First Quarter Report
March 31, 2018

FILO MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2018
(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 three months ended March 31, 2018 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. The effective date of this MD&A is May 10, 2018. 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.

Filo Mining was incorporated on May 12, 2016 under the Canada Business Corporations Act in connection the plan of arrangement to reorganize the business of NGEx Resources Inc. ("NGEx"), which was completed on August 16, 2016 (the "NGEx Arrangement"). Accordingly, certain comparative information as presented in this MD&A has been prepared on a continuity of interest basis of accounting, which requires that prior to August 16, 2016, the assets, liabilities and results of operations and cash flows of Filo Mining be on a 'carve-out' basis from the consolidated financial statements and accounting records of NGEx, in accordance with the financial reporting framework specified in subsection 3.11(6) of National Instrument 52-107, *Acceptable Accounting Principles and Auditing Standards,* for carve-out financial statements. As the carve-out entity did not operate as a separate legal entity, the financial position, results of operations and cash flows do not necessarily reflect the financial position, results of operations, and cash flows had the carve-out entity operated as an independent entity during the comparative periods presented (see Notes 2 and 3 of the Company's audited consolidated financial statements for the year ended December 31, 2016).

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 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 July 1, 2017, is comprised of 373 million tonnes at 0.34% copper, 0.33 g/t gold and 9.2 g/t silver containing 2.8 billion pounds of copper, 4.0 million ounces of gold and 109.9 million ounces of silver in the Indicated category, and an Inferred Mineral Resource estimate of 239 million tonnes at 0.27% copper, 0.33 g/t gold and 7.8 g/t silver for 1.4 billion pounds of copper, 2.5 million ounces of gold and 60.0 million ounces of silver. The Filo del Sol Project continues to hold significant exploration potential with less than 20% of the project area explored to date.

A preliminary economic assessment ("PEA"), effective November 6, 2017, has been completed on the Filo del Sol Project, which shows a positive preliminary economic analysis, highlighted by an after-tax net present value ("NPV") of US$ 705 million at a discount rate of 8%, and an internal rate of return ("IRR") of 23%, with positive valuation maintained across a wide range of sensitivities on key assumptions.

The Filo del Sol Project, the Mineral Resource estimate, and the PEA are described in a Technical Report titled "Independent Technical Report for a Preliminary Economic Assessment on the Filo del Sol Project, Region III, Chile and San Juan Province, Argentina" dated December 18, 2017, with an effective date of November 6, 2017 (the "Technical Report"), which was prepared for Filo Mining by SRK Consulting (Canada) Inc ("SRK"). The Qualified Persons, as defined under NI 43-101, responsible for the Technical Report are Fionnuala Devine, P. Geo., Merlin Geosciences Inc., Carl E. Defilippi, RM SME, Kappes, Cassiday & Associates, Giovanni Di Prisco, PhD., P.Geo., Terra Mineralogical Services Inc., James N. Gray, P. Geo., Advantage Geoservices Limited, Robert McCarthy, P. Eng., SRK, Cameron Scott, P. Eng., SRK, and Neil Winkelmann, FAusIMM, SRK, 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 at the Filo del Sol Project and 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 2018 OPERATING HIGHLIGHTS

Completion of 2017/2018 Field Program

The Company's key operating focus for the three months ended March 31, 2018 was the completion of its 2017/2018 field program at the Filo del Sol Project, which occurred at the end of March 2018, coinciding with the end of the South American field season. Over its duration, the Company successfully drilled a total of 9,411 metres in 31 reverse circulation ("RC") holes and 9 diamond drill holes. The assay results for the first 20 RC holes have been received and include the following highlights:

- VRC135: 20 metres @ 0.54% Cu, 0.96 g/t Au, 208.0 g/t Ag;
- VRC137: 164 metres @ 0.33% Cu, 0.36 g/t Au, 27.4 g/t Ag;
- VRC143: 36 metres @ 1.45% Cu, 0.34 g/t Au, 0.9 g/t Ag;
- VRC152: 38 metres @ 0.33% Cu, 0.28 g/t Au, 313.6 g/t Ag;
- VRC153: 12 metres @ 0.86% Cu, 1.91 g/t Au, 0.8 g/t Ag; and
- VRC155: 50 metres @ 0.56% Cu, 0.50 g/t Au, 236.4 g/t Ag.

With the field work performed and results received to date, the Company expects to achieve its goal of converting a portion of the Inferred oxide resource to the Indicated category, while step out drilling appears to have extended mineralization beyond the current limits of the Mineral Resource. In addition, over 4.5 tonnes of material has been collected during this past field season, which will be used for metallurgical, geotechnical and environmental testwork, all of which was undertaken in support of the Pre-Feasibility Study ("PFS"), which is currently underway.

CORPORATE UPDATE

Credit Facility

On January 12, 2018, the Company obtained an unsecured US$ 2.0 million short-term credit facility (the "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 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 Facility they collectively held more than 20% of the Company's issued and outstanding common shares. Zebra received 6,000 common shares of the Company upon execution of the Facility, and 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. There is no interest payable in cash during the term of the Facility, and all common shares issued in conjunction with the Facility are subject to a four-month hold period under applicable securities laws.

The Company drew a total of US$ 1.7 million against the Facility, which was fully repaid on February 28, 2018 following closing of a bought-deal equity financing and concurrent non-brokered private placement (see section below). The Facility remains available until January 12, 2019, and as of the date of this MD&A, the Company has issued a total of 12,300 common shares to the lender as consideration for providing the Facility to the Company.

Closing of Financings for $25.5 Million

On February 28, 2018, the Company closed the sale of 5,894,231 common shares of the Company on a bought deal basis to a syndicate of underwriters led by Haywood Securities Inc. (the "Underwriters"), at a price of $2.60 per share (the "Issue Price") for total gross proceeds of approximately $15.3 million (the "Offering"), which included 124,231 common shares issued on partial exercise of an over-allotment option. The gross proceeds generated from the Offering were subject to a 5.0% commission, payable in cash.

On February 28, 2018, the Company also closed a concurrent private placement of 3,928,964 common shares, including 82,810 common shares issued to adjust for the Underwriters' partial exercise of the Over-allotment Option, at the Issue Price, for gross proceeds of approximately $10.2 million (the "Concurrent Private Placement").

The Company plans to use the net proceeds from the Offering and Concurrent Private Placement for exploration and development at the Filo del Sol Project, and for working capital and general corporate purposes. A portion of the net proceeds have also been used to repay the amounts drawn under the Facility.

OUTLOOK

As of the date of this MD&A, assay results from only the first 20 RC holes of the 2017/2018 drill program have been received and the remaining assay results, covering 11 RC and 9 diamond drill holes, are expected to become available before the end of the second quarter. The results of the 2017/2018 drill program, once received in full, will form the basis for an update to the Mineral Resource estimate on the Filo del Sol Project, which is currently planned for completion during the third quarter, 2018.

The updated Mineral Resource estimate, together with the results of the other data collection and testwork disciplines undertaken during the 2017/2018 field program, will be incorporated into a PFS of the Filo del Sol Project, which is being led by Ausenco Engineering Canada Inc., and targeted for completion by the first quarter of 2019. The PFS will explore several opportunities identified in the PEA for unlocking value at the Filo del Sol Project, including:

- Evaluating unique processing methods to take advantage of the fast leach kinetics noted in metallurgical testwork completed to date, which could reduce project capital by recovering soluble copper through installing a conventional washing system for process feed after the crushing circuit. Further study of this option is planned and, if successful, the washing stage could eliminate the permanent copper and on/off leach pads and their associated materials handling systems, saving on capital and operating costs associated with these installations;
- Evaluating opportunities to optimize the mine plan and production schedules by smoothing out the production profile and bringing forward copper revenues; and
- Increasing metallurgical recoveries with further test work and optimization.

The analysis of alternative processing options and refinement of metallurgical recoveries is currently underway, using material collected during the 2017/2018 field program from diamond drill holes and surface trenches. The results of this current phase of metallurgical testwork are expected to be available in the third quarter of 2018.

With the recently completed PEA and a PFS currently underway on the Filo del Sol Project, together with a treasury of $18.1 million at March 31, 2018, the Company is well positioned to make strides towards advancing the Filo del Sol Project. The results of the PFS will guide the direction taken by the Company with respect to the Filo del Sol Project and may lead to further advanced studies of the Project.

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-18**	**Dec-17**	**Sep-17**	**Jun-17**	**Mar-17**	**Dec-16**	**Sep-16[1]**	**Jun-16[1]**
Exploration costs ($000's)	13,132	3,605	1,227	1,257	8,930	4,403	457	331
Operating loss ($000’s)	14,626	4,564	2,538	2,042	9,565	5,379	858	634
Net loss ($000’s)	14,389	4,580	2,549	2,053	9,513	5,297	860	646
Net loss per share, basic and diluted ($)	0.22	0.07	0.04	0.03	0.15	0.09	0.02	0.01

[1] Amounts presented in the table relating to periods prior to August 16, 2016, the completion date of the NGEx Arrangement, have been prepared and presented in accordance with the continuity of interest basis of accounting.

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 $14.4 million (2017: $9.5 million) for the three months ended March 31, 2018. Exploration and project investigation costs are the most significant expenditures of the Company and account for approximately 91% (2017: 94%) 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.

Exploration and project investigation costs for the three months ended March 31, 2018, totalled $13.1 million, which exceeded the prior period (2017: $8.9 million). This increase is due to the execution of a larger exploration program during the 2017/2018 exploration season to generate and collect data in support of the PFS currently underway on the Filo del Sol Project. Detailed breakdowns of exploration costs for the three months ended March 31, 2018 and 2017, are provided in the notes to the consolidated financial statements.

Excluding share-based compensation, administration costs for the three months ended March 31, 2018 were $1.2 million (2017: $0.4 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.

The higher compensation costs incurred during the three months ended March 31, 2018, compared to the 2017 comparative period, reflect the addition of Mr. Adam Lundin as the Company's full-time President and CEO in September 2017, as well as $0.5 million in incentive bonus payments approved and paid to certain eligible officers and employees of the Company during the first quarter of 2018 in relation to their performance during fiscal 2017. In addition, travel and promotion costs incurred during the three months ended March 31, 2018 were higher than those incurred during the three months ended March 31, 2017 as a result of additional promotional activities undertaken during the period in preparation for an equity financing, which ultimately resulted in the Offering and Concurrent Private Placement.

During the three months ended March 31, 2018, the Company also reported a gain of $0.4 million in connection with the disposal of mineral properties. On February 21, 2018, the Company transferred its 100% interest in certain non-core mining concessions located in San Juan Province, Argentina to NGEx, and also granted to NGEx an option to acquire a 100% interest in additional non-core mining concessions, in exchange for total cash consideration of $65,000 and non-cash consideration with an estimated fair value of $358,000. Further details of the transaction can be found under the Related Party Transactions section below.

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 $219,000 (2017: loss of $155,000) for the three months ended March 31, 2018, on translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. This is principally the result of fluctuations of the Canadian dollar relative to the Chilean peso and Argentine peso during the respective periods.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31 2018, the Company had cash of $18.1 million and net working capital of $12.0 million, compared to cash of $2.4 million and net working capital of $1.5 million, as at December 31, 2017. The increase in the Company's cash and net working capital is due primarily to aggregate net proceeds totaling $24.4 million received from the Offering and Concurrent Private Placement, which closed on February 28, 2018. This cash inflow has been partially offset by funds directed towards advancing the Filo del Sol Project, and to a lesser extent, funds spent for general corporate purposes and repayment of the Facility (see Corporate Update section above).

Moving forward, the Company expects that the majority of its treasury will be used to fund ongoing work programs to advance the Filo del Sol Project.

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 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,
	2018	**2017**
Executive management, technical exploration and exploration support services to NGEx	172,517	327,174
Financial management and administrative services from NGEx	(181,748)	(10,307)
Legal services from BMJAL	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, 2018**	**December 31, 2017**
Receivables and other assets	NGEx	285,812	366,435
Accounts payable and accrued liabilities	NGEx	(227,170)	(93,617)
Accounts payable and accrued liabilities	BMJAL	-	(23,135)

Disposal of mineral properties

On February 21, 2018, the Company, through its wholly-owned subsidiary, closed a transaction with two wholly-owned subsidiaries of NGEx whereby the Company transferred its 100% interest in certain non-core mining concessions (the "Primary Properties") to NGEx and granted NGEx an option to acquire a 100% interest in additional non-core mining concessions (the "Additional Properties") located in San Juan Province, Argentina (the "Disposal Transaction") in exchange for the following consideration:

- the Company's right to use NGEx's Batidero camp facility in Argentina for a minimum period of two years, which shall be automatically renewed unless terminated by NGEx with one year's advance notice (the "Camp Use Agreement");
- a 3% net smelter return ("NSR") royalty payable on future production of certain mining concessions transferred to NGEx, 2% of which can be re-purchased by NGEx at any time for $2,000,000; and
- cash consideration comprising of US$ 20,000 and $39,000.

As a transaction with significant non-monetary components, for which fair values could not be derived from observable market transactions or information, the fair value of the Disposal Transaction was determined based upon the estimated fair value of the consideration received by the Company. The total fair value of the consideration received by the Company pursuant to the Disposal Transaction is estimated to be approximately $423,000, of which $358,000 is attributable to the Camp Use Agreement, and approximately $65,000 is attributable to the total cash consideration received. Accordingly, as the Primary Properties and Additional Properties had no carrying value in the consolidated financial statements of the Company prior to the disposal, a gain of $423,000 has been recognized for the three months ended March 31, 2018.

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,	
	2018	**2017**
Salaries	271,875	274,625
Short-term employee benefits	10,714	9,592
Directors fees	24,250	20,500
Stock-based compensation	280,113	175,084
Incentive bonuses	470,000	-
	1,056,952	**479,801**

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, 2018, 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 2017 MD&A filed on SEDAR at www.sedar.com on March 20, 2018.

SIGNIFICANT ACCOUNTING POLICIES

The Company continues to follow the accounting policies described in Note 3 of the Company's December 31, 2017 audited consolidated financial statements, as filed on SEDAR at www.sedar.com on March 20, 2018, except for the adoption of IFRS 9, *Financial Instruments,* as discussed below.

Adoption of new accounting policy

On January 1, 2018, the Company adopted IFRS 9, Financial Instruments, which sets out the accounting standards for the classification and measurement of financial instruments. IFRS 9 became effective for annual periods beginning on or after January 1, 2018, and replaces IAS 39, Financial Instruments: Recognition and Measurement. The new standard provides a model for the classification and measurement of financial instruments, a single forward-looking "expected loss" impairment model, and a reformed approach for hedge accounting. As most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward into IFRS 9, the Company's accounting policy with respect to financial liabilities is unchanged.

The Company has determined that the adoption of this standard has resulted in no material impact to its consolidated financial statements.

Classification and measurement

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Measurement basis	Classification under IAS 39	Classification under IFRS 9
	Note 1	Amortized cost	Amortized cost
Receivables and others	Note 1	Amortized cost	Amortized cost
Trade payables and accrued liabilities	Note 1	Amortized cost	Amortized cost

Note 1 – Financial assets and liabilities at amortized costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

De-recognition

The Company derecognizes financial assets when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risk and rewards of ownership to another entity. A financial liability is derecognized when the obligation under the liability is discharged, canceled or expired. Gains and losses on de-recognition of financial assets and liabilities are generally recognized in the consolidated statements of net losses.

Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized costs based on a probability-weighted estimate of credit losses over the expected life of the financial asset.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the expected credit losses are reversed after the impairment was recognized.

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-term nature of these instruments.

As at March 31, 2018, 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.

The maturities of the Company's financial liabilities as at March 31, 2018 are as follows:

	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
Accounts payable and accrued liabilities	7,655,068	7,655,068	-	-
	7,655,068	**7,655,068**	**-**	**-**

(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, 2018, the Company's largest foreign currency risk exposure existed at the level of its Canadian head office, which held a net financial asset position denominated in US dollars having a Canadian dollar equivalent of approximately $6.6 million. A 10% change in the foreign exchange rate between the US dollar, and the Canadian dollar the Company's functional currency, would give rise to increases/decreases of approximately 657,000 Canadian dollars in financial position/comprehensive loss.

OUTSTANDING SHARE DATA

As at May 10, 2018, the Company had 72,137,279 common shares outstanding and 4,585,416 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 ending June 30, 2018, which is expected to be published on or around August 9, 2018.

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 mining properties. 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 2017 MD&A, as filed on SEDAR at www.sedar.com on March 20, 2018.

QUALIFIED PERSON

The technical contents of this MD&A have been reviewed and approved by Bob Carmichael, P. Eng. (BC). 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.

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 PEA for the Filo del Sol project, the assumptions used in the mineral 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 anticipated undertaking of and timing for the completion of a Pre-Feasibility Study; expected timing for an updated mineral resource estimate and the results of metallurgical testwork, use of proceeds from the Offering and Concurrent Private Placement; expected timing or 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 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 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 actual results and future events could differ materially from those anticipated in such statements. 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, 2018**	**December 31, 2017**
ASSETS			
Current assets:			
Cash		$ 18,081,626	$ 2,417,407
Receivables and other assets		1,612,859	1,296,353
		19,694,485	3,713,760
Mineral properties	*4*	6,597,706	6,479,344
TOTAL ASSETS		26,292,191	10,193,104
LIABILITIES			
Current liabilities:			
Trade payables and accrued liabilities		7,655,068	2,252,172
SHAREHOLDERS' EQUITY			
Share capital	*6*	84,005,181	59,481,338
Contributed surplus		3,220,115	2,877,642
Deficit		(68,741,668)	(54,352,813)
Accumulated other comprehensive income (loss)		153,495	(65,235)
TOTAL SHAREHOLDERS' EQUITY		18,637,123	7,940,932
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 26,292,191	$ 10,193,104

Commitments (Note 11)

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, 2018	2017
Expenses			
Exploration and project investigation	*8*	$ 13,132,293	$ 8,930,072
General and administration:			
Salaries and benefits		814,603	200,836
Share-based compensation	*7c*	297,807	191,501
Management fees		53,100	38,400
Professional fees		47,564	59,064
Travel		79,343	33,746
Promotion and public relations		134,480	36,389
Office and general		67,024	75,079
Operating loss		14,626,214	9,565,087
Gain on disposal of mineral properties	*9c*	(422,635)	-
Facility financing costs	*5*	31,980	
Foreign exchange loss (gain)		153,296	(52,148)
Net loss		14,388,855	9,512,939
Other comprehensive loss (gain)			
Items that may be reclassified subsequently to net loss:			
Foreign currency translation adjustment		(218,730)	155,111
Comprehensive loss		$ 14,170,125	$ 9,668,050
Basic and diluted loss per common share		$ 0.22	$ 0.15
Weighted average common shares outstanding		65,795,410	61,390,450

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, 2018**	**2017**
Cash flows used in operating activities			
Net loss for the period		$ (14,388,855)	$ (9,512,939)
Items not involving cash:			
Share-based compensation	*7c*	371,653	255,516
Gain on disposal of mineral properties	*9c*	(422,635)	-
Facility finance costs	*5*	31,980	-
Net changes in working capital items:			
Receivables and other		(59,679)	(146,246)
Trade payables and accrued liabilities		5,479,440	1,660,438
		(8,988,096)	(7,743,231)
Cash flows from financing activities			
Proceeds from the Financing, net	*6*	24,396,015	-
Proceeds from exercise of share options		66,668	16,763
		24,462,683	16,763
Cash flows used in investing activities			
Proceeds from disposal of mineral properties	*9c*	64,919	-
		64,919	-
Effect of exchange rate change on cash		124,714	(122,123)
Increase (decrease) in cash during the period		15,664,220	(7,848,591)
Cash, beginning of period		$ 2,417,407	$ 19,464,829
Cash, end of period		$ 18,081,627	$ 11,616,238

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, 2017		61,388,450	$ 58,511,463	$ 766,535	$ (35,657,695)	$ 123,966	$ 23,744,269
Share-based compensation		-	-	255,516	-	-	255,516
Exercise of options		11,250	16,763	-	-	-	16,763
Net loss and other comprehensive loss		-	-	-	(9,512,939)	(155,111)	(9,668,050)
Balance, March 31, 2017		**61,399,700**	**$ 58,528,226**	**$ 1,022,051**	**$(45,170,634)**	**$ (31,145)**	**$ 14,348,498**
Balance, January 1, 2018		62,268,450	$ 59,481,338	$ 2,877,642	$ (54,352,813)	$ (65,235)	$ 7,940,932
Share-based compensation	*7c*	-	-	371,653	-	-	371,653
Shares issued pursuant to the Financing	*6*	9,823,195	25,540,307	-	-	-	25,540,307
Share issuance costs			(1,144,292)				(1,144,292)
Shares issued pursuant to the Facility	*5*	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**

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 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".

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, 2017. In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies as disclosed in Note 3 to the audited consolidated financial statements for the year ended December 31, 2017, except for newly accounting policies 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 10, 2018.

3. ADOPTION OF NEW ACCOUNTING POLICIES

On January 1, 2018, the Company adopted IFRS 9, *Financial Instruments*, which sets out the accounting standards for the classification and measurement of financial instruments. IFRS 9 became effective for annual periods beginning on or after January 1, 2018, and replaces IAS 39, *Financial Instruments: Recognition and Measurement*. The new standard provides a model for the classification and measurement of financial instruments, a single forward-looking "expected loss" impairment model, and a reformed approach for hedge accounting. As most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward into IFRS 9, the Company's accounting policy with respect to financial liabilities is unchanged.

The Company has determined that the adoption of this standard has resulted in no material impact to its consolidated financial statements.

a) Classification and measurement

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

(Expressed in Canadian Dollars, unless otherwise stated)

	Measurement basis	Classification under IAS 39	Classification under IFRS 9
Cash	Note 1	Amortized cost	Amortized cost
Receivables and others	Note 1	Amortized cost	Amortized cost
Trade payables and accrued liabilities	Note 1	Amortized cost	Amortized cost

Note 1 – Financial assets and liabilities at amortized costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

b) De-recognition

The Company derecognizes financial assets when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risk and rewards of ownership to another entity. A financial liability is derecognized when the obligation under the liability is discharged, canceled or expired. Gains and losses on de-recognition of financial assets and liabilities are generally recognized in the consolidated statements of net losses.

c) Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized costs based on a probability-weighted estimate of credit losses over the expected life of the financial asset.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the expected credit losses are reversed after the impairment was recognized.

4. MINERAL PROPERTIES

	Filo del Sol	**Tamberias**	**Total**
January 1, 2017	**$ 3,246,560**	**$ 2,844,751**	**$ 6,091,311**
Additions	-	398,012	398,012
Effect of foreign currency translation	(68,716)	58,737	(9,979)
December 31, 2017	**$ 3,177,844**	**$ 3,301,500**	**$ 6,479,344**
Effect of foreign currency translation	(13,844)	132,206	118,362
March 31, 2018	**$ 3,164,000**	**$ 3,433,706**	**$ 6,597,706**

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, 2018 were US$17.2 million, with the next option payment being US$400,000, payable in June 2018.

5. CREDIT FACILITY

On January 12, 2018, the Company obtained an unsecured US$ 2.0 million short-term credit facility (the "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 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 Facility they collectively held more than 20% of the Company's issued and outstanding common shares. Zebra received 6,000 common shares of the Company upon execution of the Facility, and 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 Company drew a total of US$ 1.7 million against the Facility, which was fully repaid on February 28, 2018. There is no interest payable in cash during the term of the Facility, and all common shares issued in conjunction with the Facility are subject to a four-month hold period under applicable securities laws.

As of March 31, 2018, the Company had issued a total of 12,300 common shares to Zebra as consideration for providing the Facility. According to the terms of the Facility, the common shares issued pursuant thereto have a price of $2.60 per share, being the closing price of the common shares on the TSX Venture exchange on January 12, 2018, which results in $31,980 in financing costs recognized through the condensed interim consolidated statement of loss.

(Expressed in Canadian Dollars, unless otherwise stated)

6. SHARE CAPITAL

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

On February 28, 2018, the Company closed a bought deal offering of common shares and a concurrent non-brokered private placement of common shares (the "Financing"). In aggregate, 9,823,195 common shares of the Company were sold at a price of $2.60 per common share (the "Price"), generating aggregate gross proceeds of $25.5 million. Approximately $15.3 million of the gross proceeds relate to the bought deal, and subject to a 5.0% commission, payable in cash.

Under the terms of the Financing, at the option of the underwriters to the bought deal equity financing and/or participants of the private placement, up to an additional 1,235,382 common shares of the Company may be purchased at the Price for a period of 30 days from February 28, 2018. This over-allotment option was not exercised and has expired.

7. 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, 2017	3,916,250	$ 1.55
Options granted	1,582,500	2.50
Exercised	(880,000)	1.10
Balance at December 31, 2017	4,618,750	$ 1.96
Exercised	(33,334)	2.00
Balance at March 31, 2018	4,585,416	$ 1.96

The weighted average share price on the exercise date for the share options exercised during the three months ended March 31, 2018 was $2.48.

(Expressed in Canadian Dollars, unless otherwise stated)

The following table details the share options outstanding and exercisable as at March 31, 2018:

	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
$0.50-0.65	310,000	0.89	$0.51	310,000	0.89	$0.51
$0.74	391,250	0.11	$0.74	391,250	0.11	$0.74
$2.00	2,301,666	3.68	$2.00	1,523,333	3.68	$2.00
$2.50	1,582,500	4.46	$2.50	527,500	4.46	$2.50
	4,585,416	3.46	$1.96	2,752,083	3.01	$1.75

c) Share-based compensation

	Three months ended March 31,	
	2018	**2017**
Exploration and project investigation	73,846	64,015
General and administration	297,807	191,501
	371,653	**255,516**

(Expressed in Canadian Dollars, unless otherwise stated)

8. 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, 2018 and 2017:

Three months ended March 31,		**Filo del Sol Project**	**Other**	**Total**
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**
2017	Land holding and access costs	354,221	16,321	370,542
	Drilling, fuel, camp costs and field supplies	4,061,425	10,797	4,072,222
	Roadwork, travel and transport	1,435,603	37,077	1,472,680
	Engineering and conceptual studies	35,016	-	35,016
	Consultants, geochemistry and geophysics	372,614	11,569	384,183
	Environmental and community relations	111,441	3,801	115,242
	VAT and other taxes	1,418,139	59,968	1,478,107
	Office, field and administrative salaries, overhead and other administrative costs	698,821	239,244	938,065
	Share-based compensation	61,280	2,735	64,015
	Total	**8,548,560**	**381,512**	**8,930,072**

(Expressed in Canadian Dollars, unless otherwise stated)

9. 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, 2018	**2017**
Executive management, technical exploration and exploration support services to NGEx	172,517	327,174
Financial management and administrative services from NGEx	(181,748)	(10,307)
Legal services from BMJAL	18,240	-

b) Related party balances

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

	Related Party	**March 31, 2018**	**December 31, 2017**
Receivables and other assets	NGEx	285,812	366,435
Accounts payable and accrued liabilities	NGEx	(227,170)	(93,617)
Accounts payable and accrued liabilities	BMJAL	-	(23,135)

c) Disposal of mineral properties

On February 21, 2018, the Company, through its wholly-owned subsidiary, closed a transaction with two wholly-owned subsidiaries of NGEx whereby the Company transferred its 100% interest in certain non-core mining concessions (the "Primary Properties") to NGEx and granted NGEx an option to acquire a 100% interest in additional non-core mining concessions (the "Additional Properties") located in San Juan Province, Argentina (the "Disposal Transaction") in exchange for the following consideration:

- the Company's right to use NGEx's Batidero camp facility in Argentina for a minimum period of two years, which shall be automatically renewed unless terminated by NGEx with one year's advance notice (the "Camp Use Agreement");

(Expressed in Canadian Dollars, unless otherwise stated)

- a 3% net smelter return ("NSR") royalty payable on future production of certain mining concessions transferred to NGEx, 2% of which can be re-purchased by NGEx at any time for $2,000,000; and

- cash consideration comprising of US$ 20,000 and $39,000.

As a transaction with significant non-monetary components, for which fair values could not be derived from observable market transactions or information, the fair value of the Disposal Transaction was determined based upon the estimated fair value of the consideration received by the Company. The total fair value of the consideration received by the Company pursuant to the Disposal Transaction is estimated to be approximately $423,000, of which $358,000 is attributable to the Camp Use Agreement, and approximately $65,000 is attributable to the total cash consideration received. Accordingly, as the Primary Properties and Additional Properties had no carrying value in the consolidated financial statements of the Company prior to the disposal, a gain of $423,000 has been recognized for the three months ended March 31, 2018.

d) Key management compensation

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

	Three months ended March 31,	
	2018	**2017**
Salaries	271,875	274,625
Short-term employee benefits	10,714	9,592
Directors fees	24,250	20,500
Stock-based compensation	280,113	175,084
Incentive bonuses	470,000	-
	1,056,952	**479,801**

(Expressed in Canadian Dollars, unless otherwise stated)

10. 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 4 and 8, 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:

		Filo del Sol Project	Other	Corporate	Total
March 31, 2018	Current assets	2,268,938	-	17,425,547	19,694,485
	Mineral properties	6,597,706	-	-	6,597,706
	Total Assets	8,866,644	-	17,425,547	26,292,191
	Current liabilities	6,806,695	-	848,373	7,655,068
December 31, 2017	Current assets	2,651,268	-	1,062,492	3,713,760
	Mineral properties	6,479,344	-	-	6,479,344
	Total Assets	9,130,612	-	1,062,492	10,193,104
	Current liabilities	1,722,233	-	529,939	2,252,172

(Expressed in Canadian Dollars, unless otherwise stated)

Three months ended March 31,		**Filo del Sol Project**	**Other**	**Corporate**	**Total**
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
2017	Exploration and project investigation	8,548,560	381,512	-	8,930,072
	General and administration and other items	-	-	582,867	582,867
	Net loss	8,548,560	381,512	582,867	9,512,939

11. 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, 2018, the Company has three remaining payments of US$ 315,875 each, which are payable in November 2018, 2019, and 2020.

CORPORATE DIRECTORY

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Adam I. Lundin
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
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SHARE LISTINGS
TSX Venture Exchange &
Nasdaq First North Exchange
Symbol: FIL
CUSIP No.: 31730E101
ISIN: CA31730E1016