



ANNUAL INFORMATION FORM 2022

FOR THE YEAR ENDED DECEMBER 31, 2022
DATED MARCH 17, 2023



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Introduction

This annual information form (“AIF”) provides important 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 history and its business, including the Corporation’s mineral exploration projects, the risks the Corporation faces, the market for its shares and its governance, amongst other matters concerning the Corporation’s business.

This AIF is dated as of March 17, 2023. Unless otherwise indicated, all information in this AIF is as of December 31, 2022.

With respect to financial information, readers should refer to Filo Mining’s audited consolidated financial statements and management’s discussion and analysis for the year ended December 31, 2022 which are available under the Company’s profile on the SEDAR website www.sedar.com (“SEDAR”) for complete information, as the information in this AIF has been selectively drawn and may not be complete.

Financial Information

Financial information is presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”).

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 (“US\$”), as quoted by the Bank of Canada, were:

| Bank of Canada exchange rate for \$/US\$ | Year Ended December 31 | | |
|------------------------------------------|------------------------|------------|------------|
| | 2020 | 2021 | 2022 |
| | US\$0.7854 | US\$0.7888 | US\$0.7383 |

The rates of exchange for the years ended December 31, 2020, 2021 and 2022, as set forth in the table above are based on the indicative rate of exchange for the Canadian dollar, as reported by the Bank of Canada, expressed in US\$, in effect at the end of the relevant period.

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.

| <u>Imperial Measure</u> | = | <u>Metric Unit</u> | <u>Metric Unit</u> | = | <u>Imperial Measure</u> |
|----------------------------|---|--------------------|--------------------|---|-------------------------|
| 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 Jamie Beck, P. Eng., the Corporation's President and Chief Executive Officer. Each of Mr. Carmichael and Mr. Beck are Qualified Persons as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101"). 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 – Definition Standards adopted by CIM Council on May 10, 2014 (the "CIM Definition Standards") that are incorporated by reference in NI 43-101.

Caution About 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.

Forward-looking statements in this AIF:

- generally, include any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance;
- are 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
- include but are not limited to words or phrases 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.

Examples of Forward-Looking Statement:

Examples of these forward-looking statements in this AIF may include statements relating to:

- anticipated exploration and drilling activities or other work programs
- estimated costs and level of expenditure
- Mineral Resource and Mineral Reserve estimates
- ability to undertake year-round exploration activities
- anticipated completion of transactions
- estimates of net present value ("**NPV**")
- the granting or extending of exploration mining concessions
- the timing of the environmental assessment processes
- government permitting requirements and timelines required for such permits
- estimated timing and cost of reclamation obligations
- cash flow estimates
- the Corporation's ability to protect its workforce from epidemics and pandemics (including COVID-19 pandemic)

- the ability to negotiate agreements with the Pulido Community (as defined herein) to provide access to, and allow for exploration work at, the project area
- production estimates and similar statements relating to the economic viability of a potential mining project, timelines, strategic plans, economic and scoping-level parameters including the Corporation's plans and expectations relating to the Filo del Sol Project located in the Atacama Region of Northern Chile and the adjacent San Juan province of Argentina (the "**Filo del Sol Project**" or the "**Project**")
- the Corporation's ability to locate and retain persons with specialized skills and knowledge
- the proposed site layout, 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 cost and timing of potential development of the Filo del Sol Project
- the Corporation's liquidity and potential need for and availability of future sources of financing, including the timing thereof
- the anticipated name change from Filo Mining Corp to Filo Corp

All statements other than statements of historical fact may be forward-looking statements. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions management currently believes to be reasonable.

Assumptions and Material Risks

Forward-looking information is necessarily based upon various estimates and assumptions including, without limitation, the expectations and beliefs of management, including that the Corporation can access financing, appropriate equipment and sufficient labour; assumed and future price of copper, gold, silver and other metals; anticipated costs; ability to achieve goals; the prompt and effective integration of acquisitions; that the political environment in which the Corporation operates will continue to support the development and operation of mining projects; and assumptions related to the factors set forth below. While these factors and assumptions are considered reasonable by Filo Mining as at the date of this AIF, in light of management's experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown risks, uncertainties and other important factors that may cause the actual results, level of activity performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information and statements. The following, as further described under "Risk Factors" in this AIF and in the Corporation's management's discussion and analysis for the year ended December 31, 2022, are among the factors that could cause actual results, performance or achievements to differ materially from the forward-looking information and statements:

- volatility in metal prices, namely gold ("**Au**"), silver ("**Ag**") and copper ("**Cu**");
- volatility in interest, inflation and currency exchange rates;
- government regulation limiting the free flow of currencies;
- failure of exploration efforts to expand Mineral Resources and Mineral Reserves or to convert Inferred Mineral Resources to Indicated Mineral Resources;
- unexpected changes in business and economic conditions;

- volatility in the market price of the Common Shares;
- the ability to arrange financing;
- the ability to obtain regulatory approvals, permits and licenses when required to conduct operations;
- high altitude operations in the Andes Mountains where climactic conditions are subject to unforeseen and severe changes and oxygen levels are reduced;
- weather, including excessive snowfall in the Andes Mountains;
- infectious diseases, pandemics and health crisis and the governmental and regulatory actions taken in response thereto;
- war or other forms of conflict affecting either the Corporation's operating jurisdictions directly or otherwise having a global impact, such as through supply chain and international trade disruptions and increased market volatility;
- carrying on business in an emerging market such as possible government instability, 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 or other regulatory regimes in Chile and Argentina;
- environmental and socio-political factors, including climate change and carbon pricing;
- compliance with environmental laws and liability for environmental contamination;
- opposition to mining, including by local communities and non-governmental organizations;
- exploration and development activity;
- the Corporation's reliance on one project;
- illegal mining;
- recruiting and retaining key qualified personnel;
- availability of, and ability to import, skilled personnel, contractors, materials, equipment, supplies, power and water;
- access to reliable infrastructure;
- potential ability to sell future products due to elevated levels of deleterious elements;
- 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;
- regulatory compliance;
- cyber security;
- fraud;
- the potential influence of the Corporation’s largest shareholders; or
- potential conflicts of interest for the Corporation’s directors who are engaged in similar businesses.

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

This AIF was prepared in accordance with Canadian standards for reporting of mineral resource estimates, which differ from United States standards. In particular, and without limiting the generality of the foregoing, the terms “Inferred Mineral Resources,” “Indicated Mineral Resources,” “Measured Mineral Resources” and “Mineral Resources” used or referenced in this AIF are Canadian mineral disclosure terms as defined in accordance with NI 43-101 under the guidelines set out in the CIM Definition Standards. The CIM Definitions Standards differ significantly from standards in the United States included in U.S. Securities and Exchange Commission (the “SEC”) Industry Guide 7.

The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the *U.S. Securities Exchange Act of 1934*, as amended. These amendments became effective February 25, 2019 (the “SEC Modernization Rules”) with compliance required for the first fiscal year beginning on or after January 1, 2021. Under the SEC Modernization Rules, the historical property disclosure requirements for mining registrants included in SEC Industry Guide 7 will be rescinded and replaced with disclosure requirements in subpart 1300 of SEC Regulation S-K. Following the transition period, as a foreign private issuer that is eligible to file reports with the SEC pursuant to the multi-jurisdictional disclosure system, the Corporation is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and will continue to provide disclosure under NI 43-101 and the CIM Definition Standards.

As a result of the adoption of the SEC Modernization Rules, the SEC will recognize estimates of “Measured Mineral Resources,” “Indicated Mineral Resources” and “Inferred Mineral Resources.” In addition, the SEC has amended its definitions of “Proven Mineral Reserves” and “Probable Mineral Reserves” to be “substantially similar” to the corresponding definitions under the CIM Definitions Standards that are required under NI 43-101. Accordingly, during this period leading up to the compliance date of the SEC Modernization Rules, information regarding Mineral Resources or Mineral Reserves contained or referenced in this AIF may not be comparable to similar information made public by companies that report in accordance with U.S. standards. While the above terms are “substantially similar” to CIM Definitions Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any Mineral Reserves or Mineral

Resources that the Corporation may report as “Proven Mineral Reserves”, “Probable Mineral Reserves”, “Measured Mineral Resources”, “Indicated Mineral Resources” and “Inferred Mineral Resources” under NI 43-101 would be the same had the Corporation prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules. Accordingly, information contained in this AIF regarding 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.

Corporate Structure

About Filo Mining

Filo Mining is a Canadian exploration and development mining company focused on its 100% controlled flagship project Filo del Sol. The Corporation 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 the composition of the audit committee and 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.

| Head & Principal Address | Registered & Records Address |
|-------------------------------------|-------------------------------------|
| Filo Mining Corp. | Cassels Brock & Blackwell LLP. |
| Suite 2000, 885 West Georgia Street | Suite 2200, 885 West Georgia Street |
| Vancouver, BC | Vancouver, BC |
| V6C 3E8 Canada | V6C 3E8 Canada |
| Phone: (604) 689-7842 | Phone: (604) 691-6100 |

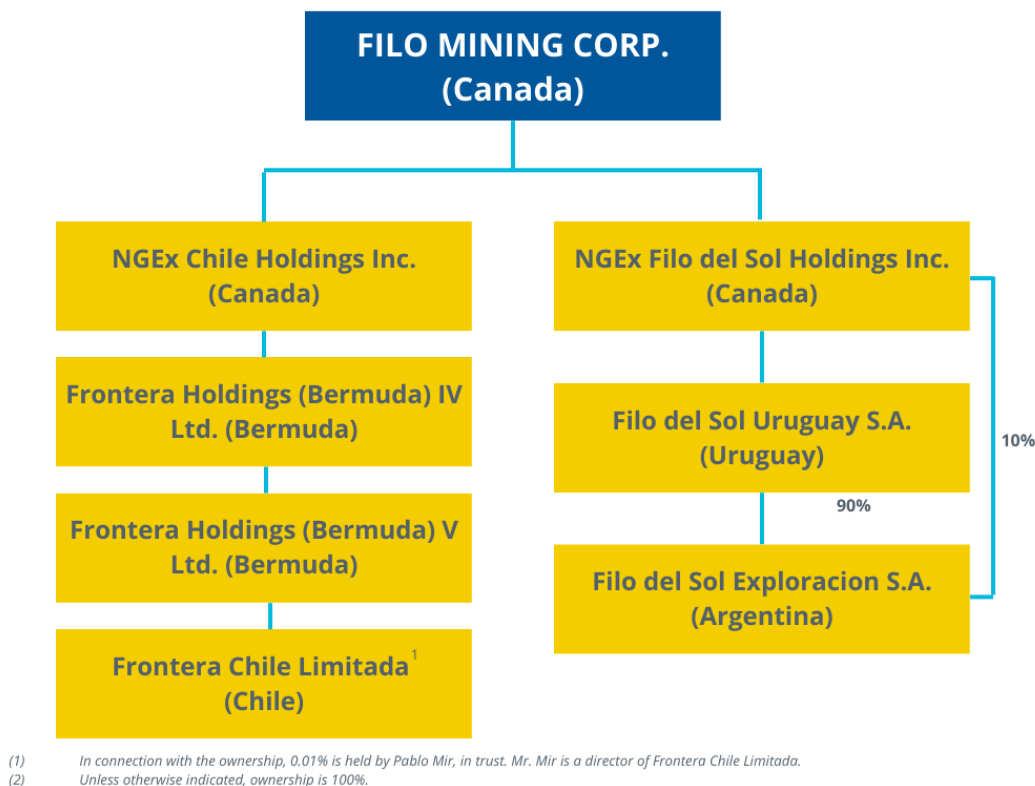
Filo Mining’s website is www.filo-mining.com. The Corporation’s website is provided herein for informational purposes only and information contained on the Corporation’s website should not be deemed to be incorporated by reference herein.

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 TSX Exchange (“**TSX**”) and on Nasdaq First North Growth Market under the symbol “**FIL**”, and on the OTC Markets (“**OTCQX**”) under the symbol “**FLMMF**”.

On January 17, 2023, the Corporation announced approval by the Board of Directors (the “**Board**”) of a proposal to change its name from “Filo Mining Corp.” to “Filo Corp.”. Details on this proposed change of name will be contained in the Corporation’s management information circular for the year ended December 31, 2022, to be prepared in connection with the Corporation’s annual meeting of shareholders scheduled to be held on June 23, 2023, which will be available on SEDAR at www.sedar.com. If the name change is approved by shareholders, there will be no change to the Corporation’s TSX, Nasdaq First North Growth Markets or OTCQX ticker symbols.

Intercorporate Relationships

A significant portion of the Corporation’s business is carried on through its various subsidiaries. The following chart illustrates, as at December 31, 2022 and as of the date of this AIF, 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:



Three Year History

2020

On each of January 6, February 20, April 20, and May 20, 2020, Filo Mining announced assay results from the Filo del Sol Project. See “Drill Results” at the end of this section for results from the 2019/2020 drill program.

On March 19, 2020, the Corporation announced that, as a result of the COVID-19 pandemic, the 2019/2020 drill program was being curtailed, and that it had implemented travel restrictions, surveillance, monitoring and response plans at its camp facilities and offices to reduce the risk of COVID-19 exposure and outbreak.

On June 12, 2020, the Corporation entered into a replacement US\$5 million credit facility (the “**Replacement Facility**”), issued by Zebra Holdings and Investments S.à.r.l (“**Zebra**”), a company controlled by a trust settled by the late Adolf H. Lundin and an insider of the Corporation, evidenced by a debenture (the “**2020 Debenture**”), with an effective date of July 12, 2020, to provide additional financial flexibility to fund the Corporation’s ongoing work programs and provide general working capital. The Replacement Facility had a term of 12 months ending July 12, 2021. No interest was payable in cash during the term of the 2020 Debenture; however, any amount of the Replacement Facility remaining unpaid and outstanding on or after the maturity date was to bear interest at a rate of 5.00% per annum until repaid in full. The Replacement Facility was issued by Zebra. As consideration, the Corporation agreed to issue to Zebra 480 Common Shares per month for each US\$50,000 of the Replacement Facility outstanding from time to

time up to the maturity date. The Replacement Facility replaced a previous facility, which matured on July 12, 2020. The outstanding balance owing to Zebra under the previous facility, was transferred and formed part of the amount owing under the Replacement Facility.

On June 12, 2020, the Corporation announced that it had retained PI Financial Corp. to provide market making services in accordance with TSX Venture Exchange (“**TSX-V**”) policies. In consideration of the services provided, the Corporation agreed to pay PI Financial Corp. a monthly cash fee of \$3,500. The Corporation’s agreement with PI Financial Corp. has a minimum term of three months, after which the Corporation may terminate the agreement on 30 days’ notice.

On June 22, 2020, Filo Mining announced the appointment of Mr. Jamie Beck as President & Chief Executive Officer (“**CEO**”) and Director of the Corporation. Also newly elected to the Board at the Corporation’s AGM was Ms. Erin Johnston, Managing Director of the Lundin Foundation. At the same time, Mr. Adam I. Lundin stepped down as Filo Mining’s CEO and transitioned to Chair of the Board. As Chair Mr. Lundin took over from Mr. Lukas H. Lundin, who continued to serve as a Director of the Corporation. Following Mr. Beck’s appointment and Ms. Johnston’s election, the Corporation continued to have seven Board members, as Mr. Ashley Heppenstall and Mr. Pablo Mir did not stand for re-election at the 2020 Annual General Meeting of Shareholders.

On June 25, 2020, the Corporation summarized results from the 2019/2020 drill program and outlined potential to significantly expand the current Mineral Resource for the Filo del Sol Project. See “Drill Results” at the end of this section for results from the 2019/2020 drill program.

On July 30, 2020, the Corporation closed a bought deal financing (the “**2020 Offering**”) and a concurrent private placement (the “**2020 Concurrent Private Placement**”) for aggregate gross proceeds of approximately \$41.7 million. Pursuant to the 2020 Offering, a total of 6,325,000 Common Shares, including 825,000 Common Shares issued pursuant to the exercise in full of an over-allotment option, were sold at a price of \$1.85 per Common Share, for aggregate gross proceeds of approximately \$11.7 million. Pursuant to the 2020 Concurrent Private Placement, a total of 16,213,235 Common Shares were sold at a price of \$1.85 per Common Share, for additional aggregate gross proceeds of approximately \$30 million. Shortly after closing of the Offering and Concurrent Private Placement, approximately \$1.3 million of the resulting net proceeds was used by the Company to fully repay amounts drawn under an existing credit facility extended by Zebra.

On August 17, 2020, the Corporation announced that the Board had approved, in accordance with the Corporation’s stock option plan, the grant of 1,450,000 incentive stock options to certain directors, officers, employees and other eligible persons of the Corporation. The stock options are exercisable, subject to vesting provisions, over a period of five years at an exercise price of \$1.91 per Common Share.

On September 1, 2020, the Corporation announced the appointment of Ms. Carmel Daniele as a director of the Corporation and the resignation of Mr. Paul McRae as a director of the Corporation.

On October 23, 2020, the Corporation announced the mobilization of crews and equipment to the Filo del Sol Project site, and the planned resumption of drilling operations in early November 2020. Planning for the program included a detailed COVID-19 protocol which involved a comprehensive testing and quarantine plan for all personnel prior to travelling to site, as well as response measures for actual or suspected COVID-19 cases at site. The protocol was approved by the San Juan provincial health authority and met or exceeded all government requirements at the time.

On November 17, 2020, the Corporation announced that drilling for the 2020/2021 field season had started at the Filo del Sol Project.

On November 30, 2020, the Corporation announced that it had qualified to trade on the OTCQX® Best Market and that the Common Shares had commenced trading on the OTCQX under the symbol “FLMMF”.

2021

On March 31, 2021, the Corporation announced initial assay results from the 2020/2021 drill program at the Filo del Sol Project and the extension of the 2020/2021 drill program through May 2021. See “Drill Results” at the end of this section for results from the 2020/2021 drill program. Encouraged by the efficacy of its internally developed COVID-19 operating protocol through the earlier phases of the program, the Corporation added an additional drill rig and related support to the campaign in February 2021. As a result, the Corporation successfully completed 7,288 metres of drilling during the quarter and reached the season’s target of approximately 8,300 metres by March 31, 2021.

On May 13, 2021, the Corporation announced the discovery of a significant new zone of high-grade copper, gold and silver mineralization, subsequently named “**Breccia 41**”, at the Filo del Sol Project. See “Drill Results” at the end of this section for results from the 2020/2021 drill program.

The Corporation’s 2020/2021 drill campaign at the Filo del Sol Project concluded in May 2021, with a total of 11,280m of drilling completed in 15 holes during the field season. The program successfully intersected high-grade mineralization currently believed to be a feeder zone to the sizeable Filo del Sol deposit and extended the deposit 360m to the east and 250m at depth. The north-south extent of continuous, known mineralization was increased to a total distance of 4,500m. See “Drill Results” at the end of this section for results from the 2020/2021 drill program.

On June 7, 2021, the Corporation announced the appointment of Mr. Trevor D’Sa as Vice President, Corporate Development and Investor Relations of the Corporation.

Following the completion of its 2020/2021 drill campaign in May 2021, the Corporation commenced preparations for the resumption of drilling before the end of August 2021, leading to year-round field operations moving forward. Plans for the 2021/2022 season, included infill drilling, with early targeting of the FSDH041 high-grade zone, exploration step-out drilling as the deposit remains open to the east, north and south, as well as at depth, preliminary metallurgical testwork on the sulphide mineralization and continued environmental and social baseline work in support of future project permitting.

Following camp winterization and maintenance efforts undertaken from June through to early August 2021, the Corporation commenced its 2021/2022 drill campaign at Filo del Sol in late August 2021 with three rigs, marking the earliest launch to a drill campaign in the project’s history. The Corporation planned to add additional rigs and achieve continuous drilling with seven rigs active on the project throughout 2022. The Corporation’s drilling plans were subject to equipment and staff availability, along with being able to operate safely and effectively in accordance with the Corporation’s COVID-19 protocols.

On August 18, 2021 the Corporation announced that the Board had approved, in accordance with the Corporation’s stock option plan, the grant of 1,052,000 incentive stock options to certain directors, officers, employees and other eligible persons of the Corporation. The stock options are exercisable, subject to vesting provisions, over a period of five years at an exercise price of \$8.95 per Common Share.

On October 1, 2021, the Common Shares of the Corporation commenced trading on the TSX under the symbol “FIL”. The Corporation’s Common Shares traded on the TSX-V under the symbol “FIL” until the Corporation’s voluntary delisting on September 30, 2021 to facilitate graduation to the TSX.

On October 19, 2021, Mr. Phillip S. Brumit Sr. was appointed to the Board of Directors of the Corporation.

On December 7, 2021, the Corporation announced that it had engaged Aktieinvest FK AB as its certified adviser on the Nasdaq First North Growth Market in Stockholm, replacing Pareto Securities AB.

2022

On each of January 12, January 19, April 19, May 23, June 9, August 23, and November 10, 2022, the Corporation announced assay results and provided various updates on the Filo del Sol drilling program. See “Drill Results” at the end of this section for results from the 2021/2022 drill program.

On March 11, 2022 the Corporation announced the closing of the non-brokered private placement (the “**2022 Private Placement**”) by BHP Western Mining Resources International Pty Ltd, a wholly owned subsidiary of BHP Group Limited (“**BHP**”), as originally announced on February 28, 2022. Pursuant to the 2022 Private Placement, the Corporation issued 6,270,000 common shares of the Corporation at a price of C\$15.95 per Common Share for total gross proceeds of approximately \$100 million. As a result of the completion of the 2022 Private Placement, BHP owns approximately 5% of the Corporation’s issued and outstanding Common Shares on an undiluted basis. Pursuant to the subscription agreement dated February 28, 2022 (the “**Subscription Agreement**”), BHP has been granted certain participation and top-up rights, allowing BHP to maintain its ownership interest from time to time, provided that such participation rights will not apply to any portion of BHP’s ownership interest in excess of a 9.9% undiluted ownership level in the Corporation. In addition, the Company and BHP agreed to form a joint advisory committee to share expertise, exploration concepts, and discuss future project development. During the year ended December 31, 2022, an additional 44,047 Common Shares were issued to BHP pursuant to the top-up maintenance right.

On May 12, 2022 the Corporation announced it successfully extended Breccia 41 by 175m to the North. See “Drill Results” at the end of this section for results from the 2020/2021 drill program.

On June 3, 2022, the Corporation announced inclusion in the S&P/TSX Composite Index.

On June 23, 2022, Mr. William Lundin was appointed to the Board of Directors at the Corporation’s 2022 Annual General Meeting (the “**AGM**”) of Shareholders. Mr. Lukas Lundin did not stand for re-election at the Corporation’s AGM.

On July 27, 2022, the Corporation regrettably announced the passing away of Mr. Lukas Lundin, the Corporation’s Founder and Former Chair.

On September 1, 2022, the Corporation announced the appointment of Mr. Ian Gibbs, as Chief Financial Officer and Mr. Arndt Brettschneider as VP, Operations and Projects and the resignation of Mr. Jeff Yip.

On September 21, 2022, the Corporation announced the appointment of Mr. Ron Hochstein to the Board of Directors and the resignation of Mr. Phil Brumit.

On December 16, 2022, the Corporation announced inclusion in VanEck Junior Gold Miners ETF (“**GDXJ**”) pursuant to the GDXJ’s quarterly rebalancing.

Subsequent to 2022

On January 10 and February 2, 2023, Filo Mining announced assay results from the Filo del Sol Project. See “Drill Results” at the end of this section for results from the 2022/2023 drill program.

On January 17, 2023, the Corporation announced approval by the Board of Directors of a proposal to change its name from “Filo Mining Corp.” to “Filo Corp.”.

On February 7, 2023, the Company closed a non-brokered private placement to BHP, whereby the Company issued 43,711 common shares to BHP pursuant to their top-up maintenance right.

On March 13, 2023, the Corporation announced the appointment of Mr. Peter O’Callaghan and Ms. Joyce Ngo to the Board of Directors and the resignation of Mr. Alessandro Bitelli.

On March 16, 2023, Filo Mining announced assay results from the Filo del Sol Project. See “Drill Results” at the end of this section for results from the 2022/2023 drill program.

On March 17, 2023, the Corporation updated the 43-101 Technical Report for the Filo del Sol Project. The report was updated in order to summarize the results of the technical work that has been completed since publication of the previous technical report in 2019. Subsequent to that report, the Company completed approximately 45,000m of additional drilling resulting in the discovery of a large zone of sulphide mineralization below and adjacent to the mineral resource. This work has enabled a much better understanding of the project geology and has highlighted the potential for a sulphide resource in addition to the currently defined oxide resource described in the report.

Geological modelling and data density are deemed to be insufficient to allow for the estimation of a resource which incorporates the sulphide mineralization at this time, however the 2019 oxide resource was updated with data from portions of the new drilling which intersected the block model limits. These limits remain unchanged from 2019.

Drill Results

The table below shows significant intersections from these three post-Filo del Sol PFS exploration seasons.

| HOLE-ID | From (m) | To (m) | Length (m) | Cu % | Au g/t | Ag g/t | CuEq1 % | Date of Press Release |
|----------------|----------|--------|------------|------|--------|--------|---------|-----------------------|
| FSDH032 | 132.0 | 1141.0 | 1009.0 | 0.57 | 0.39 | 11.1 | 0.95 | Apr 20, 2020 |
| incl | 378.3 | 1141.0 | 762.7 | 0.68 | 0.43 | 13.2 | 1.10 | |
| and incl | 492.0 | 702.8 | 210.8 | 0.90 | 0.54 | 19.5 | 1.46 | |
| FSDH033 | 96.0 | 552.0 | 456.0 | 0.48 | 0.44 | 19.8 | 0.97 | Apr 20, 2020 |
| incl | 200.0 | 226.0 | 26.0 | 2.03 | 0.81 | 2.8 | 2.64 | |
| and incl | 264.0 | 284.0 | 20.0 | 0.03 | 0.42 | 223.1 | 2.19 | |
| FSDH034 | 72.0 | 1106.0 | 1034.0 | 0.42 | 0.32 | 3.4 | 0.68 | Apr 20, 2020 |
| incl | 520.0 | 959.0 | 439.0 | 0.54 | 0.36 | 4.2 | 0.84 | |
| FSDH035 | 46.0 | 58.0 | 12.0 | 0.43 | 0.06 | 1.3 | 0.48 | Apr 20, 2020 |
| FSDH036 | 174.0 | 367.1 | 193.1 | 0.16 | 0.25 | 3.6 | 0.37 | Apr 20, 2020 |
| FSDH038 | 150.0 | 383.0 | 233.0 | 0.82 | 0.93 | 31.1 | 1.76 | May 20, 2020 |
| incl | 150.0 | 158.0 | 8.0 | 0.89 | 6.39 | 2.3 | 5.57 | |
| and incl | 262.0 | 280.0 | 18.0 | 0.62 | 0.45 | 286.2 | 3.32 | |
| FSDH039 | NSV | | | | | | | May 20, 2020 |
| VRC166 | NSV | | | | | | | Apr 20, 2020 |
| VRC167 | NSV | | | | | | | Apr 20, 2020 |
| VRC168 | NSV | | | | | | | Apr 20, 2020 |
| VRC169 | 92.0 | 172.0 | 80.0 | 0.17 | 0.08 | 0.4 | 0.23 | Apr 20, 2020 |
| VRC170 | NSV | | | | | | | Apr 20, 2020 |
| VRC171 | NSV | | | | | | | Apr 20, 2020 |

| HOLE-ID | From (m) | To (m) | Length (m) | Cu % | Au g/t | Ag g/t | CuEq1 % | Date of Press Release |
|----------------|----------|--------|------------|------|--------|--------|---------|-----------------------|
| VRC172 | 22.0 | 124.0 | 102.0 | 0.12 | 0.05 | 0.6 | 0.16 | Apr 20, 2020 |
| VRC173 | NSV | | | | | | | Apr 20, 2020 |
| VRC174 | NSV | | | | | | | Apr 20, 2020 |
| VRC175 | 24.0 | 252.0 | 228.0 | 0.14 | 0.09 | 1.9 | 0.22 | Apr 20, 2020 |
| VRC176 | 0.0 | 8.0 | 8.0 | 0.01 | 0.37 | 13.0 | 0.39 | Apr 20, 2020 |
| plus | 56.0 | 256.0 | 200.0 | 0.08 | 0.31 | 4.0 | 0.34 | |
| incl | 72.0 | 98.0 | 26.0 | 0.04 | 1.03 | 6.5 | 0.85 | |
| VRC177 | 288.0 | 300.0 | 12.0 | 0.23 | 0.21 | 13.7 | 0.50 | May 20, 2020 |
| VRC178 | 130.0 | 148.0 | 18.0 | 0.00 | 0.42 | 1.0 | 0.31 | May 20, 2020 |
| FSDH037 | 118.0 | 134.0 | 16.0 | 0.39 | 0.45 | 4.8 | 0.76 | May 13, 2021 |
| plus | 208.0 | 240.0 | 32.0 | 0.25 | 0.21 | 0.6 | 0.40 | |
| plus | 380.0 | 882.0 | 502.0 | 0.41 | 0.13 | 27.8 | 0.75 | |
| incl | 380.0 | 484.0 | 104.0 | 0.19 | 0.07 | 119.9 | 1.30 | |
| FSDH040 | 94.0 | 211.5 | 117.5 | 0.45 | 0.29 | 2.4 | 0.69 | Mar 31, 2021 |
| incl | 94.0 | 120.0 | 26.0 | 1.15 | 0.28 | 2.3 | 1.37 | |
| FSDH041 | 188.0 | 1046.0 | 858.0 | 0.86 | 0.70 | 48.1 | 1.80 | May 13, 2021 |
| incl | 376.0 | 1046.0 | 670.0 | 1.07 | 0.85 | 60.9 | 2.23 | |
| incl | 780.3 | 943.3 | 163.0 | 2.31 | 2.07 | 183.0 | 5.43 | |
| incl | 780.3 | 864.0 | 83.7 | 3.13 | 2.40 | 272.2 | 7.27 | |
| FSDH042 | 262.0 | 310.0 | 48.0 | 0.00 | 1.01 | 0.7 | | Apr 12, 2021 |
| FSDH043 | 300.0 | 1068.0 | 768.0 | 0.29 | 0.10 | 2.0 | 0.39 | Mar 31, 2021 |
| incl | 774.3 | 1068.0 | 293.7 | 0.47 | 0.16 | 2.6 | 0.61 | |
| incl | 980.0 | 1068.0 | 88.0 | 0.61 | 0.19 | 3.3 | 0.78 | |
| FSDH044 | 58.0 | 1000.0 | 942.0 | 0.42 | 0.32 | 2.2 | 0.67 | Mar 31, 2021 |
| FSDH045 | 118.0 | 142.0 | 24.0 | 0.19 | 0.35 | 6.8 | 0.50 | May 13, 2021 |
| plus | 268.0 | 286.0 | 18.0 | 0.22 | 0.93 | 5.3 | 0.94 | |
| FSDH046 | 77.7 | 1456.0 | 1378.3 | 0.45 | 0.30 | 6.1 | 0.71 | Jul 19, 2021 |
| incl | 302.0 | 1456.0 | 1154.0 | 0.50 | 0.30 | 7.1 | 0.80 | |
| incl | 380.0 | 974.0 | 594.0 | 0.59 | 0.30 | 12.7 | 0.95 | |
| incl | 380.0 | 1056.0 | 676.0 | 0.57 | 0.30 | 11.3 | 0.92 | |
| FSDH047 | 86.0 | 493.5 | 407.5 | 0.29 | 0.16 | 2.1 | 0.43 | Jun 15, 2021 |
| incl | 324.0 | 493.5 | 169.5 | 0.39 | 0.20 | 2.9 | 0.57 | |

| HOLE-ID | From (m) | To (m) | Length (m) | Cu % | Au g/t | Ag g/t | CuEq1 % | Date of Press Release |
|-----------------|-------------------------------|--------|------------|------|--------|--------|---------|-----------------------|
| FSDH048 | 38.0 | 1118.5 | 1080.5 | 0.52 | 0.43 | 5.3 | 0.88 | Jun 15, 2021 |
| incl | 498.0 | 850.0 | 352.0 | 0.63 | 0.64 | 6.7 | 1.16 | |
| FSDH049 | 0.0 | 30.0 | 30.0 | 0.01 | 1.38 | 1.9 | 0.00 | Aug 4, 2021 |
| plus | 90.0 | 515.3 | 425.3 | 0.42 | 0.44 | 91.5 | 1.55 | |
| incl | 220.0 | 364.6 | 144.6 | 0.58 | 0.61 | 249.9 | 3.22 | |
| incl | 228.0 | 284.0 | 56.0 | 0.67 | 0.51 | 629.1 | 0.00 | |
| incl | 236.0 | 240.0 | 4.0 | 0.57 | 0.36 | 5045.0 | 0.00 | |
| FSDH050 | 276.0 | 476.8 | 200.8 | 0.26 | 0.28 | 16.2 | 0.60 | Jul 19, 2021 |
| incl | 329.2 | 356.0 | 26.9 | 0.49 | 0.34 | 7.8 | 0.81 | |
| and incl | 424.0 | 476.8 | 52.8 | 0.36 | 0.40 | 48.8 | 1.08 | |
| FSDH051 | 246.0 | 590.0 | 344.0 | 0.26 | 0.21 | 9.4 | 0.50 | Aug 4, 2021 |
| incl | 280.0 | 316.0 | 36.0 | 0.16 | 0.91 | 50.5 | 1.26 | |
| and incl | 376.0 | 530.0 | 154.0 | 0.41 | 0.14 | 5.0 | 0.56 | |
| FSDH052 | Curtailed before target depth | | | | | | | |
| FSDH053 | Curtailed before target depth | | | | | | | |
| FSDH054 | 146.0 | 1369.5 | 1223.5 | 0.71 | 0.54 | 18.0 | 1.26 | Jan 19, 2022 |
| Incl | 435.9 | 442.0 | 6.1 | 0.59 | 0.24 | 127.5 | 1.89 | |
| incl | 498.0 | 1090.0 | 592.0 | 1.15 | 0.84 | 31.9 | 2.04 | |
| incl | 830.0 | 1001.5 | 171.5 | 1.51 | 1.42 | 75.9 | 3.22 | |
| FSDH055A | 362.0 | 426.0 | 64.0 | 0.01 | 0.49 | 1213.8 | | Jan 12, 2022 |
| incl | 374.4 | 402.0 | 27.6 | 0.01 | 0.50 | 2439.2 | | |
| incl | 380.0 | 388.0 | 8.0 | 0.01 | 0.45 | 5280.0 | | |
| FSDH055B | 366.0 | 428.0 | 62.0 | 0.01 | 0.61 | 280.5 | | Apr 19, 2022 |
| FSDH055C | 150.0 | 1487.5 | 1337.5 | 0.66 | 0.54 | 31.5 | 1.33 | May 23, 2022 |
| incl | 418.0 | 504.0 | 86.0 | 0.07 | 0.43 | 109.2 | | |
| and incl | 540.0 | 1076.0 | 536.0 | 1.25 | 0.95 | 56.1 | 2.44 | |
| incl | 728.0 | 854.0 | 126.0 | 2.12 | 1.69 | 188.7 | 5.02 | |
| incl | 728.0 | 752.0 | 24.0 | 5.08 | 4.88 | 530.2 | 13.30 | |
| incl | 742.0 | 750.6 | 8.6 | 7.08 | 8.16 | 820.4 | 20.25 | |
| FSDH056 | 168.0 | 670.2 | 502.2 | 0.50 | 0.40 | 11.4 | 0.89 | Apr 19, 2022 |
| and incl | 388.0 | 670.2 | 282.2 | 0.68 | 0.39 | 17.9 | 1.13 | |
| incl | 420.0 | 432.5 | 12.5 | 0.39 | 0.93 | 135.8 | | |

| HOLE-ID | From (m) | To (m) | Length (m) | Cu % | Au g/t | Ag g/t | CuEq1 % | Date of Press Release |
|-------------------------|----------|--------|------------|------|--------|--------|---------|-----------------------|
| FSDH057 | 136.0 | 787.1 | 651.1 | 0.63 | 0.37 | 25.6 | 1.12 | May 12, 2022 |
| incl | 404.0 | 432.0 | 28.0 | 0.01 | 0.19 | 109.9 | | |
| and incl | 498.0 | 787.1 | 289.1 | 1.18 | 0.68 | 36.0 | 2.00 | |
| and incl | 776.0 | 787.1 | 11.1 | 9.11 | 8.87 | 230.4 | 17.60 | |
| FSDH058 | 100.0 | 1351.5 | 1251.5 | 0.56 | 0.41 | 6.6 | 0.91 | Apr 19, 2022 |
| incl | 232.0 | 238.0 | 6.0 | 0.24 | 0.24 | 398.3 | | |
| incl | 500.0 | 1004.0 | 504.0 | 0.77 | 0.54 | 7.4 | 1.23 | |
| incl | 600.0 | 910.0 | 310.0 | 0.87 | 0.62 | 8.2 | 1.40 | |
| FSDH059 | 124.0 | 311.5 | 187.5 | 0.13 | 0.19 | 6.2 | 0.33 | May 23, 2022 |
| | 304.0 | 311.5 | 7.5 | 0.00 | 0.08 | 49.7 | | |
| FSDH060 | 332.0 | 1070.0 | 738.0 | 0.39 | 0.14 | 1.9 | 0.51 | Jun 9, 2022 |
| incl | 620.0 | 1070.0 | 450.0 | 0.47 | 0.14 | 1.8 | 0.59 | |
| incl | 620.0 | 942.0 | 322.0 | 0.50 | 0.16 | 1.8 | 0.63 | |
| FSDH061 | 392.0 | 1093.2 | 701.2 | 0.81 | 0.33 | 9.1 | 1.13 | Aug 23, 2022 |
| incl | 508.0 | 914.0 | 406.0 | 0.97 | 0.40 | 11.1 | 1.36 | |
| FSDH062 | 134.0 | 1447.2 | 1313.2 | 0.40 | 0.29 | 4.5 | 0.65 | Nov 23, 2022 |
| incl | 400.0 | 920.4 | 520.4 | 0.51 | 0.35 | 6.4 | 0.82 | |
| FSDH063 | 16.0 | 860.2 | 844.2 | 0.29 | 0.25 | 6.5 | 0.53 | Aug 23, 2022 |
| incl | 16.0 | 548.0 | 532.0 | 0.35 | 0.32 | 9.0 | 0.66 | |
| incl | 16.0 | 158.0 | 142.0 | 0.36 | 0.26 | 18.1 | 0.71 | |
| incl | 436.0 | 548.0 | 112.0 | 0.42 | 0.42 | 15.0 | 0.86 | |
| FSDH064 (VRC179) | 44.0 | 1400.0 | 1356.0 | 0.58 | 0.53 | 14.4 | 1.09 | Nov 23, 2022 |
| incl | 306.0 | 385.0 | 79.0 | 0.73 | 0.90 | 182.6 | 3.00 | |
| and incl | 536.0 | 960.0 | 424.0 | 0.86 | 0.84 | 7.8 | 1.54 | |
| FSDH067 | 132.0 | 1263.6 | 1131.6 | 0.62 | 0.53 | 11.9 | 1.11 | Oct 5, 2022 |
| incl | 160.0 | 480.0 | 320.0 | 0.66 | 0.73 | 29.9 | 1.45 | |
| incl | 202.0 | 206.0 | 4.0 | 1.54 | 12.08 | 20.5 | 10.52 | |
| incl | 248.0 | 284.0 | 36.0 | 0.76 | 0.71 | 123.2 | 2.36 | |
| FSDH068A | 18.0 | 1794.0 | 1776.0 | 0.45 | 0.30 | 4.0 | 0.70 | Feb 2, 2023 |
| incl | 54.0 | 94.0 | 40.0 | 0.65 | 0.92 | 8.1 | 1.39 | |
| and incl | 394.0 | 1514.0 | 1120.0 | 0.59 | 0.38 | 5.3 | 0.92 | |

| HOLE-ID | From (m) | To (m) | Length (m) | Cu % | Au g/t | Ag g/t | CuEq1 % | Date of Press Release |
|-----------------|----------|--------|------------|------|--------|--------|---------|-----------------------|
| incl | 574.0 | 1298.2 | 724.2 | 0.69 | 0.45 | 6.8 | 1.08 | |
| FSDH069A | 138.0 | 1434.5 | 1296.5 | 0.60 | 0.38 | 13.9 | 1.00 | Feb 2, 2023 |
| incl | 404.0 | 435.0 | 31.0 | 0.00 | 0.27 | 127.0 | | |
| and incl | 498.0 | 1096.0 | 598.0 | 0.92 | 0.57 | 19.3 | 1.51 | |
| incl | 792.0 | 886.0 | 94.0 | 1.78 | 1.37 | 26.3 | 3.01 | |
| FSDH070A | 282.0 | 1338.5 | 1056.5 | 0.54 | 0.38 | 4.0 | 0.86 | Jan. 10, 2023 |
| incl | 369.7 | 1040.0 | 670.4 | 0.63 | 0.41 | 5.3 | 0.97 | |
| incl | 540.0 | 712.0 | 172.0 | 0.75 | 0.47 | 5.9 | 1.15 | |
| FSDH071 | 292.0 | 1320.0 | 1028.0 | 0.78 | 0.47 | 6.7 | 1.16 | Jan. 10, 2023 |
| incl | 408.0 | 580.0 | 172.0 | 1.44 | 0.82 | 12.6 | 2.14 | |
| incl | 514.0 | 574.0 | 60.0 | 2.18 | 1.64 | 16.9 | 3.53 | |
| and incl | 776.0 | 1013.5 | 237.5 | 1.04 | 0.68 | 6.0 | 1.49 | |
| FSDH074 | 278.0 | 1300.0 | 1022.0 | 0.49 | 0.19 | 4.4 | 0.66 | Mar 16, 2023 |
| incl | 644.0 | 1160.0 | 516.0 | 0.61 | 0.21 | 3.2 | 0.79 | |
| incl | 840.0 | 1092.0 | 252.0 | 0.65 | 0.23 | 3.6 | 0.85 | |
| FSDH077 | 192.0 | 194.0 | 2.0 | 0.05 | 10.35 | 0.5 | | Mar 16, 2023 |
| plus | 404.0 | 920.2 | 516.2 | 0.11 | 0.11 | 0.9 | 0.20 | |

Copper Equivalent (CuEq) for drill intersections is calculated based on US\$ 3.00/lb Cu, US\$ 1,500/oz Au and US\$ 18/oz Ag. The formula is: $CuEq \% = Cu \% + (0.7292 * Au g/t) + (0.0088 * Ag g/t)$.

The field programs were carried out under the supervision of the Corporation's Vice President, Exploration, Robert Carmichael, B.A.Sc., P.Eng. who is a Qualified Person as defined by NI 43-101. Samples were cut at Filo Mining's Batidero camp near the project site by company personnel. Beginning in the 2020/2021 season, whole core was transported to a new core processing facility located near Rodeo, Argentina, and all sampling activities were carried out there. Diamond drill core was sampled in two metre intervals (except where shortened by geological contacts) using a rock saw for sulphide mineralization. Oxide mineralization was cut with a core splitter in order to prevent dissolution of water-soluble copper minerals during the wet sawing process. Core diameter is a mix of PQ, HQ and NQ depending on the depth of the drill hole. Samples were bagged and tagged at camp, and packaged for shipment by truck to Mendoza, Argentina. RC Samples were collected at the drill site by company personnel with initial splitting carried out at a facility near the drill sites and final splitting completed at the Batidero camp.

Samples were delivered to the ALS preparation laboratory in Copiapó or Mendoza where they were crushed and a 500g split was pulverized to 85% passing 200 mesh. The prepared samples were sent to the ALS assay laboratory in Santiago, Chile for copper, gold and silver assays, with a second split sent to the ALS laboratory in Lima, Peru for multi-element ICP and sequential copper analyses. ALS is an accredited laboratory which is independent of the Corporation. Gold assays were by fire assay fusion with AAS finish on a 30 g sample. Copper and silver were assayed by atomic absorption following a four-acid digestion. Samples were also analyzed for a suite of 36 elements with ICP-ES and a sequential copper leach analysis was completed on each sample with copper greater than 500 ppm (0.05%). Copper and gold standards as well as blanks and duplicates (field, preparation and analysis) were randomly inserted into the sampling sequence for quality control. On average, 9% of the submitted samples are quality control samples. No data quality problems were indicated by the quality assurance/quality control program.

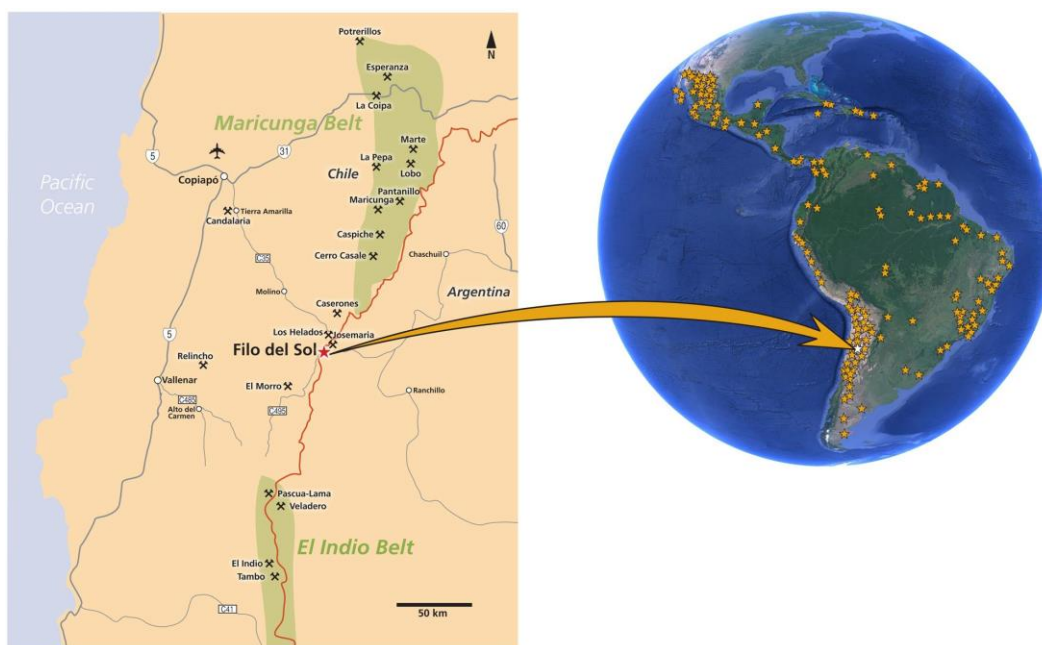
Mineralized zones within the Filo del Sol deposit are typically flat-lying, or bulk porphyry-style zones and drilled widths are interpreted to be very close to true widths.

Additional information on these drilling results is disclosed in the Corporation’s press releases.

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 on page 35.

Foreign Operations

The Corporation conducts a majority of its exploration activities in foreign countries, including Argentina and Chile. Operations are exposed to various levels of political, economic and social risks and uncertainties. These risks and uncertainties include, but are not limited to: varying and fluctuating reactions, responses and restrictions related to the COVID-19 pandemic, high rates of inflation, extreme fluctuations in currency exchange rates, renegotiation or termination of existing concessions, licenses, permits and contracts; ability of governments to unilaterally alter agreements; surface land access issues; expropriation, political corruption, illegal mining; changes in taxation policies, laws and regulations; restrictions on foreign exchange and repatriation; and

changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

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

There have been no material reorganizations involving the Corporation within the three most recently completed financial years nor are any reorganizations proposed for the current financial year.

Competitive Conditions

The Corporation operates in a competitive industry and competes with other companies, 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 commodity 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, a continuing period of lower prices could significantly affect the economic potential of the Corporation's Filo del Sol Project and any other properties that the Corporation may acquire or have an interest in 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.

Code of Business Conduct and Ethics

The Corporation has a Code of Business Conduct and Ethics policy (the "**Code**") whereby the Corporation is committed to conducting its business in compliance with applicable laws and with the highest ethical standards. The Corporation expects all employees to comply and act in accordance with the Code. The Corporation requires that its agents, contractors, consultants and suppliers comply with the Code in its relations with the Corporation as a condition of doing business with the Corporation. A copy of the Code has been filed with the Canadian securities regulatory authorities under the Corporation's profile on SEDAR (available at www.sedar.com).

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, environmental, social management and governance, among others. 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.

Employees

The table below sets out the number of employees of the Company by location, as at December 31, 2022. At the date of this AIF, there have been no material changes to the headcount. The Corporation also relies on and engages consultants on a contract basis to assist the Corporation in carrying on its administrative and exploration activities.

| Financial Year 2022 | Argentina Full Time Positions | Chile Full Time Positions | Canada | Total |
|---------------------|-------------------------------|---------------------------|--------|-------|
| | 80 | 5 | 7 | 92 |

Certain of these employees are shared with NGE Minerals Ltd. (“**NGEx Minerals**”) pursuant to a cost sharing arrangement dated July 17, 2019 (as amended from time to time, the “**Services Agreement**”). The Services Agreement details the terms and sharing arrangements pursuant to which personnel and consulting services are shared in order to leverage off certain synergies (the “**Services Agreement**”).

Equal Opportunities and Non-discrimination

The Corporation’s employment decisions are based on reasons related to its business, such as job performance, individual skills and talents, and other business-related factors. In addition, pursuant to the Code and other policies, the Corporation prohibits discrimination in any aspect of employment based on sex, race, color, religion, national origin, disability or age, within the meaning of applicable laws and requires adherence to all applicable federal and provincial employment and labour laws and any other requirements of applicable laws in a particular jurisdiction.

Environmental and Social Governance (“ESG”)

The Corporation is committed to making its workplaces safe, secure and healthy for all of its employees and others, as outlined in its Responsible Mining Development Policy. Accordingly, the Corporation employs certain health and safety controls at its operation, which are subject to revision from time to time and may include, but are not limited to, qualitative and/or quantitative health and safety risk assessments and incident reporting and investigations. In addition, the Corporation prohibits abusive or harassing conduct by its employees toward others, such as sexual advances, comments based on gender, ethnicity, religion or race or other non-business, personal comments or conduct that makes others uncomfortable in their employment with the Corporation. The Corporation encourages and expects all its employees and consultants to report wrong-doing, harassment or other inappropriate conduct as soon as it occurs. All threats or acts of physical violence or intimidation are prohibited. The Corporation requires adherence to all applicable federal and provincial employment and labour laws. In addition to any other requirements of applicable laws in a particular jurisdiction, the Corporation prohibits discrimination in any aspect of employment based on sex, race, color, religion, national origin, disability or age, within the meaning of applicable laws. The Corporation has established a Whistleblower Policy which sets out the procedures for the receipt, retention and treatment of complaints or submissions regarding accounting, internal accounting controls or auditing matters, as well as other corporate misconduct and breaches of the Corporation’s policies. The Whistleblower Policy, as well as the Code, are designed to encourage ethical behavior by all of the Corporation’s employees and others conducting business with the Corporation.

The Corporation strives to minimize the environmental and social impacts of its exploration and development activities and to conduct all its operations and activities in a responsible and environmentally sustainable manner. This goal is supported by the Corporation’s corporate policies and procedures.

Sustainability and social responsibility continue to be fundamental parts of the Corporation’s strategy and are critical to ensuring broad stakeholder support for the Corporation’s exploration and development activities.

On November 9, 2018, the Board 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.

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.

Diversity Policy

The Corporation has adopted a Diversity Policy with regard to gender, ethnicity, race, age, and culture, which is intended to set out a framework to promote diversity on the Board and in executive officer positions within the Corporation and within its major subsidiaries. The Corporation recognizes the importance of diversity, particularly with regard to representation on boards and executive officer positions. The Corporation believes that a diverse board and executive management structure, including diversity with regard to gender, ethnicity, race, age, and culture enhances the decision making of the Board and at senior management levels.

Anti-Bribery and Anti-Corruption Policy

The Corporation has an anti-bribery and anti-corruption policy (the "**Anti-Bribery and Anti-Corruption Policy**") which reiterates the Corporation's commitment to compliance by its officers, directors, employees and agents with *Corruption of Foreign Public Officials Act* (Canada), and any other anti-bribery or anti-corruption laws that may be applicable. The Anti-Bribery and Anti-Corruption Policy supplements the Code and all applicable laws and applies to the Corporation's operations world-wide.

The Anti-Bribery and Anti-Corruption Policy outlines the requirements that must be fulfilled when dealing with public officials and includes prohibitions against bribing public officials, making facilitation payments and commercial bribery, and also provides employees with clarity regarding: books and records transparency; giving gifts; making charitable contributions; third party oversight and due diligence; internal controls; and management's responsibility to promote an ethical tone from the top and create awareness of this policy.

Health, Safety, Environment and Sustainability

The Corporate Governance and Nominating Committee and the Technical Committee have agreed to meet on a quarterly basis to oversee and receive a report from the Health, Safety, Environment and Sustainability Working Group. The purpose of the quarterly report is to review and assess the effectiveness of the Corporation's sustainability matters, the Corporation's performance and monitoring of safe and sustainable practices, and management's assessment of emerging trends and regulations related to safety and sustainable matters and their impact on the Corporation. The Corporation's sustainability matters are defined in the Corporate Governance and Nominating Committee mandate, and the Corporate Governance and Nominating Committee and the Technical Committee have responsibility for the oversight of sustainability matters, including any reporting or disclosures relating to such matters.

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.

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 or incorporated by reference in this AIF, including, without limitation, information contained in the section "Forward-Looking Information" 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 or deemed incorporated by reference herein, 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 or deemed incorporated by reference herein 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.

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 dependent upon a number of factors, some of which are discussed elsewhere in this AIF, and include the particular attributes of the deposit (such as size, grade, metallurgy, expected recovery rates of metals from the ore and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, 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, commodity price fluctuations, 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, as 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. 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, precipitation, 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.

As appropriate, the Corporation may seek to mitigate its exploration risk by diversifying its portfolio, or through the establishment of joint ventures and option agreements with third parties.

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 ore bodies, 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 reduce 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 Corporation 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.

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 may 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 exploration and 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.

Economic and Political Instability in Argentina

The Filo del Sol Project is predominantly located in San Juan Province, Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina. During an economic crisis in 2001 to 2003 and again in 2014 and 2020, 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 current government, which took office in December 2019, has reinstated currency controls previously lifted by the opposition government, which, among other impacts, restricts the ability of companies and its citizens to obtain foreign currency including, US\$, 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 foreign currency including, US\$). The current government has also reversed certain corporate tax rate reductions previously introduced by the previous opposition government. While the political environment in Argentina continues to develop, and the status of currency controls and restrictions remains fluid, 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. In addition, economic instability in Argentina may negatively impact the timeliness or recoverability of amounts collectible from the government of Argentina. There may be material adverse consequences with respect to the Corporation and its operations as a result of political or economic instability in Argentina.

Health and Safety Hazards

Mining exploration and operations involve health and safety hazards that could adversely affect the Corporation's reputation, business and future operations. By nature, exploration and mining activities present a variety of hazards and associated health and safety risks. Workers involved in the Corporation's operations are subject to many inherent health and safety risks and hazards, including, but not limited to, rock falls, slides or bursts, equipment or structural fires, falls of ground, floods, chemical and biological hazards, mineral dusts, atmospheric hazards including low oxygen levels, gases and fumes, high altitude work, use of explosives, noise, electricity, fixed and moving equipment, civil disturbances and criminal activity, which could result in occupational illness or health issues, personal injury, and loss of life, and/or facility and workforce evacuation. Even though robust health and safety controls and risk mitigation measures are in place across the Corporation's sites, health and safety incidents may occur. The overall management of health and safety is governed in accordance with the requirements of the Corporation's Responsible Mining Development Policy. While significant effort is made to control and eliminate potential health and safety risks, these risks cannot be eliminated and may adversely affect the Corporation's reputation, business, and future operations. Incidents resulting in serious

injury or death, or those having a negative impact on surrounding communities (real or perceived) could result in litigation, civil or criminal sanctions, regulatory action (including, but not limited to suspension of operations and/or fines and penalties), increased community tensions, or otherwise adversely affect the Corporation's reputation and ability to meet its objectives.

Environmental and Socio-Political Risks

Present or future laws and regulations with respect to environmental protection standards or corporate social responsibility may affect the Corporation's operations. 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. The Corporation is currently engaged in exploration with limited environmental impact. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines, as well as with respect to changing requirements for disclosure and compliance. 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.

Uncertainty of Long-Term 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 which may be impacted by geopolitics or international conflict, 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 in the long term. 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.

Metal Price Risk

The Corporation's portfolio of properties and investments have exposure to predominantly copper, gold, and silver prices. 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 US\$ 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 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.

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 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.

Pandemic Virus Outbreaks

Over the last three years the COVID-19 pandemic has negatively impacted and increased volatility of global financial markets and may continue to do so. The economic viability of the Corporation's long-term business plan is impacted by its ability to obtain financing, and global economic conditions impact the general availability of financing through public and private debt and equity markets, as well as through other avenues.

The health and safety of the stakeholders remain the Corporation's top priority, and pursuant to its COVID-19 operating protocol, the Corporation's camp facilities and offices have implemented travel restrictions, surveillance, monitoring and response plans to reduce the risk of COVID-19 exposure and outbreak, including health screening of personnel when appropriate.

As the Corporation continues to monitor developments with respect to COVID-19, both globally and within its operating jurisdictions, it will remain adaptive and will implement any such changes to its COVID-19 protocol, or its business in general, as may be deemed appropriate to mitigate any potential impacts to its business and its Stakeholders. Such changes, may include, but are not limited to, reduced operations, temporary closures of the Corporation's project site or offices, and deviations from the timing and nature of previous operating plans. Moreover, sustained COVID-19 outbreaks have resulted in operational and supply chain delays and disruption as a result of governmental regulation and preventative measures being implemented worldwide, including in Argentina. The Corporation could also be required to close, curtail or otherwise limit its operating activities as a result of the implementation of any such governmental regulation or preventative measures in the jurisdictions in which the Corporation operates, or as a result of sustained COVID-19 outbreaks at its project site or facilities. Any such closures or curtailments could have an adverse impact on the business of the Corporation.

In addition to the current COVID-19 pandemic, another emerging infectious disease or the threat of outbreaks of viruses or other contagions or epidemic diseases could have a material adverse effect on the Corporation by causing operational and supply chain delays and disruptions, labour shortages and shutdowns, social unrest, breach of material contracts and customer agreements, government or regulatory actions or inactions, changes in tax laws, payment deferrals, increased insurance premiums, decreased demand for base and precious metals, declines in the price of base and precious metals, delays in permitting or approvals, governmental disruptions, capital markets volatility, or other unknown but potentially significant impacts. In addition, governments may impose strict emergencies measures in response to the threat or existence of an infectious disease, which could have a material adverse effect on the Corporation's business.

Dependence on Single Project

The Filo del Sol Project is currently 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.

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 exploration 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.

The Corporation's 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.

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, national border disputes, 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, as well as the revocation or suspension of previously issued mining permits. Changes in mining or investment policies or shifts in political attitudes may also adversely affect the Corporation's existing assets and operations. Real and perceived political risk may also affect the Corporation's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities. Chile is typically viewed as a favourable mining jurisdiction; however, certain Canadian issuers have recently experienced regulatory action with regards to Chilean operations, specifically with respect to increased permitting timelines.

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.

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.

Indigenous Peoples

The Corporation operates in some areas, including parts of the Tamberias area, that are presently or were 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.

Non-Governmental Organization Intervention

In recent years, certain communities of both Indigenous Peoples and others, as well as non-governmental organizations, have been vocal and negative with respect to mining activities. The Corporation's relationship with the communities in which it operates is critical to ensure the future success of its existing operations and the construction and development of its projects. Community groups or non-governmental organizations may create or inflame public unrest and anti-mining sentiment among the inhabitants in areas of mineral development. These communities and organizations have taken such actions as protests, road closures, work stoppages and initiating lawsuits for damages. Such organizations can be involved, with financial assistance from various groups, in mobilizing sufficient local antimining sentiment to prevent the issuance of required permits for the development of mineral projects of other companies. While the Corporation is committed to operating in a socially responsible manner, there is no guarantee that the Corporation's efforts in this respect will mitigate this potential risk. Any actions by communities and non-governmental organizations may have a material adverse effect on the Corporation's activities, financial position, cash flow and results of operations.

Ability to Import Key Services and Suppliers

The Corporation operates in Argentina and Chile and requires the importation and use of specialist services and equipment to successfully execute on planned work programs. The ability to import key services and supplies into Argentina and Chile is regulated by various governmental authorities and the rules and regulations governing the importation of key services and supplies are subject to change. The Corporation has no control over changes which may affect the ability to import required services and supplies.

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 NGEx Minerals and, pursuant to the terms of the Services Agreement, the employment costs associated with these individuals are shared between the Corporation and NGEx Minerals on a pro-rata basis. If such officers and key employees do not remain employed with 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.

Ability to Operate Year-round

During 2022, the Corporation commenced year-round operations at the Filo del Sol Project. Risks and uncertainties associated with the Corporation's ability to successfully operate year-round include, but are not limited to, the Corporation's financial position, the nature, duration or extent of weather and other natural events and the availability of personnel, logistical support and key contractors to provide services in challenging winter conditions.

There can be no assurances that the Corporation's preparation and winterization efforts adequately anticipated, and safeguarded against, all the challenges of conducting exploration programs during the South American winter in the high Andes.

Surface Access

Argentina

The Argentine Mining Code sets out rules under which surface rights and easements can be granted for a mining operation, and covers aspects including land occupation, rights-of-way, access routes, transport routes, rail lines, water usage and any other infrastructure needed for operations. In general, compensation must be paid to the affected landowner in proportion to the amount of damage or inconvenience incurred. However, no provisions or regulations have been enacted as to the nature or amount of the compensation payment. In instances where no agreement can be reached with the landowner, the Argentine Mining Code provides the mining right holder with the right to expropriate the required property.

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 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 Mineral 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.

Chile

Per the provisions outlined in the Chilean Mining Code, the mining concession is a right, distinct and independent from the ownership of the surface property, even if it has the same owner. Therefore, a mining concessionaire (such as the Corporation) must have a property, contractual or legal right to carry out mining activities over surface land, each as further detailed below.

- (a) Property rights: where the mining concessionaire owns the superficial property, it can carry out mining activities without the need to obtain authorization from third-party owners.

- (b) Contractual rights: the following contracts, among others, are noteworthy:
- i. Lease: agreement with the owner of the surface property, which allows the mining concessionaire to carry out mining activities and to appropriate what is extracted.
 - ii. Land use authorization: agreement with the owner of the surface property, which allows the mining concessionaire to access the property and proceed with prospection and exploration activities.
- (c) Legal rights: easements. in accordance with the provisions set forth in the Chilean Mining Code where a titleholder of a mining concession, whether for exploration or exploitation, shall have the right to constitute easements over the surface land to enable the comfortable exploration or exploitation of its concessions. These easements may be:
- i. Voluntary: the owner of the surface land agrees to the easement and enters into an easement agreement with the mining concessionaire, regulating, among other things, the location, purpose and duration of the easement, together with the compensation the mining concessionaire shall pay the surface landowner for the use of his land.
 - ii. Judicial: if the owner of the surface land does not agree to the easement, the mining concessionaire may file a claim to the civil courts. If the mining concessionaire fulfills certain requirements (effective potential for exploration and/or exploitation of mineral substances), the civil courts shall grant the easement, indicating the easement's location, purpose, duration and corresponding compensation.

The Corporation has: (i) a transit easement that allows access and transit of surface land that connects to the Tamberías Project; and (ii) a land use authorization that allows it to carry out exploration activities over the area covered by the Tamberías Project. Both, the easement and the land use authorization, are in force until 2025, at which time the Corporation will be required to either renew or renegotiate the current agreements. There can be no assurance that such renewals or new agreements will be available, or that agreements will be able to be achieved in a timely manner. Any failure to obtain the necessary renewals may have a material adverse effect on the Corporation.

In the future, the Corporation may require additional surface rights, which will require negotiations with the owners of the surface property or an easement civil trial. Although these contracts have been negotiated and agreed upon between parties in the past, there is no guarantee that the Corporation will be able to obtain the same commercial terms as in the past, and there is a risk of significant price increases.

Finally, it should be noted that the owners of the surface land that covers the Tamberías Project are in process of regularizing their property titles. Therefore, there is a risk their property rights may be insufficient and, as a result, the Corporation may also have to negotiate with unanticipated third-parties.

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 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 and the CBCA.

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 Common 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 Common 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 "Forward-Looking Information".

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 the Common Shares on the exchanges on which the Corporation trades has historically made the Common Share price volatile and suggests that the Common 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.

Significant Shareholders

As at the date of this AIF, Zebra and Lorito Holdings S.à.r.l (“**Lorito**”), who report their security holdings as joint actors, hold 38,786,163 Common Shares, which represents approximately 31.39% of the outstanding Common Shares and means that Zebra and Lorito are subject to certain requirements under Canadian securities laws with respect to reporting and trading in the Common Shares, as well as with respect to certain transactions. The Corporation does not control Zebra and Lorito, and their interests may differ from those of other shareholders. As long as Zebra and Lorito maintain significant interests in Filo Mining, they may exert certain influence with respect to matters that are determined by the votes of shareholders. As a result of the significant holdings of Zebra and Lorito, there is a risk that the Common Shares 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 securities in the Corporation over the then-current market price.

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. 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. The economic conditions and outlook of the jurisdictions in which the Corporation’s projects reside, and more generally global economic conditions, may impact the general availability of financing through public and private debt and equity markets, as well as through other avenues.

Significant political, market, economic, natural or manmade 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.

Global financial markets experienced a period of correction and increased volatility during the COVID-19 pandemic and the conflict between the Russian Federation and Ukraine, which began in March 2020 and February 2022, respectively, and are ongoing as of the date of this AIF. As these global events evolve, there is no guarantee that credit market conditions will not worsen. A general risk-averse approach to investing, decreases in consumer spending and increases in the unemployment rate and consumer debt levels, 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.

Other events may also result in volatility and disruption to global supply chains, operations, mobility of people, patterns of consumption and service, and financial markets, and therefore potentially have a negative impact on the Corporation’s ability to secure financing on favourable terms, or at all, its access to the Filo del Sol Project, or its ability to execute its business initiatives, including its field programs. Such events may include catastrophic events, either on a global scale or in the specific jurisdictions where the Corporation has its projects, and include, but are not limited to, financial crises, such as that which occurred globally in

2008, earthquakes, tsunamis, floods, typhoons, fires, power disruptions, other natural or manmade disasters, terrorist attacks, wars, riots, civil unrest or other conflicts, outbreaks of a public health crises, including epidemics, pandemics or outbreaks of new infectious diseases or viruses, as well as related and attendant events.

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. 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 transacts business in a number of currencies including but not limited to the US\$, the Argentine peso and the Chilean peso. The Argentine peso in particular has had significant fluctuations in value relative to the US\$ and Canadian dollar. 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.

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.

Tax, Royalties and Other Charges

The Corporation runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The Corporation is potentially subject to taxes (including income taxes and mineral taxes), various fees and royalties imposed by various levels of government across the jurisdictions in which it operates. The laws imposing these taxes, fees and royalties and the manner in which they are administered may in the future be changed or interpreted in a manner that materially and adversely affects our business, financial position and results of operations. Repatriation of earnings to Canada from other countries may be subject to withholding taxes or restricted by currency controls. The Corporation has no control over withholding tax rates.

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.

Climate Change and Carbon Pricing

Climate change is a top priority for many countries and jurisdictions around the world and governments and regulators continue to implement and develop new rules and regulations to control carbon gas or “green-house” gas emissions attributable to climate change. As part of their efforts to shift to lower-carbon economies, governments have implemented carbon pricing, a mechanism that harnesses market forces to address climate change by creating financial incentives to lower emissions. Some of these mechanisms include the implementation of taxes on fuel sales, emissions trading schemes, and fossil fuel extraction fees, all of which are expected to play an ongoing role in global efforts to address climate change. The cost of compliance with various climate change regulations will ultimately be determined by the regulations themselves and by the markets that evolve for carbon credits and offsets and, as a result, the financial impact, if any, on the Corporation’s operations cannot yet be fully understood.

The potential physical impacts of climate change due to extreme weather events on the Corporation’s operations are also highly uncertain and may be particular to the unique geographic circumstances associated with the Corporation’s projects and operations. Due to changes in global climate conditions, many scientists predict an increase in the frequency of extreme weather events such as severe and unpredictable rain and snowfall precipitation, winds, floods, droughts, and other types of extreme weather conditions and events. Such events could disrupt the Corporation’s operations and development activities; impact the Corporation’s equipment and infrastructure; impede access to the Corporation’s projects and properties; or threaten the health and safety of the Corporation’s employees and contractors.

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.

Conducting Business through Foreign Subsidiaries

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

Cost Estimates

Capital and operating cost estimates discussed herein may not prove accurate. Capital and operating cost estimates are based on the interpretation of geological data, feasibility studies, anticipated climatic conditions, market conditions for required products and services, and other factors and assumptions regarding foreign exchange currency rates. Any of the following events could affect the ultimate accuracy of such estimate: unanticipated changes in grade and tonnage of ore to be mined and processed; incorrect data on which engineering assumptions are made; delay in construction schedules, unanticipated transportation costs; the accuracy of major equipment and construction cost estimates; labour negotiations; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas on exportation of minerals); and title claims. Changes in the Corporation’s anticipated production costs could have a major

impact on any future profitability. Changes in costs of the Corporation's anticipated mining and processing operations could occur as a result of unforeseen events, including international and local economic and political events, a change in commodity prices, increased costs (including oil, steel, and diesel) and scarcity of labour, and could result in changes in profitability or Mineral Reserve and Mineral Resource estimates. Many of these factors may be beyond the Corporation's control. There is no assurance that actual costs will not exceed such estimates. Exceeding cost estimates could have an adverse impact on the Corporation's future results of operations or financial condition

Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, the litigation process could take away from management time and efforts and the resolution of any particular legal proceeding to which the Corporation may become subject could have a material adverse effect on the Corporation's financial position, results of operations or the Corporation property development.

Outside Contractor Risks

It is common for certain aspects of mining operations, such as drilling, blasting and underground development, to be conducted by outside contractors. As a result, the Corporation is subject to a number of risks, including: reduced control over the aspects of the tasks that are the responsibility of the contractors; failure of the contractors to perform under their agreements with the Corporation; inability to replace the contractors if their contracts are terminated; interruption of services in the event that the contractors cease operations due to insolvency or other unforeseen events; failure of the contractors to comply with applicable legal and regulatory requirements; and failure of the contractors to properly manage their workforce resulting in labour unrest or other employment issues.

No Dividend

No dividends on the Common Shares have been paid by the Corporation to date and the Corporation may not declare or pay any cash dividends in the foreseeable future. Any payments of dividends will be dependent upon the financial requirements of the Corporation to finance future growth, the financial condition of the Corporation and other factors which the Board may consider appropriate in the circumstances.

Acquisitions and Integration

From time to time, the Corporation examines opportunities to acquire additional mining assets and businesses. Any acquisition that the Corporation may choose to complete may be of a significant size, may change the scale of the Corporation's business and operations, and may expose the Corporation to new geographic, political, operating, financial and geological risks. The Corporation's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Corporation. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Corporation has committed to complete the transaction and established the purchase price or exchange ratio; a material property may prove to be below expectations; the Corporation may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Corporation's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Corporation chooses to raise debt capital to finance any such acquisition, the Corporation's leverage will be increased. If the Corporation chooses to use equity as consideration for such acquisition, existing shareholders may experience dilution. Alternatively, the Corporation may choose to finance any such acquisition with its existing resources. There can be no assurance that the Corporation would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Regulatory Compliance

As a reporting issuer listed on the TSX and Nasdaq First North Growth Market under the symbol “FIL”, and whose shares also trade on the OTCQX under the symbol “FLMMF”, the Corporation is subject to various rules and regulations governing matters such as timely disclosure, continuous disclosure obligations and corporate governance practices. Noncompliance with such rules and regulations may result in enforcement actions by the applicable securities regulatory authorities and/or the TSX and Nasdaq First North Growth Market.

Proxy Solicitation

Activist shareholders or proxy solicitation firms could advocate for changes to the Corporation’s corporate governance and operational practices, which could have an adverse effect on the Corporation’s reputation, business, and future operations. In recent years, publicly-traded companies have been increasingly subject to demands from activist shareholders and proxy solicitation firms advocating for changes to corporate governance practices, such as executive compensation practices, environmental, social, and governance issues, Board composition, or for certain corporate actions or reorganizations. There can be no assurances that activist shareholders and proxy solicitation firms will not publicly advocate for the Corporation to make certain environmental, social, or governance changes or engage in certain corporate actions. Responding to challenges from activist shareholders, such as proxy contests, media campaigns or other activities and similar activities from proxy solicitation firms, could be costly and time consuming and could have an adverse effect on the Corporation’s reputation and divert the attention and resources of the Corporation’s management and Board, which could have an adverse effect on the Corporation’s business and results of operations. Even if the Company does undertake such environmental, social, or governance changes or corporate actions, activist shareholders and proxy solicitation firms may continue to promote or attempt to effect further changes. Activist shareholders may attempt to acquire control of the Corporation to implement such changes. If shareholder activists with differing objectives are elected to the Board, this could adversely affect the Corporation’s business and future operations. Additionally, shareholder activism could create uncertainty about the Corporation’s future strategic direction, resulting in loss of future business opportunities, which could adversely affect the Corporation’s business and the Corporation’s ability to attract and retain qualified personnel.

Name Change

There are certain risks associated with the name change of the Company from “Filo Mining Corp.” to “Filo Corp.” While the name change has been approved by the Board of Directors, there can be no assurance that it will receive the requisite shareholder approval at the Corporation’s AGM on June 23, 2023. In addition, the Board of Directors may determine to not move forward with the change for any reason at its discretion.

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 March 17, 2023, the Corporation released the results of the technical report prepared in accordance with NI 43-101 entitled “Filo del Sol Project NI 43-101 Technical Report, Updated Prefeasibility Study” effective date February 28, 2023 (the “**Technical Report**”), prepared by Scott C. Elfen, P.Eng., Ausenco Engineering Canada Inc., Kevin Murray, P. Eng., Ausenco Engineering Canada Inc., Bruno Borotraeger, P.Eng., Knight Piésold , Fionnuala Devine, P.Geo., Merlin Geosciences Inc., Neil Winkelmann, FAuslMM, SRK Consulting (Canada) Inc., James N. Gray P.Geo., Advantage Geoservices Limited , Ryan Brown, P.Eng., AGP Mining Consultants and Gordon Zurovski, P.Eng., AGP Mining Consultants. The Technical Report has been filed under the Corporation’s profile on the SEDAR website at www.sedar.com.

The information contained in this section has been derived, in part, 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.

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

1.1 Introduction

Filo del Sol is an advanced stage copper-gold-silver exploration project that straddles the border between Argentina and Chile (see Figure 1-1). In October 2022, Filo Mining Corp. (Filo Mining) contracted Ausenco Engineering Canada Inc. (Ausenco), Merlin Geosciences Inc. (Merlin), Advantage Geoservices Ltd. (Advantage Geoservices), AGP Mining Consultants Inc. (AGP), SRK Consulting (SRK), and Knight Piésold Ltd. (KP) to conduct an updated prefeasibility study on the project. The report was prepared by Ausenco in accordance with the Canadian disclosure requirements of National Instrument 43-101 (NI 43-101) and in accordance with the requirements of Form 43-101 F1.

The responsibilities of the engineering companies involved in the preparation of the Technical Report are as follows:

- Ausenco managed and coordinated the work related to the report and developed PFS-level design and cost estimate for the process plant and general site infrastructure. Ausenco completed geotechnical studies and developed the PFS-level design and cost estimate of the heap leach.
- AGP Mining Consultants Inc. (AGP) designed the open pit mine, mine production schedule, and estimated mine capital and operating costs.
- SRK conducted the economic analysis.
- KP conducted a review of the environmental studies, permitting, and conducted site-wide water management.
- Merlin completed the work related to property description, accessibility, local resources, geological setting, deposit type, exploration work, drilling, exploration works, sample preparation and analysis, and data verification.
- Advantage Geoservices developed the mineral resource estimate for the project.

The Technical Report, with an effective date of February 28, 2023, discloses the results of exploration work completed since the previous technical report was issued in 2019, and provides an update to costs and economic analysis of the 2019 Prefeasibility Study Report.

1.2 Property 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 project is 140 km southeast of the city of Copiapó, Chile and straddles the border between Argentina and Chile. The centre of the main deposit area is located at 28.49° S and 69.66° W (decimal degrees, WGS84 datum).

Figure 1-1: Filo del Sol Copper-Gold-Silver Project Map



Source: Filo Mining, 2023.

The Filo del Sol property has mineral titles in 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,” while 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 Corp. For the purposes of the Technical Report, Filo Mining Corp. and its subsidiary companies are referred to interchangeably as “Filo Mining.”

Filo del Sol Exploración S.A. owns eight exploration permits (manifestaciones) in Argentina. In Chile, Frontera Chile Limitada owns 12 exploration concessions and is in the process of obtaining 4 more. They also own three exploitation mining concessions (mensuras) and one unilateral and irrevocable option agreement to purchase 17 additional exploitation concessions.

The total combined area of the project is approximately 13,575 hectares (ha). The project is included within the “Vicuña Additional Protocol” under the Mining Integration and Complementation Treaty between Chile and Argentina. The main benefit during the exploration stage of the Vicuña Additional Protocol is the authorization that allows people and equipment to freely cross the border of both countries in support of exploration and prospecting activities within an area defined as an “operational area.” The development of transboundary mining projects is contemplated under the Treaty.

1.3 Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The project is accessible by road from either Copiapó, Chile or San Juan, Argentina. The climate is cold and windy, which is typical of the high Andes. The exploration field season can run year-round; however, winter operations have to contend with severe weather conditions. Field work is based out of the Batidero camp approximately 20 km from Filo del Sol in Argentina. The Batidero camp can accommodate over 1,000 people with approximately 250 to 300 Filo Mining staff based there during the active field season.

The project is in the Andes Mountains with elevations ranging from 4,500 m to 5,500 m above mean sea level (amsl). The mountains are generally not rugged and vehicle access to most of the property is possible. Vegetation is almost entirely absent within the area.

1.4 History

Cyprus-Amax was the first company to conduct significant 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 1998-1999 season consisted of 1:10,000 geologic mapping, talus fine sampling, rock chip sampling, road construction to the project site, and a drill program of 2,519 m in 16 reverse circulation (RC) drill holes. Filo Mining became involved in the project through its predecessor company, Tenke Mining Corp., which negotiated purchase arrangements with Cyprus-Amax in August 1999.

1.5 Geological Setting and Mineralization

Filo del Sol is a high-sulphidation epithermal copper-gold-silver deposit associated with a large porphyry copper-gold system. It is located in the Andean Frontal Mountain Range within the Vicuña belt, between the gold and copper-gold porphyry deposits of the Maricunga belt to the north and the high-sulphidation epithermal deposits of the El Indio belt to the south. Mineralization is hosted in Late Cretaceous clastic rocks, mafic dykes and sills, as well as in underlying rhyolitic volcanic rocks that are part of the Permo-Triassic basement.

Overlapping mineralizing events and a high degree of telescoping, combined with weathering effects including supergene enrichment, have created several different types and styles of mineralization. The uppermost part of the deposit includes structurally-controlled gold, tabular high-grade silver (\pm copper) and high-grade supergene-enriched copper all within a leached and oxidized domain that formed over high-sulphidation Cu-Au-Ag epithermal mineralization and disseminated porphyry Cu-Au mineralization. Within the hypogene domain, there are two distinct types of mineralization: deeper porphyry Cu-Au mineralization in potassic alteration is overprinted and reconstituted by high-sulphidation epithermal Cu-Au-Ag mineralization associated with advanced argillic alteration. The boundary between the two types is sharp and well-defined geochemically.

The Filo del Sol mineral resource described in the Technical Report includes predominantly the upper, oxidized, and supergene-enriched portion of the overall deposit. In addition to the Filo del Sol deposit, several other exploration targets occur on the property.

1.6 Deposit Types

The Filo del Sol deposit includes both porphyry Cu-Au and high-sulphidation epithermal Cu-Au-Ag mineralization. The mineralized system in its entirety represents a telescoped porphyry–epithermal system with multiple intrusive and breccia centres, and so combines aspects of both deposit types. The deeper porphyry mineralization contains both disseminated sulphides and various veinlet and stockwork systems that also host sulphides. The upper-level epithermal style mineralization includes siliceous vein fillings, irregular branching fissures, stockworks, breccia pipes, vesicle fillings and disseminations. The currently defined mineral resource presented in the Technical Report is best classified as the upper oxidized part of the high-sulphidation epithermal Cu-Au-Ag part of the deposit.

1.7 Exploration

Filo Mining or its predecessor companies have been exploring at Filo del Sol since the 1999/2000 field season. A total of 20 work programs have been completed over these years, 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 (until 2021-2022), typically between November and April, so exploration seasons are described by the years which they bridge.

Surface work completed to date has included talus fine sampling, rock chip sampling, geological mapping, and induced polarization (IP) and magnetic geophysical surveys.

1.8 Drilling

Drilling at Filo del Sol was initiated by Cyprus in 1998-1999, and until the end of 2022, 44,950 m of reverse circulation (RC) drilling in 185 holes and 52,064 m of diamond drilling (DD) in 106 holes have been completed on the property.

1.9 Sampling Preparation, Analysis, and Security

Sampling from drilling, sample preparation, analysis and sample security has been conducted at or above recognized industry standards applicable at the time samples were taken at Filo del Sol. More than 83% of the current RC and DDH dataset had a rigorous QA/QC protocol with blanks, standards, and laboratory duplicates. Around 5% have been checked at a second laboratory but at the time, did not have blank and standard controls. The remaining 12% of the dataset has been satisfactorily verified 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 resource estimation.

1.10 Data Verification

As verification of information provided by the company, F. Devine (from Merlin) was directly involved in updating the geological model for the project in 2015-2019. This included completing extensive surface geological mapping and core logging, data and interpretation review and discussion with company personnel. She visited the project again from October 9-11, 2022, to review the most recent drilling and geological model updates. Ten samples of quartered core were taken from drill holes drilled over the past three years from a range of Cu, Au, Ag grade domains, and the results correlate well with original values.

A visit to the Copiapó office and support facilities was carried out by J. Gray, between June 16-21, 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. The results of these checks are considered a satisfactory confirmation of the results reported by Filo Mining.

1.11 Mineral Processing and Metallurgical Testing

Four phases of comprehensive metallurgical test programs between 2001 and 2018 focused on assessing the feasibility of using heap leaching to recover copper, gold, and silver from the various mineralization types identified. The first phase was conducted in 2001 by Novatech S.A. of Santiago, Chile on various samples of the oxide and mixed zones. The 2001 testwork was preliminary in nature and consisted of bottle rolls and diagnostic leaches on 20 samples of RC chips. The second phase was conducted by SGS Minerals (Lakefield) in 2016 on one sample of each of the oxide gold, oxide copper and mixed silver mineralization. The third phase was conducted at SGS Minerals (Lakefield) in 2017 on samples from several different zones of mineralization within the deposit. The fourth, more comprehensive, phase was conducted at SGS Minerals (Lakefield) in 2018 on various samples from the four main zones (Tamberías gold oxide (TMB AuOx), Filo del Sol gold oxide (FDS AuOx), Tamberías copper-gold oxide (TMB CuAuOx) and Filo del Sol copper-gold oxide (FDS CuAuOx) + M-Zone (M-Ag)).

To confirm and improve the 2016 and 2017 results, a fourth phase of work was carried out in early 2018 using surface samples, RC chips, and diamond drill core samples. In total, 14 surface trench samples, 32 RC chips samples and 20 diamond drill hole intervals were collected and sent to SGS (Lakefield) for various test programs. More than 3,500 kg of sample was shipped to the SGS facility in where it was subjected to various physical, chemical, and detailed mineralogical characterization tests.

Most of the phase four metallurgical program was devoted to heap leaching, which was simulated by completing column leaching tests on material ranging from 12.5 mm to 63.5 mm crush size and using approximately 50 to 250 kg of sample per column test. Cyanide column leaching was tested for the gold oxide ore types (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 (18 sequential column tests).

Variability and process optimization testing were carried out using bottle roll tests on minus 10 mesh material. Both cyanide leaching (21 bottle roll tests) and sequential leaching (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. Metal recovery equations for Cu, Au, and Ag were determined and applied to each ore type in the production schedule and financial model. The equations are detailed in Section 13.7. and result in estimated life-of-mine metal recoveries of 78%, 70% and 83% for Cu, Au and Ag, respectively, with the current mine plan.

Beginning in 2020, initial testwork to evaluate flotation characteristics of the deeper sulphide mineralization discovered by drilling subsequent to the 2019 PFS was initiated.

Preliminary sulphide metallurgical testwork was conducted on three composite samples of sulphide material from drill core originating from the 2018-2019 and 2019-2020 drilling campaigns. This material was intended to represent mineralization that is not included in the resource model. The metallurgical testwork was also completed at SGS Minerals (Lakefield) during 2020, 2021 and 2022. The focus of the preliminary testing was to provide insight and direction for future testing requirements for the hypogene sulphide portion of the deposit.

The samples varied from 0.33% to 0.57% Cu, 0.38 to 0.41 g/t Au and 1.3 to 10.3 g/t Ag. Two samples had a low arsenic content (“HiRes” material) of ≤ 10 g/t and one sample (“HiCN” material) had a high arsenic content of 1,400 g/t or 0.14%. The flowsheet and reagent scheme were not fully optimized for this testing program but for the HiRes sample, a concentrate containing 22% Cu, 18 g/t Au, 37 g/t Ag and 880 g/t As was produced, while the HiCN sample produced a concentrate containing 26% Cu, 14 g/t Au, 106 g/t Ag and 52,400 g/t (5.24%) As. Additional post concentrate treatment testwork was completed on the HiCN sample which successfully evaluated a number of potential options for As reduction using commercially available technology.

The flotation cleaner tailings were subjected to intensive cyanide leaching tests. The results indicated that an additional 10% to 16% of the gold and 10% to 26% of the silver could potentially be recovered. Using a concentrator and tailings leach process, approximately 88% of the copper and 80% of the gold was recovered from the HiRes sample, and 90% of the copper and 75% of the gold from the HiCN sample.

Preliminary comminution testing indicated that the composite samples reflected a moderate hardness, with an indicated Bond ball mill work index of 14 to 15 kWh/t.

1.12 Mineral Resource Estimates

The Filo del Sol updated mineral resource estimate replaces that released in February 2019. Although this update considers the results of 60 new holes completed since the previous mineral resource estimate, it should be noted that the block model limits were not changed from the 2019 model and the new resource does not include the deeper, high-grade mineralization of the Aurora Zone.

This resource update is based on a total of 61,800 metres of drilling in 247 holes including an additional 1,156 metres of reverse circulation drilling in six new holes and 18,725 metres of diamond drilling in 54 new holes from drilling completed in since the 2017-2018 field season. The resource estimate presented below is the total indicated and inferred resource, divided between oxide and sulphide mineralization.

The mineral resource estimate shown in the Table 1-1 has an effective date of January 18, 2023. The mineral resources are inclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There are no known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resource.

Table 1-1: Mineral Resource Estimate (Effective January 18, 2023)

| Zone | Cutoff | Category | Tonnage (Mt) | Cu (%) | Au (g/t) | Ag (g/t) | Cu (Mlb) | Au (koz) | Ag (koz) |
|----------|-----------|-----------|--------------|--------|----------|----------|----------|----------|----------|
| Oxide | See notes | Indicated | 362.2 | 0.34 | 0.33 | 13.3 | 2,683 | 3,839 | 154,670 |
| | | Inferred | 132.7 | 0.25 | 0.30 | 9.9 | 725 | 1,284 | 42,370 |
| Sulphide | 0.30% | Indicated | 70.4 | 0.31 | 0.35 | 2.5 | 473 | 790 | 5,710 |
| | | Inferred | 78.9 | 0.31 | 0.33 | 3.1 | 542 | 834 | 7,960 |
| Total | | Indicated | 432.6 | 0.33 | 0.33 | 11.5 | 3,156 | 4,629 | 160,380 |
| | | Inferred | 211.6 | 0.27 | 0.31 | 7.4 | 1,267 | 2,118 | 50,330 |

Notes: 1. The qualified person for the resource estimate is James N. Gray, P. Geo. of Advantage Geoservices Ltd. 2. The mineral resources were estimated in accordance with the CIM Definition Standards for Mineral Resources and Reserves. 3. 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 on the sulphide mineralization, and metal prices of \$4/lb copper, \$1800/oz gold, \$23/oz silver. The CuEq formula is: $CuEq = Cu + Ag * 0.0077 + Au * 0.5469$. 4. All figures are rounded to reflect the relative accuracy of the estimate. 5. Mineral resources are not mineral reserves and do not have demonstrated economic viability. 6. The resource was constrained by a optimised pit shell using the following parameters: Cu \$4/lb, Ag \$23/oz, Au \$1800/oz, slope of 29° to 45°, a mining cost of \$2.72/t and an average process cost of \$9.86/t. 7. 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 average metallurgical recoveries of 77% for copper, 72% for gold and 71% for silver based on preliminary metallurgical testwork, and metal prices of \$4/lb copper, \$1800/oz gold, \$23/oz silver. The CuEq formula is: $CuEq = Cu + Ag * 0.0077 + Au * 0.6136$. 8. Mineral resources are inclusive of mineral reserves.

1.13 Mineral Reserve Estimates

The initial mineral reserve estimate for Filo del Sol shown in Table 1-2 has an effective date of February 28, 2023, and is based on the mineral resource statement with an effective date of January 18, 2023.

Table 1-2: Filo del Sol Mineral Reserve Estimate @\$0.01/t NVPT Cutoff (Effective February 28, 2023)

| Category (All Domains) | Tonnage (Mt) | Grade | | | | Contained Metal | | |
|---------------------------|--------------|--------|----------|----------|-------------|-----------------|----------|----------|
| | | Cu (%) | Au (g/t) | Ag (g/t) | NVPT (\$/t) | Cu (Mlb) | Au (koz) | Ag (koz) |
| Proven | - | - | - | - | - | - | - | - |
| Probable | 259.6 | 0.39 | 0.34 | 16.0 | 32.5 | 2,220 | 2,867 | 133,334 |
| Total Proven and Probable | 259.6 | 0.39 | 0.34 | 16.0 | 32.5 | 2,220 | 2,867 | 133,334 |

Notes: 1. The qualified person for the estimate is Mr. Gordon Zurowski, 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 \$3.50/lb, Ag \$20/oz, Au \$1600/oz; mining cost average of \$2.72/t; an average processing cost of \$9.65/t; general and administration cost of \$1.46/t processed; pit slope angles varying from 29 to 45 degrees, inclusive of geotechnical berms and ramp allowances; process recoveries were based on rock type. 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) cutoff of \$4.5/t considering metal prices, recoveries, royalties, process and G&A costs as per LG shell parameters stated above, elevated above break-even cutoff to satisfy processing capacity constraints. 6. The life-of-mine stripping ratio in tonnes is 1.57:1. 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.

1.14 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. Ore and waste will be drilled, blasted, and loaded by diesel hydraulic face shovels and front-end loaders from 12-metre 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 will have a mine life of 13 years, including pre-stripping, with a life-of-mine strip ratio of 1.57:1. A maximum mining rate of approximately 68 Mt/a (including waste but not rehandle) is required to provide the nominal 60,000 t/d of ore to the process facility. A total of 260 Mt of ore is expected to be processed over the life of the mine.

1.15 Recovery Methods

Ore will be trucked from the mine and either stockpiled or direct tipped into the primary crusher at a nominal throughout of 60,000 t/d or 21.9 Mt/a. 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 sulphuric acid and then recovered from the leach solution by solvent extraction and electrowinning to produce London Metal Exchange (LME) grade copper cathodes. Metal leaching is expected to occur over 13 years.

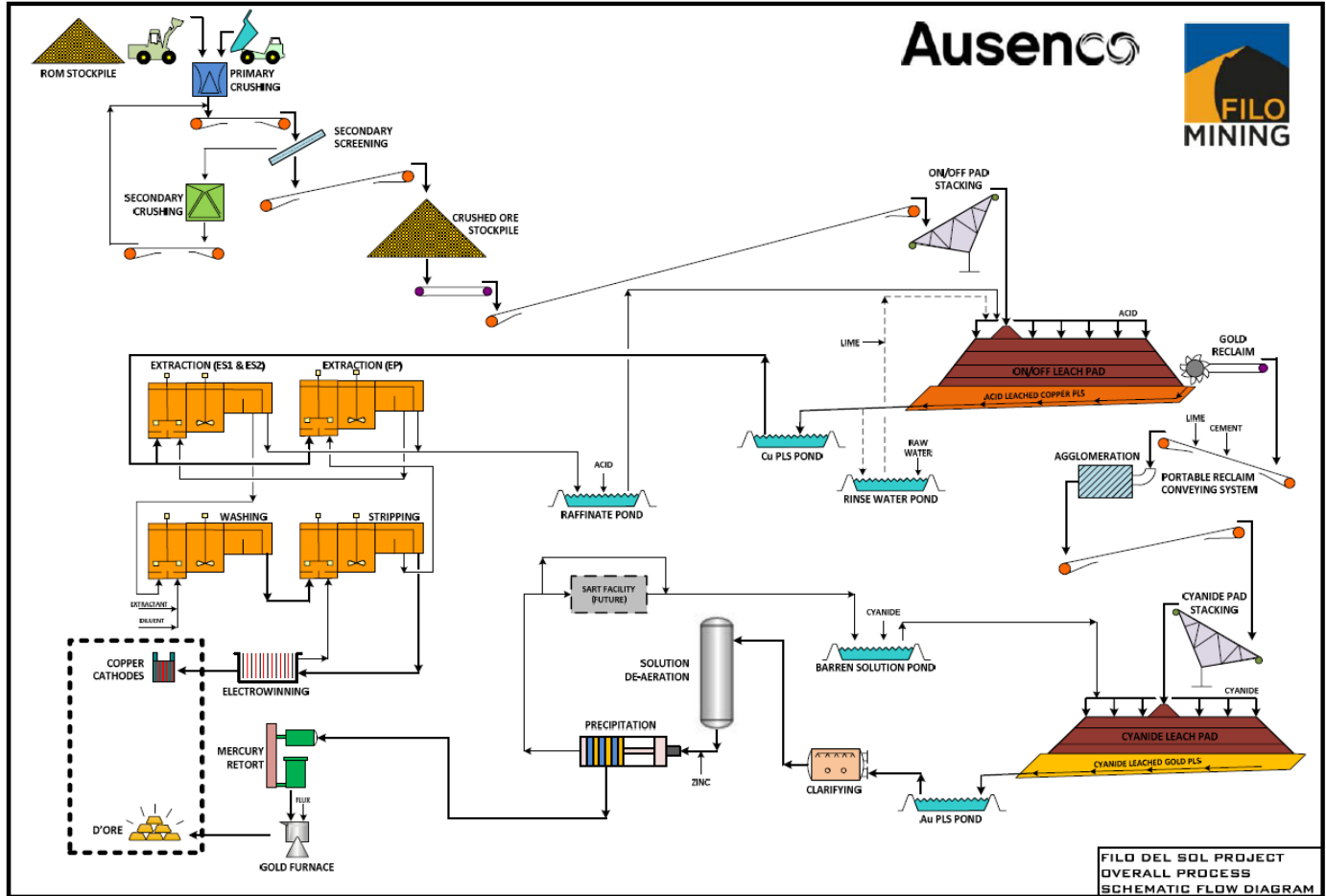
Once the copper is leached, the ore will be rinsed, neutralized, and removed from the on/off leach pad by a bucket wheel reclaimer. The material will then be agglomerated using cement, and subsequently stacked on a permanent heap leach pad where gold and silver will be leached in a cyanide solution. 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 sulphidization, acidification, recycle and thickening process (SART) will be installed in the second year of operation. The SART unit operation will treat a portion of the barren gold leach solution before it is recycled to the permanent cyanide leach pad. The SART process will reduce the copper load in the leach solution and regenerate cyanide, which is bound to the dissolved copper thus reducing overall cyanide consumption and providing revenue from the corresponding copper sulphide precipitate.

A process flow diagram is shown in Figure 1-2. The process plant includes the following facilities:

- two-stage crushing of run-of-mine material
- copper on/off leach pad
- copper solvent extraction with two stages of extraction, stripping and washing followed by electrowinning
- cyanide leach pad followed by Merrill-Crowe circuit and gold refinery.

Figure 1-2: Overall Process Schematic Flow Diagram



Source: Ausenco, 2019.

1.16 Infrastructure

Infrastructure to support the Filo del Sol project will consist of site civil work site facilities/buildings, on-site roads, a water management system, and site electrical power. Site facilities will include both mine facilities and process facilities, as follows:

- mine administration offices, truckshop, explosives storage, fuel storage and distribution, ore stockpiles, waste stockpiles, and truck wash
- process facilities including the crushing facilities, leach pad, on/off pad, process plant, process plant workshop, assay laboratory, freshwater infrastructure
- general facilities include a gatehouse, administration building, communications, and switchyard
- catchments, ponds, and other site water management infrastructure.

An overall site layout is provided in Figure 1-3.

A geotechnical program was carried out as part of the design of the heap leach facilities, primary crusher, waste dump facility, and stockpiles. 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. Most of the mine site has permafrost 0.5 to 1.0 metres below the surface. The design of structures took this into account.

The major infrastructure items are listed below.

1.16.1 Access Road

Approximately 48 km of light vehicle road will require upgrading to a 9-m-wide, two-lane, dirt road to connect the Filo del Sol mine site to the national highway system at Iglesia Colorada. Roads will connect various mine facilities, including the camp, open pit, truckshop, crushers, process plants, heap leaches, electrical substations, and administrative buildings.

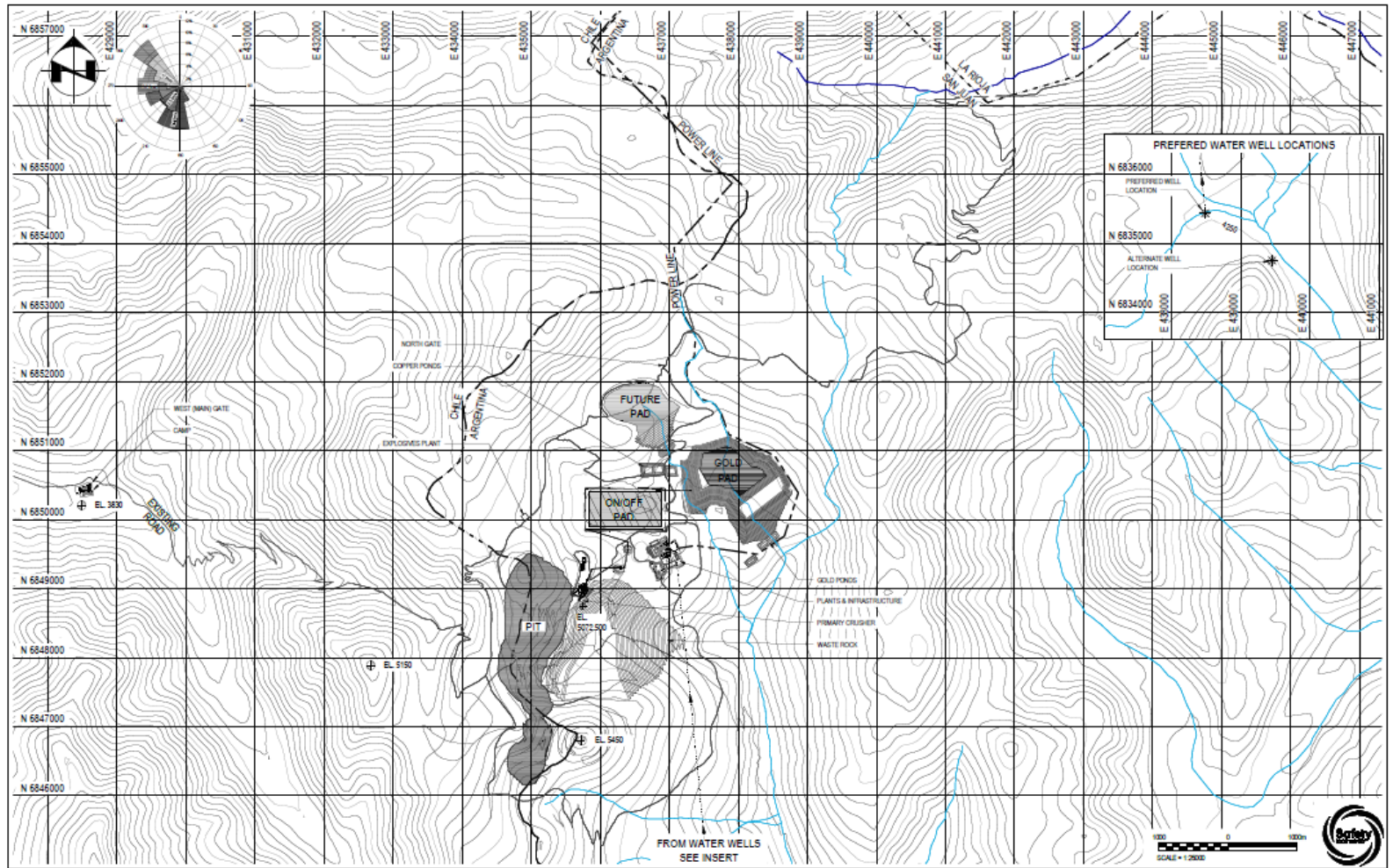
1.16.2 Water Supply

Water will be supplied from local aquifers in Argentina, located near the proposed plant site. The water makeup requirement is estimated to be 75 L/s based on a 60,000 t/d nominal feed rate.

1.16.3 Power Supply

The site will be supplied with electricity through a 127 km long, 110 kV, single circuit power transmission line connected to the Los Loros substation in Chile. Average electrical demand is estimated to be 56 MW.

Figure 1-3: Infrastructure Layout Plan



Source: Ausenco, 2019.

1.16.4 Product Transport

Copper cathode will be transported by truck to Puerto Caldera, a port near the city of Caldera located 77 km by road northwest of Copiapó. The approximate trucking distance from the plant site is 245 km; approximately 48 km of existing road will require upgrades to accommodate the truck traffic. Doré will be transported approximately 175 km to Aeropuerto Desierto de Atacama for ongoing airfreight.

1.16.5 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.

1.16.6 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.

1.17 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 company has no contracts in place.

1.18 Environmental, Permitting, and Social Licence

KP completed environmental baseline work for the project in 2017 and 2018 and reviewed the historical work from other independent consultants who assisted in the environmental work. This work will be used to support the preparation of an Environmental Impact Assessment (EIA).

An EIA and its subsequent Declaración de Impacto Ambiental (DIA) are required for the exploration phases of mineral development. The Filo del Sol project has maintained all previous exploration activity permits in good standing, which required the submission of an EIA and receipt of a DIA. The most recent DIA was issued on March 23, 2022 and is valid for two years, whereupon it can be renewed.

Baseline studies to date have been carried out on geosciences, air and water, terrestrial biota, the human environment, and natural and 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 landowners, and other interested parties is ongoing.

1.19 Capital Cost Estimate

The capital cost estimate was developed in Q1 2023 US dollars based on budgetary quotations for equipment and construction contracts, as well as Ausenco's in-house database of projects and studies including experience from similar operations. The estimate conforms to Class 4 guidelines for a prefeasibility study level estimate with a +30/-20% accuracy, according to the Association of the Advancement of Cost Engineering International (ACE International).

Table 1-3: Capital Cost Estimate

| Description | Initial (US\$M) | Sustaining (US\$M) | Closure (US\$M) | Life of Mine (US\$M) |
|-------------------------|-----------------|--------------------|-----------------|----------------------|
| Direct Costs | | | | |
| Mine | 230 | 9 | - | 239 |
| Processing | 610 | 131 | - | 741 |
| On-Site Infrastructure | 117 | - | - | 117 |
| Off-Site Infrastructure | 188 | - | - | 188 |
| Subtotal Direct Costs | 1,145 | 140 | - | 1,285 |
| Indirect Costs | 185 | - | - | 185 |
| EPCM Services | 149 | - | - | 149 |
| Owner's Costs | 50 | - | - | 50 |
| Provisions | 275 | - | - | 275 |
| Subtotal Indirect Costs | 660 | - | - | 660 |
| Closure | - | - | 69 | 69 |
| Total | 1,805 | 140 | 69 | 2,013 |

*Numbers above are rounded to the nearest integer; therefore, some subtotals may not balance due to rounding.

The following parameters and qualifications were considered:

- The estimate was developed in Q1 2023 US dollars.
- Metric units of measure are used throughout the estimate.
- Actual estimate accuracy is defined by the stated maturity of the information available.
- No allowance has been made for exchange rate fluctuations.
- In addition to contingency a growth allowance was included.
- There is no escalation added to the estimate.
- Data for the estimates have been obtained from numerous sources, including the following:
 - mine schedules
 - pre-feasibility level engineering design
 - topographical information obtained from the site survey
 - geotechnical investigations
 - vendor equipment and material supply costs

- budgetary unit costs from contractors for civil, concrete, steel, electrical, piping and mechanical works
- data from similar recently completed studies and projects.

1.20 Operating Cost Estimate

The average yearly operating cost for the project, cost per tonne of processed material and life of mine costs is summarized in the Table 1-4 for mining, processing, and site G&A.

Table 1-4: Operating Cost Estimate

| Operating Costs | \$/t Processed | US\$/a | Life of Mine (US\$M) |
|-----------------|----------------|------------|----------------------|
| Mining | 6.63 | 132 | 1,720 |
| Processing | 9.72 | 213 | 2,523 |
| Site G&A | 1.67 | 37 | 434 |
| Total | 18.01 | 382 | 4,677 |

1.21 Economic Analysis

Analysis of the project demonstrates that the mine plan has positive economics under the assumptions used. The project post-tax NPV at an 8% discount rate is estimated to be \$1.31 billion, with an IRR of 20%. The project financial summary is shown in Table 1-5.

Note: Cash flows have been discounted to the start of construction, assuming that the project execution decision will be taken, and major project financing will be carried out at this time. 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 1-5: Project Financial Summary

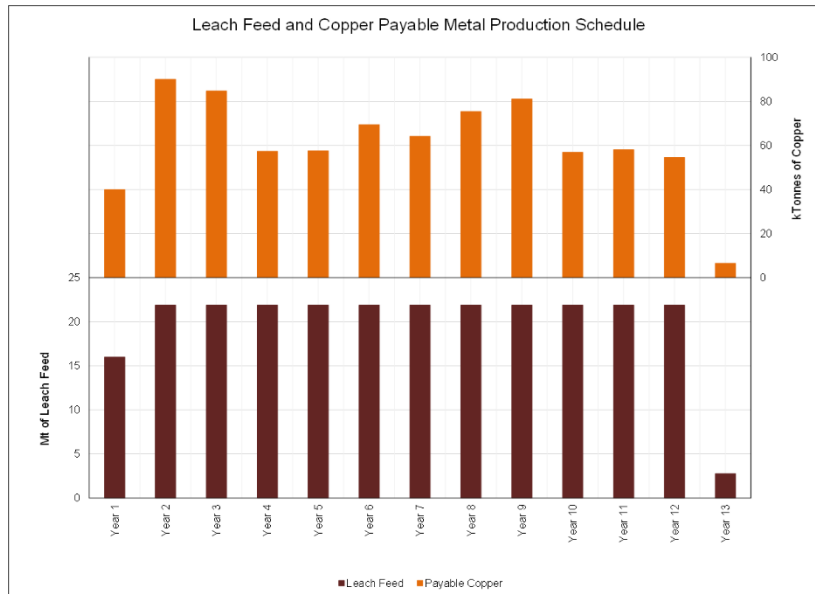
| Project Metric | Units | Value |
|-----------------------------------------------------------------------------|------------|--------|
| Pre-Tax NPV (8%) | US\$M | 2,040 |
| Pre-tax IRR | % | 24% |
| After-Tax NPV (8%) | US\$M | 1,310 |
| After-Tax IRR | % | 20% |
| Undiscounted After-Tax Cash Flow (Life of Mine) | US\$M | 3,560 |
| Average Operating Margin* | % | 60% |
| Payback Period from Start of Processing (Undiscounted, After-Tax Cash Flow) | years | 3.4 |
| Initial Capital Expenditures | US\$M | 1,805 |
| LOM Sustaining Capital Expenditure (Excluding Closure) | US\$M | 140 |
| LOM C-1 Cash Costs (Co-Product) | \$/lb CuEq | 1.54 |
| Nominal Process Capacity | t/d | 60,000 |

| Project Metric | Units | Value |
|-------------------------------------|--------|-----------|
| Mine Life (including pre-stripping) | years | 13 |
| Average Annual Copper Production** | tonnes | 66,000 |
| Average Annual Gold Production** | oz | 168,000 |
| Average Annual Silver Production** | oz | 9,256,000 |
| LOM Recovery – Copper*** | % | 78% |
| LOM Recovery – Gold | % | 70% |
| LOM Recovery – Silver | % | 83% |

Notes: * Operating Margin = Operating Cashflow/Net Revenue. ** Rounded and excluding final year of minimal leach operation. *** Excluding 1% Cu recovery to concentrate for SART process.

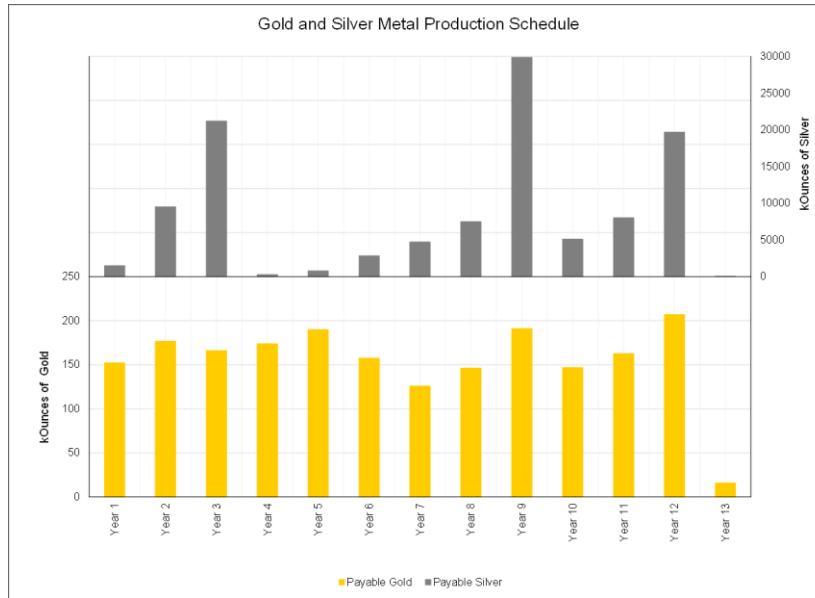
The proposed production schedule and metal production profile are shown in Figure 1-4 and Figure 1-5.

Figure 1-4: Leach Feed and Copper Metal Production Schedule



Source: SRK, 2023

Figure 1-5: Gold and Silver Metal Production Schedule

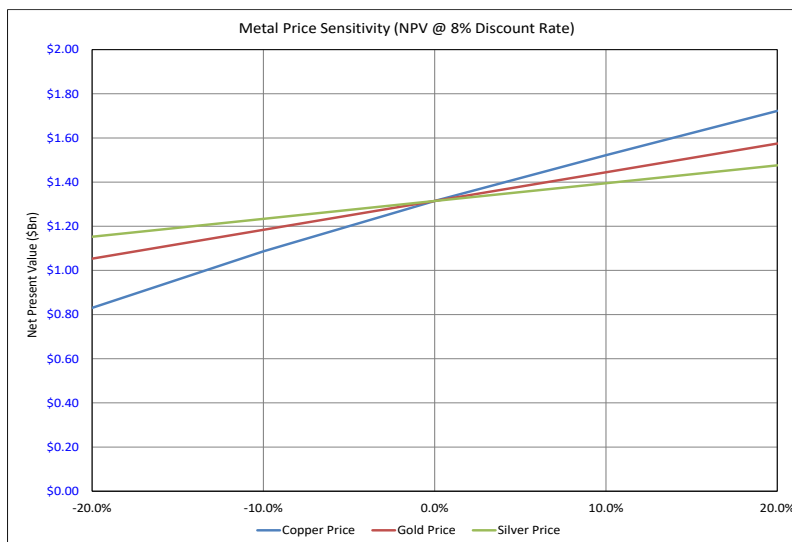


Source: SRK, 2023

A cash flow valuation model for the project has been developed using a long-term copper price of \$3.65/lb, a gold price of \$1,700/oz, and a silver price of \$21/oz. Figure 1-6 shows the sensitivity of estimated NPV for the project’s cash flow at various changes to metal prices at 8% discount rate. Figure 1-7 shows the sensitivity of estimated NPV for the project’s cash flow at various changes to operating costs, capital costs and metal prices at 8% discount rate.

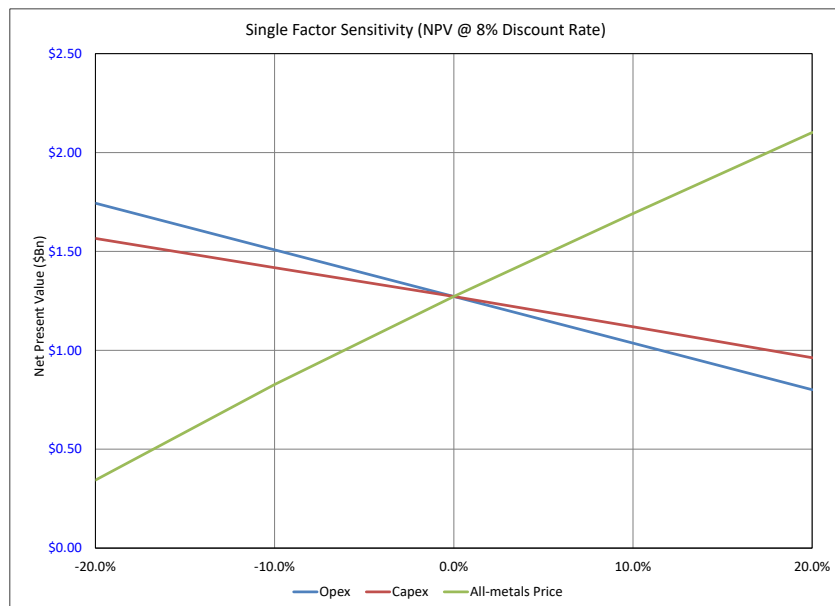
A summary of the post-tax project economics is listed in Table 1-5.

Figure 1-6: Metal Price Sensitivity



Source: SRK, 2023

Figure 1-7: Single-Factor Sensitivity Chart



Source: SRK, 2023

1.22 Adjacent Properties

There are no relevant adjacent properties for the purposes of the Technical Report.

1.23 Other Relevant Data and Information

Drilling since 2019 has established Filo del Sol as a major deposit of copper, gold, and silver in a unique highly telescoped high-sulphidation epithermal/porphyry deposit. This style of deposit forms some of the largest copper-gold deposits known and will require a significant effort in order to fully delineate. Several high-potential target areas exist for the discovery of new mineralized centres, and it remains to be determined if these will prove to be separate deposits themselves, or different parts of one very large deposit contiguous with what has already been discovered.

1.24 Interpretations and Conclusions

The work completed during this prefeasibility study has indicated that the Filo del Sol Project has potential economic merit. The financial analysis has shown a positive net present value and internal rate of return.

The Filo del Sol Project encompasses a very large zone of alteration and a mineral deposit that remains open in several directions within a prolific mineral district. Both high-sulphidation epithermal gold-silver-copper and porphyry copper-gold mineralization have been discovered and both styles of mineralization are compelling exploration targets.

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

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

The design of the 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 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.

1.25 Recommendations

Although this PFS outlines a compelling economic case for additional studies and eventual development of the Filo del Sol oxide resource, the extent and tenor of the significant sulphide mineralization discovered by drilling since 2019 indicates that the focus should continue to be on outlining and defining the full potential of the Filo Del Sol property. Once a more comprehensive understanding of the entirety of the mineralization has been developed, options on how to best progress the development of the deposit will be assessed.

Recent drilling has intersected long intervals (>1km) of high-grade mineralization beneath, and to the north of, the current mineral resource. Although this additional mineralization has not been fully defined and remains open to expansion it is already significant enough to change the entire scope of the project. This zone of mineralization beneath and north of the resource has been named the Aurora Zone.

In addition to the Aurora Zone, more widely spaced drilling has encountered significant mineralization in areas distal to the resource, namely the Bonita zone, the Flamenco Zone and the Gemelos Zone.

To continue to define the mineralized potential of Filo Del Sol, an initial program of 35,000m of diamond drilling is recommended in order to accomplish 3 main objectives:

- Infill and short-range expansion drilling of the Aurora Zone
- Medium-range (1 – 2km) step out drilling to expand the Bonita Zone and determine if it, and other apparently satellite zones, are contiguous with the Aurora Zone, and
- Long-range (>2km) exploration drilling to test new target areas indicated by geology and surface sampling, primarily the Gemelos and Flamenco Zones
- This work is not contingent on any other work programs.

Data collected from this drilling should be used to create a comprehensive geological model incorporating lithology, alteration and mineral zonation which can be used to develop an updated mineral resource estimation with a goal of adding the sulphide material to the current oxide resource.

One of the key discoveries since 2019 is a zone of very high-grade material which occurs between 700 m and 1,000 m below surface. Grade variability within this zone indicates that it will likely need to be drilled at close spaced centres in order to be fully delineated and defined.

Given the technical challenges with completing this drilling from surface, an assessment of the viability of an underground drill drift should be completed which would allow this, and other areas of the Aurora zone, to be drilled from underground. As the project advances, underground access would also facilitate the recovery of bulk samples for metallurgical testwork.

The mineralization discovered by drilling since 2019 is primarily hypogene sulphide mineralization and will require processing by a crush/grind/float process rather than a leach process as described in the current study. Additional geometallurgical studies and metallurgical testwork are recommended in order to better understand the mineralogical distribution of ore minerals and develop a better understanding of the number, size and distribution of geometallurgical zones within the deposit.

Environmental base line studies and data collection should also continue to ensure a comprehensive and continuous record of data collection.

A summary of all major recommended works proposed to be completed along with the recommended budget totals is provided in Table 1-6, which totals \$84.6M for all works as outlined in Section 26.

Depending on the results from this initial diamond drill program, subsequent drill programs may be required to achieve the level of understanding of the entirety of the mineralization required for evaluation of future development options.

Table 1-6: Filo del Sol Recommended Work Program Cost Estimate

| Program Component | Cost Estimate (US\$M) |
|---------------------------------------|-----------------------|
| Environment, Social and Governance | 3.8 |
| Land Holding Cost | 1.2 |
| Resource Drilling and Support | 69.0 |
| Project support logistics | 7.1 |
| Metallurgical and Engineering Studies | 3.5 |
| Total | 84.6 |

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 the Board 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 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, 2022, the Corporation had an aggregate of 123,084,818 Common Shares issued and outstanding. As at the date of this AIF, the Corporation had an aggregate of 123,567,695 Common Shares issued and outstanding.

Market for Securities

The Common Shares of the Corporation are currently listed and posted for trading on the TSX in Canada under the trading symbol "FIL", in Sweden on the NASDAQ First North Growth Market under the symbol "FIL" and in the United States on the OTCQX under the symbol "FLMMF". Prior to October 1, 2021, the Common Shares of the Corporation were listed and posted for trading on the TSX-V in Canada.

Trading Price and Volume

The following table set forth the monthly high and low trading prices and aggregate volume of trading of the Common Shares on the TSX (January 1, 2022-December 31, 2022) for the year ended December 31, 2022:

| | Month | High (\$) | Low (\$) | Volume |
|-----|----------------|-----------|----------|------------|
| TSX | January 2022 | 16.50 | 12.30 | 6,330,000 |
| | February 2022 | 16.04 | 13.20 | 4,222,000 |
| | March 2022 | 19.75 | 15.03 | 6,936,000 |
| | April 2022 | 24.81 | 19.19 | 9,544,000 |
| | May 2022 | 27.37 | 15.76 | 11,264,000 |
| | June 2022 | 26.58 | 17.39 | 10,069,000 |
| | July 2022 | 18.95 | 14.43 | 4,093,000 |
| | August 2022 | 19.00 | 16.04 | 2,798,000 |
| | September 2022 | 17.60 | 14.01 | 2,530,000 |
| | October 2022 | 18.89 | 15.08 | 2,271,000 |
| | November 2022 | 19.44 | 16.46 | 4,417,000 |
| | December 2022 | 24.05 | 18.81 | 9,217,000 |

The price of the Common Shares of the Corporation as quoted by the TSX at the close of business on December 30, 2022, was \$23.24 and on March 16, 2023, the last trading day prior to the date of this AIF, was \$19.01.

Directors and Officers

The Board of Directors

As of December 31, 2022, the Board was comprised of eight (8) directors. Subsequent to the year ended December 31, 2022, Mr. Alessandro Bitelli resigned from the Board and Ms. Joyce Ngo was appointed to fill the vacancy, and the Board size was increased in accordance with the Corporation's articles and Mr. Peter O'Callaghan was appointed as a new director. 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, is set forth in the following table. The following table also identifies the members of each committee of the Board.

| Name and Province and Country of Residence | Principal Occupation for Past Five Years | Director Since ⁽¹⁾ |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Adam I. Lundin British Columbia, Canada | Chairman of the Board since 2020; prior CEO of the Corporation from 2017-2020. Currently Chairman of Lundin Mining Corporation; Director of NGEx Minerals; Director of Lucara Diamond Corp.; Former President and CEO of Josemaria Resources Inc.; Director of Lundin Energy AB; Lundin Foundation. | 2017 |
| Wojtek A. Wodzicki ^(3,4,5) British Columbia, Canada | President and CEO and director of NGEx Minerals. Prior CEO of Josemaria Resources Inc. from 2009-2019. | 2016 |
| Erin Johnston ^(2,3,4,5) British Columbia, Canada | Managing Director of Lundin Foundation. Director of Africa Oil Corp. | 2020 |
| Jamie Beck British Columbia, Canada | President and CEO since 2020. Former VP Corporate Development from 2017-2019. Former VP Corporate Development of Josemaria Resources from 2017-2019. Director of Bluestone Resources Inc. | 2020 |
| Carmel Daniele London, United Kingdom | CIO of CD Capital Management Group Ltd. Director of Lundin Gold Inc. Former Director of Prairie Mining Limited from 2015 to 2022. | 2020 |
| William Lundin ⁽⁵⁾ Geneva, Switzerland | COO of International Petroleum Corp.; Director of ShaMaran Petroleum Corp.; Africa Energy Corp. | 2022 |
| Ron Hochstein ⁽⁵⁾ British Columbia, Canada | CEO and Director of Lundin Gold Inc.; Director of Denison Mines Corp. | 2022 |
| Peter O'Callaghan ^(2,3,4) British Columbia, Canada | Partner, Blake, Cassels & Graydon LLP from 1995 to 2022. | 2023 |
| Joyce Ngo ⁽²⁾ British Columbia, Canada | CFO of Josemaria Resources Inc. from 2016-2019. | 2023 |

Notes:

- (1) The term of office of each of the directors will expire at the 2023 Annual General Meeting of the Shareholders.
- (2) Member, Audit Committee
- (3) Member, Corporate Governance and Nominating Committee
- (4) Member, Compensation Committee
- (5) Member, Technical Committee

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. Jamie Beck, President and CEO of the Corporation, is discussed above under “Directors”.

| Name and Province and Country of Residence | Position with Filo Mining and Employment for Past Five Years |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ian Gibbs British Columbia, Canada | CFO since 2022; prior: CFO at Josemaria Resource Inc. from 2019-2022; CFO at Africa Oil Corp. from 2009-2019. |
| Robert Carmichael British Columbia, Canada | VP, Exploration since 2019; VP Exploration of NGEx Minerals Ltd.; prior: VP Exploration at Josemaria Resources Inc. from 2019-2022. |
| Arndt Brettschneider British Columbia, Canada | VP Operations and Projects since 2022; prior VP Projects of Josemaria Resources Inc. from 2019-2022; VP Mining Consulting and Asset Optimization at Ausenco Engineering Canada Inc. from 2017-2019. |
| Trevor D’Sa British Columbia, Canada | VP Corporate Development since 2021; prior: self-employed from 2020-2021; VP, Investment Banking at Canaccord Genuity Corp. from 2017-2020. |

Securities Holdings

As of March 17, 2023, the current directors and executive officers of the Corporation, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 2,611,129 Common Shares of the Corporation, representing approximately 2.11% 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. Ron Hochstein was a director of Sirocco Mining Inc. (Sirocco). Pursuant to a plan of arrangement completed on January 31, 2014, Canadian Lithium Corp. (CLC) acquired Sirocco. Under the plan of arrangement, CLC 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 TSX de-listed RBI's common shares in 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 marchés financiers* on May 29, 2015 and the Ontario Securities Commission on May 27, 2015 (as amended January 16, 2018).

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 NGEx Minerals, 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 or 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, 2022, 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 current Audit Committee member, including their name, whether they are independent and financially literate, as such terms are defined under National Instrument 52-110 – *Audit Committees* ("NI 52-110") and their education and experience as it relates to the performance of their duties as an Audit Committee member.

| Member Name | Independent ⁽¹⁾ | Financially Literate ⁽²⁾ | Education and Experience Relevant to Performance of Audit Committee Duties |
|--------------------------|----------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Joyce Ngo, CPA | Yes | Yes | Ms. Ngo is a Chartered Accountant who has twenty years of professional experience in both public practice and in public companies. Most recently, she served as CFO of Josemaria Resources Inc. from 2016 to 2019. Before that, Ms. Ngo held senior executive accounting positions with NGEx Resources Inc. and was instrumental in the spin-outs of both Filo Mining and Josemaria Resources Inc. from NGEx Resources Inc. into separate public companies. Ms. Ngo spent five years in public accounting with KPMG LLP and is a graduate of Simon Fraser University with a Bachelor of Business Administration, majoring in Accounting and Finance with a minor in Economics. Ms. Ngo is a member of the Institute of Chartered Accountants of British Columbia. |
| Erin Johnston | Yes | Yes | Ms. Johnston serves as Managing Director of the Lundin Foundation. She draws upon over 15 years' experience working in the private sector advising companies on Environmental and Social Governance (ESG) issues to reduce non-technical risks of resource development projects in Latin America, Asia and Africa. Ms. Johnston previously oversaw British Columbia's investment in skills training and leading programs for youth, women and Aboriginal participants. Ms. Johnston has served on the Board of Directors of a number of not-for-profit organizations and is a founding Board Member of an indigenous not-for-profit organization in Latin America. She has a Master of Arts in International Leadership from Simon Fraser University and an Executive Leadership Certificate from the UBC Sauder School of Business. Ms. Johnston is also a director of Africa Oil Corp. |
| Peter O'Callaghan | Yes | Yes | Mr. O'Callaghan was a Partner at Blake, Cassels & Graydon LLP for over twenty-five years, and served as Office Managing Partner from 2018 up to his retirement in December 2022. Mr. O'Callaghan's practice encompassed all types of M&A and corporate finance transactions, with a focus on the mining sector. He holds a Bachelor of Laws degree and a Bachelor of Commerce (Finance) degree from the University of British Columbia. |

(1) Independent within the meaning of NI 52-110.

(2) An individual is financially literate within the meaning of NI 52-110 if they have 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.

The Corporation relied on the exemption set forth in Section 3.4 of NI 52-110 during the year ended December 31, 2022, as Mr. Bitelli was deemed to have a material relationship with the Corporation by virtue of section 1.4(e) of NI 52-110 upon the appointment of Mr. Ian Gibbs as Chief Financial Officer on September 1, 2022. The Corporation has since reconstituted the Audit Committee, as set out above, and is no longer relying on any exemption contained in NI 52-110.

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 Board.

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, 2022, and December 31, 2021:

| Financial Year Ending | Audit Fees ⁽¹⁾ | Audit Related Fees ⁽²⁾ | Tax Fees ⁽³⁾ | All Other Fees |
|-----------------------|---------------------------|-----------------------------------|-------------------------|----------------|
| December 31, 2022 | \$89,105 | \$40,125 | \$Nil | \$Nil |
| December 31, 2021 | \$65,265 | \$34,500 | \$Nil | \$Nil |

(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.

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. 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

The only material contracts entered into by the Corporation, other than those entered into in the ordinary course of business, within the most recently completed financial year, or before the most recently completed financial year but are still in effect, are set forth below. Copies of these material contracts are available under the Corporation's SEDAR profile at www.sedar.com.

- the Subscription Agreement, as further detailed under "Three Year History – 2022" with respect to the 2022 Private Placement, as well as the continuing participation and top-up rights granted in favour of BHP, and pursuant to which the Corporation received total gross proceeds of approximately \$100 million.

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., Filo Mining's Vice President, Exploration, is a "qualified person" within the meaning of this term in NI 43-101 and has prepared the Corporation's news releases, sections of this AIF and other disclosure documents that are of a scientific and technical nature pertaining to the Corporation's Filo del Sol Project and has verified the data disclosed therein. Mr. Carmichael is not independent as he is the Vice President, Exploration of the Corporation. As of the date of this AIF, he holds directly or indirectly, 300,000 Common Shares and stock options to purchase an aggregate of 631,000 Common Shares of the Corporation at varying prices. If all the options held by Mr. Carmichael were exercised, he would hold less than one percent of the Common Shares of the Corporation.
- Jamie Beck, B.A.Sc., P. Eng., MBA, Filo Mining's President and Chief Executive Officer, 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. Mr. Beck is not independent as he is President and Chief Executive Officer of the Corporation. As of the date of this AIF, he holds directly or indirectly, 230,000 Common Shares and stock options to purchase an aggregate of 1,168,000 Common Shares of the Corporation at varying prices. If all the options held by Mr. 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.; Kevin Murray, P.Eng., of Ausenco Engineering Canada Inc.; Scott Elfen, P.E., of Ausenco Engineering (Canada) Inc.; Bruno Borntraeger, P.Eng., of Knight Piésold (Vancouver); Ryan Brown, P.Eng., AGP Mining; James N. Gray, P.Geo., of Advantage Geoservices Limited; Gordon Zurowski, 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 and Messrs. Murray, Elfen, Borntraeger, Brown, Gray, Zurowski, and 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 Common Shares.

The Corporation's independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated March 17, 2023, in respect of the Corporation's consolidated financial statements as at December 31, 2022 and December 31, 2021 and for years then ended. PricewaterhouseCoopers LLP has advised the Corporation that they are independent with respect to the Corporation within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

Other than Mr. Carmichael, Vice President, Exploration and Mr. Beck, President and CEO 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 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, 2022, 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 of Directors (the "Board") on August 3, 2016,
and as amended on November 7, 2019 and September 27, 2021)

1. Purpose

1.1 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

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 Each Audit Committee member must be independent, within the meaning of National Instrument 52-110 ("NI 52-110").

2.4 Every Audit Committee member must be financially literate, within the meaning of NI 52-110.

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 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*

- (i) The Audit Committee shall recommend to the Board:
 - a) 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
 - b) the compensation of the Auditor.
- (ii) In making such recommendations, the Audit Committee shall evaluate the Auditor’s performance and review the Auditor’s fees for the preceding year.
- (iii) The Auditor shall report directly to the Audit Committee.
- (iv) 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.
- (v) 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*

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.*

- (i) The Audit Committee shall review the Corporation’s:
 - a) interim and annual financial statements and Management’s Discussion and Analysis, intended for circulation among shareholders; and
 - b) Annual Information Form only to the extent that it contains financial information or projections, and shall report on them to the Board.
- (ii) 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.
- (iii) 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*

- (i) The Audit Committee shall review the Corporation's annual and interim press releases relating to financial results before the Corporation publicly discloses this information.
- (ii) 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(i), and must periodically assess the adequacy of those procedures.

4.5 *Review of Annual Audit*

- (i) 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.
- (ii) The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect the audited financial statements.
- (iii) 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.
- (iv) 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*

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

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

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*

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*

- (i) The Audit Committee shall be responsible for oversight of the effectiveness of management's interaction with and responsiveness to the Board;
- (ii) The Audit Committee shall review and monitor all related party transactions which may be entered into by the Corporation.
- (iii) The Audit Committee shall approve, or disapprove, material contracts where the Board determines it has a conflict.
- (iv) 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.
- (v) The Audit Committee shall periodically review the adequacy of this Charter and recommend any changes to the Board.
- (vi) 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:

- (i) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (ii) to set and require the Corporation to pay the compensation for any advisors employed by the Audit Committee; and
- (iii) 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**

6.1 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 Audit Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.