutes from the time set for the adjourned meeting, a quorum shall consist of one or more voting persons present in person or by proxy.

SCRUTINEER

18. The scrutineer for the Meeting will be Computershare Investor Services Inc. (acting through its representatives for that purpose). The duties of the scrutineer will include:
- (a) Reviewing and reporting to the Chair on the deposit and validity of proxies;
 - (b) Reporting to the Chair on the quorum of the Meeting;
 - (c) Reporting to the Chair on the polls taken or ballots cast, if any, at the Meeting; and
 - (d) Providing to NGEEx and to the Chair written reports on matters related to their duties.

DISSENT RIGHTS

19. Each Registered NGEx Shareholder is granted rights to dissent (the “**Dissent Rights**”) in respect of the Arrangement Resolution in accordance with s. 190 of the CBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order, provided that, notwithstanding section 190(5) of the CBCA, the written objection to the Arrangement Resolution referred to in subsection 190(5) of the CBCA must be received by NGEx not later than 5:00 p.m. (Vancouver Time) on August 9, 2016, or in the case of any adjournment or postponement of the Meeting, not less than two Business Days prior to such adjourned or postponed meeting.
20. Registered NGEx Shareholders who duly exercise their Dissent Rights (the “**Dissenting Shareholders**”) and who:
 - (a) Are ultimately entitled to be paid fair value for their Dissent Shares, which fair value, notwithstanding anything to the contrary contained in the CBCA, shall be determined immediately prior to the approval of the Arrangement Resolution, shall be deemed to have transferred their Dissent Shares to NGEx as of the Effective Time in consideration for a debt claim against NGEx to be paid the fair value of such Dissent Shares and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights;
 - (b) Are ultimately not entitled, for any reason, to be paid fair value for their NGEx Common Shares, will be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of NGEx Common Shares.
21. In no circumstances shall NGEx or any other person be required to recognize a person exercising Dissent Rights unless such person is a registered holder of those NGEx Common Shares in respect of which such rights are sought to be exercised. From and after the Effective Date, neither NGEx nor any other person shall be required to recognize a Dissenting Shareholder as a shareholder of NGEx and the names of the Dissenting Shareholders shall be deleted from the register of holders of NGEx Common Shares previously maintained or caused to be maintained by NGEx.
22. For greater certainty, none of the following shall be entitled to exercise Dissent Rights: (i) NGEx Optionholders; and (ii) NGEx Shareholders who vote in favour of the Arrangement Resolution.

APPLICATION FOR FINAL ORDER

23. NGEx will include in the Meeting Materials, when sent in accordance with paragraph 8 of this Interim Order, a copy of the Notice of Petition herein, in substantially the form attached as Exhibit “B” to the Supporting Affidavit, and the text of this Interim Order (collectively, the “**Court Materials**”), and such Court

Materials will be deemed to have been served at the times specified in accordance with paragraph 8 and/or 11 of this Interim Order, whether such persons reside within British Columbia or within another jurisdiction.

24. The form of Notice of Petition attached as Exhibit "B" to the Supporting Affidavit is hereby approved as the form of notice for the hearing of the application for the Final Order.
25. The persons entitled to appear and be heard at any hearing to sanction and approve the Arrangement, will be only:
 - (a) NGEEx;
 - (b) Filo Mining; and
 - (c) Other persons who have served and filed a Response to Petition and have otherwise complied with the Supreme Court Civil Rules and paragraph 27 of this Interim Order.
26. The sending of the Meeting Materials in the manner contemplated by paragraph 8, will constitute good and sufficient service and no other form of service need be effected and no other material need be served on such persons in respect of these proceedings, except with respect to any person who will:
 - (a) File a Response to Petition, in the form prescribed by the Supreme Court Civil Rules, together with any evidence or material which is to be presented to the Court at the hearing of the Application; and
 - (b) Deliver the filed Response to Petition together with a copy of any evidence or material which is to be presented to the Court at the hearing of the Application, to NGEEx's counsel at:

Cassels Brock & Blackwell LLP
885 West Georgia St., Vancouver, British Columbia, V6C 2X8
Attention: Matthew Nied

by or before 4:00 p.m. (Vancouver time) on August 12, 2016.
27. Upon the approval of the Arrangement Resolution, in the manner set forth in this Interim Order, NGEEx may apply to this Court (the "**Application**") for an Order pursuant to section 192 of the CBCA approving the Arrangement (the "**Final Order**") and the hearing of the Application will be held on August 15, 2016 at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia or as soon thereafter as the Application can be heard or at such other date and time as this Court may direct.
28. In the event that the hearing of the Application is adjourned, then only those persons who filed and delivered a Response to Petition in accordance with paragraph 26 of this Interim Order need be served and provided with notice of the adjourned hearing date.

No. S _____
Vancouver Registry

In the Supreme Court of British Columbia

IN THE MATTER OF SECTION 192 OF
THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C, 1985, c. C-44 AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT
BETWEEN NGEx RESOURCES INC.
AND FILO MINING CORP.

NGEx RESOURCES INC.

PETITIONER

**ORDER MADE AFTER APPLICATION
(Interim Order)**

CASSELS BROCK & BLACKWELL LLP

Lawyers

2200 – 885 West Georgia Street

Vancouver, B.C. V6C 3E8

Telephone: (604) 283-1482

Facsimile: (604) 691-6120

E-mail: mnied@casselsbrock.com

Attention: Matthew Nied

MN/cef

Matter# 22977-5

FILING AGENT: West Coast Title Search

SCHEDULE "G"
TO THE MANAGEMENT CIRCULAR
OF NGEX RESOURCES INC.

NOTICE OF HEARING OF PETITION FOR FINAL ORDER
(see attached)

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 192 OF
THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C, 1985, c. C-44 AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT
BETWEEN NGEx RESOURCES INC.
AND FILO MINING CORP.

NGEx RESOURCES INC.

PETITIONER

NOTICE OF PETITION

To: The holders of common shares or options of NGEx Resources Inc., (the
“**Securityholders**”)

NOTICE IS HEREBY GIVEN that a Petition to the Court (the “**Petition**”) has been filed by the Petitioner, NGEx Resources Inc. (“**NGEx**”), in the Supreme Court of British Columbia (the “**Court**”) for approval of a plan of arrangement (the “**Arrangement**”) pursuant to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the “**CBCA**”).

AND NOTICE IS FURTHER GIVEN that by an Interim Order Made After Application pronounced by the Court on July 7, 2016, the Court has given directions as to the calling of a special meeting of the Securityholders, for the purpose of, among other things, considering, voting upon and approving the Arrangement;

AND NOTICE IS FURTHER GIVEN that if the Arrangement is approved at the Meeting the Petitioner intends to apply to the Court for a final order approving the Arrangement (the “**Final Order**”), which application shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on August 15, 2016, at 9:45 am (Vancouver time), or as soon thereafter as counsel may be heard (the “**Final Application**”);

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Final Application, but only if such person has filed with the Court at the Court Registry,

800 Smithe Street, Vancouver, British Columbia, a Response to Petition ("**Response**") in the form prescribed by the *Supreme Court Civil Rules*, and delivered a copy of the filed Response, together with all affidavits and other material upon which such person intends to rely at the hearing of the Final Application, including an outline of such person's proposed submission, to the Petitioner at its address for delivery set out below by or before 4:00 p.m. (Vancouver time) on August 12, 2016.

The Petitioner's address for delivery is:

CASSELS, BROCK & BLACKWELL LLP
Barristers and Solicitors
Suite 2200, 885 West Georgia Street
Vancouver, British Columbia V6C 3E8

Attn: Matthew Nied

Fax number for delivery: 604-691-6120
Telephone: 604-283-1482
Email: mnied@casselsbrock.com

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing and delivering the form of "Response" as aforesaid. You may obtain a form of "Response" at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION, the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

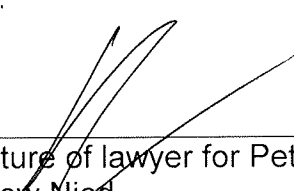
IF YOU DO NOT FILE A RESPONSE and attend, either in person or by counsel, at the time of such hearing, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Arrangement is approved, it will significantly affect the rights of the Securityholders.

A copy of the said Petition and other documents in the proceeding will be furnished to any Securityholders upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out above.

Estimated time required: 20 minutes

This matter is not within the jurisdiction of a Master.

Date: July 7, 2016



Signature of lawyer for Petitioner
Matthew Nied

**SCHEDULE “H”
TO THE MANAGEMENT CIRCULAR
OF NGEX RESOURCES INC.**

**DISSENT PROVISIONS
SECTION 190 OF
THE CANADA BUSINESS CORPORATIONS ACT**

190. (1) Right to dissent — Subject to Sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under Section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under Section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under Section 184;
- (d) be continued under Section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

(2) Further right — A holder of shares of any class or series of shares entitled to vote under Section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

(2.1) If one class of shares — The right to dissent described in subsection (2) applies even if there is only one class of shares.

(3) Payment for shares — In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

(4) No partial dissent — A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) Objection — A dissenting shareholder shall send to the corporation, at or before any meeting of NGEx Shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

(6) Notice of resolution — The corporation shall, within ten days after the NGEx Shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any

shareholder who voted for the resolution or who has withdrawn their objection.

(7) Demand for payment — A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

(8) Share certificate — A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

(9) Forfeiture — A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

(10) Endorsing certificate — A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

(11) Suspension of rights — On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9), in which case the shareholder's rights are reinstated as of the date the notice was sent.

(12) Offer to pay — A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting NGEx Shareholders for their shares.

(13) Same terms — Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

(14) Payment — Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer

has been made.

(15) Corporation may apply to court — Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

(16) Shareholder application to court — If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

(17) Venue — An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

(18) No security for costs — A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

(19) Parties — On an application to a court under subsection (15) or (16),

- (a) all dissenting NGEx Shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

(20) Powers of court — On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting NGEx Shareholders.

(21) Appraisers — A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting NGEx Shareholders.

(22) Final order — The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of his shares as fixed by the court.

(23) Interest — A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

(24) Notice that subsection (26) applies — If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting NGEx Shareholders for their shares.

(25) Effect where subsection (26) applies — If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its NGEx Shareholders.

(26) Limitation — A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

SCHEDULE "I"
TO THE MANAGEMENT CIRCULAR
OF NGEX RESOURCES INC.
AUDITED CARVE-OUT COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014 AND FOR THE THREE MONTHS ENDED MARCH 31, 2016

The Filo del Sol
Exploration Business of
NGEx Resources Inc.

Carve-out Financial Statements

For the years ended December 31, 2015, 2014 and 2013

Carve-Out Financial Statements

December 31, 2015, 2014 and 2013

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July 5, 2016

Independent Auditor's Report

To the Board of Directors of NGE Resources Inc.

We have audited the accompanying carve-out financial statements of the Filo del Sol Exploration Business of NGE Resources Inc., which comprise the carve-out statements of financial position as at December 31, 2015 and December 31, 2014 and the carve-out statements of comprehensive loss, cash flows and changes in owner's net investment for each of the three years in the period ended December 31, 2015, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the carve-out financial statements

Management is responsible for the preparation and fair presentation of these carve-out financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these carve-out financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the carve-out financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the carve-out financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the carve-out financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the carve-out financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the carve-out financial statements.

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

PricewaterhouseCoopers LLP

*PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada, V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806 www.pwc.com/ca*

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



Opinion

In our opinion, the carve-out financial statements present fairly, in all material respects, the financial position of the Filo del Sol Exploration Business of NGE_x Resources Inc. as at December 31, 2015 and December 31, 2014 and its financial performance and its cash flows for each of the three years in the period ended December 31, 2015 in accordance with International Financial Reporting Standards.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants

**The Filo del Sol Exploration Business of NGEx Resources Inc.
Carve-out Statements of Financial Position
(All amounts expressed in Canadian Dollars)**

	December 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 271,228	\$ 7,671,044
Receivables and other assets (Note 5)	132,503	277,070
	403,731	7,948,114
Mineral properties (Note 6)	5,950,829	10,391,445
TOTAL ASSETS	\$ 6,354,560	\$ 18,339,559
LIABILITIES		
Current liabilities:		
Trade payables and accrued liabilities	\$ 243,179	\$ 2,862,968
OWNER'S NET INVESTMENT		
Owner's net investment (Note 7)	6,111,381	15,476,591
TOTAL LIABILITIES AND OWNER'S NET INVESTMENT	\$ 6,354,560	\$ 18,339,559

Subsequent Event (Note 1)

The accompanying notes are an integral part of these carve-out financial statements.

ON BEHALF OF THE BOARD:

/s/William A. Rand
Director

/s/Wojtek A. Wodzicki
Director

**The Filo del Sol Exploration Business of NGE Resources Inc.
Carve-out Statements of Comprehensive Loss
(All amounts expressed in Canadian Dollars)**

	For the Year Ended December 31,		
	2015	2014	2013
Expenses			
Exploration and project investigation (Note 9)	\$ 9,581,054	\$ 9,610,324	\$ 2,635,928
General and Administration:			
Salaries and benefits (Note 8)	365,177	906,721	162,771
Share-based compensation	344,140	684,662	160,752
Management fees	196,449	348,606	83,605
Professional fees	148,079	204,417	78,008
Travel	83,073	159,186	26,607
Promotion and public relations	118,917	252,912	51,229
Office and general	155,172	354,548	109,327
Operating loss	10,992,061	12,521,376	3,308,227
Other expenses			
Foreign exchange loss / (gain)	731,273	455,347	(73,023)
Other expenses	93,419	99,725	-
Net loss	\$ 11,816,753	\$ 13,076,448	\$ 3,235,204
Other comprehensive loss			
Foreign currency translation adjustment	775,323	(489,111)	(430,160)
Total comprehensive loss	\$ 12,592,076	\$ 12,587,337	\$ 2,805,044

The accompanying notes are an integral part of these carve-out financial statements.

**The Filo del Sol Exploration Business of NGEx Resources Inc.
Carve-out Statements of Cash Flows
(All amounts expressed in Canadian Dollars)**

	For the Year Ended December 31,		
	2015	2014	2013
Cash flows used in operating activities			
Net loss for the year	\$ (11,816,753)	\$ (13,076,448)	\$ (3,235,204)
Items not involving cash and cash equivalents:			
Depreciation	11,214	13,168	2,833
Share-based compensation	458,298	873,317	185,272
Unrealized foreign exchange loss (gain)	730,638	454,574	(73,023)
Net changes in working capital items:			
Receivables and other	196,027	958,338	(1,188,893)
Trade payables and accrued liabilities	(2,403,465)	253,084	2,470,472
Due to joint exploration partners	-	(2,594,833)	2,925,054
	(12,824,041)	(13,118,800)	1,086,511
Cash flows from financing activities			
Funding provided by NGEx Resources Inc.	5,650,426	21,710,178	3,342,350
	5,650,426	21,710,178	3,342,350
Cash flows used in investing activities			
Mineral properties and related expenditures	(304,581)	(557,962)	(1,071,236)
Acquisition of Filo del Sol interest from PPC	-	(3,922,800)	-
	(304,581)	(4,480,762)	(1,071,236)
Effect of exchange rate change on cash and cash equivalents	78,380	(228,143)	(206,158)
(Decrease)/Increase in cash and cash equivalents during the year	(7,399,816)	3,882,473	3,151,467
Cash and cash equivalents, beginning of year	7,671,044	3,788,571	637,104
Cash and cash equivalents, end of year	\$ 271,228	\$ 7,671,044	\$ 3,788,571

The accompanying notes are an integral part of these carve-out financial statements.

**The Filo del Sol Exploration Business of NGEx Resources Inc.
Carve-out Statements of Changes in Owner's Net Investment
(All amounts expressed in Canadian Dollars)**

	December 31, 2015	December 31, 2014	December 31, 2013
Owner's net investment, beginning of year	\$ 15,476,591	\$ 1,557,633	\$ 835,055
Net loss and comprehensive loss	(12,592,076)	(12,587,337)	(2,805,044)
Net contributions from owner	2,768,568	25,632,978	3,342,350
Share-based compensation	458,298	873,317	185,272
Owner's net investment, end of year	\$ 6,111,381	\$ 15,476,591	\$ 1,557,633

The accompanying notes are an integral part of these carve-out financial statements.

**The Filo del Sol Exploration Business of NGEx Resources Inc.
Notes to the Carve-out Financial Statements
For the years ended December 31, 2015, 2014 and 2013
(All amounts expressed in Canadian Dollars)**

1. ARRANGEMENT AGREEMENT

On June 13, 2016, NGEx Resources Inc. ("NGEx" or the "Company") announced that its Board of Directors unanimously approved a strategic reorganization of its exploration business through a plan of arrangement under the Canada Business Corporation Act (the "Arrangement"). Subject to regulatory, shareholders' and other approvals, NGEx will transfer its wholly owned subsidiaries that directly or indirectly hold the Filo del Sol project and the Tamberias project located in Argentina and Chile (the "Filo del Sol Exploration Business") and working capital to Filo Mining Corp., a newly incorporated entity ("Filo Mining" or "Spinco"), in exchange for Filo Mining common shares.

Under the Arrangement, NGEx will then distribute all of the shares of Spinco to its shareholders on the basis of one Spinco share for every four NGEx shares held by way of a reduction and return of share capital. Upon closing of the transaction, Spinco will be owned exclusively by existing NGEx shareholders in identical proportion to their previous shareholdings of NGEx. There will be no change to shareholders' existing holdings in the Company. Filo Mining is concurrently applying for a listing of the Spinco shares on the TSX Venture Exchange and the Nasdaq First North Exchange in Sweden.

Under the terms of the Arrangement, Spinco will hold the following key assets:

- A 100% interest in the Filo del Sol Exploration Business.
- \$3 million in cash and cash equivalents.

Filo Mining was incorporated on May 12, 2016 and its registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. To date, Filo Mining has not commenced operations.

These carve-out financial statements reflect the assets, liabilities, expenses and cash flows of the Filo del Sol Exploration Business that has been spun out by NGEx to Spinco as more fully described in Note 3 below.

2. NATURE OF OPERATIONS

The Filo del Sol Exploration Business is engaged in the acquisition, exploration and development of mineral properties located in South America and has not yet determined whether these properties contain mineral reserves that are economically recoverable. This high sulphidation epithermal copper-gold-silver system is currently in the resource definition stage. The continued operations of the Filo del Sol Exploration Business through Filo Mining and the recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of Filo Mining to obtain necessary financing to complete the development of such properties, and upon future profitable production from or disposition of such properties.

3. BASIS OF PRESENTATION

These carve-out statements of financial position, comprehensive loss, changes in owner's net investment, and cash flows, which comprise these carve-out financial statements have been prepared in accordance with a 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.

These carve-out financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

**The Filo del Sol Exploration Business of NGEx Resources Inc.
Notes to the Carve-out Financial Statements
For the years ended December 31, 2015, 2014 and 2013
(All amounts expressed in Canadian Dollars)**

These carve-out financial statements, including comparatives, are prepared on a historical cost basis, applying IFRS standards that are effective as at December 31, 2015.

The formation of the Filo del Sol Exploration Business is the result of the transfer of assets between entities under common control; accordingly, the transaction is excluded from the scope of IFRS 3 (R), Business Combinations. These carve-out financial statements have been presented based on the amounts recorded by NGEx. During the periods presented, the Filo del Sol Exploration Business did not operate as an independent entity, and accordingly, standalone financial information does not exist. Accordingly, these carve-out financial statements represent an extraction of the financial information relating to the Filo del Sol Exploration Business.

These carve-out financial statements may not be indicative of the Filo del Sol Exploration Business' financial performance and do not necessarily reflect what its carved-out results of operations, financial position and cash flows would have been had the Filo del Sol Exploration Business operated as an independent entity during the years presented. The following basis of preparation for the carve-out statements of financial position, comprehensive loss, cash flows and changes in owner's net investment of the Filo del Sol Exploration Business have been applied:

- All assets and liabilities of the companies disclosed in note 4(a) below that are directly attributable to the Filo del Sol Exploration Business (see note 6) have been extracted in these carve-out financial statements and;
- All expenditures of the companies listed in Note 4(a) below have been extracted in these carve-out financial statements and are directly attributable to the Filo del Sol Exploration Business.
- Common expenses incurred by companies other than the companies listed in note 4(a) below have been allocated on a pro-rata basis to the Filo del Sol Exploration Business based on the level of exploration expenditures incurred in each period.
- Income taxes have been calculated as if the Filo del Sol Exploration Business had been a separate legal entity and had filed a separate tax return for the periods presented.

These carve-out financial statements were authorized for issuance by the Board of Directors of the Company on July 5, 2016.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of combination

The carve-out financial statements include the accounts of the following wholly-owned entities which collectively comprise the Filo del Sol Exploration Business:

<u>Subsidiaries</u>	<u>Jurisdiction</u>	<u>Nature of operations</u>
NGEx Filo del Sol Holdings Inc.	Canada	Holding company
NGEx Chile Holdings Inc.	Canada	Holding company
Filo del Sol Uruguay S.A.	Uruguay	Holding company
Frontera Holdings (Bermuda) IV Ltd.	Bermuda	Holding company
Frontera Holdings (Bermuda) V Ltd.	Bermuda	Holding company
Filo del Sol Exploracion S.A.	Argentina	Exploration company
Frontera Chile Limitada	Chile	Exploration company

**The Filo del Sol Exploration Business of NGEx Resources Inc.
Notes to the Carve-out Financial Statements
For the years ended December 31, 2015, 2014 and 2013
(All amounts expressed in Canadian Dollars)**

All intercompany balances, transactions, including income and expenses arising from inter-company transactions are eliminated in preparing the carve-out financial statements.

b) Functional and presentation currency

The carve-out financial statements are presented in Canadian dollars. The functional currency for each subsidiary entity of the Filo del Sol Exploration Business that has operations in Chile and Argentina is the Chilean peso and the Argentine peso, respectively.

c) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

The majority of the Filo del Sol Exploration Business' significant foreign subsidiaries do not have the Canadian dollar as their functional currency. Accordingly, foreign exchange gains and losses arising from the translation of these foreign subsidiaries' accounts into Canadian dollars are reported as a component of other comprehensive income. Their results and financial position are translated into Canadian dollars as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position.
- Income and expenses for each income statement are translated at average exchange rate.
- All resulting exchange differences are recognized in other comprehensive loss.

d) Significant accounting estimates and judgments

The preparation of these carve-out financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenditures on the financial statements. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual outcomes could differ from these estimates and assumptions. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Filo del Sol Exploration Business' assets and liabilities are accounted for prospectively.

The key accounting judgment applied in the preparation of these carve-out financial statements relates to the allocation of common costs of NGEx attributable to the Filo del Sol Exploration Business, while assets and liabilities that are not directly attributable to the Filo del Sol Exploration Business have been excluded from these carve-out financial statements, as further described in Note 3.

e) Mineral properties and exploration expenditure

The Filo del Sol Exploration Business has been actively exploring its mineral properties and has adopted the policy of capitalizing significant acquisition costs for property rights, including payments for exploration rights and estimated fair value of exploration properties acquired as part of a business acquisition.

**The Filo del Sol Exploration Business of NGEx Resources Inc.
Notes to the Carve-out Financial Statements
For the years ended December 31, 2015, 2014 and 2013
(All amounts expressed in Canadian Dollars)**

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 and economic viability has been demonstrated, all further expenditures for the current year and subsequent years are capitalized as incurred.

At each period end, mineral property assets are reviewed to determine if there are any indicators of impairment. If any indication of impairment exists, an estimate of the mineral property assets' recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the mineral property interests and their value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

The Filo del Sol Exploration Business considers the following facts and circumstances in its determination for impairment:

- Whether the exploration on the mineral property assets have significantly changed, such that previously identified resource targets are no longer being pursued;
- Whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; and
- Whether remaining claim tenure terms are sufficient to conduct necessary studies or exploration work.

When an impairment subsequently reverses, the carrying amount of the asset cash generating units ("CGU") is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior periods. A reversal of an impairment loss is recognized in the period in which that determination was made in profit or loss.

f) Financial instrument classification and risks

In respect of the recognition and measurement of financial instruments, the Filo del Sol Exploration Business has adopted the following policies:

Financial instruments	Loans and receivables	Other financial liabilities
<i>Measured at amortized cost:</i>		
Receivables and others, cash and cash equivalents	X	
Trade payables and accrued liabilities		X

g) Receivables and other assets

The Filo del Sol Exploration Business assesses at the end of each reporting period whether there is objective evidence that its receivable and other assets are impaired. They are considered to be impaired and impairment losses are incurred only if there is objective evidence of impairment as a

The Filo del Sol Exploration Business of NGEx Resources Inc.
Notes to the Carve-out Financial Statements
For the years ended December 31, 2015, 2014 and 2013
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result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in the consolidated statement of loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the consolidated statement of loss.

h) Current and deferred income tax

The Filo del Sol Exploration Business 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 Filo del Sol Exploration Business 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 Filo del Sol Exploration Business 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.

i) Share-based compensation

NGEx has a share-based compensation plan, whereby it is authorized to grant stock options to officers, employees, directors, and other eligible persons ("participants"). 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 NGEx 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 statement.

**The Filo del Sol Exploration Business of NGE Resources Inc.
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j) New accounting pronouncements

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Filo del Sol Exploration Business' financial year beginning on or after December 31, 2015. Pronouncements that are not applicable to the Filo del Sol Exploration Business have been excluded from those described below.

Pronouncement	Effective Date
Annual Improvements to IFRSs 2012-2014 Cycle	Required to be applied for years beginning on or after January 1, 2016
IAS 1 <i>Presentation of financial statements</i> has been amended to clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.	Required to be applied for years beginning on or after January 1, 2016
IAS 11 <i>Accounting for acquisitions of interests in joint operations</i> has been amended to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business.	Required to be applied for years beginning on or after January 1, 2016
IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement. The standard includes: (i) a third measurement category for financial assets – fair value through other comprehensive income and (ii) a single, forward-looking 'expected loss' impairment model.	Required to be applied for years beginning on or after January 1, 2018.
IFRS 7 <i>Financial instruments – disclosure</i> has been amended to require additional disclosures on transition from IAS 39 to IFRS 9.	Required to be applied for years beginning on or after January 1, 2018.
IFRS 16 <i>Leases</i> specifies how leases should be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	Required to be applied for years beginning on or after January 1, 2019.

Management is currently assessing whether these new standards and interpretations would have a material impact on the future financial position and results of the Filo del Sol Exploration Business.

**The Filo del Sol Exploration Business of NGEx Resources Inc.
Notes to the Carve-out Financial Statements
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5. RECEIVABLES AND OTHER ASSETS

	December 31, 2015	December 31, 2014
Current:		
Prepaid expenses	\$ 107,875	\$ 251,495
Taxes recoverable and other receivables	24,628	25,575
	\$ 132,503	\$ 277,070

6. MINERAL PROPERTIES

	Filo del Sol	Tamberias	TOTAL
December 31, 2013	\$ 625,816	\$ 1,182,198	\$ 1,808,014
Additions	-	557,962	557,962
Acquisition of Filo del Sol interest from PPC	7,845,600	-	7,845,600
Currency translation effect	252,937	(73,068)	179,869
December 31, 2014	\$ 8,724,353	\$ 1,667,092	\$ 10,391,445
Additions	-	304,581	304,581
Adjustment to acquisition consideration for Filo del Sol from PPC	(2,881,858)	-	(2,881,858)
Currency translation effect	(1,890,576)	27,237	(1,863,339)
December 31, 2015	\$ 3,951,919	\$ 1,998,910	\$ 5,950,829

The Filo del Sol Exploration Business comprises of properties that straddle the international border between San Juan Province, Argentina, and Region III, Chile. The mineral titles for these properties are 100% controlled by the Filo del Sol Exploration Business either through direct ownership or option agreements.

Filo del Sol (Argentina)

In October 2014, NGEx acquired the 40% interest in Filo del Sol held by its joint exploration partner Pan Pacific Copper Co. ("PPC") to then own, directly or indirectly, 100% of the Filo del Sol Exploration Business in exchange for cash (US\$3.5 million) and by assuming the obligation to fund the US\$3.5 million of PPC's share of future exploration activities on properties that PPC and NGEx are joint venture partners on and are not part of the Filo del Sol Exploration Business (the "La Rioja Properties"). Subsequent to the date of these financial statements and prior to the effective date of the Arrangement, the La Rioja Properties will be assigned and transferred to an NGEx subsidiary that is not part of the Filo del Sol Exploration Business. The related assets and the remaining US\$3.5 million obligation to PPC, which resides with NGEx and will not be transferred to Filo Mining in connection with

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the Arrangement, have been excluded from these carve out financial statements of the Filo del Sol Exploration Business.

Tamberias (Chile)

The Tamberias property is located in Region III, Chile, and is adjacent to the Filo del Sol mineral property interests.

On March 25, 2011 the Filo del Sol Exploration Business entered into an option agreement (the "Agreement") with Compania Minera Tamberias SCM ("Tamberias SCM") whereby it can earn a 100% interest in the Tamberias property by making option payments totaling US\$20 million on or before June 30, 2023. Tamberias SCM will retain a 1.5% NSR royalty that will be paid only after the Filo del Sol Exploration Business has recovered all of its exploration and development costs. The Filo del Sol Exploration Business has cumulatively paid US\$1.95 million as at December 31, 2015.

7. OWNER'S NET INVESTMENT

NGEx's investment in the operations of the Filo del Sol Exploration Business is presented as Owner's Net Investment in the carve-out financial statements. Owner's Net Investment represents the accumulated net contributions from owners net of the accumulated losses of the operations. Net financing transactions with NGEx as presented in the carve-out statements of cash flows represent the net contributions related to the funding of operations between the Filo del Sol Exploration Business and NGEx.

8. RELATED PARTY TRANSACTIONS

Key management compensation

The key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities. Management services were provided by NGEx's Board of Directors and members of its executive management team.

Total compensation expense for key management personnel attributable and allocated to the Filo del Sol Exploration Business, and the composition thereof, is as follows:

	Year ended December 31,		
	2015	2014	2013
Salaries	\$ 314,674	\$ 756,302	\$ 147,987
Employee benefits	18,298	27,868	4,689
Director fees	32,339	43,253	10,373
Share-based compensation	276,442	500,735	97,703
	\$ 641,753	\$ 1,328,158	\$ 260,752

The Filo del Sol Exploration Business of NGEx Resources Inc.
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9. EXPLORATION AND PROJECT INVESTIGATION

The exploration and project investigation expenditures attributable to the Filo del Sol Exploration Business are as follows:

	Year ended December 31, 2015		
	Filo del Sol	Tamberias	Total
Land Holding Costs	\$ 94,497	\$ 193,231	\$ 287,728
Drilling, fuel, camp costs and field supplies	3,330,737	524,529	3,855,266
Roadwork, travel and transport	899,676	251,570	1,151,246
Consultants, geochemistry and geophysics	224,108	105,998	330,106
Environmental and community relations	119,101	27,217	146,318
VAT	1,364,247	205,869	1,570,116
Office, salaries, overhead and other administrative costs	1,944,111	182,004	2,126,115
Share-based compensation	86,054	28,105	114,159
Total Expenditures	\$ 8,062,531	\$ 1,518,523	\$ 9,581,084

	Year ended December 31, 2014		
	Filo del Sol	Tamberias	Total
Land Holding Costs	\$ 51,405	\$ 180,122	\$ 231,527
Drilling, fuel, camp costs and field supplies	3,464,442	134,728	3,599,170
Roadwork, travel and transport	1,015,625	432,361	1,447,986
Consultants, geochemistry and geophysics	434,273	226,594	660,867
Environmental and community relations	312,387	12,392	324,779
VAT	1,098,609	157,779	1,256,388
Office, salaries, overhead and other administrative costs	1,556,942	344,009	1,900,951
Share-based compensation	135,723	52,933	188,656
Total Expenditures	\$ 8,069,406	\$ 1,540,918	\$ 9,610,324

	Year ended December 31, 2013		
	Filo del Sol	Tamberias	Total
Land Holding Costs	\$ 97,490	\$ 289,676	\$ 387,166
Drilling, fuel, camp costs and field supplies	192,893	275,848	468,741
Roadwork, travel and transport	269,247	646,876	916,123
Consultants, geochemistry and geophysics	23,608	98,733	122,341
Environmental and community relations	64,002	84,215	148,217
VAT	47,135	198,681	245,816
Office, salaries, overhead and other administrative costs	155,568	167,436	323,004
Share-based compensation	12,035	12,485	24,520
Total Expenditures	\$ 861,978	\$ 1,773,950	\$ 2,635,928

The Filo del Sol Exploration Business of NGEx Resources Inc.
Notes to the Carve-out Financial Statements
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(All amounts expressed in Canadian Dollars)

10. INCOME TAXES

	December 31, 2015	December 31, 2014	December 31, 2013
Combined basic federal and provincial income tax rates	26.00%	26.00%	25.75%
Net loss before taxes	\$ (11,816,753)	\$ (13,076,448)	\$ (3,235,204)
Expected income recovery	\$ (3,072,355)	\$ (3,399,876)	\$ (833,065)
Non-deductible share based compensation	119,157	227,062	47,708
Other non-deductible expenses and permanent differences	117,952	43,025	54,572
Difference in foreign tax rates	(82,640)	(715,326)	(34,808)
Income tax benefits not recognized and other items	2,917,886	3,845,115	765,593
Future income tax recovery	\$ -	\$ -	\$ -

	December 31, 2015	December 31, 2014	December 31, 2013
Loss carry-forwards	981,606	696,738	96,177
Mineral properties and related expenditures	5,516,758	3,004,890	2,510,855
Unrecognized deferred tax assets	\$ 6,498,364	\$ 3,701,628	\$ 2,607,032

The income tax benefit, if any, of these losses have not been recorded in the consolidated financial statements due to the uncertainty of their recovery.

11. SEGMENTED INFORMATION

The Filo del Sol Exploration Business is principally engaged in the acquisition, exploration and development of the Filo del Sol mineral properties in South America. The segments presented below together with the mineral property information presented in Note 6 and Note 9 reflects the way in which the management of NGEx 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. The Chief Executive Officer of NGEx is responsible for allocating resources and assessing performance of the operating segments.

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

	December 31, 2015	December 31, 2014
Argentina	3,951,919	8,724,353
Chile	1,998,910	1,667,092
	\$ 5,950,829	\$ 10,391,445

The Filo del Sol Exploration Business of NGEx Resources Inc.
Notes to the Carve-out Financial Statements
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(All amounts expressed in Canadian Dollars)

12. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental information regarding non-cash transactions is as follows:

	December 31, 2015	December 31, 2014	December 31, 2013
Mineral property acquisition of the remaining interest in the Filo del Sol Project	-	3,922,800	-
Share-based compensation in the exploration expenditures	114,159	188,656	24,520

13. MANAGEMENT OF FINANCIAL RISKS

The Filo del Sol Exploration Business' financial instruments are exposed to certain financial risks, including credit, market, liquidity and currency risks.

- (i) Credit risks associated with cash and cash equivalents is minimal as the Filo del Sol Exploration Business deposits the majority of its cash with large financial institutions that has been accorded a strong investment grade rating by a primary rating agency. Credit risks associated with tax receivables from governments are inherently managed, with exposure to potential loss assessed as minimal.
- (ii) Liquidity risks associated with the inability to meet obligations as they become due is minimized through the management of its capital structure and by maintaining good relationships with bankers. The Filo del Sol Exploration Business also closely monitors and reviews its costs to date and actual cash flows on a monthly basis. Trade payables and accrued liabilities are due within twelve months of the Statement of Financial Position date.
- (iii) The Filo del Sol Exploration Business is exposed to currency risks as its operations are primarily conducted in Argentina and Chile. Exploration and project investigation costs are primarily denominated in Argentina pesos, Chilean pesos and the US dollar. As the presentation currency is the Canadian dollar, significant changes in these foreign exchange rates would have a direct impact to the Filo del Sol Exploration Business' results of operations, financial position and cash flow. With the lifting of currency controls following the new Argentina government taking office in December 2015, the official Argentina currency had noticeably weakened by approximately 20% at December 31, 2015. The Argentina peso devaluation had a minimal impact on the Filo del Sol Exploration Business' net loss as the currency restriction was lifted in the last month of the 2015 year, but did result in a relatively large decrease to the reported value of the Filo del Sol Exploration Business' Argentina mineral property assets as at December 31, 2015. While the Filo del Sol Exploration Business has not used any hedging strategies to manage its exposure to currency fluctuations, management strives to minimize currency risks by sourcing certain of its operations domestically and reducing the cash held in foreign currencies. A 10% devaluation in the Argentina and Chilean pesos relative to the Canadian dollar would result in an approximately \$0.7 million future cost saving.

The Filo del Sol
Exploration Business of
NGEx Resources Inc.
Condensed Interim Carve-out Financial
Statements

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Carve-out Financial Statements

March 31, 2016

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**The Filo del Sol Exploration Business of NGEx Resources Inc.
Condensed Interim Carve-out Statements of Financial Position
(All amounts expressed in Canadian Dollars)
(Unaudited)**

	March 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 740,857	\$ 271,228
Receivables and other assets	72,519	132,503
	813,376	403,731
Mineral properties (Note 4)	5,841,049	5,950,829
TOTAL ASSETS	\$ 6,654,425	\$ 6,354,560
LIABILITIES		
Current liabilities:		
Trade payables and accrued liabilities	\$ 403,016	\$ 243,179
OWNER'S NET INVESTMENT		
Owner's net investment (Note 5)	6,251,409	6,111,381
TOTAL LIABILITIES AND OWNER'S NET INVESTMENT	\$ 6,654,425	\$ 6,354,560

Subsequent Event (Note 1)

The accompanying notes are an integral part of these condensed interim carve-out financial statements.

ON BEHALF OF THE BOARD:

/s/William A. Rand
Director

/s/Wojtek A. Wodzicki
Director

**The Filo del Sol Exploration Business of NGEEx Resources Inc.
Condensed Interim Carve-out Statements of Comprehensive Loss
(All amounts expressed in Canadian Dollars)
(Unaudited)**

	For the Three Months Ended March 31,	
	2016	2015
Expenses		
Exploration and project investigation (Note 7)	\$ 1,286,328	\$ 7,734,546
General and Administration:		
Salaries and benefits (Note 6)	125,434	193,581
Share-based compensation	127,121	141,725
Management fees	47,312	116,861
Professional fees	68,650	66,607
Travel	11,329	49,494
Promotion and public relations	41,808	90,101
Office and general	81,061	110,899
Operating loss	1,789,043	8,503,814
Other expenses		
Foreign exchange loss	73,168	131,311
Net loss	\$ 1,862,211	\$ 8,635,125
Other comprehensive loss		
Foreign currency translation adjustment	528,740	(528,727)
Total comprehensive loss	\$ 2,390,951	\$ 8,106,398

The accompanying notes are an integral part of these condensed interim carve-out financial statements.

**The Filo del Sol Exploration Business of NGEEx Resources Inc.
Condensed Interim Carve-out Statements of Cash Flows
(All amounts expressed in Canadian Dollars)
(Unaudited)**

	For the Three Months Ended March 31,	
	2016	2015
Cash flows used in operating activities		
Net loss for the period	\$ (1,862,211)	\$ (8,635,125)
Items not involving cash and cash equivalents:		
Depreciation	4,155	4,529
Share-based compensation	180,232	184,166
Unrealized foreign exchange loss	72,323	131,311
Net changes in working capital items:		
Receivables and other	137,595	153,777
Trade payables and accrued liabilities	222,127	(1,293,425)
	<u>(1,245,779)</u>	<u>(9,454,767)</u>
Cash flows from financing activities		
Funding provided by NGEEx Resources Inc.	2,350,747	4,613,723
	<u>2,350,747</u>	<u>4,613,723</u>
Cash flows used in investing activities		
Mineral properties and related expenditures	(572,468)	(304,581)
	<u>(572,468)</u>	<u>(304,581)</u>
Effect of exchange rate change on cash and cash equivalents	(62,871)	355,511
Increase / (Decrease) in cash and cash equivalents during the period	469,629	(4,790,114)
Cash and cash equivalents, beginning of period	271,228	7,671,044
Cash and cash equivalents, end of period	\$ 740,857	\$ 2,880,930

The accompanying notes are an integral part of these condensed interim carve-out financial statements.

**The Filo del Sol Exploration Business of NGEx Resources Inc.
Condensed Interim Carve-out Statements of Changes in Owner's Net Investment
(All amounts expressed in Canadian Dollars)
(Unaudited)**

	2016	2015
Owner's net investment, January 1	\$ 6,111,381	\$ 15,476,591
Net loss and comprehensive loss	(2,390,951)	(8,106,398)
Net contributions from owner	2,350,747	4,613,723
Share-based compensation	180,232	184,166
Owner's net investment, March 31	\$ 6,251,409	\$ 12,168,082

The accompanying notes are an integral part of these condensed interim carve-out financial statements.

The Filo del Sol Exploration Business of NGEx Resources Inc.
Notes to Unaudited Condensed Interim Carve-out Financial Statements
March 31, 2016
(All amounts expressed in Canadian Dollars)

1. ARRANGEMENT AGREEMENT

On June 13, 2016, NGEx Resources Inc. ("NGEx" or the "Company") announced that its Board of Directors unanimously approved a strategic reorganization of its exploration business through a plan of arrangement under the Canada Business Corporation Act (the "Arrangement"). Subject to regulatory, shareholders' and other approvals, NGEx will transfer its wholly owned subsidiaries that directly or indirectly hold the Filo del Sol project and the Tamberias project located in Argentina and Chile, respectively (the "Filo del Sol Exploration Business") and working capital to Filo Mining Corp., a newly incorporated entity ("Filo Mining" or "Spinco"), in exchange for Filo Mining common shares.

Under the Arrangement, NGEx will then distribute all of the shares of Spinco to its shareholders on the basis of one Spinco share for every four NGEx shares held by way of a reduction and return of share capital. Upon closing of the transaction, Spinco will be owned exclusively by existing NGEx shareholders in identical proportion to their previous shareholdings of NGEx. There will be no change to shareholders' existing holdings in the Company. Filo Mining is concurrently applying for a listing of the Spinco shares on the TSX Venture Exchange and the Nasdaq First North Exchange in Sweden.

Under the terms of the Arrangement, Spinco will hold the following key assets:

- A 100% interest in the Filo del Sol Exploration Business.
- \$3 million in cash and cash equivalents.

Filo Mining was incorporated on May 12, 2016 and its registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. To date, Filo Mining has not commenced operations.

These carve-out financial statements reflect the assets, liabilities, expenses and cash flows of the Filo del Sol Exploration Business that has been spun out by NGEx to Spinco as more fully described in Note 3 below.

2. NATURE OF OPERATIONS

The Filo del Sol Exploration Business is engaged in the acquisition, exploration and development of mineral properties located in South America and has not yet determined whether these properties contain mineral reserves that are economically recoverable. This high sulphidation epithermal copper-gold-silver system is currently in the resource definition stage. The continued operations of the Filo del Sol Exploration Business through Filo Mining and the recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of Filo Mining to obtain necessary financing to complete the development of such properties, and upon future profitable production from or disposition of such properties.

3. BASIS OF PRESENTATION

These condensed interim carve-out financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting.

The interim financial statements should be read in conjunction with the audited carve-out financial statements of the Filo del Sol Exploration Business of NGEx for the years ended December 31, 2015, 2014 and 2013, which includes information necessary or useful to understand the Company's businesses and financials statement presentation. In particular, the Filo del Sol Exploration Business' basis of presentation and significant accounting policies were presented as Notes 3 and 4 to the

The Filo del Sol Exploration Business of NGEx Resources Inc.
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audited carve-out financial statements for the years ended December 31, 2015, 2014 and 2013, and have been consistently applied in the preparation of these condensed interim carve-out financial statements.

These condensed interim carve-out financial statements were authorized for issuance by the Board of Directors of the Company on July 5, 2016.

4. MINERAL PROPERTIES

	Filo del Sol	Tamberias	TOTAL
December 31, 2014	\$ 8,724,353	\$ 1,667,092	\$ 10,391,445
Additions	-	304,581	304,581
Adjustment to acquisition consideration for Filo del Sol from PPC	(2,881,858)	-	(2,881,858)
Currency translation effect	(1,890,576)	27,237	(1,863,339)
December 31, 2015	\$ 3,951,919	\$ 1,998,910	\$ 5,950,829
Additions	-	572,468	572,468
Currency translation effect	(666,910)	(15,338)	(682,248)
March 31, 2016	\$ 3,285,009	\$ 2,556,040	\$ 5,841,049

In October 2014, NGEx acquired the 40% interest in Filo del Sol held by its joint exploration partner Pan Pacific Copper Co. ("PPC") to then own, directly or indirectly, 100% of the Filo del Sol Exploration Business in exchange for cash (US\$3.5 million) and by assuming the obligation to fund the US\$3.5 million of PPC's share of future exploration activities on properties that PPC and NGEx are joint venture partners on and are not part of the Filo del Sol Exploration Business (the "La Rioja Properties"). Subsequent to the date of these financial statements and prior to the effective date of the Arrangement, the La Rioja Properties will be assigned and transferred to an NGEx subsidiary that is not part of the Filo del Sol Exploration Business. The related assets and the remaining US\$3.5 million obligation to PPC, which resides with NGEx and will not be transferred to Filo Mining in connection with the Arrangement, have been excluded from these carve out financial statements of the Filo del Sol Exploration Business.

The Filo del Sol Exploration Business of NGEx Resources Inc.
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5. OWNER'S NET INVESTMENT

NGEx's investment in the operations of the Filo del Sol Exploration Business is presented as Owner's Net Investment in the carve-out financial statements. Owner's Net Investment represents the accumulated net contributions from owners net of accumulated losses of the operations. Net financing transactions with NGEx as presented in the carve-out statements of cash flows represent the net contributions related to the funding of operations between the Filo del Sol Exploration Business and NGEx.

6. RELATED PARTY TRANSACTIONS

Key management compensation

The key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities. Management services were provided by NGEx's Board of Directors and members of its executive management team.

Total compensation expense for key management personnel attributable and allocated to the Filo del Sol Exploration Business, and the composition thereof, is as follows:

	Three months ended March 31,	
	2016	2015
Salaries	\$ 95,948	\$ 61,217
Employee benefits	11,830	7,619
Director fees	9,548	5,738
Share-based compensation	122,097	42,646
	\$ 239,423	\$ 117,220

The Filo del Sol Exploration Business of NGEx Resources Inc.
Notes to Unaudited Condensed Interim Carve-out Financial Statements
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7. EXPLORATION AND PROJECT INVESTIGATION

The exploration and project investigation expenditures attributable to the Filo del Sol Exploration Business are as follows:

	Three months ended March 31, 2016		
	Filo del Sol	Tamberias	Total
Land Holding Costs	\$ 13,899	\$ 23,619	\$ 37,518
Drilling, fuel, camp costs and field supplies	317,286	194	317,480
Roadwork, travel and transport	191,577	3,468	195,045
Consultants, geochemistry and geophysics	217,793	-	217,793
Environmental and community relations	16,502	-	16,502
VAT	167,166	134	167,300
Office, salaries, overhead and other administrative costs	261,479	20,100	281,579
Share-based compensation	39,865	13,246	53,111
Total Expenditures	\$ 1,225,567	\$ 60,761	\$ 1,286,328

	Three months ended March 31, 2015		
	Filo del Sol	Tamberias	Total
Land Holding Costs	\$ 109,740	\$ 103,120	\$ 212,860
Drilling, fuel, camp costs and field supplies	871,353	224,937	1,096,290
Roadwork, travel and transport	2,967,721	511,717	3,479,438
Consultants, geochemistry and geophysics	254,480	93,804	348,284
Environmental and community relations	102,909	10,325	113,234
VAT	1,276,770	165,461	1,442,231
Office, salaries, overhead and other administrative costs	875,988	123,781	999,769
Share-based compensation	10,610	31,830	42,440
Total Expenditures	\$ 6,469,571	\$ 1,264,975	\$ 7,734,546

8. SEGMENTED INFORMATION

The Filo del Sol Exploration Business is principally engaged in the acquisition, exploration and development of the Filo del Sol mineral properties in South America. The segments presented below together with the mineral property information presented in Note 4 and Note 7 reflects the way in which the management of NGEx 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. The Chief Executive Officer of NGEx is responsible for allocating resources and assessing performance of the operating segments.

The geographic distribution of the mineral property assets is as follows:

	March 31, 2016	December 31, 2015
Argentina	3,285,009	3,951,919
Chile	2,556,040	1,998,910
	\$ 5,841,049	\$ 5,950,829

SCHEDULE “J”
TO THE MANAGEMENT CIRCULAR
OF NGEX RESOURCES INC.
CORPORATE GOVERNANCE DISCLOSURE

Required Disclosure of Corporate Governance Practices	Response
<p>Board of Directors — Disclose how the board of directors (the board) facilitates its exercise of independent supervision over management, including</p> <p>(i) the identity of directors that are independent, and</p> <p>(ii) the identity of directors who are not independent, and the basis for that determination.</p>	<p>Directors are considered to be "independent" if they have no direct or indirect material relationship with Filo Mining. A "material relationship" is a relationship which could, in the view of the Filo Board, be reasonably expected to interfere with the exercise of a director's independent judgment.</p> <p>The Filo Board will be composed of five directors, of which four will be considered to be independent. Mr. Wodzicki will not be independent, as he is the President and CEO of Filo Mining.</p>
<p>Directorships — If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>Certain directors of Filo Mining are directors of other reporting issuers, as disclosed in this Circular under the heading “Filo Mining— Directors and Officers”.</p>
<p>Orientation and Continuing Education — Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.</p>	<p>All directors will be expected to pursue educational opportunities as appropriate to enable them to perform their duties as directors. Filo Mining will make appropriate funding to directors to attend seminars or conferences relevant to their position as directors of Filo Mining. Included in the Corporate Governance and Nomination Committee mandate will be the requirement to develop, with the assistance of management, an orientation and education program for new recruits to the Filo Board, where necessary. Filo Mining’s outside legal counsel will also provide directors and senior officers with summary updates of any developments relating to the duties and responsibilities of directors and officers and corporate governance matters.</p>

<p>Ethical Business Conduct — Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Filo Board will adopt a written Code of Business Conduct and Ethics (the “Code”) for directors, officers, and employees of Filo Mining, which will be substantially similar to the Code of Business Conduct and Ethics of NGEx, which is available for review on the website of NGEx at www.ngexresources.com.</p> <p>Directors, officers or employees of Filo Mining who have concerns or questions about violations of laws, rules or regulations, or of the Code, once implemented, will be required to report them to the Corporate Secretary or to the chair of the Audit Committee, once formed. Following receipt of any complaints, the Corporate Secretary or chair of the Audit Committee, as the case may be, will investigate each matter so reported and report to the Audit Committee. The Filo Board will be ultimately responsible, acting through the Audit Committee, for the Code and monitoring compliance with the Code. In addition to the requirements of the Code, once implemented, directors are also required to comply with the relevant provisions of the CBCA regarding conflicts of interests. Directors with an interest in a material transaction are required to declare their interest and abstain from voting on such transactions. A thorough discussion of the documentation related to a material transaction is required for review by the Filo Board, particularly independent directors.</p>
<p>Nomination of Directors — Disclose what steps, if any, are taken to identify new candidates for board nomination, including:</p> <ul style="list-style-type: none"> (i) who identifies new candidates, and (ii) the process of identifying new candidates. 	<p>The Filo Board will establish a Corporate Governance and Nominating Committee, which will have the primary responsibility for identifying prospective Board members. The Corporate Governance and Nominating Committee will coordinate the search for qualified candidates with input from management and other Boardmembers, giving careful consideration to the competencies and skills that the Filo Board as a whole should possess, and the skills and experience of existing Board members. Other factors will be considered which may include the ability of the individual candidate to contribute on an overall basis, the ability of the individual to contribute sufficient time and resources to the Filo Board,</p>

	as well as the individual's direct experience with public companies in general and mining companies, in particular. The Corporate Governance and Nominating Committee will recommend a nominee and seek full Filo Board endorsement of the selected candidate.
<p>Compensation — Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:</p> <p>(i) who determines compensation, and</p> <p>(ii) the process of determining compensation.</p>	The Compensation Committee, to be formed following the completion of the Arrangement, will review and make recommendations to the Filo Board on the compensation packages for the CEO and other senior officers, as well as evaluating annually the performance of the CEO. The Compensation Committee will meet at least annually to discuss compensation issues but will also meet from time to time as necessary.
<p>Other Board Committees — If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	Other than the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee, it is not anticipated that Filo Mining will have any additional board committees immediately following the completion of the Arrangement . The Filo Board may, however, establish additional committees after the completion of the Arrangement, depending on the needs of Filo Mining.
<p>Assessments — Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.</p>	Once established, the Corporate Governance and Nominating Committee will establish and administer a process for assessing the effectiveness of the Filo Board as a whole, the committees of the Filo Board, the chairman of the Filo Board, the committee chairs and individual directors. The Corporate Governance and Nominating Committee will report regularly to the Filo Board on all of its activities and findings.