2024 FIRST QUARTER REPORT

Management's Discussion and Analysis
and
Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2024
(UNAUDITED)

FILO CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2024
(Amounts in United States Dollars unless otherwise indicated)

This management's discussion and analysis ("MD&A") of Filo Corp. ("Filo" or the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 and related notes therein ("2024 Financial Statements"). The financial information in this MD&A is reported in United States dollars ("$USD") unless otherwise indicated and is partly derived from the Company's 2024 Financial Statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The accounting policies used in the 2024 Financial Statements and therefore this MD&A are consistent with those used in the audited consolidated financial statements for the year ended December 31, 2023, except as disclosed in notes 3 and 4 of the 2024 Financial Statements.

Effective January 1, 2024, the Company changed the functional currencies of its parent and subsidiary companies as well as its presentation currency from Canadian dollars ("$CAD") to $USD. The change was enacted to reflect changes in the composition of the Company's contracts and monetary outlays being predominantly denominated in $USD. The change in functional currencies is being recognized prospectively. The change in presentation currency requires retrospective restatement of all prior periods presented in the 2024 Financial Statements. The amounts reported in the statement of financial position as at January 1, 2023 (derived from the consolidated statement of financial position as at December 31, 2022; not presented herein) and December 31, 2023 have been restated in $USD based on the closing exchange rates on December 31, 2022 and December 31, 2023, respectively. The statements of comprehensive loss, cash flows and changes in equity for the three months ended March 31, 2023 have been restated in $USD based on the average exchange rate for the three months ended March 31, 2023.

The $CAD/$USD exchange rates used to reflect the change in presentation currency were as follows:

	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Average rate	n/a	0.7398	0.7445	0.7456	0.7344
Closing rate	0.7383	n/a	n/a	n/a	0.7561

The effective date of this MD&A is May 8, 2024. Additional information about the Company and its business activities is available on SEDAR+ at www.sedarplus.ca and the Company's website www.filocorp.com.

The Company's common shares trade on the Toronto Stock Exchange under the symbol "FIL", the NASDAQ First North Growth Market under the symbol "FIL" and on the OTCQX under the symbol "FLMMF".

Effective June 23, 2023, the Company's name was changed to Filo Corp., formerly Filo Mining Corp., to better align with the Company's strategic vision. Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

CORE BUSINESS AND STRATEGY

Filo is a mineral exploration company, focused on its 100% controlled Filo del Sol project ("Filo del Sol" or the "Filo del Sol Project"), which is comprised of two adjacent land holdings: the Filo del Sol property located in San Juan Province, Argentina, and the Tamberias property, located in Region III, Chile. The Filo del Sol Project is located in the emerging Vicuña District, located between the prolific Maricunga and El Indio mining districts. The region is an established mining jurisdiction and hosts a number of large-scale mining operations. The project area is covered under the Mining Integration and Complementation Treaty between Chile and Argentina, which provides the framework for the development of cross border mining projects.

The Company's strategy is to create value for its shareholders by expanding and increasing the confidence in and continuity of the resources and reserves at the Filo del Sol Project through further exploration, and by advancing engineering and other studies that are required to prepare the Filo del Sol Project for eventual development.

2024 HIGHLIGHTS

During and subsequent to the first quarter of 2024, the Company's highlights included:

- With 14,582m drilled during the quarter, drilling productivity has continued to improve and return long-mineralized intercepts with a goal of expanding the overall deposit size. Assay results were released covering thirteen drill holes;
- Assay results announced for hole FSDH108 extended the Bonita Zone another 400m to the north, increasing the Filo deposit length to at least 5.5km. The results extend the entire Filo mineralized trend further north and intersected mineralization at shallower depths than previous holes drilled in this target area. The Bonita Zone remains open in all directions, and additional drillholes are underway to help better define this area of the deposit and the link between it and the Aurora Zone to the south;
- Assay results announced for hole FSDH103 intersected 1,260.0m from 296.0m in the Aurora Zone at 0.86% CuEq. The hole intersected a strongly leached zone to a depth of 296m where it entered a strong supergene enrichment zone which continued to 357m and was highlighted by an 8m section at 10.06% Cu. This intersection is just below the PFS resource pit shell, offering the opportunity for an expansion to the oxide resource;
- Assay results announced for holes FSDH097, FSDH098 and FSDH100, which span a total distance of 1.6km, expand the Filo deposit to the west along the entire distance between the holes drilled. FSDH100 is an example of the successful Aurora Zone step-out drilling conducted by the Company, adding over 500m in depth beyond the current resource pit shell and extending the western margin of the deposit by 250m;
- Assay results announced for holes FSDH093 and FSDH094, which were collared 500m apart, filled critical high-grade gaps in the Company's interpretation as well as extending Aurora to the northeast.

Q1 2024 DRILLING AND ASSAY RESULTS

Drilling and assay results disclosed by the Company during and subsequent to the three months ended March 31, 2024 are summarized in the following table:

Hole-ID	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq[1] (%)
FSDH093	338.8	1,788.0	1,449.2	0.41	0.21	5.0	0.61
incl.	492.0	1,144.0	652.0	0.55	0.25	8.6	0.81
incl.	804.0	1,080.0	276.0	0.66	0.31	6.7	0.95
and incl.	1,674.0	1,750.0	76.0	0.63	0.26	2.5	0.84
FSDH094	192.0	1,490.0	1,298.0	0.59	0.40	15.0	1.01
incl.	364.0	416.0	52.0	0.59	0.47	252.4	3.15
and incl.	444.0	748.0	304.0	0.84	0.53	9.4	1.30
FSDH097	368.0	1,445.0	1,077.0	0.52	0.25	22.4	0.89
incl.	368.0	1,126.0	758.0	0.53	0.30	31.0	1.03
incl.	372.0	521.0	149.0	0.35	0.10	128.0	
incl.	450.0	474.0	24.0	0.36	0.15	366.8	
incl.	466.0	474.0	8.0	0.44	0.19	725.2	
and incl.	707.0	944.0	237.0	0.73	0.60	3.0	1.20
FSDH098	410.0	1,363.8	953.8	0.31	0.13	2.1	0.42
FSDH100	256.0	887.3	631.3	0.38	0.35	5.8	0.68
incl.	340.0	360.0	20.0	0.42	0.29	95.8	
FSDH101	540.0	1,379.5	839.5	0.31	0.11	1.8	0.41
incl.	550.0	972.0	422.0	0.38	0.13	2.3	0.50
FSDH102	12.0	699.0	687.0	0.18	0.16	4.2	0.33
incl.	250.0	478.0	228.0	0.34	0.15	2.4	0.47

Hole-ID	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq[1] (%)
incl.	250.0	349.6	99.6	0.51	0.14	2.2	0.63
FSDH103	296.0	1,556.0	1,260.0	0.58	0.36	2.4	0.86
incl.	302.0	336.0	34.0	4.33	0.97	16.8	5.19
incl.	318.0	326.0	8.0	10.06	2.36	41.3	12.14
incl.	534.0	1,048.0	514.0	0.62	0.54	2.7	1.04
FSDH104	40.0	106.0	66.0	0.17	0.15	22.4	0.48
plus	744.0	1,336.0	592.0	0.41	0.13	3.7	0.54
incl.	890.0	1,062.0	172.0	0.45	0.17	5.8	0.63
FSDH105	714.0	1,284.0	570.0	0.34	0.10	1.4	0.43
incl.	820.0	1,050.0	230.0	0.43	0.14	1.4	0.54
FSDH106	26.0	190.0	164.0	0.15	0.10	2.3	0.24
FSDH108	69.8	79.8	10.0	0.95	0.56	36.4	1.68
incl.	216.8	1,172.0	955.2	0.36	0.15	3.9	0.50
incl.	382.0	1,006.0	624.0	0.45	0.18	5.0	0.63
incl.	496.0	548.0	52.0	0.66	0.28	31.6	1.14
FSDH111	No significant intervals						

*(1) Copper Equivalent is calculated based on US$ 3.00/lb Cu, US$ 1,500/oz Au and US$ 18/oz Ag, with 80% metallurgical recoveries assumed for all metals. The formula is: CuEq % = Cu % + (0.7292 * Au g/t) + (0.0088 * Ag g/t). 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 Company's press releases. As of the date of this MD&A, additional holes have been completed with assays pending, which include:

- **FSDH109**
- **FSDH114**

Assay results for completed holes will be released as they are received, analyzed, and confirmed by the Company.

OUTLOOK

Drilling continues to be the Company's primary focus with nine drill rigs operating at site. The planned 2024 drilling program is expected to be the Company's most ambitious program to date, including 40,000m of drilling planned with a renewed focus on exploration and resource growth with multiple step-out targets from zones of known mineralization. Drilling productivity through the end of Q1 2024 exceeded expectations, and the Company has now made seasonal adjustments to continue the drilling program throughout the austral winter.

Drilling will remain a mix of both large and small step out holes in all directions from areas of known mineralization, including both the Bonita and Aurora Zones. The Company continues to maintain a strong focus on improving drill productivity through a variety of initiatives.

Data collected from the current campaign is being used to develop a comprehensive geological model which will guide further exploration and form the basis of an update to the Mineral Resource estimate by year end. The Company is continuing preliminary metallurgical testwork on the sulphide mineralization, as well as environmental and social baseline programs in support of future project permitting.

The Company's plans and timelines are subject to equipment and staff availability, along with being able to operate safely and effectively and in accordance with the Company's health and safety protocols.

RESULTS FROM OPERATIONS

Filo is an exploration company and, as such, its net losses are largely driven by its exploration and project investigation activities. There is no expectation of generating operating profits until it develops a commercially viable mineral deposit.

Key financial results for the last eight quarters are provided in the table below. All prior period financial results have been restated in $USD as disclosed in note 3 of the Company's 2024 Financial Statements.

		Restated						
Three Months Ended	**Mar-24**	**Dec-23**	**Sep-23**	**Jun-23**	**Mar-23**	**Dec-22**	**Sep-22**	**Jun-22**
Exploration costs ($000's)	31,793	26,650	27,331	26,712	25,381	18,851	15,248	17,341
Operating loss ($000's)	36,449	29,884	29,634	29,356	29,038	21,062	20,089	18,540
Net loss ($000's)	33,154	23,617	17,431	22,085	22,129	15,467	15,343	10,586
Net loss per share, basic and diluted ($)	0.25	0.18	0.13	0.18	0.18	0.13	0.13	0.09

Costs increased during the three months ended March 31, 2024 as compared to 2023 with increased drilling and related activities being undertaken by the Company. Other relevant factors, such as the financial position of the Company, other corporate initiatives, and the scope of planned exploration/project work, could affect the level of exploration activities, operating loss, and net loss in any particular period.

Exploration and project investigation expenses for the three months ended March 31, 2024 were $31.8 million, which increased relative to expenses of $25.4 million incurred during the comparative period in 2023. The period-over-period increase is primarily the result of a larger drilling program being undertaken. The Company completed resource drilling of 14,582m during the three months ended March 31, 2024 compared to 9,149m drilled in 2023, an increase of 59%.

For the three months ended March 31, 2024, Filo incurred a net loss of $33.2 million (2023 – $22.1 million), resulting mainly from an operating loss of $36.4 million (2023 – $29.0 million). The operating loss is offset by a net gain of $3.4 million from the use of marketable securities (2023 – $6.2 million). Exploration and project investigation costs are the primary driver of the operating loss, and for the three months ended March 31, 2024, they accounted for approximately 87% of the operating loss (2023 – 87%). The Company expenses its exploration costs through the consolidated statement of comprehensive loss, except for mineral property option payments and mineral property acquisition costs, which are capitalized. The $2.8 million period-over-period decrease in net gain from the use of marketable securities is the result of a devaluation of the Argentinian peso that occurred in December 2023, following the results of the Argentinian federal election.

The detailed categories of exploration and project investigation expenses are as follows:

Three months ended March 31,		2024		2023 (Restated)
Land holding and access costs	$	169,626	$	18,370
Drilling, fuel, camp costs and field supplies		16,903,229		12,414,218
Roadwork, travel and transport		4,747,936		3,453,569
Conceptual and engineering studies		293,408		1,017,573
Consultants, geochemistry and geophysics		571,435		1,072,357
Environmental and community relations		780,936		514,005
VAT and other taxes		5,893,160		4,706,161
Office, field and administrative salaries, overhead and other administrative costs		1,753,459		1,774,687
Share-based compensation		680,223		409,613
	$	**31,792,872**	**$**	**25,380,553**

Excluding share-based compensation expense, general and administration costs for the three months ended March 31, 2024 totalled $1.3 million (2023 – $1.7 million). The decrease is due primarily to short-term incentive payments made during the three months ended March 31, 2023 that were not made in the same period in 2024.

Total share-based compensation expense for the three months ended March 31, 2024, was $4.1 million (2023 – $2.4 million). Share-based compensation expense increased period-over-period as a result of more options having been granted during the 2024 period due primarily to recruitment of key personnel. Share-based compensation is a non-cash cost which reflects the amortization of the estimated fair value of share options over their vesting period. The fair value of share options is calculated using the Black-Scholes pricing model, which relies heavily on the Company's share price and historical share price volatility. The actual future value to the option holders may differ materially from these estimates as it depends on the trading price of the Company's shares if and when the options are exercised. In addition, as the granting of options and their vesting is at the discretion of the Board, the related expense is unlikely to be uniform across periods.

Interest income for the three months ended March 31, 2024 was $0.8 million (2023 – $0.5 million). Interest income has increased due to an increase in the Company's average cash balance combined with increases in the interest rates offered by the financial institutions with which the Company holds funds.

As disclosed in notes 3 and 4 of the 2024 Financial Statements, effective January 1, 2024, the functional currency of the Company's Argentinian subsidiary has changed from the Argentinian peso to the $USD, and hyperinflationary accounting is no longer applicable. As such, there are no current-period comparable amounts for the following line items. During the three months ended March 31, 2023, the Company recognized net monetary gains of $0.2 million in relation to the application of hyperinflationary accounting for the Company's Argentinian subsidiary. The monetary gains recognized are the result of changes in the Argentinian price indices and changes to the Company's net monetary position during the three months ended March 31, 2023. In other comprehensive loss, the Company reported foreign exchange translation losses of $0.04 million for the three months ended March 31, 2023 on translation of subsidiary company accounts from their respective functional currencies to $CAD, the Company's presentation currency in effect during that period. For the three months ended March 31, 2023, the impact of hyperinflation amounted to a gain of $0.7 million which consists of adjustments recognized on the continuing inflation of opening non-monetary balances during the period and the ongoing translation of the Company's Argentinian subsidiary into $CAD, the Company's presentation currency in effect during that period.

Other foreign exchange loss for the three months ended March 31, 2024 totalled $0.9 million (2023 – $0.02 million), which is the result of the impact of the appreciation of the $USD relative to $CAD on the Company's $CAD-denominated cash and cash equivalents during the period.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2024, the Company had cash and cash equivalents of $54.7 million and net working capital of $35.9 million, compared to cash and cash equivalents of $81.7 million and net working capital of $65.8 million as at December 31, 2023. The decrease in the Company's cash and cash equivalents and net working capital is due to funds used in operations and for general corporate purposes, plus amounts used in the acquisition of equipment and facilities for the Filo del Sol Project.

The Company will continue to deploy the majority of its treasury to fund ongoing advancement of the Filo del Sol Project and, to a lesser extent, for working capital and general corporate purposes.

The Company does not currently generate income from operations. The Company has sufficient working capital for the Company to fund operations for the near term. However, the Company will need further funding to support the advancement of the Filo del Sol Project towards development and to meet general corporate and working capital requirements. Historically, capital requirements have been funded through equity financing. While management is confident that additional sources of funding will be secured to fund potential future expenditures, factors that could affect the availability of financing include the progress and results of ongoing project exploration and evaluation activities at the Company's Filo del Sol Project, the state of international debt and equity markets, investor perceptions and expectations of the global copper, gold, and/or silver markets. Based on the amount of funding raised, the Company's planned initiatives and other work programs may be postponed, or otherwise revised, as necessary.

RELATED PARTY TRANSACTIONS

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. During the three months ended March 31, 2024, the Company engaged with NGEx Minerals Ltd. ("NGEx Minerals"), a related party to the Company by way of directors, officers and shareholders in common.

Related party services

The Company has an ongoing cost sharing arrangement with NGEx Minerals. Under the terms of this arrangement, the Company provides management, technical and/or administrative services (collectively, "Management Services") to NGEx Minerals and vice versa. These transactions were incurred in the normal course of operations, and are summarized as follows:

	Three months ended March 31,	
	2024	**2023 (Restated)**
Management Services to NGEx Minerals	$ 36,419	$ 110,548
Management Services from NGEx Minerals	(39,442)	(78,843)

Related party balances

The amounts due from (to) related parties, and the components of the consolidated statement of financial position in which they are included, are as follows:

	Related Party		March 31, 2024		December 31, 2023 (Restated: note 3)	January 1, 2023 (Restated: note 3)
Receivables and other assets	NGEx Minerals	$	41,590	$	39,965	137,662
Accounts payable and accrued liabilities	NGEx Minerals		(41,894)		(51,010)	(82,814)

Camp usage agreement

On June 26, 2019, the Company, through a wholly-owned subsidiary, entered into a transaction with a wholly-owned subsidiary of Josemaria Resources Inc., a former related party ("Josemaria", a 100%-owned subsidiary of Lundin Mining Corporation) whereby the Company extended its right to use Josemaria's Batidero Camp in Argentina.

The agreement may be terminated with one year's prior notice by Josemaria, and in the absence of such notice the agreement may be renewed for another year at the Company's election. On March 7, 2024, Filo provided formal notice of renewal for the period through April 1, 2025.

Key management compensation

The Company's key management personnel have the authority and responsibility for overseeing, planning, directing and controlling its activities and consist of the Board of Directors and members of the executive management team. Total compensation expense for key management personnel, and the composition thereof, is as follows:

		Three months ended March 31, 2024		2023 (Restated)
Salaries	$	360,050	$	351,383
Short-term employee benefits		19,975		18,961
Directors' fees		69,004		54,575
Stock-based compensation		3,105,384		1,786,385
Incentive bonuses		-		460,682
	$	**3,554,413**	**$**	**2,671,986**

MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies are described in note 3 the consolidated financial statements for the year ended December 31, 2023, as filed on SEDAR+ at www.sedarplus.ca. Additional changes to the Company's material accounting policies are described in notes 3 and 4 to the 2024 Financial Statements.

New Accounting Pronouncements

As at March 31, 2024, there are no IFRS Accounting Standards or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have any impact on the Company.

CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the condensed interim consolidated financial statements in accordance with IFRS Accounting Standards, such as the underlying consolidated financial statements for the three months ended March 31, 2024, requires management to make estimates, assumptions and judgements that affect the reported amounts of assets, liabilities and expenditures. These estimates, assumptions and judgements are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual results could differ and such differences could be material. Estimates, assumptions and judgements are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates, assumptions and judgements, and the resulting effects on the carrying amounts of the Company's assets and liabilities, are accounted for prospectively. Information about estimates, assumptions, judgements and other sources of estimation uncertainty as at March 31, 2024 that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year are provided below:

Valuation of mineral properties

The Company carries the acquisition costs of its mineral properties at cost less any provision for impairment. At each reporting period, management applies judgement in assessing whether there are any indicators of impairment relating to mineral properties. If any such indicator exists, then an impairment test is performed by management, which also requires the Company to make significant judgments and estimates. Information considered by management in assessing indicators of impairment may include the period for which the entity has the right to conduct its exploration and project investigation activities, including expected renewals, whether substantive expenditure on further exploration and project investigation of mineral properties is budgeted, the evaluation of the results of exploration and project investigation activities up to the reporting date and other information that may indicate that the carrying value of mineral properties may not be recovered in full from successful development or sale of the asset. The judgments and estimates mentioned above are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the mineral properties.

The Company has determined that no indicators of impairment exist for its mineral properties as of March 31, 2024.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables and other assets, and trade payables and accrued liabilities. The carrying values of the Company's financial instruments are considered to be reasonable approximations of fair value due to their anticipated short-term nature.

As at March 31, 2024, the Company's financial instruments are exposed to the following financial risks, including credit, liquidity and currency risks:

(i) Credit risks associated with cash are minimal as the Company deposits the majority of its cash with large financial institutions that have been accorded a strong investment grade rating by a primary rating agency.

(ii) Liquidity risks associated with the inability to meet obligations as they become due are minimized through the management of its capital structure and by maintaining good relationships with significant shareholders and potential creditors. The Company also closely monitors and reviews its costs to date and actual cash flows on a monthly basis.

The maturities of the Company's financial liabilities as at March 31, 2024, are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	$ 19,866,008	$ 19,866,008	$ -	$ -
Total	**$ 19,866,008**	**$ 19,866,008**	**$ -**	**$ -**

(iii) Foreign currency risk can arise when the Company or its subsidiaries transact or have net financial assets or liabilities which are denominated in currencies other than their respective functional currencies.

At March 31, 2024, the Company's largest foreign currency risk exposure exists at the level of its Canadian headquarters, where the Company held a net financial asset position denominated in $CAD having a $USD equivalent of approximately $12.9 million. A 10% change in the foreign exchange rate between $CAD and $USD would give rise to an increase/decrease in financial position/net loss of approximately $1.3 million. The Company also has foreign currency risk exposure at the level of its subsidiaries, Filo del Sol Exploración S.A. in Argentina, where the Company has a net financial liability position denominated in Argentinian pesos having a $USD equivalent of approximately $1.2 million, and Frontera Chile Limitada in Chile, where the Company has a net financial liability position denominated in Chilean pesos having a $USD equivalent of approximately $0.8 million. A 10% change in the foreign exchange rate between either the Argentinian peso or the Chilean peso and the $USD would give rise an increase/decrease in financial position/net loss of approximately $0.1 million in each entity.

COMMITMENT

On January 1, 2024, the Company entered into a long-term rental agreement with Namdo Management Services Ltd., the provider of the Company's office space and ancillary administrative services. The agreement expires on February 28, 2039, and provides a guarantee of rental fees totaling $3,038,378 for the remainder of the contract.

OUTSTANDING SHARE DATA

As at May 8, 2024, the Company had 130,867,834 common shares outstanding and 5,649,299 share options outstanding under its share-based incentive plan.

FINANCIAL INFORMATION

The Company's next scheduled financial report will be for the three and six months ended June 30, 2024, which is expected to be published on or around August 9, 2024.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures ("DC&P")

DC&P are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. They include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There have not been any material changes in the Company's DC&P during the three months ended March 31, 2024.

Internal controls over financial reporting ("ICFR")

The Company's ICFR are designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. The Company's ICFR include policies and procedures that: pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS Accounting Standards; that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

Any system, no matter how well conceived or operated, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation and will not prevent all, or detect all, misstatements and frauds. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Management uses the Internal Control – Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations for the Treadway Commission (COSO) in order to assess the effectiveness of the Company's ICFR.

There have not been any material changes in the Company's internal controls during the three months ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which includes the acquisition, financing, exploration, development and operation of mineral and mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, and these risk factors could materially affect the Company's future operations and financial position and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Significant risk factors have been identified by the Company and are listed below. Further discussion and additional risk factors are also available in the Company's most recent annual information form, as filed on SEDAR+ at www.sedarplus.ca. The following information pertains to the outlook and conditions currently known to the Company that could have a material impact on the financial condition of the Company. Other factors may arise that are not currently foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors, as they could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Exploration and Development Risk

Mineral exploration, development and operations generally involve a high degree of risk that cannot be eliminated, and which can adversely impact the Company'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 Company'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 MD&A, 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 Company. 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 Company's business.

The Company'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 Company 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 Company'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 Company'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 Company to reduce its Mineral Reserves and Mineral Resources, which could have a negative impact on the Company's business.

Failure to obtain or maintain necessary permits or government approvals or changes to applicable legislation could also cause the Company to reduce its reserves. In addition, changes to mine plans could cause the Company to reduce its Mineral Reserves. There is also no assurance that the Company 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 Company'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 Company 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 Company's reputation, stopping the Company 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 Company, and may materially adversely affect the Company's business, results of operations or financial condition.

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 Company'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 Company.

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 Company will secure these power, water and access rights going forward or on reasonable terms.

Title Risk

The Company 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 Company'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 Company 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 Company to meet requirements would have a material adverse effect on the Company. Any defects in the title to the Company's properties could have a material and adverse effect on the Company.

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

Ability to Operate Year-round

The Company conducts year-round operations at the Filo del Sol Project. Risks and uncertainties associated with the Company's ability to successfully operate year-round include, but are not limited to, the Company'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 Company'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.

Dependence on Single Project

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

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, and there may be material adverse consequences with respect to the Company and its operations as a result of the political or economic instability in Argentina.

In a runoff to the election held on November 19, 2023, Javier Milei, defeated center-left candidate and the incumbent finance minister, Sergio Massa, to become Argentina's President. Since taking office on December 10, 2023, President Milei has introduced sweeping economic reforms, including devaluation of the country's official peso exchange rate against the $USD, removing several government subsidies, reducing the size of the government and proposing an omnibus bill with numerous articles which was withdrawn after failing to obtain sufficient support from Congress. Economic and political uncertainty in Argentina continues to persist as of the date of this MD&A as the nature, extent or scope of changes to be introduced by President Milei and enacted, if any, and the resulting impacts, are undeterminable at this time.

Changes in local and federal administrations may also imply changes to current programs and policies affecting the Company's business and operations. Both Argentina's President and its Congress have considerable power to make decisions and determining government policies and actions that relate to the Argentinian economy. Furthermore, some of the measures proposed by the government may also generate political and social opposition, which may in turn prevent the government from adopting its proposed measures.

The Company cannot foresee the measures that could be taken by any future administration, national or provincial, and the effects that such measures could have on the Argentinian economy and in Argentina's ability to meet its financial obligations, that could adversely affect the Company's business, financial condition and results of operations.

Foreign Operations Risk

The Company conducts exploration activities in foreign countries, including Argentina and Chile. Each of these countries exposes the Company 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 Company's existing assets and operations. Real and perceived political risk may also affect the Company'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 Company 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 Company. There can be no assurance that the Company'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 Company 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 Company 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 Company 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 Company.

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 Company 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.

Environmental and Socio-Political Risks

Present or future laws and regulations with respect to environmental protection standards or corporate social responsibility may affect the Company'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. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. 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.

Regulation governing development of mining operations with the potential to affect glaciers continues to evolve in both Chile and Argentina. The Argentinian 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 Company's ability to develop parts of the Company's properties in Argentina, including the Filo del Sol Project.

The Company 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 Company 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 Company holds interests which are unknown to the Company 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 Company's assets in those provinces.

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 Company's operations cannot yet be fully understood.

The potential physical impacts of climate change due to extreme weather events on the Company's operations are also highly uncertain and may be particular to the unique geographic circumstances associated with the Company'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 Company's operations and development activities; impact the Company's equipment and infrastructure; impede access to the Company's projects and properties; or threaten the health and safety of the Company's employees and contractors.

Negative Operating Cash Flow

The Company is an exploration stage company and has not generated cash flow from operations. The Company 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 Company 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 Company currently has negative cash flow from operating activities.

The Company'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'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's projects will move beyond the exploration stage and be put into production, achieve commercial production or that Filo 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 will not suffer significant losses in the near future or that Filo will ever be profitable.

Uncertainty of Long-term Funding and Dilution of Shareholders' Interests in the Company

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Company'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 Company, a significant disruption to the Company's business, or other factors may make it difficult to secure the necessary financing in the long term. There is no assurance that the Company 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 Company needs to raise additional funds, such financing may substantially dilute the economic and voting rights of the Company's shareholders and reduce the value of their investment. Since the Company'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 Company bear the risk of any future offerings reducing the market price of the Common Shares and diluting their shareholdings in the Company.

Metal Price Risk

The Company'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 Company'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 Company, 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 Company's assets at different metals prices.

Tax, Royalties and Other Charges

The Company runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The Company 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 Company has no control over withholding tax rates.

Health and Safety Hazards

Mineral exploration and operations involve health and safety hazards that could adversely affect the Company'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 Company'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 Company's sites, health and safety incidents may occur. The overall management of health and safety is governed in accordance with the requirements of the Company'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 Company'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 Company's reputation and ability to meet its objectives.

Pandemic Virus Outbreaks

Emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases could have a material adverse effect on the Company 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 emergency measures in response to the threat or existence of an infectious disease, which could have a material adverse effect on the Company's business.

OFF-BALANCE SHEET ARRANGEMENTS

During the three months ended March 31, 2024, there were no material off-balance sheet transactions which have not been recorded in the Company's 2024 Financial Statements. The Company has not entered into any specialized financial arrangement to minimize its currency risk.

QUALIFIED PERSONS AND TECHNICAL INFORMATION

The scientific and technical disclosure for the Filo del Sol Project included in this MD&A have been reviewed and approved by Bob Carmichael, B.A.Sc., P. Eng. (BC). Mr. Carmichael is Filo's Vice-President of Exploration and a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects. ("NI 43-101").

The field programs were carried out under the supervision of the Mr. Carmichael. Whole core was transported to the Company's 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.

Samples were delivered to the ALS preparation laboratory in Mendoza where they were crushed and a 500g split was pulverized to 85% passing 200 mesh. The prepared samples were sent to either the ALS assay laboratory in Santiago, Chile or Lima, Peru for copper, gold and silver assays and multi-element ICP and sequential copper analyses. ALS is an accredited laboratory which is independent of the Company. 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 36 elements with ICP-ES up to drillhole FSDH053. Starting in August 2021 with drillhole FSDH054, the multielement analyses were changed to ME-MS61 which offers ultra low detection limits for 48 elements. 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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made and information contained herein in the MD&A constitutes "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information" or "forward-looking statements") concerning the business, operations, financial performance and condition of Filo. The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects" , "estimates", "budgets", "scheduled", "forecasts", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "should", "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding Mineral Resource estimates, cost estimates, changes in commodity prices, currency fluctuation, financings, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the "Risks and Uncertainties" section of the MD&A and in the Company's most recent Annual Information Form, under the heading "Risks Factors", and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information pertaining to the assumptions used in the pre-feasibility study for the Filo del Sol Project, the assumptions used in the Mineral Reserves and Resources estimates for the Filo del Sol Project, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological conditions, as applicable; ability to develop infrastructure; assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits; expectations regarding access and demand for equipment, skilled labour and services needed for exploration and development of mineral properties; and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks. In addition, this MD&A may contain forward-looking statements or information pertaining to: the potential exploration results or anticipated outcomes of infill or step-out drilling planned at Filo del Sol; exploration and development plans and expenditures, including but not limited to its plans to add rigs its ongoing drilling campaign, the sequencing or prioritization of drill targets, and a transition to year-round operations; the ability of the Company's operating protocol to continue to meet government mandated health and safety guidelines enabling it to conduct its field programs as planned; the ultimate size and scope of its field programs and the Company's ability to achieve the objectives thereof; the size and scope of its field programs and the Company's ability to achieve the objectives thereof; the impact of the Company's winterization efforts at Filo del Sol, and whether such efforts will enable year-round operations and have adequately anticipated the challenges of winter operation, including but not limited to weather and potential supply chain disruptions; the anticipated use of proceeds from the Private Placement; the timing or results of an upgrade to the Mineral Resources estimate at Filo del Sol, including the inputs used therein; opportunities to improve project economics; the success of future exploration activities; potential for resource expansion; potential for the discovery of new mineral deposits; ability to build shareholder value; expectations with regard to adding to Mineral Reserves or Resources through exploration; expectations with respect to the conversion of inferred resources to an indicated resources classification; ability to execute the planned work programs; estimation of commodity prices, Mineral Reserves and Resources, estimations of costs, and permitting timelines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as the Company's actual results and future events could differ materially from those anticipated in such statements, as a result of the factors discussed in the "Risk and Uncertainties" section of this MD&A, and elsewhere, and in the "Risk Factors" section of the Company's most recent Annual Information Form, which is available under the Company's profile on SEDAR+ at www.sedarplus.ca. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

Statements relating to "Mineral Resources" are deemed to be forward looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the Mineral Resources described can be profitably produced in the future.

Filo Corp.
Condensed Interim Consolidated Statements of Financial Position
(Presented in United States Dollars)
(Unaudited)

	Note	**March 31, 2024**	**December 31, 2023 (Restated: note 3)**	**January 1, 2023 (Restated: note 3)**
ASSETS				
Current assets				
Cash and cash equivalents		$ 54,652,842	$ 81,748,182	$ 55,312,560
Receivables and other assets	*5*	1,030,260	995,870	613,842
Inventories	*3*	69,677	-	-
		55,752,779	82,744,052	55,926,402
Non-current assets				
Equipment and facilities	*6*	4,498,307	3,687,280	354,962
Mineral properties	*7*	7,617,787	7,617,787	7,188,887
		12,116,094	11,305,067	7,543,849
TOTAL ASSETS		67,868,873	94,049,119	63,470,251
LIABILITIES				
Current liabilities				
Trade payables and accrued liabilities		19,866,008	16,968,488	11,407,920
TOTAL LIABILITIES		19,866,008	16,968,488	11,407,920
SHAREHOLDERS' EQUITY				
Share capital	*8*	321,667,801	321,667,801	212,607,619
Contributed surplus		20,127,835	16,051,454	11,443,667
Deficit		(295,657,611)	(262,503,464)	(171,348,127)
Accumulated other comprehensive income (loss)		1,864,840	1,864,840	(640,828)
TOTAL SHAREHOLDERS' EQUITY		48,002,865	77,080,631	52,062,331
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 67,868,873	$ 94,049,119	$ 63,470,251

Commitment (note 16)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

On behalf of the Board:

/s/Joyce Ngo
Director

/s/James Beck
Director

Filo Corp.
Condensed Interim Consolidated Statements of Comprehensive Loss
(Presented in United States Dollars)
(Unaudited)

	Note	Three months ended March 31, 2024	Three months ended March 31, 2023 (Restated: note 3)
Expenses			
Exploration and project investigation	*10*	$ 31,792,872	$ 25,380,553
General and administration:			
Salaries and benefits		625,102	1,163,563
Share-based compensation	*9*	3,396,158	1,970,976
Management fees		52,336	76,346
Professional fees		84,380	62,241
Travel		28,165	22,744
Promotion and public relations		230,447	209,132
Office and general		239,782	152,659
Operating loss		36,449,242	29,038,214
Other (income) and expenses			
Interest income		(828,447)	(545,976)
Net monetary gain	*4*	-	(187,826)
Gain on use of marketable securities	*13*	(3,358,229)	(6,199,748)
Other foreign exchange loss		891,581	22,245
Net loss		33,154,147	22,128,909
Other comprehensive loss			
Items that may be reclassified subsequently to net loss:			
Foreign currency translation adjustment		-	(42,408)
Impact of hyperinflation	*4*	-	(652,206)
Comprehensive loss		$ 33,154,147	$ 21,434,295
Basic and diluted loss per common share		$ 0.25	$ 0.18
Weighted average common shares outstanding		130,733,167	123,331,934

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Filo Corp.
Condensed Interim Consolidated Statements of Cash Flows
(Presented in United States Dollars)
(Unaudited)

	Note		Three months ended March 31, 2024		2023 (Restated: note 3)
Cash flows used in operating activities					
Net loss for the period		$	(33,154,147)	$	(22,128,909)
Items not involving cash					
Share-based compensation	*9*		4,076,381		2,380,589
Net monetary loss			-		495,880
Unrealized foreign exchange loss			891,581		24,245
Depreciation	*6, 10*		55,154		10,985
Net changes in working capital and other items:					
Receivables and other			(61,033)		23,562
Inventories	*3*		(69,677)		-
Trade payables and accrued liabilities			3,060,837		6,742,028
			(25,200,904)		(12,451,620)
Cash flows from (for) financing activities					
Proceeds from option exercises	*9*		-		1,008,748
Proceeds from equity financings, gross	*8*		-		802,565
Share issuance costs	*8*		-		(16,250)
			-		1,795,063
Cash flows for investing activities					
Acquisition of equipment and facilities	*6*		(866,181)		(474,854)
			(866,181)		(474,854)
Effect of exchange rate change on cash and cash equivalents			(1,028,255)		(797,771)
Decrease in cash and cash equivalents during the period			(27,095,340)		(11,929,182)
Cash and cash equivalents, beginning of the period			81,748,182		55,312,560
Cash and cash equivalents, end of the period		$	54,652,842	$	43,383,378

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Filo Corp.
Condensed Interim Consolidated Statements of Changes in Equity
(Presented in United States Dollars)
(Unaudited)

	Note	Number of Shares	Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, January 1, 2023 (Restated: note 3)		123,084,818	$ 212,607,619	$ 11,443,667	$ (171,348,127)	$ (640,828)	$ 52,062,331
Shares issued pursuant to the Private Placement	*8*	43,711	802,565	-	-	-	802,565
Share issuance costs	*8*	-	(16,250)	-	-	-	(16,250)
Share-based compensation	*9*	-	-	2,380,589	-	-	2,380,589
Shares issued pursuant to stock option exercises	*9*	589,166	1,519,506	(510,758)	-	-	1,008,748
Net loss and other comprehensive income		-	-	-	(22,128,909)	694,614	(21,434,295)
Balance, March 31, 2023 (Restated: note 3)		**123,717,695**	**$ 214,913,440**	**$ 13,313,498**	**$ (193,477,036)**	**$ 53,786**	**$ 34,803,688**
Shares issued pursuant to the Private Placement	*8*	6,161,138	96,785,971	-	-	-	96,785,971
Share issuance costs	*8*	-	(697,804)	-	-	-	(697,804)
Share-based compensation	*9*	-	-	3,707,790	-	-	3,707,790
Shares issued pursuant to stock option exercises	*9*	854,334	3,944,334	(1,331,475)	-	-	2,612,859
Net loss and other comprehensive income		-	-	-	(63,133,556)	1,804,685	(61,328,871)
Impact of foreign exchange translation of opening statement of financial position (note 3)		-	6,721,860	361,641	(5,892,872)	6,369	1,196,998
Balance, December 31, 2023 (Restated: note 3)		**130,733,167**	**$ 321,667,801**	**$ 16,051,454**	**$ (262,503,464)**	**$ 1,864,840**	**$ 77,080,631**
Shares issued pursuant to the Private Placement	*8*	-	-	-	-	-	-
Share issuance costs	*8*	-	-	-	-	-	-
Share-based compensation	*9*	-	-	4,076,381	-	-	4,076,381
Shares issued pursuant to stock option exercises	*9*	-	-	-	-	-	-
Net loss		-	-	-	(33,154,147)	-	(33,154,147)
Balance, March 31, 2024		**130,733,167**	**$ 321,667,801**	**$ 20,127,835**	**$ (295,657,611)**	**$ 1,864,840**	**$ 48,002,865**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS

Filo Corp. (the "Company" or "Filo") was incorporated on May 12, 2016 under the Canada Business Corporations Act. Effective June 23, 2023, the Company's name was changed to Filo Corp., formerly Filo Mining Corp., to better align with the Company's strategic vision. The Company's principal business activities are the exploration and development of the Filo del Sol and Tamberias properties, which are comprised of adjacent mineral titles in San Juan Province, Argentina and Region III, Chile. The Company's registered office is located at Suite 2800, 1055 Dunsmuir Street, PO Box 49225, Vancouver, British Columbia, V7X 1L2, Canada. The Company's common shares trade on the Toronto Stock Exchange under the symbol "FIL". In addition, the Company's common shares trade on the NASDAQ First North Growth Market under the symbol "FIL" and on the OTCQX under the symbol "FLMMF".

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, under International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Accordingly, certain disclosures included in the annual financial statements prepared in accordance with IFRS Accounting Standards have been condensed or omitted, and these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023. In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies as disclosed in note 3 to the audited consolidated financial statements for the year ended December 31, 2023, except for those described in notes 3 and 4 below.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 8, 2024.

3. CHANGE IN ACCOUNTING POLICIES

Change in Functional Currencies & Presentation Currency

Effective January 1, 2024, the Company changed the functional currencies of its parent and subsidiary companies (see table below) as well as its presentation currency from Canadian dollars ("CAD") to United States dollars ("USD"). The change was enacted to reflect changes in the composition of the Company's contracts and monetary outlays being predominantly denominated in USD. The change in functional currencies is being recognized prospectively. The change in presentation currency requires retrospective restatement of all prior periods presented in the financial statements. The amounts reported in the statement of financial position as at January 1, 2023 (derived from the consolidated statement of financial position as at December 31, 2022; not presented herein) and December 31, 2023 have been restated in USD based on the closing exchange rates on December 31, 2022 and December 31, 2023, respectively. The statements of comprehensive loss, cash flows and changes in equity for the three months ended March 31, 2023 have been restated in USD based on the average exchange rate for the three months ended March 31, 2023 as listed below.

The CAD/USD exchange rates used to reflect the change in presentation currency were as follows:

	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Average rate	n/a	0.7398	0.7445	0.7456	0.7344
Closing rate	0.7383	n/a	n/a	n/a	0.7561

(Presented in United States Dollars, unless otherwise stated)

The current and previous functional currencies of the Company's parent and subsidiary entities are as follows:

Entity	Functional currency (current)	Functional currency (previous)
Filo Corp.	USD	CAD
Filo Del Sol Holdings Inc.	USD	CAD
Filo Del Sol Chile Holdings Inc.	USD	CAD
Filo del Sol Uruguay S.A.	USD	Uruguayan peso
Frontera Holdings (Bermuda) IV Ltd.	USD	USD
Frontera Holdings (Bermuda) V Ltd.	USD	USD
Filo del Sol Exploración S.A.	USD	Argentinian peso
Frontera Chile Limitada	USD	Chilean peso

Inventories

Inventories are valued at the lower of weighted average cost and net realizable value. Replacement costs of inventories are generally used as the best estimate of net realizable value. Any write-downs of inventories to net realizable value are recorded within exploration and project investigation expense in the statement of comprehensive loss. If there is a subsequent increase in the value of inventories written-down, the previous write-downs to net realizable value are reversed up to cost to the extent that the related inventory has not been used.

4. HYPERINFLATION

Argentina was designated a hyperinflationary economy as of July 1, 2018 for accounting purposes, and until the change in functional currency enacted on January 1, 2024 (note 3), the Company accounted for its Argentinian subsidiary using hyperinflationary accounting in accordance with IAS 29, *Financial Reporting in Hyperinflationary Economies*. With the functional currency of the Argentinian subsidiary now determined to be the USD, this accounting standard is no longer applied.

For the three months ended March 31, 2023 the Company recognized a gain of $652,206 in relation to the impact of hyperinflation within other comprehensive (income) loss, which was primarily the result of continued inflation during the period and the resulting adjustments recognized on the net asset position of the Company's Argentinian operating subsidiary.

For the three months ended March 31, 2023 the Company recognized a net monetary gain of $187,826 as a result of changes in the Retail Price Index (Indice de Precios al Consumidor or "IPC") and changes to the Company's net monetary position, to adjust transactions recorded during the period into a measuring unit current as of March 31, 2023.

The level of the IPC at March 31, 2023 was 1,381.16 (December 31, 2022 – 1,134.59), which represented an increase of approximately 22% over the IPC at December 31, 2022, and an approximate 7% increase over the average level of the IPC during the three months ended March 31, 2023.

(Presented in United States Dollars, unless otherwise stated)

5. RECEIVABLES AND OTHER ASSETS

		March 31, 2024		December 31, 2023 (Restated: note 3)		January 1, 2023 (Restated: note 3)
Current						
Taxes receivable	$	31,365	$	37,877	$	20,989
Other receivables		144,122		100,789		246,671
Prepaid expenses and deposits		854,773		857,204		346,182
	$	**1,030,260**	**$**	**995,870**	**$**	**613,842**

(Presented in United States Dollars, unless otherwise stated)

6. EQUIPMENT AND FACILITIES

The Company's equipment and facilities relate to mobile equipment and field facilities acquired or constructed for its Filo del Sol property in Argentina. The Company depreciates these assets over their useful lives of 10 years and classifies its depreciation expense as other administrative costs within exploration and project investigation expense (note 10).

	Works in progress				
	Equipment	**Facilities**	**Equipment**	**Facilities**	**Total**
Cost					
January 1, 2023 (Restated, note 3)	$ 28,321	$ -	$ -	$ 342,338	$ 370,659
Additions	770,259	2,057,855	1,028,758	237,721	4,094,593
Adjustment for the impacts of hyperinflation	5,601	(494,397)	(182,744)	(39,422)	(710,962)
Reclassifications	(47,944)	-	47,944	-	-
Impact of foreign exchange translation of opening statement of financial position (note 3)	13,032	26,942	15,405	9,316	64,695
December 31, 2023 (Restated, note 3)	**$ 769,269**	**$ 1,590,400**	**$ 909,363**	**$ 549,953**	**$ 3,818,985**
Additions	-	540,381	325,800	-	866,181
March 31, 2024	**$ 769,269**	**$ 2,130,781**	**$ 1,235,163**	**$ 549,953**	**$ 4,685,166**
Accumulated depreciation					
January 1, 2023 (Restated, note 3)	$ -	$ -	$ -	$ (15,697)	$ (15,697)
Depreciation	-	-	(47,675)	(59,480)	(107,155)
Adjustment for the impacts of hyperinflation	-	-	(2,828)	(3,620)	(6,448)
Impact of foreign exchange translation of opening statement of financial position (note 3)	-	-	(939)	(1,466)	(2,405)
December 31, 2023 (Restated, note 3)	**$ -**	**$ -**	**$ (51,442)**	**$ (80,263)**	**$ (131,705)**
Depreciation	-	-	(24,687)	(30,467)	(55,154)
March 31, 2024	**$ -**	**$ -**	**$ (76,129)**	**$ (110,730)**	**$ (186,859)**
Net book amount					
January 1, 2023 (Restated, note 3)	**$ 28,321**	**$ -**	**$ -**	**$ 326,641**	**$ 354,962**
December 31, 2023 (Restated, note 3)	**769,269**	**1,590,400**	**857,921**	**469,690**	**3,687,280**
March 31, 2024	**769,269**	**2,130,781**	**1,159,034**	**439,223**	**4,498,307**

(Presented in United States Dollars, unless otherwise stated)

7. MINERAL PROPERTIES

	Filo del Sol	Tamberias	Total
January 1, 2023 (Restated, note 3)	$ 2,667,445	$ 4,521,442	$ 7,188,887
Additions	-	736,642	736,642
Adjustment for the impacts of hyperinflation	(170,150)	-	(170,150)
Effect of foreign currency translation	-	(314,175)	(314,175)
Impact of foreign exchange translation of opening statement of financial position (note 3)	59,007	117,576	176,583
December 31, 2023 (Restated, note 3)	**$ 2,556,302**	**$ 5,061,485**	**$ 7,617,787**
Additions	-	-	-
March 31, 2024	**$ 2,556,302**	**$ 5,061,485**	**$ 7,617,787**

The Company's primary mineral property assets are the Filo del Sol and Tamberias properties (together, the "Filo del Sol Project"), which are comprised of adjacent mineral titles in San Juan Province, Argentina and Region III, Chile, and are 100% controlled by Filo either through direct ownership or option agreements.

Filo del Sol Property (San Juan Province, Argentina)

Sole ownership of the Filo del Sol property was acquired by Filo del Sol Exploracion S.A., a wholly owned subsidiary of the Company, in October 2014, through the acquisition of its then joint exploration partner's 40% interest in the property.

Tamberias Property (Region III, Chile)

Through its wholly owned subsidiary, Frontera Chile Limitada, the Company is party to an option agreement with Compania Minera Tamberias SCM ("Tamberias SCM") whereby the Company can earn a 100% interest in the Tamberias property by making certain scheduled option payments. In addition, Tamberias SCM will retain a 1.5% net smelter royalty, which will be paid only after the Company has recovered all its exploration and development costs.

Pursuant to a series of amendments to the terms of the remaining option payments payable under the option agreement with Tamberias SCM, the last of which was executed on May 13, 2020 (the "Option Amendments"), the remaining option payments were rescheduled and extended through to June 30, 2026. As at March 31, 2024, the Company's total remaining option payments were as follows:

Payment by:	Amount ($)
June 30, 2024	950,000
June 30, 2025	1,050,000
June 30, 2026	12,000,000
TOTAL	**14,000,000**

8. SHARE CAPITAL

The Company has authorized an unlimited number of voting common shares without par value.

On March 11, 2022, by way of a non-brokered private placement, the Company closed the sale of 6,270,000 common shares to BHP Western Mining Resources International Pty Ltd, a wholly owned subsidiary of BHP Group Limited (collectively, "BHP"), at a price of $CAD 15.95 per common share for total proceeds of $CAD 100 million (the "Private Placement"). Share issuance costs related to the Private Placement totaled $CAD 268,751 and consisted of professional fees and regulatory fees. No finder's fee or commissions were payable in connection with this Private Placement.

In connection with the Private Placement, BHP has been granted certain participation and top-up rights (the "Top-Up Provision"), 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 Company.

On February 7, 2023, the Company closed a non-brokered private placement to BHP in accordance with the Top-Up Provision, whereby the Company sold 43,711 common shares to BHP for gross proceeds of $802,565, less share issuance costs of $16,250.

On June 14, 2023, the Company closed a non-brokered private placement, whereby the Company sold 6,161,138 common shares at a price of $CAD 21.10 per common share for gross proceeds of $96,785,971, less share issuance costs of $697,804 which include a 5% finder's fee in cash on a portion of the private placement. Upon closing of the non-brokered private placement, BHP owned approximately 6% of the Company's issued and outstanding common shares on an undiluted basis.

No share options were exercised during the three months ended March 31, 2024. During the three months ended March 31, 2023, 589,166 share options were exercised, resulting in an increase to share capital of $1,519,506. These exercises consisted of a cash portion of $1,008,748 and a contributed surplus portion of $510,758.

9. SHARE OPTIONS

a) Share option plan

The Company has a share option plan adopted by the Board of Directors on July 8, 2016 and amended May 6, 2022, which reserves an aggregate of 10% of the issued and outstanding shares of the Company for issuance upon the exercise of options granted. The granting, vesting and terms of the share options are at the discretion of the Board of Directors. The majority of the Company's outstanding share options vest in thirds with one third vesting immediately upon the date of grant, and the remaining two thirds vesting each on the first and second anniversary of the date of grant.

(Presented in United States Dollars, unless otherwise stated)

b) Share options outstanding

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Number of shares issuable pursuant to share options	Weighted average exercise price per share	
Balance at January 1, 2023	6,007,366	$CAD	7.11
Options granted	381,600		19.59
Exercised	(1,443,500)		3.38
Balance at December 31, 2023	**4,945,466**	**$CAD**	**9.16**
Options granted	838,500		21.11
Balance at March 31, 2024	**5,783,966**	**$CAD**	**10.89**

No share options were exercised during the three-month period ended March 31, 2024.

The Company uses the Black-Scholes option pricing model to estimate the fair value for all options granted and the resulting stock-based compensation. The weighted average assumptions used in this pricing model, and the resulting fair value per option, for share options granted during the three months ended March 31, 2024 and 2023, were as follows:

	For the three months ended March 31	
	2024	**2023**
Options granted	838,500	381,600
Risk-free interest rate	3.2%	3.7%
Expected life	4.1 years	4.0 years
Expected volatility	68.2%	66.5%
Expected dividends	Nil	Nil
Fair value per option	$8.66	$7.86

(Presented in United States Dollars, unless otherwise stated)

The following table details the share options outstanding and exercisable as at March 31, 2024:

		Outstanding options				Exercisable options			
	Exercise price	Options Outstanding	Weighted average remaining contractual life (Years)		Weighted average exercise price	Options exercisable	Weighted average remaining contractual life (Years)		Weighted average exercise price
CAD$	1.91	1,052,333	1.4	CAD$	1.91	1,052,333	1.4	CAD$	1.91
CAD$	2.75	1,210,000	0.5	CAD$	2.75	1,210,000	0.5	CAD$	2.75
CAD$	8.95	837,334	2.4	CAD$	8.95	837,334	2.4	CAD$	8.95
CAD$	11.00	15,000	2.2	CAD$	11.00	15,000	2.2	CAD$	11.00
CAD$	15.42	80,000	3.5	CAD$	15.42	53,334	3.5	CAD$	15.95
CAD$	16.03	226,000	3.4	CAD$	16.03	150,667	3.4	CAD$	16.03
CAD$	16.93	905,000	3.4	CAD$	16.93	603,334	3.4	CAD$	16.93
CAD$	19.45	210,000	3.0	CAD$	19.45	210,000	3.0	CAD$	19.45
CAD$	19.59	376,466	4.0	CAD$	19.59	250,978	4.0	CAD$	19.59
CAD$	20.10	33,333	3.2	CAD$	20.10	22,222	3.2	CAD$	20.10
CAD$	21.11	838,500	4.8	CAD$	21.11	279,500	4.8	CAD$	21.11
		5,783,966	**2.5**	**CAD$**	**10.89**	**4,684,702**	**2.1**	**CAD$**	**8.92**

c) Share-based compensation

		Three months ended March 31,		
		2024		2023 (Restated: note 3)
Exploration and project investigation	$	680,223	$	409,613
General and administration		3,396,158		1,970,976
	$	**4,076,381**	**$**	**2,380,589**

(Presented in United States Dollars, unless otherwise stated)

10. EXPLORATION AND PROJECT INVESTIGATION

All exploration and project investigation costs are related to the Filo del Sol Project. The Company expensed the following exploration and project investigation costs, all incurred in relation to the Filo del Sol Project:

		Three months ended March 31,		
		2024		**2023** (Restated: note 3)
Land holding and access costs	$	169,626	$	18,370
Drilling, fuel, camp costs and field supplies		16,903,229		12,414,218
Roadwork, travel and transport		4,747,936		3,453,569
Conceptual and engineering studies		293,408		1,017,573
Consultants, geochemistry and geophysics		571,435		1,072,357
Environmental and community relations		780,396		514,005
VAT and other taxes		5,893,160		4,706,161
Office, field and administrative salaries, overhead and other administrative costs		1,753,459		1,774,687
Share-based compensation		680,223		409,613
	$	**31,792,872**	**$**	**25,380,553**

Pursuant to statutory regulations, the Company is entitled to a refund of certain value added taxes ("VAT") paid in Argentina, however, the Company has deemed the collection of these funds to be uncertain. As such the Company writes down its outstanding VAT receivable balances and will continue to write down any increases to the VAT receivable balances in future periods. The associated expense of these write downs is recognized in exploration and project investigation as "VAT and other taxes". Should the Company receive a future refund of amounts written down, the corresponding impact will be credited against exploration and project investigation expense.

(Presented in United States Dollars, unless otherwise stated)

11. RELATED PARTY TRANSACTIONS

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. During the three months ended March 31, 2024, the Company engaged with NGEx Minerals Ltd. ("NGEx Minerals"), a related party to the Company by way of directors, officers and shareholders in common.

a) Related party services

The Company has an ongoing cost sharing arrangement with NGEx Minerals. Under the terms of this arrangement, the Company provides management, technical and/or administrative services (collectively, "Management Services") to NGEx Minerals and vice versa. These transactions were incurred in the normal course of operations, and are summarized as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023 (Restated: note 3)
Management Services to NGEx Minerals	$ 36,419	$ 110,548
Management Services from NGEx Minerals	(39,442)	(78,843)

b) Related party balances

The amounts due from (to) related parties, and the components of the consolidated statements of financial position in which they are included, are as follows:

	Related Party	March 31, 2024	December 31, 2023 (Restated: note 3)	January 1, 2023 (Restated: note 3)
Receivables and other assets	NGEx Minerals	$ 41,590	$ 39,965	137,662
Accounts payable and accrued liabilities	NGEx Minerals	(41,894)	(51,010)	(82,814)

c) Camp usage agreement

On June 26, 2019, the Company, through a wholly-owned subsidiary, entered into a transaction with a wholly-owned subsidiary of Josemaria Resources Inc., a former related party ("Josemaria", a 100%-owned subsidiary of Lundin Mining Corporation) whereby the Company extended its right to use Josemaria's Batidero Camp in Argentina.

The agreement may be terminated with one year's prior notice by Josemaria, and in the absence of such notice the agreement may be renewed for another year at the Company's election. On March 7, 2024, Filo provided formal notice of renewal for the period through April 1, 2025.

(Presented in United States Dollars, unless otherwise stated)

d) Key management compensation

The Company's key management personnel have the authority and responsibility for overseeing, planning, directing and controlling its activities and consist of the Board of Directors and members of the executive management team. Total compensation expense for key management personnel, and the composition thereof, is as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023 (Restated: note 3)
Salaries	$ 360,050	$ 351,383
Short-term employee benefits	19,975	18,961
Directors fees	69,004	54,575
Stock-based compensation	3,105,384	1,786,385
Incentive bonuses	-	460,682
	$ 3,554,413	**$ 2,671,986**

(Presented in United States Dollars, unless otherwise stated)

12. SEGMENTED INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in South America. The information regarding equipment and facilities, mineral properties and exploration and project investigation costs presented in notes 6, 7, and 10, respectively, represent the manner in which management reviews its business performance. All the Company's equipment and facilities, mineral properties and exploration and project investigation costs relate to the Filo del Sol Project, which straddles the border between the San Juan Province, Argentina and Region III, Chile and is comprised of the Filo del Sol property and the Tamberias property. The net gains on the use of marketable securities are allocated to the Filo del Sol Project, as they are the result of funding provided to the Company's Argentinian subsidiary in support of the project. Materially, all the Company's administrative costs are incurred by the Canadian parent, where materially all of the Company's cash is held in the normal course of business until it is required to be deployed to the Company's South American subsidiaries in support of ongoing and planned work programs.

The following are summaries of the Company's current and non-current assets, current liabilities, and net losses by segment:

As at		Filo del Sol Project	Corporate	Total
March 31, 2024	Current assets	$ 4,763,740	$ 50,989,039	$ 55,752,779
	Equipment and facilities	4,244,201	254,106	4,498,307
	Mineral properties	7,617,787	-	7,617,787
	Total assets	$ 16,625,728	$ 51,243,145	$ 67,868,873
	Current liabilities	$ 19,387,612	$ 478,396	$ 19,866,008
December 31, 2023 (Restated: note 3)	Current assets	$ 2,384,352	$ 80,359,700	$ 82,744,052
	Equipment and facilities	3,683,816	3,464	3,687,280
	Mineral properties	7,617,787	-	7,617,787
	Total assets	$ 13,685,955	$ 80,363,164	$ 94,049,119
	Current liabilities	$ 15,390,371	$ 1,578,117	$ 16,968,488

(Presented in United States Dollars, unless otherwise stated)

Three months ended March 31,		Filo del Sol Project	Corporate	Total
2024	Exploration and project investigation	$ 31,792,872	$ -	$ 31,792,872
	Gain on use of marketable securities	(3,358,229)	-	(3,358,229)
	General and administration and other items	-	4,719,504	4,719,504
	Net loss	**$ 28,434,643**	**$ 4,719,504**	**$ 33,154,147**
2023	Exploration and project investigation	$ 25,380,553	$ -	$ 25,380,553
(Restated: note 3)	Gain on use of marketable securities	(6,199,748)	-	(6,199,748)
	General and administration and other items	(163,582)	3,111,686	2,948,104
	Net loss	**$ 19,017,223**	**$ 3,111,686**	**$ 22,128,909**

13. USE OF MARKETABLE SECURITIES

From time to time, the Company may acquire and transfer marketable securities to facilitate intragroup funding transfers between the Canadian parent and its Argentinian operating subsidiary.

The Company does not acquire marketable securities or engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large, established companies, with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations do occur.

As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading. Accordingly, all changes in the fair value of the instruments, between acquisition and disposition, are recognized through profit or loss.

As a result of having utilized this mechanism for intragroup funding for the three months ended March 31, 2024, the Company realized a net gain of $3,358,229 (2023 – $6,199,748). The net gain for the three months ended March 31, 2024 was comprised of a favorable foreign currency impact of $4,491,723 (2023 – $6,863,611) and a trading loss of $1,133,494 (2023 – $663,863), including the impact of fees and commissions.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management and definition of capital, the Company considers the items included in shareholders' equity to be capital.

The Company manages the capital structure and makes adjustments, as necessary, in light of changes in economic conditions and the risk characteristics of its assets. In order to maintain or adjust the capital structure, the Company may attempt to issue new shares or debt instruments, acquire or dispose of assets, or to bring in joint venture partners.

To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including, but not limited to, successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

15. FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISKS

The Company has estimated the fair values of its financial instruments based on appropriate valuation methodologies. These values are not materially different from their carrying value.

The Company classifies the fair value of its financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, receivables and other assets, and trade payables and accrued liabilities. The carrying values of the Company's financial instruments are considered to be reasonable approximations of fair value due to their anticipated short-term nature.

As at March 31, 2024, the Company's financial instruments are exposed to the following financial risks, including credit, liquidity and currency risks:

(i) Credit risks associated with cash are minimal as the Company deposits the majority of its cash with large financial institutions that have been accorded a strong investment grade rating by a primary rating agency.

(ii) Liquidity risks associated with the inability to meet obligations as they become due are minimized through the management of its capital structure as explained on note 15 and by maintaining good relationships with significant shareholders and potential creditors. The Company also closely monitors and reviews its costs to date and actual cash flows on a monthly basis.

The maturities of the Company's financial liabilities as at March 31, 2024 are as follows:

	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$ 19,866,008	$ 19,866,008	$ -	$ -
Total	**$ 19,866,008**	**$ 19,866,008**	**$ -**	**$ -**

(iii) Foreign currency risk can arise when the Company or its subsidiaries transact or have net financial assets or liabilities which are denominated in currencies other than their respective functional currencies.

At March 31, 2024, the Company's largest foreign currency risk exposure exists at the level of its Canadian headquarters, where the Company held a net financial asset position denominated in CAD having a USD equivalent of approximately $12.9 million. A 10% change in the foreign exchange rate between CAD and USD would give rise to an increase/decrease in financial position/net loss of approximately $1.3 million. The

Company also has foreign currency risk exposure at the level of its subsidiaries, Filo del Sol Exploración S.A. in Argentina, where the Company has a net financial liability position denominated in Argentinian pesos having a USD equivalent of approximately $1.2 million, and Frontera Chile Limitada in Chile, where the Company has a net financial liability position denominated in Chilean pesos having a USD equivalent of approximately $0.8 million. A 10% change in the foreign exchange rate between either the Argentinian peso or the Chilean peso and the USD would give rise an increase/decrease in financial position/net loss of approximately $0.1 million in each entity.

16. Commitment

On January 1, 2024, the Company entered into a long-term rental agreement with Namdo Management Services Ltd., the provider of the Company's office space and ancillary administrative services. The agreement expires on February 28, 2039, and provides a guarantee of rental fees totaling $3,038,378 for the remainder of the contract.

CORPORATE DIRECTORY

OFFICERS
Jamie Beck
President & CEO
Robert Carmichael
VP Exploration
Trevor D'Sa
VP Corporate Development & IR
Ian Gibbs
Chief Financial Officer
Arndt Brettschneider
VP Operations & Projects

DIRECTORS
Adam Lundin, Chair
Jamie Beck
Wojtek Wodzicki
Ron Hochstein
Erin Johnston
Carmel Daniele
William Lundin
Joyce Ngo
Peter O'Callaghan

AUDITORS
PricewaterhouseCoopers LLP
Vancouver, British Columbia, Canada

LEGAL COUNSEL
Cassels Brock & Blackwell LLP
Vancouver, British Columbia, Canada

CORPORATE OFFICE
Suite 2800, Four Bentall Centre
1055 Dunsmuir Street
PO Box 49225
Vancouver, BC, V7X 1L2
Telephone: +1 604 689-7842
Fax: +1 604 689-4250

REGISTERED & RECORDS OFFICE
Suite 2200 - 885 West Georgia Street
Vancouver, British Columbia
Canada V6C 3E8

REGISTRAR AND TRANSFER AGENT
Computershare Trust Company of Canada
Vancouver, British Columbia
Canada

SHARE LISTINGS
TSX & Nasdaq First North
Growth Market: FIL
OTCQX: FLMMF
CUSIP No.: 31730E101
ISIN: CA31730E1016