



MANAGEMENT INFORMATION CIRCULAR

(Containing information as at May 5, 2014, unless indicated otherwise)

SOLICITATION OF PROXIES

This Management Information Circular ("Information Circular") is furnished in connection with the solicitation of proxies by the management ("Management") of NGEx Resources Inc. (the "Corporation") for use at the annual and special meeting (the "Meeting") of the holders (the "Shareholders") of common shares in the capital of the Corporation (the "Common Shares") to be held on Thursday, June 12, 2014 at the time and place and for the purposes set out in the accompanying Notice of Annual and Special Meeting of Shareholders ("Notice of Meeting"). References in this Information Circular to the Meeting include any adjournment or adjournments thereof.

While it is expected that the solicitation will be made by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation at nominal cost. All costs of this solicitation will be borne by the Corporation.

Unless otherwise stated, the information contained in this Information Circular is as of May 5, 2014. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars, which is the Corporation's reporting currency.

APPOINTMENT OF PROXYHOLDER AND VOTING OF PROXIES

The individuals named in the enclosed form of proxy are officers and/or directors of the Corporation (the "Management Proxyholders"). A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent such Shareholder at the Meeting, may do so, either by striking out the names of those persons named in the accompanying form of proxy and inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy. A proxy will not be valid unless the completed form of proxy is received by the Corporation's transfer agent, Computershare Investor Services Inc. ("Computershare"), at Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, or via fax to 1-866-249-7775, not less than 48 hours (excluding Saturdays, and holidays) before the time for holding the Meeting, or any adjournment thereof.

NON-REGISTERED HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through banks, brokers, trustees or other persons ("Intermediaries"), or who otherwise do not hold their Common Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares ("Registered Shareholders") will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares more likely will be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name of the Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial**

Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to Registered Shareholders by the Corporation and is commonly referred to as a "**voting instruction form**". However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails such forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote their Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through an Intermediary, please contact that Intermediary promptly for assistance.** Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

These securityholder materials are being sent to both Registered Shareholders and Beneficial Shareholders who have not objected to the Intermediary through which their Common Shares are held disclosing ownership information about themselves to the Corporation ("**NOBO's**"). If you are a NOBO, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

If you are a Beneficial Shareholder who has objected to the Intermediary through which your Common Shares are held disclosing ownership information about you to the Corporation (an "**OBO**"), the Corporation does intend to pay for an Intermediary to deliver the proxy-related materials with respect to the Meeting and related forms to OBOs.

NOTICE AND ACCESS

The Corporation is not sending the Meeting materials to Shareholders using "notice and access", as defined in National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer.

REVOCAION OF PROXIES

A Registered Shareholder who has given a Proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Corporation at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the chair of the Meeting on the day of the Meeting or any adjournment of it. **Only Registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the proxy on their behalf.** A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

The Common Shares represented by a properly executed proxy in favour of Management Proxyholders will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the Management Proxyholder on any ballot that may be called for; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. If any amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the Management Proxyholders to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, Management knows of no such amendment, variation or other matter that may be presented to the Meeting.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditor. Directors and executive officers may, however, be interested in the approval of the Corporation's share option plan as detailed in "Particulars of Matters to be Acted Upon – Approval of Unallocated Options and Amendments to Share Option Plan", as such persons are entitled to participate in the share option plan.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Common Shares of which 168,940,059 Common Shares are issued and outstanding as at the date hereof.

Shareholders registered as at May 5, 2014 (the "**Record Date**") are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must deliver their form of proxy at the place and within the time set forth in the notes to the form of proxy to entitle the person appointed by the form of proxy to attend and vote.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote, and on a poll every Shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate Shareholders, will have one vote, for each Common Share registered in that Shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare, and will be available at the Meeting. **Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

The following table sets forth the only persons who as of the date hereof, to the knowledge of the directors and executive officers of the Corporation, beneficially own or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares:

Name	Number of Shares	Percentage
Lorito Holdings S.à.r.l. (“ Lorito ”) ⁽¹⁾	16,250,000	9.62%
Zebra Holdings and Investments S.à.r.l.(“ Zebra ”) ⁽¹⁾	17,411,841	10.31%

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 33,661,841 Common Shares, which represents approximately 19.93% of the current outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

ELECTION OF DIRECTORS

The board of directors (the “**Board**”) presently consists of five (5) directors and it is intended to elect five (5) directors for the ensuing year.

According to its Articles of Continuance, the Corporation may have a minimum of 1 and a maximum of 10 directors. The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as Management’s nominees and the persons proposed by Management as proxyholders in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual meeting of Shareholders of the Corporation or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Canada Business Corporations Act* (the “**CBCA**”).

On April 30, 2013, the Board approved an amendment to its by-laws to provide for an advance notice requirement for nominations of directors by shareholders, which amendment was ratified by shareholders at the annual and special meeting held on June 19, 2013. The Corporation did not receive notice of any director nominations in connection with the Meeting within the time periods prescribed by the amended by-law. Accordingly, at the Meeting, the only persons eligible to be nominated for election to the Board are the Nominees.

The Corporation adopted a majority voting policy on March 11, 2013, as amended May 5, 2014 with respect to the election of directors. Pursuant to the majority voting policy, each director must, subject to the provisions below, be elected by the vote of a majority of the shares, represented in person or by proxy, at any meeting for the election of directors other than at contested meetings. Forms of proxy for the election of directors will permit a Shareholder to vote in favour of, or to withhold from voting, separately for each director nominee. The Chair of the Board will ensure that the number of Common Shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the meeting. If any nominee for director receives, from the Common Shares voted at the meeting in person or by proxy, a greater number of Common Shares withheld than Common Shares voted in favour of his or her election, the director must immediately tender his or her resignation to the Board following the meeting to take effect upon acceptance by the Board. The Board shall accept the resignation absent exceptional circumstances, and such resignation will be effective when accepted by the Board. To assist the Board in making a determination with regard to exceptional circumstances, the Board will refer the resignation to the Corporate Governance and Nominating Committee who will expeditiously consider whether to recommend that the Board accept such director’s resignation. In making this recommendation, the Corporate Governance and Nominating Committee may consider such extenuating circumstances as it deems appropriate including without limitation circumstances relating to the composition of the Board or the voting results. The Board shall determine whether or not to accept the resignation within 90 days after the date of the relevant security holders' meeting and promptly announce that decision (and the reasons for rejecting the resignation, if applicable) by way of a news release, a copy of which shall be provided to the Toronto Stock Exchange (“**TSX**”). Any director who tenders a resignation pursuant to the policy will not participate in any meeting of the Board or any sub-committee of the Board at which the resignation is considered. The majority voting policy applies only to uncontested elections, where the number of nominees as director is

equal to the number of directors to be elected. If the director fails to tender his or her resignation as contemplated in the majority voting policy, the Board will not re-nominate the director. Subject to any corporate law restrictions, and in accordance with the Corporation's articles and by-laws, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to elect a new nominee to fill the vacant position.

The following table and notes thereto sets out the name of each person proposed to be nominated by Management for election as a director (a "**proposed director**"), the province and country in which he is ordinarily resident, all offices of the Corporation now held by him, his principal occupation, the period of time for which he has been a director of the Corporation, and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by him and his associates or affiliates, as at the date hereof.

Name and Province and Country of Residence ⁽¹⁾	Positions with the Corporation	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽²⁾	Principal Occupation and Term as Director
Lukas H. Lundin ⁽⁴⁾ Geneva, Switzerland	Non-Executive Chairman of the Board and Director	1,501,844	Businessman; director and officer of a number of publicly traded resource-based companies which include Lundin Mining Corporation, Denison Mines Corp., Lucara Diamond Corp., Lundin Petroleum AB, and Fortress Minerals Corp. Director since June 23, 1995
Wojtek A. Wodzicki British Columbia, Canada	President, Chief Executive Officer and Director	403,200	President and Chief Executive Officer of the Corporation. Director since April 17, 2009
William A. Rand ⁽³⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada	Director	294,098	Senior Business Advisor, Cassels Brock & Blackwell LLP; Formerly President and director of Rand Edgar Investment Corp.; director of a number of publicly traded companies. Director since June 23, 1995
Paul K. Conibear ⁽³⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada	Director	567,976 ⁽⁶⁾	President and Chief Executive Officer of Lundin Mining Corporation. Director since April 17, 2009
David F. Mullen ⁽³⁾⁽⁵⁾ British Columbia, Canada	Director	35,000	Managing Director of Graycliff Partners since December 2011; Former Managing Partner and Chair of Fulcrum Capital Partners Inc. (Canada); formerly Chief Executive Officer and Head of Private Equity North America for HSBC Bank (HSBC Capital Canada and HSBC Capital USA). Director since November 16, 2010

Notes:

(1) The information as to the province or state, as applicable, country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.

- (2) The information as to Common Shares beneficially owned or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (3) Members of the Audit Committee. William Rand is Chair of the Audit Committee.
- (4) Members of the Compensation Committee. William Rand is Chair of the Compensation Committee.
- (5) Members of the Corporate Governance and Nominating Committee. David F. Mullen is Chair of the Corporate Governance and Nominating Committee.
- (6) This amount includes 100,173 Common Shares owned by Mr. Conibear's spouse and dependent child of which 10,878 Common Shares are held in a Registered Education Savings Plan.

Other than as disclosed below, none of the proposed directors (or any of their personal holding companies) of the Corporation:

- (a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Corporation, that:
 - (i) was the subject of a cease trade order 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 (an "order") that was issued while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company, including the Corporation, 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 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

Mr. William A. Rand is currently and was a director of New West Energy Services Inc. (formerly, Lexacal Investment Corp.) when, on September 5, 2006, a cease trade order was issued against that company by the British Columbia Securities Commission for failure to file its financial statements within the prescribed time. The default was rectified and the order was revoked on November 9, 2006.

None of the proposed directors (or any of their personal holding companies) 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 other 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.

APPOINTMENT OF AUDITOR

The Common Shares represented by the proxies solicited in respect of the Meeting on any ballot that may be called for, unless authority to do so is withheld, will be voted for the appointment of the firm of PricewaterhouseCoopers LLP, Chartered Accountants, as auditor of the Corporation, and to authorize the directors to fix the remuneration to be paid to the auditor. PricewaterhouseCoopers LLP have served as auditor of the Corporation for more than ten years.

APPROVAL OF UNALLOCATED OPTIONS

The Corporation currently has a share option plan ("**Share Option Plan**") in place whereby the aggregate maximum number of common shares available for issuance under the Share Option Plan and all other security based compensation arrangements at any given time is 10% of the issued and outstanding Common Shares. See "Securities Authorized for Issuance Under Equity Compensation Plans" for details of the Share Option Plan. As at the date of the Information Circular, there are 5,487,750 options to purchase common shares of the Corporation outstanding under the Share Option Plan, representing 3.2% of the total issued and outstanding Common Shares. As such, an aggregate of 11,406,255 options (6.8% of the issued and outstanding shares) are unallocated and remain available for grant. The Share Option Plan was last approved by the Shareholders on June 13, 2011. In accordance with the TSX policies, all unallocated options under the Share Option Plan are required to be re-approved by the Shareholders every three years.

At the Meeting, the Shareholders will be asked to consider and, if deemed fit, pass the following ordinary resolution, in substantially the following form, approving the Share Option Plan and all unallocated options under the Share Option Plan. To be effective, the foregoing resolution must be approved by not less than a majority of the votes cast by Shareholders present in person or represented by proxy, at the Meeting.

Required Three Year Re-Approval of Share Option Plan

"RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. The Share Option Plan of the Corporation (the "**Share Option Plan**") and all unallocated options, rights and other entitlements under the Corporation's Share Option Plan, as described in the management information circular dated May 5, 2014 be and is hereby approved, ratified and confirmed;
2. the Corporation has the ability to continue granting options, rights and other entitlements under the Share Option Plan until June 12, 2017, the date that is three years from the date of this resolution; and
3. any director or officer of the Corporation is hereby authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution."

The Board has unanimously approved the Share Option Plan and all unallocated options, rights and other entitlements under the Share Option Plan and recommends to Shareholders that they vote FOR the approval of the Share Option Plan and all unallocated options, rights and other entitlements under the Share Option Plan. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted FOR the approval of the Share Option Plan and all unallocated options, rights and other entitlements under the Share Option Plan. If all unallocated options, rights and other entitlements under the Share Option Plan are not re-approved by the Shareholders at the Meeting, then all options, rights and other entitlements which have already been granted will not be affected, however all unallocated options, rights and other entitlements will be cancelled and the Corporation will not be permitted to make further grants under the Share Option Plan until Shareholder approval is obtained. In addition, options that are exercised, terminate or expire shall not be available for re-grant until Shareholder approval is obtained.

AMENDMENTS TO SHARE OPTION PLAN

On April 11, 2014 and May 5, 2014, the Board approved, subject to Shareholder and TSX approval, certain amendments to the Share Option Plan. The principal amendments to the Share Option Plan are summarized below. Assuming the resolution approving all unallocated options under the Share Option Plan is approved, the amendments (the “**Amendments**”) to the Share Option Plan (the Share Option Plan, as amended, being referred to as the “**Amended Option Plan**”) will then be submitted to Shareholders at the Meeting for approval. A copy of the Amended Option Plan, showing the changes from the Share Option Plan, is attached as Schedule D to this Information Circular. The TSX has conditionally approved the Amended Option Plan, subject to approval of the Shareholders.

The Amendments to the Share Option Plan included:

- (a) updating certain defined terms, such as the defined terms for “Affiliate”, “Associate”, and “Consultant”, to reflect the definitions used by the TSX policies and National Instrument 45-106, and general updating of certain defined terms for “Affiliated Entity”, “Board”, “Change of Control”, “Acquiror”, “Corporation”, “Plan”, “RRSP” and “TSX” and adding “Optionee” as a defined term, which are all considered to be amendments of a housekeeping nature;
- (b) general revisions to section 1.4 to provide clarity in order to provide that any increase in the issued and outstanding Common Shares will result in an increase in the available number of the Common Shares issuable under the Share Option Plan, and exercises of options will make new grants available under the Share Option Plan; as well as to add a provision that provides that option grants in any one fiscal year to all non-management directors shall not exceed 1% of the outstanding shares at that time;
- (c) revisions to section 2.8 regarding acceleration on change of control to further clarify the treatment of participants and election to exercise following a change of control;
- (d) revisions to section 2.10 regarding income tax withholding to further clarify the Corporation’s powers in order to meet its withholding obligations;
- (e) revisions to the amendment provisions of the Share Option Plan in order to add additional amendments under section 3.5(a) that would require shareholder approval, including the addition of the following:
 - (i) the amendment to the insider participation limits set out in section 1.4 of the Share Option Plan which result in the security holder approval to be required on a disinterested basis;
 - (ii) any amendment to increase the director participation limits in section 1.4(d) of the Share Option Plan;
 - (iii) amendments to section 3.2 of the Share Option Plan relating to the amending provisions of the Share Option Plan and that would permit options to be assigned or transferred, other than for normal estate settlement purposes;
 - (iv) amendment to the exercise price of any option issued under the Share Option Plan where such amendment reduces the exercise price of such option (for this purpose, a cancellation or termination of an option of a participant prior to its expiry for the purpose of re-issuing options to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an option);
 - (v) amendment of the Share Option Plan that would permit an extension beyond the original expiry date of outstanding options; and
 - (vi) any amendment to the amendment provisions in section 3.5;

- (f) revisions to the amendment provisions of the Share Option Plan in order to add additional amendments under section 3.5(b), that would permit amendments, without further shareholder approval, subject to receipt of requisite regulatory approval, where required, that are not of the type contemplated in subsection 3.5(a) of the Share Option Plan including the addition of the following:
 - (i) make amendments to section 2.2 of the Share Option Plan relating to the exercise of options;
 - (ii) make amendments to the definitions set out in Article 1 of the Share Option Plan other than the definition of “Eligible Person” as provided for in section 3.5(a)(iv);
 - (iii) make amendments of an administrative nature, including but not limited to section 1.2 of the Share Option Plan relating to the administration of the Share Option Plan;
 - (iv) add or modify a cashless exercise feature providing for payment in cash or securities upon the exercise of options;
 - (v) make any amendments required to comply with applicable laws or the requirements of the TSX or any regulatory body or stock exchange with jurisdiction over the Corporation;
 - (vi) make amendments to the change of control provisions provided for in section 2.8 of the Share Option Plan; and
 - (vii) make any change fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the TSX, including amendments of a “clerical” or “housekeeping” nature and amendments to ensure that the options granted under the Share Option Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an eligible person may from time to time be resident or a citizen;
- (g) revisions to the amendment provisions of the Share Option Plan that would permit amendments, without further shareholder approval, subject to receipt of requisite regulatory approval, where required, that are not of the type contemplated in subsection 3.5(a) of the Share Option Plan in order to remove subsection 3.2(b)(iii) which permitted, without shareholder approval, an amendment to the terms of options granted to non-insiders, including without limitation, the option exercise price and the option expiry date; and
- (h) adding new sections 3.7, Designation of Consultants – Liability, 3.8, No rights as Shareholder and 3.9, No Rights to Continued Employment.

In addition, certain other amendments of a housekeeping nature were made. The existing options which are outstanding under the Share Option Plan will be incorporated into the Amended Option Plan and will be governed by the Amended Option Plan.

Copies of the Share Option Plan, and Amended Option Plan are available for viewing up to the date of the Meeting at the Corporation's offices at Suite 2000 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 during normal business hours and at the Meeting. In addition, a copy of the Share Option Plan, and Amended Option Plan, will be mailed, free of charge, to any holder of common shares who requests a copy, in writing, from the Secretary of the Corporation. Any such requests should be mailed to the Corporation, at its head office, to the attention of the Secretary.

Approval of Amendments to Share Option Plan

At the Meeting, the Shareholders will be asked to consider and, if deemed fit, pass the following ordinary resolution, in substantially the following form, approving the Amendments and the Amended Share Option Plan. To be effective, the foregoing resolution must be approved by not less than a Majority of the votes cast by Shareholders present in person or

represented by proxy at the Meeting.

“RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. the share option plan of NGEx Resources Inc., as amended by the board of directors and substantially in the form presented to the shareholders (the “**Amended Option Plan**”), be and is hereby approved;
2. the board of directors be authorized on behalf of the Corporation to make any further amendments to the Amended Option Plan as may be required by regulatory authorities, without further approval of the shareholders of the Corporation, in order to ensure adoption of the Amended Option Plan;
3. the board of directors be authorized on behalf of the Corporation to make such amendments to the Amended Option Plan from time to time as the board of directors of the Corporation may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Amended Option Plan, the shareholders of the Corporation; and
4. the approval of the Amended Option Plan by the board of directors of the Corporation is hereby ratified and confirmed and any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

The directors of the Corporation believe the passing of the foregoing resolution is in the best interests of the Corporation and recommend that Shareholders vote FOR the resolution. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted FOR the resolution approving the proposed Amendments to the Corporation’s Option Plan.

AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor. This information is provided in the Corporation’s annual information form dated March 28, 2014 (the “**AIF**”) with respect to the fiscal year ended December 31, 2013. The AIF is available for review by the public on the SEDAR website located at www.sedar.com “Company Profiles – NGEx Resources Inc.” and may also be obtained free of charge by sending a written request to the Corporation at the Corporation’s head office located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Information Circular, a Named Executive Officer (a “**NEO**”) means each of the following individuals: (a) the Chief Executive Officer of the Corporation (“**CEO**”), (b) the Chief Financial Officer of the Corporation (“**CFO**”), (c) each of the three most highly compensated executive officers of the Corporation including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6, for the December 31, 2013 financial year; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Corporation or its subsidiary, nor acting in a similar capacity, as of December 31, 2013.

During the year ended December 31, 2013, the Corporation had six NEO’s, namely Wojtek A. Wodzicki, the President and CEO of the Corporation, Chester See, the CFO of the Corporation, Robert Carmichael, Vice President, Exploration, Ms. Wanda Lee, former CFO of the Corporation, James Beck, former consultant now Director Corporate Development and Mr. Alfredo Vitaller, consultant and President and Director of Desarrollo de Prospectos Mineros S.A., Deprominsa Uruguay S.A.

and Filo Del Sol Uruguay S.A. (collectively “**South America Operations**”). Ms. Wanda Lee resigned as CFO on August 16, 2013 and Mr. Chester See was appointed CFO on August 16, 2013.

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Compensation Philosophy

The administration of the Corporation’s compensation mechanism is handled by the compensation committee (the “**Compensation Committee**”) of the Board. On an annual basis, the Compensation Committee reviews the compensation of its NEOs to ensure that each is being compensated in accordance with the objectives of the Corporation’s compensation programs which are to:

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

Role of the Compensation Committee

As at December 31, 2013 the Compensation Committee was comprised of Lukas H. Lundin, William A Rand and Paul K. Conibear. William A. Rand and Paul K. Conibear are considered to be independent directors. Lukas H. Lundin, the third member of the Committee, is considered not to be independent. Mr. Lundin is the non-executive chair of the Corporation and in such capacity is involved with the management of the Corporation on corporate development opportunities and raising capital. All of these individuals have direct experience that is relevant to their responsibilities in determining executive compensation for the Corporation as they have been previously, and are currently, involved with compensation matters at other companies, both public and private, which they are directors.

Skills and experience that enable the Compensation Committee to make decisions on the suitability of the Corporation’s compensation policies and practice include:

Mr. Lundin: Chairman and director of Lundin Mining Corporation, Denison Mines Corp., and Lucara Diamond Corp. Director of Lundin Petroleum AB and President and director of Fortress Minerals Corp.
Former Member, Human Resources and Compensation Committee, Lundin Mining Corporation
Former Member, Compensation Committee, Sirocco Mining Inc.
Mr. Lundin has been an officer and director of a number of publicly traded resource-based companies for over 20 years.

Mr. Conibear: Chair, Compensation Committee, Lucara Diamond Corp.
Former Chair, Compensation Committee, Sirocco Mining Inc.
Mr. Conibear is a professional engineer with more than 30 years of experience in the mining industry.

Mr. Rand: Member, Human Resources and Compensation Committee, Lundin Mining Corporation
Member, Compensation Committee, Denison Mines Corp.
Mr. Rand has been a member of a number of boards and audit committees of public companies for over 30 years.

The Compensation Committee is responsible for implementing and overseeing the Corporation’s compensation policies and programs as approved by the Board. The Compensation Committee’s responsibilities include:

- recommending compensation policies and guidelines to the Board;

- ensuring that the Corporation has in place programs to attract and develop executive officers of the highest caliber and a process to provide for the orderly succession of executive officers; and
- reviewing and approving corporate goals and objectives relevant to the compensation of executive officers and, in light of those goals and objectives, recommending to the Board the annual salary, bonus and other benefits, direct and indirect, of executive officers.

The Compensation Committee considers and evaluates executive compensation levels on an annual basis against available information for “peer group” companies, which are principally comprised of “junior mineral exploration” companies, to ensure that the Corporation’s executive compensation levels are within the range of comparable norms. In selecting peer group companies, the Compensation Committee primarily looks for public companies that are comparable in terms of business and size. For the 2013 review, using public filings, the Compensation Committee considered the executive compensation levels, including benefits, of Pretivm Resources Inc., Lumina Copper Corp., and Detour Gold Corporation (the “**Comparator Group**”). Specific targets for each element of compensation as against the Comparator Group are further discussed under each applicable heading.

The Compensation Committee also considered the Corporation’s performance during 2013 and management’s impact on the Corporation’s performance in determining total compensation. Key milestones achieved during 2013 include:

- Management of a very successful 2013 exploration program that led to a significant increase in the Corporation’s mineral resource base including:
 - Completion of an updated mineral resource for the Corporation’s Los Helados Project;
 - Doubling the mineral resource for the Corporation’s Josemaria Project; and
- A successful exploration program on the Filo del Sol Project that resulted in the identification of a high grade copper and silver zone.

Role of Management in Determining Compensation

The accountability for decisions on executive remuneration is clearly within the mandate of the Compensation Committee, but Management has a key role in helping support the Compensation Committee in fulfilling its obligations. For example, the CEO makes recommendations to the Compensation Committee regarding executive officer base salary adjustments, stock-based grants and discretionary bonuses, other than with respect to the CEO’s own remuneration. The Compensation Committee reviews the basis for these recommendations and can exercise its discretion in modifying any of the recommendations prior to making its recommendations to the Board. The CEO does not make a recommendation to the Compensation Committee with respect to his own remuneration package.

Elements of NEO Compensation

NEO compensation for the year ended December 31, 2013, was comprised of three components; namely, base salary, equity compensation in the form of stock options, and discretionary performance-based bonuses. In addition, NEOs are entitled to participate in the Corporation’s benefits program. A NEO’s base salary is intended to remunerate the NEO for discharging job responsibilities and reflects 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 an NEO’s compensation, which includes a vesting element to ensure retention, meets the objectives of the Corporation’s compensation program by both motivating the executive towards increasing share value and enabling the executive to share in the future success of the Corporation. Discretionary performance-based bonuses are considered from time to time to reward those who have achieved exceptional performance and meets the objectives of the Corporation’s compensation program by rewarding pay for performance. Other benefits do not form a significant part of the remuneration package of any of our NEOs.

A number of factors are considered by the Compensation Committee and the Board when determining NEO compensation, including:

- the NEO's individual contribution to the benefit of the Corporation and the assessment of each NEO's individual performance;
- the long-term interests of the Corporation and its Shareholders including exploration success;
- the NEO's responsibilities, length of service and levels of compensation provided by industry competitors; and
- the operational performance and the Corporation's financial position.

Base Salary

To ensure that the Corporation will continue to attract and retain qualified and experienced executives, base salaries are reviewed and, if appropriate, adjusted annually. The Corporation endeavours to pay the salaries of its NEOs at the mid-range level of the Comparator Group while providing NEOs with additional performance-based compensation such as discretionary performance-based bonuses and stock options. There will, however, be occasions when the Corporation pays salaries above or below this level depending on the individual skills and experience of the executive. In December, 2013, an increase in the base salary was granted to the Corporation's CFO, Mr. Chester See. Mr. See's base salary was increased by approximately 23.3% from \$150,000 to \$185,000, effective January 1, 2014 in order to align base salary compensation with the Comparator Group. In May 2014, an increase in the base salary for inflation by 2% was granted to the Corporation's CEO, Mr. Wojtek Wodzicki, and VP Exploration, Mr. Robert Carmichael, each effective June 1, 2014

Performance-based Bonuses

The Compensation Committee provides recommendations on discretionary cash bonuses from time to time. To determine the amount of discretionary cash bonuses to award to a NEO the Compensation Committee considers the performance factors described above in the section under the heading "Elements of NEO Compensation" as well as performance measures, including financials, budgetary, projects and other initiatives.

The Board, on the recommendation of the Compensation Committee, determined that it was not appropriate at this time to pay any bonuses to NEO's in connection with the fiscal year ended December 31, 2013. This may be reviewed, as appropriate, in the third quarter of 2014.

Stock Options

The Corporation provides long-term incentives through stock option grants pursuant to its Share Option Plan. Incentive stock options are considered to be an effective vehicle for deepening a sense of ownership amongst executives and increasing alignment with the interests of Shareholders.

The purpose of the Share Option Plan is to promote the interests of the Corporation by:

- providing its directors, senior officers, employees, management company employees and consultants (the "Eligible Persons") with additional incentive;
- encouraging stock ownership by such Eligible Persons;
- increasing proprietary interest of Eligible Persons in the success of the Corporation;
- encouraging Eligible Persons to remain with the Corporation or its affiliates; and
- attracting new employees, directors and officers.

All NEOs are eligible to participate in the Share Option Plan. Reference is made to the heading "Equity Compensation Plan" for a description of the Share Option Plan.

Stock options are generally awarded to Eligible Persons at the commencement of employment and periodically thereafter. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, consideration is given to: in addition to the factors referred to under "Elements of NEO Compensation", the number and terms of outstanding incentive stock options held by the NEO; past and expected future

performance of the NEO; the potential dilution to Shareholders; general industry standards; and the limits imposed by the terms of the Corporation's Share Option Plan and the TSX. The Corporation considers the granting of incentive stock options to be a particularly important element of compensation as it allows the Corporation to reward each NEO's efforts to increase value for Shareholders without requiring the Corporation to use cash from its treasury. The terms and conditions of the Corporation's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Share Option Plan, which are described under "Incentive Plan Awards" and "Equity Compensation Plan Information".

Taking into account the factors described above, on February 21, 2013, the Compensation Committee recommended and the Board approved on March 22, 2013 the grant of stock options in the amount of 60,000 Common Shares to the Corporation's Director Corporate Development, Mr. James Beck at an exercise price of \$2.95 per share, expiring March 26, 2016. These options vest over a two year period, one-third immediately, one-third after 12 months and one-third after 24 months from the date of grant. On August 14, 2013 the Compensation Committee recommended and the Board approved on August 22, 2013 the grant of an aggregate 330,000 stock options comprised of 30,000 stock options to the Corporation's VP Exploration, Mr. Robert Carmichael, 250,000 stock options to the CFO, Mr. Chester See, 20,000 stock options to the Corporation's Director Corporate Development, Mr. James Beck, and 30,000 stock options to Alfredo Vitaller, consultant and President and Director, South America Operations, at an exercise price of \$1.90 per share, expiring August 22, 2016. These options vest over a two year period, one-third immediately, one-third after 12 months and one-third after 24 months from the date of grant. See "Incentive Plan Awards".

Benefits and Perquisites

Benefits do not form a significant part of the remuneration package of any of the NEOs. In most cases, employment benefits, health care and life insurance are provided in a manner which is in keeping with industry standards. During the financial year ended December 31, 2013, none of the NEOs received any perquisites which in the aggregate were greater than \$50,000 or 10% of the respective NEO's salary.

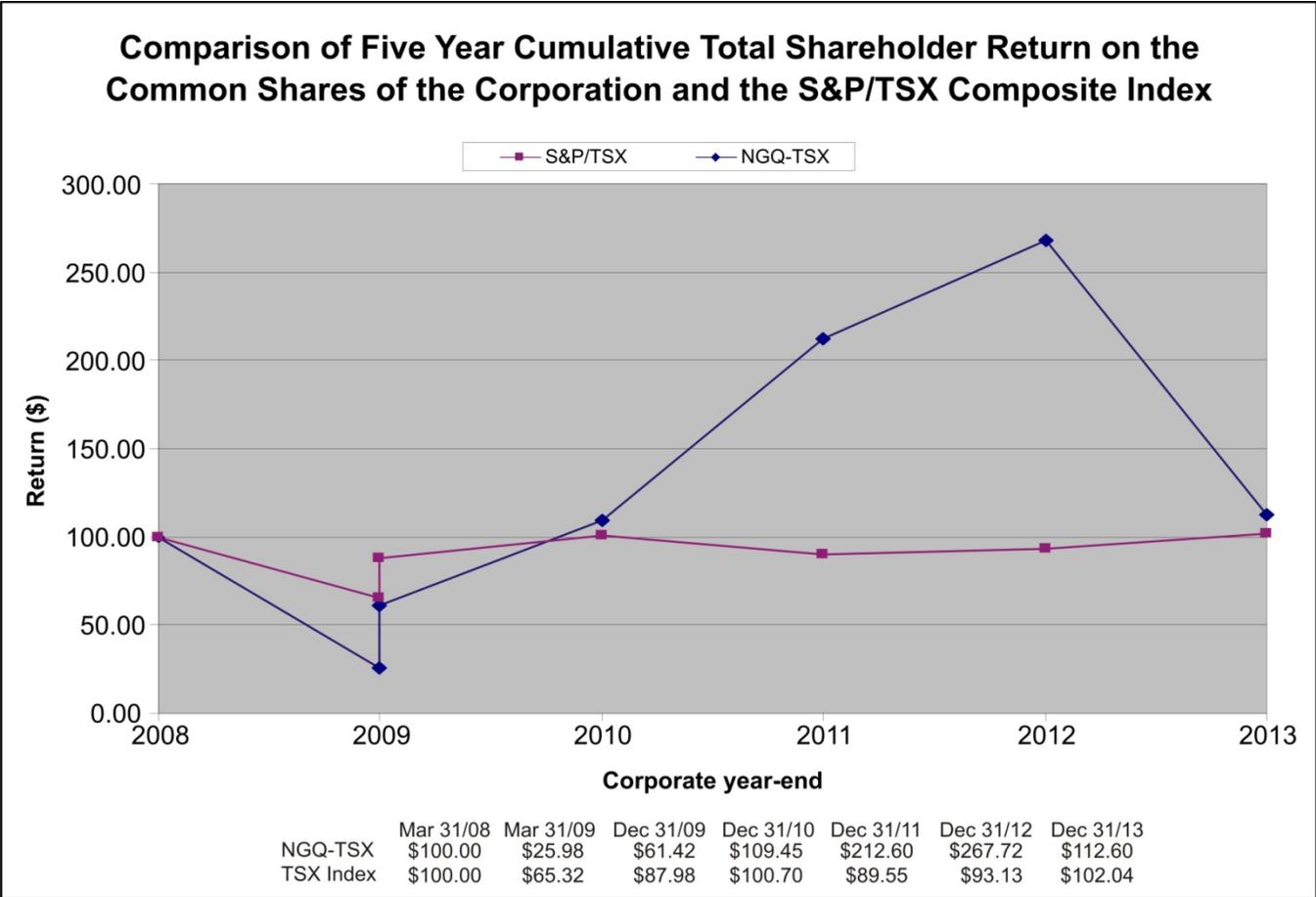
Risks Associated with Corporation's Compensation Policies and Practices

Given the current stage of development of the Corporation, neither the Board nor the Compensation Committee has proceeded to a formal evaluation of the implications of the risks associated with the Corporation's compensation policies and practices; however, risk management is a consideration of the Board generally when implementing its compensation program. The Board and the Compensation Committee do not believe that the Corporation's compensation program results in unnecessary or inappropriate risk taking and the Board and the Compensation Committee have not identified any risks arising from the compensation policies and practices that are likely to have a material adverse effect on the Corporation.

The Corporation's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

PERFORMANCE GRAPH

The following graph compares the total cumulative shareholder return for \$100 invested in Common Shares of the Corporation from March 31, 2008 to December 31, 2013 with the cumulative total return of the S&P/TSX Composite Index for the five most recently completed financial years of the Corporation.



In November, 2009, the Corporation changed its financial year end from March 31 to December 31. The graph above, which compares “Total Shareholder Return” against the S&P/TSX Composite Index over the last five years, reflects that the Corporation performed lower in 2009 however, thereafter, its share price rebounded, and from December 31, 2010 to December 31, 2012, performed significantly better than the S&P/TSX. As shown in the foregoing graph, in 2013, this trend reversed and the Corporation’s performance has been lower than its previous year, while continuing to be marginally above the performance of the S&P/TSX. Where applicable, compensation of NEOs has increased in line with the growth in the Corporation’s level of corporate and operating activity over the last three years as a result of the Corporation’s increasing size and complexity of the Corporation’s operations. In 2010, 2012 and 2013, the Corporation increased the base salary of certain executive officers by 10%, 4.1%, 4.7%, and 4.5%, respectively.

SUMMARY COMPENSATION TABLE

Summary Compensation Table

The following table sets forth a summary of the total compensation paid to, or earned by the Corporation's NEO's during the three most recently completed financial years.

Name and Principal Position	Year ⁽¹⁾	Salary (\$)	Share-based awards (\$)	Option-based Awards (\$) ⁽²⁾	Non-equity Incentive Plan Compensation (\$)		Pension value (\$) ⁽⁴⁾	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans ⁽³⁾			
Wojtek A. Wodzicki ⁽⁵⁾ President and CEO	2013	323,750 ⁽⁶⁾	Nil	Nil	250,000 ⁽⁸⁾	Nil	Nil	Nil	573,750 ⁽⁸⁾
	2012	309,792 ⁽⁷⁾	Nil	251,195	250,000 ⁽⁸⁾	Nil	Nil	Nil	810,987 ⁽⁶⁾⁽⁸⁾
	2011	302,500	Nil	655,479	250,000 ⁽⁸⁾⁽⁹⁾	Nil	Nil	Nil	1,207,979 ⁽⁸⁾⁽⁹⁾
Chester See CFO ⁽¹⁰⁾	2013	56,250 ⁽¹⁰⁾	Nil	180,107	Nil ⁽²²⁾	Nil	Nil	Nil	236,357 ⁽¹⁰⁾
	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wanda Lee ⁽¹¹⁾ Former CFO	2013	Nil ⁽¹¹⁾	Nil	Nil	Nil	Nil	Nil	Nil ⁽¹¹⁾	Nil ⁽¹¹⁾
	2012	Nil ⁽¹¹⁾	Nil	50,239	Nil ⁽¹¹⁾	Nil	Nil	Nil ⁽¹¹⁾	50,239 ⁽¹¹⁾
	2011	Nil ⁽¹¹⁾	Nil	81,121	35,000 ⁽¹¹⁾	Nil	Nil	Nil ⁽¹¹⁾	116,121 ⁽¹¹⁾
Robert Carmichael ⁽¹²⁾ VP Exploration	2013	225,833 ⁽¹³⁾	Nil	21,613	100,000 ⁽¹⁴⁾	Nil	Nil	Nil	347,446 ⁽¹³⁾
	2012	220,000 ⁽¹³⁾	Nil	107,655	100,000 ⁽¹⁴⁾	Nil	Nil	Nil	427,655 ⁽¹³⁾⁽¹⁴⁾
	2011	73,333 ⁽¹²⁾	Nil	343,049	35,000 ⁽¹⁴⁾	Nil	Nil	Nil	451,382 ⁽¹²⁾⁽¹⁴⁾
James Beck Consultant ⁽¹⁵⁾	2013	Nil ⁽¹⁶⁾	Nil	84,763	Nil ⁽²²⁾	Nil	Nil	Nil ⁽¹⁶⁾	84,763
	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alfredo Vitaller ⁽¹⁶⁾ Consultant and President/ Director, South America Operations	2013	166,920 ⁽¹⁷⁾⁽¹⁸⁾	Nil	21,613	Nil ⁽²²⁾	Nil	Nil	5,010 ⁽¹⁹⁾	193,543 ⁽¹⁷⁾⁽¹⁸⁾⁽¹⁹⁾
	2012	152,317 ⁽¹⁷⁾⁽¹⁸⁾	Nil	50,239	Nil	Nil	Nil	4,398 ⁽²⁰⁾	206,954 ⁽¹⁷⁾⁽¹⁸⁾⁽²⁰⁾
	2011	140,444 ⁽¹⁷⁾⁽¹⁸⁾	Nil	69,061	Nil	Nil	Nil	4,847 ⁽²¹⁾	214,352 ⁽¹⁷⁾⁽¹⁸⁾⁽²¹⁾

Notes:

- (1) Financial years ended December 31.
- (2) The Corporation used the Black-Scholes option pricing model for determining the fair value of stock options issued at grant date. The Corporation selected the Black-Scholes model given its prevalence of use within North America. The key assumptions used for this determination are: a) average risk-free rate of 0.99% to 1.28%; b) expected life of 2.5 to 3.0 years; c) the price of the stock on the grant date; d) expected volatility of 61.76% to 77.95%; and d) no expected dividend payments. 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.
- (3) The Corporation does not currently have a formal annual incentive plan or long term incentive plan for any of its executive officers, including its NEOs.
- (4) The Corporation does not have any pension, retirement or deferred compensation plans, including defined contribution plans.
- (5) Mr. Wodzicki services are provided pursuant to an employment agreement dated effective April 17, 2009, as amended June 1, 2010, June 1, 2012, May 3, 2013, and May 5, 2014, as described below (the "**Wodzicki Employment Agreement**").

- ⁽⁶⁾ In May 2014, an increase in the base salary was granted to Mr. Wodzicki and accordingly, Mr. Wodzicki's annual base salary was increased by 2% from \$330,000 to \$336,600, effective June 1, 2014. In May 2013, an increase in the base salary was granted to Mr. Wodzicki and accordingly, Mr. Wodzicki's annual base salary was increased by 4.7% from \$315,000 to \$330,000, effective June 1, 2013.
- ⁽⁷⁾ Effective June 1, 2012, Mr. Wodzicki's annual base salary was increased by 4.1% from \$302,500 to \$315,000.
- ⁽⁸⁾ The Board, on the recommendation of the Compensation Committee, determined that it was not appropriate at this time to pay any bonuses to NEO's in connection with the fiscal year ended December 31, 2013. This may be reviewed, as appropriate, in the third quarter of 2014. Mr. Wodzicki was awarded a bonus of \$250,000 for the 2012 fiscal period, which amount was paid to Mr. Wodzicki in the 2013 financial year. Mr. Wodzicki was awarded a bonus of \$250,000 for the 2011 fiscal period, which amount was paid to Mr. Wodzicki in the 2012 financial year.
- ⁽⁹⁾ Mr. Wodzicki was awarded a bonus of \$250,000 for the 2010 fiscal period, which amount was paid to Mr. Wodzicki in the 2011 financial year.
- ⁽¹⁰⁾ Mr. See was appointed Chief Financial Officer on August 16, 2013. Mr. See's services are provided pursuant to an employment agreement dated August 13, 2013, as amended January 1, 2014, as described below (the "**See Employment Agreement**"). Effective January 1, 2014, Mr. See's annual base salary was increased by approximately 23.3% from \$150,000 to \$185,000.
- ⁽¹¹⁾ Ms. Lee resigned as CFO on August 16, 2013. Ms. Lee was an employee of Namdo Management Services Ltd. ("**Namdo**") until August 27, 2013. Namdo is a private corporation owned by Mr. Lukas H. Lundin, a director of the Corporation. The Corporation paid Namdo the sum of \$540,000, plus reimbursement of expenses for the year ended December 31, 2013. Namdo provides office facilities, administration, corporate secretarial, corporate development and in certain cases, financial services to a number of public companies. Approximately \$127,500 or 23.6% of the fees paid to Namdo were attributable to the services of Ms. Lee, as Chief Financial Officer of the Corporation. The Corporation paid \$500 to Ms. Lee on termination on August 16, 2013 in connection with such termination and all stock options (vested and unvested) held by Ms. Lee remain in full force and effect, and are exercisable from time to time in whole or in part, during the remaining term of the stock options. See Incentive Plan Awards. Ms. Lee was awarded a bonus of \$35,000 for the 2011 fiscal period. While the 2011 performance bonus was awarded in respect of the relevant financial year, the amount was paid to Ms. Lee in the subsequent year.
- ⁽¹²⁾ Mr. Carmichael was appointed Vice President, Exploration of the Corporation effective September 1, 2011. Mr. Carmichael's services are provided pursuant to an employment agreement dated August 25, 2011, as amended May 3, 2013 and May 5, 2014, as described below (the "**Carmichael Employment Agreement**").
- ⁽¹³⁾ In May 2013, an increase in the base salary was granted to Mr. Carmichael and accordingly, Mr. Carmichael's annual base salary was increased by 4.5% from \$220,000 to \$230,000, effective June 1, 2013. In May 2014, an increase in the base salary was granted to Mr. Carmichael and accordingly, Mr. Carmichael's annual base salary was increased by 2% from \$230,000 to \$234,600, effective June 1, 2014.
- ⁽¹⁴⁾ The Board, on the recommendation of the Compensation Committee, determined that it was not appropriate at this time to pay any bonuses to NEO's in connection with the fiscal year ended December 31, 2013. This may be reviewed, as appropriate, in the third quarter of 2014. Mr. Carmichael was awarded a bonus of \$100,000 for the 2012 fiscal period, which amount was paid to Mr. Carmichael in the 2013 financial year. Mr. Carmichael was awarded a bonus of \$35,000 for the 2011 fiscal period. While the 2011 performance bonus was awarded in respect of the relevant financial year, the amount was paid to Mr. Carmichael in the subsequent year.
- ⁽¹⁵⁾ Subsequent to the year ended December 31, 2013, Mr. Beck was appointed Director Corporate Development of the Corporation effective January 2, 2014. Subsequent to the year ended December 31, 2013, Mr. Beck's services are provided pursuant to an employment agreement dated January 2, 2014, as described below (the "**Beck Employment Agreement**").
- ⁽¹⁶⁾ In March, 2013 the Corporation retained Mr. Beck as a consultant to provide financial analyst services, as may be required by the Corporation from time to time and effective as of February 1, 2013 and until December 31, 2013, Mr. Beck provided consulting services to the Corporation and pursuant to which the Corporation incurred consulting fees of \$97,192 and expenses with Lundin Mining Corporation. See "Director Compensation". The letter agreement was terminated, effective January 2, 2014, and replaced by the Beck Employment Agreement.
- ⁽¹⁷⁾ Mr. Vitaller's services are provided pursuant to a consulting agreement dated April 1, 2010, as amended May 16, 2012 and September 1, 2012 with the Corporation and a work contract dated September 1, 2009 with Desarrollo de Prospectos Mineros S.A. as described below (collectively the "**Vitaller Agreement**").
- ⁽¹⁸⁾ Represents salaries and fees. The salaries and a portion of the fees have been paid in Argentine pesos and are translated into Canadian dollars using the exchange rate for the respective reporting year of December 31, 2013: 6.1275 per Canadian dollar; December 31, 2012: 4.9407 per Canadian dollar; and December 31, 2011: 4.2319 per Canadian dollar. A portion of the fees are paid

in United States dollars and are translated into Canadian dollars using the exchange rate for the respective reporting year of December 31, 2013: 0.9402 per Canadian dollar; December 31, 2012: 1.0051 per Canadian dollar; and December 31, 2011: 0.9833 per Canadian dollar.

- ⁽¹⁹⁾ During the year, Mr Vitaller received other compensation comprised of medical insurance reimbursements of 30,699 Argentine Pesos (CDN\$5,010).
- ⁽²⁰⁾ During the year, Mr Vitaller received other compensation comprised of medical insurance reimbursements of 21,728 Argentine Pesos (CDN\$4,398).
- ⁽²¹⁾ During the year, Mr Vitaller received other compensation comprised of medical insurance reimbursements of 20,513 Argentine Pesos (CDN\$4,847).
- ⁽²²⁾ The Board, on the recommendation of the Compensation Committee, determined that it was not appropriate at this time to pay any bonuses to NEO's in connection with the fiscal year ended December 31, 2013. This may be reviewed, as appropriate, in the third quarter of 2014.

Employment and Consulting Agreements

The Corporation entered into the Wodzicki Employment Agreement on April 17, 2009, as amended June 1, 2010, June 1, 2012, May 3, 2013 and May 5, 2014. Pursuant to the Wodzicki Employment Agreement, Mr. Wodzicki provides his services as President and Chief Executive Officer of the Corporation and the Corporation pays Mr. Wodzicki an annual salary of \$330,000 and effective June 1, 2014, the annual salary will be increased from \$330,000 to \$336,600. The Corporation 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 the Corporation (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 the Corporation, including medical, basic life insurance, long-term disability and extended health care and dental care coverage.

The Corporation entered into the See Employment Agreement on August 13, 2013, as amended January 1, 2014. Pursuant to the See Employment Agreement, Mr. See provides his services as Chief Financial Officer of the Corporation and the Corporation pays Mr. See an annual salary of \$150,000, and effective January 1, 2014, the annual salary was increased from \$150,000 to \$185,000, and reimburses Mr. See for any reasonable travelling and other direct expenses incurred by Mr. See in connection with his services. The See Employment Agreement has an indefinite term and automatically renews each year unless terminated by the Corporation (without cause) on written notice or by Mr. See (voluntarily) on 90 days written notice. Mr. See receives standard benefits available to all other employees of the Corporation, including medical, extended health, and where applicable, life insurance.

The Corporation entered into the Carmichael Employment Agreement on August 25, 2011, as amended May 3, 2013 and May 5, 2014. Pursuant to the Carmichael Employment Agreement, Mr. Carmichael provides his services as Vice President, Exploration of the Corporation and the Corporation pays Mr. Carmichael an annual salary of \$230,000, and effective June 1, 2014, the annual salary will be increased from \$230,000 to \$234,600, 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 the Corporation (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 the Corporation, including medical, extended health, and where applicable, life insurance.

Subsequent to the year ended December 31, 2013, the Corporation entered into the Beck Employment Agreement on January 2, 2014. Pursuant to the Beck Employment Agreement, Mr. Beck provides his services as Director Corporate Development of the Corporation and the Corporation pays Mr. Beck an annual salary of \$180,000, and reimburses Mr. Beck for any reasonable travelling and other direct expenses incurred by Mr. Beck in connection with his services. The Beck Employment Agreement has an indefinite term and automatically renews each year unless terminated by the Corporation (without cause) on written notice or by Mr. Beck (voluntarily) on 90 days written notice. Mr. Beck receives standard benefits available to all other employees of the Corporation, including medical, extended health, and where applicable, life insurance. In March, 2013 the Corporation retained Mr. Beck as a consultant to provide financial analyst services, as may be required by the Corporation from time to time and effective as of February 1, 2013 and until December 31, 2013, Mr. Beck

provided consulting services to the Corporation and the Corporation incurred consulting fees of \$97,192 and expenses with Lundin Mining Corporation. See “Director Compensation”. In consideration of Mr. Beck’s agreement to provide such services the Corporation granted to Mr. Beck stock options to purchase 60,000 common shares of the Corporation. See “Summary Compensation Table” and “Incentive Plan Awards”. The letter agreement had an indefinite term and may be terminated at any time by either the Corporation or Mr. Beck on 30 days’ prior written notice. The letter agreement was terminated, effective January 2, 2014, and replaced by the Beck Employment Agreement. All stock options (vested and unvested) held by Mr. Beck remain in full force and effect, and are exercisable from time to time in whole or in part, in accordance with their term.

The Corporation on April 1, 2010, as amended May 16, 2012 and September 1, 2012, and Desarrollo de Prospectos Mineros S.A. on September 1, 2009, as applicable, entered into the Vitaller Agreement. Pursuant to the Vitaller Agreement, Mr. Vitaller provides consulting services on an exclusive basis, and other services, and the Corporation pays Mr. Vitaller a monthly rate of US\$5,000 and an annual salary of 595,172 Argentine pesos and annual fees of 10,530 Argentine pesos, and reimburses Mr. Vitaller for any reasonable travelling and other direct expenses incurred by Mr. Vitaller in connection with his services, and where applicable, pre-approved by the Corporation. The Vitaller Agreement, subject to Argentine labour laws in effect, as amended from time to time, has an indefinite term and automatically renews each year unless terminated by the Corporation or by Mr. Vitaller on 30 days written notice. Mr. Vitaller receives standard benefits available to all other employees of the Corporation, including medical, extended health, and where applicable, life insurance.

See “Termination and Change of Control Benefits” below.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table sets forth for the NEOs, the incentive stock options granted pursuant to the Share Option Plan, outstanding as at December 31, 2013. As at December 31, 2013, 2,210,664 of these option-based awards have vested. The Corporation does not grant any share-based awards.

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 President & CEO	350,000	1.65	August 10, 2015	Nil
	350,000	2.83	Nov. 14, 2014	Nil
	214,000	1.52	Feb 3, 2014	Nil
	500,000	0.70	Dec. 01, 2014	365,000
Chester See CFO	250,000	1.90	August 22, 2016	Nil
Robert Carmichael VP Exploration	30,000	1.90	August 22, 2016	Nil
	150,000	1.65	August 10, 2015	Nil
	50,000	2.83	Nov 14, 2014	Nil
	150,000	3.42	Sept. 1, 2014	Nil
Wanda Lee ⁽²⁾ Former CFO	70,000	1.65	August 10, 2015	Nil
	50,000	2.83	Nov. 14, 2014,	Nil
	15,000	1.52	Feb 3, 2014	Nil
	100,000	0.70	Dec. 01, 2014	73,000
James Beck ⁽³⁾ Consultant	20,000	1.90	August 22, 2016	Nil
	60,000	2.95	March 26, 2016	Nil
Alfredo Vitaller Consultant and President/Director, South America Operations	30,000	1.90	August 22, 2016	Nil
	70,000	1.65	August 10, 2015	Nil
	50,000	2.83	Nov. 14, 2014	Nil

Option-based Awards				
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-money Options (\$) ⁽¹⁾
	75,000	0.85	Oct. 14, 2015	43,500
	100,000	0.70	Dec. 01, 2014	73,000

Notes:

- (1) Calculated using the closing price of the Common Shares on the TSX on December 31, 2013 of \$1.43 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) Ms. Lee resigned as CFO effective August 16, 2013. On such resignation, the options held by Ms. Lee remain in full force and effect, and are exercisable at any time during the remaining term of the stock options.
- (3) Mr. Beck was appointed Director Corporate Development of the Corporation effective January 2, 2014.

Incentive Plan Awards – Value Vested or Earning During The Year

The following table sets forth for the NEOs, the value vested during the financial year ended on December 31, 2013 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
Chester See CFO	Nil	Nil	Nil
Robert Carmichael VP Exploration	Nil	Nil	Nil
Wanda Lee Former CFO	Nil	Nil	Nil
James Beck⁽²⁾ Consultant	Nil	Nil	N/A
Alfredo Vitaller Consultant and President/Director. South America Operations	Nil	Nil	Nil

Note:

- (1) Calculated using the closing price of the common shares on the TSX on the dates on which stock options vested during the financial year ended December 31, 2013, and subtracting the exercise price of in-the-money stock options.
- (2) Mr. Beck was appointed Director Corporate Development of the Corporation effective January 2, 2014.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Termination and Change of Control Benefits

Other than as set forth below, the Corporation does not have any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in the NEO's responsibilities.

Pursuant to the Vitaller Agreement, subject to Argentine labour laws in effect, as amended from time to time, Mr. Vitaller, at any time, may terminate the consulting agreement by giving 30 days written notice to the Corporation, and at any time the Corporation may terminate the agreement by giving 30 days written notice to Mr. Vitaller. Pursuant to the Vitaller Consulting Agreement, Mr. Vitaller will refrain from locating any mining claims, acquiring any lease or other property interest, or acting as an agent for any third party to acquire such an interest, within an area which includes all lands within five kilometres of the external boundaries of any project, property, mineral claim or interest held by the Corporation or any of its subsidiaries as of the date of the agreement or any other area on which services are performed, in all instances for a period of one year (or longer, as applicable) from the date of termination of the Vitaller Consulting Agreement and Mr. Vitaller has agreed to be bound by any confidentiality agreement entered into by the Corporation related to the services performed on any such property in the same manner and to the same extent as if Mr. Vitaller had been an original contracting party thereto.

Pursuant to the Wodzicki Employment Agreement, Mr. Wodzicki, at any time, may terminate the employment agreement by giving 90 days written notice to the Corporation, and at any time the Corporation may terminate the agreement, without cause, by giving sixty (60) days notice to Mr. Wodzicki, whereupon the Corporation will pay Mr. Wodzicki a lump sum amount equal to 18 months base salary at the rate being paid at the time of termination (this amount does not apply if Mr. Wodzicki is transferred or retained full-time by an affiliate or associate of the Corporation). Pursuant to the Wodzicki Employment Agreement, where termination notice is delivered by either Mr. Wodzicki or the Corporation, following a change of control, the Corporation will pay Mr. Wodzicki a lump sum amount equal to 18 months base salary at the rate being paid at the time of termination and all the stock options held by Mr. Wodzicki will vest immediately. Pursuant to the Wodzicki Employment Agreement, a change of control shall be deemed to occur upon (i) the sale by the Corporation of a controlling interest in all or substantially all of its assets, (ii) a successful take-over of the Corporation and (iii) a person or group other than the Lundin family and its trusts becomes the largest shareholder of the Corporation.

The Corporation may respectively terminate the Wodzicki Employment Agreement without notice upon the occurrence of any of the following events:

- (a) if there is a repeated and demonstrated failure on the part of Mr. Wodzicki to perform the material duties of the executive's position in a competent manner and where the executive fails to substantially remedy the failure within a reasonable period of time after receiving written notice of such failure from the Corporation;
- (b) if Mr. Wodzicki is convicted of a criminal offence involving fraud or dishonesty; and
- (c) if Mr. Wodzicki fails to honour his fiduciary duties to the Corporation, including the duty to act in the best interests of the Corporation,

whereupon Mr. Wodzicki would not be entitled to any severance payment other than compensation earned by Mr. Wodzicki before the date of termination.

Pursuant to the See Employment Agreement, Mr. See, at any time, may terminate the employment agreement by giving 90 days written notice to the Corporation, and at any time Corporation may terminate the agreement, without cause, by giving written notice (the notice period being at the discretion of the Corporation) to Mr. See, whereupon the Corporation will pay Mr. See a lump sum amount equal to 12 months base salary at the rate being paid at the time of termination (this amount does not apply if Mr. See is transferred or retained full-time by an affiliate or associate of the Corporation).

Pursuant to the See Employment Agreement, during the term of the agreement, Mr. See shall not, without the consent of the Corporation (a) own or have a material interest in, (b) act as an officer, director, agent, employee or consultant of, or (c) assist in any way or in any capacity, any person, firm, association, partnership, corporation or other entity that is engaged in a business that is substantially similar to or competes with the business engaged by the Corporation (other than serve as a director or officer of personal or family holding companies or charitable or not for profit organizations provided that doing so does not interfere with his ability to carry out his duties and functions). Pursuant to the See Employment Agreement, during a period of 12 months from the termination date of employment, Mr. See covenants and agrees that he shall not directly or indirectly (a) persuade or attempt to persuade customers or suppliers of the Corporation or its associates or affiliates to terminate or change the terms of their relationship with the Corporation or its associates or affiliates; or (b) persuade or attempt to persuade employees of the Corporation or its associates or affiliates to terminate their employment

with the Corporation or its associates or affiliates, other than through a general advertisement.

Pursuant to the Carmichael Employment Agreement, Mr. Carmichael, at any time, may terminate the employment agreement by giving 90 days written notice to the Corporation, and at any time the Corporation may terminate the agreement, without cause, by giving written notice (the notice period being at the discretion of the Corporation) to Mr. Carmichael, whereupon the Corporation will pay Mr. Carmichael a lump sum amount equal to 12 months base salary at the rate being paid at the time of termination (this amount does not apply if Mr. Carmichael is transferred or retained full-time by an affiliate or associate of the Corporation).

Pursuant to the Carmichael Employment Agreement, during the term of the agreement, other than as the partial owner of a mineral property named the Trout Property located in central British Columbia, Mr. Carmichael shall not, without the consent of the Corporation (a) own or have a material interest in, (b) act as an officer, director, agent, employee or consultant of, or (c) assist in any way or in any capacity, any person, firm, association, partnership, corporation or other entity that is engaged in a business that is substantially similar to or competes with the business engaged by the Corporation (other than serve as a director or officer of personal or family holding companies or charitable or not for profit organizations provided that doing so does not interfere with his ability to carry out his duties and functions). Pursuant to the Carmichael Employment Agreement, during a period of 12 months from the termination date of employment, Mr. Carmichael covenants and agrees that he shall not directly or indirectly (a) persuade or attempt to persuade customers or suppliers of the Corporation or its associates or affiliates to terminate or change the terms of their relationship with the Corporation or its associates or affiliates; or (b) persuade or attempt to persuade employees of the Corporation or its associates or affiliates to terminate their employment with the Corporation or its associates or affiliates, other than through a general advertisement.

Pursuant to the Beck Employment Agreement, Mr. Beck, at any time, may terminate the employment agreement by giving 90 days written notice to the Corporation, and at any time the Corporation may terminate the agreement, without cause, by giving written notice (the notice period being at the discretion of the Corporation) to Mr. Beck, whereupon the Corporation will pay Mr. Beck a lump sum amount equal to one month of base salary if termination occurs less than 12 months from the start date and three months of base salary if termination occurs more than 12 months from the start date at the rate being paid at the time of termination (this amount does not apply if Mr. Beck is transferred or retained full-time by an affiliate or associate of the Corporation).

Pursuant to the Beck Employment Agreement, during the term of the agreement, Mr. Beck shall not, without the consent of the Corporation (a) own or have a material interest in, (b) act as an officer, director, agent, employee or consultant of, or (c) assist in any way or in any capacity, any person, firm, association, partnership, corporation or other entity that is engaged in a business that is substantially similar to or competes with the business engaged by the Corporation (other than serve as a director or officer of personal or family holding companies or charitable or not for profit organizations provided that doing so does not interfere with his ability to carry out his duties and functions). Pursuant to the Beck Employment Agreement, during a period of 12 months from the termination date of employment, Mr. Beck covenants and agrees that he shall not directly or indirectly (a) persuade or attempt to persuade customers or suppliers of the Corporation or its associates or affiliates to terminate or change the terms of their relationship with the Corporation or its associates or affiliates; or (b) persuade or attempt to persuade employees of the Corporation or its associates or affiliates to terminate their employment with the Corporation or its associates or affiliates, other than through a general advertisement.

Pursuant to the employment agreements with each of Messrs. See, Carmichael, and Beck and the Corporation, the Corporation may respectively terminate the employment agreement, as applicable, without notice upon the occurrence of any of the following events:

- (a) if there is a repeated and demonstrated failure on the part of Mr. See, Mr. Carmichael or Mr. Beck to perform the material duties of the executive's position in a competent manner and where the executive fails to substantially remedy the failure within a reasonable period of time after receiving written notice of such failure from the Corporation;
- (b) if Mr. See, Mr. Carmichael or Mr. Beck, respectively, is convicted of a criminal offence;

- (c) if Mr. See, Mr. Carmichael or Mr. Beck, respectively, is sanctioned or otherwise penalized by the Toronto Stock Exchange and/or any regulatory authorities having jurisdiction for an offence involving fraud or dishonesty;
- (d) if Mr. See, Mr. Carmichael or Mr. Beck, respectively, fails to honor his fiduciary duties to the Corporation, including the duty to act in the best interests of the Corporation and its associates and affiliates or is in breach of any provision of the agreement; and
- (e) if Mr. See, Mr. Carmichael or Mr. Beck, respectively, disobeys reasonable and lawful instructions given in the course of employment by the Corporation's management that are not remedied by such employee within a reasonable period of time after receiving written notice of such disobedience,

whereupon Mr. See, Mr. Carmichael or Mr. Beck, respectively, would not be entitled to any severance payment other than compensation earned by Mr. See, Mr. Carmichael or Mr. Beck, respectively, before the date of termination.

Pursuant to the employment agreements with each of Messrs. Wodzicki, See, Carmichael, and Beck and the Corporation may respectively terminate each employment agreement, as applicable, for disability, whereupon the Corporation will pay Mr. Wodzicki, Mr. See, Mr. Carmichael, or Mr. Beck as applicable, for 12 months commencing from the date of termination, an amount equal to the salary at the rate being paid at the time of termination (less any severance payments or disability benefits) and all the stock options held by Mr. Wodzicki, as applicable, will vest immediately and be exercisable until the earlier of the expiry date or 12 months from the date of termination.

If a severance payment triggering event had occurred on December 31, 2013, the severance payments that would be payable to Messrs. Wodzicki, See, Carmichael, Beck and Vitaller would have been approximately as follows:

Name	Termination by the Corporation for any reason other than cause and unrelated to "Change of Control" of the Corporation (estimated) (\$)	Termination by the Corporation without cause after a "Change of Control" of the Corporation (estimated) (\$)
Wojtek Wodzicki	495,000 ⁽¹⁾	495,000
Chester See	150,000 ⁽²⁾	N/A
Robert Carmichael	230,000 ⁽³⁾	N/A
James Beck	N/A ⁽⁴⁾	N/A ⁽⁴⁾
Alfredo Vitaller	N/A ⁽⁵⁾	N/A ⁽⁵⁾
Total	875,000	495,000

Notes:

- (1) Approximately \$330,000 in the case of disability less any severance payments or disability benefits.
- (2) Approximately \$150,000 in the case of disability less any severance payments or disability benefits.
- (3) Approximately \$230,000 in the case of disability less any severance payments or disability benefits.
- (4) Not applicable in respect of the financial year ended December 31, 2013. Subsequent to the year ended December 31, 2013, Mr. Beck was appointed Director Corporate Development of the Corporation and effective January 2, 2014, Mr. Beck's services are provided pursuant to the Beck Employment Agreement.
- (5) As applicable, under Argentine labour laws in effect, as amended from time to time.

DIRECTOR COMPENSATION

Director Compensation Table

Effective May 2012, the Compensation Committee recommended, and the Board approved, the payment of a fee per annum to the non-executive directors of the Corporation and for serving as a committee chair. Each non-executive director is granted an amount of up to \$15,000 per year, an additional amount of up to \$5,000 per year for the Chairman of the Audit Committee, and an additional amount of up to \$1,000 per year for the Chairman of each of the Compensation Committee and the Corporate Governance and Nominating Committee.

The following table sets forth all amounts of compensation provided to directors, other than NEOs, during the Corporation'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	Nil	Nil	Nil	15,000
William A. Rand	21,000 ⁽³⁾	Nil	Nil	Nil	Nil	21,000
Paul K. Conibear	15,000 ⁽²⁾	Nil	Nil	Nil	Nil	15,000
David F. Mullen	16,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	16,000

Notes:

- (1) The Corporation used the Black-Scholes option pricing model for determining the fair value of stock options issued at grant date. 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.
- (3) Fees earned include \$15,000 in annual fees and \$6,000 in fees for serving as the Chair of the Audit Committee and Compensation Committee.
- (4) Fees earned include \$15,000 in annual fees and \$1,000 in fees for serving as the Chair of the Corporate Governance and Nominating Committee.

During the most recently completed financial year, the Corporation has incurred legal fees of \$14,225 from Cassels Brock & Blackwell LLP, which Mr. William Rand, a director of the Corporation, is the Senior Business Advisor. At December 31, 2013, \$nil is due to this legal firm.

During the most recently completed financial year, the Corporation incurred fees of \$135,504 for air chartered services from a company associated by the Chairman and a director of the Corporation.

In 2013, the Corporation incurred technical consulting service fees and other expenses of an aggregate of \$223,631 with Lundin Mining Corporation (as to \$97,192), Sirocco Mining Inc. and Lucara Diamond Corp, companies sharing common directors and/or officer(s) with the Corporation. At December 31, 2013, \$26,489 was due to these companies.

Outstanding Option-Based Awards

The following table sets forth for each director 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, 2013, a portion of these option-based awards have vested. The Corporation 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⁾	1.65 ⁽²⁾	August 10, 2015 ⁽²⁾	Nil
	100,000 ⁽³⁾	2.83 ⁽³⁾	November 14, 2014 ⁽³⁾	Nil
	50,000 ⁽⁴⁾	1.52 ⁽⁴⁾	February 3, 2014 ⁽⁴⁾	Nil
	100,000	0.70	December 1, 2014	\$73,000
William A. Rand	200,000 ⁽²⁾	1.65 ⁽²⁾	August 10, 2015 ⁽²⁾	Nil
	100,000 ⁽³⁾	2.83 ⁽³⁾	November 14, 2014 ⁽³⁾	Nil
	50,000 ⁽⁴⁾	1.52 ⁽⁴⁾	February 3, 2014 ⁽⁴⁾	Nil
	100,000	0.70	December 1, 2014	\$73,000
Paul K. Conibear	200,000 ⁽²⁾	1.65 ⁽²⁾	August 10, 2015 ⁽²⁾	Nil
	100,000 ⁽³⁾	2.83 ⁽³⁾	November 14, 2014 ⁽³⁾	Nil
	64,000 ⁽⁴⁾	1.52 ⁽⁴⁾	February 3, 2014 ⁽⁴⁾	Nil
	100,000	0.70	December 1, 2014	\$73,000
David F. Mullen	100,000 ⁽²⁾	1.65 ⁽²⁾	August 10, 2015 ⁽²⁾	Nil
	100,000 ⁽³⁾	2.83 ⁽³⁾	November 14, 2014 ⁽³⁾	Nil
	250,000 ⁽⁴⁾	1.52 ⁽⁴⁾	February 3, 2014 ⁽⁴⁾	Nil

Notes:

- (1) Calculated using the closing price of the common shares on the TSX on December 31, 2013 of \$1.43 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 of grant, 1/3 vesting August 10, 2013 and 1/3 vesting August 10, 2014.
- (3) These options vest as to 1/3 on the date of grant, 1/3 vesting November 14, 2012 and 1/3 vesting November 14, 2013.
- (4) These options vest as to 25%, on each of the 6, 12, 18, and 24 months from the date of grant.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each director, other than those who are also NEOs of the Corporation, the value of all incentive plan awards vested during the year ended December 31, 2013.

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
William A. Rand	Nil	Nil	N/A
Paul K. Conibear	Nil	Nil	N/A
David F. Mullen	Nil	Nil	N/A

Note:

- (1) Calculated using the closing price of the Common Shares on the TSX on the dates on which stock options vested during the financial year ended December 31, 2013, and subtracting the exercise price of in-the-money stock options.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Corporation's last completed financial year or as of May 5, 2014 was any director, executive officer, employee, proposed management nominee for election as a director of the Corporation, nor any associate of any such director, executive officer or proposed management nominee of the Corporation, or any former director, executive officer or employee of the Corporation or any of its subsidiaries, indebted to the Corporation or any of its subsidiaries, or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

Equity Compensation Plan Information

The following table provides information regarding compensation plans under which securities of the Corporation are authorized for issuance to directors, officers, employees and consultants in effect as of the end of the Corporation's most recently completed fiscal year end:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	6,256,250	\$1.71	10,615,205
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	6,256,250	\$1.71	10,615,205

The Corporation's Share Option Plan was adopted by the Board on August 12, 2008 and approved by the Corporation's Shareholders on September 15, 2008. On May 11, 2011, the Board approved certain amendments of a "housekeeping" nature to the Share Option Plan which amendments were approved by the TSX on June 29, 2011. On June 13, 2011, the Shareholders approved the Share Option Plan, as amended. The following summary provides details regarding the Share Option Plan for the year ended December 31, 2013. At the Meeting, Shareholders will be asked to approve certain amendments to the Share Option Plan as discussed under "Particular of Matters to Be Acted Upon – Amendments to the Share Option Plan". The Share Option Plan is in the form of a rolling stock option plan reserving an aggregate of 10% of the issued and outstanding shares of the Corporation for issuance upon the exercise of options granted thereunder and provides, among other things, that: (i) the aggregate number of Common Shares reserved for issuance to insiders pursuant to the Share Option Plan and all other security-based compensation arrangements shall not exceed 10% of the total number of Common Shares then outstanding; (ii) the aggregate number of Common Shares issued to insiders pursuant to the exercise of options, within a one-year period, shall not exceed 10% of the total number of Common Shares then outstanding; (iii) the aggregate number of Common Shares issued to any one insider and such insider's associates pursuant to the exercise of options, within a one-year period, shall not exceed 5% of the total number of Common Shares then outstanding; and (iv) the aggregate number of Common Shares reserved for issuance to any one person pursuant to the grant of options shall not exceed 5% of the total number of Common Shares then outstanding.

The Share Option Plan authorizes the Board, or a committee appointed for such purposes, to grant options to purchase shares to Eligible Persons, to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants, to interpret the Share Option Plan and to adopt, amend and rescind such administrative guidelines and other rules relating to the Share Option Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority, and without further Shareholder approval. The 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 closing price of the Common

Shares on the TSX (or, if such Common Shares are not then listed and posted for trading on the TSX, on such other stock exchange on which the Common Shares are listed and posted for trading as may be selected by the Board) on the last business day immediately preceding the date of grant of such option. If there is no trading on that date, the exercise price shall not be less than the weighted average of the bid and ask prices on the five consecutive trading days preceding the date of the grant.

The term of options granted under the Share Option Plan shall not exceed 10 years from the date of grant. Vesting under the Share Option Plan is at the discretion of the Board. In the event that any option expires during, or within 48 hours after, a self imposed blackout period on trading securities of the Corporation, such expiry date will become the tenth day following the end of the blackout period. All options granted under the Share Option Plan are not transferable other than by will or the laws of dissent and distribution.

If an optionee ceases to be an Eligible Person for any reason whatsoever other than for cause or death, each option held by such optionee will cease to be exercisable 30 days following the termination date (being the date on which such optionee ceases to be an Eligible Person), or such longer period as determined by the Board. If an Eligible Person is dismissed with cause, each option held by such optionee shall cease to be exercisable immediately upon the optionee being given notice of termination. If an optionee dies, the legal representatives of the optionee may exercise the options held by the optionee within a period after the date of the optionee's death as determined by the Board, for greater certainty such determination may be made at any time subsequent to the date of grant of the options, provided that no option shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of such option; and (ii) 12 months following the date of death of the participant, but only to the extent the options were by their terms exercisable on the date of death.

Subject to the requisite Shareholder and regulatory approvals set forth under subparagraphs (a) and (b) below, the Board may from time to time amend or revise the terms of the Share Option Plan or may discontinue the Share Option Plan at any time provided however that no such right may, without the consent of the optionee, in any manner adversely affect his rights under any option theretofore granted under the Share Option Plan.

- (a) The Board may, subject to receipt of requisite Shareholder and regulatory approval, make the following amendments to the Share Option Plan:
 - (i) any amendment to the number of securities issuable under the Share Option Plan, including, if applicable, an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by Shareholders will not require additional Shareholder approval;
 - (ii) any change to the definition of the eligible participants which would have the potential of broadening or increasing insider participation;
 - (iii) the addition of any form of financial assistance;
 - (iv) any amendment to a financial assistance provision which is more favourable to participants;
 - (v) any addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Share Option Plan reserve;
 - (vi) the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the Corporation;
 - (vii) a discontinuance of the Share Option Plan; and
 - (viii) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to eligible participants, especially insiders of the Corporation, at the expense of the Corporation and its existing Shareholders.

- (b) The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion and without further Shareholder approval, make all other amendments to the Share Option Plan that are not of the type contemplated in subparagraph (a) above including:
 - (i) a change to the vesting provisions of a security or the Share Option Plan;
 - (ii) a change to the termination provisions of a security or the Share Option Plan which does not entail an extension beyond the original expiry date;
 - (iii) a change to the terms of options granted to non-insiders including the option exercise price and the termination date.
- (c) Notwithstanding the provisions of subparagraph (b), the Corporation shall additionally obtain requisite Shareholder approval in respect of amendment to the Plan that is contemplated pursuant to subparagraph (b) to the extent such approval is required by any applicable laws or regulations.

There are no stock appreciation rights (SAR) associated with options granted under the Share Option Plan and there is no provision under the Share Option Plan to transform stock options into stock appreciation rights. The Share Option Plan must be approved and ratified by the shareholders of the Corporation every three years.

The Corporation does not provide any financial assistance to participants in order to facilitate the purchase of Common Shares under the Share Option Plan.

As at the date of this Information Circular, there are options to purchase 5,487,750 shares of the Corporation outstanding (3.2% of the issued and outstanding shares) and 11,406,255 shares are available for future option awards (6.8% of the issued and outstanding shares.)

On April 11, 2014 and May 5, 2014, the Board of Directors approved, subject to the necessary Shareholder approval and regulatory acceptance, certain amendments to the Share Option Plan. Details of the proposed amendments to the Share Option Plan are disclosed under “Particulars of Matters to Be Acted Upon – Amendments to Share Option Plan”.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE

National Instrument 58-101, Disclosure of Corporate Governance Practices (“**NI 58-101**”) requires reporting issuers to disclose the corporate governance practices, on an annual basis, that they have adopted. Attached as Appendix “1” to this Information Circular is the disclosure required by NI 58-101 which has been prepared by the Corporate Governance and Nominating Committee and approved by the Board.

The Board recognizes the importance of corporate governance to the effective management of the Corporation and to the protection of its employees and Shareholders. The Corporation’s approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation’s affairs and in light of opportunities or risks which may arise.

The Corporation’s corporate governance practices have been, and continue to be, in compliance with applicable Canadian requirements. The Corporation continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

MANAGEMENT CONTRACTS

The management functions of the Corporation are performed by the directors and officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted, except as set forth below.

Pursuant to an agreement made effective January 1, 2012, between the Corporation and Namdo, Namdo provides office facilities, administration, financial, corporate secretarial and corporate development services, for a monthly fee of \$45,000. Namdo is a private corporation controlled by Lukas Lundin and has approximately 12 employees. The agreement may be terminated by either party upon 90 days written notice.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out below and in this Information Circular, and other than transactions carried out in the ordinary course of business of the Corporation, none of the directors or executive officers of the Corporation, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation, nor any shareholder beneficially owning, directly or indirectly, common shares of the Corporation, or exercising control or direction over Common Shares of the Corporation, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding shares of the Corporation nor an associate or affiliate of any of the foregoing persons has since January 1, 2013 (being the commencement of the Corporation's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Corporation or any of its subsidiaries.

During the year ended December 31, 2013, the Corporation completed a private placement on a non-brokered basis, of 10,000,000 common shares at a price of \$3.40 per common share, of which, Lorito purchased 1,000,000 common shares and Zebra purchased 1,000,000 common shares at a price of \$3.40 per common share. As at the date hereof, together Lorito and Zebra have control of or direction over an aggregate of approximately 33,661,841 common shares of the Corporation, or 19.93% of the issued and outstanding common shares of the Corporation.

OTHER BUSINESS

Pursuant to the CBCA, proposals intended to be presented by shareholders for action at the 2015 Annual General Meeting must comply with the provisions of the CBCA and be deposited at the Corporation's head office not later than February 10, 2015 in order to be included in the information circular and form of proxy relating to such meeting.

Other than the matters referred to in the Notice of Meeting, Management is not aware of any other matters to come before the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the shares represented by proxies in favour of Management nominees will be voted on such matters as the proxy nominee sees fit.

ADDITIONAL INFORMATION

The Corporation's AIF, annual audited consolidated financial statements and annual management's discussion and analysis ("MD&A") for the most recently completed financial year as well as other prescribed documents are available on SEDAR at www.sedar.com. The Corporation has also established and maintains a corporate website at www.ngexresources.com that includes, among other things, an investor section containing the most recent AIF, the most recent and past annual and quarterly financial statements and related MD&A and press releases. The Corporation will provide, without charge to a shareholder, a copy of its most recent AIF and any document incorporated therein by reference, its annual financial statements and annual MD&A for the period ended December 31, 2013, interim financial statements for subsequent periods, and this Information Circular upon request to the Corporation as follows:

E-mail: ngexresources@namdo.com
Telephone: 604-689-7842
Mail: NGEx Resources Inc.
Suite 2000 - 885 West Georgia Street
Vancouver, BC V6C 3E8
Attn: Investor Relations

DIRECTORS' APPROVAL

The contents and the sending of this Information Circular have been approved by the Board of Directors of the Corporation.

DATED at Vancouver, British Columbia the 5th day of May, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ "Wojtek A. Wodzicki"

Wojtek A. Wodzicki
President and Chief Executive Officer

APPENDIX 1

Corporate Governance Disclosure

The following is the disclosure required under National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”).

Required Disclosure of Corporate Governance Practices	Response
1. Board of Directors	
(a) Disclose the identity of directors who are independent.	The Corporation’s Board of Directors (the “ Board ”) is currently comprised of five directors; namely, Messrs. Lukas H. Lundin, William A. Rand, Paul K. Conibear, David F. Mullen and Wojtek A. Wodzicki. With the assistance of the Corporate Governance and Nominating Committee, the Board has considered the relationship to the Corporation of each of the directors and has determined that three of the five directors; namely, Messrs. Rand, Conibear and Mullen, are independent for the purposes of Board membership.
(b) Disclose the identity of directors who are not independent and describe the basis for that determination.	The non-independent directors of the Board are Wojtek A. Wodzicki and Lukas H. Lundin. Mr. Wodzicki is not considered to be independent as he is President and Chief Executive Officer of the Corporation. Mr. Lundin is involved with management of the Corporation on corporate development opportunities and raising capital which could be regarded as having an indirect material relationship.
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.	A majority of the directors of the Corporation are independent.
(d) 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.	All of the directors of the Corporation are directors and/or officers of other reporting issuers (see Schedule A to this Appendix 1 for details).
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	The Board has functioned, and is of the view that it can continue to function, independently of management, as required. The Board and its committees meet independent of management where needed, but do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. In addition to the standing committees of the Board, independent committees are appointed from time to time, when appropriate. At each meeting of the Board a determination is made as to whether an in-camera session, without management and non-independent directors present, is required.

<p>(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.</p>	<p>The Board has appointed Mr. William A. Rand, an independent director, as lead director. The lead director presides over meetings of the directors. The role of the lead director is to act as effective leader of the Board, to ensure that the Board's agenda will enable it to successfully carry out its duties, and to provide leadership for the Board's independent directors. The Board has established a formal position description for the lead director which includes acting as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner. This involves working with the CEO to ensure that the conduct of Board meetings provides adequate time for serious discussion of relevant issues and that the Corporation is building a healthy governance culture.</p>
<p>(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.</p>	<p>See Schedule B to this Appendix 1 for details.</p>
<p>2. Board Mandate – Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.</p>	<p>A copy of the Board's written mandate, which sets out the responsibilities and duties of the directors, is attached as Schedule C to this Appendix 1.</p>
<p>3. Position Descriptions</p>	
<p>(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.</p>	<p>The Board has developed written position descriptions for the chair and the chair of each Board committee, as well as for the lead director.</p>
<p>(b) Disclose whether or not the board and the CEO have developed a written description for the CEO. If the board and the CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.</p>	<p>The Board and the CEO have developed a written position description for the President and CEO.</p>
<p>4. Orientation and Continuing Education</p>	
<p>(a) Briefly describe what measures the board takes to orient new directors regarding: the role of the board, its committees and its directors; and the nature and operation of the issuer's business.</p>	<p>The Corporate Governance and Nominating Committee is responsible for ensuring that new directors are provided with an orientation package that includes, among other things, information about the duties and obligations of directors (including copies of the Board mandate, committee charters and corporate policies), the business and operations of the Corporation and documents from recent Board meetings. Directors have full access to officers and employees of the Corporation and may arrange meetings either directly or through the President and CEO. Management provides briefings to directors with respect to the business and operations of the Corporation at every scheduled Board meeting.</p>

<p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>All directors are expected to pursue educational opportunities as appropriate to enable them to perform their duties as directors. The Corporation will make available appropriate funding to directors to attend seminars or conferences relevant to their position as directors of the Corporation. Included in the Corporate Governance and Nomination Committee mandate is the requirement to develop, with the assistance of management, an orientation and education program for new recruits to the Board, where necessary. The Corporation's outside legal counsel also provides 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>5. Ethical Business Conduct</p>	
<p>(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:</p>	<p>The Board has adopted a written Code of Business Conduct and Ethics (the "Code") for directors, officers and employees of the Corporation and its subsidiaries.</p>
<p>(i) disclose how a person or company may obtain a copy of the code;</p>	<p>The Code is available on the Corporation's website and has been filed on and is accessible through SEDAR at www.sedar.com.</p>
<p>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and</p>	<p>Directors, officers or employees who have concerns or questions about violations of laws, rules or regulations, or of the Code, are required to report them to the Corporate Secretary or to the chair of the Corporation's Audit Committee. 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 Board is ultimately responsible, acting through the Audit Committee, for the Code and monitoring compliance with the Code. The Corporation encourages all directors, officers and employees to report promptly any suspected violation of the Code to the Corporate Secretary or chair of the Audit Committee.</p>
<p>(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>	<p>The Board has not granted any waiver of the Code in favour of a director or NEO during 2013 and, accordingly, no material change report has been required.</p>
<p>(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>The Code addresses such matters as conflicts of interest. In accordance with the Code, any situation that presents an actual or potential conflict between a director's personal interests and the interests of the Corporation must be reported to the chair of the Corporation's Audit Committee. In addition to the requirements of the Code, directors are 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 Board, particularly independent directors.</p>

<p>(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Audit Committee has also established a Policy and Procedures for the Receipt, Retention and Treatment of Complaints Regarding Accounting or Auditing Matters (the “Internal Alert Policy”) to encourage employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment. In addition to the general complaint procedure set out in 5(a)(ii) above, under the Internal Alert Policy, anonymous complaint regarding a questionable accounting or auditing matter may be forwarded directly to the chair of the Audit Committee.</p> <p>In December, 2013, as amended March 24, 2014, the Board also adopted an Investment Policy to establish guidelines for the management of cash balances for the operations of the Corporation and its subsidiaries based on the risk levels approved by the Board.</p>
<p>6. Nomination of Directors</p>	
<p>(a) Describe the process by which the board identifies new candidates for board nomination.</p>	<p>The Board has established a Corporate Governance and Nominating Committee, which has the primary responsibility for identifying prospective Board members. The Corporate Governance and Nominating Committee coordinates the search for qualified candidates with input from management and other Board members, giving careful consideration to the competencies and skills that the Board as a whole should possess, and the skills and experience of existing Board members. Other factors are 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 Board, 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 Board endorsement of the selected candidate.</p>
<p>(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.</p>	<p>The Corporate Governance and Nominating Committee is comprised of three directors, all of whom are independent.</p>
<p>(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The Corporate Governance and Nominating Committee has the primary responsibility for identifying prospective Board members, to establish criteria for Board committee membership, to recommend composition of the Board and its committees and, as circumstances arise, assess directors’ performance. (See “Other Board Committees” for a full description of the responsibilities and operation of the Corporate Governance and Nominating Committee.)</p> <p>The Board has adopted a policy regarding majority voting for the election of directors. The policy is described under “Election of Directors” on page 4.</p>

7. Compensation		
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.		Reference is made to the disclosure contained in the Information Circular to which this Appendix 1 is attached under the section entitled "Compensation Discussion and Analysis".
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. Describe what steps the board takes to ensure an objective process for determining such compensation.		The Compensation Committee is comprised of three directors, two of whom are independent. William A. Rand and Paul K. Conibear are considered to be independent and Lukas H. Lundin, is considered not to be independent. For more information regarding the roles, responsibilities and process by which the Board determines compensation for the Corporation's directors and officers see pages 11 to 14 of the Information Circular to which this Appendix 1 is attached.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.		Reference is made to the disclosure contained in the Information Circular to which this Appendix 1 is attached under the heading "Role of the Compensation Committee" in the section entitled "Compensation Disclosure and Analysis".
(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.		The Corporation has not retained a compensation consultant or advisor at any time since the beginning of the Corporation's most recently completed financial year to assist in determining compensation for any of the Corporation's directors and officers.
8. 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>In addition to the Audit Committee and the Compensation Committee, the Board has established the Corporate Governance and Nominating Committee.</p> <p>The Corporate Governance and Nominating Committee is responsible for developing and monitoring the Corporation's approach to corporate governance issues and has primary responsibility for identifying prospective Board members. The Corporate Governance and Nominating Committee, among other things, oversees the effective functioning of the Board and oversees the relationship between the Board and management. The Corporate Governance and Nominating Committee has been mandated to annually review and make recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the appropriateness of the committees of the Board; and (iii) the contribution of individual directors. The Corporate Governance and Nominating Committee is required to meet at least annually and to report to the Board following its meetings. The Corporate Governance and Nominating Committee has the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.</p>

<p>9. Assessments – Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.</p>	<p>The Corporate Governance and Nominating Committee is responsible for reviewing director performance and the appropriate skills and characteristics required of Board members in the context of the current make up of the Board and identifying any perceived needs on an annual basis. The Corporate Governance and Nominating Committee prepares and delivers an annual Board Effectiveness Assessment questionnaire to each member of the Board for completion. The questionnaire is divided into four parts dealing with board responsibility, board operations, board effectiveness and individual assessment. The Corporate Governance and Nominating Committee reviews and considers the responses received and makes a final report, with recommendations, if any, to the Board of Directors.</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

SCHEDULE A – BOARD OF DIRECTORS - OTHER DIRECTORSHIPS

The following directors of the Corporation also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)
Lukas H. Lundin	Lundin Mining Corporation (TSX/OMX-Nordic); Lucara Diamond Corp. (TSX/OMX First North/Botswana); Fortress Minerals Corp. (NEX); Denison Mines Corp. (TSX/NYSE MKT); Lundin Petroleum AB (OMX-Nordic/TSX)
Wojtek A. Wodzicki	Newstrike Capital Inc. (TSX-V); Horn Petroleum Corporation (TSX-V)
William A. Rand	Denison Mines Corp. (TSX/NYSE MKT); New West Energy Services Inc. (TSX-V), Lundin Mining Corporation (TSX/OMX-Nordic), Lundin Petroleum AB (OMX-Nordic/TSX)
David F. Mullen	Elgin Mining Inc. (TSX)
Paul K. Conibear	Lucara Diamond Corp. (TSX/OMX First North/Botswana); Lundin Mining Corporation (TSX/OMX-Nordic)

Legend:

- TSX = Toronto Stock Exchange
- TSX-V = TSX Venture Exchange
- NEX = a separate board of the TSX Venture Exchange
- NYSE MKT = NYSE MKT LLC
- OMX-Nordic = OMX Nordic Stock Exchange
- BOTSWANA = Botswana Stock Exchange
- OMX First North= NASDAQ OMX First North

SCHEDULE B – BOARD AND COMMITTEE MEETINGS ATTENDANCE

The Board meets a minimum of four times per year, including every quarter and following the annual meeting of the Corporation’s shareholders. Typically, each committee of the Board meets at least once a year with the exception of the Audit Committee which meets a minimum of four times per year.

The table below sets out the attendance of the directors at the Board and committee meetings held during the period from January 1, 2013 to December 31, 2013.

Directors	Board		Audit Committee		Compensation Committee		Corporate Governance and Nominating Committee	
	No. of meetings attended	Total No. of meetings ⁽¹⁾	No. of meetings attended	Total No. of meetings ⁽¹⁾	No. of meetings attended	Total No. of meetings ⁽¹⁾	No. of meetings attended	Total No. of meetings ⁽¹⁾
Lukas H. Lundin	3	4	N/A	N/A	1	1	N/A	N/A
Wojtek A. Wodzicki	4	4	N/A	N/A	N/A	N/A	N/A	N/A
William A. Rand	4	4	4	4	1	1	2	2
Paul K. Conibear	4	4	4	4	1	1	2	2
David F. Mullen	2 ⁽²⁾	4	2 ⁽²⁾	4	N/A	N/A	2	2

Notes:

- (1) Represents number of meetings the director was eligible to attend.
- (2) Absence at meetings not attended was due to company business and travel.

SCHEDULE C

NGEX RESOURCES INC. (the "Corporation")

MANDATE FOR THE BOARD OF DIRECTORS (as adopted by the Board on May 4, 2012)

The directors of the Corporation are elected by the shareholders and are responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Corporation's strategic planning and organizational structure and supervising management to oversee that the long-term operational and financial goals and organizational structure enhance and preserve the business of the Corporation and the underlying value of the Corporation.

DUTIES OF DIRECTORS

The Board discharges its responsibility for overseeing the management of the Corporation's business by delegating to the Corporation's senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its standing committees; namely, the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address issues of a more short-term nature. The Board's primary roles are overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation's strategic objectives. Other principal duties include, but are not limited to, the following categories:

Appointment of Management

1. The Board is responsible for approving the appointment of the Chief Executive Officer and other senior officers of the Corporation. The Compensation Committee is responsible for approving the compensation of the Chief Executive Officer and the other executive officers, senior management and key personnel of the Corporation.
2. The Board from time to time delegates to senior management the authority to enter into transactions, such as financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by and are subject to the prior approval of the Board.
3. The Board oversees that succession planning programs are in place, including the appointment and monitoring of senior management. The Board is responsible for approving succession plans for the Chief Executive Officer and the other officers of the Corporation.

Board Organization

4. The Board will respond to recommendations received from the Corporate Governance and Nominating Committee, but retains responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee appointments and committee mandates.
5. The Board may delegate to Board committees matters the Board is responsible for, including the approval of compensation matters relating to the Board, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

Strategic Planning

6. The Board has oversight responsibility to participate directly, and through its committees, in developing, reviewing and approving the business objectives and goals of the Corporation.
7. The Board is responsible for reviewing the business, financial and strategic plans by which it is proposed that the Corporation may reach those goals.
8. The Board is responsible for providing input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.

9. The Board will consider alternate strategies in response to possible change of control transactions or take-over bids with a view to maximizing value for shareholders.

Monitoring of Financial Performance and Other Financial Reporting Matters

10. The Board is responsible for enhancing congruence between shareholder expectations, corporate objectives and management performance.

11. The Board is responsible for:

- (a) monitoring the Corporation's progress toward its strategic and operational goals, and to revise its direction to management in light of changing circumstances affecting the Corporation; and
- (b) taking action when Corporation performance falls short of its goals, or when other special circumstances warrant.

12. The Board is responsible for reviewing and approving the annual consolidated audited financial statements, the interim consolidated financial statements, and the notes and Management's Discussion and Analysis accompanying such financial statements, as well as the Corporation's Annual Information Form and Management Information Circular.

13. The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including the payment of dividends, the issuance, purchase and redemption of securities, acquisitions and dispositions of material assets and material expenditures.

Risk Management

14. The Board is responsible for the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to effectively monitor and manage those risks with a view to the long-term viability of the Corporation and achieving a proper balance between the risks incurred and the potential return to the Corporation's shareholders.

Environmental Oversight

15. The Board is responsible for ensuring the implementation of appropriate environmental stewardship and health and safety management systems, which are sufficient within the terms and practices of the mining industry, to ensure compliance with applicable laws.

Policies and Procedures

16. The Board is responsible for:

- (a) approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated; and
- (b) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and in accordance with ethical and moral standards.

17. The Board shall enforce its policy respecting confidential treatment of the Corporation's proprietary information and the confidentiality of Board deliberations.

Communications and Reporting

18. The Board will review from time to time as circumstances warrant the Corporation's corporate disclosure procedures to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and the communities in which the business of the Corporation is conducted.

19. The Board is responsible for:

- (a) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
- (b) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and

related legal disclosure requirements;

- (c) taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Corporation;
- (d) reporting annually to shareholders on its stewardship for the preceding year; and
- (e) overseeing the Corporation's implementation of systems to accommodate feedback from shareholders.

SCHEDULE D

NGEx RESOURCES INC.
(the "Corporation")

SHARE OPTION PLAN

(Adopted by the Board on August 12, 2008, as amended May 11, 2011, April 11, 2014 and May 5, 2014)

ARTICLE 1

GENERAL

1.1 Purpose

The purpose of this Plan is to advance the interests of the Corporation by (i) providing Eligible Persons with additional incentive; (ii) encouraging stock ownership by Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation; (iv) encouraging Eligible Persons to remain with the Corporation or its Affiliates; and (v) attracting new employees, officers, directors and Consultants to the Corporation or its Affiliates.

1.2 Administration

- (a) This Plan will be administered by the Board or a committee of the Board duly appointed for this purpose by the Board and consisting of not less than 3 directors. If a committee is appointed for this purpose, all references to the term "~~Board~~" "Board" will be deemed to be references to the committee.
- (b) Subject to the limitations of this Plan, the Board has the authority: (i) to grant Options to purchase Shares to Eligible Persons; (ii) to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants; (iii) to interpret this Plan and to adopt, amend and rescind such administrative guidelines and other rules relating to this Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority; and (iv) to make all other determinations and to take all other actions in connection with the implementation and administration of this Plan as it may deem necessary or advisable. The Board's guidelines, rules, interpretations and determinations will be conclusive and binding upon all parties.

1.3 Interpretation

For the purposes of this Plan, the following terms will have the following meanings unless otherwise defined elsewhere in this Plan:

- A. "~~Affiliate~~" "Affiliate" means ~~any corporation that is an affiliate of the Corporation as defined in~~ within the Securities Act (Ontario); meaning of Section 1.3 of National Instrument 45-106 – Prospectus and Registration Exemptions, as may be amended or replaced from time to time;
- B. "~~Affiliated Entity~~" "Entity" means ~~a person or corporation which is an affiliated entity of company that controls or is controlled by the Corporation as defined in Multilateral Instrument 45-105 – Trades to Employees, Senior Officers, Directors and Consultants; or that is controlled by the same person or company that controls the Corporation;~~

- C. ~~“Associate”~~, **“Associate”** where used to indicate a relationship with any person or company, means: (i) any company of which such person or company beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the company for the time being outstanding; (ii) any partner of that person or company; (iii) any trust or estate in which such person or company has a substantial beneficial interest or as to which such person or company serves as trustee or in a similar capacity; (iv) any relative of that person who resides in the same home as that person; (v) any person who resides in the same home as that person and to whom that person is married, ~~or any person of the opposite sex or the same sex who resides in the same home as that person and~~ or with whom that person is living in a conjugal relationship outside marriage; or (vi) any relative of a person mentioned in clause (v) who has the same home as that person;
- D. ~~“Board”~~ **“Board”** means the Board of Directors of the Corporation or ~~any~~ committee thereof ~~appointed in accordance with of the Plan~~ board of directors to which the duties of the board of directors hereunder are delegated ;
- E. ~~“Change of Control”~~ **“Control”** means the occurrence of any one or more of the following events:
- (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
 - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its Subsidiaries which have an aggregate book value greater than ~~30~~50% of the book value of the assets, rights and properties of the Corporation and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a majority-owned subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its subsidiaries;
 - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
 - (iv) any person, entity or group of persons or entities acting jointly or in concert (an ~~“Acquiror”~~) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Corporation which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror (as such terms are defined in the *Securities Act*, (Ontario)) to cast or to direct the casting of ~~20~~40% or more of the votes attached to all of the ~~Corporation’s~~ Corporation’s outstanding Voting Securities which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors); unless a majority of the Board as constituted immediately prior to the time that such person, entity or group of persons or entities acting jointly or in concert becomes the Acquiror determines that the circumstances are such that a Change of Control should be deemed to not have occurred and any such determination shall be binding and conclusive for all purposes of the Plan;

- (v) as a result of or in connection with: (A) a contested election of directors; or; (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation or any of its affiliates and another corporation or other entity, the nominees named in the most recent Management Information Circular of the Corporation for election to the Board shall not constitute a majority of the Board; or
- (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing, "**Voting Securities**" means Shares and any other shares entitled to vote for the election of directors and shall include any security, whether or not issued by the Corporation, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities;

F. ~~"Consultants"~~ "**Consultant**" means ~~individuals~~ a person, other than ~~employees and officers and directors~~ an employee, officer, or director of the Corporation or of an Affiliated Entity ~~Affiliate~~ that:

(i) is ~~are~~ engaged to provide on a *bona fide* basis consulting, technical, management or other services to the Corporation or any Affiliated Entity under a written contract between with the Corporation or the Affiliated Entity ~~and the individual or a company of which the individual consultant is an employee or shareholder or a partnership of which the individual consultant is an employee or partner and;~~

(ii) in the reasonable opinion of the Corporation, ~~spends~~ spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliated Entity; and

(iii) who otherwise qualifies as a "consultant" under section 2.22 of National Instrument 45-106;

G. ~~"Corporation"~~ "**Corporation**" means NGEx Resources Inc.; and includes any successor thereto;

H. ~~"Eligible Person"~~ "**Person**" means, subject to the terms hereof and to all applicable law, any employee, officer, director, or Consultant of (i) the Corporation or (ii) any Affiliated Entity; ;

I. ~~"Holding Company"~~ "**Company**" means a holding company wholly owned and controlled by an Eligible Person;

J. ~~"Insider"~~ "**Insider**" means: (i) an insider as defined in the *Securities Act* (Ontario) other than a person who is an Insider solely by virtue of being a director or senior officer of a Subsidiary of the Corporation; and (ii) an Associate of any person who is an insider by virtue of (i);

K. ~~"Option"~~ "**Option**" means a right granted to an Eligible Person to purchase Shares pursuant to the terms of this Plan;

- L. ~~“Participant”~~ **“Optionee”** shall mean a Participant to whom an Option has been granted under the terms of the Plan or who holds an Option that is otherwise subject to the terms of the Plan;
- M. **“Participant”** means an Eligible Person to whom or to whose RRSP or to whose Holding Company an Option has been granted;
- N. ~~“Plan”~~ **“Plan”** means ~~the Corporation’s~~ this Share Option Plan of the Corporation, as ~~same~~ it may be amended from time to time;
- O. ~~“RRSP”~~ **“RRSP”** means a registered retirement savings plan; as defined in the *Income Tax Act* (Canada);
- P. ~~“Shares”~~ **“Shares”** means the common shares in the capital of the Corporation;
- Q. ~~“Subsidiary”~~ **“Subsidiary”** means a corporation which is a subsidiary of the Corporation as defined under the *Securities Act* (Ontario);
- R. ~~“Termination”~~ **“Termination”** means: (i) in the case of an employee, the termination of the employment of the employee by the Corporation or an Affiliated Entity or cessation of employment of the employee with the Corporation or an Affiliated Entity as a result of resignation; (ii) in the case of an officer or director, the removal or resignation of, or failure to re-elect or re-appoint the individual as an officer or director of the Corporation or an Affiliated Entity; and (iii) in the case of a Consultant, the termination of the services of a Consultant by the Corporation or an Affiliated Entity;
- S. ~~“Termination Date”~~ **“Date”** means the date on which a Participant ceases to be an Eligible Person due to the Termination of the Participant;
- T. ~~“Transfer”~~ **“Transfer”** includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one person to another, or to the same person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing; and
- U. ~~“TSX”~~ **“TSX”** means the Toronto Stock Exchange, or such other stock exchange or quotation system on which the Shares are listed or quoted from time to time.

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine.

This Plan is to be governed by and interpreted in accordance with the laws of the Province of Ontario.

1.4 Shares Reserved under the Share Option Plan

- (a) Subject to the approval of the ~~Exchange~~TSX (as well as the approval of the shareholders of the Corporation of this Plan), Options may be granted in respect of authorized and unissued Shares provided that the maximum aggregate number of Shares which shall be reserved by the Corporation for issuance and which may be purchased upon the exercise of all Options granted under this Plan shall not exceed 10% of the issued and outstanding Shares. Any Shares subject to an Option which has been granted under the Plan and which have been cancelled or terminated in accordance with the terms of the Plan without having been exercised will again be available under the Plan. No fractional Shares may be purchased or issued under the Plan.
- (b) The aggregate number of Shares reserved for issuance to Insiders pursuant to the Plan and all other security-based compensation arrangements of the Corporation shall not exceed 10% of the total number of Shares then outstanding. The aggregate number of Shares issued to Insiders pursuant to the exercise of Options, within a one-year period, pursuant to the Plan and all other security-based compensation arrangements of the Corporation shall not exceed 10% of the total number of Shares then outstanding.
- (c) The aggregate number of Shares issued to any one Insider and such Insider's Associates pursuant to the exercise of Options, within a one-year period, shall not exceed 5% of the total number of Shares then outstanding. The aggregate number of Shares reserved for issuance to any one person pursuant to the grant of Options shall not exceed 5% of the total number of Shares then outstanding.
- (d) Option grants in any one fiscal year to all non-management directors shall not exceed 1% of the outstanding Shares at that time.
- ~~(b)~~(e) For purposes of this Section 1.4, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option or the exercise of the applicable Option.
- (f) For greater certainty, any increase in the issued and outstanding Shares will result in an increase in the available number of the Shares issuable under the Plan, and exercises of Options will make new grants available under the Plan.

ARTICLE 2

OPTION GRANTS AND TERMS OF OPTIONS

2.1 Grants

Subject to this Plan, the Board will have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set out in this Plan, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Shares acquired upon exercise of an Option may be forfeited. An Eligible Person, an Eligible Person's RRSP and an Eligible Person's Holding Company may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.

NGEx Resources Inc.

Share Option Plan (Effective September 15, 2008, as ratified and approved June 13, 2011) Page | Page | 5

2.2 Exercise of Options

- (a) Options granted must be exercised no later than 10 years after the date of grant or such lesser period as the applicable grant may require. In the event that any Option expires during, or within 48 hours after, a self imposed blackout period on trading securities of the Corporation, such expiry date will become the tenth day following the end of the blackout period.
- (b) The Board may determine when any Option will become exercisable and may determine that the Option will be exercisable in instalments or pursuant to a vesting schedule.
- (c) No fractional Shares may be issued and the Board may determine the manner in which fractional Share value will be treated.
- (d) A minimum of 100 Shares must be purchased by a Participant upon exercise of Options at any one time, except where the remainder of Shares available for purchase pursuant to Options granted to such Participant totals less than 100.

2.3 Option Price

The 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 closing price of the Shares on the TSX (or, if such Shares are not then listed and posted for trading on the TSX, on such other stock exchange on which the Shares are listed and posted for trading as may be selected by the Board) on the last business day immediately preceding the date of grant of such Option. If there is no trading on that date, the exercise price shall not be less than the weighted average of the bid and ask prices on the five consecutive trading days preceding the date of the grant.

2.4 Grant to Participant's RRSP or Holding Company

Upon written notice from an Eligible Person, any Option that might otherwise be granted to that Eligible Person, will be granted, in whole or in part, to an RRSP or a Holding Company established by and for the sole benefit of the Eligible Person.

2.5 Termination or Death

- (a) In the event of the Termination of a Participant, by reason of dismissal without cause or voluntary termination by the Participant, each Option held by the Participant, the Participant's RRSP or the Participant's Holding Company will cease to be exercisable within a period of 30 days after the Termination Date, or such longer period as determined by the Board. For greater certainty, such determination of a longer period may be made at any time subsequent to the date of grant of the Options and the Board may delegate authority to the Chief Executive Officer, the President and/or the Chief Financial Officer of the Corporation to make any determination with respect to the expiry or termination date of Options held by any departing Participant. If any portion of an Option has not vested on the Termination Date, the Participant, the Participant's RRSP or the Participant's Holding Company may not, after the Termination Date, exercise such portion of the Option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. The Board may delegate authority to the Chief Executive Officer, the President and/or the Chief Financial Officer to make any

determination with respect to vesting of Options or any portion thereof held by any departing Participant.

- (b) In the event a Participant is dismissed with cause, each Option held by such Participant, the Participant's RRSP or the Participant's Holding Company shall cease to be exercisable immediately upon the Participant being given notice of termination.
- (c) If a Participant dies, the legal representatives of the Participant may exercise the Options held by the Participant, the Participant's RRSP and the Participant's Holding Company within a period after the date of the Participant's death as determined by the Board, for greater certainty such determination may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of such Option; and (ii) 12 months following the date of death of the Participant, but only to the extent the Options were by their terms exercisable on the date of death. The Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. The Board may delegate authority to the Chief Executive Officer, the President and/or the Chief Financial Officer to make any determination with respect to the expiry or termination date of Options or vesting of Options or any portion thereof held by any deceased Participant. If the legal representative of a Participant who has died exercises the Option of the Participant or the Participant's RRSP or the Participant's Holding Company in accordance with the terms of this Plan, the Corporation will have no obligation to issue the Shares until evidence satisfactory to the Corporation has been provided by the legal representative that the legal representative is entitled to act on behalf of the Participant, the ~~Participant's~~Participant's RRSP or the ~~Participant's~~Participant's Holding Company to purchase the Shares under this Plan.

2.6 Option Agreements

Each Option must be confirmed, and will be governed, by an agreement or certificate (an ~~“Option Agreement”~~“Agreement”) in the form of Schedule ~~“A”~~“A” (as the same may be amended from time to time by the Regulations) signed by the Corporation and the Participant or an RRSP of which the Participant is an annuitant or the Participant's Holding Company.

2.7 Payment of Option Price

The exercise price of each Share purchased under an Option plus such amount as may be required by applicable legislation for statutory withholdings as set out more fully in Section 2.10 hereof must be paid in full to the Corporation and upon receipt of payment in full, but subject to the terms of this Plan, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable. Share certificates representing the number of Shares in respect of which the Option has been exercised will be issued only upon payment in full of the relevant exercise price and, if applicable, statutory withholdings to the Corporation.

2.8 Acceleration on Change of Control

In the event of a Change of Control, all Options outstanding shall be immediately exercisable, notwithstanding any determination of the Board pursuant to Section 2.2 hereof, if applicable. For greater certainty, upon a Change of Control, Participants shall not be treated any more favourably than holders of Shares with respect to the consideration that the Participants would be entitled to receive for the Shares issuable upon exercise of their Options.

If the Participant elects to exercise its Options following a Change of Control, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Shares which he was entitled upon such exercise, the kind and amount of shares and other securities, property or cash which such holder would have been entitled to receive as a result of such Change of Control, on the effective date thereof, had the Optionee been the registered holder of the number of Shares to which the Optionee was entitled to purchase upon exercise of such Options.

2.9 Amendment of Option Terms

Subject to the prior approval of any applicable regulatory authorities (as required) and the consent of the Participant affected thereby, and without further shareholder approval, the Board may amend or modify any outstanding Option in any manner to the extent that the Board would have had the authority to initially grant the Option as so modified or amended, including without limitation, to change the date or dates as of which, or the price at which, an Option becomes exercisable.

2.10 Statutory Withholdings

~~As a condition of participation in the Plan, a Participant shall authorize the Company in written form to collect and withhold from the Participant or its agent, as the case may be, any amounts required by applicable legislation to be withheld for any taxes or otherwise as a consequence of such participation in the Plan.~~

The exercise of each Option granted under the Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of withholding tax or other source deductions is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that a Participant pay to the Corporation, in addition to and in the same manner as the exercise price for the Shares, such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the Option or, alternatively, the Corporation shall have the right in its discretion to satisfy any such liability for withholding or other required deduction by retaining any Shares acquired upon exercise of any Option and selling such Shares in the open market for and on behalf of the Optionee, or retaining any amount payable, to a Participant by the Corporation, whether or not such amounts are payable under the Plan.

ARTICLE 3

MISCELLANEOUS

3.1 Right to Terminate Options on Sale of Corporation

Notwithstanding any other provision of this Plan, if the 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 Shares (collectively, the “~~Proposed Transaction~~”, **Transaction**”), the Corporation may give written notice to all Participants advising that their respective Options, including Options held by their RRSP’s or Holding Companies, may be exercised only within 30 days after the date of the notice and not thereafter, and that all rights of the Participants, their RRSP’s and Holding Companies under any Options not exercised will terminate at the expiration of the 30-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 Option will be affected by the notice, except that the Option may not be exercised between the date of expiration of the 30-day period and the day after the expiration of the 180-day period.

3.2 Prohibition on Transfer of Options

Subject to Section 2.4, Options are personal to each Eligible Person. No Eligible Person or RRSP or Holding Company of an Eligible Person may deal with any Options or any interest in them or Transfer any Options now or hereafter held by the Eligible Person or RRSP or Holding Company. If a Participant’s Holding Company ceases to be wholly owned and controlled by the Participant, such Participant will be deemed to have transferred any Options held by such Holding Company in violation of the Plan. A purported Transfer of any Options in violation of the Plan will not be valid ~~and~~, the Corporation will not issue any Share upon the attempted exercise of improperly transferred Options, and the Options will be forfeited and cancelled.

3.3 Capital Adjustments

If there is any change in the outstanding Shares by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of shares, or other fundamental corporate change, the Board will make, subject to any prior approval required of relevant stock exchanges or other applicable regulatory authorities, if any, an appropriate substitution or adjustment in (i) the exercise price of any unexercised Options under this Plan; (ii) the number or kind of shares or other securities reserved for issuance pursuant to this Plan; and (iii) the number and kind of shares subject to unexercised Options theretofore granted under this Plan; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares. In the event of the reorganization of the Corporation or the amalgamation or consolidation of the Corporation with another corporation, the Board may make such provision for the protection of the rights of Eligible Persons, Participants, their RRSP’s and their Holding Companies as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

3.4 Non-Exclusivity

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Eligible Person or Participant, subject to any required regulatory or shareholder approval.

3.5 Amendment and Termination

Subject to the requisite shareholder and regulatory approvals set forth under subparagraphs 3.5(a) and (b) below, the Board may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such ~~right~~ action may, without the consent of the Optionee, in any manner adversely affect the Optionee’s rights under any Option theretofore granted under the Plan.

- (a) The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Plan or any Options granted thereunder:

NGEx Resources Inc.

~~Share Option Plan (Effective September 15, 2008, as ratified and approved June 13, 2011)~~ Page | Page | 9

- (i) any amendment to increase the number of securities issuable under the Plan, including, if applicable, an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by shareholders will not require additional shareholder approval;
- (ii) any amendment to the Insider participation limits in Section 1.4 which result in the security holder approval to be required on a disinterested basis;
- ~~(iii)~~ any amendment to increase the director participation limits in Section 1.4(d);
- ~~(iv)~~ any change to the definition of ~~the eligible participants~~ "Eligible Person" which would have the potential of broadening or increasing ~~insider~~ Insider participation;
- ~~(v)~~ the addition of any form of financial assistance;
- ~~(vi)~~ any amendment to a financial assistance provision which is more favourable to participants;
- ~~(vii)~~ any addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve;
- ~~(viii)~~ the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the Corporation;
- ~~(ix)~~ any amendment to this Section 3.5 relating to the amending provisions of this Plan;
- (x) any amendment to Section 3.2 of this Plan that would permit Options to be assigned or transferred, other than for normal estate settlement purposes;
- (xi) any amendment to the exercise price of any Option issued under the Plan where such amendment reduces the exercise price of such Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry for the purpose of re-issuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);
- (xii) any amendment of this Plan that would permit an extension beyond the original expiry date of outstanding Options;
- (xiii) any amendment to the amendment provisions in this Section 3.5;
- (xiv) a discontinuance of the Plan; and
- ~~(xv)~~ any other amendments that may lead to significant or unreasonable dilution in the ~~Corporation's~~ Corporation's outstanding securities or may provide additional benefits to eligible participants, especially insiders of the Corporation, at the expense of the Corporation and its existing shareholders.

- (b) The Board may, and without further shareholder approval, subject to receipt of requisite regulatory approval, where required, in its sole discretion make all other amendments to the Plan or any Option granted and the Option Agreement that are not of the type contemplated in subsection 3.5(a) above including:
- (i) a change to the vesting provisions of ~~a security~~ an Option or the Plan;
 - (ii) any amendments to Section 2.2 relating to the exercise of Options;
 - (iii) a change to the termination provisions of ~~a security~~ an Option or the Plan which does not entail an extension beyond the original expiry date;
 - ~~(iii) an amendment to the terms of options granted to non-insiders, including without limitation, the option exercise price and the option expiry date.~~ iv) to the definitions set out in Article 1 (other than the definition of “Eligible Person” as provided for in Section 3.5(a)(iv) above);
 - (v) make amendments of an administrative nature, including but not limited to Section 1.2 relating to the administration of the Plan;
 - (vi) add or modify a cashless exercise feature providing for payment in cash or securities upon the exercise of Options;
 - (vii) make any amendments required to comply with applicable laws or the requirements of the TSX or any regulatory body or stock exchange with jurisdiction over the Corporation;
 - (viii) to the change of control provisions provided for in Section 2.8. For greater certainty, any change made to Section 2.8 shall not allow Participants to be treated any more favourably than other holders of Shares with respect to the consideration that the Participants would be entitled to receive for their Shares upon a Change of Control; and
 - (ix) any change fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the Exchange, including amendments of a “clerical” or “housekeeping” nature and amendments to ensure that the Options granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an Eligible Person may from time to time be resident or a citizen.
- (c) Notwithstanding the provisions of subsection 3.5(b), the Corporation shall additionally obtain requisite shareholder approval in respect of amendments to the Plan that are contemplated pursuant to subsection 3.5(b), to the extent such approval is required by any applicable laws or regulations.

3.6 Compliance with Legislation

The Board may postpone or adjust any exercise of any Option or the issue of any Shares pursuant to this Plan as the Board in its discretion may deem necessary in order to permit the Corporation to effect or maintain registration of this Plan or the Shares issuable pursuant thereto under the securities laws of NEX Resources Inc.

any applicable jurisdiction, or to determine that the Shares and this Plan are exempt from such registration. The Corporation is not obligated by any provision of this Plan or any grant hereunder to sell or issue Shares in violation of any applicable law. In addition, if the Shares are listed on a stock exchange, the Corporation will have no obligation to issue any Shares pursuant to this Plan unless the Shares have been duly listed, upon official notice of issuance, on a stock exchange on which the Shares are listed for trading.

3.73.7 Designation of Consultants--Liability

To the maximum extent permitted by applicable law, no officer of the Corporation or member or former member of the Committee or of the Board shall be liable for any action or determination made in good faith with respect to the Plan or any award granted under it. To the maximum extent permitted by applicable law and the Articles of Continuance and By-Laws of the Corporation and to the extent not covered by insurance, each employee of the Corporation and member or former member of the Committee or of the Board shall be indemnified and held harmless by the Corporation against any cost or expense (including reasonable fees of counsel reasonably acceptable to the Corporation) or liability (including any sum paid in settlement of a claim with the approval of the Corporation), and advanced amounts necessary to pay the foregoing at the earliest time and to the fullest extent permitted, arising out of any act or omission to act in connection with the Plan, except to the extent arising out of such officer's, member's or former member's own fraud or bad faith. Such indemnification shall be in addition to any rights of indemnification the employees, officers, directors or members or former officers, directors or members may have under applicable law or under the Certificate of Incorporation or By-Laws of the Corporation or Affiliate. Notwithstanding anything else herein, this indemnification will not apply to the actions or determinations made by an individual with regard to awards granted to him or her under this Plan.]

3.8 No Rights as Shareholder

The holder of an Option shall not have any rights as a holder of Shares with respect to any of the Shares underlying an Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the exercise price in respect of which the Option is being exercised).

3.9 No Rights to Continued Employment

Nothing in the Plan or any Option shall confer upon a Participant any right to continue in the employment or engagement of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate his employment or engagement at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment or engagement of any Participant beyond the date on which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the date on which his relationship with the Corporation or any Affiliate would otherwise be terminated pursuant to the provisions of any employment, consulting or other contract for services with the Corporation or any Affiliate.

3.10 Effective Date

This Plan shall be effective on September 15, 2008, as ~~ratified and approved June 13, 2011~~ amended, subject to its approval by the shareholders of the Corporation and acceptance for filing by the TSX pursuant to section 1.4.

NGEx Resources Inc.

~~Share Option Plan (Effective September 15, 2008, as ratified and approved June 13, 2011)~~Page | Page | 12

SCHEDULE "A" "A"

NGEX ~~NGEX~~ RESOURCES INC. - SHARE OPTION PLAN

OPTION AGREEMENT

[Date]

PERSONAL & CONFIDENTIAL

[Name]

[Address]

Dear [Name]:

~~The~~ This Option Agreement is entered into between NGEEx Resources Inc. (the "Corporation") and the Optionee named above pursuant to the Corporation's Share Option Plan (the "Plan") permits the Board of Directors to grant options to officers, employees and others whose contribution to the Corporation is significant. In recognition of your contribution to the Corporation ("Plan") and in order to permit you to share in enhanced values confirms that you will help to create, the Board is pleased to grant has granted to you an option (the "Option") "Option") to purchase Common Shares (the "Shares") "Shares") of the Corporation. This Option is granted on the basis set out in this letter option agreement, and is subject to the Plan, a copy of which is attached. This letter option agreement and the Plan are referred to collectively below as the "Option Documents" "Documents". All capitalized terms not otherwise defined shall have the meaning attributed to them in the Plan.

The award date of the Option is: _____

The total number of Shares that you may purchase pursuant to this Option is: _____

The Option exercise price per Share is: _____

Your rights to purchase Shares pursuant to this Option will expire on _____, 20____. (the "Expiry Date")

Your rights to purchase Shares will vest as follows:

- (i) ;
- (ii) ;
- (iii) ;
- (iv) .

Subject to earlier expiration in accordance with the Option Documents, your rights to purchase Shares pursuant to this Option will expire with respect to any vested portion at 5:00 p.m. on the Expiry Date.

This Option may be exercised in whole or in part in respect of vested Options at any time prior to ~~expiry~~ the Expiry Date of the relevant Options by delivery of written notice to the Corporation's head

office to the attention of the Corporate Secretary of the Corporation, specifying the number of Shares to be purchased, accompanied by payment by bank draft or certified cheque of the total purchase price of the Shares plus such amount as may be required by applicable legislation for statutory withholdings. This Option may not be exercised in amounts of less than 100 Shares in the case of any one exercise unless that exercise would entirely exhaust the Option.

The Optionee authorizes and the Corporation shall have the right to deduct and to collect and withhold from the Optionee or its agent, as the case may be, any amounts required by applicable legislation to be withheld for any taxes or otherwise with respect to awards hereunder. The Optionee acknowledges that in accordance with Section 2.10 of the Plan, the Corporation shall have the right in its discretion to satisfy any such liability for withholding or other required deduction by retaining any Shares acquired upon exercise of any Option and selling such Shares in the open market for and on behalf of the Optionee, or retaining any amount payable, to a Participant by the Corporation, whether or not such amounts are payable under the Plan.

Nothing in the Option Documents will affect our right to terminate your services, responsibilities, duties and authority at any time for any reason whatsoever. Regardless of the reason for your termination, your Option rights will be restricted to those Option rights which have vested on or prior to your date of termination and, in any claim for wrongful dismissal or breach of contract, no consideration will be given to any Options that might have vested during an appropriate notice period or as a result of additional compensation you may receive in place of that notice period.

All decisions made by the Board of Directors with regard to any questions arising in connection with the Option Documents, whether of interpretation or otherwise, will be binding and conclusive on all parties.

~~The~~ This option agreement and the Option rights granted to you are personal and may not be sold, pledged, transferred or encumbered in any way.

This Option and the Shares issuable upon exercise of this Option may be subject to certain restrictive hold periods as prescribed by applicable securities legislation and the policies of the Toronto Stock Exchange, as may be in force from time to time.

The Corporation hereby certifies that the class of securities that is referenced in this Option is not registered under the United States Securities Exchange Act of 1934.

Note to reporting insiders: Please remember to comply with your reporting issuer requirements within the time prescribed by applicable securities legislation. Insider reports may only be filed electronically on the web-based system known as SEDI (www.sedi.ca). We anticipate that you will handle the filing of your own insider reports.

Please acknowledge acceptance of your Option rights on these terms by signing where indicated below on this letter and returning the signed copy to the Corporation to the attention of the Corporate Secretary. By signing and delivering a copy of this ~~letter~~ option agreement, you are acknowledging receipt of a copy of the Plan and are agreeing to be bound by all of the terms of the Option Documents.

Yours truly,

NGEx RESOURCES INC.

By: _____

I, _____, (the "Option Holder") have read the Option Documents and hereby acknowledge and agree to accept this Option and to be bound by the Option Documents this _____ day of _____, 20____.

Signature: _____ of Option Holder

Address: _____

Witness: _____

Witness Name: _____
(Printed)

[Note: Letter to be revised if Options granted to RRSP or Holding Company.]