

Kelly Creek Project

Scorpion Drilling Update

January 2018



TSX.V: NGE OTCQB: NVDEF



Disclaimer

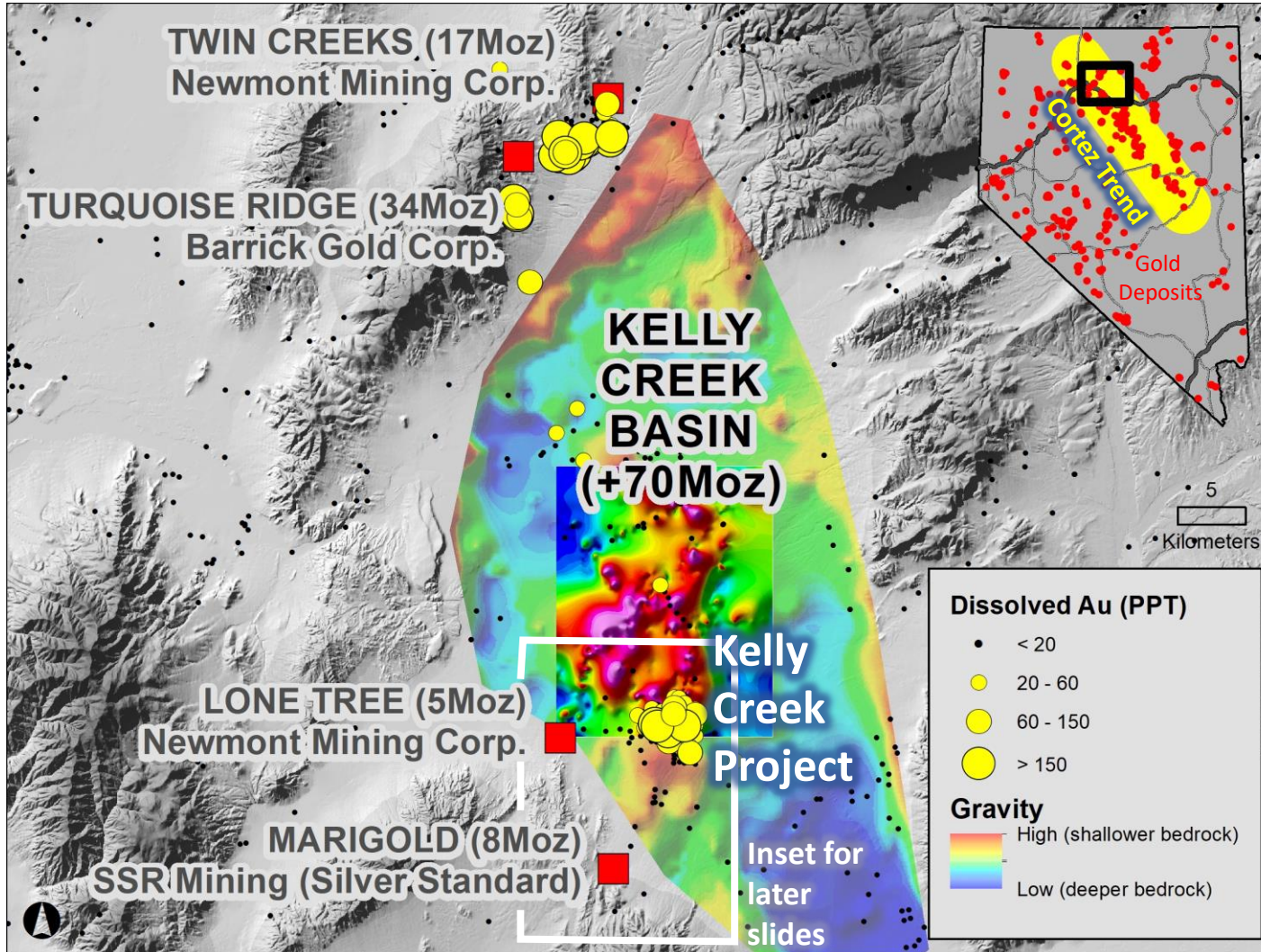


This Presentation contains certain "forward-looking statements" including, without limitation, expectations, beliefs, plans and objectives regarding the timing and nature of estimated future exploration, success of exploration activities, and potential transactions and ventures discussed. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are the risks inherent in mineral exploration, the need to obtain additional financing, environmental permits, the availability of needed personnel and equipment for exploration and development, fluctuations in the price of minerals, and general economic conditions.

Wade A. Hodges, CEO of Nevada Exploration Inc., is the Qualified Person, as defined in National Instrument 43-101, and has prepared the technical and scientific information contained in this Presentation.

Location and Geologic Setting

Kelly Creek Project



Kelly Creek Basin

Represents a 1,000 km² underexplored covered search space along the Cortez Trend, with >70 Moz Au discovered in and near to the ranges immediately surrounding the Basin

NGE's Kelly Creek Project

Generated based on a systematic, hydrogeochemistry-supported, regional exploration program, which discovered highly-enriched Au in groundwater over shallow bedrock at the Project

NGE has completed a comprehensive geophysical program to project the important structural controls seen in the exposed ranges beneath the Project

NGE has completed systematic Scorpion and other drill sampling to characterize the geochemistry of the groundwater, alluvial cover, and bedrock at the Project to confirm the presence of a mineralized hydrothermal system consistent in scale and composition with a world-class gold deposit

Geology of adjacent major deposits

Lone Tree (5Moz) - Newmont

Lone Tree Mine Cross Section 30150N

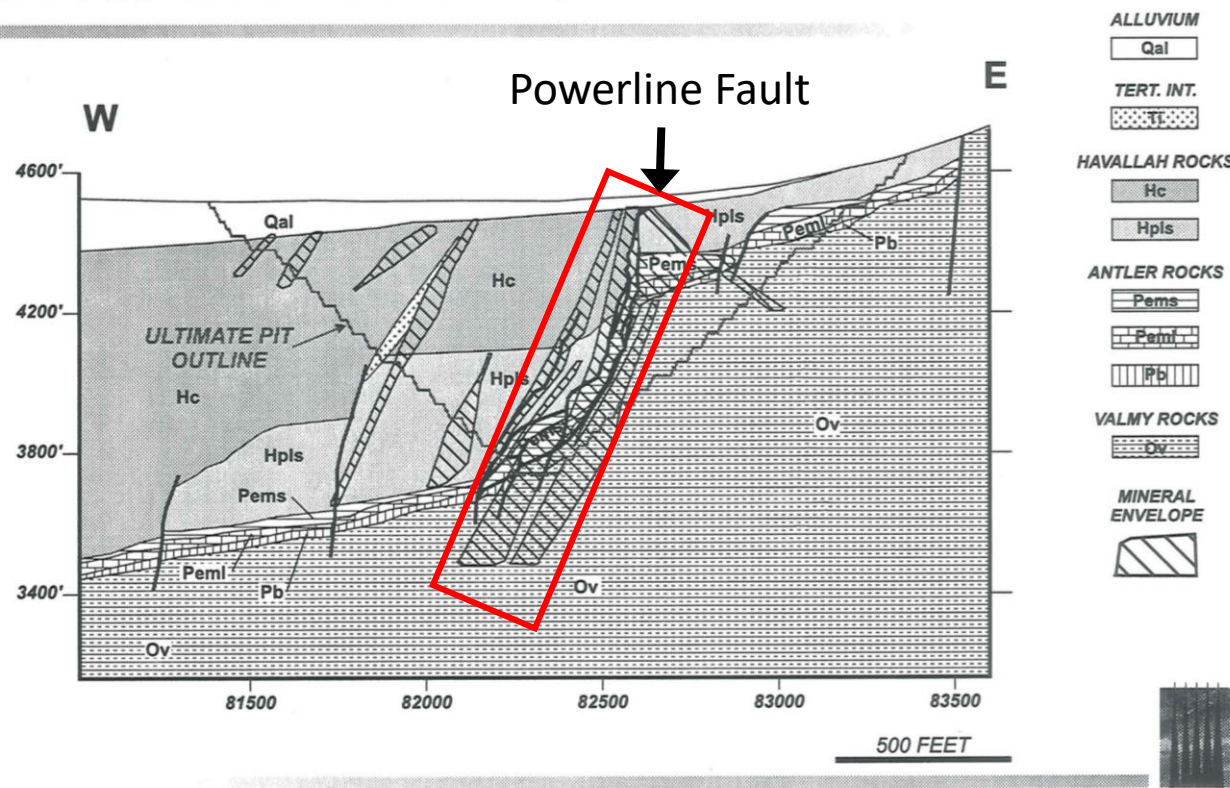


Figure 2—East-west cross section (30,150N) across Wayne Zone.

Geologic setting and ore controls

Structural controls: the principal ore host at Lone Tree is the Powerline Fault, which strikes NNW, dips steeply to the west, and has a strike length of over 2.4 km; and within the Powerline Fault, the gold mineralization is largely confined to a narrower subzone of intense fracturing and faulting known as the Wayne zone, which is pinched and offset at both ends of Lone Tree Hill by major cross-structures

Host units: gold mineralization occurs in the iron-rich rocks of the Valmy Formation, Antler Sequence, and Havallah Sequence, largely as a result of increased permeability due to damage zones along high-angle faults

Significant features for exploration in the area

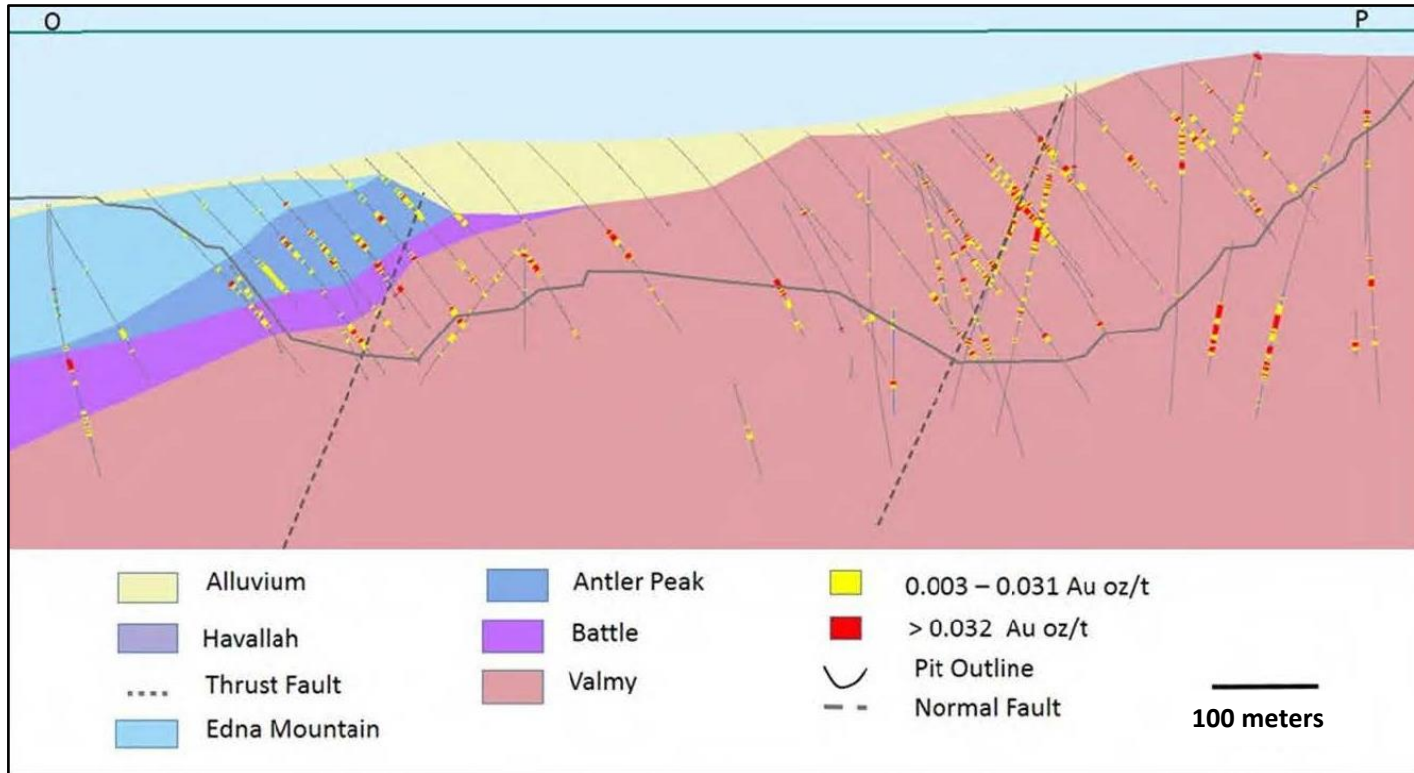
Major N-S high-angle fault corridors

Strong Au anomaly in rock, soil and groundwater with As, Sb, Hg, Sb, and Tl, but with low Ag/Au < ~5 and low base metals Cu+Pb+Zn < ~500-1000 ppm

Gold associated with arsenopyrite and multiple stages of pyrite

Geology of adjacent major deposits

Marigold (8Moz) – SSR Mining



Source: SSR Mining
NI 43-101 Technical Report on the Marigold Mine
Humboldt County, Nevada
Effective date: November 19, 2014

Geologic setting and ore controls

Structural controls: the Marigold orebodies are largely confined to broad damage zones of increased permeability near fault corridors that were active during mineralization, which are offset, pinch, and swell along a strike length of 10 km

Host units: gold mineralization occurs disseminated in the iron-rich rocks of the Valmy Formation, Antler Sequence, and Havallah Sequence, as well as near dikes, largely as a result of increased permeability within high-angle fault corridors that were active during mineralization

Significant features for exploration

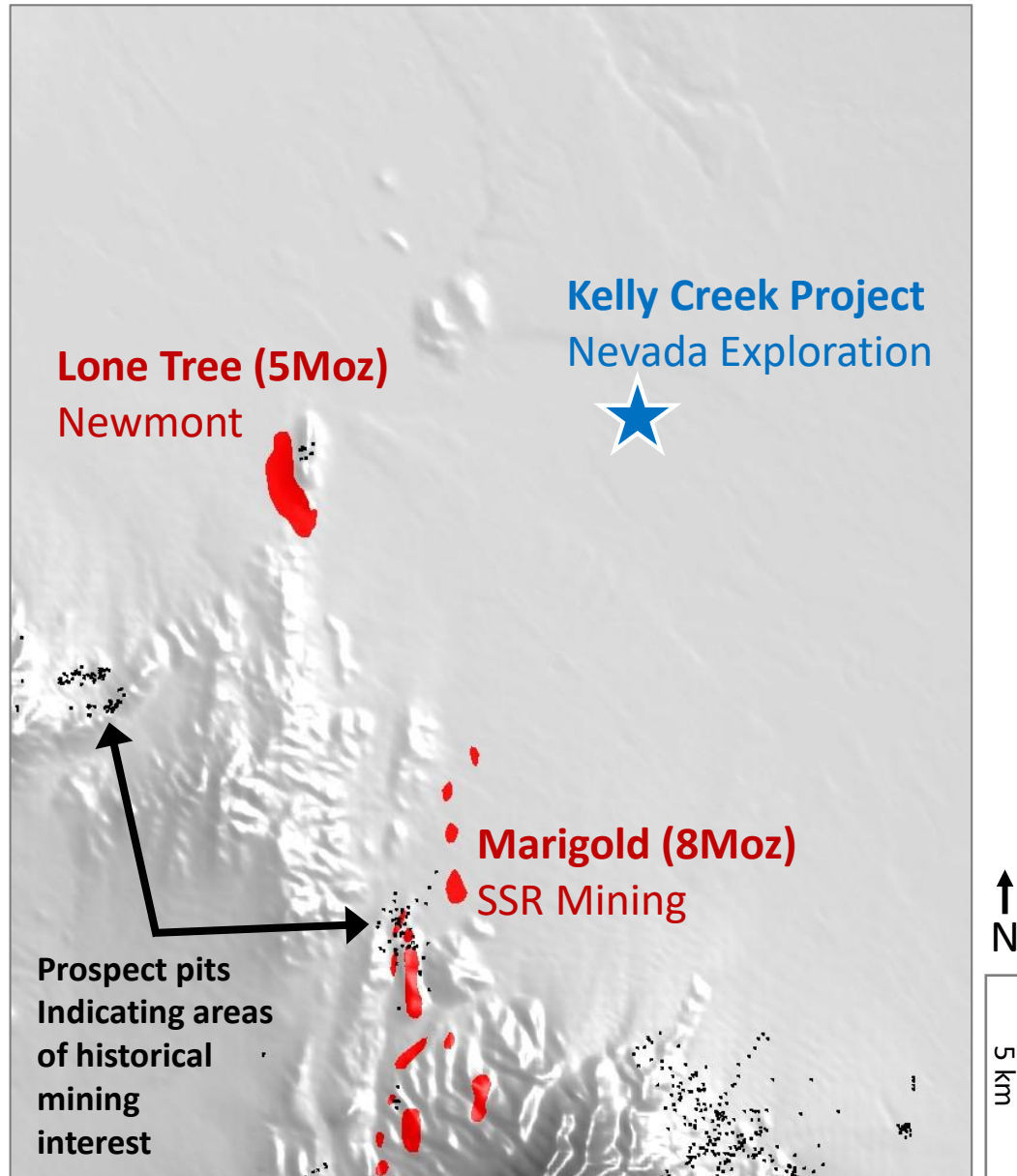
Major N-S high-angle fault corridors

Silicification, argillization, and decalcification of carbonate-bearing lithologies.

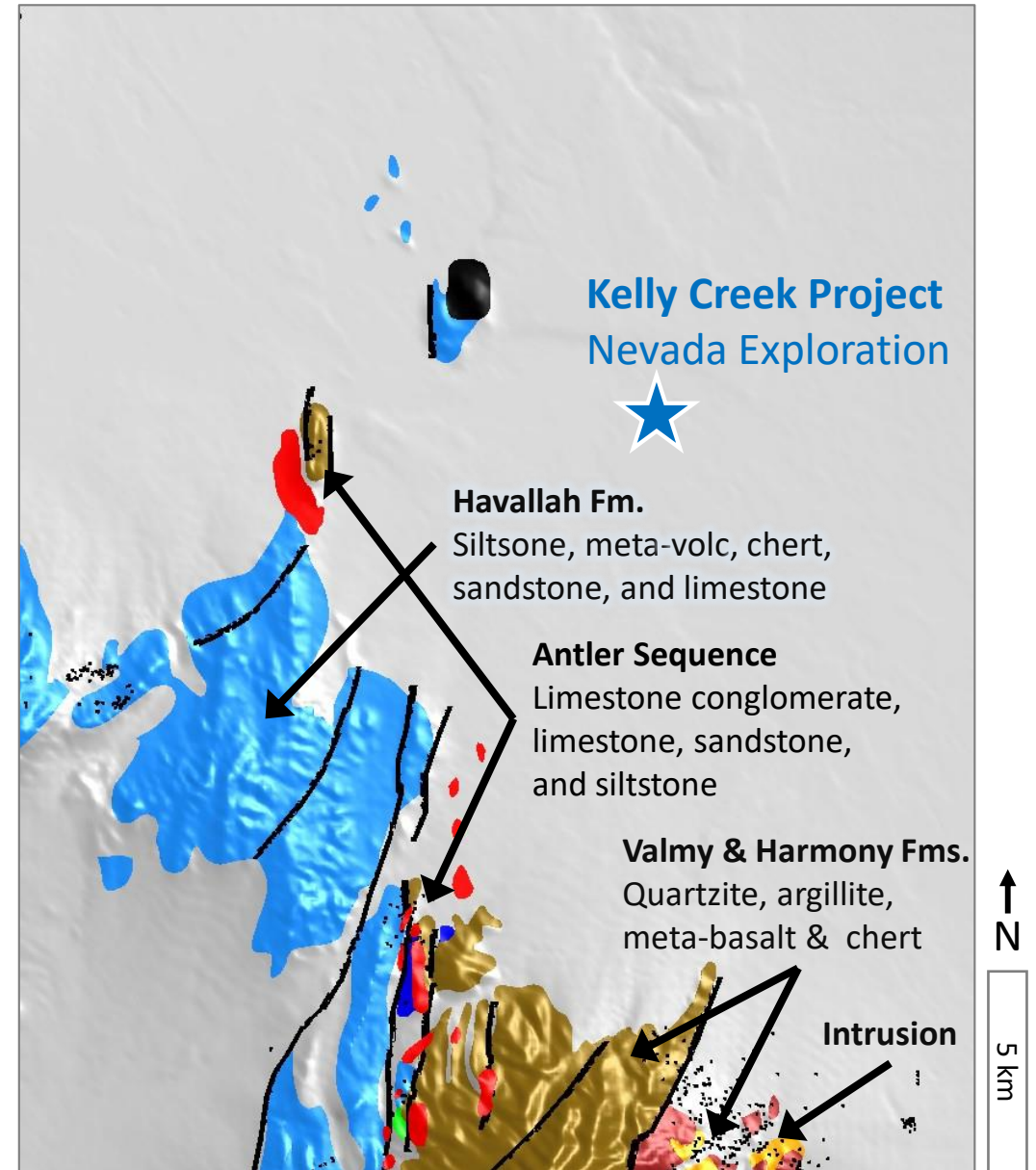
Strong Au anomaly in rock and soil with As, Sb, Hg, Sb, and Tl, but with low Ag/Au < ~5 and low base metals
Cu+Pb+Zn < ~500-1000 ppm

Gold associated with arsenopyrite and multiple stages of pyrite

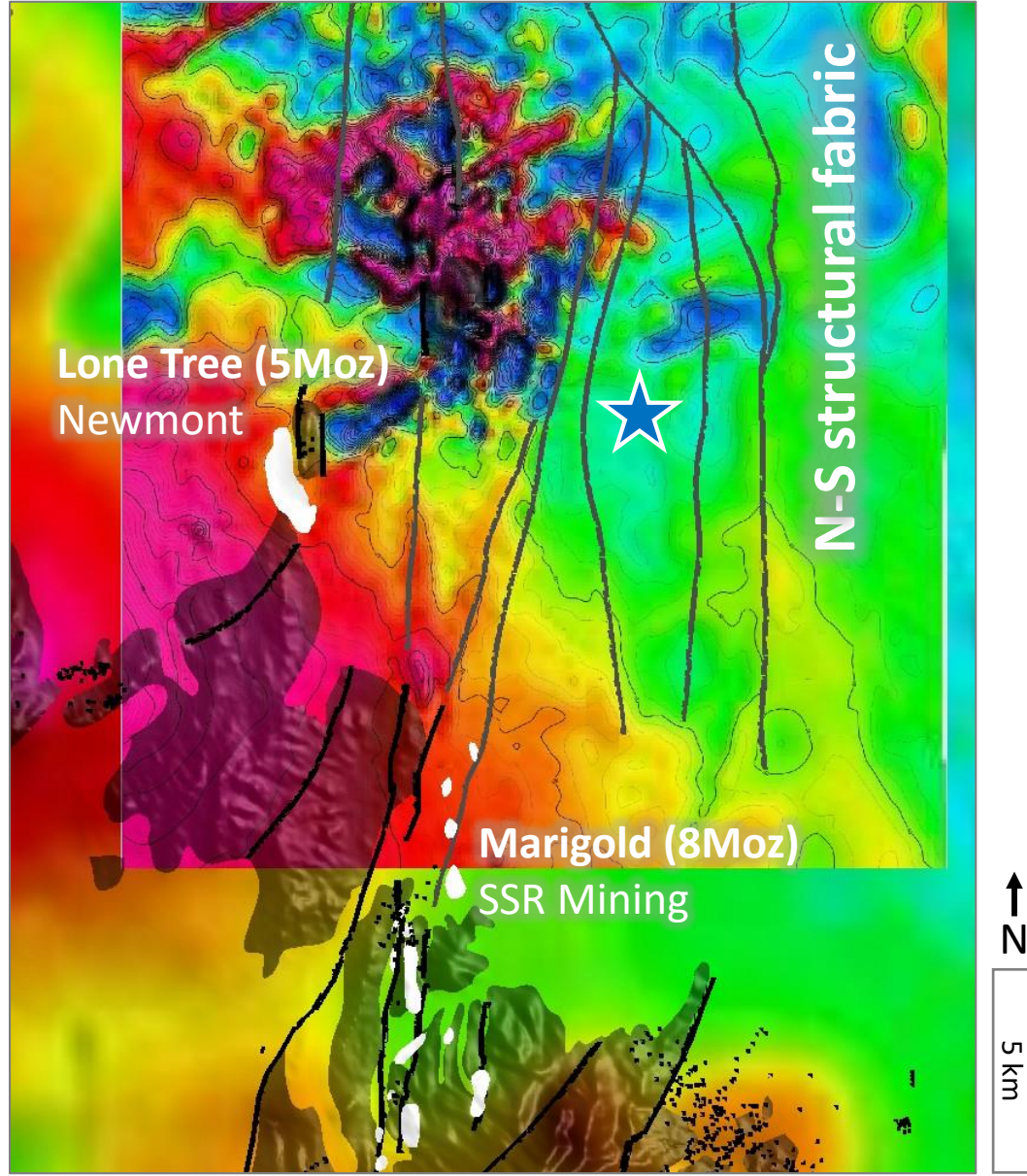
Major deposits south of the Kelly Creek Project, at southern end of Kelly Creek Basin



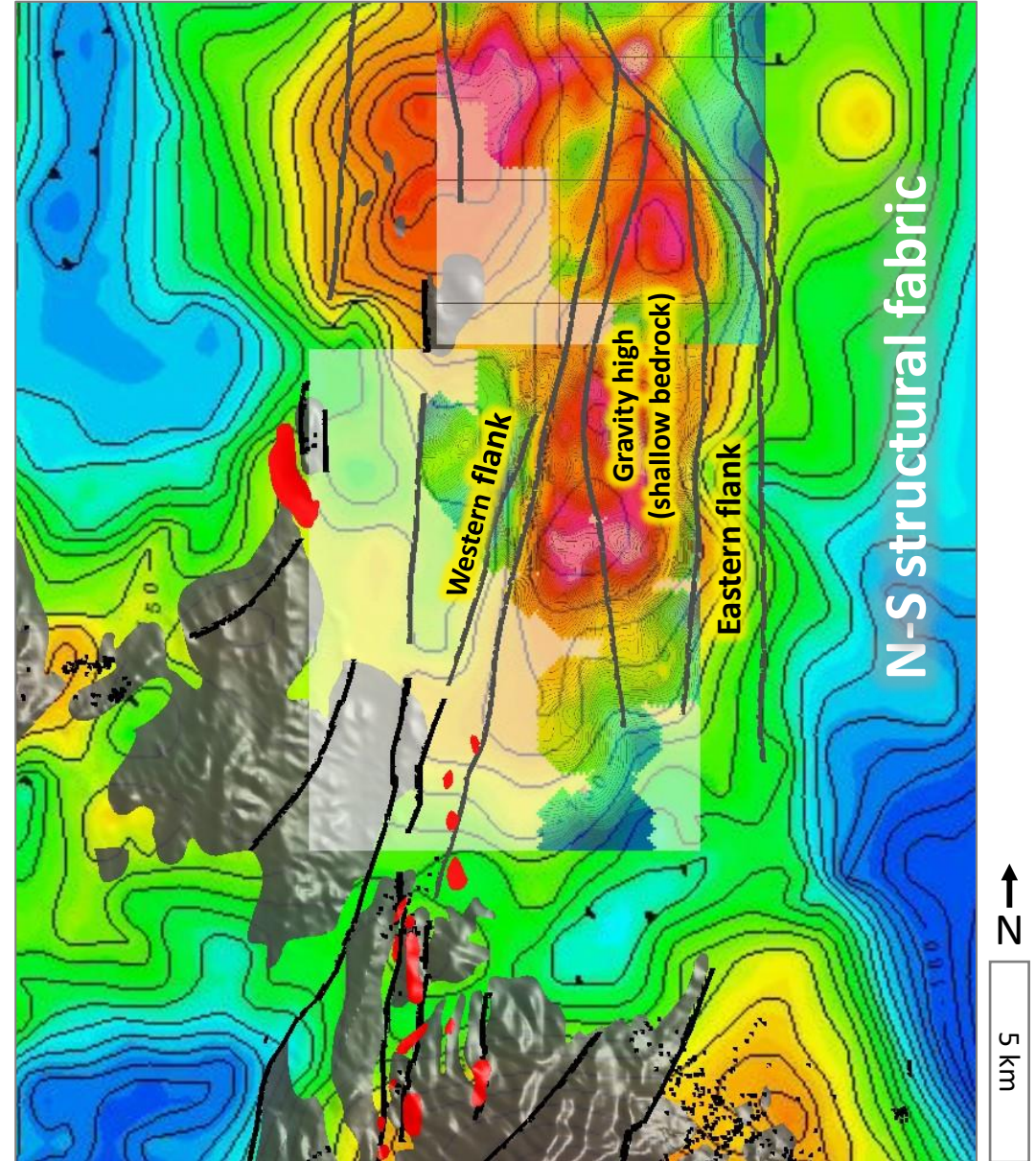
Exposed geologic units and major mapped structures exposed south of the Project



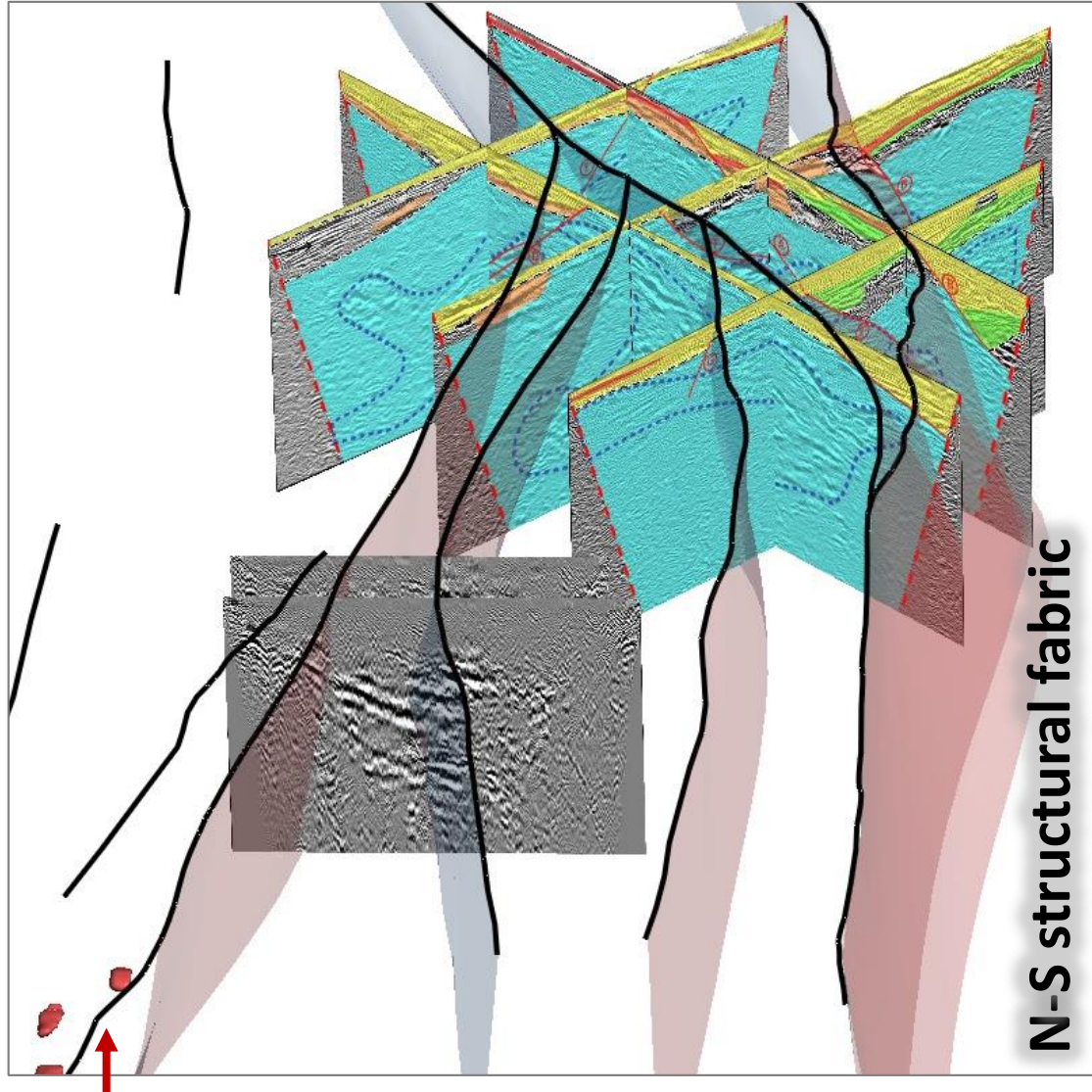
Major mapped structures projected beneath cover supported by air magnetic geophysics



Major mapped structures projected beneath cover supported by gravity geophysics

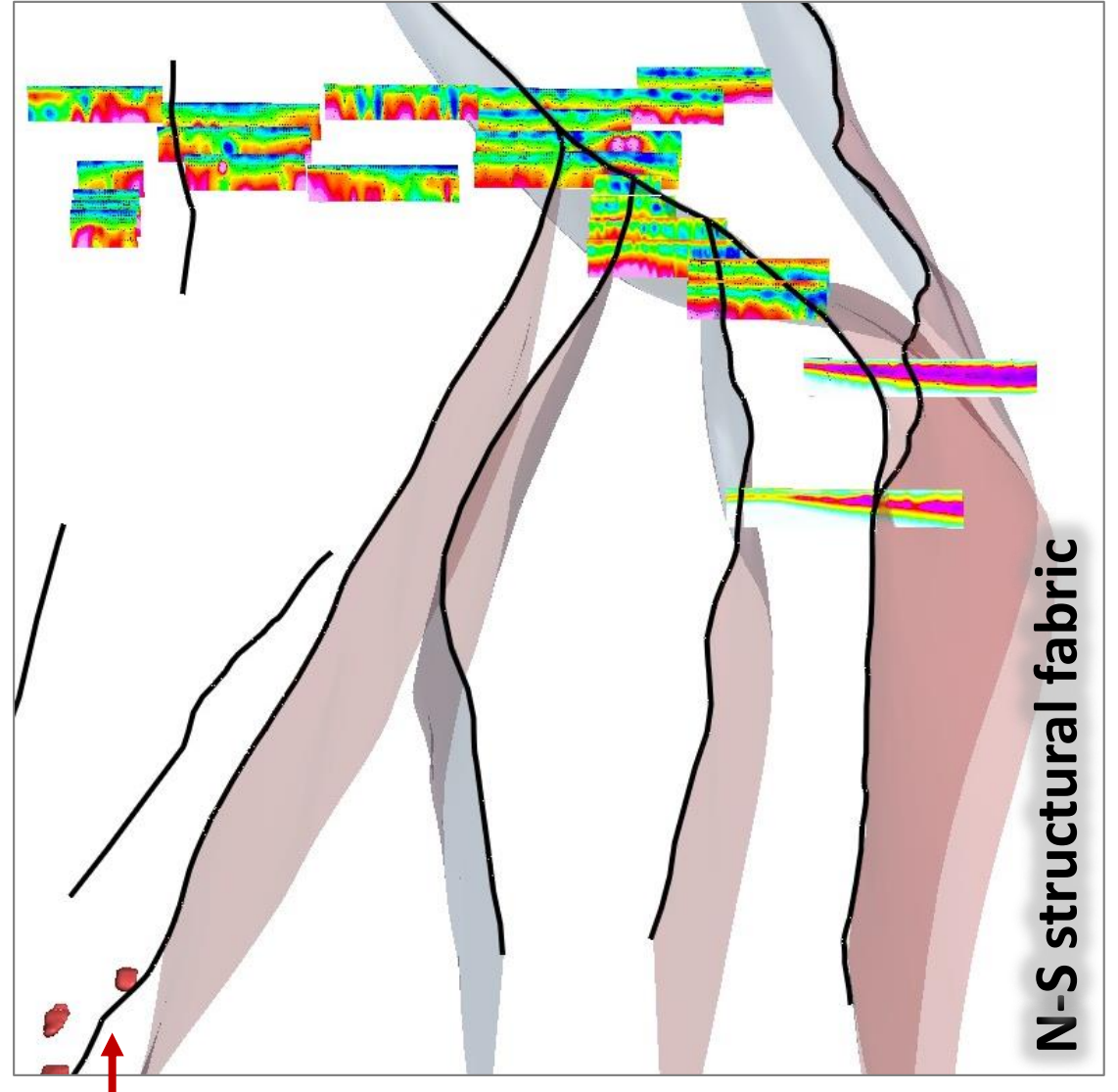


Major mapped structures projected beneath cover supported by seismic geophysics



North end of Marigold deposit

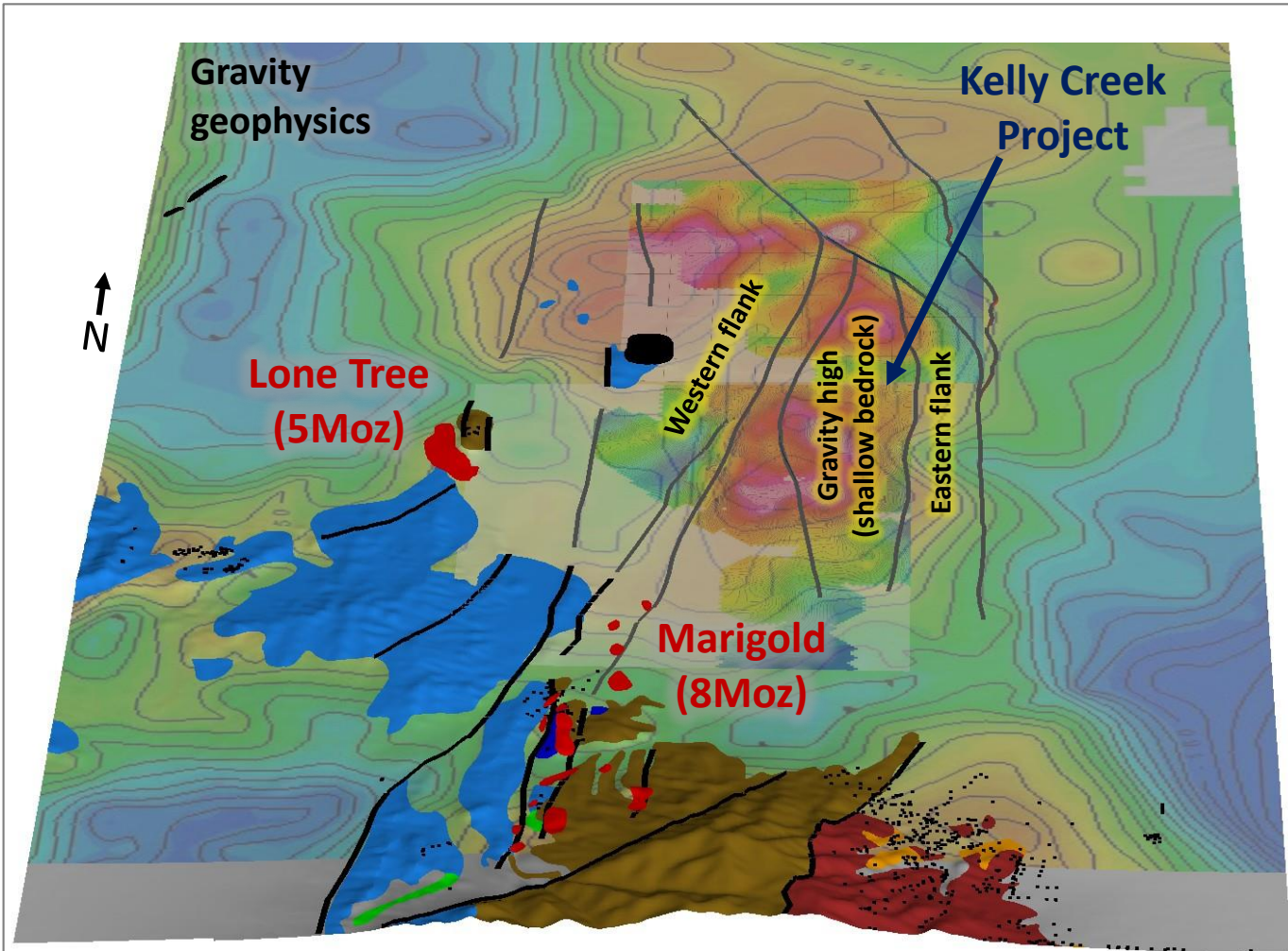
Major mapped structures projected beneath cover supported by CSAMT geophysics



North end of Marigold deposit

Kelly Creek Project Geologic Setting

Results of mapping and geophysical programs



Host units and controls of gold mineralization

Gold mineralization at Marigold is scattered through broad mineralized fault zones that cut through iron-rich quartzite, siltstone and limestone units. At Lone Tree, higher-grade gold mineralization is focused within a major fault zone that also cuts through iron-rich quartzite, siltstone and limestone units

While the favorable host rock units are widespread at both deposits, the mineralization at Lone Tree and Marigold is confined primarily to major and minor fault zones

Oxidized mineralization at both Marigold and Lone Tree started at depths of 75 m and continued to depths greater than 450 m, becoming more un-oxidized with depth. SSR is currently exploring beneath Marigold at depths >900 m

Projection of favourable geology at Kelly Creek Project

Based on the combined gravity, air magnetic, seismic, and CSAMT datasets, the favourable geology (host units and structural controls) associated with the adjacent Lone Tree and Marigold deposits project northwards to the Kelly Creek Project area, under relatively shallow cover

Scorpion Drilling Program

Geochemistry of Groundwater, Alluvium, and Bedrock



2016 – 2017 Scorpion drill program

The Scorpion holes were positioned to follow up on the targets defined by the enriched Au in groundwater identified by earlier Geoprobe™ sampling and wide-spaced drilling, coincident with the prospective structural and bedrock setting identified by the comprehensive geophysics datasets and earlier drilling

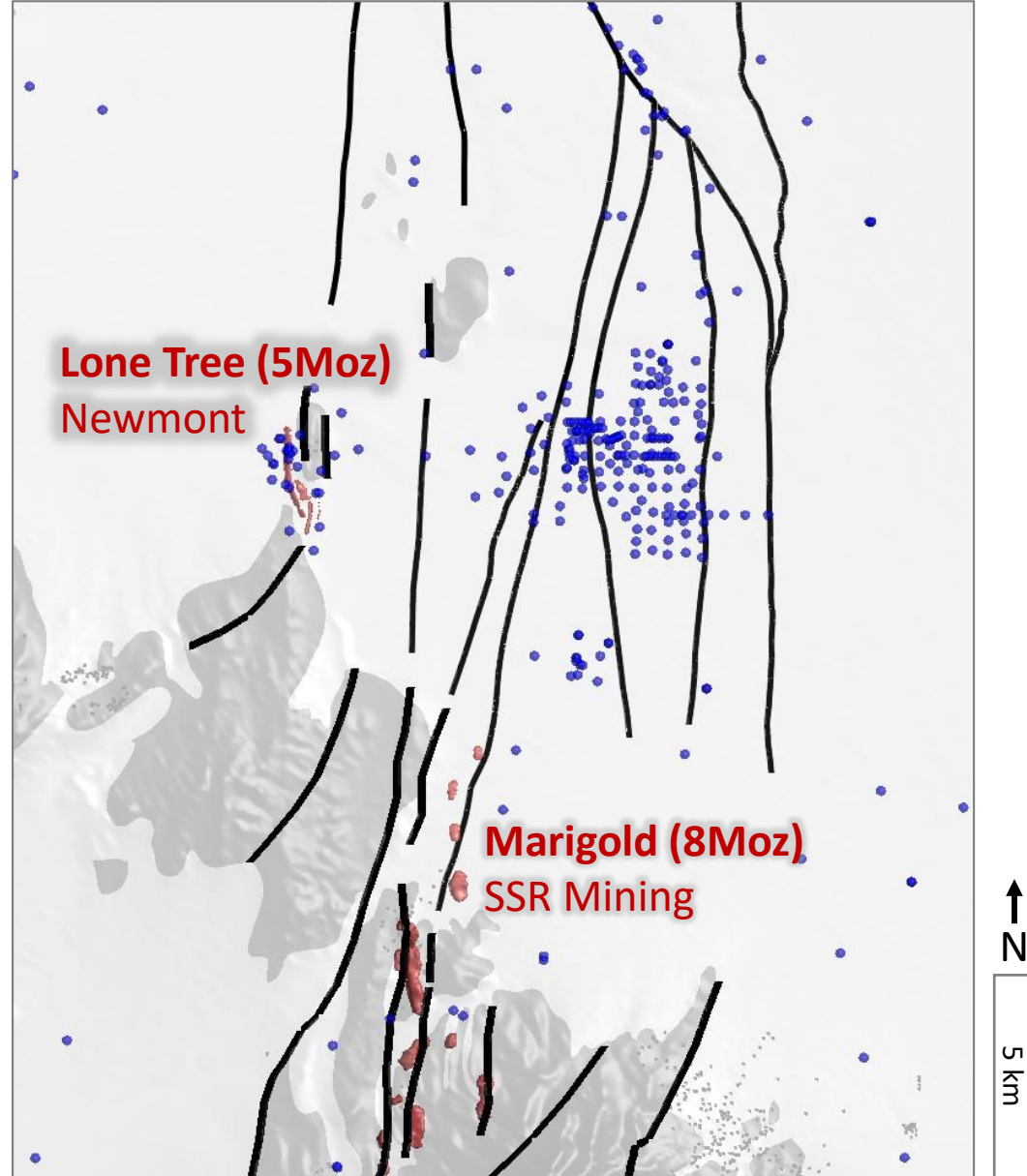
The Scorpion program was designed to collect groundwater, alluvium, and top of bedrock samples across these target areas for the purpose of constraining the geochemical footprint in both two and three dimensions to focus the next-stage of deeper bedrock drilling

The program consisted of 61 holes totalling 5,864 m, with an average depth of 95 m

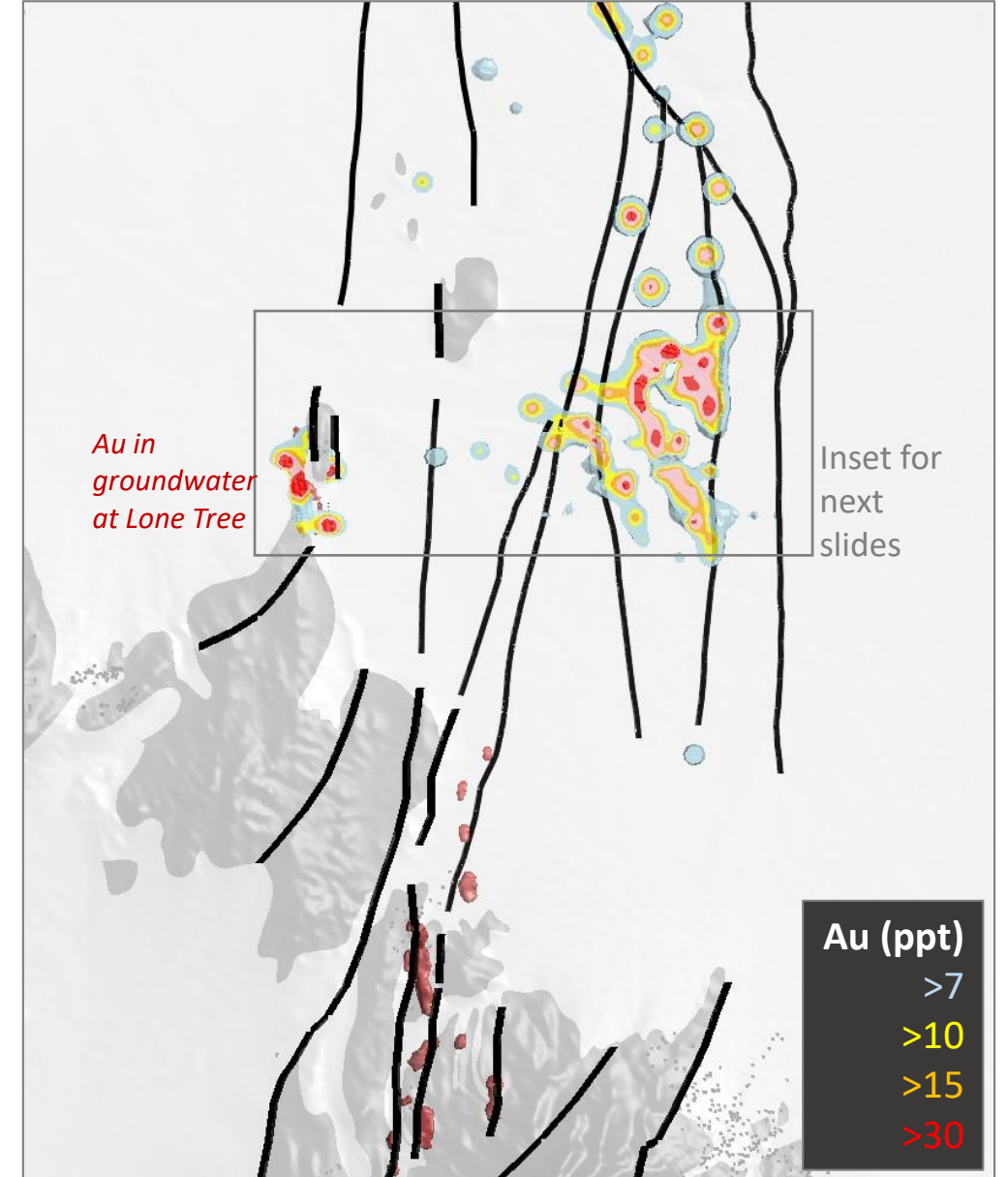
Of the 61 holes, 41 holes encountered bedrock, at an average depth of 84 m, which allowed for widespread bedrock mapping and sampling

From the 61 holes, 552 water samples were collected, on average every 10 m downhole, providing important geochemistry across the project, especially in areas of deeper bedrock where the Scorpion could not sample bedrock directly

Scorpion and other boreholes near the Kelly Creek Project with groundwater samples

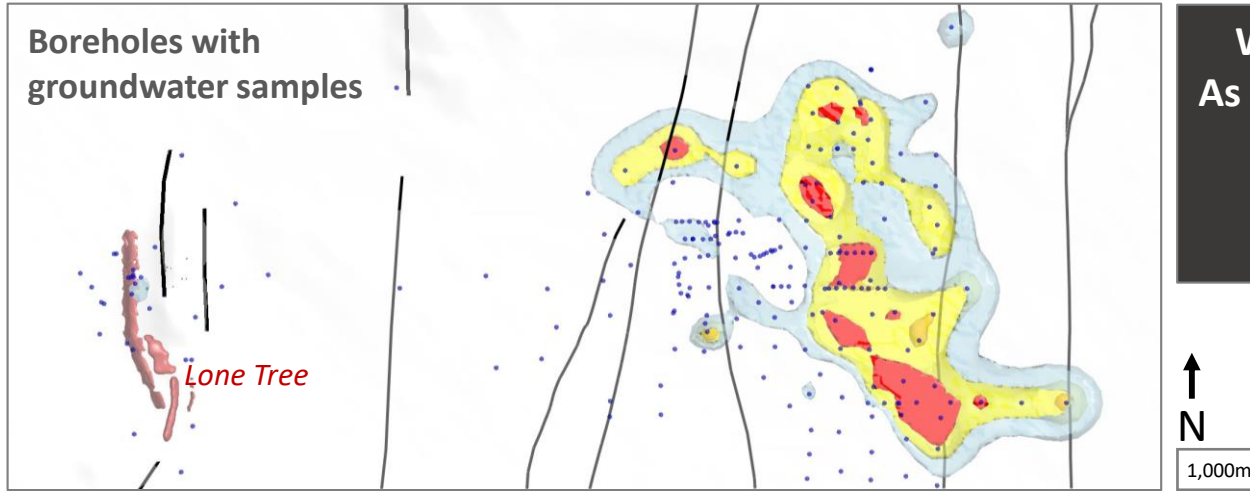


Au in groundwater at and near the Kelly Creek Project



As and Sb in groundwater

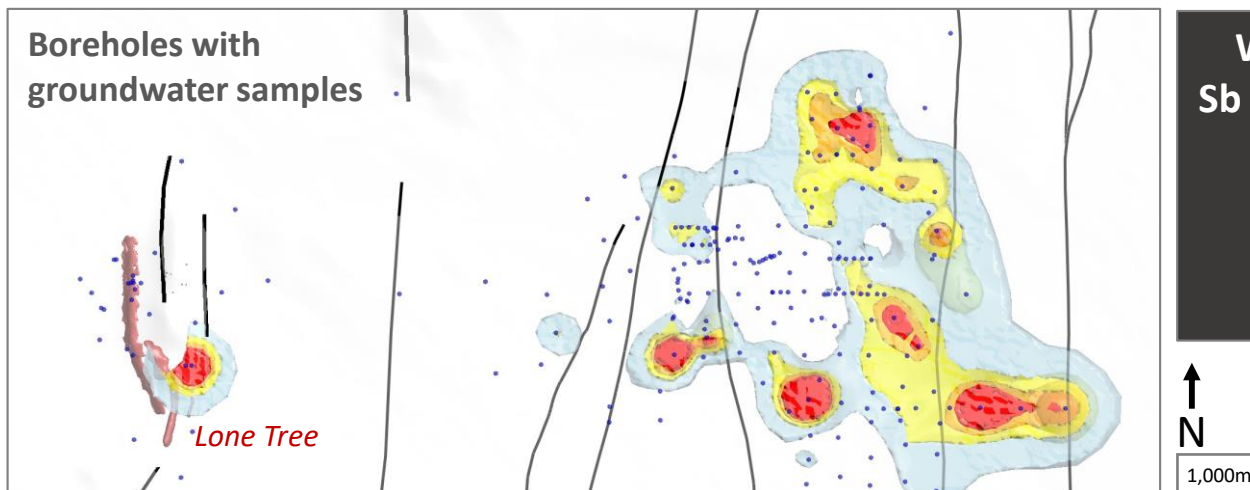
Supporting Au-associated geochemistry



As in groundwater

Zones of enriched Au also supported by anomalous concentrations of As
(200 ppb As > 98th percentile seen across Nevada)

While no As-in-groundwater data is available at Lone Tree, the Au mineralization at Lone Tree is strongly associated with high As in bedrock



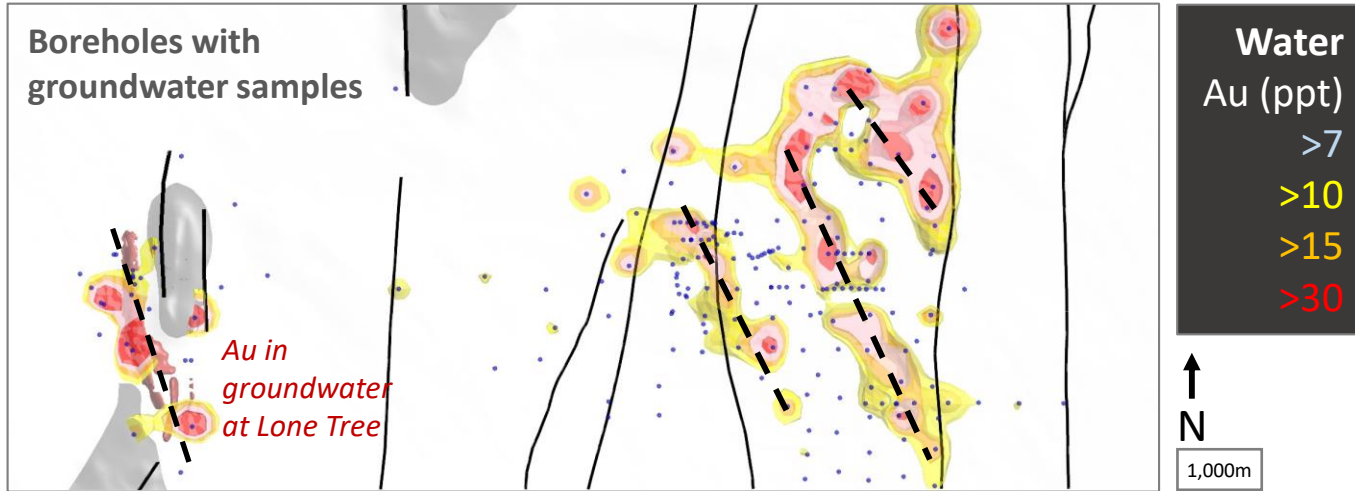
Sb in groundwater

Zones of enriched Au also supported by anomalous concentrations of Sb
(4 ppb Sb > 96th percentile seen across Nevada)

While only very limited Sb-in-groundwater data is available at Lone Tree, the Au mineralization at Lone Tree is strongly associated with high Sb in bedrock

Au in groundwater and bedrock

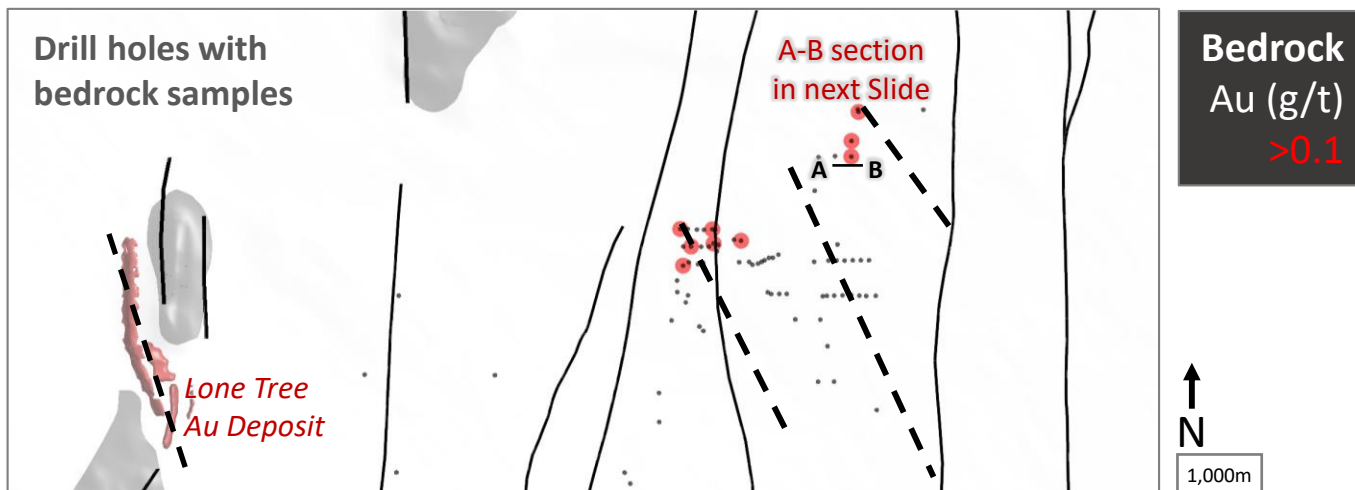
Combined results from Scorpion and earlier drilling



Au in groundwater

The lateral extent of the Au footprint at the project is of a comparable size, and perhaps larger, than that seen at Lone Tree suggesting presence of a large, robust, mineralized system

The geometry of the zones of enriched Au in groundwater form discrete parallel NNW lineaments seen at both Lone Tree and Kelly Creek (dashed lines) and are consistent with the broader NNW trending zones of enrichment seen in the As and Sb on the previous slide, which together present compelling evidence supporting oxidizing mineralization at depth within secondary zones of structural extension, marking potential conduits of enhanced primary fluid flow related to the primary N-S fabric

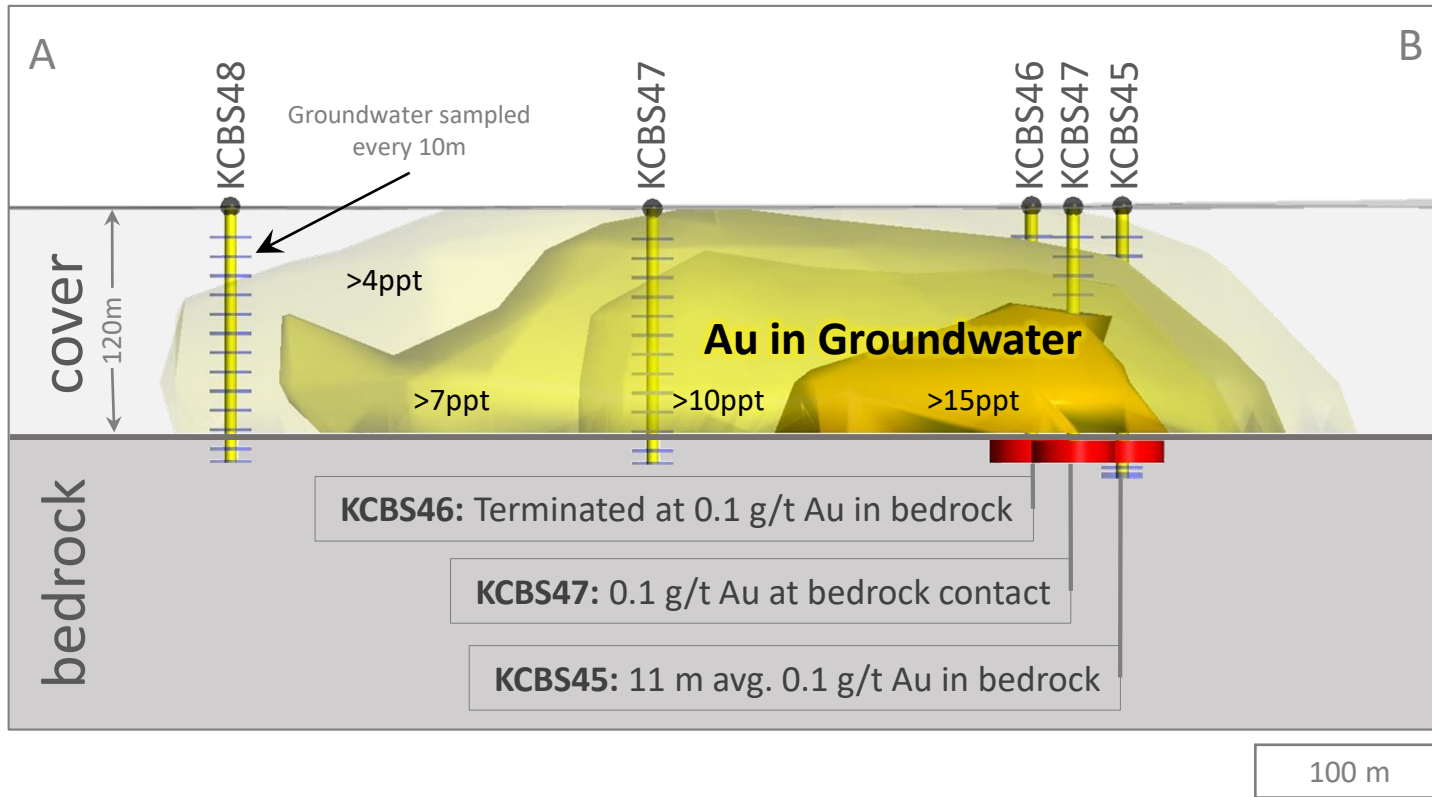


Au in bedrock

While they did not target the enriched Au-in-groundwater lineaments, some of the earlier deeper drill holes and the latest Scorpion drill holes located proximal to these lineaments have defined two clusters of >0.1 g/t gold-in-bedrock, covering areas at least 700 m x 300 m and 1,000 m x 600 m respectively, which confirm the system is mineralized over a larger area than previously known

E-W Cross Section (A – B)

Au in groundwater and bedrock



Scorpion 3D geochemistry

Groundwater sampled on ~10 m intervals; alluvium sampled on 1.5 m intervals, and bedrock (where encountered) sampled on 1.5 m intervals

Of ~450 alluvium samples in section A-B, average Au was 6 ppb with max of 13 ppb (i.e. consistently low)

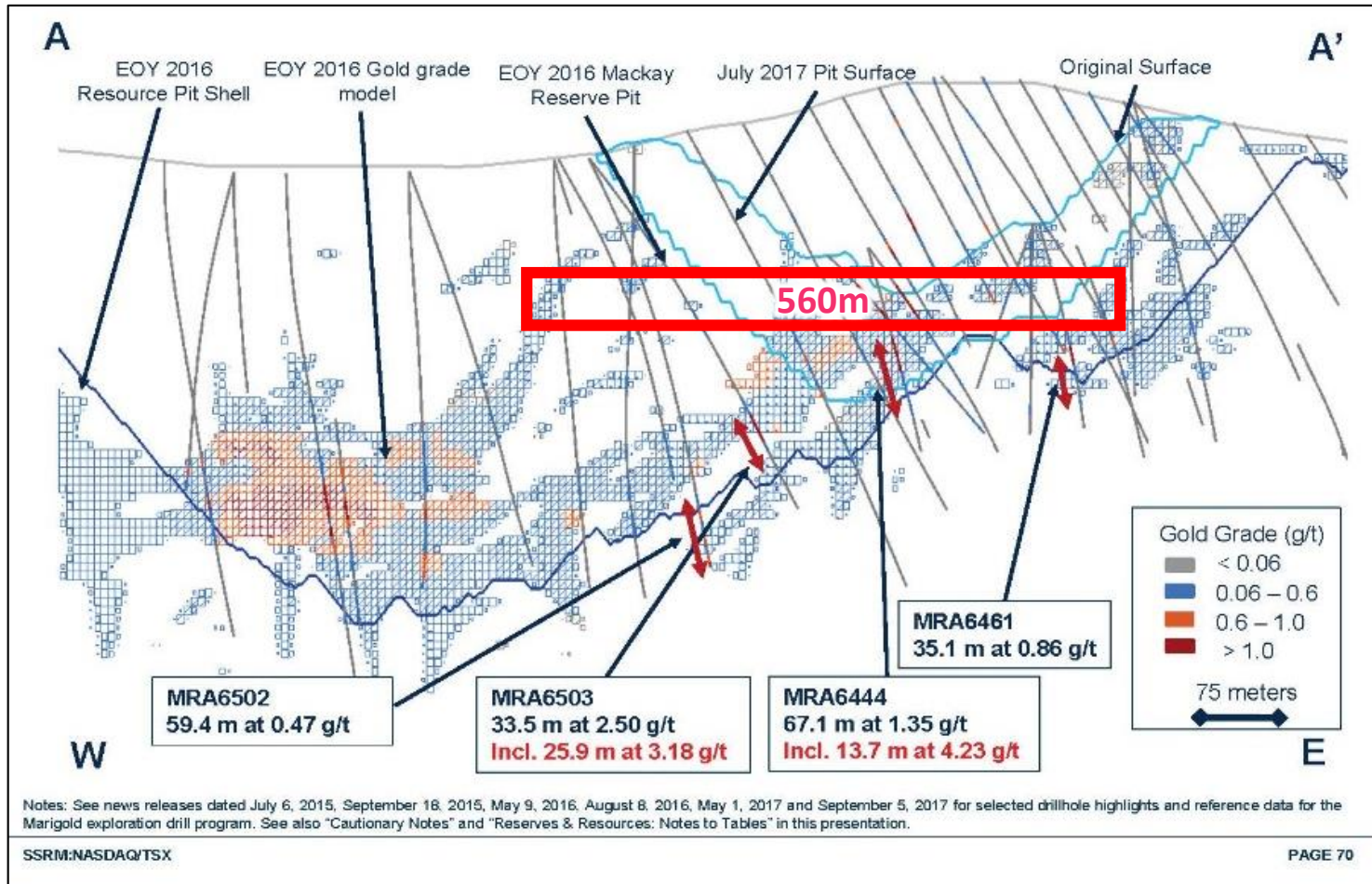
In contrast to uniformly low Au in alluvium, the Au in groundwater showed a clear vector of enrichment towards bottom of holes at eastern end of the section

Zone of highest Au in groundwater corresponded to highest Au-in-bedrock in section A-B, with bedrock samples from KCBS-45, KCBS-46, and KCBS-47 all encountering >0.1 g/t Au at shallow depths

Results show a clear pattern of Au-in-groundwater dispersion related to the enriched Au-in-bedrock, against a uniformly-low Au-in-alluvium background, which emphasizes that the Au-in-groundwater enrichment is independent from that in the alluvium

Nearby deposit analogue: Marigold

Scale of Au-in-bedrock target relative to nearest deposit



SOURCE: SSR Mining

100 m

Establishing context for bedrock sampling

The three drill holes shown on section A-B (previous slide) that encountered >0.1 g/t Au at shallow depths (KCBS-45, KCBS-46, and KCBS-47) represent one of two clusters defined by bedrock sampling at Kelly Creek to date

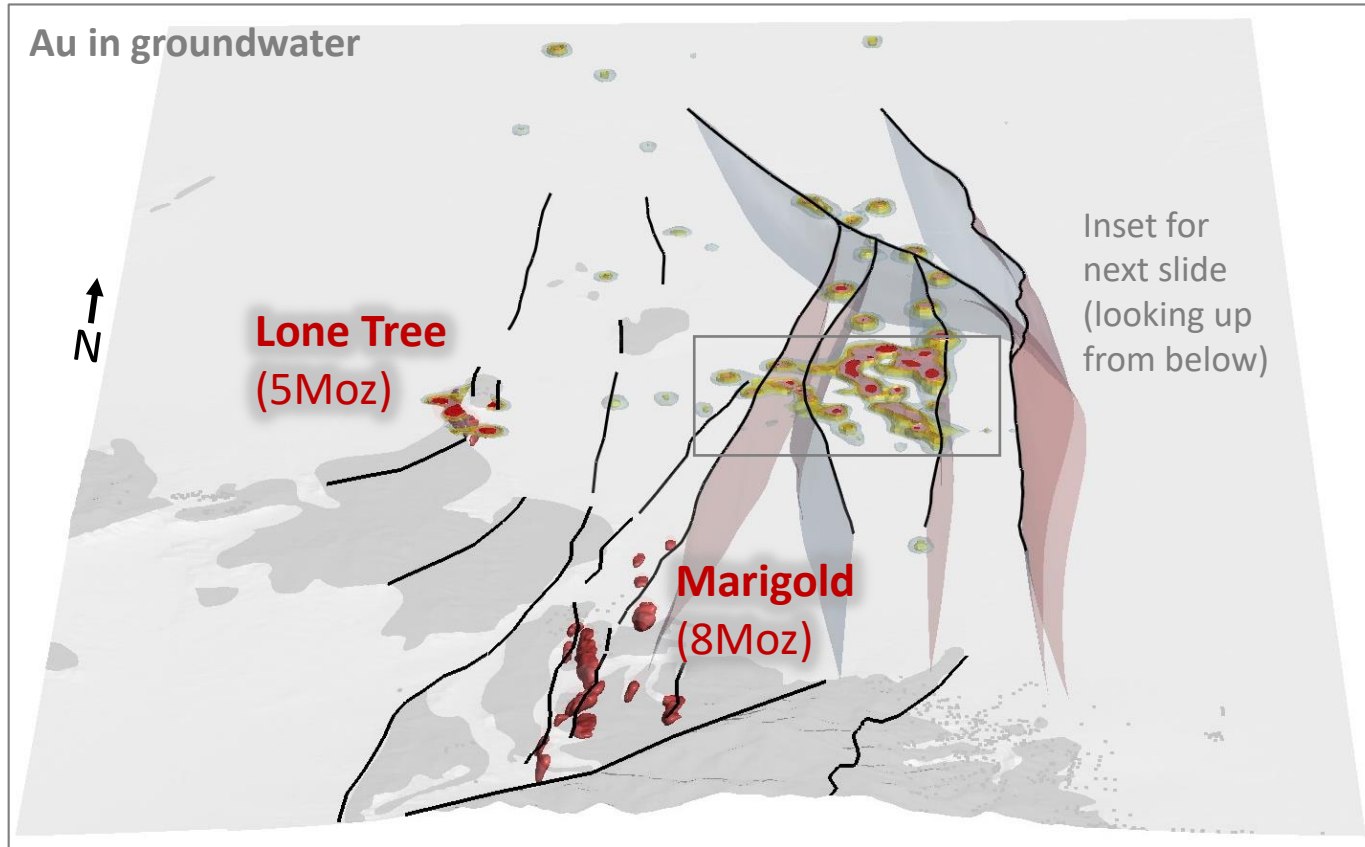
KCBS-45, KCBS-46, and KCBS-47 are spread out over 560 m in a N-S direction and define an area open to the north, south, east and at depth

For context, a 560 m scale bar is shown in red on top of the E-W cross section at the left from the Mackay pit at Marigold, where 0.1 g/t would be represented by the blue blocks in this block model

While still open in several directions and at depth, the drilling results at Kelly Creek highlight that the size of the Au-in-bedrock geochemistry footprint at Kelly Creek is already consistent in scale with that of the nearest deposit analogue, Marigold

Scorpion program summary

Vectoring under cover with 3D geochemistry



Focusing the target

The large favourable geologic setting and geochemistry footprint at Kelly Creek is consistent in terms of scale with those related to the Lone Tree and Marigold systems

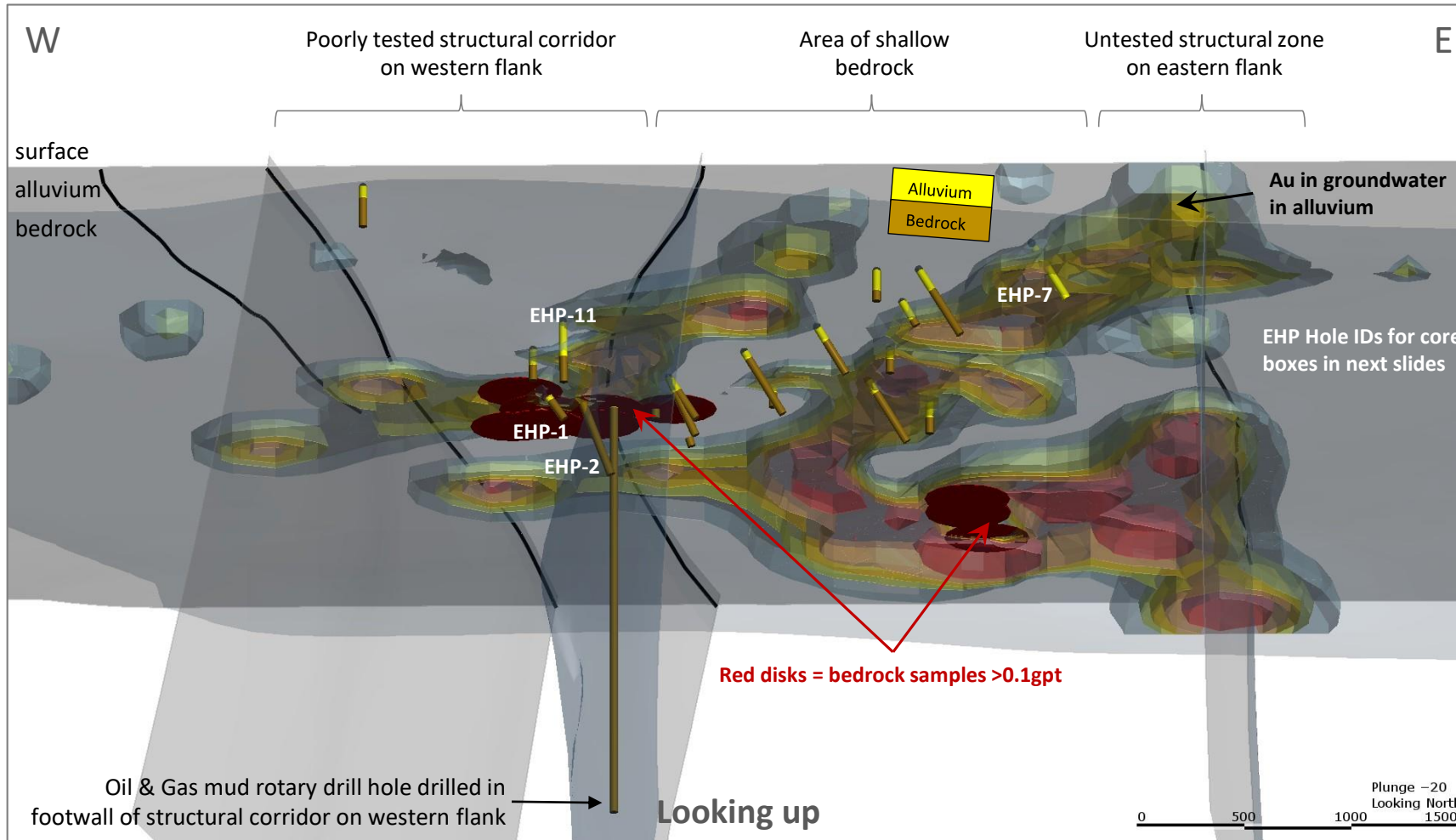
Within the large Kelly Creek system, the Au in groundwater defines discrete parallel NNW-trending linear zones of enrichment bounded by the primary N-S structural fabric that runs parallel to Lone Tree and north from Marigold

These focused, linear zones of enrichment, cutting through this large favourable system (further described in Critical Components table in later slides) are consistent with geometry of mineralization hosted by secondary zones of structural extension (Riedel-style shears) known to provide important ore-controls at many of Nevada's major deposits

By integrating 3D geochemistry with conventional project-scale geology, the results of the Scorpion drilling program have provided an otherwise missing crosshair to constrain this large, favourable, gold-bearing system down to clear and focused next-stage targets to test for the confluence of the critical components needed to support larger volumes of higher-grade mineralization

Updated geologic model

Integrating earlier drilling results to test and improve model



Historic scout drilling results

Holes not directed by the latest geologic model based on 3D geochemistry and comprehensive geophysics, and as a result, largely failed to test the focused targets now defined by the Au-in-groundwater lineaments anchored by the clusters of >0.1 g/t Au-in-bedrock

Where earlier drill holes did get close to major structural zones (see core holes with white labels to left and shown on following slides), as projected by the latest geochemistry and geophysical results, they encountered significant prospective geologic units (e.g. major damage zones along high-angle faults, alteration over large intervals, and anomalous gold and trace-element chemistry) highlighting both favorable geology and scale, which further improves the latest geologic model

Western flank – earlier core drilling

EHP-1 (angled -55° to E): penetrated a major zone of fault damage throughout the entire hole from top of bedrock at 110 m (361 ft) to TD at 240 m (787 ft) - multiple periods of fault deformation, clay, calcite, pyrite, quartz, barite, gypsum and remobilized carbon veining and anomalous geochemistry

EHP-2 (angled -70° to E): was drilled 177 m east of EHP-1 to penetrate the eastern footwall of the fault zone encountered in EHP-1 and to establish the thickness of the western-flank structural corridor which extends in hole EHP-2 from the top of bedrock at 129 m (423 ft) to 290 m (951 ft), plus minor structures until TD at 509 m (1,670 ft). Together with EHP-1, a steeply dipping structural zone that is at least 274 m wide (still open to the west) with significant alteration and anomalous geochemistry

EHP-11 (vertical): 786 m south of EHP-2, penetrated the same major structural corridor from the top of bedrock at 137 m (449 ft) to TD at 298 m (978 ft). Together with EHP-1 & EHP-2 adds significant N-S extent to the structural corridor showing important alteration and anomalous geochemistry as represented by the intervals shown

Core boxes labelled in feet



Eastern flank – earlier core drilling

EHP-7 (angled -60° to E): is still several hundred meters west of the completely untested eastern flank structural corridor associated with the largest gold in groundwater anomaly, angled to the east off of the bedrock high, and it encountered alluvium from the surface to its TD at 313m (1,027 ft)

Importantly, the drill hole encountered highly angular fragments (suggesting a nearby source area) of quartzite and conglomerate with argillic alteration plus calcite and quartz veining and a definite increase in gold and trace-element geochemistry at the very bottom of the drill hole coincident with the location of projected bedrock from CSAMT geophysics

These projections, together with the coincident overlying significant multi-element groundwater chemistry plume, define a large enough bedrock target area to host another Lone Tree-style gold deposit

Core boxes labelled in feet



Kelly Creek: a new district-scale mineral system

Critical components of Tier-1 gold systems in Nevada



Critical components at project-scale	Supporting evidence at Kelly Creek	Status at Kelly Creek
<p>(1) Favorable structural corridors or other conduits of increased permeability</p>	<ul style="list-style-type: none"> • Primary structural patterns seen in the air magnetic, gravity, seismic and CSAMT geophysics, strongly suggest a large block of shallow bedrock has been affected by the intersection of a series of major N-S, high-angle faults, and subparallel meandering and merging major fault corridors continuing from the known gold-bearing structures parallel to Lone Tree and due north of Marigold • Parallel, linear zones of enriched hydrogeochemistry, as described in (4) below, suggest high densities of sympathetic minimal displacement extensional faults at slight angles to the strike of the primary shear zones characteristic of Riedel structural systems • The thick intervals of favourable alteration and geochemistry encountered by wide-spaced, earlier core drilling, as described below in (3) and (4), further confirm the presence of the conduits described above, and importantly, that they were in fact active, controlling hydrothermal fluid movement through a large volume of potential host rocks 	<p>The primary and secondary structural fabric seen in the geophysics, core drilling, and hydrogeochemistry, plus the thick sections of alteration and geochemistry seen in the drilling, support the presence of significant reactivated high-angle structural conduits associated with a hydrothermal system of a size necessary support the formation of a major mineral system</p>
<p>(2) Favorable zones of increased permeability in contact with the pathways above</p>	<ul style="list-style-type: none"> • Multiple, continuous zones of highly broken, low rock-quality designation (RQD) rocks from core provide evidence that wall rock permeability has been improved as a result of extensive structural damage along at least three 15 km long corridors, known to be up to 274 m in width • Numerous 100 m core intervals of multi-episodic clay, calcite, pyrite, quartz, barite, gypsum and remobilized carbon veinlets highlight zones of enhanced fluid flow along extensionally reactivated high-angle faults and low-angle thrust zones • Damaged margins of iron-rich dikes, sills, and volcanic rocks interlayered with favorable iron-rich calcareous sedimentary stratigraphy and sedimentary debris flow breccias show improved permeability over a large area 	<p>Veining and structural damage seen in the core drilling confirm that the permeability of the units proximal to the significant favorable structural conduits has been improved over large areas, processes that are well suited to support gold deposition</p>

Kelly Creek: a new district-scale mineral system

Critical components of Tier-1 gold systems in Nevada



Critical components at project-scale	Supporting evidence at Kelly Creek	Status at Kelly Creek
(3) Favorable alteration	<ul style="list-style-type: none"> • Earlier core and RC drilling intersected many 100 m intervals of bleaching, Illite and/or kaolinite/dickite-bearing alteration commonly associated with Carlin-Type gold deposits • Earlier drilling also encountered 100 m intervals of decalcification and carbon remobilization, with extensive disseminated pyrite below the zone of oxidation, and narrow zones of structural jasperoid • Deeper core drilling encountered large intervals of oxidized bedrock over the entire project area, in some cases to depths of 300 m below the bedrock surface 	Thick and wide-spread intervals of hydrothermal alteration, oxidation, decalcification, and carbon remobilization confirm a large hydrothermal system was active at Kelly Creek, and mark the style of alteration and mineralization associated with Nevada’s largest gold deposits, which together are indicative of a favorable mineralizing environment
(4) Favorable geochemistry	<ul style="list-style-type: none"> • Two clusters of top-of-bedrock samples containing >0.1 g/t Au, covering areas at least 700 m x 300 m and 1,000 m x 600 m respectively, demonstrate that the hydrothermal system was gold-bearing (“pregnant”), and that the gold-bearing fluids were mobile over significant portions of the system • The even wider-spread, weakly to moderately anomalous gold and trace-element footprint consistently seen in the bedrock proximal to the high-angle conduits (described in (1) above) is associated with at least three separate major shear zones with significant strike lengths of 15 km • The geochemical package encountered in the areas of bedrock gold mineralization, namely Au with As, Hg, Sb, and Tl, but with both low Ag (Ag/Au <~5) and low base metals (Cu+Pb+Zn <~500-1000 ppm), is indicative of Carlin-type mineralization • In areas of extensive fault damage, Au is seen to correlate with low-levels of Cu in a manner similar to that used to guide exploration along high-angle mineralized structures at the nearby Marigold mine • The bedrock geochemistry footprint is also supported by a strong hydrogeochemistry footprint characterized by enriched Au in groundwater covering an area approx. 5 km long N-S by 4 km wide E-W, with three focused zones of even higher enrichment 5 km long and 600 m wide defining parallel lineaments at slight angles to and bounded by primary N-S structural conduits 	The geochemistry seen across the project, including large areas of gold mineralization, is consistent in terms of size and composition with the footprints associated with many of Nevada’s largest deposits, which confirms all of: (i) that the system’s hydrothermal fluids were pregnant; (ii) that the pregnant fluids were present across large areas of the system; and (iii) that the pregnant fluids could potentially source economic gold mineralization where provided with favourable depositional conditions, namely suitably-permeable iron-rich host rocks

Kelly Creek: a new district-scale mineral system

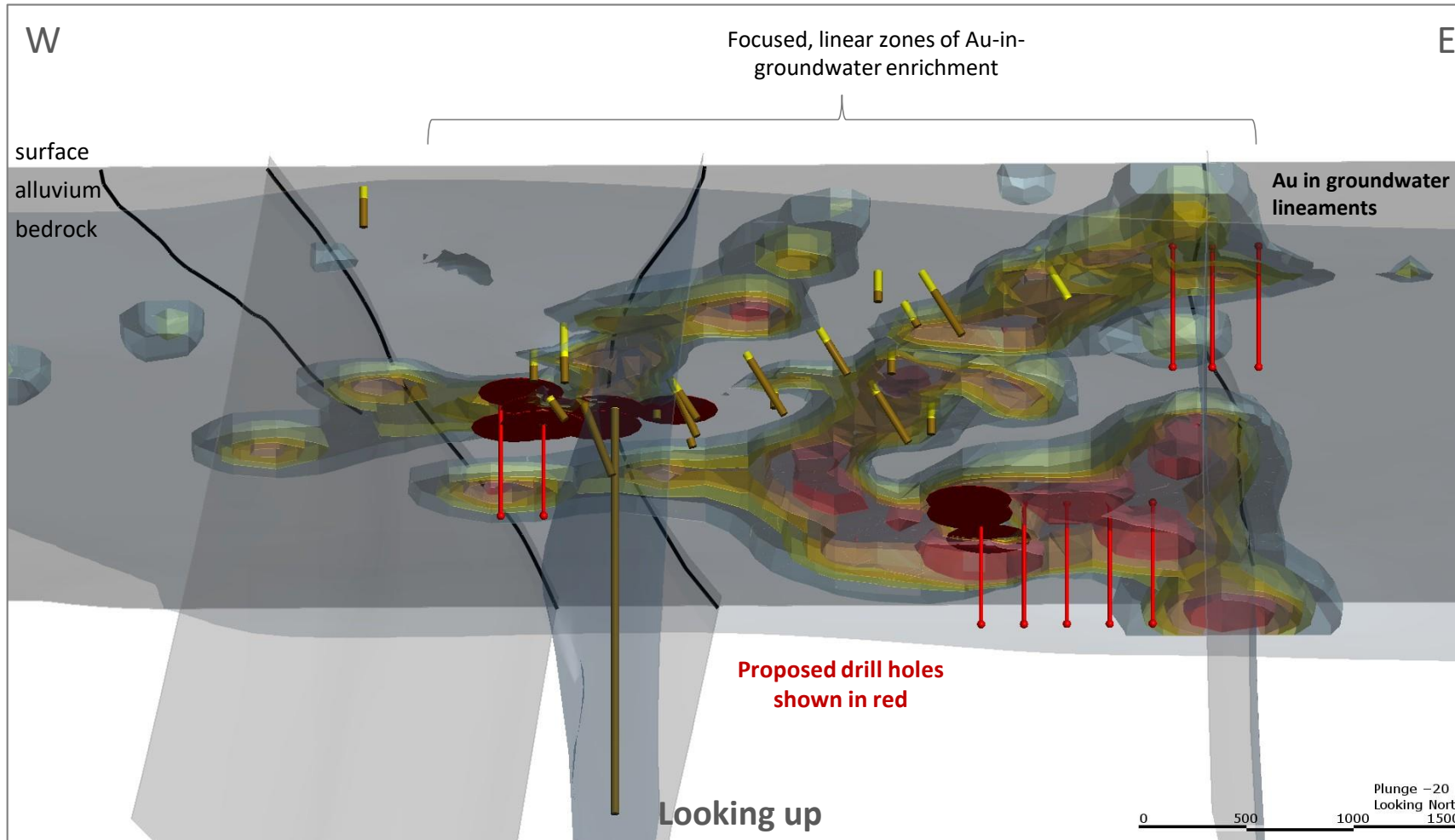
Critical components of Tier-1 gold systems in Nevada



Critical components at project-scale	Supporting evidence at Kelly Creek	Status at Kelly Creek
(5) Favorable host-rocks	<ul style="list-style-type: none"> All 11 of the deeper core holes, which were widely spaced from 500 m to 1,000 m apart across the property, encountered significant >100m intervals of fine-grained and/or finely-bedded and iron-rich calcareous mudstone, claystone, siltstone, and argillite, together with iron-rich volcanic rocks and sub-volcanic intrusive rocks, all of which are known ore hosts at Lone Tree and Marigold in areas where their permeability has been improved by major fault zones 	The thick sections of bedrock units known to support mineralization nearby at Lone Tree and Marigold were encountered by all of the widespread and deeper core drill holes, which confirms that favourable, iron-rich, and suitably permeable host rocks are present across the entire project area
(6) Favorable mineralization	<p>TO BE TESTED FOR AT POINTS OF INTERSECTION OF ALL OF CRITICAL COMPONENTS (1) THRU (5):</p> <ul style="list-style-type: none"> As-Sb-Hg-Tl sulfides including realgar, orpiment, and stibnite Arsenic-rich pyrite, commonly as very-fine-grains (no crystal faces) Potentially economic intervals of gold mineralization over tens of meters 	
(7) Favorable size	<p>REQUIRED: CONFIRM THAT ALL CRITICAL COMPONENTS ARE PRESENT AND INTERSECT OVER AN AREA LARGE ENOUGH TO SUPPORT A WORLD-CLASS 5 - 10 Moz AU DEPOSIT</p> <ul style="list-style-type: none"> Necessary scale of favourable structural corridors/conduits: CONFIRMED Necessary scale of favourable zones of increased permeability: CONFIRMED Necessary scale of favourable alteration: CONFIRMED Necessary scale of favourable geochemistry: CONFIRMED Necessary scale of favourable host rocks: CONFIRMED Necessary scale of favourable mineralization: TO BE DETERMINED 	All of the required structural setting, geochemistry, potential host rocks, and volume of altered and mineralized bedrock at Kelly Creek are present together at a large scale similar to what is found at the biggest Au deposits in Nevada, which suggests the gold-bearing hydrothermal system active at Kelly Creek is likely the extension of the system responsible for the adjacent Lone Tree (5Moz) and Marigold (8Mozs) deposits, and that the size of the Kelly Creek portion of the system is entirely capable of supporting a residual endowment of a similar order of magnitude again

Next phase of work

Deeper drilling to test for confluence of critical components



Planned next drilling program

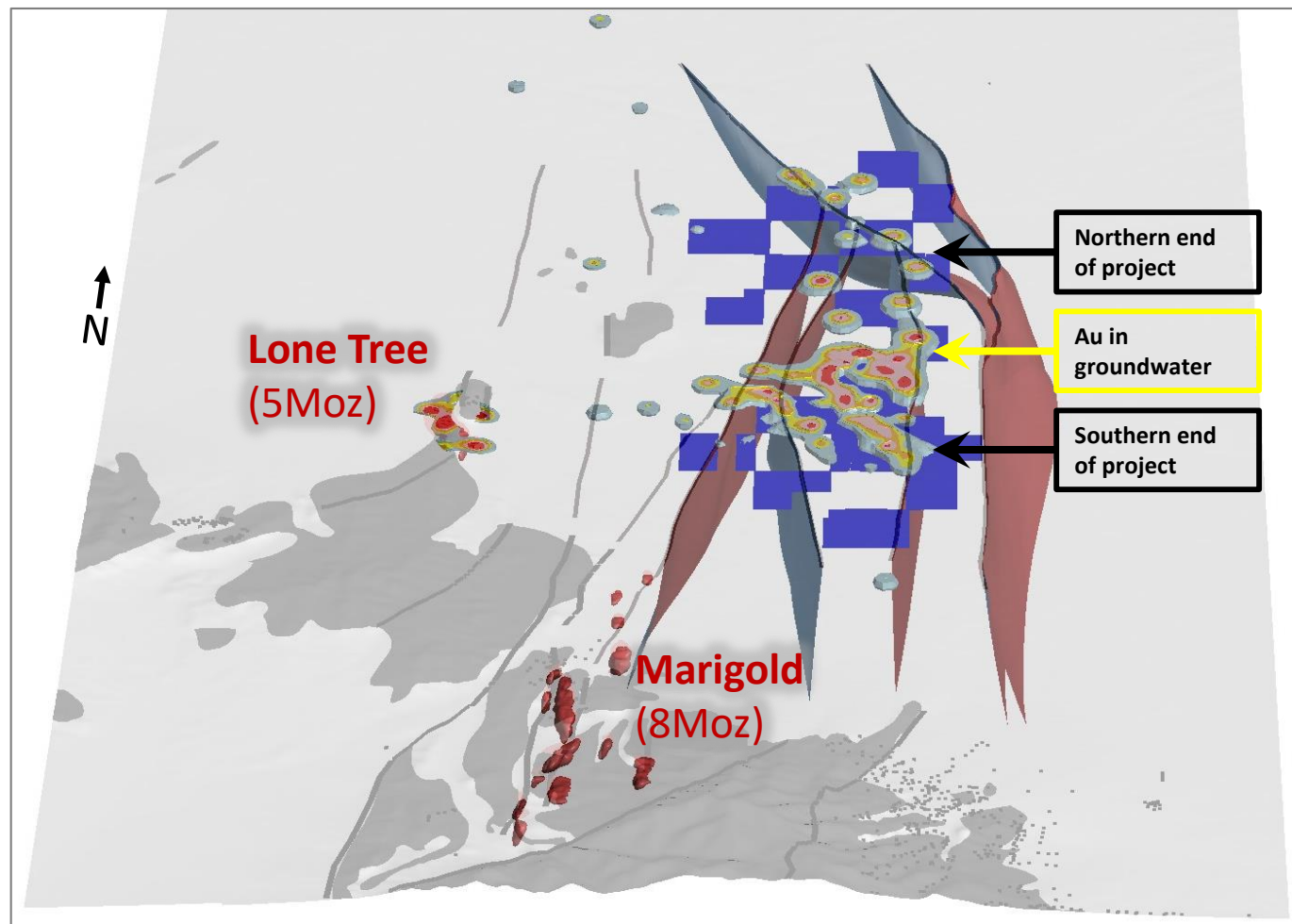
Work-to-date confirms all of the critical components needed to host a world-class 5 - 10 Moz deposit are present over sufficiently large areas

The final required variables are opportunities for Au-bearing hydrothermal fluids to have exploited favourable structural and permeability conditions to impregnate favourable iron-rich host rocks

Testing for these areas will be the objective of the next phase of deeper drilling at Kelly Creek, which will specifically target the focused, linear zones of Au-in-groundwater enrichment suggestive of possible Riedel shear structures that could provide this confluence of conditions required to support significant zones of higher-grade Au mineralization

Systematically exploring the district

Significant favourable geology still to evaluate



Established workflow to continue towards the north

The primary focus of NGE's work to date has been at the southern end of its land position (shown in blue)

The results at the southern end of the Project clearly highlight that by integrating 3D groundwater, alluvium, and bedrock geochemistry with conventional exploration tools, NGE is successfully advancing a large and otherwise-blind mineralized system

Earlier-staged work at the northern end of the Project has already been successful in terms of confirming the presence of many of the critical components known to exist at the southern end of the Project, and suggests the further extension of the structurally controlled hydrothermal system, with the potential to host additional major zones of mineralization

While NGE proceeds with a deeper drilling program to test for the next geologic milestones at the more advanced southern end of the project, NGE plans to continue to move the northern end of the Project forward using its now proven workflow (Geoprobe™ groundwater sampling followed by 3D geochemistry Scorpion drilling)

Summary

Current project status and next milestones



- Scorpion drill results have confirmed that the hydrothermal system active at Kelly Creek is gold-bearing over large areas, with enriched Au in groundwater anchored to at least two clusters of >0.1 g/t Au-in-bedrock covering areas consistent in size with the geochemical footprints of the nearest major gold deposits
- Together with the earlier drilling and structural interpretation, the combined datasets establish the following critical components are present at the scale required to host a world-class deposit: favourable structural setting, suitable wall-rock permeability, characteristic geochemistry, suitable host rocks, and significant volume of altered and mineralized bedrock
- NGE's updated geologic model suggests that the gold-bearing hydrothermal system active at Kelly Creek is likely the extension of the system responsible for Lone Tree (5 Moz) and Marigold (8 Mozs), with potential to support major additional mineralization
- The next phase of work at Kelly Creek will consist of deeper drilling to test for areas where Au-bearing hydrothermal fluids were able to exploit favourable structural and permeability conditions to impregnate favourable iron-rich host rocks (all of which are now known to exist) at the scale required to source a major deposit
- This deeper drilling will target the discrete lineaments (within the larger favourable system) defined by enriched Au in groundwater established by the 3D Scorpion program, which now provides an otherwise missing crosshair to advance this important district-scale project