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

For the Three Month Period Ended March 31, 2019
(UNAUDITED)

FILO MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 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 months ended March 31, 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 May 8, 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's most recent Mineral Resource estimate for the Filo del Sol Project, effective as 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. In addition, the Filo del Sol Project continues to hold significant exploration potential, with less than 20% of the project area explored to date.

The Company recently completed a pre-feasibility study ("PFS") on the Filo del Sol Project, effective as of January 13, 2019, which not only confirmed, but also improved on, the project's robust economic potential. The PFS, which was based only on the oxide portion of the current Mineral Resource and used a copper price of US$ 3.00/lb, 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 also introduced an initial Probable Mineral Reserve estimate for the project, which, at a 0.01 US$/tonne Net Value per Tonne ("NVPT") cut-off, 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 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.

FIRST QUARTER 2019 OPERATING HIGHLIGHTS

Conclusion of PFS and Definition of Initial Probable Mineral Reserves

On January 13, 2019, the Company successfully completed the PFS on the Filo del Sol Project, being the culmination of the Company's main initiatives and work programs during 2018. The PFS continues to support the Company's assertions that the Filo del Sol Project exhibits strong economics and remarkable potential, which are highlighted by:

- a US$ 1.28 billion after-tax NPV using a discount rate of 8% and an IRR of 23%, at US$ 3.00/lb copper, US$ 1,300/oz gold, and US$ 20/oz silver;

- average annual production of approximately 67,000 tonnes of copper (including copper as copper precipitate), 159,000 ounces of gold, and 8,653,000 ounces of silver at a C1 cost of US$ 1.23/lb copper equivalent;

- pre-production capital costs totaling US$ 1.27 billion (excluding costs prior to a construction decision);

- a 14 year mine life (including pre-stripping), producing almost 1.75 million pounds of copper as cathode, and 1.92 million ounces of gold and 104 million ounces of silver as doré, over the 13 year leach feed schedule, with additional copper recovered as high-grade copper precipitate; and

- a low strip ratio of 1.5:1.

The PFS also introduced an initial Mineral Reserve estimate for the Filo del Sol project, which, at a 0.01 US$/tonne NVPT cut-off, is as follows:

	Tonnage	Grade				Contained Metal		
Category (all domains)	(Mt)	Cu (%)	Au (g/t)	Ag (g/t)	NVPT ($/t)	Cu (M lbs)	Au (K oz)	Ag (K oz)
Proven	-	-	-	-	-	-	-	-
Probable	259.1	0.39	0.33	15.1	25.30	2,226	2,764	126,028
Total Proven and Probable	**259.1**	**0.39**	**0.33**	**15.1**	**25.30**	**2,226**	**2,764**	**126,028**

Notes to accompany Filo del Sol Mineral Reserves table:

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

The PFS contemplates mining through conventional open pit methods, using a fully autonomous haul truck fleet, and sequential heap leaching, with only the deposit's oxide material incorporated into the study. The underlying copper-gold sulphide portion of the Mineral Resource has not been fully tested nor included in any study or project economics to date, and represents potentially significant upside for the Filo del Sol Project, which the Company has begun exploring during the recently concluded 2018/2019 field season, as discussed below.

Proving Significant Exploration Potential at Depth

The PFS was still underway during a substantial portion of the 2018/2019 field season, which ran from October 2018 to early April 2019. Accordingly, rather than committing to the undertaking of a feasibility study at the beginning of the season with then incomplete information, the Company elected to direct this season's resources to evaluate the Filo del Sol Project's extensive exploration potential, with a focus on drill-testing the potential for a copper porphyry system below the current resource. Diamond core drilling for the 2018/2019 field season began in November 2018, and was completed in March 2019, with a total of 4,747 metres completed in seven diamond holes.

Assays results covering the first two completed holes have been received and disclosed, and confirm the Company's expectations that the current Mineral Resource is underlain by a significant porphyry copper-gold system, which extends to depths of over 1,000 metres below surface. Hole FSDH025 was drilled to a dept of 1,025 metres and is located completely outside of the current Mineral Resource, while Hole FSDH026 was drilled 500 metres to the south to a total depth of 613.9 metres, with the first 200 metres passing through the current Mineral Resource. These first two holes are summarized in the following table:

HOLE-ID	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)
FSDH025	0.0	1,025.0	1,025.0	0.30	0.22	1.6
incl.	334.0	466.0	132.0	0.48	0.30	1.2
FSDH026	0.0	613.9	613.9	0.39	0.34	1.6
incl.	14.0	474.0	460.0	0.45	0.34	1.6
and incl.	14.0	94.0	80.0	0.73	0.43	1.8
and incl.	228.0	316.0	88.0	0.50	0.33	1.4
and incl.	420.0	474.0	54.0	0.49	0.37	3.3

Assays for the remaining holes are nearing completion, with results anticipated to be available shortly.

CORPORATE UPDATE

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"), an insider of the Company, 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., 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 respective 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.

In addition, on April 26, 2019, the Company obtained an unsecured US$ 4.0 million credit facility (the "April 2019 Facility") from Zebra. Through the April 2019 Facility and those described above, the Company now has access to US$ 14.0 million, which will be used, as necessary, to fund ongoing exploration at the Filo del Sol Project and for general corporate purposes. As consideration for the April 2019 Facility, Zebra received 6,000 common shares of the Company upon execution thereof, and will 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.

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

OUTLOOK

The completion of a PFS at the Filo del Sol Project in January 2019 marked another significant project milestone. The study, which is highlighted by an after-tax NPV of US$ 1.28 billion at an 8% discount rate and an IRR of 23%, continues to confirm the Company's views that its flagship asset bolsters significant size, scope, and economic potential.

Nonetheless, the Company also remains cognisant of the fact that all studies and economic analyses completed to date on the Filo del Sol Project incorporate only the oxide portion of the current resource. With confirmation during the 2018/2019 field season that a largely undefined sulphide system underlies the oxide material, the Company is now evaluating its strategic options to maximize the value of the project for its shareholders. Options include, but are not limited to, fast-tracking the project toward development or more fully testing the sulphide mineralization before committing to the undertaking of another engineering study at the Filo del Sol Project. That being said, the Company continues to progress certain feasibility-level testwork, which should facilitate the eventual undertaking of a feasibility study in the future, such as conducting hydrogeological testwork to confirm an industrial source of water for the project, as well as ongoing environmental baseline studies.

The Company is now waiting for receipt of the assay results related to the final 5 diamond holes of the 2018/2019 drill program, which will be taken into consideration in planning the next steps for the Filo del Sol Project. The final assay results are nearing completion, with results anticipated to be available shortly.

The Company remains open to partnership opportunities and may, from time to time, engage in discussions with third parties. As of the date of this MD&A, the Company does not have any binding agreements or commitments to enter into any transactions, and there are no assurances that such corporate activities would progress to the stage where a potential transaction is successfully completed.

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	**Mar-19**	**Dec-18**	**Sep-18**	**Jun-18**	**Mar-18**	**Dec-17**	**Sep-17**	**Jun-17**
Exploration costs ($000's)	11,022	5,183	2,208	3,595	13,132	3,605	1,227	1,257
Operating loss ($000’s)	12,030	6,201	3,816	4,433	14,626	4,564	2,538	2,042
Net loss ($000’s)	12,092	6,191	3,865	4,446	14,389	4,580	2,549	2,053
Net loss per share, basic and diluted ($)	0.17	0.09	0.05	0.06	0.22	0.07	0.04	0.03

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 a net loss of $12.1 million (2018: $14.4 million) for the three months ended March 31, 2019. Exploration and project investigation costs are the most significant expenditures of the Company and account for approximately 91% (2018: 91%) of the net loss during the period. 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 months ended March 31, 2019 were $11.0 million, which decreased relative to the comparative period (2018: $13.1 million). This decrease is due to the execution of a larger exploration program during the 2017/2018 exploration season, which ran from October 2017 to March 2018, to generate and collect data in support of the PFS on the Filo del Sol Project, and increased technical costs related to study, such as metallurgical testwork. By comparison, the 2018/2019 field campaign that was undertaken during the three months ended March 31, 2019, was focused on deep, diamond drilling, and was a smaller program overall. Detailed breakdowns of exploration costs for the three months ended March 31, 2019 and 2018, are provided in the notes to the condensed interim consolidated financial statements.

Excluding share-based compensation, administration costs for the three months ended March 31, 2019 were $0.7 million (2018: $1.2 million). 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.

Compensation costs for the three months ended March 31, 2019, were lower than the comparative period primarily due to the payment of management incentive bonuses awarded in March 2018, whereas no such incentive awards have been granted in the first quarter of 2019. In addition, travel and promotion costs incurred during the three months ended March 31, 2019 were less than those incurred during the comparative period as a result of additional promotional activities undertaken in support of the equity financing that was underway during the first quarter of 2018, which closed in February 2018, and yielded aggregate gross proceeds of $25.5 million.

During the three months ended March 31, 2019, the Company reported financing costs of $201,000, which increased relative to the comparative period (2018: $32,000). This increase is the result of the Company's heavier use of the aforementioned credit facilities extended by Zebra during the first quarter of 2019, and the larger resulting number of shares issued and issuable to Zebra as a result thereof.

Also, during the three months ended March 31, 2019, the Company recognized a monetary gain of $157,000 (2018: $nil) in relation to the application of hyper-inflationary accounting for the Company's Argentine subsidiary, which began July 1, 2018. A detailed 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 a foreign exchange translation gain of $27,000 (2018: $219,000) for the three months ended March 31, 2019, on translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. For the three months ended March 31, 2019, the foreign exchange translation gain is primarily the result of fluctuations of the Canadian dollar relative to the Chilean peso. In the comparative period, 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. In this regard, the impact of hyperinflation for the three months ended March 31, 2019, was a loss of $0.6 million (2018: $nil) and consists of adjustments recognized on the continuing inflation of opening non-monetary balances during the three months ended March 31, 2019, 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 March 31, 2019, the Company had cash of $1.0 million and a net working capital deficit of $5.9 million, which includes $3.4 million drawn and outstanding against the February 2019 Facility, compared to cash of $2.4 million and a net working capital deficit of $0.6 million, as at December 31, 2018.

Based on Filo Mining's financial position at March 31, 2019, the Company anticipates the need for further funding to support a planned field program at its South American operations, and for general corporate and working capital purposes. The Company is currently evaluating potential additional sources of financing. Historically, capital requirements have been primarily funded through equity financing, joint ventures, disposition of mineral properties and investments, and the use of short-term credit facilities. While management is confident that additional sources of funding will be secured to fund planned expenditures for at least twelve months from March 31, 2019, factors that could affect the availability of financing include the progress and results of ongoing exploration at the Company's mineral properties, the state of international debt and equity markets, and investor perceptions and expectations of the global copper, gold, and/or silver markets. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. Based on the amount of funding raised, the Company's planned initiatives and other work programs may be postponed, or otherwise revised, as necessary.

As summarized in the Corporate Update section above, subsequent to the March 31, 2019, the Company has secured access to an additional US$ 4.0 million in funds through the April 2019 Facility, increasing the total available under the credit facilities to US$ 14.0 million, which will provide the Company with financial flexibility to fund ongoing operations and for general corporate purposes, while it continues to evaluate potential additional sources of financing.

RELATED PARTY TRANSACTIONS

Related party services

The Company has a cost sharing arrangement with NGEx, a related party by way of directors, officers and shareholders in common. Under the terms of this arrangement, the Company provides executive management, technical exploration and exploration support services to NGEx, and NGEx provides technical advisory and administrative services to the Company. In addition, the Company engages Bofill Mir & Alvarez Jana Abogados Ltda. ("BMJAL"), a Chilean legal firm, of which a director of the Company is a partner. These transactions were incurred in the normal course of operations, and are summarized as follows:

	Three months ended March 31, 2019	2018
Executive management, technical exploration and exploration support services to NGEx	295,019	172,517
Financial management and administrative services from NGEx	(101,007)	(181,748)
Legal services from BMJAL	35,135	18,240

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, 2019**	**December 31, 2018**
Receivables and other assets	NGEx	1,032,019	523,244
Accounts payable and accrued liabilities	NGEx	(137,787)	(77,492)
Accounts payable and accrued liabilities	BMJAL	(35,485)	(15,463)

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,	
	2019	**2018**
Salaries	271,875	271,875
Short-term employee benefits	13,096	10,714
Directors fees	24,250	24,250
Stock-based compensation	322,540	280,113
Incentive bonuses	-	470,000
	631,761	**1,056,952**

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 retrospective 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 months ended March 31, 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, trade payables and accrued liabilities, and the amounts owing pursuant to credit facilities with carrying values considered to be reasonable approximations of fair value due to the short or near-term nature of these instruments.

As at March 31, 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. The Company also closely monitors and reviews its costs to date and actual cash flows on a monthly basis.

Based on Filo Mining's financial position at March 31, 2019, the Company anticipates the need for further funding to support a planned field program at its South American operations, and for general corporate and working capital purposes. Please refer to the discussion provided in the Liquidity and Capital Resources section above for further details.

The maturities of the Company's financial liabilities as at March 31, 2019, are as follows:

	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
Accounts payable and accrued liabilities	5,913,710	5,913,710	-	-
Amounts owing pursuant to credit facility	10,158,735	3,447,135	6,711,600	
Lease liabilities	164,134	109,944	54,190	
Total	**16,236,579**	**9,470,789**	**6,765,790**	**-**

(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, 2019, the Company's largest foreign currency risk exposure existed at the level of its Canadian headquarters, Filo Mining Corp., where the Company held a net financial liability position denominated in US dollars having a Canadian dollar equivalent of approximately $9.9 million. A 10% change in the foreign exchange rate between the US dollar, and the Canadian dollar, Filo Mining Corp.'s functional currency, would give rise to increases/decreases of approximately $988,000 in financial position/comprehensive loss.

OUTSTANDING SHARE DATA

As at May 8, 2019, the Company had 73,091,446 common shares outstanding and 6,292,500 share options outstanding under its share-based incentive plan.

FINANCIAL INFORMATION

The Company's next scheduled interim report will be for the three and six months ended June 30, 2019, which is expected to be published on or around August 8, 2019.

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 Vice-President of Corporate Development and Projects 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 contains forward-looking statements or information pertaining to the undertaking and timing of a Feasibility Study or a feasibility-level study; potential results of further metallurgical testwork, ability to secure additional financing and/or the quantum and terms thereof; 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, 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	**March 31, 2019**	**December 31, 2018**
ASSETS			
Current assets:			
Cash		$ 1,038,610	$ 2,405,109
Receivables and other assets	*5*	2,545,113	2,414,486
		3,583,723	4,819,595
Non-current assets:			
Right-of-use asset		167,641	-
Mineral properties	*6*	7,102,740	7,118,233
		7,270,381	7,118,233
TOTAL ASSETS		10,854,104	11,937,828
LIABILITIES			
Current liabilities:			
Trade payables and accrued liabilities		5,913,709	3,218,576
Amounts owing pursuant to credit facility	*7*	3,447,135	2,202,548
Lease liabilities		109,944	-
		9,470,788	5,421,124
Non-current liabilities:			
Amounts owing pursuant to credit facility	*7*	6,711,600	-
Lease liabilities		54,190	-
		6,765,790	-
TOTAL LIABILITIES		16,236,578	5,421,124
SHAREHOLDERS' EQUITY			
Share capital	*8*	84,688,623	84,350,227
Contributed surplus		5,978,560	5,554,793
Deficit		(95,335,852)	(83,244,040)
Accumulated other comprehensive loss		(713,805)	(144,276)
TOTAL SHAREHOLDERS' EQUITY		(5,382,474)	6,516,704
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 10,854,104	$ 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 March 31, 2019	2018
Expenses			
Exploration and project investigation	*10*	$ 11,021,728	$ 13,132,293
General and administration:			
Salaries and benefits		318,811	814,603
Share-based compensation	*9c*	344,122	297,807
Management fees		59,025	53,100
Professional fees		60,948	47,564
Travel		34,808	79,343
Promotion and public relations		80,029	134,480
Office and general		110,821	67,024
Operating loss		12,030,292	14,626,214
Other expenses			
Financing costs	*3,7*	201,350	31,980
Foreign exchange loss		16,860	153,296
Net monetary gain	*4*	(156,690)	-
Gain on disposal of mineral properties		-	(422,635)
Net loss		12,091,812	14,388,855
Other comprehensive loss (gain)			
Items that may be reclassified subsequently to net loss:			
Foreign currency translation adjustment		(26,671)	(218,730)
Impact of hyperinflation	*4*	596,200	-
Comprehensive loss		$ 12,661,341	$ 14,170,125
Basic and diluted loss per common share		$ 0.17	$ 0.22
Weighted average common shares outstanding		72,766,947	65,795,410

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	**Three months ended March 31, 2019**	**2018**
Cash flows used in operating activities			
Net loss for the period		$ (12,091,812)	$ (14,388,855)
Items not involving cash:			
Share-based compensation	*9c*	445,652	371,653
Credit facility financing costs	*3,7*	201,350	31,980
Net monetary loss		144,462	-
Unrealized foreign exchange gain		(460)	-
Gain on disposal of mineral properties		-	(422,635)
Net changes in working capital items:			
Receivables and other		(366,187)	(59,679)
Trade payables and accrued liabilities		3,032,193	5,479,440
		(8,634,802)	(8,988,096)
Cash flows from financing activities			
Drawdown from credit facility, net		7,887,051	-
Proceeds from exercise of share options		190,225	66,668
Repayment of lease liabilities		(25,965)	-
Proceeds from the equity financings, net		-	24,396,015
		8,051,311	24,462,683
Cash flows used in investing activities			
Proceeds from disposal of mineral properties		-	64,919
		-	64,919
Effect of exchange rate change on cash		(783,008)	124,714
Increase (decrease) in cash during the period		(1,366,499)	15,664,220
Cash, beginning of period		$ 2,405,109	$ 2,417,407
Cash, end of period		$ 1,038,610	$ 18,081,627

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		-	-	371,653	-	-	371,653
Shares issued pursuant to the equity financings		9,823,195	25,540,307	-	-	-	25,540,307
Share issuance costs		-	(1,144,292)	-	-	-	(1,144,292)
Shares issued pursuant to credit facility		12,300	31,980	-	-	-	31,980
Exercise of options		33,334	95,848	(29,180)	-	-	66,668
Net loss and other comprehensive income		-	-	-	(14,388,855)	218,730	(14,170,125)
Balance, March 31, 2018		**72,137,279**	**$ 84,005,181**	**$ 3,220,115**	**$(68,741,668)**	**$ 153,495**	**$ 18,637,123**
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*	-	-	445,652	-	-	445,652
Shares issued pursuant to credit facility		55,235	126,286	-	-	-	126,286
Exercise of options		305,000	212,110	(21,885)	-	-	190,225
Net loss and other comprehensive loss		-	-	-	(12,091,812)	(569,529)	(12,661,341)
Balance, March 31, 2019		**72,935,430**	**$ 84,688,623**	**$ 5,978,560**	**$(95,335,852)**	**$ (713,805)**	**$ (5,382,474)**

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

1. NATURE OF OPERATIONS AND LIQUIDITY

Filo Mining Corp. (the "Company" or "Filo Mining") was incorporated on May 12, 2016 under the Canada Business Corporations Act in connection the plan of arrangement to reorganize 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 Exchange under the symbol "FIL".

While these condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that it will be able to meet its existing obligations and commitments and fund ongoing operations in the normal course of business for at least twelve months from March 31, 2019, the Company anticipates the need for further funding to support its South American operations, and for general corporate and working capital purposes. The Company is currently evaluating potential additional sources of financing. Historically, capital requirements have been primarily funded through equity financing, joint ventures, disposition of mineral properties and investments, and the use of short-term credit facilities. While management is confident that additional sources of funding will be secured to fund planned expenditures for at least twelve months from March 31, 2019, factors that could affect the availability of financing include the progress and results of ongoing exploration at the Company's mineral properties, the state of international debt and equity markets, and investor perceptions and expectations of the global copper, gold, and/or silver markets. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. Based on the amount of funding raised, the Company's planned initiatives and other work programs may be postponed, or otherwise revised, as necessary.

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 May 8, 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 retrospective 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 $5,000, as financing costs in the consolidated statement of loss during the three months ended March 31, 2019. The Company also recognized approximately $27,000 in amortization of the right-of-use asset through exploration and project investigation costs for the three months ended March 31, 2019.

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 ("FACPCE").

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.

For the three months ended March 31, 2019, the Company recognized a loss of approximately $596,000 (2018: $nil) in relation to the impact of hyperinflation within other comprehensive income, which is primarily the result of continued devaluation of the Argentine Peso during the period.

As a result of the change in the IPC during the three months ended March 31, 2019, the Company recognized a net monetary gain of approximately $157,000, to adjust transactions recorded during the period into a measuring unit current as of March 31, 2019.

The level of the IPC at March 31, 2019 was 206.0 (December 31, 2018: 184.2), which represents an increase of 12% over the IPC at December 31, 2018, and an approximate 4% increase over the average level of the IPC during the three months ended March 31, 2019.

5. RECEIVABLES AND OTHER ASSETS

	March 31, 2019	**December 31, 2018**
Taxes receivable	548,678	660,881
Other receivables	1,368,678	1,064,246
Prepaid expenses and deposits	627,757	689,359
	2,545,113	**2,414,486**

(Expressed in Canadian Dollars, unless otherwise stated)

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**
Adjustment for the impacts of hyperinflation	(27,600)	-	(27,600)
Effect of foreign currency translation	-	12,107	12,107
March 31, 2019	**$ 3,423,382**	**$ 3,679,358**	**$ 7,102,740**

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 of its exploration and development costs.

The Company's total remaining option payments as at March 31, 2019 were US$16.8 million, with the next option payment being US$500,000, payable in June 2019.

(Expressed in Canadian Dollars, unless otherwise stated)

7. CREDIT FACILITIES

	March 31, 2019	December 31, 2018
Current		
Amounts owing pursuant to credit facilities	3,447,135	2,202,548
Non-current		
Amounts owing pursuant to credit facilities	6,711,600	-
Total	**10,158,735**	**2,202,548**

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"), an insider of the Company, 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., 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 respective 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.

As at March 31, 2019, a total of US$ 7.5 million had been drawn and remained outstanding against the facilities, US$ 5.0 million against the January 2019 Facility and US$ 2.5 million against the February 2019 Facility. During the three months ended March 31, 2019, 55,235 common shares have been issued, with an additional 41,516 common shares issuable, to Zebra in connection with the credit facilities, resulting in approximately $196,000 (2018: $32,000) 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.

(Expressed in Canadian Dollars, unless otherwise stated)

9. SHARE OPTIONS

a) Share option plan

The Company has a share option plan approved on July 8, 2016 (the "Plan"), reserving 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:

	Number of share 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	(305,000)	0.62
Balance at March 31, 2019	6,342,500	$ 2.20

The weighted average share price on the exercise date for the share options exercised during the three months ended March 31, 2019 was $2.25.

The following table details the share options outstanding and exercisable as at March 31, 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	2,260,000	2.68	$2.00	2,260,000	2.68	$2.00
$2.20	2,500,000	4.38	$2.20	833,333	4.38	$2.20
$2.50	1,582,500	3.46	$2.50	1,055,000	3.46	$2.50
	6,342,500	3.54	$2.20	4,148,333	3.22	$2.17

c) Share-based compensation

	Three months ended March 31,	
	2019	**2018**
Exploration and project investigation	101,530	73,846
General and administration	344,122	297,807
	445,652	**371,653**

(Expressed in Canadian Dollars, unless otherwise stated)

10. EXPLORATION AND PROJECT INVESTIGATION

The Company expensed the following exploration and project investigation costs, all incurred in South America, for the three months ended March 31, 2019 and 2018:

Three months ended March 31,		Filo del Sol Project	Other	Total
2019	Land holding and access costs	72,781	53,193	125,974
	Drilling, fuel, camp costs and field supplies	5,593,508	-	5,593,508
	Roadwork, travel and transport	1,408,299	55	1,408,354
	Engineering and conceptual studies	111,000	-	111,000
	Consultants, geochemistry and geophysics	172,614	-	172,614
	Environmental and community relations	887,473	-	887,473
	VAT and other taxes	1,820,888	66,126	1,887,014
	Office, field and administrative salaries, overhead and other administrative costs	732,817	1,444	734,261
	Share-based compensation	100,407	1,123	101,530
	Total	**10,899,787**	**121,941**	**11,021,728**
2018	Land holding and access costs	251,685	3,709	255,394
	Drilling, fuel, camp costs and field supplies	6,769,315	-	6,769,315
	Roadwork, travel and transport	1,621,520	8	1,621,528
	Engineering and conceptual studies	263,941	-	263,941
	Consultants, geochemistry and geophysics	396,884	-	396,884
	Environmental and community relations	300,369	-	300,369
	VAT and other taxes	1,894,602	5,754	1,900,356
	Office, field and administrative salaries, overhead and other administrative costs	1,550,475	185	1,550,660
	Share-based compensation	73,791	55	73,846
	Total	**13,122,582**	**9,711**	**13,132,293**

(Expressed in Canadian Dollars, unless otherwise stated)

11. RELATED PARTY TRANSACTIONS

a) Related party services

The Company has a cost sharing arrangement with NGEx, a related party by way of directors, officers and shareholders in common. Under the terms of this arrangement, the Company provides executive management, technical exploration and exploration support services to NGEx, and NGEx provides financial management and administrative services to the Company. In addition, the Company engages Bofill Mir & Alvarez Jana Abogados Ltda. ("BMJAL"), a Chilean legal firm, of which a director of the Company is a partner. These transactions were incurred in the normal course of operations, and are summarized as follows:

	Three months ended March 31,	
	2019	**2018**
Executive management, technical exploration and exploration support services to NGEx	295,019	172,517
Financial management and administrative services from NGEx	(101,007)	(181,748)
Legal services from BMJAL	35,135	18,240

b) 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, 2019**	**December 31, 2018**
Receivables and other assets	NGEx	1,032,019	523,244
Accounts payable and accrued liabilities	NGEx	(137,787)	(77,492)
Accounts payable and accrued liabilities	BMJAL	(35,485)	(15,463)

(Expressed in Canadian Dollars, unless otherwise stated)

c) 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,
	2019	**2018**
Salaries	271,875	271,875
Short-term employee benefits	13,096	10,714
Directors fees	24,250	24,250
Stock-based compensation	322,540	280,113
Incentive bonuses	-	470,000
	631,761	**1,056,952**

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**
March 31, 2019	Current assets	3,068,789	-	514,934	3,583,723
	Right-of-use asset	167,641	-	-	167,641
	Mineral properties	7,102,740	-	-	7,102,740
	Total assets	10,339,170	-	514,934	10,854,104
	Current liabilities	5,508,321	-	3,962,467	9,470,788
	Amounts owing pursuant to credit facilities	-	-	6,711,600	6,711,600
	Lease liabilities	54,190	-	-	54,190
	Total liabilities	5,562,511	-	10,674,067	16,236,578
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

Three months ended March 31,		**Filo del Sol Project**	**Other**	**Corporate**	**Total**
2019	Exploration and project investigation	10,899,787	121,941	-	11,021,728
	General and administration and other items	(151,222)	-	1,221,306	1,070,084
	Net loss	10,748,565	121,941	1,221,306	12,091,812
2018	Exploration and project investigation	13,122,582	9,711	-	13,132,293
	General and administration and other items	-	-	1,256,562	1,256,562
	Net loss	13,122,582	9,711	1,256,562	14,388,855

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 March 31, 2019, the Company has two remaining payments of US$ 315,875 each, which are payable in November 2019 and 2020.

14. SUBSEQUENT EVENT

On April 29, 2019, the Company obtained an unsecured US$ 4.0 million credit facility (the "April 2019 Facility") from Zebra. Through the April 2019 Facility and those described in Note 7 above, the Company now has access to US$ 14.0 million, which will be used, as necessary, to fund ongoing exploration at the Filo del Sol Project and for general corporate purposes.

As consideration for the April 2019 Facility, Zebra received 6,000 common shares of the Company upon execution thereof, and will 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.

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

CORPORATE DIRECTORY

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President & Chief Executive Officer
Robert Carmichael
VP Exploration
James Beck
VP Corporate Development & Projects
Jeffrey Yip
Chief Financial Officer
Julie Kemp
Corporate Secretary

DIRECTORS
Lukas H. Lundin, Chairman (non-executive)
Alessandro Bitelli
C. Ashley Heppenstall
Adam I. Lundin
Paul McRae
Pablo Mir
Wojtek Wodzicki

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Nasdaq First North Exchange
Symbol: FIL
CUSIP No.: 31730E101
ISIN: CA31730E1016