2019 Q3 REPORT

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

For the Three and Nine Months ended September 30, 2019
(Unaudited)

FILO MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019
(Amounts in Canadian Dollars unless otherwise indicated)

The following management's discussion and analysis ("MD&A") of Filo Mining Corp. ("Filo Mining" or the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2019 and related notes therein. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is partly derived from the Company's condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, applicable to the preparation of interim financing statements, including IAS 34, *Interim Financial Reporting*. The effective date of this MD&A is November 7, 2019. Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and the Company's website www.filo-mining.com.

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

Filo Mining is a mineral exploration company, focused on its 100% controlled, flagship 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 between the prolific Maricunga and El Indio gold belts, two major mineralized trends that contain such deposits as Caspiche, La Coipa, Veladero, and El Indio. The region is a stable 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 has completed a pre-feasibility study ("PFS") on the Filo del Sol Project, with an effective date of January 13, 2019, which demonstrated the project's robust economic potential. The PFS, which was based only on the oxide portion of the current Mineral Resource and used prices of US$3.00/lb copper, US$1,300/oz gold, and US$20/oz silver, yielded an after-tax net present value ("NPV") of US$1.28 billion at a discount rate of 8%, and generated an internal rate of return ("IRR") of 23%. Positive valuations were also maintained across a wide range of sensitivities on key assumptions. The PFS introduced an initial Probable Mineral Reserve estimate for the project, which is comprised of 259.1 million tonnes at 0.39% copper, 0.33 g/t gold and 15.1 g/t silver, containing 2.2 billion pounds of copper, 2.8 million ounces of gold and 126.0 million ounces of silver.

The Company's most recent Mineral Resource estimate for the Filo del Sol Project, with an effective date of June 11, 2018, is comprised of 425.1 million tonnes at 0.33% copper, 0.32 g/t gold and 10.7 g/t silver, containing 3.1 billion pounds of copper, 4.4 million ounces of gold and 146.9 million ounces of silver in the Indicated category, and an Inferred Mineral Resource estimate of 175.1 million tonnes at 0.27% copper, 0.33 g/t gold and 6.2 g/t silver for 1.1 billion pounds of copper, 1.8 million ounces of gold and 34.8 million ounces of silver. Moreover, the Filo del Sol Project continues to hold significant exploration potential, with less than 20% of the project area explored to date. The Company's Mineral Resource estimates are inclusive of the Mineral Reserve estimates as set forth above.

The technical information relating to the PFS is based on a technical report titled "NI 43-101 Technical Report, Pre-feasibility Study for the Filo del Sol Project" dated February 22, 2019, with an effective date of January 13, 2019 (the "Technical Report"). The Technical Report was prepared for Filo Mining by Ausenco Engineering Canada Inc. ("Ausenco"). The Qualified Persons, as defined under NI 43-101, responsible for the Technical Report are Scott Elfen, P.E., Ausenco; Robin Kalanchey, P.Eng., Ausenco; Bruno Borntraeger, P.Eng., Knight Piesold Ltd.; Fionnuala Devine, P.Geo., Merlin Geosciences Inc.; Ian Stillwell, BGC Engineering Inc.; Neil Winkelmann, FAusIMM, SRK Consulting (Canada) Inc.; James N. Gray, P.Geo., Advantage Geoservices Limited; and Jay Melnyk, P.Eng., AGP Mining Consultants, all of whom are independent of Filo Mining. The Technical Report is available for review under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.filo-mining.com.

The Company's strategy is to create value for its shareholders by expanding and increasing the quality of the resources and reserves at the Filo del Sol Project and by completing engineering and other studies that are required to prepare the Filo del Sol Project for eventual development by the Company or by third parties.

The Company has a strong management team and board with extensive experience in the resource sector, particularly in Chile and Argentina. The board and management team have an appropriate mix of geological, engineering, financial, and business skills to advance the Company's projects and to generate value for its shareholders.

THIRD QUARTER 2019 OPERATING HIGHLIGHTS

Filo Mining Launches Extensive 2019/2020 Drill and Field Campaign

The 2018/2019 drill program undertaken at the Filo del Sol Project resulted in a step change in the Company's understanding of the deposit's geology, as it confirmed that the current Mineral Resource is underlain by significant sulphide mineralization, extending to depths of over 1,000 metres below surface, 530 metres deeper than previously known, with some high-grade gold mineralization encountered. The untested, deeper mineralization, in particular, may prove to be transformative for the project, and consequently, the Company has postponed advancing further engineering studies until the deposit, particularly the deep mineralization, is better understood and defined.

Accordingly, during the third quarter of 2019, the Company planned and made preparations for an extensive field program for the 2019/2020 season, which commenced in November 2019 and will follow up on the past season's key findings. Key objectives for the program are to:

- continue to drill the gold-copper-silver mineralization system, which hosts the Filo del Sol deposit, with a focus on extending the mineralization on strike at depth;
- better understand the high-grade, structurally-controlled gold zones within the deposit; and
- test the Tamberias West prospect, a previously unexplored and recently permitted area located southwest of the current Mineral Resource, for additional near surface oxide mineralization.

The 2019/2020 field campaign is highlighted by a plan to complete more than 10,000 metres of diamond drilling, conditions allowing, and also includes the undertaking of drone magnetometer and full 3D induced polarization ("IP") geophysical surveys to refine targeting.

CORPORATE UPDATE

Closing of Equity Financings for $40 Million

On August 30, 2019, the Company closed the sale of 7,275,000 common shares of the Company on a bought deal basis to a syndicate of underwriters led by BMO Capital Markets (the "Underwriters"), at a price of $2.75 per share (the "Issue Price") for total gross proceeds of approximately $20.0 million (the "Offering"). On August 30, 2019, the Company also closed a concurrent private placement of 7,272,727 common shares at the Issue Price for additional gross proceeds of approximately $20.0 million (the "Concurrent Private Placement"). Lorito Holdings S.à.r.l. ("Lorito") acquired 1,818,182 common shares of the Company through the Offering for gross proceeds of $5.0 million, and Zebra Holdings and Investments S.à.r.l. ("Zebra") was the sole subscriber in the Concurrent Private Placement. Share issuance costs related to the Offering and Concurrent Private Placement totaled $1.2 million, and included commissions, professional fees and regulatory fees.

Zebra and Lorito report their shareholding in the Company as joint actors and are related parties of the Company by virtue of their combined shareholding in the Company in excess of 20%. On August 30, 2019, following the close of the Financings, Zebra and Lorito held 27.38% and 8.54%, respectively, of the then issued and outstanding common shares of the Company.

Following closing of the Offering and Concurrent Private Placement, approximately $18.5 million of the net proceeds was used by the Company to fully repay amounts drawn under the credit facilities extended by Zebra. The Company plans to use the remaining net proceeds for exploration and development of the Filo del Sol Project, as well as for working capital, corporate overhead and general and administrative purposes.

Appointment of President

Effective September 16, 2019, the Company appointed Mr. James Beck as the President of the Company, in replacement of Mr. Adam Lundin, who will maintain his role as the Company's Chief Executive Officer and director on the Company's Board of Directors.

Mr. Beck previously held the title of Vice President Corporate Development and Projects for Filo Mining, and has over 15 years of international project management and corporate development experience, with expertise in project development and engineering, corporate strategy, acquisitions, divestments, and joint ventures. Mr. Beck is a registered Professional Engineer in the province of Ontario, holds a Bachelor of Applied Science from Queen's University, as well as an MBA from the University of British Columbia.

OUTLOOK

While the oxide material of the Filo del Sol deposit in itself represents a compelling production case, as outlined in the PFS, with an after-tax NPV of US$1.28 billion at an 8% discount rate and an IRR of 23%, the exploration results arising out of the 2018/2019 drill program highlight potentially transformative upside for the flagship asset's size, scope and economic potential. Accordingly, for its 2019/2020 field campaign, the Company will be undertaking an exploration-focused work program to better define and extend the known mineralization to depths beyond the limits of the Filo del Sol Project's current Mineral Resource. Additionally, other targets within the project's extensive and largely unexplored land package will be tested, such as the Tamberias West area, which is located southwest of the Filo del Sol deposit and hosts surface indications of potential additional oxide gold-copper mineralization. The Filo del Sol Project continues to hold significant exploration potential, with less than 20% of the project area explored to date, and a Mineral Resource that remains open to north-south and at depth. Lastly, the 2019/2020 program will follow up on the high-grade gold mineralization encountered during the 2018/2019 drill campaign, to better understand the structural controls thereof.

The Company's 2019/2020 field campaign will run from November 2019 to approximately March 2020 and include over 10,000 metres of diamond drilling along with geophysical surveys. The Company anticipates that the first set of assay results will be available by early 2020.

RESULTS FROM OPERATIONS

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

Key financial results for the last eight quarters are provided in the table below.

Three Months Ended	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
Exploration costs ($000's)	1,895	4,332	11,022	5,183	2,208	3,595	13,132	3,605
Operating loss ($000's)	2,575	5,243	12,030	6,201	3,816	4,433	14,626	4,564
Net loss ($000's)	3,105	5,336	12,092	6,191	3,865	4,446	14,389	4,580
Net loss per share, basic and diluted ($)	0.04	0.07	0.17	0.09	0.05	0.06	0.22	0.07

Due to the geographic location of the Filo del Sol Project, the Company's business activities fluctuate with the seasons, through increased drilling and other exploration activities during the summer months in South America. As a result, a general recurring trend is the increase in exploration expenditures, and therefore net losses, for the fourth quarter and first quarter of a fiscal year, relative to the second and third quarters. In addition, other relevant factors, such as the financial position of the Company, other corporate initiatives, as well as the type and scope of planned exploration/project work, could affect the level of exploration activities and net loss in a particular period.

Filo Mining incurred net losses of $3.1 million and $20.5 million (2018: $3.9 million and $22.7 million), respectively, for the three and nine months ended September 30, 2019. Exploration and project investigation costs are the most significant expenditures of the Company and account for approximately 61% and 84% (2018: 57% and 83%) of the net losses, respectively, during the three and nine months ended September 30, 2019. This is reflective of the Company's accounting policy to expense its exploration costs through the consolidated statement of comprehensive loss, except for mineral property option payments and mineral property acquisition costs, which are capitalized.

Exploration and project investigation costs for the three and nine months ended September 30, 2019 were $1.9 million and $17.2 million (2018: $2.2 million and $18.9 million), respectively, which decreased relative to the comparative periods. These decreases are generally the result of the 2018 comparative periods reflecting higher engineering, consultation and technical costs, such as metallurgical testwork, incurred in support of the PFS then underway, whereas during the 2019 periods, no similar technical studies were pursued. Detailed breakdowns of exploration costs for the three and nine months ended September 30, 2019 and 2018, are provided in the notes to the condensed interim consolidated financial statements.

Excluding share-based compensation, administration costs for the three and nine months ended September 30, 2019 were $0.5 million and $1.7 million (2018: $0.5 million and $2.2 million), respectively. Share-based compensation, a non-cash cost, reflects the amortization of the estimated fair value of options over their vesting period and is based to a large degree on the Company's share price and its 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 quarters or financial years.

Administration costs for the nine months ended September 30, 2019 were lower compared to the 2018 comparative period due primarily to lower compensation costs. Specifically, compensation costs for the nine months ended September 30, 2019, were reduced due to the payment of management incentive bonuses awarded in March 2018, whereas no such incentive awards have been granted in the during the first nine months of 2019.

During the three and nine months ended September 30, 2019, the Company reported financing costs of $454,000 and $1,145,000, respectively, which increased relative to the comparative periods (2018: $nil and $32,000). This increase is the result of the Company's heavier use of credit facilities, as extended by Zebra, during the three and nine months ended September 30, 2019, and the larger resulting number of shares issued and issuable to Zebra as a result thereof.

Also, during the three and nine months ended September 30, 2019, the Company recognized monetary gains of $51,000 and $155,000 (2018: losses of $32,000 and $32,000) in relation to the application of hyper-inflationary accounting for the Company's Argentine subsidiary, which began July 1, 2018. The monetary gains recognized are the results of changes in the Argentine price indices and changes to the Company's net monetary position during the respective periods. Further discussion regarding the application of hyper-inflationary accounting has been provided in the notes to the condensed interim consolidated financial statements.

No tax recovery is recognized as a result of the nature of the Company's activities and the lack of reasonably expected taxable profits in the near term.

In other comprehensive income, the Company reported foreign exchange translation losses of $291,000 and $367,000 (2018: $147,000 and $460,000), respectively, for the three and nine months ended September 30, 2019, on translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. For the three and nine months ended September 30, 2019, the foreign exchange translation loss is primarily the result of fluctuations of the Canadian dollar relative to the Chilean peso. In the comparative periods, the foreign exchange translation gain also incorporated the impacts of fluctuations of the Canadian dollar exchange rate relative to the Argentine peso, however this ceased on July 1, 2018, with the Company's application of hyper-inflation accounting for the Company's Argentine subsidiary. As a result, beginning July 1, 2018, the Company began recognizing the impact of hyperinflation within other comprehensive income. For the three and nine months ended September 30, 2019, the impact of hyperinflation were losses of $469,000 and $802,000 (2018: gains of $23,000 and $23,000), respectively, and consists of adjustments recognized on the continuing inflation of opening non-monetary balances during the respective periods and the ongoing translation of the Company's Argentine subsidiary into the Canadian dollar presentation currency following July 1, 2018, as mentioned above.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2019, the Company had cash of $19.5 million and net working capital of $19.1 million, compared to cash of $2.4 million and a net working capital deficit of $0.6 million, as at December 31, 2018. The increase in the Company's cash and net working capital is due primarily to aggregate net proceeds totaling $38.8 million received from the Offering and Concurrent Private Placement, which closed on August 30, 2019. This cash inflow has been partially offset by $18.5 million used to fully repay amounts previously drawn under the credit facilities extended by Zebra.

Moving forward, the Company continues to have the support of the Lundin Family Trusts, such as Zebra, the Company's largest shareholder, and expects that the majority of its treasury will be used to fund ongoing exploration and development of the Filo del Sol Project. On an ongoing basis, the Company evaluates and adjusts its planned exploration and administrative activities to ensure that adequate levels of working capital are maintained.

RELATED PARTY TRANSACTIONS

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. Other than those related party transactions identified elsewhere in this MD&A, the Company also engages with Josemaria Resources Inc. ("Josemaria", formerly NGEx Resources Inc.) and NGEx Minerals Ltd. ("NGEx Minerals"), related parties by way of directors, officers and shareholders in common, and Bofill Mir & Alvarez Jana Abogados Ltda. ("BMJAL"), a Chilean legal firm, of which a director of the Company is a partner.

Related party services

The Company has a cost sharing arrangement with Josemaria and NGEx Minerals. Under the terms of this arrangement, the Company provides management, technical, administrative and/or financial services (collectively, "Management Services") to Josemaria and NGEx Minerals, and vice versa. In addition, the Company engages BMJAL, as its legal counsel in Chile. These transactions were incurred in the normal course of operations, and are summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2019	**2018**	**2019**	**2018**
Management Services to Josemaria	193,043	149,161	862,415	482,286
Management Services to NGEx Minerals	99,132	-	99,132	-
Management Services from Josemaria	(309,871)	(87,156)	(522,538)	(446,417)
Management Services from NGEx Minerals	(201,564)	-	(201,564)	-
Legal services from BMJAL	(4,026)	(11,781)	(37,626)	(45,801)

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	**September 30, 2019**	**December 31, 2018**
Receivables and other assets	Josemaria	725,443	523,244
Receivables and other assets	NGEx Minerals	65,292	-
Accounts payable and accrued liabilities	Josemaria	(543,611)	(77,492)
Accounts payable and accrued liabilities	NGEx Minerals	(74,541)	-
Accounts payable and accrued liabilities	BMJAL	-	(15,463)

Extended Camp Use Agreement

On June 26, 2019, the Company, through its wholly-owned subsidiary, entered into a transaction with a wholly-owned subsidiary of Josemaria whereby the Company extended its right to use Josemaria's Batidero Camp in Argentina until at least April 1, 2021, being the end of the 2020/2021 field season, in exchange for a cash consideration of US$235,000, or approximately $331,000.

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 September 30, 2019	2018	Nine months ended September 30, 2019	2018
Salaries	257,604	271,875	801,354	815,625
Short-term employee benefits	12,678	11,912	38,467	33,415
Directors fees	24,250	24,250	72,750	72,750
Stock-based compensation	186,406	1,059,577	831,474	1,619,786
Incentive bonuses	-	-	-	470,000
	480,938	**1,367,614**	**1,744,045**	**3,011,576**

SIGNIFICANT ACCOUNTING POLICIES

The Company continues to follow the accounting policies described in Notes 3, 4, and 5 of the Company's December 31, 2018 audited consolidated financial statements, as filed on SEDAR at www.sedar.com on March 19, 2019, except for the adoption of IFRS 16, *Leases,* effective January 1, 2019, as summarized below.

IFRS 16, *Leases*

On January 1, 2019, the Company adopted IFRS 16, *Leases*, which specifies how leases should be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for almost all leases, unless the lease term is 12 months or less or the underlying asset has a low value.

The Company has adopted IFRS 16 retroactively from January 1, 2019, but has not restated the 2018 comparative periods presented, as permitted under the specific transitional provision in the standard. Accordingly, any adjustments arising from the new lease accounting rules have been recognized in the opening balance sheet on January 1, 2019.

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases, which were previously classified as 'operating leases' under the principles of the predecessor standard, IAS 17, *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at January 1, 2019. The weighted average incremental borrowing rate used to measure the opening lease liability on January 1, 2019 was 12.6%. Accordingly, on January 1, 2019, the Company recognized a total lease liability in the amount of approximately $199,000.

On January 1, 2019, the Company did not have any leases, which were previously classified as finance leases under IAS 17.

A corresponding right-of-use asset has also been recognized on January 1, 2019, in relation to the leased properties, mainly offices and warehouses in South America, which was measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments recognized at the date of initial application, as applicable. The Company did not have any onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. Accordingly, on January 1, 2019, the Company recognized a total right-of-use asset in the amount of approximately $199,000.

In applying IFRS 16 for the first time, the Company used a practical expedient permitted by the standard, which allowed the Company to not reassess whether its contracts are, or contain, a lease at the date of initial application. Instead, pursuant to this practical expedient, for contracts entered into before the transition date, the Company was permitted to rely on its previous assessments made under IAS 17 and IFRIC 4, *Determining Whether an Arrangement Contains a Lease*.

Please refer to Note 3 to the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2019, for further details regarding the Company's adoption of IFRS 16.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS, such as the underlying condensed interim consolidated financial statements for three months ended March 31, 2019, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenditures. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual results could differ from those estimates and such differences could be material. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. There have been no material changes to the critical accounting estimates discussed in the annual 2018 MD&A filed on SEDAR at www.sedar.com on March 19, 2019.

FINANCIAL INSTRUMENTS

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

As at September 30, 2019, the Company's financial instruments are exposed to the following financial risks, including credit, liquidity and currency risks:

(i) Credit risks associated with cash is minimal as the Company deposits the majority of its cash with a large Canadian financial institution that has 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 is minimized through the management of its capital structure and by maintaining good relationships with bankers and creditors, such as Zebra. 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 September 30, 2019, are as follows:

	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
Accounts payable and accrued liabilities	2,031,086	2,031,086	-	-
Lease liabilities	98,714	81,379	17,335	
Total	**2,129,800**	**2,112,465**	**17,335**	**-**

(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 September 30, 2019, the Company's largest foreign currency risk exposure existed at the level of its Chilean subsidiary, Frontera Chile Limitada, where the Company held a net financial asset position denominated in US dollars having a Canadian dollar equivalent of approximately $0.12 million. A 10% change in the foreign exchange rate between the US dollar, and the Chilean peso, Frontera Chile Limitada's functional currency, would give rise to increases/decreases of approximately $12,000 in financial position/comprehensive loss.

OUTSTANDING SHARE DATA

As at November 7, 2019, the Company had 88,218,451 common shares outstanding and 8,274,167 share options outstanding under its share-based incentive plan.

FINANCIAL INFORMATION

The Company's next scheduled financial report will be for the year ended December 31, 2019, which is expected to be published on or around March 19, 2020.

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. There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's annual 2018 MD&A, as filed on SEDAR at www.sedar.com on March 19, 2019.

QUALIFIED PERSON

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

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 Mining. 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 PFS 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 Company's plans for the upcoming field season and proposed 2019/2020 drill targets at its 100% owned Filo del Sol Project, including the expected timing of results related thereto; potential upside at the Filo del Sol Project; assumptions and interpretations around surface indications of mineralization at the Tamberias West area; the Company's ability to define and understand the structural controls applicable to the high-grade gold zones within the Filo del Sol deposit; the ability of the Company to secure additional financing and/or the quantum and terms thereof; support of the Lundin Family Trusts; exploration and development plans and expenditures; the timing and nature of studies and any potential development scenarios; 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 time lines; 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.sedar.com. 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 Mining Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	Note	September 30, 2019	December 31, 2018
ASSETS			
Current assets:			
Cash		$ 19,457,761	$ 2,405,109
Receivables and other assets	*5*	1,752,615	2,414,486
		21,210,376	4,819,595
Non-current assets:			
Right-of-use asset		109,012	-
Mineral properties	*6*	7,392,603	7,118,233
		7,501,615	7,118,233
TOTAL ASSETS		28,711,991	11,937,828
LIABILITIES			
Current liabilities:			
Trade payables and accrued liabilities		2,031,086	3,218,576
Amounts owing pursuant to credit facility	*7*	-	2,202,548
Lease liabilities		81,379	-
		2,112,465	5,421,124
Non-current liabilities:			
Lease liabilities		17,335	-
		17,335	-
TOTAL LIABILITIES		2,129,800	5,421,124
SHAREHOLDERS' EQUITY			
Share capital	*8*	125,326,374	84,350,227
Contributed surplus		6,346,471	5,554,793
Deficit		(103,776,520)	(83,244,040)
Accumulated other comprehensive loss		(1,314,134)	(144,276)
TOTAL SHAREHOLDERS' EQUITY		26,582,191	6,516,704
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 28,711,991	$ 11,937,828

Commitments (Note 13)
Subsequent event (Note 14)

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

On behalf of the Board:

/s/Alessandro Bitelli
Director

/s/Adam I. Lundin
Director

Filo Mining Corp.
Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Note	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Expenses					
Exploration and project investigation	*10*	$ 1,894,988	$ 2,207,701	$ 17,248,315	$ 18,935,470
General and administration:					
Salaries and benefits		278,953	285,139	898,679	1,375,804
Share-based compensation	*9c*	195,814	1,132,911	884,039	1,728,498
Management fees		59,025	59,025	177,075	167,200
Professional fees		32,796	16,775	131,264	86,924
Travel		26,940	9,215	108,990	128,648
Promotion and public relations		76,072	69,709	225,222	306,049
Office and general		10,389	35,064	174,480	145,793
Operating loss		2,574,977	3,815,539	19,848,064	22,874,386
Other expenses					
Financing costs	*3,7*	453,679	-	1,145,217	31,980
Foreign exchange loss (gain)		126,755	16,828	(305,864)	183,347
Net monetary loss (gain)	*4*	(50,626)	32,184	(154,937)	32,184
Gain on disposal of mineral properties		-	-	-	(422,635)
Net loss		3,104,785	3,864,551	20,532,480	22,699,262
Other comprehensive loss					
Items that may be reclassified subsequently to net loss:					
Foreign currency translation adjustment		290,664	146,995	367,374	460,331
Impact of hyperinflation	*4*	468,503	(22,631)	802,484	(22,631)
Comprehensive loss		$ 3,863,952	$ 3,988,915	$ 21,702,338	$ 23,136,962
Basic and diluted loss per common share		$ 0.04	$ 0.05	$ 0.27	$ 0.32
Weighted average common shares outstanding		78,571,027	72,547,206	74,844,352	70,247,847

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

Filo Mining Corp.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Note	**Nine months ended September 30, 2019**	**2018**
Cash flows used in operating activities			
Net loss for the period		$ (20,532,480)	$ (22,699,262)
Items not involving cash:			
Share-based compensation	*9c*	1,087,098	2,218,472
Financing costs	*3,7*	1,145,217	31,980
Net monetary loss		333,472	60,890
Gain on disposal of mineral properties		-	(422,635)
Net changes in working capital items:			
Receivables and other		(28,538)	(1,649,072)
Trade payables and accrued liabilities		(587,486)	(527,474)
		(18,582,717)	(22,987,101)
Cash flows from financing activities			
Proceeds from equity financings, net		38,797,125	24,384,864
Drawdown of credit facilities		16,603,165	-
Repayment of credit facilities		(18,454,800)	-
Proceeds from exercise of share options		790,558	408,275
Repayment of lease liabilities		(77,577)	-
		37,658,471	24,793,139
Cash flows used in investing activities			
Mineral properties and related expenditures	*6*	(654,579)	(528,895)
Proceeds from disposal of mineral properties		-	64,919
		(654,579)	(463,976)
Effect of exchange rate change on cash		(1,368,523)	(502,580)
Increase in cash during the period		17,052,652	839,482
Cash, beginning of period		$ 2,405,109	$ 2,417,407
Cash, end of period		$ 19,457,761	$ 3,256,889

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

Filo Mining Corp.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Note	**Number of Shares**	**Share Capital**	**Contributed Surplus**	**Deficit**	**Accumulated Other Comprehensive Income (Loss)**	**Total Shareholders' Equity**
Balance, January 1, 2018		62,268,450	$ 59,481,338	$ 2,877,642	$ (54,352,813)	$ (65,235)	$ 7,940,932
Share-based compensation		-	-	2,218,472	-	-	2,218,472
Shares issued pursuant to the equity financings		9,823,195	25,540,307	-	-	-	25,540,307
Share issuance costs		-	(1,155,443)	-	-	-	(1,155,443)
Shares issued pursuant to credit facilities		12,300	31,980	-	-	-	31,980
Exercise of options		471,250	452,045	(43,770)	-	-	408,275
Net loss and other comprehensive loss		-	-	-	(22,699,262)	(437,700)	(23,136,962)
Balance, September 30, 2018		**72,575,195**	**$ 84,350,227**	**$ 5,052,344**	**$(77,052,075)**	**$ (502,935)**	**$ 11,847,561**
Balance, January 1, 2019		72,575,195	$ 84,350,227	$ 5,554,793	$ (83,244,040)	$ (144,276)	$ 6,516,704
Share-based compensation	*9c*	-	-	1,087,098	-	-	1,087,098
Shares issued pursuant to the equity financings	*8*	14,547,727	40,006,249	-	-	-	40,006,249
Share issuance costs	*8*	-	(1,209,124)	-	-	-	(1,209,124)
Shares issued pursuant to credit facilities		471,996	1,093,044	-	-	-	1,093,044
Exercise of options		598,333	1,085,978	(295,420)	-	-	790,558
Net loss and other comprehensive loss		-	-	-	(20,532,480)	(1,169,858)	(21,702,338)
Balance, September 30, 2019		**88,193,251**	**$ 125,326,374**	**$ 6,346,471**	**$(103,776,520)**	**$ (1,314,134)**	**$ 26,582,191**

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

1. NATURE OF OPERATIONS

Filo Mining Corp. (the "Company" or "Filo Mining") was incorporated on May 12, 2016 under the Canada Business Corporations Act in connection with the plan of arrangement to reorganize Josemaria Resources Inc. ("Josemaria", formerly NGEx Resources Inc. ("NGEx")), which was completed on August 16, 2016.

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 the San Juan Province in Argentina and in Chile. Its registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. The Company's common shares trade on the TSX Venture Exchange (the "TSXV") and the NASDAQ First North Growth Market under the symbol "FIL".

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, 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, 2018. In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies as disclosed in Notes 3, 4 and 5 to the audited consolidated financial statements for the year ended December 31, 2018, except for the newly adopted accounting policy as noted in Note 3 below.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 7, 2019.

3. ADOPTION OF NEW ACCOUNTING POLICY: LEASES

On January 1, 2019, the Company adopted IFRS 16, *Leases*, which specifies how leases should be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for almost all leases, unless the lease term is 12 months or less or the underlying asset has a low value, in which case, lease payments are recognized as an expense on a straight-line basis over the lease term or another systematic basis, if deemed more representative.

The Company has adopted IFRS 16 retroactively from January 1, 2019, but has not restated the 2018 comparative periods presented, as permitted under the specific transitional provision in the standard. Accordingly, any adjustments arising from the new lease accounting rules have been recognized in the opening balance sheet on January 1, 2019.

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases, which were previously classified as 'operating leases' under the principles of the predecessor standard, IAS 17, *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at January 1, 2019. The weighted average incremental borrowing rate used to measure the opening lease liability on January 1, 2019 was 12.6%. Accordingly, on January 1, 2019, the Company recognized a total lease liability in the amount of approximately $199,000.

On January 1, 2019, the Company did not have any leases, which were previously classified as finance leases under IAS 17.

A corresponding right-of-use asset has also been recognized on January 1, 2019, in relation to the leased properties, mainly offices and warehouses in South America, which was measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments recognized at the date of initial application, as applicable. The Company did not have any onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. Accordingly, on January 1, 2019, the Company recognized a total right-of-use asset in the amount of approximately $199,000.

In applying IFRS 16 for the first time, the Company used a practical expedient permitted by the standard, which allowed the Company to not reassess whether its contracts are, or contain, a lease at the date of initial application. Instead, pursuant to this practical expedient, for contracts entered into before the transition date, the Company was permitted to rely on its previous assessments made under IAS 17 and IFRIC 4, *Determining Whether an Arrangement Contains a Lease*.

As a result of adopting IFRS 16, the Company recognized accretion on the lease liability in the amount of approximately $3,000 and $14,000 respectively for the three and nine months ended September 30, 2019, as financing costs in the consolidated statement of loss. The Company also recognized approximately $22,000 and $74,000 respectively for the three and nine months ended September 30, 2019, in amortization of the right-of-use asset through exploration and project investigation costs.

4. HYPERINFLATION

Argentina was designated a hyper-inflationary economy as of July 1, 2018 for accounting purposes.

Accordingly, the application of hyperinflation accounting has been applied to the Company's Argentine subsidiary's non-monetary assets and liabilities, shareholders' equity and comprehensive loss items from the transaction date when they were first recognized into the current purchasing power, which reflects a price index current at the end of the reporting period before being included in the consolidated financial statements. To measure the impact of inflation on its financial position and results, the Company has elected to use the Wholesale Price Index *(Indice de Precios Mayoristas or "IPIM")* for periods up to December 31, 2016, and the Retail Price Index *(Indice de Precios al Consumidor or "IPC")* thereafter. These price indices have been recommended by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences.

As the consolidated financial statements of the Company have been previously presented in Canadian dollars, a stable currency, the comparative period amounts do not require restatement.

(Expressed in Canadian Dollars, unless otherwise stated)

The Company recognized losses of approximately $469,000 and $802,000, respectively, for the three and nine months ended September 30, 2019 (2018: gains of $23,000 and $23,000) in relation to the impact of hyperinflation within other comprehensive income, which is primarily the result of devaluation of the Argentine Peso relative to the Canadian dollar during the respective periods.

As a result of changes in the IPC and changes to the Company's net monetary position during the three and nine months ended September 30, 2019, the Company recognized net monetary gains of approximately $51,000 and $155,000, respectively during the three and nine months ended September 30, 2019 (2018: loss of $32,000 and $32,000) to adjust transactions recorded during the respective periods into a measuring unit current as of September 30, 2019.

The level of the IPC at September 30, 2019 was 253.7 (December 31, 2018: 184.2), which represents an increase of approximately 38% over the IPC at December 31, 2018, and an approximate 16% increase over the average level of the IPC during the nine months ended September 30, 2019.

5. RECEIVABLES AND OTHER ASSETS

	September 30, 2019	**December 31, 2018**
Taxes receivable	460,355	660,881
Other receivables	816,578	1,064,246
Prepaid expenses and deposits	475,682	689,359
	1,752,615	**2,414,486**

6. MINERAL PROPERTIES

	Filo del Sol	**Tamberias**	**Total**
January 1, 2018	**$ 3,177,844**	**$ 3,301,500**	**$ 6,479,344**
Additions	-	528,895	528,895
Adjustment for the impacts of hyperinflation	357,961	-	357,961
Effect of foreign currency translation	(84,823)	(163,144)	(247,967)
December 31, 2018	**$ 3,450,982**	**$ 3,667,251**	**$ 7,118,233**
Additions	-	654,579	654,579
Adjustment for the impacts of hyperinflation	(64,974)	-	(64,974)
Effect of foreign currency translation	-	(315,235)	(315,235)
September 30, 2019	**$ 3,386,008**	**$ 4,006,595**	**$ 7,392,603**

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 the San Juan Province in Argentina and in Chile, and are 100% controlled by Filo Mining 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 option payments totaling US$20 million on or before June 30, 2023. 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.

The Company's total remaining option payments as at September 30, 2019 were US$16.3 million, with the next option payment being US$1,000,000, payable in June 2020.

7. CREDIT FACILITIES

On January 12, 2019, the Company obtained an unsecured US$5.0 million credit facility (the "January 2019 Facility") from Zebra Holdings and Investments S.à.r.l. ("Zebra"), a related party of the Company by virtue of its shareholding in the Company in excess of 20%, to provide additional financial flexibility to fund ongoing exploration at the Filo del Sol Project and for general corporate purposes. Zebra reports its security holdings in the Company as a joint actor with Lorito Holdings S.à.r.l. ("Lorito"), and at the time of entering into the January 2019 Facility they collectively held more than 20% of the Company's issued and outstanding common shares. The January 2019 Facility replaced an existing US$2.0 million facility from Zebra, which matured on January 12, 2019, and into which the outstanding balance owed thereunder was transferred. As consideration for the January 2019 Facility, Zebra will receive 300 common shares each month, for every US$50,000 in principal outstanding, prorated accordingly for the number of days outstanding. The January 2019 Facility matures on July 12, 2020, and no interest is payable in cash during its term.

On February 28, 2019, the Company obtained an additional unsecured US$5.0 million short-term credit facility (the "February 2019 Facility") from Zebra. As consideration for the February 2019 Facility, Zebra received 6,000 common shares of the Company upon execution thereof, and shall receive an additional 300 common shares each month, for every US$50,000 in principal outstanding on the facility, prorated accordingly for the number of days outstanding. The February 2019 Facility matures on February 28, 2020, and no interest is payable in cash during its term.

On April 26, 2019, the Company obtained an additional unsecured US$4.0 million short-term credit facility (the "April 2019 Facility") from Zebra. As consideration for the April 2019 Facility, Zebra received 6,000 common shares of the Company upon execution thereof, and shall receive an additional 300 common shares each month, for every US$50,000 in principal outstanding on the facility, prorated accordingly for the number of days outstanding. The April 2019 Facility matures on April 26, 2020, and no interest is payable in cash during its term.

During the nine months ended September 30, 2019, the Company fully drew and repaid the amounts extended by the facilities. As a result of the amounts previously drawn, the Company issued 242,616 and 471,996 common shares during the three and nine months ended September 30, 2019, respectively, with an additional 25,200 common shares issuable, resulting in approximately $450,000 (2018: $nil) and $1,131,000 (2018: $32,000), respectively, in financing costs recognized through the consolidated statement of loss.

All common shares issued in conjunction with the facilities are subject to a four-month hold period under applicable securities laws.

8. SHARE CAPITAL

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

On August 30, 2019, the Company closed a bought deal offering of common shares and a concurrent non-brokered private placement of common shares (the "Financings"). In aggregate, 14,547,727 common shares of the Company were sold at a price of $2.75 per common share (the "Price"), generating aggregate gross proceeds of $40.0 million. Share issuance costs related to the Financings totaled $1.2 million, and included commissions, professional fees and regulatory fees.

Zebra and Lorito, which report their shareholding in the Company as joint actors and are related parties of the Company by virtue of their combined shareholding in the Company in excess of 20%, acquired 9,090,909 common shares of the Company through the Financings, for gross proceeds of $25.0 million. Zebra subscribed to 7,272,727 common shares pursuant to the concurrent non-brokered private placement of common shares, and Lorito acquired 1,818,182 common shares from the underwriter of the bought deal offering. On August 30, 2019, following the close of the Financings, Zebra and Lorito held 27.38% and 8.54%, respectively, of the then issued and outstanding common shares of the Company.

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 12, 2017, 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.

b) Share option outstanding

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

(Expressed in Canadian Dollars, unless otherwise stated)

	Number of shares issuable pursuant to share options	**Weighted average exercise price per share**
Balance at January 1, 2018	4,618,750	$ 1.96
Options granted	2,500,000	2.20
Exercised	(471,250)	0.87
Balance at December 31, 2018	6,647,500	$ 2.13
Exercised	(598,333)	1.32
Expired or forfeited	(160,000)	2.19
Balance at September 30, 2019	5,889,167	$ 2.21

The weighted average share price on the exercise date for the share options exercised during the nine months ended September 30, 2019 was $2.48.

The following table details the share options outstanding and exercisable as at September 30, 2019:

	Outstanding options			Exercisable options		
Exercise prices	Options outstanding	Weighted average remaining contractual life (Years)	Weighted average exercise price	Options exercisable	Weighted average remaining contractual life (Years)	Weighted average exercise price
$2.00	1,985,000	2.18	$2.00	1,985,000	2.18	$2.00
$2.20	2,346,667	3.87	$2.20	1,541,667	3.87	$2.20
$2.50	1,557,500	2.96	$2.50	1,557,500	2.96	$2.50
	5,889,167	3.06	$2.21	5,084,167	2.93	$2.21

c) Share-based compensation

	Three months ended September 30,		**Nine months ended September 30,**	
	2019	**2018**	**2019**	**2018**
Exploration and project investigation	-	342,301	203,059	489,974
General and administration	195,814	1,132,911	884,039	1,728,498
	195,814	**1,475,212**	**1,087,098**	**2,218,472**

10. EXPLORATION AND PROJECT INVESTIGATION

Due to the geographic location of the Filo del Sol Project, the Company's business activities fluctuate with the seasons, through increased drilling and other exploration activities during the summer months in South America. As a result, a general recurring trend is the increase in exploration expenditures, and therefore net losses, for the fourth quarter and first quarter of a fiscal year, relative to the second and third quarters.

(Expressed in Canadian Dollars, unless otherwise stated)

The Company expensed the following exploration and project investigation costs, all incurred in South America, for the three and nine months ended September 30, 2019 and 2018:

Three months ended September 30,		**Filo del Sol Project**	**Other**	**Total**
2019	Land holding and access costs	3,217	2,993	6,210
	Drilling, fuel, camp costs and field supplies	548,047	-	548,047
	Roadwork, travel and transport	95,889	-	95,889
	Consultants, geochemistry and geophysics	107,119	-	107,119
	Environmental and community relations	506,407	-	506,407
	VAT and other taxes	226,832	-	226,832
	Office, field and administrative salaries, overhead and other administrative costs	396,355	8,129	404,484
	Total	**1,883,866**	**11,122**	**1,894,988**
2018	Land holding and access costs	10,766	6,899	17,665
	Drilling, fuel, camp costs and field supplies	94,111	-	94,111
	Roadwork, travel and transport	36,821	30	36,851
	Engineering and conceptual studies	324,714	-	324,714
	Consultants, geochemistry and geophysics	617,819	-	617,819
	Environmental and community relations	242,492	-	242,492
	VAT and other taxes	151,638	9,506	161,144
	Office, field and administrative salaries, overhead and other administrative costs	370,037	567	370,604
	Share-based compensation	340,805	1,496	342,301
	Total	**2,189,203**	**18,498**	**2,207,701**

(Expressed in Canadian Dollars, unless otherwise stated)

Nine months ended September 30,		Filo del Sol Project	Other	Total
2019	Land holding and access costs	402,284	57,341	459,625
	Drilling, fuel, camp costs and field supplies	6,816,610	-	6,816,610
	Roadwork, travel and transport	1,941,207	241	1,941,448
	Engineering and conceptual studies	309,794	-	309,794
	Consultants, geochemistry and geophysics	561,947	-	561,947
	Environmental and community relations	2,505,568	-	2,505,568
	VAT and other taxes	2,628,806	70,053	2,698,859
	Office, field and administrative salaries, overhead and other administrative costs	1,740,920	10,485	1,751,405
	Share-based compensation	201,357	1,702	203,059
	Total	**17,108,493**	**139,822**	**17,248,315**
2018	Land holding and access costs	417,635	24,801	442,436
	Drilling, fuel, camp costs and field supplies	7,269,952	-	7,269,952
	Roadwork, travel and transport	2,248,088	127	2,248,215
	Engineering and conceptual studies	1,042,748	-	1,042,748
	Consultants, geochemistry and geophysics	1,553,744	-	1,553,744
	Environmental and community relations	1,213,146	-	1,213,146
	VAT and other taxes	2,306,211	49,302	2,355,513
	Office, field and administrative salaries, overhead and other administrative costs	2,317,865	1,877	2,319,742
	Share-based compensation	487,952	2,022	489,974
	Total	**18,857,341**	**78,129**	**18,935,470**

(Expressed in Canadian 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. Other than those related party transactions identified elsewhere in these condensed interim consolidated financial statements, the Company also engages with Josemaria and NGEx Minerals Ltd. ("NGEx Minerals"), related parties by way of directors, officers and shareholders in common, and Bofill Mir & Alvarez Jana Abogados Ltda. ("BMJAL"), a Chilean legal firm, of which a director of the Company is a partner.

a) Related party services

The Company has a cost sharing arrangement with Josemaria and NGEx Minerals. Under the terms of this arrangement, the Company provides management, technical, administrative and/or financial services (collectively, "Management Services") to Josemaria and NGEx Minerals, and vice versa. In addition, the Company engages BMJAL, as its legal counsel in Chile. These transactions were incurred in the normal course of operations, and are summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2019	**2018**	**2019**	**2018**
Management Services to Josemaria	193,043	149,161	862,415	482,286
Management Services to NGEx Minerals	99,132	-	99,132	-
Management Services from Josemaria	(309,871)	(87,156)	(522,538)	(446,417)
Management Services from NGEx Minerals	(201,564)	-	(201,564)	-
Legal services from BMJAL	(4,026)	(11,781)	(37,626)	(45,801)

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	**September 30, 2019**	**December 31, 2018**
Receivables and other assets	Josemaria	725,443	523,244
Receivables and other assets	NGEx Minerals	65,292	-
Accounts payable and accrued liabilities	Josemaria	(543,611)	(77,492)
Accounts payable and accrued liabilities	NGEx Minerals	(74,541)	-
Accounts payable and accrued liabilities	BMJAL	-	(15,463)

(Expressed in Canadian Dollars, unless otherwise stated)

c) Extended Camp Use Agreement

On June 26, 2019, the Company, through its wholly-owned subsidiary, entered into a transaction with a wholly-owned subsidiary of Josemaria whereby the Company extended its right to use Josemaria's Batidero Camp in Argentina until at least April 1, 2021, being the end of the 2020/2021 field season, in exchange for a cash consideration of US$235,000, or approximately $331,000.

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 September 30,		**Nine months ended September 30,**	
	2019	**2018**	**2019**	**2018**
Salaries	257,604	271,875	801,354	815,625
Short-term employee benefits	12,678	11,912	38,467	33,415
Directors fees	24,250	24,250	72,750	72,750
Stock-based compensation	186,406	1,059,577	831,474	1,619,786
Incentive bonuses	-	-	-	470,000
	480,938	**1,367,614**	**1,744,045**	**3,011,576**

12. SEGMENTED INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in South America. The information regarding mineral properties and exploration and project investigation costs presented in Notes 6 and 10, respectively, represent the manner in which management reviews its business performance. Materially all of the Company's 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. Materially all of 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:

(Expressed in Canadian Dollars, unless otherwise stated)

		Filo del Sol Project	Other	Corporate	Total
September 30, 2019	Current assets	2,568,799	-	18,641,577	21,210,376
	Right-of-use asset	109,012	-	-	109,012
	Mineral properties	7,392,603	-	-	7,392,603
	Total assets	10,070,414	-	18,641,577	28,711,991
	Current liabilities	1,102,327	-	1,010,138	2,112,465
	Lease liabilities	17,335	-	-	17,335
	Total liabilities	1,119,662	-	1,010,138	2,129,800
December 31, 2018	Current assets	4,516,473	-	303,122	4,819,595
	Mineral properties	7,118,233	-	-	7,118,233
	Total assets	11,634,706	-	303,122	11,937,828
	Current liabilities	2,472,242	-	746,334	3,218,576

(Expressed in Canadian Dollars, unless otherwise stated)

Three months ended September 30,		**Filo del Sol Project**	**Other**	**Corporate**	**Total**
2019	Exploration and project investigation	1,883,866	11,122	-	1,894,988
	General and administration and other items	(47,169)	-	1,256,966	1,209,797
	Net loss	1,836,697	11,122	1,256,966	3,104,785
2018	Exploration and project investigation	2,189,203	18,498	-	2,207,701
	General and administration and other items	32,184	-	1,624,666	1,656,850
	Net loss	2,221,387	18,498	1,624,666	3,864,551

Nine months ended September 30,		**Filo del Sol Project**	**Other**	**Corporate**	**Total**
2019	Exploration and project investigation	17,108,493	139,822	-	17,248,315
	General and administration and other items	(141,146)	-	3,425,311	3,284,165
	Net loss	16,967,347	139,822	3,425,311	20,532,480
2018	Exploration and project investigation	18,857,341	78,129	-	18,935,470
	General and administration and other items	32,184	-	3,731,608	3,763,792
	Net loss	18,889,525	78,129	3,731,608	22,699,262

13. COMMITMENTS

In November 2017, the Company entered into agreements with the owners of certain lands, accesses and surface rights related to the Tamberias Property (the "Access Agreements"). Under the terms of the Access Agreements, in exchange for total payments of US$1.26 million, the Company secured its right to use and maintain roads and accesses, which allow entry to the Filo del Sol Project from Chile, and also perform any surface disturbances as necessary to undertake its exploration work programs, such as establishing drill platforms, for a period of four years.

As of September 30, 2019, the Company has two remaining payments of US$315,875 each, which are payable in November 2019 and 2020.

14. SUBSEQUENT EVENT

On October 11, 2019, the Company granted an aggregate of 2,395,000 stock options to certain officers, directors and other eligible persons of the Company. The options are exercisable, subject to vesting provisions, over a period of five years at a price of $2.75 per share.