ANNUAL INFORMATION FORM

For the Year Ended December 31, 2018

August 14, 2019

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Introduction

This annual information form ("**AIF**") provides information about Filo Mining Corp. and its subsidiaries ("**Filo Mining**" or the "**Corporation**").

This AIF has been prepared in accordance with Canadian securities laws and describes the Corporation's business, including the Corporation's mineral exploration projects, the risks the Corporation faces, and other matters concerning the Corporation's business.

This AIF is dated as of August 14, 2019. Unless otherwise indicated, all information in this AIF is as of December 31, 2018.

Financial information

The financial information in this AIF is taken from the Corporation's audited consolidated financial statements for the year ended December 31, 2018. Readers are cautioned to refer to such financial statements for complete information, as the information in this AIF has been selectively drawn from the financial statements may not be complete.

Financial information is presented in accordance with International Financial Reporting Standards ("**IFRS"**) as issued by the International Accounting Standards Board. The Corporation reports its financial results and prepares its financial statements in Canadian dollars. All currency amounts in this AIF are expressed in Canadian dollars, unless otherwise indicated. The closing exchange rates for one Canadian dollar in terms of the United States dollar, as quoted by the Bank of Canada, were:

	Year Ended December 31		
Bank of Canada exchange rate for $/US$	**2016**	**2017**	**2018**
	US$0.7448	US$0.7971	US$0.7330

For the year ended December 31, 2016, the rate of exchange provided in the table above is based on the closing rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into U.S. dollars. Due to the Bank of Canada's ceasing to report closing exchange rates during 2017, for the years ended December 31, 2017 and 2018, the rate of exchange set forth above are based on the indicative rate of exchange for the Canadian dollar, as reported by the Bank of Canada, expressed in U.S. dollars ("**US$**"), in effect at the end of the relevant period.

In this AIF, metric units may be used with respect to Filo Mining's various mineral properties. In this AIF, all units are International System of Units metric unless otherwise noted. Conversion rates from imperial measures to metric units and from metric units to imperial measures are provided in the table set out below.

Imperial Measure	=	**Metric Unit**	**Metric Unit**	=	**Imperial Measure**
2.47 acres		1 hectare ("**ha**")	0.4047 hectares		1 acre
3.28 feet		1 metre ("**m**")	0.3048 metres		1 foot
0.62 miles		1 kilometre ("**km**")	1.609 kilometres		1 mile
2.2 pounds ("**lbs**")		1 kilogram ("**kg**")	0.454 kilograms		1 pound
0.032 ounces("**oz**") (troy)		1 gram ("**g**")	31.1 grams		1 ounce (troy)
2,204.60 pounds		1 tonne	1 tonne		2,204.60 pounds

Technical Information and Qualified Persons

The disclosure of scientific and technical information regarding the Corporation's properties in this AIF was prepared by, or reviewed and approved by, Robert Carmichael, P. Eng., the Corporation's Vice President, Exploration, and James Beck, P. Eng., the Corporation's Vice President Corporate Development and Projects. Each of Mr. Carmichael and Mr. Beck are Qualified Persons in accordance with the requirements of National Instrument 43-101 "*Standards of Disclosure for Mineral Projects*" ("**NI 43-101**"). A "Qualified Person" means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, has experience relevant to the subject matter of the mineral project, and is a member in good standing of a professional association.

The Corporation's Mineral Resource and Mineral Reserve estimations as reported in this AIF have been prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") – Definition Standards adopted by CIM Council on May 10, 2014 (the "**CIM Definition Standards**") that are incorporated by reference in NI 43-101. The following definitions are reproduced from the CIM Definition Standards:

A "Mineral Resource" is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An "Inferred Mineral Resource" is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An "Indicated Mineral Resource" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors (as defined below) in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

A "Measured Mineral Resource" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

A "Mineral Reserve" is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a pre-feasibility study or feasibility study.

A “Probable Mineral Reserve” is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

A “Proven Mineral Reserve” is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

For the purposes of the CIM Definition Standards, “Modifying Factors” are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

Forward-looking information

This AIF and the documents incorporated or deemed incorporated by reference in this AIF contain certain “forward-looking information” and “forward-looking statements” within the meaning of securities laws (collectively referred to herein as “**forward-looking information**” or “**forward-looking statements**”) concerning the business, operations, financial performance and condition of Filo Mining. Forward-looking information is provided as of the date of this AIF or, in the case of documents incorporated by reference herein, as of the date of such documents, and Filo Mining does not intend to, nor does it assume any obligation, to update this forward-looking information, except as required by law. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as “expects”, “is expected”, “anticipates”, “believes”, “plans”, “projects”, “estimates”, “budgets”, “scheduled”, “forecasts”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible” or variations thereof or stating that certain actions, events, conditions or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking information and forward-looking statements include, but are not limited to, information or statements with respect to the results of the Filo del Sol PFS (as defined herein), financings and the intended use of proceeds resulting therefrom, results and developments in the Corporation’s operations in future periods, planned exploration activities, the adequacy of the Corporation’s financial resources and other events or conditions that may occur in the future. These forward-looking statements may include statements regarding perceived merit of properties, exploration results and budgets, Mineral Resource estimates, work programs, capital expenditures, operating and sustaining costs, cash flow estimates, production estimates and similar statements relating to the economic viability of a project, timelines, strategic plans, including the Corporation’s plans and expectations relating to the Filo del Sol Project (as defined herein), located in the Atacama Region of Northern Chile and the adjacent San Juan province of Argentina, completion of transactions, market prices for precious and base metals, future metal prices, statements with respect to the economic and scoping-level parameters of the Filo del Sol Project, the cost and timing of any development of the Filo del Sol Project, the proposed mine plan and mining methods, dilution and mining recoveries, processing method and rates and production rates, projected metallurgical recovery rates, infrastructure requirements, water and power supply estimates, the projected life of mine and other expected attributes of the Filo del Sol Project, the net present value (“**NPV**”), the Filo del Sol Project proposed site layout, the timing of the environmental assessment process, changes to the Filo del Sol Project configuration that may be requested as a result of stakeholder or government input to the environmental assessment process, government regulations and permitting timelines, estimates of reclamation obligations; requirements for additional capital; future issuances of Common Shares (as defined herein); environmental risks; and general business and economic conditions, or other statements that are not statements of fact. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning Mineral Resource estimates may also be deemed to constitute “forward-looking statements” to the extent that they involve estimates of the mineralization that will be encountered if the Filo del Sol Project is developed.

Forward-looking information and statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performance or achievements of Filo Mining to be materially different from future results, performance or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding, among other things, favourable equity markets, present and future business strategies and the environment in which Filo Mining will operate in the future, including the price of commodities, anticipated costs, ability to achieve goals, timing and availability of additional required financing; the ability to obtain or maintain permits, mineability and marketability, exchange rate assumptions being approximately consistent with the assumptions in the Technical Report (as defined herein), the availability of certain consumables and services and the prices for power and other key supplies being approximately consistent with assumptions in the Technical Report, labour and materials costs being approximately consistent with assumptions in the Technical Report, assumptions underlying Mineral Resource estimates, assumptions made in Mineral Resource and the Filo del Sol PFS estimates, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological assumptions, capital and operating cost estimates, and general marketing, political, business and economic conditions, as applicable; ability to develop infrastructure; assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits; expectations regarding access and demand for equipment, skilled labour and services needed for exploration and development of mineral properties; and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks.

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information and statements. The following, in addition to the factors described under “Risk Factors” in the AIF and in any documents incorporated or deemed incorporated by reference into this AIF, are among the factors that could cause actual results, performance or achievements to differ materially from the forward-looking information and statements:

- significant increases or decreases in metal prices and the speculative nature of exploration;
- failure of exploration efforts to expand Mineral Resources;
- failure of exploration efforts to convert Inferred Mineral Resources to Indicated Mineral Resources;
- unexpected changes in business and economic conditions;
- inaccuracies in Mineral Resources estimates;
- risks related to liquidity and negative cash flow;
- risks that the market price of the Common Shares may fluctuate;
- risks that the sale of a significant number of the Common Shares in the public markets, or the perception of such sales, could depress the market price of the Common Shares;
- risks that holders of Shares will be diluted;
- the ability to arrange financing;
- the timely receipt of regulatory approvals, permits and licenses;
- risks related to carrying on business in an emerging market such as possible government instability and civil turmoil and economic instability;
- measures required to protect endangered species;
- deficient or vulnerable title to mining concessions and surface rights;
- the potential for litigation;
- difficulty complying with tax regimes in Chile and/or Argentina;
- economic developments in Chile and/or Argentina that negatively impact the Corporation;
- local opposition to mining;
- risks associated with exploration and development activity;
- the Corporation’s lack of operating history;
- the Corporation’s reliance on one project;
- effects of illegal mining on the Corporation’s properties;
- changes in interest and currency exchange rates;
- uncertainty as to reclamation and decommissioning liabilities;
- adverse conditions in the financial markets;

- volatility in the price of gold ("**Au**"), silver ("**Ag**") and copper ("**Cu**");
- risks associated with recruiting and retaining qualified personnel;
- availability of skilled personnel, contractors, materials, equipment, supplies, power and water;
- weather, including excessive snowfall in the Andes Mountains;
- unreliable infrastructure;
- results of current and future exploration activities;
- results of pending and future economic and feasibility studies;
- political or economic instability, either globally or in the countries in which the Corporation operates;
- competition in the mining industry, including competition for property acquisitions;
- the inadequacy of insurance;
- compliance with anti-corruption and anti-bribery laws;
- limitations of disclosure and internal controls;
- the potential influence of the Corporation's largest shareholders; and
- potential conflicts of interest for the Corporation's directors who are engaged in similar businesses.

The foregoing list is not exhaustive of the factors that may affect any of the Corporation's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and the Corporation's actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this AIF and in any documents incorporated or deemed incorporated by reference into this AIF.

Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The forward-looking statements contained in this AIF are based on the beliefs, expectations and opinions of management as of the date of this AIF. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers and investors should not place undue reliance on forward-looking statements. Forward-looking information and statements are made as of the date of this AIF and accordingly are subject to change after such date. Except as required by law, the Corporation disclaims any obligation to revise any forward-looking information and statements to reflect events or circumstances after the date of such information and statements. All of the forward-looking information and statements contained or incorporated by reference in this AIF are qualified by the foregoing cautionary statements.

Cautionary note regarding presentation of Mineral Resource estimates

The Corporation prepares its information concerning resources and mineral deposits in accordance with the requirements of Canadian securities laws, which differ significantly from the requirements of U.S. securities laws. Canadian reporting requirements for disclosure of mineral properties are governed by the NI 43-101. The definitions used in NI 43-101 are incorporated by reference from the CIM Definition Standards. U.S. reporting requirements are governed by the SEC Industry Guide 7 ("**Industry Guide 7**") under the Securities Act. These reporting standards have similar goals in terms of conveying an appropriate level of confidence in the disclosures being reported, but embody different approaches and definitions. For example, the terms "Mineral Reserve", "proven Mineral Reserve" and "probable Mineral Reserve" are Canadian mining terms as defined in NI 43-101, and these definitions differ from the definitions in Industry Guide 7. Under Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. Further, under Industry Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made.

While the terms “Mineral Resource”, “measured Mineral Resource”, “indicated Mineral Resource” and “inferred Mineral Resource” are defined in and required to be disclosed by NI 43-101, these terms are not defined terms under Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. U.S. readers are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. In addition, “inferred Mineral Resources” have a great amount of uncertainty as to their existence and their economic and legal feasibility. A significant amount of exploration must be completed in order to determine whether an inferred Mineral Resource may be upgraded to a higher category. Under Canadian regulations, estimates of inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Readers are cautioned not to assume that all or any part of an inferred Mineral Resource exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations if such disclosure includes the grade or quality and the quantity for each category of Mineral Resource and Mineral Reserve; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this AIF containing descriptions of the Corporation’s mineral deposits may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

About Filo Mining

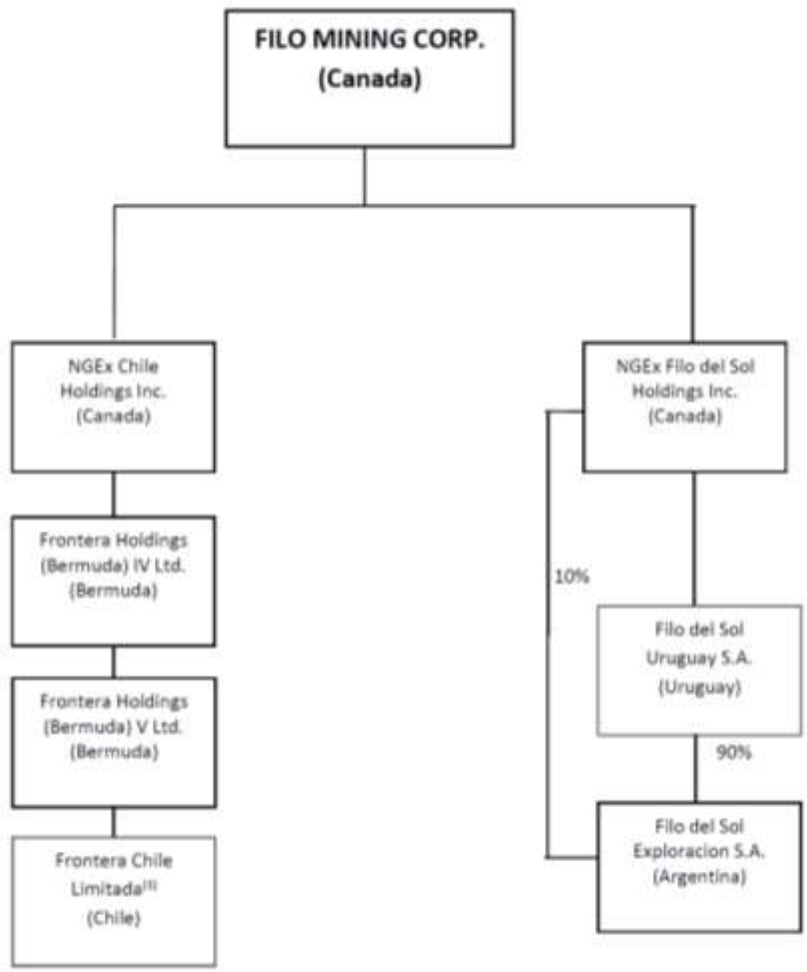
Filo Mining is a Canadian exploration and development mining company listed on the TSX Venture Exchange (“**TSXV**”) and First North Exchange under the symbol “FIL”. Filo Mining’s flagship project is its 100% controlled Filo del Sol project, a copper, gold and silver mineral exploration project located on the border between San Juan Province, Argentina and the Atacama Region of Northern Chile (the “**Filo del Sol Project**” or the “**Project**”). Filo Mining’s website is www.filo-mining.com .

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

Filo Mining is a reporting issuer in all the Provinces of Canada. The common shares of the Corporation (the “**Common Shares**”) are listed on the TSXV and on Nasdaq First North Exchange under the symbol "FIL". Filo Mining was incorporated under the *Canada Business Corporations Act* (“**CBCA**”) on May 12, 2016 as a wholly-owned subsidiary of Josemaria Resources Inc. (formerly, NGEx Resources Inc.)(“**Josemaria**”) for the purposes of completing a plan of arrangement under the CBCA in accordance with the terms of the arrangement agreement entered into between Josemaria and Filo Mining, and pursuant to the court approved plan of arrangement, whereby Josemaria transferred to Filo Mining its wholly-owned subsidiaries that directly or indirectly hold the Filo del Sol Project, along with $3.0 million in cash (the “**Arrangement**”). Prior to completion of the Arrangement on August 16, 2016, the sole shareholder of Filo Mining approved certain amendments to its by-laws that reflect the requirements applicable to public companies, such as audit committees, and also an advance notice provision with respect to the election of directors. No other material amendments have been made to Filo Mining’s articles or other constating documents since its incorporation.

Corporate structure

A significant portion of the Corporation's business is carried on through its various subsidiaries. The following chart illustrates, as at December 31, 2018, the Corporation's significant subsidiaries, including their respective jurisdiction of incorporation and the percentage of voting securities in each that are held by the Corporation either directly or indirectly:



Notes:

(1) In connection with the ownership, 0.01% is held by Pablo Mir, in trust.

(2) Unless otherwise indicated, ownership is 100%.

Three Year History

Filo Mining was incorporated under the CBCA on May 12, 2016 for the purposes of the Arrangement. Prior to May 12, 2016, the Corporation had no business operations.

2016

- On August 16, 2016, Josemaria and Filo Mining completed the Arrangement, pursuant to which Josemaria transferred to Filo Mining its wholly-owned subsidiaries that directly or indirectly hold the Filo del Sol Project, along with $3.0 million in cash and Josemaria shareholders received one common share of Filo Mining for every four Josemaria common shares held as of the record date of the Arrangement. There was no change in shareholders' holdings in Josemaria as a result of the Arrangement.
- On August 26, 2016, Filo Mining announced that the Common Shares had commenced trading on the TSXV as a Tier 2 Issuer under the ticker symbol "FIL".
- On September 1, 2016, Filo Mining announced that the Common Shares had been approved for listing on the Nasdaq First North Exchange, which subsequently commenced trading on September 6, 2016 under the symbol “FIL”.
- On November 16, 2016, the Corporation closed a private placement, whereby the Corporation sold an aggregate of 10,000,000 Common Shares at a price of $2.00 per share for gross proceeds of $20 million (the “**2016 Financing**”). Zebra Holdings and Investments S.à.r.l (“**Zebra**”) and Lorito Holdings S.à.r.l ("**Lorito**"), who report their security holdings as joint actors and are insiders of the Corporation, purchased an aggregate of 4,400,000 Common Shares in the 2016 Financing. In addition, a Director of the Corporation also participated and purchased 250,000 Common Shares in the 2016 Financing. Net proceeds of the 2016 Financing were used for ongoing work programs in Chile and Argentina as well as for general corporate purposes.
- On November 28, 2016, the Corporation appointed Mr. Pablo Mir to the Corporation’s board of directors (the “**Board of Directors**”) and appointed Mr. Jeff Yip as the Corporation’s Chief Financial Officer.
- On December 5, 2016, the Corporation granted incentive stock options to certain directors, officers, employees and other eligible persons to purchase up to 2,335,000 Common Shares of the Corporation at an exercise price of $2.00 over a five-year period, subject to vesting provisions.

2017

- On February 1, 2017, the Corporation appointed Mr. James Beck as the Corporation’s Vice President, Corporate Development and Projects. Prior to this appointment, Mr. Beck held the position of Director, Corporate Development and Projects.
- On August 21, 2017, the Corporation announce a 61% increase in the Mineral Resources estimate for the Filo del Sol Project. A summary of the updated Mineral Resources estimate is set out under *Item 5.3 - Description of Business Mineral Projects - Filo del Sol Project, Chile and Argentina - Mineral Resource Estimate.*
- On September 11, 2017, the Corporation announced that Mr. Wojtek Wodzicki was resigning as the Corporation's President and CEO and that Mr. Adam I. Lundin had been appointed his successor as President and CEO. Mr. Adam I. Lundin was also appointed to the Corporation’s Board of Directors. Mr. Wodzicki continues to serve as a Director of the Corporation and as a lead advisor to the Corporation’s technical team.
- On September 13, 2017, the Corporation announced that the Board of Directors had approved, in accordance with the Corporation’s stock option plan, the grant of 1,582,500 incentive stock options (the "**Options**") to certain directors, officers, employees and other eligible persons of the Corporation to purchase common shares in the capital of the Corporation. The Options are exercisable, subject to vesting provisions, over a period of five years at an exercise price of C$2.50 per Share.

- On September 25, 2017, the Corporation announced positive results from the ongoing metallurgical testwork program on oxide mineralization from the Filo del Sol Project. Column leach recoveries of 93% gold from the gold oxide zone and 82% copper from the copper-gold oxide zone were achieved in two cyanide column leach tests completed on surface trench material crushed to 1.5” and ¾”.

- On October 4, 2017, the Corporation announced the filing of a NI 43-101 technical report dated October 4, 2017, prepared by Fionnuala Devine, P. Geo., Diego Charchaflié, P. Geo., Giovanni Di-Prisco, P.Geo., and James N. Gray, P. Geo., titled “Resource Update Report for the Filo del Sol Property, Region III, Chile and San Juan Province, Argentina” with an effective date of September 27, 2017.

- On November 28, 2017, Filo Mining announced the results of a Preliminary Economic Assessment (“**PEA**”) on its Filo del Sol Project, which included the following highlights:

  - a US$705 million after-tax net present value using an 8% discount rate and an internal rate of return of 23%;
  - pre-production capital cost of US$792 million, including US$71 million in capitalized pre-stripping;
  - average annual production of approximately 50,000 tonnes of copper, 115,000oz of gold, and over 5 million oz of silver per year;
  - life of mine revenue split approximately 56% copper, 26% gold, and 18% silver;
  - robust resource, with most of the mine plan derived from Indicated Mineral Resources (79%);
  - open pit mining followed by heap leach processing to produce copper cathode and gold-silver doré; and
  - excellent metallurgy and fast leach kinetics provide unique processing opportunities.

  The PEA is preliminary in nature and is partly based on Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the preliminary assessment based on these Mineral Resources will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

- On December 18, 2017, the Corporation announced the filing of an NI 43-101 technical report titled “Independent Technical Report for a Preliminary Economic Assessment on the Filo del sol Project, Region III, Chile and San Juan Province, Argentina” dated December 18, 2017, with an effective date of November 6, 2017, prepared by Fionnuala Devine, P.Geo., of Merlin Geosciences Inc.; Carl E. Defilippi, RM SME, of Kappes, Cassiday & Associates; Giovanni Di Prisco, Ph.D., P.Geo., of Terra Mineralogical Services Inc.; James N. Gray, P.Geo., of Advantage Geoservices; Robert McCarthy, P.Eng., of SRK Consulting (Canada) Inc.; Cameron Scott, P.Eng., of SRK Consulting (Canada) Inc.; and Neil Winkelmann, FAusIMM, of SRK Consulting (Canada) Inc. (the "**PEA Report**"), which summarizes the results of the PEA for the Filo del Sol Project. See “Description of Business – Filo del Sol Project” below.

2018

- On January 12, 2018, the Corporation entered into a US$2 million credit facility (the “**2018 Facility**”) as evidenced by a debenture (the “**2018 Debenture**”) in order to fund general corporate purposes. The 2018 Debenture is unsecured and has a term of 12 months from its issue date. The 2018 Facility was issued by Zebra, a company controlled by a trust settled by the late Adolf H. Lundin and an insider of the Corporation. As consideration, the Corporation issued to Zebra 6,000 Common Shares and agreed to issue an additional 300 Common Shares per month for each US$50,000 of the 2018 Facility outstanding from time to time up to the maturity date. The Corporation issued a total of 12,300 Common Shares to Zebra as consideration for providing the 2018 Facility in lieu of fees payable by the Corporation.

- On February 28, 2018, the Corporation closed a bought deal financing (the “**Offering**”) and a concurrent private placement (the “**Concurrent Private Placement**”) for aggregate gross proceeds of approximately $25.5 million. Pursuant to the Offering, a total of 5,894,231 Common Shares including 124,231 Common Shares issued on partial exercise of the over-allotment option, were sold a price of $2.60 per Common Shares (the “**Issue Price**”), for aggregate gross proceeds of approximately $15.3 million. Pursuant to the

Concurrent Private Placement, a total of 3,928,964 Shares, including 82,810 Shares issued to adjust for the partial exercise of the over-allotment option referenced above, were sold at the Issue Price, for additional aggregate gross proceeds of approximately C$10.2 million. The Offering was made through a syndicate of underwriters led by Haywood Securities Inc. and included GMP Securities L.P., Echelon Wealth Partners Inc., Pareto Securities AS, Canaccord Genuity Corp. and Cormark Securities Inc.

Zebra and Lorito, who report their security holdings as joint actors, are insiders of the Corporation. Pursuant to the Concurrent Private Placement, Zebra subscribed for 2,758,133 Shares, including 58,133 Shares issued to adjust for the partial exercise of the over-allotment option. Following completion of the Offering and the Concurrent Private Placement, Zebra and Lorito hold 14,538,768 Shares and 5,700,000 Shares, respectively, representing 20.16% and 7.90%, respectively, of the issued and outstanding Common Shares of Filo Mining.

- On August 8, 2018, the Corporation announced an updated Mineral Resource estimate for the Filo del Sol Project, which included a significant increase in indicated resource tonnes and contained metals, as follows: a 14% increase in indicated resource tonnes to 425.1 million tonnes; a 12% increase of indicated contained gold in all zones to 4.4 million oz; a 12% increase of indicated contained copper in all zones to 3.1 billion pounds; and a 34% increase in total indicated contained silver in all zones to 147 million oz.
- In late November 2018, the Corporation initiated its 2018/2019 field program with three diamond drills working on the Filo del Sol Project. A total of 1,103 m was drilled prior to the end of the year, with the program continuing into 2019.

Subsequent to 2018

- On January 13, 2019, Filo Mining announced the results of the pre-feasibility study ("**PFS**"), as defined under NI 43-101, relating to the Filo del Sol Project (the "**Filo del Sol PFS**") that was subsequently set forth in the technical report titled "NI 43-101 Technical Report, Pre-feasibility Study for the Filo del Sol Project" dated February 22, 2019, with an effective date of January 13, 2019, prepared by Devine, P.Geo., of Merlin Geosciences Inc.; Robin Kalanchey, P.Eng., of Ausenco Engineering Canada Inc.; Scott Elfen, P.E., of Ausenco Engineering (Canada) Inc.; Bruno Borntraeger, P.Eng., of Knight Piésold (Vancouver); Ian Stilwell, P.Eng., of BGC Engineering Inc.; James N. Gray, P.Geo., of Advantage Geoservices Limited; Jay Melnyk, P.Eng., of AGP Mining Consultants Inc.; and Neil Winkelmann, FAusIMM, of SRK Consulting (Canada) Inc. (the "**Technical Report**"). The Filo del Sol PFS results supersede the PEA, as defined under NI 43-101, results and provide the most current information on the Filo del Sol project. The Filo del Sol PFS included the following highlights:
    - A US$1.28 billion after-tax NPV using an 8% discount rate and an internal rate of return ("**IRR**") of 23% at US3.00/pound (lb) copper, US1300/oz gold and US20/oz silver;
    - Average annual production of approximately 67,000 tonnes of copper (including copper as copper precipitate), 159,000 oz of gold and 8,653,000 oz of silver at a C1 cost of US1.23/lb sulphide copper equivalent ("**CuEq**");
    - Initial Probable Mineral Reserve of 259 Mt of 0.39% copper, 0.33 grams per tonne ("**g/t**") gold, and 15 g/t silver;
    - Pre-production capital cost of US1.27 billion (excluding costs prior to a construction decision);
    - 14-year mine life (including pre-stripping) producing almost 1.75 billion pounds of copper as cathode, and 1.92 million oz of gold and 104 million oz of silver as doré over the 13-year leach feed schedule. Additional copper would also be recovered as a high-grade copper precipitate.
    - Low strip ratio of 1.5:1 (waste:ore)
    - Excellent metallurgy producing London Metal Exchange ("**LME**") grade copper cathodes and gold and silver doré.
    - Incorporation of a fully autonomous haul truck fleet and recovery of additional copper as sulphide precipitate with coincident regeneration of a portion of the cyanide, which drives the low estimated operating costs;
    - Potential opportunities to further improve the Filo del Sol Project include:
        - Increasing metallurgical recoveries with additional test work and optimization of process parameters;

    - Delineating more or higher-grade material through continued exploration on the Corporation's extensive land package; and
    - Future exploitation of copper-gold sulphide material underlying the identified oxide deposit.

- On January 12, 2019, the Corporation entered into a US$5 million credit facility (the "**2019 Facility**"), evidenced by a debenture (the "**2019 Debenture**"), to provide additional financial flexibility to fund the Corporations's ongoing work programs and provide general working capital. The 2019 Facility has a term of 18 months ending July 12, 2020. No interest is payable during the term of the 2019 Debenture; however, any amount of the 2019 Facility remaining unpaid and outstanding on or after the maturity date shall bear interest at a rate of 5.00% per annum until repaid in full. The 2019 Facility was also issued by Zebra. As consideration, the Corporation agreed to issue 300 Common Shares per month for each US$50,000 of the 2019 Facility outstanding from time to time up to the maturity date. The 2019 Facility replaced the 2018 Facility (see above), which matured on January 12, 2019. The outstanding balance owing to Zebra under the 2018 Facility, as of the maturity date, has been transferred and forms part of the amount owing under the 2019 Facility. To date, the Corporation has issued a total of 186,732 Common Shares to Zebra as consideration for providing the 2019 Facility in lieu of fees payable by the Corporation. As of August 14, 2019, there is US$5 million drawn on the 2019 Facility.

- On February 22, 2019, the Corporation announced the filing of the Technical Report, which summarizes the results of the Filo del Sol PFS. See "Description of Business – Filo del Sol Project" below.

- On February 28, 2019, the Corporation entered into an additional US$5 million credit facility (the "**Second 2019 Facility**"), evidenced by a debenture (the "**Second 2019 Debenture**"), to provide additional financial flexibility to fund the Corporation's ongoing work programs and provide general working capital. The Second 2019 Facility has a term of 12 months ending February 28, 2020. No interest is payable during the term of the Second 2019 Debenture; however, any amount of the Second 2019 Facility remaining unpaid and outstanding on or after the maturity date shall bear interest at a rate of 5.00% per annum until repaid in full. The Second 2019 Facility was issued by Zebra and supplements the existing 2019 Facility of US$5 million, which was also provided by Zebra. As consideration, the Corporation issued to Zebra 6,000 Common Shares and has agreed to issue an additional 300 Common Shares per month for each US$50,000 of the Second 2019 Facility outstanding from time to time up to the maturity date. To date, the Corporation has issued a total of 136,597 Common Shares to Zebra as consideration for providing the Second 2019 Facility in lieu of fees payable by the Corporation. As of August 14, 2019, there is US$5 million drawn on the Second 2019 Facility.

- On April 26, 2019, the Corporation entered into an additional US$4 million credit facility (the "**Third 2019 Facility**"), evidenced by a debenture (the "**Third 2019 Debenture"),** to provide additional financial flexibility to fund the Corporation's ongoing work programs and provide general working capital. The Third 2019 Facility has a term of 12 months ending April 26, 2020. No interest is payable during the term of the Third 2019 Debenture; however, any amount of the Third 2019 Facility remaining unpaid and outstanding on or after the maturity date shall bear interest at a rate of 5.00% per annum until repaid in full. The Third 2019 Facility was issued by Zebra, and supplements the 2019 Facility and the Second 2019 Facility, which total an aggregate of US$10 million (see above). As consideration, the Corporation issued to Zebra 6,000 Common Shares and agreed to issue an additional 300 Common Shares per month for each US$50,000 of the Third 2019 Facility outstanding from time to time up to the maturity date. To date, the Corporation has issued a total of 53,064 Common Shares to the lender as consideration for providing the Third 2019 Facility in lieu of fees payable by the Corporation. As of August 14, 2019, there is US$4 million drawn on the Third 2019 Facility.

- The 2018/2019 drill program continued through late March 2019 and ended with seven diamond drill holes completed for a total of 4,747m of drilling at the Filo del Sol Project. Drilling during the season was targeted on exploring the area below the 2018 updated Mineral Resource estimate to attempt to determine the ultimate depth extent of the mineralization and to evaluate the potential for significant porphyry-style mineralization below the resource. Although technical drilling challenges precluded all the holes from reaching their planned depths, porphyry mineralization and alteration was encountered in holes FSDH025 and FSDH029 to depths of 1,025m and 800m below surface respectively, with both holes ending in mineralization. The program successfully demonstrated that mineralization at Filo del Sol continues well below the 2018 updated Mineral Resource estimate and that there is a very large prospective area beneath and adjacent to the known deposit which warrants extensive additional exploration drilling. A summary of the results of the 2018/2019 drill program is presented below:

HOLE-ID	From (m)	To (m)	Length (m)	Cu %	Au g/t	Ag g/t	East UTM	North UTM	Elevation	Azimuth	Dip
FSDH025	0.0	1025.0	1025.0	0.30	0.22	1.6	435244	6848002	5065	271.9	-75.8
incl	334.0	466.0	132.0	0.48	0.30	1.2					
FSDH026	0.0	613.9	613.9	0.39	0.34	1.6	435181	6847524	5109	270.5	-72.6
incl	14.0	474.0	460.0	0.45	0.34	1.6					
and incl	14.0	94.0	80.0	0.73	0.43	1.8					
and incl	228.0	316.0	88.0	0.50	0.33	1.4					
and incl	420.0	474.0	54.0	0.49	0.37	3.3					
FSDH027	0.0	545.4	545.4	0.22	0.28	1.8	435350	6847248	5214	268.4	-75.5
incl	318.0	422.0	104.0	0.37	0.34	3.5					
FSDH028	16.0	563.5	547.5	0.40	0.78	8.0	435286	6848509	5125	268.4	-65.9
incl	155.0	164.0	9.0	0.18	22.04	15.2					
and incl	390.0	563.5	173.5	0.55	0.54	12.9					
incl	496.0	563.5	67.5	0.61	0.68	24.0					
FSDH029	0.0	800.1	800.1	0.24	0.26	1.8	435036	6846992	5181	90.0	-75.0
incl	6.0	42.0	36.0	0.78	0.20	3.1					
FSDH030	134.0	512.0	378.0	0.44	0.89	42.5	435306	6848803	5156	270.0	-65.0
incl	190.0	244.0	54.0	1.05	0.83	1.4					
and incl	262.0	388.0	126.0	0.19	1.79	121.5					
incl	262.0	274.0	12.0	0.54	12.60	260.1					
and incl	388.0	512.0	124.0	0.49	0.40	2.6					
FSDH031	212.0	216.0	4.0	0.08	3.18	10.5	434432	6847603	5096	90.0	-75.0

- On August 12, 2019, the Corporation announced that it entered into an agreement with a syndicate of underwriters led by BMO Capital Markets (the "**Underwriters**"), under which the Underwriters have agreed to buy on bought deal basis 7,275,000 Common Shares, at a price of C$2.75 per Common Share for gross proceeds of approximately C$20 million (the "**2019 Offering**"). Concurrently, a Lundin Family related trust has agreed to purchase on a private placement basis, an aggregate of approximately C$20 million of Common Shares on the same terms and conditions as the 2019 Offering (the "**2019 Concurrent Private Placement**"). The 2019 Offering and 2019 Concurrent Private Placement are expected to close in late August 2019.

DESCRIPTION OF THE BUSINESS

The principal business of the Corporation is mineral exploration, including the identification, acquisition, and evaluation of projects that have the potential to host mineralization that may warrant development into mines. The Corporation is currently focused on its Filo del Sol Project comprised of adjacent land holdings including the Filo del Sol Property located in San Juan Province, Argentina, and the Tamberias Property, located in Region III, Chile.

The following map illustrates the Corporation's Filo del Sol Project location in South America:

Filo del Sol Project, Argentina and Chile

The Filo del Sol Project is a high sulphidation epithermal copper-gold-silver system associated with a porphyry copper-gold system. The Filo del Sol Project straddles the international border between San Juan Province, Argentina and Region III, Chile and is comprised of adjacent mineral titles in Chile and Argentina which are 100% controlled by the Corporation through direct ownership or option agreements.

See the "Filo del Sol Project, Chile and Argentina" section below.

Specialized Skills and Knowledge

The Corporation's business requires people with specialized skills and knowledge in the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs, mining, engineering, accounting, and compliance. To date, the Corporation has been able to locate and retain such professionals, employees and consultants and believes it will continue to be able to do so.

Competitive Conditions

The Corporation operates in a competitive industry and competes with other companies in Canada, Argentina and Chile, many of which have greater financial resources and technical facilities for the acquisition and development of mineral properties, as well as for the recruitment and retention of qualified employees and consultants.

Business Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. If the global economy stalls and commodity prices decline as a consequence, a continuing period of lower prices could significantly affect the economic potential of many of the

Corporation's current properties and result in the Corporation determining to cease work on, or drop its interest in, some or all of such properties.

In addition to commodity price cycles and recessionary periods, exploration activity may also be affected by seasonal and irregular weather conditions in the areas where the Corporation operates.

Environmental Protection

All phases of the Corporation's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner that requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Regulation governing development of mining operations with the potential to affect glaciers continues to evolve in both Chile and Argentina. The Argentine Congress has passed legislation designed to protect the country's glaciers. This law would restrict development on and around glaciers. The detailed regulations that will govern implementation of the law have not yet been written but this legislation could affect the Corporation's ability to develop parts of the Corporation's properties in Argentina, including the Filo del Sol Project. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties, which are unknown to the Corporation at present, which have been caused, by previous or existing owners or operators of the properties. The Corporation is currently engaged in exploration with limited environmental impact. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations.

Employees

As of December 31, 2018, the Corporation has six employees in Canada, 23 full time, permanent employees in Argentina and two full time, permanent employees in Chile. At the date of this AIF, the Corporation has six employees in Canada, 16 full time permanent employees in Argentina and two full time, permanent employees in Chile. The Corporation, Josemaria and NGEx Minerals Ltd. ("**NGEx Minerals**") entered into a cost sharing arrangement on July 17, 2019, pursuant to which personnel and consulting services are shared in order to leverage off certain synergies (the "**Services Agreement**"). The Corporation also relies on and engages consultants on a contract basis to assist the Corporation in carrying on its administrative and exploration activities.

Foreign Operations

The Corporation conducts a majority of its exploration activities in foreign countries.

Bankruptcy and Similar Procedures

There are no bankruptcy, receivership or similar proceedings against the Corporation, nor is the Corporation aware of any such pending or threatened proceedings. There have not been any voluntary bankruptcy, receivership or similar proceedings by the Corporation within the three most recently completed financial years or currently proposed for the current financial year.

Reorganizations

Other than the Arrangement, there have been no material reorganizations involving the Corporation within most recently completed financial year nor are any reorganizations proposed for the current financial year.

Social or Environmental Policies

On November 9, 2018, the Board of Directors approved the Responsible Mining Development Policy, which sets out Filo Mining's commitment to responsible and sustainable mining development through its adherence to the environmental, social and governance policies described therein. The policy is distributed to all employees, directors, officers and consultants of the Corporation on an annual basis and the full text is published on the Corporation's website. New employees, directors, officers and consultants of the Corporation are provided with a copy of the policy and advised of its importance.

Risk Factors

The Corporation is engaged in the exploration, development and acquisition of mining properties and projects. Due to the high-risk nature of the Corporation's business, the Corporation's operations are speculative. The Corporation's operations, properties and projects are subject to various risks and uncertainties, including but not limited to, those listed below. The risks described herein are not the only risk factors facing the Corporation and should not be considered exhaustive. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently considers immaterial, may also materially and adversely affect the business, operations and condition, financial or otherwise, of the Corporation.

These risk factors, together with all other information included in the AIF, including, without limitation, information contained in the section "Cautionary Note Regarding Forward-Looking Information and Statements" as well as the risk factors set out below, should be carefully reviewed by readers.

Some of the factors described herein, in the documents incorporated are interrelated and, consequently readers should treat such risk factors as a whole. If any of the adverse effects set out in the risk factors described herein or in another document incorporated occur, it could have a material adverse effect on the business, financial condition and results of operations of the Corporation. The Corporation cannot assure you that it will successfully address any or all of these risks. There is no assurance that any risk management steps taken will avoid future loss due to the occurrence of the adverse effects set out in the risk factors herein, in other documents incorporated or deemed incorporated by reference herein or other unforeseen risks. These risk factors could materially affect the Corporation's future operating results and could cause actual events to differ materially from those described in the Corporation's forward-looking statements. Unless the context indicates or implies otherwise, references in this section to the "Corporation" include the Corporation and its subsidiaries.

Exploration and Development Risk

Mining exploration, development and operations generally involve a high degree of risk that cannot be eliminated, and which can adversely impact the Corporation's success and financial performance. Exploration for and development of mineral deposits involves a high degree of risk and few properties that are explored are ultimately developed into producing mines.

Major expenses are typically required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, among other things, the following:

- the interpretation of geological data obtained from drill holes and other sampling techniques;
- feasibility studies (which include estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed);
- the particular attributes of the deposit, such as size, grade and metallurgy; expected recovery rates of metals from the ore;
- proximity to infrastructure and labour; the ability to acquire and access land; the availability and cost of water and power; anticipated climatic conditions;
- cyclical metal prices; fluctuations in inflation and currency exchange rates;
- higher input commodity and labour costs; and
- government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The risks and uncertainties inherent in exploration activities include but are not limited to: legal and political risk arising from operating in certain developing countries; civil unrest; general economic; market and business conditions; the regulatory process and actions; failure to obtain necessary permits and approvals; technical issues; new legislation; competitive and general economic factors and conditions; the uncertainties resulting from potential delays or changes in plans; the occurrence of unexpected events; and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Corporation's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power; anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices, taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Corporation. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Corporation's business.

The Corporation's operations are subject to all of the hazards and risks normally encountered in the exploration and development of copper, gold, and silver projects and properties, including unusual and unexpected geologic formations, seismic activity, rock slides, ground instabilities or failures, mechanical failures, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of facilities, damage to life or property, environmental damage and possible legal liability.

We are concentrated in the copper/gold/silver mining industry, and as such, the Corporation's success will be sensitive to changes in, and the Corporation's performance will depend to a greater extent on, the overall condition of the copper/gold/silver mining industry. The Corporation's business may be negatively impacted by fluctuations in the copper/gold/silver mining industry generally. The Corporation may be susceptible to an increased risk of loss, including losses due to adverse occurrences affecting us more than the market as a whole, as a result of the fact that the Corporation's projects and properties are concentrated in the copper/gold/silver mining sector.

The Corporation attempts to mitigate its exploration risk by maintaining a diversified portfolio and by balancing its exploration risks through joint ventures and option agreements with other companies.

Dependence on Single Project

The Filo del Sol Project is the Corporation's sole project and therefore, any adverse development with respect to the Filo del Sol Project will have a material adverse effect on the Corporation.

Mineral Reserves and Mineral Resources Estimates

The Corporation's reported Mineral Reserves and Mineral Resources are estimations only. No assurance can be given that the estimated Mineral Reserves and Mineral Resources are accurate or that the indicated level of copper, gold, silver or any other mineral will be recovered or produced. Actual mineralization or formations may be different from those predicted. It may take many years from the initial phase of drilling before production is possible and during that time the economic feasibility of exploiting a discovery may change. Market price fluctuations of copper, gold and silver and certain other metals, as well as increased production and capital costs or reduced recovery rates, may render the Corporation's Mineral Reserves uneconomic to develop. Moreover, short-term operating factors relating to the Mineral Reserves, such as the need for the orderly development of orebodies, the processing of new or different ore grades, the technical complexity of ore bodies, unusual or unexpected geological formations, ore dilution or varying metallurgical and other ore characteristics may cause Mineral Reserves to be reduced. Estimated Mineral Reserves may have to be recalculated based on fluctuations in the price of metals, or changes in other assumptions on which they are based. Any of these factors may require the Corporation to reduces its Mineral Reserves and Mineral Resources, which could have a negative impact on the Corporation's business.

Failure to obtain or maintain necessary permits or government approvals or changes to applicable legislation could also cause the Corporate to reduce its reserves. In addition, changes to mine plans could cause the Corporation to reduce its Mineral Reserves. There is also no assurance that the Corporation will achieve indicated levels of copper, gold or silver recovery or obtain the prices assumed in determining such Mineral Reserves.

Mineral resources that are not Mineral Reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty which may attach to Mineral Resources, there is no assurance that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves; and no assurance that all or any part of an Inferred Mineral Resources exists or is economically or legally mineable.

Negative Operating Cash Flow

The Corporation is an exploration stage company and has not generated cash flow from operations. The Corporation is devoting significant resources to the development and acquisition of its properties, however there can be no assurance that it will generate positive cash flow from operations in the future. The Corporation expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. The Corporation currently has negative cash flow from operating activities.

Permitting

The Corporation's development and exploration activities are subject to permitting requirements in both Argentina and Chile. In particular, comprehensive environmental assessments will be necessary for the Filo del Sol Project in Argentina in order to obtain the necessary approval for each of the Filo del Sol Project stages, which assessment will be conducted in compliance with Argentinian regulations. Project development will also require an environmental impact assessment study in Chile. Following the receipt of environmental approvals, additional permits, licences, authorizations, and certificates will be required to proceed to project construction, including, for example, mining water and fuel delivery, sewage water treatment, hazardous waste plans, drilling and closure plans. Failure to obtain required permits and/or to maintain compliance with permits once obtained could result in injunctions, fines, suspension or revocation of permits and other penalties.

There can be no assurance that the Corporation will obtain all such permits and/or achieve or maintain full compliance with such permits at all times. Activities required to obtain and/or achieve or maintain full compliance with such permits can be costly and involve extended timelines.

Previously issued permits may be suspended or revoked for a variety of reasons, including through government or court action. Failure to obtain and/or comply with required permits can have serious consequences, including: damage to the Corporation's reputation; stopping the Corporation from proceeding with the development of a project; negatively impacting further development of a mine; and increasing the costs of development and litigation or regulatory action against the Corporation, and may materially adversely affect the Corporation's business, results of operations or financial condition.

Environmental and Socio-Political Risks

The Corporation seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Corporation conducts activities. The Corporation also aims to conduct its activities in accordance with high corporate social responsibility principles. Present or future laws and regulations, however, may affect the Corporation's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. The Corporation is subject to environmental regulation in the various jurisdictions in which it operates. Failure to comply with these laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may also be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Furthermore, environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

Programs may also be delayed or prohibited in some areas due to technical factors, new legislative constraints, social opposition or local government capacity or willingness to issue permits to explore in a timely manner.

In parts of Argentina, there is environmental opposition to both mineral exploration and mining. Accordingly, there may be a certain degree of anti-mining sentiment that could potentially affect the risk of successfully exploring and developing the Corporation's assets in those provinces.

The Argentine Congress has passed legislation designed to protect the country's glaciers. This law would restrict development on and around glaciers. The detailed regulations that will govern implementation of the law have not yet been written but this legislation could affect the Corporation's ability to develop parts of the Corporation's properties in Argentina including the Filo del Sol Project. The Chilean Congress is also considering legislation designed to protect the country's glaciers. This legislation has not yet been approved but depending on its final language could affect the Corporation's ability to develop the Tamberias property.

Uncertainty of Funding and Dilution of Shareholders' Interests in the Corporation

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Corporation's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Corporation, a significant disruption to the Corporation's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Corporation will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Corporation needs to raise additional funds, such financing may substantially dilute the economic and voting rights of the Corporation's shareholders and reduce the value of their investment. Since the Corporation's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of Common Shares of the Corporation bear the risk of any future offerings reducing the market price of the Common Shares and diluting their shareholdings in the Corporation.

Foreign Operations Risk

The Corporation conducts exploration activities in foreign countries, including Argentina and Chile. Each of these countries exposes the Corporation to risks that may not otherwise be experienced if all operations were located in Canada. The risks vary from country to country and can include, but are not limited to, civil unrest or war, terrorism, illegal mining, changing political conditions, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Corporation's existing assets and operations. Real and perceived political risk may also affect Corporation's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries, which are deemed of national or strategic importance in countries in which the Corporation has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Corporation. There can be no assurance that the Corporation's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Corporation also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Corporation to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Corporation.

Indigenous Peoples

The Corporation operates in some areas including parts of the Tamberias area presently or previously inhabited or used by indigenous peoples. Various international and national laws, codes, resolutions, conventions, guidelines, and other material relate to the rights of indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions, which may affect indigenous people, including actions to approve or grant mining rights or permits. ILO Convention 169, which has been ratified by Argentina and Chile, is an example of such an international convention. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. Examples of recent developments in this area include the United Nations Declaration of the Rights of Indigenous People and the International Finance Corporation's revised Performance Standard 7, which requires governments to obtain the free, prior, and informed consent of indigenous peoples who may be affected by government action, such as the granting of mining concessions or approval of mine permits. The Corporation's current and future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development of the Corporation's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Corporation's activities. Opposition by indigenous people to the Corporation's operations may require modification of, or preclude operation or development of, the Corporation's projects or may require the Corporation to enter into agreements with indigenous people with respect to the Corporation's projects.

Title Risk

The Corporation has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Corporation's investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The Corporation has not conducted surveys of all of its properties, and the precise area and location of claims or the properties may be challenged and no assurances can be given that there are no title defects affecting such properties. The rules governing mining concessions in Chile and Argentina are complex and any failure by the Corporation to meet requirements would have a material adverse effect on the Corporation. Any defects in the title to the Corporation's properties could have a material and adverse effect on the Corporation.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Although the Corporation has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license.

The Corporation is earning an interest in the Tamberias property through an option agreement requiring property payments and acquisition of title to the properties is completed only when the option conditions have been met.

If the Corporation does not satisfactorily complete these option conditions in the period laid out in the option agreements, the Corporation's title to the related property will not vest and the Corporation will have to write down its previously capitalized costs related to that property.

Dependence on Key Personnel

The Corporation's success will largely depend on the efforts and abilities of certain senior officers and key employees. Certain of these individuals have significant experience in the mining industry and, in particular the mining industry in South America. While the Corporation does not foresee any reason why such officers and key employees will not remain with the Corporation, if for any reason they do not, the Corporation could be adversely affected. In addition, certain of these individuals are also senior officers and key employees of Josemaria and/or

NGEx Minerals and, pursuant to the terms of the Services Agreement, the employment costs associated with these individuals are shared between the Corporation, Josemaria and NGEx Minerals on a pro-rata basis. If such officers and key employees do not remain employed with Josemaria and/or NGEx Minerals for the purposes of the cost-sharing basis under the Services Agreement, the Corporation could be adversely affected. The Corporation has not purchased key man life insurance for any of these individuals.

No Operating History

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

Surface Access

The Corporation has surface access rights but does not own any surface rights at the Filo del Sol Project. The owners of the surface rights are in agreement with the Corporation's subsidiaries in conducting exploration activities on their ground.

From time to time, a land possessor may dispute the Corporation's surface access rights and, as a result, the Corporation may be barred from its legal temporary occupation rights. Surface access issues have the potential to result in the delay of planned exploration programs, and these delays may be significant. Such delays may have a material adverse effect on the Corporation.

The Corporation may require additional surface rights and property interests to further develop or exploit the resources on its properties, which will require negotiations with private landowners for the additional ownership and/or surface rights in order for the Corporation to fully operate. Surface rights may also be regulated and restricted by applicable law. There is no assurance that the Corporation will be able to obtain the required surface rights or negotiate successfully with private landowners to allow it to develop its properties and establish commercial mining operations on a timely basis. To the extent additional surface rights are available, they may only be acquired at significantly increased prices, potentially adversely impacting financial performance of the Corporation.

Conflicts of Interest

Some of the directors and employees/officers of the Corporation are also directors and employees/officers of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. In addition, certain individuals also serve as officers of Josemaria and/or NGEx Minerals and are subject to the Services Agreement. Such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences will be that corporate opportunities presented to a director or employee/officer of the Corporation may be offered to another corporation or companies with which the director or employee/officer is associated and may not be presented or made available to the Corporation. The directors and employees/officers of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation, to disclose any interest that they may have in any project or opportunity of the Corporation, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed by the Corporation's Code of Business Conduct and Ethics and the CBCA.

Operations in Chile

Given its foreign operations in Chile, the Corporation is exposed to risks that are typical and inherent for companies that have material assets and property held in that jurisdiction. In particular, previously issued permits may be suspended or revoked for a variety of reasons, including through government or court action. Chile is typically viewed as a favourable mining jurisdiction; however, recently certain Canadian issuers have experienced regulatory action with regards to Chilean operations.

Non-compliance with applicable laws, regulations and permitting requirements (including allegations of such) may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed or causing the withdrawal of permits or mining licenses, and the imposition of corrective measures requiring material capital expenditure or remedial action resulting in materially increased cost of compliance, reputational damage and potentially impaired ability to secure future approvals and permits. The Corporation may be required to compensate third parties for loss or damage and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Metal Price Risk

The Corporation's portfolios of properties and investments have exposure to predominantly copper, gold, and silver. Commodity prices fluctuate widely and are affected by numerous factors beyond the Corporation's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The prices of these metals greatly affect the value of the Corporation, the price of the common shares of the Corporation and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures, option agreements and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Corporation's assets at different metals prices.

Uncertainty of Funding

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Corporation's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Corporation, a significant disruption to the Corporation's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Corporation will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Corporation needs to raise additional funds, such financing may substantially dilute the interests of shareholders of the Corporation and reduce the value of their investment.

Trading Price for the Common Shares is Volatile

The securities of publicly traded companies, particularly mineral exploration and development companies, can experience a high level of price and volume volatility and the value of the Corporation's securities can be expected to fluctuate depending on various factors, not all of which are directly related to the success of the Corporation and its operating performance, underlying asset values or prospects. These include the risks described elsewhere in this Prospectus. The trading price of the Corporation's Common Shares has been and may continue to be subject to large fluctuations, which may result in losses to investors. The trading price of the Corporation's Common Shares may increase or decrease in response to a number of events and factors, including:

- issuances of Shares or debt securities by the Corporation;
- the Corporation's operating performance and the performance of competitors and other similar companies;
- the addition or departure of key management and other personnel;
- the expiration of lock-up or other transfer restrictions on outstanding Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors;
- the public's reaction to the Corporation's press releases, other public announcements and the Corporation's filings with the various securities regulatory authorities;

- changes in recommendations by research analysts who track the Corporation's Common Shares or the shares of other companies in the resource sector;
- the number of Common Shares to be publicly traded after an offering; and
- the factors listed under the heading "Cautionary Note Regarding Forward-Looking Information and Statements".

In addition, the market price of the Common Shares is affected by many variables not directly related to the Corporation's success and therefore not within the Corporation's control. Factors which may influence the price of the Corporation's securities, include, but are not limited to: worldwide economic conditions; changes in government policies; local community opposition to mining projects generally; investor perceptions; movements in global interest rates and global stock markets; variations in operating costs; the cost of capital that the Corporation may require in the future; the market price of metals, including copper, gold and silver; the price of commodities necessary for the Corporation's operations; recommendations by securities research analysts; the share price performance of the Corporation's competitors; news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related industry and market issues affecting the mining sector; publicity about the Corporation, the Corporation's personnel or others operating in the industry; loss of a major funding source; and all market conditions that are specific to the mining industry, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of Shares on the exchanges on which the Corporation trades has historically made the Corporation's share price volatile and suggests that the Corporation's share price will continue to be volatile in the future.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the long-term value of the Corporation. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Control of Filo Mining

As at the date of this AIF, Zebra and Lorito, who report their security holdings as joint actors, are control persons of Filo Mining (as defined by the TSXV). As long as Zebra and Lorito maintain significant interests in Filo Mining, they will have the ability to exercise certain influence with respect to the affairs of Filo Mining and significantly affect the outcome of the votes of shareholders. There is a risk that the interests of Zebra and Lorito differ from those of other shareholders.

As a result of the significant holdings of Zebra and Lorito, there is a risk that the Corporation's securities are less liquid and trade at a relative discount compared to circumstances where these persons did not have the ability to influence or determine matters affecting Filo Mining. Additionally, there is a risk that their significant interests in Filo Mining discourages transactions involving a change of control of Filo Mining, including transactions in which an investor, as a holder of the Corporation's securities, would otherwise receive a premium for its Corporation's securities over the then-current market price.

Future offerings of debt or equity securities

The Corporation may require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Corporation raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Corporation's shareholders. Since the Corporation's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Corporation bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Corporation.

Economic and Political Instability in Argentina

The Filo del Sol Project is located in San Juan Province, Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina, especially as there is social opposition to mining operations in certain parts of the country. During an economic crisis in 2001 to 2003 and again in 2014, Argentina defaulted on foreign debt repayments and on the repayment on a number of official loans to multinational organizations. In addition, the government has renegotiated or defaulted on contractual arrangements. The previous Argentinean government placed currency controls on the ability of companies and its citizens to obtain United States dollars, in each case requiring Central Bank approval (resulting in, at times, a limitation on the ability of multi-national companies to distribute dividends abroad in United States dollars) and revoked exemptions previously granted to companies in the oil and gas and mining sectors from the obligation to repatriate 100% of their export revenues to Argentina for conversion in the local foreign exchange markets, prior to transferring funds locally or overseas. Similarly, the government adopted a requirement that importers provide notice to the government and obtain approval for importation before placing orders for certain goods. These measures have been lifted by the new government that took office in December 2015. However, the past actions indicate that the Argentinean government may from time to time alter or impose additional requirements or policies that may adversely affect the Corporation's activities in Argentina or in its ability to attract joint venture partners or obtain financing for its projects in the future.

Infrastructure

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power and water supplies are important determinants that affect costs. The Corporation's ability to obtain a secure supply of power and water at a reasonable cost depends on many factors, including: global and regional supply and demand; political and economic conditions; problems that can affect local supplies; delivery; and relevant regulatory regimes. Power and water are currently in short supply throughout Northern Chile and this may adversely affect the ability of the Corporation to explore and develop its Chilean projects. Unusual or infrequent weather phenomena, sabotage or government, and other interference in the maintenance or provision of such infrastructure could adversely affect the activities and profitability of the Corporation.

Establishing such infrastructure will require significant resources, identification of adequate sources of raw materials and supplies and necessary cooperation from national and regional governments, none of which can be assured. There is no guarantee that the Corporation will secure these power, water and access rights going forward or on reasonable terms.

Global financial conditions can reduce share prices and limit access to financing

The economic viability of the Corporation's business plan is impacted by the Corporation's ability to obtain financing. Global economic conditions impact the general availability of financing through public and private debt and equity markets, as well as through other avenues.

Significant political, market and economic events may have wide-reaching effects and, to the extent they are not accurately anticipated or priced into markets, may result in sudden periods of market volatility and correction. Periods of market volatility and correction may have an adverse impact on economic growth and outlook, as well as lending and capital markets activity, all of which may impact the Corporation's ability to secure adequate financing on favourable terms, or at all.

In the wake of the 2008 financial crises and Eurozone sovereign debt crisis, increased regulatory scrutiny contributed to financial institutions oftentimes applying more stringent lending criteria as compared to before the crises and the availability of debt was relatively low by historical comparison. While debt markets stabilized, and lending activity has since strengthened, there is no guarantee that credit market conditions will not worsen. Recently, certain economists and market commentators have pointed to historically high levels of household debt in Canada, the effect of which on the Canadian economy and credit markets is unknown. Should credit market conditions worsen, the Corporation may have difficulty borrowing on economically favourable terms, or at all.

While equity markets in Canada and the United States have enjoyed relatively healthy performance coming out of the 2008 financial crisis, there is no guarantee that favourable equity market conditions will persist. Furthermore, while recent overall equity market performance has been relatively healthy, certain sectors, such as metals and mining, and energy, have at times experienced periods of increased volatility and changing market sentiment during the recent past. A general risk-adverse approach to investing, which may become more predominant as a result of market turmoil, may limit the Corporation's ability to obtain future equity financing. Inability to obtain financing at all, or on acceptable terms, may have a material adverse effect on the Corporation's business, financial condition, results of operations, cash flows or prospects.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Corporation's operating environment and its operating costs, profit margins and share price. Uncertainty or adverse changes relating to government regulation, economic and foreign policy matters, and other world events have the potential to adversely affect the performance of and outlook for the Canadian and global economies, which in turn may affect the ability of the Corporation to access financing on favourable terms or at all. For example, recent uncertainty regarding Canada's ability to access North American markets via the North American Free Trade Agreement and increased levels of turmoil in certain geopolitical hotspots have the potential to increase uncertainty and volatility in Canadian and global markets, respectively. The occurrence of negative sentiment or events in the Canadian and broader global economy could have a material adverse effect on the Corporation's business, financial condition, results of operations, cash flows or prospects.

Currency Risk

The Corporation will transact business in a number of currencies including but not limited to the US Dollar, the Argentine Peso and the Chilean Peso. The Argentine Peso in particular has had significant fluctuations in value relative to the US and Canadian dollars. Ongoing economic uncertainty in Argentina as well as unpredictable changes to foreign exchange rules may result in fluctuations in the value of the Argentine Peso that are greater than those experienced in the recent past. Fluctuations in exchange rates may have a significant effect on the cash flows of the Corporation. Future changes in exchange rates could materially affect the Corporation's results in either a positive or a negative direction. The Corporation does not currently engage in foreign currency hedging activities.

Information Systems and Cyber Security

The Corporation's operations depend on information technology ("**IT**") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Corporation's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Corporation's reputation and results of operations.

Although to date the Corporation has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Corporation will not incur such losses in the future. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Application of Anti-Corruption and Anti-Bribery Laws

The Corporation is required to comply with anti-corruption and anti-bribery laws, including the *Extractive Sector Transparency Measures Act*, the *Canadian Corruption of Foreign Public Officials Act* and the U.S. *Foreign Corrupt Practices Act*, as well as similar laws in the countries in which the Corporation conducts its business. If the Corporation finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Corporation resulting in a material adverse effect on the Corporation.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential, as well as the necessary labour and supplies required to develop such properties. The Corporation competes with other exploration and mining companies, many of which have greater financial resources, operational experience and technical capabilities than the Corporation, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. The Corporation may not be able to maintain or acquire attractive mining properties on terms it considers acceptable, or at all. Consequently, its financial condition could be materially adversely affected.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Corporation may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Corporation. The Corporation does not maintain insurance against political risks.

Tax

The Corporation runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these countries are complicated and subject to changes. For this reason, future negative effects on the result of the Corporation due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes. The Corporation has no control over withholding tax rates.

Filo del Sol Project, Chile and Argentina

The Corporation controls a 100% interest in the Filo del Sol Project, which straddles the international border between San Juan Province, Argentina and Region III, Chile.

On January 14, 2019, the Corporation released the results of the Technical Report prepared in accordance with NI 43-101 entitled "NI 43-101 Technical Report, Pre-feasibility Study for the Filo del Sol Project" dated February 22, 2019 with an effective date of January 13, 2019, prepared by Fionnuala Devine, P.Geo., of Merlin Geosciences Inc.; Robin Kalanchey, P.Eng., of Ausenco Engineering Canada Inc.; Scott Elfen, P.E., of Ausenco Engineering (Canada) Inc.; Bruno Borntraeger, P.Eng., of Knight Piésold (Vancouver); Ian Stilwell, P.Eng., of BGC Engineering Inc.; James N. Gray, P.Geo., of Advantage Geoservices Limited; Jay Melnyk, P.Eng., of AGP Mining Consultants Inc.; and Neil Winkelmann, FAusIMM, of SRK Consulting (Canada) Inc. The Technical Report has been filed with Canadian securities regulatory authorities under the Corporation's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") (available at *www.sedar.com*).

The information contained in this section has been derived from the Technical Report and is subject to certain assumptions, qualifications and procedures described in the Technical Report and reference should be made to the full text of the Technical Report. The 2018/2019 field program was completed in March 2019, subsequent to completion of the Technical Report and this section has been updated to reflect the results of this program where appropriate.

Mr. Robert Carmichael, B.A.Sc., P.Eng., Vice President, Exploration for the Corporation, and Mr. James Beck, B.A.Sc., P.Eng., MBA, Vice President, Corporate Development and Projects for the Corporation, each a qualified person, as defined under NI 43-101, has reviewed and approved the scientific and technical disclosure contained in this AIF.

Project Description and Location

The Filo del Sol Project is located in the Atacama Region of Northern Chile and adjacent San Juan province of Argentina. The Filo del Sol Project is 140km southeast of the city of Copiapó, Chile and straddles the border between Argentina and Chile. The centre of the main deposit area is located at 28.49º S and 69.66º W (decimal degrees, WGS84 datum).

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

Properties in Argentina

In Argentina, mineral rights are acquired by application to the government through a system based entirely on paper staking. A mineral property may go through several stages of classification during its life time. This begins with a Cateo (exploration permit). Once an application for a Cateo has been made, any mineral discoveries made by third parties belong to the Cateo applicant. A Cateo consists of 1 to 20 units, each unit being 500 ha. A fee, calculated per ha, is required within five days of the Cateo's approval. The term of a Cateo, the length of which varies based on size, begins 30 days after approval. A Cateo of one unit has a duration of 150 days and for each additional unit its duration is increased by an additional 50 days. An additional requirement is that larger Cateos must reduce in size at certain times. At 300 days after approval, half of the area in excess of four units must be relinquished. At 700 days after approval, half of the remaining area must be relinquished.

To move to the next stage, the Cateo holder must apply within the term of the Cateo by reporting a mineral discovery. Upon approval, this will result in a Manifestacion de Descubrimiento or mining rights for an area up to 3,000 ha. This area is comprised of mining units, with one mining unit being 100ha in the case of a disseminated deposit unit and 6 ha in the case of a vein deposit unit. Once this is approved, the holder may conduct a Mensura or legal survey to apply for a Mina or mining lease. The property will generally stay in the Manifestacion stage until a Mineral Resource has been defined. Filo del Sol Exploración S.A. holds the properties detailed in Table 1 and Table 2 below.

Table 1: Exploration Cateos Owned – Argentina

Concession	File Number	Area (ha)
Cateo	339.215-C-92	3,807
Cateo	339.212-B-92	4,027

An annual exploration fee due to the Province of San Juan is proportional to the mining units covered by each Mina. These fees were increased by the Argentine government as of the first semester of 2015. Each disseminated deposit mining unit covers 100 ha and costs ARS 3,200 per annum and each vein deposit mining unit covers six ha and costs ARS 320 per annum. The total fees are shown in Table 2.

Table 2: Manifestaciones Owned – Argentina

Concession	File Number	Area (ha)	Mining Units	Annual Fee (ARS)
Caballo I	520-0323-C-99	451(1)	5	16,000
Caballo II(2)	520-0324-C-99	76(1)	13	4,160
Vicuña 1	520-0099-C-98	1,439(1)	15	48,000
Vicuña 2	520-0100-C-98	1,483(1)	15	48,000
Vicuña 3	520-0101-B-98	1,491	15	48,000
Vicuña 5	425-247-B-00	1,500	15	48,000
Vicuña 6	414-145-C-04	1,500	15	48,000
Vicuña 7	1124-029-C-09	1,500	15	48,000
Vicuña 8	1124-286-F-14	1,488	15	48,000

Notes:

(1) Area uncertain due to undefined National or Provincial boundary; and

(2) Caballo II is comprised of vein deposit mining units.

The Vicuña 3 Concession is subject to an Asset Purchase Agreement between Filo Mining and Josemaria dated January 11, 2018. This agreement provides for the transfer of this concession from Filo Mining to Josemaria within a period of 10 years subject to certain conditions.

The Argentine Mining Code also requires the presentation of a plan of investment for each Mina. The plan of investment contemplates a minimum expenditure of 300 times the annual fee and should be accomplished within five years following the request from the government. No request from the government has been made with respect to any of the Minas.

Filo Mining has full interest in perpetuity of the properties listed above, as long as it complies with the required annual fees and investment plans.

Surface Rights

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

Environmental Permits

As at the effective date of the Technical Report, the status of the Corporation’s environmental permits was as follows:

- Caballo I and Caballo II: approved exploration environmental impact report ("**EIR**") and evaluation of 1st update.

- Vicuña 1, Vicuña 2 and Vicuña 3: approved exploration EIR and evaluation of 1st update.

- Vicuña 5 and Vicuña 6: the filing procedure has been complied with and it is ready for measurement, inclusion in the approved EIR may be requested.

- Vicuña 7 and permits 339215-C-92 and 339212-B-92: not yet eligible for inclusion in the approved EIR.

- Vicuña 8: eligible for inclusion in the approved EIR.

Properties in Chile

Chile's mining policy is based on legal provisions that were enacted as part of the 1980 constitution. According to the law, the state owns all Mineral Resources, but exploration and exploitation of these Mineral Resources by private parties is permitted through mining concessions, which are granted by the courts.

Mineral Tenure

The concessions have both rights and obligations as defined by a Constitutional Organic Law (enacted in 1982). Concessions can be mortgaged or transferred and the holder has full ownership rights and is entitled to obtain the rights of way for exploration (pedimentos) and exploitation (mensuras). In addition, the concession holder has the right to defend ownership of the concession against state and third parties. A concession is obtained by filing a claim and includes all minerals that may exist within its area. Mining rights in Chile are acquired in the following stages.

Pedimento

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

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

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

Manifestacion

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

The owner is entitled to explore and to remove materials for study only (i.e. sale of the extracted material is forbidden). If an owner sells material from a manifestation or exploration concession, the concession will be terminated.

Mensura

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

Tamberias Properties

Frontera Chile Limitada is the owner of eight granted Exploration Mining Concessions, eleven Exploration Mining Concessions in the process of being granted, two Exploitation Mining Concessions and one unilateral and irrevocable option agreement to purchase 17 Exploitation Mining Concessions, referred to in this section as the "Properties" that form the Filo del Sol Project. These Properties are listed in Table 3, Table 4, Table 5 and Table 6. It should be noted that the claims listed in Tabes 3 and 4 have replaced those described in the Technical Report, although they cover the same area.

Table 3: Exploration Mining Concessions Granted – Chile

CONCESSION	NATIONAL ID NUMBER	HECTARES	EXPIRATION DATE
TAMBERÍA PRIMERA 14	03203-F074-8	200	03.25.2020
TAMBERÍA PRIMERA 13	03203-F073-l	200	03.27.2020
TAMBERÍA PRIMERA 12	03203-F072-1	300	04.26.2020
FRONTERA III 3	03203-F-296-1	300	08.16.2020
FRONTERA III 2	03203-F287-2	300	08.20.2020
FRONTERA III 5	03203-F291-0	300	08.29.2020
FRONTERA III 1	03203-F292-9	300	08.29.2020
FRONTERA III 4	03203-F330-5	300	10.11.2020

Table 4: Exploration Mining Concessions in the Process of Being Granted

CONCESSION	NATIONAL ID NUMBER	HECTARES	EXPIRATION DATE
TAMBERÍA II 10	03203-F649-5	300	05.16.2021
TAMBERÍA II 6	03203-F647-9	300	05.16.2021
TAMBERÍA II 2	03203-F645-2	300	05.16.2021
TAMBERÍA II 7	03203-F648-7	100	05.16.2021
TAMBERÍA II 11	03203-F650-9	200	05.26.2021
TAMBERÍA II 3	03203-F646-0	300	05.26.2021
TAMBERÍA II 9	03203-F671-1	300	05.30.2021
TAMBERÍA II 5	03203-F670-3	300	05.30.2021
TAMBERÍA II 1	03203-F669-K	300	05.30.2021
TAMBERÍA II 8	03203-F682-7	300	06.26.2021
TAMBERÍA II 4	03203-F681-9	300	06.26.2021

Table 5: Exploitation Mining Concession Granted				
Concession	National ID Number (ROL NACIONAL)	Status	Holder	Area (ha)
Frontera IV 1/60	03203-7278-K	Granted	Frontera Chile Limitada	300
Frontera V 1/60	03203-7279-8	Granted	Frontera Chile Limitada	300

Unilateral and Irrevocable Option Agreement

By public deed dated March 25, 2011 before the Santiago Notary Public of Antonieta Mendoza Escalas, Compañía Minera Tamberías SCM granted to Sociedad Contractual Minera Frontera del Oro SpA a unilateral and irrevocable option to purchase the mensuras shown in Table 6 (the "**Option Agreement**").

Table 6: Exploitation Mining Concessions (Mensuras) Under Option – Chile				
Concession	National ID Number (ROL NACIONAL)	Status	Holder	Area (ha)
Vicuña 14 1/30	03203-2889-6	Granted	Cía. Minera Tamberías SCM	300
Vicuña 13 1/30	03203-2888-8	Granted	Cía. Minera Tamberías SCM	300
Vicuña 12 1/30	03203-2882-9	Granted	Cía. Minera Tamberías SCM	300
Vicuña 11 1/30	03203-2887-K	Granted	Cía. Minera Tamberías SCM	300
Vicula 10 1/30	03203-2886-1	Granted	Cía. Minera Tamberías SCM	300
Vicuña 9 1/30	03203-2885-3	Granted	Cía. Minera Tamberías SCM	300
Vicuña 8 1/30	03203-2884-5	Granted	Cía. Minera Tamberías SCM	300
Vicuña 7 1/12	03203-2881-0	Granted	Cía. Minera Tamberías SCM	120
Tamberia 1 1/20	03203-4046-2	Granted	Cía. Minera Tamberías SCM	200
Tamberia 1 1/30	03203-4047-0	Granted	Cía. Minera Tamberías SCM	300
Tamberia 3 1/30	03203-4048-9	Granted	Cía. Minera Tamberías SCM	300
Tronco 1 1/41	03203-4145-0	Granted	Cía. Minera Tamberías SCM	41
Tronco 2 1/76	03203-4146-9	Granted	Cía. Minera Tamberías SCM	76
Tronco 3 1/50	03203-4147-7	Granted	Cía. Minera Tamberías SCM	50
Tronco 6 1/39	03203-4193-0	Granted	Cía. Minera Tamberías SCM	178
Anillo 10 1/81	03203-4351-8	Granted	Cía. Minera Tamberías SCM	81
Anillo 11 1/30	03203-4352-6	Granted	Cía. Minera Tamberías SCM	19

By public deed dated July 27, 2012 before the Santiago Notary Public of Antonieta Mendoza Escalas, Minera Frontera del Oro SpA assigned the Option Agreement to Frontera Chile Limitada. Frontera may exercise the Option Agreements within the period that ends on June 30, 2023. The purchase price of the Option Agreement is US$20 million to be paid in installments during the term of the Option Agreement, and a royalty of 1.5% of the Net Smelter Return. There are no work commitments. To date, US$3.2 million of the total has been paid.

Surface Rights

Surface land rights in the area of the Tamberías Property are held by a local community, "Comunidad Civil Ex Estancia Pulido". Filo Mining has an agreement with the Pulido community to provide access to the project for a period of four years, beginning in November 2017.

Environmental Permits

By resolution No. 192, dated September 2, 2013, the Servicio de Evaluación Ambiental of the III Region approved the Environmental Impact Declaration presented by Frontera for the exploration of the Tamberías Project. According to this resolution, Frontera is authorized to develop four exploration campaigns including an aggregate number of 200 drill holes.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

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

The climate is cold and windy, typical of the high Andes. The exploration field season runs from November to April. Field work is based out of the Batidero camp located approximately 20 km from Filo del Sol in Argentina. The Batidero camp can accommodate approximately 200 people. The site is remote and, other than road access, there is no infrastructure available.

The Filo del Sol Project is in the Andes Mountains with elevations ranging from 3,800 m to 5,500 m above mean sea level (amsl). The mountains are generally not rugged and vehicle access is possible to most of the property. Vegetation is almost entirely absent in the area.

History

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

Geological Setting and Mineralization

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

The Filo del Sol Deposit is comprised of two contiguous zones of mineralization, Filo del Sol to the north and Tamberias (previously called Flamenco or Filo Mining South) to the south. The two zones are interpreted to be separated by the Flamenco fault, and have been differentiated in metallurgical testwork, but have been aggregated in the Mineral Resource estimate.

In addition to the Filo del Sol deposit, several other exploration targets occur on the property.

Deposit Types

Mineralization in the Filo del Sol area shows affinities with both porphyry copper-gold-molybdenum and high-sulphidation gold-silver epithermal systems. The deposit defined by the Mineral Resource is best classified as epithermal, however adjacent mineralized zones, particularly to the south, appear to have characteristics of a copper-gold porphyry system. The mineralized system in its entirety is thought to represent a telescoped porphyry – epithermal system, with multiple intrusive and breccia centres, and so combines aspects of both these deposit types.

Exploration

Filo Mining, or its predecessor companies, have been exploring at Filo del Sol since the 1999/2000 field season. A total of 17 work programs have been completed since then, and there have been four seasons (2001/2002, 2002/2003, 2008/2009, 2009/2010) where no work was done. Exploration has been limited to the summer season, typically between November and April, and exploration seasons are described by the years which they bridge.

Surface work completed on the Filo del Sol Project to date has included talus fine sampling, rock chip sampling, geological mapping and induced polarization (IP) and magnetic geophysical surveys. This work resulted in a significant copper, gold and silver geochemical anomaly which, combined with outcropping mineralization, provided sufficient evidence of important mineralization to justify the subsequent drill programs. Induced polarization geophysical surveys have helped to outline the oxidized and altered zone, which manifests as a chargeability low due to the destruction of sulphide mineralization.

Drilling

Drilling at Filo del Sol was initiated by Cyprus in 1998/99 and since then a total of 44,457 m of RC drilling in 184 holes and 11,421 m of diamond drilling ("**DD**") in 38 holes has been completed on the property. All of these holes with the exception of 17 RC holes (3,693 m) were drilled in the Filo del Sol deposit. This drilling has outlined the mineral deposit quantified by the Mineral Resource estimate.

Sample Preparation, Analysis and Security

Sampling procedures and protocols from drill programs have evolved over the last two decades not only at the Filo del Sol project, but throughout the industry. More than 76% of the current RC and diamond drill hole dataset had a rigorous quality assurance/quality control ("**QA/QC**") protocol with blanks, standards and laboratory duplicates. Another 7% has been checked with a second lab but does not have blank and standard controls. The remaining 17% of the dataset has only been verified (satisfactorily) with duplicates. No sample appears to be misplaced or intentionally deleted from the database. The current drillhole dataset for the Filo del Sol project is consistent and has adequate quality to be used for Indicated Mineral Resource estimations.

The sampled material was put in a resistant plastic bag, labelled with sample number paper tickets identical to the ticket to be stapled on the core box or tray. Samples were then weighed and organized by number before being placed in rice sacks. These sacks were assigned an identification number that corresponds to the batch sent to the laboratory. Rice sacks were then delivered to the lab using a private courier with dispatch tracking. Beginning in 2011 and up to 2015 samples were delivered directly to ACME's preparation facilities in Copiapó by company personnel, considerably reducing turn-around times.

Sample Analyses

Almost all holes were sampled in 2 m intervals and all were analyzed by either ALS Chemex Chile (prior to 2009/10 and from 2016 to date) or ACME Laboratories Chile (since 2010/2011 up to 2015).

ACME is an internationally certified laboratory. In 1994, ACME began adapting its Quality Management System to an ISO 9000 model. ACME implemented a quality system compliant with the International Standards Organization (ISO) 9001 Model for Quality Assurance and ISO/IEC 17025 General Requirements for the Competence of Testing and Calibration Laboratories. In 2005, the Santiago laboratory received ISO 9001:2000 registration and in July 2010 the Copiapó facility was added to the Santiago registration. The Santiago hub laboratory is also ISO 17025:2005 compliant since 2012 (http://acmelab.com/services/quality-control/). ISO/IEC 17025 includes ISO 9001 and ISO 9002 specifications, CAN-P-1579 (Mineral Analysis) for specific registered tests by the Standard Council of Canada (SCC). CAN-P-1579 is the SCC's requirements for the accreditation of mineral analysis testing laboratories.

ALS facilities operate to the higher of ISO 9001-2008 or ISO 17025 standards as appropriate to the services offered at each. Both laboratories are completely independent of Filo Mining.

The analytical package used was multi-element, four-acid digestion ICP-AES, gold fire-assay Atomic Absorption finish and trace mercury ("**Hg**") by could vapour/Atomic Absorption. Beginning with the 2011/2012 season the analytical package was changed to include Copper and Silver by atomic absorption spectrometry ("**AAS**") with a multi-acid digestion and Cu was also analyzed by sequential leach. Hg analyses were discontinued from drill samples.

RC holes drilled during the 2014/2015 season used the same sample preparation method and as described above, however sample rejects from this latest campaign were stored in vacuum-sealed bags in order to preserve the samples from oxidation and enable them to be used for metallurgical testwork.

Laboratory sample preparation (either in Copiapo, Chile or Mendoza, Argentina) began with organizing the received batch and assigning a job order. Samples were sorted and weighed. If the number of samples differed from that indicated on the requisition, the Corporation was contacted. Sample preparation continued with:

- Drying in a large electric oven with temperature control;
- Crushing to better than 85% passing 10 mesh;
- Splitting to a 0.5kg subsample;
- Pulverizing the subsample to 95% passing 200 mesh; and
- Screen to pass 200 mesh.

Bags with 150g of pulp were submitted internally to the laboratory assaying facilities in Santiago, Chile or Lima, Peru. Gold was determined by fire assay with an AAS finish based on a 30 g sample. A suite of 37 (ACME) or 33 (ALS) elements, including copper, was determined by inductively coupled plasma emission spectroscopy ("**ICP**") analyses. Starting in 2011/2012, Cu and Ag determinations in all samples were done by both ICP and AAS with a multi-acid digestion and Cu was also analyzed by sequential leach.

Data Verification

To verify information provided by the Corporation, F. Devine, an author of the Technical Report, visited the area of drilling and located a number of drillholes with a hand-held GPS. She was directly involved in the update of the geological model for the project area, including completing extensive surface geological mapping and core logging, data and interpretation review and discussion with Company personnel.

The results of these checks are considered a satisfactory confirmation of the results reported by Filo Mining.

A visit to the Copiapó office and support facilities was carried out by J. Gray, between 16th June 2014 and 21st June 2014. Six samples were taken from a variety of geological settings. Samples were coarse rejects from RC drill cuttings and were approximately 5 kg. Results of these independent samples agreed closely with the original values.

Independent assaying of individual samples used to create metallurgical test composites was carried out by SGS Lakefield. These results compare well with the original sample analyses.

Mineral Processing and Metallurgical Testing

In 2016 and 2017, comprehensive metallurgical test programs were carried out at SGS Lakefield on selected samples from the Filo del Sol deposit. These focused mostly on assessing the feasibility of using heap leaching to recover the copper, gold and silver from the various mineralization types identified.

To confirm and improve these results a sampling campaign was carried out in early 2018 to collect surface samples, RC chips and diamond drill core samples. A total of more than 3,500 kg of sample was shipped to the SGS facility in Lakefield, Ontario. Samples were submitted to various physical, chemical and detailed mineralogical characterization tests.

Most of the metallurgical program was devoted to the leaching stage of the process, more particularly heap leaching. Heap leaching was simulated by completing column leaching tests on material ranging from 0.5 to 2.5-inch crush size and using 50 to 250 kg of sample per column test. Cyanide column leaching was tested for the gold oxide ore types (a total of 11 column tests), while sequential column leaching (acid leaching followed by washing/neutralization and cyanide leaching) was used for the copper-gold oxide ore types (a total of 18 sequential column tests).

Variability and process optimization testing were carried out using bottle roll tests on minus 10 mesh material. Both cyanide leaching (a total of 21 bottle roll tests) and sequential leaching (a total of 72 sequential leach bottle roll tests) were conducted during the 2018 program.

The results of the test program were used to determine the preferred leach configuration together with expected leach recoveries for copper, gold and silver. Deductions to the testwork extractions were applied to expected copper, gold, and silver recoveries to simulate scale-up to a commercial production facility.

Final metal recoveries used in the financial model were 80% for copper, 70% for gold and 82% for silver.

Mineral Resource Estimate

The Filo del Sol Resource remains unchanged from the Mineral Resource estimate reported by the Corporation on August 8, 2018 and is based on a total of 44,600 m of drilling in 188 holes, of which 158 holes are reverse circulation (RC) and 30 holes are core holes. The resource estimate presented below is the total Indicated and Inferred Resource, divided between oxide and sulphide mineralization.

The Mineral Resource estimate as of the effective date of June 11, 2018 is shown in Table 6, below. The Mineral Resources are inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Table 6: Filo del Sol Deposit Mineral Resource Estimate

Zone	Cutoff	Category	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	lbs Cu (millions)	Oz Au (thousands)	Oz Ag (thousands)
Oxide	* see notes	Indicated	349.6	0.34	0.32	12.6	2,656	3,623	141,364
		Inferred	103.9	0.26	0.32	8.7	585	1,083	29,067
Sulphide	0.30 % CuEq	Indicated	75.5	0.27	0.34	2.2	451	813	5,374
		Inferred	71.2	0.30	0.33	2.5	469	751	5,743
Total		Indicated	425.1	0.33	0.32	10.7	3,107	4,436	146,738
		Inferred	175.1	0.27	0.33	6.2	1,054	1,834	34,811

Notes:

1. Mineral Resources have an effective date of July 11, 2018;
2. The Qualified Person for the resource estimate is James N. Gray, P.Geo. of Advantage Geoservices Ltd.;
3. The Mineral Resources were estimated in accordance with the CIM Definition Standards for Mineral Resources and Reserves;
4. Sulphide copper equivalent (CuEq) assumes metallurgical recoveries of 84% for copper, 70% for gold and 77% for silver based on similar deposits, as no metallurgical testwork has been done the Sulphide mineralization, and metal prices of $3/lb copper, $1300/oz gold, $20/oz silver. The CuEq formula is:

   CuEq=Cu+Ag*0.0089+Au*0.5266;
5. All figures are rounded to reflect the relative accuracy of the estimate;
6. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability;
7. The resource was constrained by a Whittle® pit shell using the following parameters: Cu $3/lb, Ag $20/oz, Au $1300/oz, slope of 45°, a mining cost of $2.50/t and an average process cost of $13.26/t;
8. Cutoff grades are 0.2 g/t Au for the AuOx material, 0.15% CuEq for the CuAuOx material and 20 g/t Ag for the Ag material. These three mineralization types have been amalgamated in the Oxide total above. CuAuOx copper equivalent (CuEq) assumes metallurgical recoveries of 82% for copper, 55% for gold and 71% for silver based on preliminary metallurgical testwork, and metal prices of $3/lb copper, $1300/oz gold, $20/oz silver. The CuEq formula is: CuEq=Cu+Ag*0.0084+Au*0.4239.

Mineral Reserve Estimates

The Mineral Reserve estimate for Fil del Sol, shown below, is based on the Mineral Resource Statement with an effective date of June 11, 2018. The Mineral Resources are inclusive of Mineral Reserves.

Table 7: Filo del Sol Deposit Mineral Reserve Estimate

Filo del Sol Mineral Reserve Statement (@ 0.01 $/t NVPT cut-off)								
	Tonnage	Grade				Contained Metal		
Category (all domains)	(Mt)	Cu (%)	Au (g/t)	Ag (g/t)	NVPT ($/t)	Cu (M lbs)	Au (k oz)	Ag (k oz)
Proven	-	-	-	-	-	-	-	-
Probable	259.1	0.39	0.33	15.1	25.30	2,226	2,764	126,028
Total Proven and Probable	**259.1**	**0.39**	**0.33**	**15.1**	**25.30**	**2,226**	**2,764**	**126,028**

Notes:

1. Mineral Reserves have an effective date of January 13, 2019. The Qualified Person for the estimate is Mr. Jay Melnyk, P.Eng. of AGP Mining Consultants, Inc.
2. The Mineral Reserves were estimated in accordance with the CIM Definition Standards for Mineral Resources and Reserves;
3. The Mineral Reserves are supported by a mine plan, based on a pit design, guided by a Lerchs Grossmann (LG) pit shell. Inputs to that process are:
   - Metal prices of Cu $3.00/lb, Ag $20/oz, Au $1300/oz;
   - Mining cost of $2.00/t;
   - An average processing cost of $9.73/t;
   - General and administration cost of $2.02/t processed;
   - Pit slope angles varying from 29 to 45 degrees, inclusive of geotechnical berms and ramp allowances;
   - Process recoveries were based on rocktype. The average recoveries applied were 83% for Cu, 73% for Au and 80% for Ag, which exclude the adjustments for operational efficiency and copper recovered as precipitate which were included in the financial evaluation;
4. Dilution and Mining Loss adjustments were applied at ore/waste contacts using a mixing zone approach. The volumes of dilution gain and ore loss were equal, resulting reductions in grades of 1.0%, 1.3% and 1.0% for Cu, Au and Ag respectively;
5. Ore/Waste delineation was based on a Net Value Per Tonne (NVPT) breakeven cut-off considering metal prices, recoveries, royalties, process and G&A costs as per LG shell parameters stated above;
6. The life-of-mine ("**LOM**") stripping ratio in tonnes is 1.52:1;
7. All figures are rounded to reflect the relative accuracy of the estimate. Totals may not sum due to rounding as required by reporting guidelines.

Mining Methods

The Filo del Sol deposit is a large near surface, bulk mineable deposit that is well suited for extraction by conventional open pit methods. The Filo del Sol PFS provides that ore and waste will be drilled, blasted and loaded by diesel hydraulic face shovels and front-end loaders from 12m benches. Haul trucks will haul the material to the ore crusher, a short-term stockpile, or the waste dump as required. Autonomous haulage was incorporated to take advantage of the technology's proven productivity improvements and operating cost savings. The open pit is expected to have a mine life of 14 years, including pre-stripping, with a life of mine strip ratio of 1.5:1. A maximum mining rate of approximately 65 Mt per year (including waste) is required to provide the nominal 60,000 tonnes per day of ore to the process facility. A total of 259 Mt of ore is expected to be processed over the life of the mine.

Recovery Methods

The Filo del Sol PFS provides that ore will be trucked from the mine and either stockpiled or direct tipped into the primary crusher. The ore will be further crushed through a closed-circuit secondary crushing system to a stockpile.

Crushed ore will be processed at an on/off heap leach pad where the copper will be leached in acid and then recovered from the leach solution by solvent extraction and electrowinning to produce LME grade copper cathodes.

Once the copper is leached, the ore will be rinsed, neutralized and removed from the on/off leach pad by a bucket wheel reclaimer. The material will then be agglomerated using cement, and subsequently stacked on a permanent heap leach pad where gold and silver will be leached in a cyanide solution. Gold and silver will be recovered from the pregnant gold leach solution by a Merrill-Crowe zinc precipitation process and then smelted to produce doré.

A portion of the barren leach solution, following zinc precipitation, will be treated to minimize the build-up of recirculating copper in the gold circuit solutions and return free cyanide to the gold heap leach. This treatment is based on the SART process (sulphidization, acidification, recycling and thickening) which produces a copper sulphide precipitate (which grades approximately 65% copper) and recovers cyanide for use in the heap leach.

The proposed production schedule and metal production profile are shown in the attached figures. Note that the Filo del Sol Project assumes a 24-month construction period, and metal production for 13 years from the start of operations.

Figure 1: Leach Feed and Copper Metal Production Schedule

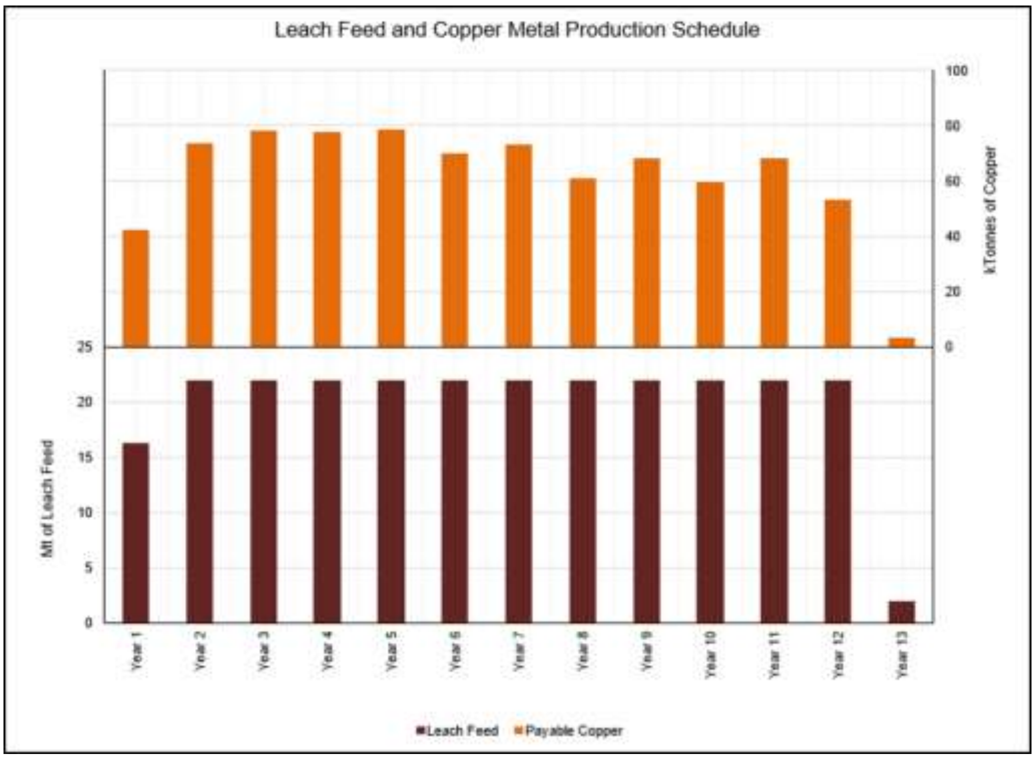
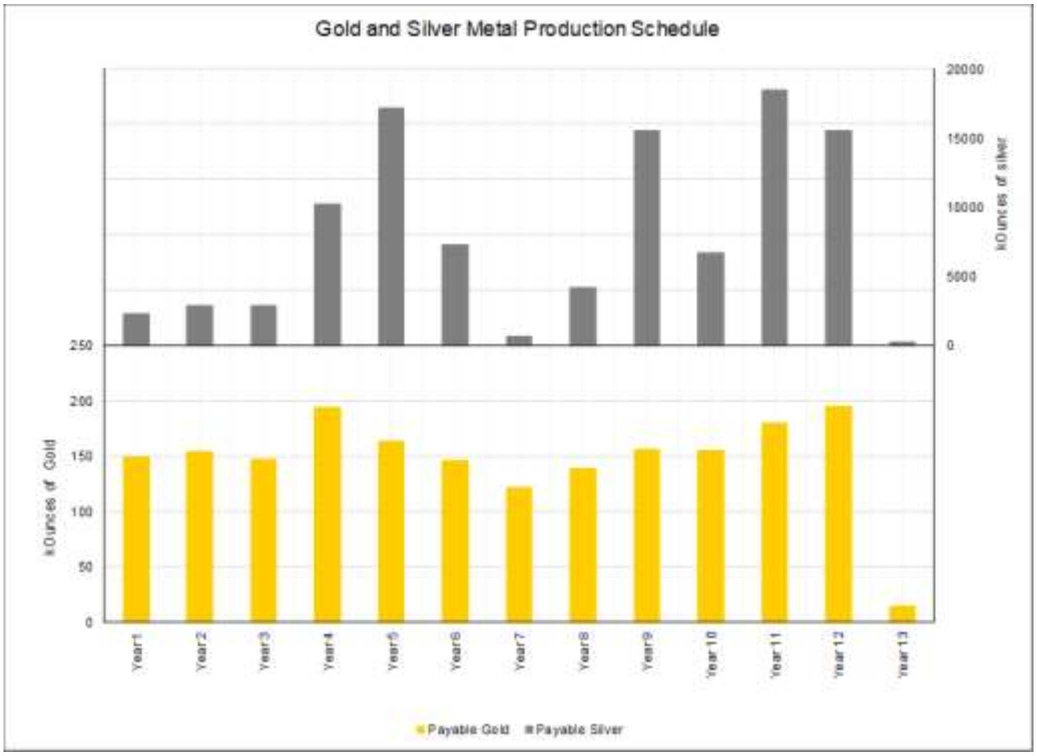


Figure 2: Gold and Silver Metal Production Schedule



Infrastructure

As part of design of the heap leach facilities, primary crusher, waste dump facility, and stockpiles, a geotechnical program was carried out. The field program included surface mapping and a test pit program to take samples of soil and rock from plant site, primary crusher site, waste dump facility, stockpiles, and leach pads site along with a corresponding laboratory testing program to understand the foundation conditions for these site facilities and material properties of borrow sources.

The Filo del Sol project infrastructure is situated on alluvium and colluvium that is underlain by weathered bedrock. The majority of the mine site has permafrost located 0.5 to 1.0 m below the surface. The design of structures took this into account.

The major infrastructure items considered and costed are listed below.

Water Supply: Water will be supplied from aquifers in Argentina, located near the proposed plant site. The industrial water make-up requirement is estimated to be 75 liters per second and is expected to be fully supported by the aquifers.

Power Supply: The site will be supplied with electricity through a 127 km long, 110 kilovolt, single circuit power transmission line connected to the Los Loros substation in Chile. Average electrical demand is estimated to be 52 megawatts. A price of $0.075 kilowatts per hour was used for long-term power supply.

Product Transport: Copper cathode will be transported by truck to Puerto Caldera, a port near the city of Caldera which is located 77 km by road northwest of Copiapó. The approximate trucking distance from the plant site is 245 km, of which roughly 60 km of existing road will require upgrade to accommodate the truck traffic. Doré will be transported approximately 175 km to Aeropuerto Desierto de Atacama for ongoing airfreight.

Waste Dump: During mining operations, waste rock generated during the extraction of ore from open pit operations will be permanently stored immediately east of the Filo del Sol pit. Due to the presence of near-surface permafrost throughout the facility's upper end of its footprint, 'bottom up' construction and the excavation of keyway in the toe area are required to provide good contact and stability of the ultimate facility.

Heap Leach Facilities: The heap leach facilities include two leach pads: an on/off copper pad and a permanent gold pad. The on/off heap leach facility is located approximately 1 km northeast of the open pit and consists of 580,000 m2 dynamic leach pad, operation ponds and process plant. The permanent gold heap leach facility is located immediately east of the on/off pad and consists of 1.6 Mm2 permanent gold heap leach pad, operation ponds. The process plant is located next to the on/off pad process plant.

Market Studies and Contracts

The principal planned products are copper cathode and gold/silver doré.

No specific marketing study was conducted for the study. Copper cathode and gold/silver doré are readily traded commodities. Accordingly, it is appropriate to assume that the products can be sold freely and at standard market rates.

The Corporation has no contracts in place.

Environmental, Permitting and Social Licence

Knight Piésold completed the environmental baseline work for the Corporation in 2017 and 2018 in addition to reviewing the historical work from other independent consultants who assisted in the preparation of the environmental work. This work will be used to support the preparation of the respective Environmental Impact Assessments ("**EIA**").

Baseline studies to date include geosciences, air & water, terrestrial biota, the human environment, and natural & cultural heritage. The list of environmental components to be studied was derived from the Chilean national environmental assessment regulations, the Argentine national mining environmental law and from the International Finance Corporation's Sustainability Performance Standards (IFC 2012). Baseline studies are ongoing and will continue into the upcoming field season.

Communication with the local community, private land owners, and other interested parties is also ongoing.

Capital Cost Estimate

Capital costs were generated from a variety of sources including derivation from first principles, equipment quotations and factoring from actual costs incurred in the execution of other, similar projects. Costs are estimated to an accuracy of +/- 25% which is equivalent to an AACE International, Class 4 Estimate.

All costs are reported in US dollars.

Table 8: Capital Cost Estimate

Cost Centre	US$M
Mine Pre-strip	59
Mining	121
Crushing	67
Processing	325
On-Site Infrastructure	94
Off-Site Infrastructure	124
Total Direct Costs	**789**
Indirect Costs	132
Project Delivery	101
Owner's Costs	50
Contingency	194
TOTAL INITIAL CAPEX	**1,266**
LOM Sustaining Capital	217
Closure	51
TOTAL LIFE OF MINE CAPITAL	**1,534**

Operating Cost Estimate

Determination of the operating costs estimated that the C1 cash costs (co-product basis) over the life of mine will average $1.23/lb CuEq. C1 cash costs include at-mine cash operating costs, treatment and refining charges, royalties, selling costs, and transportation costs, and are reported on a $/equivalent payable unit of the primary metal.

Table 9: Operating Cost Estimate

Operating Costs	(US$/t processed)
Mining	3.86
Processing	8.90
Site G&A	1.44
TOTAL	**14.19**

Economic Analysis

Analysis of the Filo del Sol Project demonstrates that the mine plan has positive economics under the assumptions used. The Filo del Sol Project post-tax NPV at and 8% discount rate is estimated to be US$1.28b, with an IRR of 23%. The Filo del Sol Project financial summary is shown below.

Important note: the economic model considered only cashflows from the beginning of actual construction forward. Schedule and expenditure for the feasibility study, including technical and economic studies, engineering studies, cost estimating, resource delineation and infill drilling, pit slope geotechnical characterization, metallurgical sampling and test-work, associated exploration, strategic optimization, mine, plant and infrastructure design, permitting and other pre-construction activities were not modelled.

Table 10: Project Financial Summary

Project Metric	Units	Value
Pre-Tax NPV (8%)	US$B	$1.86
Pre-tax IRR	%	27
After-Tax NPV (8%)	US$B	$1.28
After-Tax IRR	%	23
Undiscounted After-Tax Cash Flow (LOM)	US$B	$3.23
Average Operating Margin*	%	62
Payback Period from start of processing (undiscounted, after-tax cash flow)	years	3.4
Initial Capital Expenditures (rounded)	US$B	$1.27
LOM Sustaining Capital Expenditure (excluding closure)	US$M	$0.22
LOM C-1 Cash Costs (Co-Product)	US$ per lb Cu.Eq.	$1.23
Nominal Process Capacity	tonnes per day	60,000
Mine Life (including pre-stripping)	years	14
Average Annual Copper Production**	tonnes Cu	67,000
Average Annual Gold Production**	oz Au	159,000
Average Annual Silver Production**	oz Ag	8,653,000
LOM Average Process Recovery – Copper***	%	80
LOM Average Process Recovery - Gold	%	70
LOM Average Process Recovery - Silver	%	82

* Operating Margin = Operating Cashflow/Net Revenue.

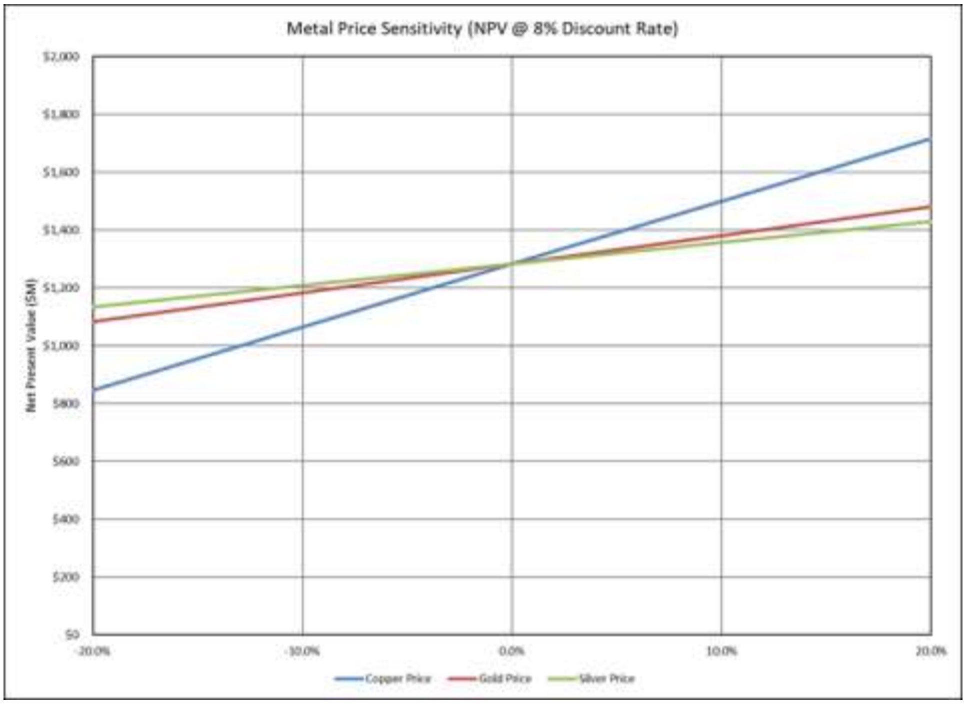
** Rounded and excluding final year of minimal leach operation.

*** Including 1% Cu recovery to concentrate for SART process.

Sensitivity Analysis

A cash flow valuation model for the Filo del Sol Project has been developed using a long-term copper price of US$3.00/lb, gold price of US$1,300/oz, and silver price of US$20/oz. The following figure shows the sensitivity of estimated NPV for the Filo del Sol Project's cash flow at various changes to metal prices at 8% discount rate.

Figure 3: Metal Price Sensitivity



Interpretation and Conclusions

The work that has been completed in the Filo del Sol PFS has indicated that the Filo del Sol Project has significant potential economic merit. Financial analysis has shown significant NPV and IRR.

The Filo del Sol Project encompasses a very large zone of alteration and several mineralized showings within a prolific mineral district. Both high-sulphidation epithermal gold-silver-copper and porphyry copper-gold mineralization have been discovered and both styles of mineralization are believed to be compelling exploration targets. The updated Mineral Reserve estimate presented in this report significantly expands an important copper-gold-silver deposit on the property.

The Filo del Sol Project is amenable to development by open pit mining methods. Ausenco considers that there are no technical incumbrances to mining using standard mining equipment. In addition, AGP Mining Consultants Inc. assessed and included autonomous haulage as part of the overall mine plan.

The metallurgical testing results obtained during the execution of the Filo del Sol PFS indicate that Filo del Sol mineralized material is amenable to the application of conventional crushing, sequential acid and cyanide heap leaching, solvent extraction-electrowinning, and Merrill-Crowe processing for recovery of copper (as cathodes) and gold (as gold/silver doré).

The Filo del Sol Project infrastructure is reasonably straightforward, and with significant precedent in the region. No “novel” solutions are proposed. Ausenco considers that there are no “fatal flaws” with respect to the Filo del Sol Project infrastructure assumptions and outlook.

The constructability of the envisaged project appears to be viable. No unusual aspects of location, logistics or availability of resources that may affect the construction have been identified.

Recommendations

The Filo del Sol PFS has provided a technical and economic solution that is a basis on which to further advance the Filo del Sol Project. The next phases of the Filo del Sol Project are to complete optimization studies and proceed to a Feasibility Study.

Dividends

There are no restrictions that prevent the Corporation from paying dividends. The Corporation has not paid dividends to date on its common shares and has no plans to pay dividends in the near future. Any decision to pay dividends in the future will be based on the Corporation's earnings and financial requirements and other factors that its Board of Directors may consider appropriate in the circumstances.

Capital Structure

The Corporation's authorized capital consists of an unlimited number of common shares without par value.

The holders of Common Shares are entitled to receive notice of, and to one vote per share at, every meeting of shareholders of the Corporation, to receive such dividends as the Board of Directors declares and to share equally in the assets of the Corporation remaining upon the liquidation, dissolution or winding up of the Corporation after the creditors of Corporation have been satisfied.

As of December 31, 2018, the Corporation had an aggregate of 72,575,195 Common Shares issued and outstanding. As at the date of this AIF, the Corporation had an aggregate of 73,521,843 Common Shares issued and outstanding.

Market for Securities

The common shares of the Corporation are currently listed and posted for trading on the TSXV in Canada under the trading symbol "**FIL**" and in Sweden on the NASDAQ First North Exchange under the symbol "**FIL**".

Trading Price and Volume

The following table set forth the monthly high and low trading prices and aggregate volume of trading of the Corporation's Common Shares on the TSXV for the year ended December 31, 2018:

Month	High (S)	Low ($)	Volume
January, 2018	2.75	2.35	463,412
February, 2018	2.65	2.40	649,560
March, 2018	2.64	2.30	114,447
April, 2018	2.50	2.20	80,119
May, 2018	2.50	2.00	260,858
June, 2018	2.40	2.15	136,907
July, 2018	2.44	2.10	359,510
August, 2018	2.30	2.05	501,591
September, 2018	2.30	2.00	3,067,876
October, 2018	2.30	2.25	525,978
November, 2018	2.30	2.24	223,069
December, 2018	2.25	2.20	218,308

The price of the common shares of the Corporation as quoted by the TSXV at the close of business on December 31, 2018 was $2.20 and on August 13, 2019 the last trading day prior to the date of this AIF, was $2.74.

Directors and Officers

The Board of Directors

As of December 31, 2018, the Board of Directors of the Corporation was comprised of seven directors. Each director holds office until the next annual meeting of shareholders or until his successor is duly elected unless his office is earlier vacated in accordance with the by-laws of the Corporation. The names, provinces and countries of residence of each of the directors and executive officers of the Corporation, their respective positions and offices held with the Corporation, their principal occupations within the preceding five years, as at December 31, 2018 is set forth in the following table.

Name, Province and Country of Residence	Period of Service as an Officer or Director	Principal Occupation and Occupation during the Past Five Years
Lukas H. Lundin Geneva, Switzerland	Chairman (Non-executive) since August 3, 2016 and Director since July 11, 2016	Business/mining executive; Director of a number of publicly traded resource-based companies, including Josemaria, Lucara Diamond Corp., Lundin Mining Corporation, Lundin Gold Inc., Denison Mines Corp. (mining companies) and Lundin Petroleum S.A. (oil and gas company); and former President and Chief Executive Officer of Lundin Gold Inc. (mining company), from 2008-2014.
Adam I. Lundin British Columbia, Canada	President and Chief Executive Officer and a Director since September 11, 2017	President and Chief Executive Officer and a Director of the Corporation since September 11, 2017; Director of Josemaria and Africa Energy Corp. (oil and gas company); former Co-Head, London Office, Pareto Securities Ltd. from November 2012 to August 2017; and former Director of Lundin Gold Inc. (mining company) from June 21, 2011 to June 30, 2015.
Alessandro Bitelli British Columbia, Canada	Director since July 11, 2016	Executive Vice President, Chief Financial Officer of Lundin Gold Inc. since 2016; former Chief Financial Officer of Orca Gold Inc. from 2013-2016; and former Chief Financial Officer of RB Energy Inc. from 2011-2014. Mr. Bitelli is also a Director of Group Eleven Resources Corp. (all of which are mining companies).
C. Ashley Heppenstall London, U.K.	Director since July 11, 2016	Lead Director of Lundin Gold Inc. (mining company) since 2015 and a Director of Africa Energy Corp., Lundin Petroleum AB, and International Petroleum Corporation (oil and gas companies); Chairman of Josemaria; former President and Chief Executive Officer of Lundin Petroleum AB (oil and gas company), from 2002-2015; and former Director of Vostok Nafta Investment Ltd.
Paul McRae Vilamoura, Portugal	Director since July 11, 2016	Formerly the Senior Vice-President, Projects, of Lundin Mining Corporation; Director of Lundin Gold Inc. and Bluestone Resources (mining companies); and former Project Director of AMEC from June 2009 to December 2011.
Pablo Mir Santiago, Chile	Director since November 28, 2016	Pablo Mir is a senior partner of the Chilean law firm Bofill Mir & Alvarez Jana. Mr. Mir is also a Director of Lundin Gold Inc. (mining company) and Josemaria.

Name, Province and Country of Residence	Period of Service as an Officer or Director	Principal Occupation and Occupation during the Past Five Years
Wojtek A. Wodzicki British Columbia, Canada	Director since May 12, 2016	President and Chief Executive Officer and a Director of Josemaria; President and Chief Executive Officer and a Director of NGEx Minerals; former President and Chief Executive Officer of Filo Mining from May 12, 2016 to September 11, 2017; former Director of Newstrike Capital Inc. (mining company), from February 17, 2011 to May 26, 2015; and former Director of Horn Petroleum Corporation (oil and gas company) from September 20, 2011 to March 10, 2015.

Executive Officers

The following table sets out the names and the provinces or states and countries of residence of each of the executive officers of the Corporation as of the date hereof, their respective positions and offices held with the Corporation and their principal occupations during the five preceding years.

Mr. Adam I Lundin, the President and Chief Executive Officer of the Corporation, is discussed under “Directors” above.

Name, Province and Country of Residence	Period of Service as an Officer or Director	Principal Occupation and Occupation during the Past Five Years
Robert Carmichael British Columbia, Canada	Vice President, Exploration since July 11, 2016	Vice President, Exploration of the Corporation since July 11, 2016; Mr. Carmichael also serves as the Vice-President, Exploration of Josemaria and as the Vice-President, Exploration of NGEx Minerals; General Manager, Resource Exploration Lundin Mining Corporation (mining company) from 2006 to July 31, 2011.
James Beck British Columbia, Canada	Vice President, Corporate Development and Projects since February 1, 2017	Vice President, Corporate Development and Projects of the Corporation; Mr. Beck also serves as the Vice-President, Corporate Development of Josemaria; formerly held the position of Director, Corporate Development of the Corporation from August 16, 2016 to February 1, 2017 and formerly held the position of Director, Corporate Development of Josemaria from January 2, 2014 to February 1, 2017.
Jeff Yip British Columbia, Canada	Chief Financial Officer since November 28, 2016	Chief Financial Officer since November 28, 2016. Mr. Yip was formerly the Chief Financial Officer of Orca Gold Inc. (mining company) from February 2016 to May 2018; Corporate Controller for Orca Gold Inc. from April 2013 until his appointment as Chief Financial Officer in 2016; and Corporate Controller of Rusoro Mining Ltd. from February 2011 to April 2012 and of RB Energy Inc., from April 2012 to May 2015 (mining companies).

There are currently three standing committees of the Board; namely, the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. The following table identifies the members of each of these Committees as at December 31, 2018 and the date of this AIF:

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
Alessandro Bitelli, Chair C. Ashley Heppenstall Paul McRae	C. Ashley Heppenstall, Chair Alessandro Bitelli Paul McRae	C. Ashley Heppenstall, Chair Pablo Mir Paul McRae

Securities Holdings

As at December 31, 2018, the directors and executive officers of the Corporation, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 3,596,635 Common Shares of the Corporation, representing approximately 4.89% of the issued and outstanding Common Shares of the Corporation (excluding securities issuable on exercise of stock options).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, no director or executive officer of the Corporation, is, or during the ten years preceding the date of this AIF has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an "**order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer 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.

Other than as disclosed below, no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(a) is at the date hereof, or has been within the ten years preceding the date of this AIF, 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

(b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Mr. Lukas Lundin was a director of Sirocco Mining Inc. ("**Sirocco**"). Mr. Lundin resigned as a director of Sirocco on January 31, 2014, at which time Sirocco was a public-traded company and financially solvent. Pursuant to a plan of arrangement completed on January 31, 2014, Canadian Lithium Corp. acquired Sirocco. Under the plan of arrangement, Canadian Lithium Corp. amalgamated with Sirocco to form RB Energy Inc. ("**RBI**"). In October 2014, RBI commenced proceedings under the Companies' Creditors Arrangement Act ("**CCAA**"). CCAA proceedings continued in 2015 and a receiver was appointed in May 2015. The Toronto Stock Exchange ("**TSX**") de-listed RBI's common shares on November 24, 2014 for failure to meet the continued listing requirements of the TSX. Cease trade orders with respect to RBI's securities were also issued by the British Columbia Securities Commission on May 12, 2015, the Manitoba Securities Commission on May 13, 2015, the Alberta Securities Commission on August 12, 2015, the autorité des marches financiers on May 29, 2015 and the Ontario Securities Commission on May 27, 2015 (as amended January 16, 2018). Although Mr. Lundin was never a director, officer or insider of RBI, he was a director of Sirocco within the 12-month period prior to RBI filing for protection under the CCAA.

Mr. Alessandro Bitelli was the chief financial officer of RBI when it sought court protection under the CCAA and was granted such protection in October 2014, until terminated as chief financial officer on May 8, 2015. Mr. Pablo Mir was a director of RBI from the time of the plan of arrangement with Canadian Lithium Corp. to October 3, 2014.

No director or executive officer of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, 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 investor making an investment decision.

Conflicts of Interest

To the best of the Corporation's knowledge, and other than as disclosed in this AIF, there are no known existing or potential conflicts of interest between the Corporation and any director or officer of the Corporation. The Corporation's directors and officers may serve as directors or officers of other companies, including of Josemaria and/or NGEx Minerals, companies with which Filo Mining has entered into the Services Agreement, or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or the terms of such participation. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, the involvement in a greater number of programs or a reduction in financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of Canada, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and the financial position at that time.

The directors and officers of the Corporation are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors of officers in accordance with the CBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. Other than as disclosed above, the directors and officers of the Corporation are not aware of any such conflicts of interest in any existing or contemplated contracts with or transactions involving the Corporation. See "Risk Factors — Conflicts of Interest".

Legal proceedings and regulatory actions

There are no pending or contemplated legal proceedings to which either the Corporation is a party or of which any of the Corporation's properties is the subject.

As of December 31, 2018, the Corporation is not subject to:

- Any penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the Corporation's recently completed financial year;
- Any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; or

- Any settlement agreements entered into before a court relating to securities legislation or with a securities regulatory authority during the Corporation's recently completed financial year.

The Corporation may, from time to time, become involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Corporation cannot reasonably predict the likelihood or outcome of these actions. The Corporation does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason therein, will have a material effect on the financial condition or future results of operations of the Corporation.

Audit Committee

The Audit Committee oversees the accounting and financial reporting processes of the Corporation and its subsidiaries and all audits and external reviews of the financial statements of the Corporation on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Corporation and its subsidiaries. All auditing services and non-audit services to be provided to the Corporation by the Corporation's auditors are pre-approved by the Audit Committee. The Audit Committee reviews, on a continuous basis, any reports prepared by the Corporation's external auditors relating to the Corporation's accounting policies and procedures, as well as internal control procedures and systems. The Audit Committee is also responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, quarterly review engagements, if any, the Corporation's internal accounting controls, any complaints and concerns regarding accounting, internal controls or auditing matters and the resolution of issues identified by the Corporation's external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders and the compensation of the auditors. The Audit Committee shall meet a minimum of four times per fiscal year. The Audit Committee Charter is attached as Schedule "A" to this AIF.

Below are the details of each audit committee member, including his name, whether he is independent and financially literate as such terms are defined under National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and his education and experience as it relates to the performance of his duties as an audit committee member. The qualifications and independence of each member is discussed below and were also included in the Corporation's management information circular for the year ended December 31, 2018 for its annual meeting held in June 2019.

Member Name	Independent(1)	Financially Literate(2)	Education and Experience Relevant to Performance of Audit Committee Duties
Alessandro Bitelli (Chair)	Yes	Yes	Mr. Bitelli has over 30 years of experience in the resource industry and in public accounting, having worked both in North America and Europe. A member of the senior management team at the Lundin Group of Companies, he currently holds the position of Executive VP and Chief Financial Officer of Lundin Gold Inc. Prior to that, he served as Chief Financial Officer for Red Back Mining Inc., a gold mining company with two African operations and more recently, as Chief Financial Officer for Orca Gold Inc. Mr. Bitelli is also a Director of Group Eleven Resources Corp.

Member Name	Independent[1]	Financially Literate[2]	Education and Experience Relevant to Performance of Audit Committee Duties
C. Ashley Heppenstall	Yes	Yes	Mr. Heppenstall previously served as the President, Chief Executive Officer and Finance Director of Lundin Petroleum AB, an oil and gas exploration and production company with core assets in Norway and South East Asia, from 2002-2015. Early in his career, Mr. Heppenstall worked in the banking sector where he was involved in project financing of oil and resource sector businesses. Since 1993, Mr. Heppenstall has worked with public companies associated with the Lundin Group of companies. In 1998 he was appointed Finance Director of Lundin Oil AB. Following the acquisition of Lundin Oil by Talisman Energy in 2001, Lundin Petroleum was formed and Mr. Heppenstall was appointed President and Chief Executive Officer in 2002 until his retirement in 2015. Mr. Heppenstall obtained a degree in Mathematics from Durham University.
Paul McRae	Yes	Yes	Mr. McRae is a Corporate Director who has a distinguished global reputation in project and construction management in the mining industry for both surface and underground projects of all scales and complexities. His career spans more than 40 years and includes a track record on time and on budget project management of major underground investments for INCO including McCreedy East, Garson and Birch Tree projects; serving as Project Manager on the highly successful De Beers Victor Project in Northern Canada; and leadership positions on numerous other projects in Australia, Canada, Spain, Portugal and South America. He served as Senior Vice-President of Lundin Mining Corporation, a diversified base metals mining company, from 2012 to 2018, during which time he led the successful Eagle Mine Project. Prior to that, Mr. McRae was as a Project Manager at Amec Corp., a British multinational consultancy, engineering and project management company from 2009 to 2011 on the Cerro Casale Project in Chile.

Notes:

(1) Independent within the meaning of NI 52-110.
(2) An individual is financially literate within the meaning of NI 52-110 if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues and can reasonably be expected to be raised by the Corporation's financial statements.

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Corporation's Board of Directors.

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter attached hereto as Schedule A.

The following table discloses the fees billed to the Corporation by its external auditor during the last two fiscal years ended December 31, 2018, and December 31, 2017:

Financial Year Ending	Audit Fees (1)	Audit Related Fees (2)	Tax Fees (3)	All Other Fees (4)
December 31, 2018	$54,335	$30,500	$1,944	$32,500
December 31, 2017	$53,991	$30,000	$2,156	$nil

Notes:

(1) The aggregate fees billed for audit services.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the audit fees column.

(3) The aggregate fees billed for tax compliance, tax advice, tax return and tax planning services.

(4) The aggregate fees billed for professional services other than those listed in the other three columns, including any services rendered in connection with the Corporation's short form prospectus dated February 22, 2018, which incorporated by reference certain financial information from the Corporation's audited consolidated financial statements for the years ended December 31, 2016 and 2015.

(5) The Corporation first appointed an external auditor on November 28, 2016, following completion of the Arrangement.

Interest of Management and Others in Material Transactions

To the best of the Corporation's knowledge, no director, executive officer or greater than 10% shareholder of Filo Mining and no associate or affiliate of the foregoing persons has or had any material interest, direct or indirect, in any transaction since incorporation or in any proposed transaction which in either such case has materially affected or is reasonably believed to materially affect Filo Mining, save as described herein.

Transfer Agent and Registrar

Computershare Investor Services Inc. ("**Computershare**") acts as the registrar and transfer agent for the common shares of the Corporation at its offices in Vancouver and Toronto. Computershare is located at: 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; and 100 University Avenue, 11th Floor, Toronto, Ontario, M5J 2Y1.

Material contracts

Other than as disclosed in this AIF, there were no other contracts, other than those entered into in the ordinary course of business, that were material to the Corporation and that were entered into between January 1, 2018 (being the commencement of the Corporation's most recently completed financial year) and up to the date of this AIF or that were entered into prior to January 1, 2018 and still in effect as of date of the AIF.

Names and interests of experts

The following persons or companies are named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing made under National Instrument 51-102 *Continuous Disclosure Obligations* by the Corporation during or relating to the most recently completed financial year and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

- Robert Carmichael, B.A.Sc, P.Eng., in respect of the preparation of certain scientific and technical information in the Corporation's news releases, this AIF, and other disclosure documents. Mr. Carmichael is a "qualified person" for the purposes of NI 43-101, but not independent as he is Vice President, Exploration of the Corporation and as of the date of this AIF, he holds directly or indirectly, 116,250 common shares and stock options to purchase an aggregate of 450,000 common shares of the

Corporation at varying prices. If all the options held by Robert Carmichael were exercised, he would hold less than one percent of the common shares of the Corporation.

- James Beck, B.A.Sc., P. Eng., MBA, Filo Mining's Vice President, Corporate Development and Projects, is a "qualified person" within the meaning of this term in NI 43-101 and has prepared sections of this AIF that are of a scientific or technical nature pertaining to the Corporation's Filo del Sol Project and has verified the data disclosed therein. As of the date of the AIF, he holds directly or indirectly, 56,750 common shares and stock options to purchase an aggregate of 450,000 common shares of the Corporation at varying prices. If all the options held by James Beck were exercised, he would hold less than one percent of the common shares of the Corporation.
- Fionnuala Devine, P.Geo., of Merlin Geosciences Inc.; Robin Kalanchey, P.Eng., of Ausenco Engineering Canada Inc.; Scott Elfen, P.E., of Ausenco Engineering (Canada) Inc.; Bruno Borntraeger, P.Eng., of Knight Piésold (Vancouver); Ian Stilwell, P.Eng., of BGC Engineering Inc.; James N. Gray, P.Geo., of Advantage Geoservices Limited; Jay Melnyk, P.Eng., of AGP Mining Consultants Inc.; and Neil Winkelmann, FAusIMM, of SRK Consulting (Canada) Inc. in respect of the Technical Report. Each of Ms. Devine, Mr. Kalanchey, Mr. Elfen, Mr. Borntraeger, Mr. Stilwell, Mr. Gray, Mr. Melnyk, and Mr. Winkelmann is an independent "qualified person" for the purposes of NI 43-101.

No person or company named or referred to above beneficially owns, directly or indirectly, 1% or more of any class of the Corporation's outstanding securities.

PricewaterhouseCoopers LLP are the auditors who issued the auditor's report for the Corporation's financial statements for the year ended December 31, 2018. PricewaterhouseCoopers LLP has advised the Corporation that they are independent within the meaning of the Chartered Professional Accounts of British Columbia Code of Professional Conduct.

Other than Mr. Carmichael, Vice President, Exploration and Mr. Beck, Vice President, Corporate Development and Projects of the Corporation, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or any associate or affiliate of the Corporation.

Additional information

Additional information relating to the Corporation may be found on under the Corporation's profile on the SEDAR website at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and options to purchase securities is contained in the Corporation's management information circular in respect of its most recent annual meeting of shareholders that involved the election of directors.

Additional financial information is provided in the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2018 together with the auditors' report thereon, and the related Management Discussion and Analysis for its most recently completed financial year.

Schedule A

FILO MINING CORP.
(the "Corporation")

CHARTER OF THE AUDIT COMMITTEE

(as ratified by the Board on August 3, 2016)

1. Purpose of the Audit Committee

The Audit Committee oversees the accounting and financial reporting processes of the Corporation and its subsidiaries and all audits and external reviews of the financial statements of the Corporation on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Corporation and its subsidiaries.

2. Composition and Procedures of the Audit Committee

2.1 The Audit Committee shall be appointed annually by the Board and shall be composed of at least three members, each of whom must be a director of the Corporation.

2.2 Each member of the Audit Committee shall hold office as such until the next annual meeting of shareholders after his or her appointment, provided that any member of the Audit Committee may be removed or replaced at any time by the Board and shall at any time cease to be a member of the Audit Committee on ceasing to be a director.

2.3 At least one member of the Audit Committee shall be independent and the Board and the Audit Committee shall endeavour to appoint a majority of independent directors to the Audit Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Audit Committee members' independent judgment.

2.4 At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

3. Meeting Requirements

3.1 The times of and the places where meetings of the Audit Committee will be held and the calling of and the procedure at those meetings shall be determined from time to time by the Audit

Committee, but in any event, the Audit Committee will meet on a regular basis at least once every quarter; provided that notice of every such meeting shall be given to the Auditor (as defined in paragraph 4.1.1 below) of the Corporation and that meetings shall be convened whenever requested by the Auditor or any member of the Audit Committee in accordance with the *Canada Business Corporations Act*.

3.2 Two members of the Audit Committee shall constitute a quorum.

4. Duties and Responsibilities

4.1 *Appointment, Oversight and Compensation of Auditor*

(a) The Audit Committee shall recommend to the Board:

(i) the auditor (the "**Auditor**") to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and

(ii) the compensation of the Auditor.

(b) In making such recommendations, the Audit Committee shall evaluate the Auditor's performance and review the Auditor's fees for the preceding year.

(c) The Auditor shall report directly to the Audit Committee.

(d) The Audit Committee shall be directly responsible for overseeing the work of the Auditor, including the resolution of disagreements between management and the Auditor regarding financial reporting.

(e) The Audit Committee shall review information, including written statements from the Auditor, concerning any relationships between the Auditor and the Corporation or any other relationships that may adversely affect the independence of the Auditor and assess the independence of the Auditor.

4.2 *Non-Audit Services*

(a) All auditing services and non-audit services provided to the Corporation or the Corporation's subsidiaries by the Auditor shall, to the extent and in the manner required by applicable law or regulation, be pre-approved by the Audit Committee. In no circumstances shall the Auditor provide any non-audit services to the Corporation that are prohibited by applicable law or regulation.

4.3 *Review of Financial Statements etc.*

(a) The Audit Committee shall review the Corporation's:

(i) interim and annual financial statements and Management's Discussion and Analysis ("**MD&A**"), intended for circulation among shareholders; and

(ii) Annual Information Form only to the extent that it contains financial information or projections, and shall report on them to the Board.

(b) The Audit Committee shall satisfy itself that the audited financial statements and interim financial statements present fairly the financial position and results of operations in accordance with generally accepted accounting principles and that the auditors have no reservations about such statements.

(c) The Audit Committee shall review changes in the accounting policies of the Corporation and accounting and financial reporting proposals that are provided by the Auditor that may have a significant impact on the Corporation's financial reports, and report on them to the Board.

4.4 *Review of Public Disclosure of Financial Information*

(a) The Audit Committee shall review the Corporation's annual and interim press releases relating to financial results before the Corporation publicly discloses this information.

(b) The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection 4.4.1, and must periodically assess the adequacy of those procedures.

4.5 *Review of Annual Audit*

(a) The Audit Committee shall review the nature and scope of the annual audit, and the results of the annual audit examination by the Auditor, including any reports of the Auditor prepared in connection with the annual audit.

(b) The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect the audited financial statements.

(c) The Audit Committee shall satisfy itself that, where there are unsettled issues that do not affect the audited financial statements (e.g. disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.

(d) The Audit Committee shall satisfy itself that there is generally a good working relationship between management and the Auditor.

4.6 *Review of Quarterly Review Engagements*

(a) The Audit Committee shall review the nature and scope of any review engagements for interim financial statements, and the results of such review engagements by the Auditor, including any reports of the Auditor prepared in connection with such review engagements.

(b) The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect any interim financial statements.

(c) The Audit Committee shall satisfy itself that, where there are unsettled issues that do not affect any interim financial statements (e.g. disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.

4.7 *Internal Controls*

(a) The Audit Committee shall have responsibility for oversight of management reporting and internal control for the Corporation and its subsidiaries.

(b) The Audit Committee shall satisfy itself that there are adequate procedures for review of interim statements and other financial information prior to distribution to shareholders.

4.8 *Complaints and Concerns*

(a) The Audit Committee shall establish procedures for:

(i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

4.9 *Hiring Practices*

(a) The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former Auditors of the Corporation.

4.10 *Other Matters*

(a) The Audit Committee shall be responsible for oversight of the effectiveness of management's interaction with and responsiveness to the Board;

(b) The Audit Committee shall review and monitor all related party transactions which may be entered into by the Corporation.

(c) The Audit Committee shall approve, or disapprove, material contracts where the Board determines it has a conflict.

(d) The Audit Committee shall satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulations relating to insider trading, continuous disclosure and financial reporting.

(e) The Audit Committee shall periodically review the adequacy of this Charter and recommend any changes to the Board.

(f) The Board may refer to the Audit Committee such matters and questions relating to the financial position of the Corporation and its affiliates as the Board from time to time may see fit.

5. Rights and Authority of the Audit Committee and the Members Thereof

5.1 The Audit Committee has the authority:

(a) To engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) To set and require the Corporation to pay the compensation for any advisors employed by the Audit Committee; and

(c) To communicate directly with the Auditor and, if applicable, the Corporation's internal auditor.

5.2 The members of the Audit Committee shall have the right, for the purpose of performing their duties, to inspect all the books and records of the Corporation and its affiliates and to discuss those accounts and records and any matters relating to the financial position of the Corporation with the officers and Auditor of the Corporation and its affiliates, and any member of the Audit Committee may require the Auditor to attend any or every meeting of the Audit Committee.

6. Miscellaneous

Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Corporation or members of the Audit Committee. The purposes, responsibilities, duties and authorities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.