NovX21 Inc.

INTERIM MANAGEMENT DISCUSSION
AND ANALYSIS

June 30, 2014

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The goal of this interim analysis is to bring to the attention of the readers important changes in the financial position and results of operations of NovX21 Inc. (hereinafter the "Company") for the three and six-month periods ended June 30, 2014, in comparison to the financial information for the corresponding periods ended June 30, 2013.

This interim analysis has been prepared with information available as at August 15, 2014, and must be read in conjunction with the unaudited condensed interim financial statements for the period ended June 30, 2014, as well as the audited financial statements for the year ended December 31, 2013, including accompanying notes. The unaudited condensed interim financial statements for the period ended June 30, 2014 were prepared based on International financial reporting standards (IFRS), in accordance with IAS 34 standard, *Interim Financial Reporting.* The condensed interim financial statements are presented in Canadian currency, which is also the functional currency of the Company.

Prospective statements

Some statements included in this analysis contain prospective information concerning for instance, anticipated developments on the Company's activities and other events or conditions likely to occur or to occur at a later date. The actual results of the Company could thus significantly differ from those presented in the prospective statements because of a certain number of risks, uncertainties, and other factors, including, but without being limited to, the Company's capacity to obtain financing, as well as the risks related to the legislative modifications in the mining industry. It is as such recommended not to rely unduly on these prospective statements since plans, intentions or expectations on which they are based may not materialize.

SUMMARY FINANCIAL INFORMATION

	June 30, 2014 $	Dec.31, 2013 $
Total assets	14,765,166	13,574,534
Total long-term liabilities	750,000	750,000

	2014		2013				2012	
	June 30 $	Mar.31 $	Dec.31 $	Sept.30 $	June 30 $	Mar.31 $	Dec.31 $	Sept.30 $
Net loss for the period	329,154	498,560	194,285	274,387	326,475	208,998	165,753	214,366
Basic and diluted net loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

The net loss for the quarter ended June 30, 2014 is higher than most of the quarters, mainly because of an increase in consulting fees. Refer to the related section in operating expenses for more information in this regard.

As for the quarter ended March 31, 2014, the higher net loss was due to the grant, in January 2014, of 1,150,000 options (1,100,000 to directors and consultants and 50,000 to a consultant performing investor relations activities), for which an expense of $128,700 was recorded during the quarter, as well as the increase in professional fees and other expenses. More information in this regard can be found in the operating expenses section of this analysis.

The loss for the quarter ended June 30, 2013 was higher because of the grant of 1,350,000 options to directors and consultants, for which a share-based payments expense of $89,719 was recorded during the quarter.

COMPANY'S ACTIVITIES

Founded in 1986, NovX21 Inc., formerly Ressources Minières Pro-Or Inc., is a company mainly involved in the development of two technologies, which are to increase the chromium to iron ratios of chromite and extract platinum group metals (PGM) out of refractory ore and concentrates rich in PGM coming from recycled materials. The Company also holds interests in four mining properties, all located in the province of Quebec. Over the last years, its mining research efforts have been mainly focused on the properties in the James Bay Region: Menarik and Ewart. None of these properties is currently in the operating phase and as such no revenue has yet been earned from the exploration activities.

A description of the recent exploration activities and future investments required to properly evaluate these properties is provided in this analysis.

Since 2003, the Company has realized research and development ("R&D") activities in collaboration with the INRS (Institut national de la recherche scientifique), which led to the creation of two new processes: technologies to increase the chromium to iron ratios of chromite and extract platinum group elements (PGE) out of refractory ore and concentrates rich in PGE coming from automotive catalysts recycling (CC). These processes are patented in four countries: Canada, the United States, Australia and South Africa.

At the beginning of the year, the Company finalized the closing of a $3 million placement, as well as a flow-through placement of $299,000, this latter being entirely dedicated to the exploration of the properties Menarik and Lake Ewart. The amounts cashed will allow us to speed up the commercial phase of the project to operate a commercial plant to extract platinum group precious metals.

Our participation to the European International Automobile Recycling Congress (IARC) allowed us to introduce the technology of NovX21 in Europe. European regulation regarding automotive recycling requires the industry to recover 95% of the automotive components by 2015. Industrial companies are thus looking for and now ask for processes and technologies that are clean and sustainable. Our participation to this event allowed us to get known all over the industry. Our PGE extracting process from recycled catalytic converters mainly produces a fine metallic powder rich in precious metals containing no glass or carbon. We also recover the ceramic after the extraction of the precious metals, in order to ensure a second use. The by-product from the dried chlorination reaction gives an industrial bleach to be valued in the industry. In this regard, NovX21 offers an interesting solution to the precious metals recycling industry's requests that are considered green and ecological.

Meetings with catalytic converters' European suppliers, as well as organizations specialized in precious metals took place during the first quarter of 2014. During the second quarter, we purchased samples of catalytic converters from these suppliers, as well as from local suppliers in order to evaluate the content in platinum group elements. These data will allow establishing a correlation between the acquisition cost and the recoverable value, in order to determine the parameters for long term supplying arrangements.

Major equipment modifications were carried out at St-Augustin in order to implement the first commercial plant, as well as to validate the new mechanic and control concepts. Recharge and discharge of the reactor were modified to allow continuous operations without interruption and gas leak. The 24-hours per day continuous operating period used in 2013 allowed us to gather important data which led to changes and which reinforced the robustness of the process. Also, changes were made in order to measure the quantity of metals at different steps of the process and to ensure its integrity, from the beginning to the end, without any loss of material. We are now measuring, in continuous, the weight of the material treated at each step of the process in order to ensure the integrity of the batches transformed. The plant operates with two teams for a total of 16 hours per day, in an effort to process the material received from the suppliers. The operations are going well. Sequencing of activities allows a

COMPANY'S ACTIVITIES (continued)

continuous flow of the batches that takes in consideration the capacity of the dry chlorinator installed at the demonstration plant. These production activities will carry on during the third quarter, in order to continue the evaluation of the other suppliers that demonstrated their interest to supply the new plant. Our supplies come from different sources such as collectors, consolidators-concentrators, automotive recycling associations and automotive deconstruction centers.

In June, NovX21 announced the signature of an agreement with the city of Thetford Mines and the CIDET *(Corporation d'initiative et de développement économique de Thetford Mines)* for the construction of NovX21 first commercial plant. This announcement was covered by all local and international medias up to South Africa. The strike of the mining workers from South Africa precious metals' industry caused stirs in the industry and had an impact all over the world. There was an awakening on the risks associated to the availability of metals providing from this country. For the rest of the world, the recycling of end-of-life catalytic converters is a viable and economical source that allows reducing the dependence towards limited supplying sources. The stocks of end-of-life CC is as important as the number of new vehicles produced in American and/or Europe, excluding imported automobiles. The independent engineering group SENECA has been given the mandate to perform basic engineering activities for the new plant's construction and a schedule of the project's critical maturities is being prepared.

Our business plan has been prepared in collaboration with an expert in strategic alliances and negotiations in order to establish that the Company has all the necessary potential to succeed. The hiring of an expert in finance (CFO) allowed the preparation of a financial plan, thus completing the information required to finance the construction of the first commercial plant. Meetings and discussions with different investing funds in Quebec and internationally took place. The due diligence process is underway since the first quarter and is still ongoing. The investors visited the plant in St-Augustin and had the opportunity to familiarize with the technology and the industrial application of the process and the equipment. In June 2013, the Company had announced the positive economic outlook of its proposed 200-ton per year plant for the recovery of PGEs from recycled catalytic converters, using a combination of its 100% owned proprietary and patented technology. The economic data were developed through a mandate given to the independent engineering group SENECA, to design and estimate the Capital cost and Operating Cost of an automated plant.

At the end of 2013 and the beginning of 2014, the results from the technology's development activities done on the solution's liquid chemical treatment showed the possibility to improve the efficiency of the process by different parameters' changes, allowing us to reduce the reaction time, decreasing the energy required, and changing the type of equipment for the solution treatment. From this data, SENECA's engineers reviewed the concept and size of the plant. A 10-reactors approach and a liquid treatment center give a more profitable economic model. In addition, operating and capitalization costs per ton processed were reduced.

NovX21 held its shareholders' annual meeting in Montreal, Quebec, on July 4, 2014. The shareholders voted in favour of the shareholders rights plan.

Additional information on the Company, such as the most recent annual financial statements, can be found on SEDAR (www.sedar.com). The Company's shares are listed on the TSX Venture Exchange, under symbol «NOV».

MINING PROPERTIES

Menarik Property

Menarik Property is located roughly 45 kilometers south-east of Radisson City, on the Baie James territory. The property forms one contiguous block of 67 claims located in the center of sheet 33/F6. This bloc of claims covers a total area of 3,061.97 hectares. Claims are 100% owned by the Company and no royalty is attached to them.

A more detailed analysis of this property can be found in the annual MD&A for the year ended December 31, 2013.

During the six-month period ended June 30, 2014, the Company gave its new compilation program to the Chicoutimi's firm IOS Services Géoscientifiques Inc. Among others, the activities include the review of actual data, a visit of the property, the review of carrots and parameters from the last surveys, updates and preparation of new maps to fulfill the recommendation of an exploration program and the production of a 43-101 report. The Company has a budget available of roughly $200,000 for this property in 2014. As at June 30, 2014, exploration activities on the property total $8,409.

Lake Ewart Property

Lake Ewart Property is located on the Baie James territory, roughly 25 kilometers south of La Grande 3 station. The property forms one contiguous block of 32 claims and covers a total area of 1,548.45 hectares.

A more detailed analysis of this property can be found in the annual MD&A for the year ended December 31, 2013.

As part of the budget available for this property in 2014, the Company granted, on April 1st, 2014, a contract of an amount of $77,910, to the INRS (Institut national de la recherche scientifique) for geochemical analyses of the forest soils on more than 450 samples taken on the field. As at June 30, 2014, fees of $40,000 were incurred from the INRS. Sampling activities are coming along and results from the analysis will soon be available.

Other properties

The properties in Tavernier and Vauquelin are located in areas of the Abitibi region where many mining companies are currently active. To date, no exploration program is expected on these properties.

RESULTS

Summary of operating results

For the period ended June 30,	June 30, 2014 (3 months)	June 30, 2013 (3 months)	June 30, 2014 (6 months)	June 30, 2013 (6 months)
	$	$	$	$
Salaries and benefits	9,723	7,537	14,589	14,006
Share-based payments	38,011	123,611	193,689	166,038
Consulting fees	113,360	53,646	204,052	143,979
Professional fees	51,970	42,552	167,473	62,742
Public relations fees	39,906	53,906	81,614	75,946
Traveling fees	29,535	1,428	42,796	5,834
Advertising and entertainment	21,651	19,838	57,297	21,763
Insurance	6,116	7,110	12,230	13,946
Depreciation of property and equipment	-	90	120	180
Other expenses	27,210	15,992	64,513	31,119
Operating loss	337,482	325,710	838,373	535,553
Change in fair value of listed shares	-	1,250	-	1,250
Finance income	(8,328)	(485)	(10,659)	(1,330)
Net loss and total comprehensive loss for the period	329,154	326,475	827,714	535,473
Net loss per share				
Basic and diluted net loss per share	(0.00)	(0.00)	(0.01)	(0.01)

RESULTS (continued)

Operating expenses

The following analysis reviews changes in operating expenses for the three and six-month periods ended June 30 2014, in comparison to the corresponding periods ended June 30, 2013.

Share-based payments

As introduced in the section of this analysis on the summary financial information, the share-based payments expense for the three-month period ended June 30, 2013 was higher because of the grant, during this quarter, of 1,350,000 options to directors and consultants, for which an expense in the amount of $89,719 was recognized, compared to $17,399 for these options during the three-month period ended June 30, 2014.

As for the six-month period ended June 30, 2014, the share-based payments expense was higher in comparison to the comparative period, mainly because of the following elements:

- In December 2013, the Company modified its share-based payments plans. One of the changes concerns the acquisition period of the exercise right of the options granted, which is now at the discretion of the board of directors, while previously, acquisition periods prevailed. Since the options granted in 2014 are exercisable from grant date, the share-based payments expense is recognized at that time, while previously the expense would have been recognized gradually over the acquisition period of the exercise rights.
    - Accordingly, if the same methods as before the modifications to the plans would have been used to record the grant of the 1,100,000 options granted to directors and consultants in January 2014, the share-based payments expense would have been lower of $80,437 for the six-month period ended June 30, 2014.
- Also, the amortization of the share-based payments expense related to the grant of the 1,350,000 options granted in June 2013 was higher of $45,792 during the six-month period ended June 30, 2013, compared to the same period in 2014, because of the gradual amortization method that prevailed under the previous share-based payment plans.

Consulting fees

The increase in consulting fees for the three and six-month periods ended June 30, 2014, in comparison to the comparative periods in 2013, is mainly due to services provided by an expert in strategic alliances since the beginning of the year 2014. The services offered by this consultant total $45,000 and $70,000 respectively for the three and six-month periods ended June 30, 2014.

Traveling fees

The increase in traveling fees for the three and six-month periods ended June 30, 2014, in comparison to the comparative periods in 2013, is mainly due to the fees of $27,543 incurred to meet potential suppliers and strategic partners in Europe.

Advertising and entertainment

The change in advertising and entertainment expenses incurred during the six-month period ended June 30, 2014, in comparison to the corresponding period, mainly comes from the following:

RESULTS (continued)

Operating expenses (continued)

Advertising and entertainment (continued)

- During the first quarter of the year 2014, the Company incurred expenses in the amount of $12,720 from its attendance to a conference offered to technological companies in order, among others, to get known from brokerage firms in North America. Also, during the second quarter of the year 2014, an amount of $8,995 was incurred in relation to a conference held in Montreal that had for purpose to meet investors on a one-on-one basis.
- In addition, since the second quarter of the year 2013, the Company contracted the services of Streetwise Reports. This company provides in-depth information on companies in the sector in order to help investors make various decisions. As such, this allows investors to learn more on the Company, thus providing great visibility. The change related to this element during the six-month period ended June 30, 2014, in comparison to the corresponding period is of $8,620.

Professional fees

The change in professional fees for the six-month period ended June 30, 2014 mainly comes from the following:

- First, during this period, the Company incurred fees in the amount of $75,332 from a law firm relatively to the change in the Company's name and various communications with the stock exchange in this regard, as well as for the drafting of contracts, the review of agreements and the preparation of the shareholder rights plan, as well as the annual circular.
- In addition, since the beginning of the year 2014, the Company contracted the services of an external chief financial officer, for which fees in the amount of $25,260 were incurred during the six-month period ended June 30, 2014. This position was previously filled by a consultant who renders different services to the Company and for which fees are accounted for in Consulting fees. Pursuant to the strategic change made by the Company, a separate position for these functions was found necessary.

Other expenses

The change in other expenses for the six-month period ended June 30, 2014, in comparison to the corresponding period in 2013, mainly comes from the fees in the amount of $25,774 incurred from the TSX Venture Exchange regarding the change in the Company's name and different modifications to the share-based payment plans, as well as the shareholder rights plan and the annual meeting.

CASH FLOW

Liquidities increased by $588,768 during the six-month period ended June 30, 2014, considering cash and the short-term investments.

- During this period, proceeds of $1,819,216, net of the financial share issuance costs of $187,784, were realized from the last portions of the private placement started in December 2013.
- Part of these proceeds was used to meet the Company's current operations, as well as the acquisitions of intangible assets, mainly for the development of the technology to increase the chromium to iron ratios of chromite and extract platinum group metals.
- The proceeds obtained from this placement thus still well-position the Company to carry on its short term strategies.

CASH FLOW (continued)

- However, as explained in the company's activities section of this analysis, the Company reached an agreement with the city of Thetford Mines to build a commercial plant, which requires an additional investment. Accordingly, the Company is currently negotiating with potential investors to finance its construction.

Intangible assets

Intangible assets acquisitions incurred for the development of the technologies at the plant in St-Augustin totaled $458,060 for the six-month period ended June 30, 2014, in comparison to $381,307 for the corresponding period ended June 30, 2013. These amounts are allocated as follows:

	June 30, 2014 $	**June 30, 2013 $**
Salaries	76,181	55,449
Consultants	260,320	214,126
Energy	7,519	7,911
Rent	21,891	20,624
Purchases	91,492	81,026
Total technology to increase the chromium to iron ratios of chromite and extract platinum group metals	457,403	379,136
Patents	657	2,171
Total	458,060	381,307

Salaries

The increase in salaries mainly comes from the additional hours worked at the plant in order to ensure a continuous production, in an effort to process the samples received.

Consultants

The change in consulting fees mainly comes from the fees in the amount of $59,222 incurred from CIR Laboratory during the six-month period ended June 30, 2014. The Company works with this entity to develop and improve the technology to increase the chromium to iron ratios of chromite and extract platinum group metals. There were no fees incurred from this Company during the six-month period ended June 30, 2013, because the activities came to an halt at that time of the comparative year.

Issuance of shares

Cash flows obtained from the issuance of shares come from the completion of the last portions of the private placement in the amount of $2,991,750 started in December 2013, for which $2,007,000 was realized during the six-month period ended June 30, 2014, and which involved the issuance of 20,070,000 Class "A" shares at a price of $0.10 per share and 20,070,000 warrants.

FINANCIAL SITUATION

The Company's working capital is of $1,620,782 as at June 30, 2014, which still adequately positions the Company to pursue its short-term investment strategy. However, as mentioned in the section on cash flows, over the medium-term, the Company plans on building a commercial plant in Thetford Mines. Accordingly, the Company will need to complete the financing agreements currently underway, the actual financial situation of the Company not allowing the realization of this project.

RELATED PARTY TRANSACTIONS

Transactions with related parties, more specifically companies with common officers and key management (members of the Board of Directors, the president, and the chief financial officer) were incurred. They are detailed as follows:

Transactions with key management personnel

	June 30, 2014	June 30, 2013
	$	$
Short-term employee benefits		
Consulting fees	52,500	115,995
Consulting fees capitalized to intangible assets	52,500	52,500
Professional fees	25,260	-
Share-based payments	78,040	69,240
Share-based payments capitalized to intangible assets	37,385	-
	245,685	237,735

The decrease in consulting fees mainly comes from the resignation, as an officer, of a consultant of the Company.

The increase in professional fees is due to the hiring of an external chief financial officer.

As for share-based payments, refer to the corresponding section of the operating expenses.

Transactions with a related company

The Company also incurred professional fees in the amount of $75,332 ($nil as at June 30, 2013) from a law firm from which a partner is a director of the Company. Explanations on the amounts incurred are provided in the corresponding section of the operating expenses.

INFORMATION ON OUTSTANDING SHARES

(as at August 15, 2014)

Outstanding Class "A" shares	102,214,144
Share purchase options	5,425,000
Warrants	42,875,900

OFF BALANCE SHEET ARRANGEMENTS

There are no off balance sheet arrangements that could have a significant impact on the financial position, results of operations and liquidities of the Company.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation used by the Company are provided in Note 4 of the audited financial statements as at December 31, 2013.

RISKS AND OPPORTUNITIES

The Company is exposed to different types of financial and non-financial risks through its operations.

The Company closely manages the risks with the collaboration of the board of directors. The objectives pursued aim at supporting the development of the Company and optimizing the investment of its shareholders.

The following analysis describes changes in the composition of the risks to which the Company is exposed and management's strategies to handle them.

Financial risks

Credit risk

The Company's maximum exposition to credit risk is limited to the carrying amount of its financial assets. The Company's financial assets went from a carrying amount of $839,961 to $1,435,123 during the six-month period ended June 30, 2014.

Management still considers that its financial assets are of good credit quality.

There was no significant change in credit risk management strategies throughout the period, since the Company's exposition to this risk is considered low.

Liquidity risk

There was no significant change in liquidity risk management strategies during the period. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has adequate financing sources.

The Company's short-term liabilities are made of trade accounts and went from $181,081 to $149,137 during the six-month period ended June 30, 2014.

Non-financial risks

Environmental risks

Since the Company is not yet in the exploitation phase, management considers its exposition to environmental risks as being limited. However, management closely studies, together with the authorities, any environmental impact that could possibly affect prospecting activities, and applies all measures necessary to eliminate potential risks.

COMMITMENTS

A description of the commitments to which the Company is exposed is provided in Note 23 of the audited financial statements as at December 31, 2013.

MANAGEMENT'S REPONSABILITY TOWARDS THE FINANCIAL INFORMATION

The Company's unaudited condensed interim financial statements are management's responsibility and were approved by the board of directors. These financial statements were established by management based on International Financial Reporting Standards (IFRS), in accordance with IAS 34 standard, *Interim Financial Reporting.*

(s) Sylvain Boulanger	*(s) Fayçal Salek*
Sylvain Boulanger	Fayçal Salek
President	CFO