FILO MINING

2022 FIRST QUARTER REPORT

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

For the Three Months Ended March 31, 2022
(UNAUDITED)

FILO MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2022
(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, 2022 and related notes therein. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is 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 financial statements, including IAS 34, *Interim Financial Reporting*. The effective date of this MD&A is May 4, 2022. 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 Filo del Sol project ("Filo del Sol" or the "Filo del Sol Project"), which is comprised of two adjacent land holdings: the Filo del Sol property located in San Juan Province, Argentina, and the Tamberias property, located in Region III, Chile. The Filo del Sol Project is located between the prolific Maricunga and El Indio gold belts, two major mineralized trends that contain such deposits as Caspiche, La Coipa, Veladero, and El Indio. The region is a stable mining jurisdiction and hosts a number of large-scale mining operations. The project area is covered under the Mining Integration and Complementation Treaty between Chile and Argentina, which provides the framework for the development of cross border mining projects.

The Company has completed a pre-feasibility study ("PFS") on the Filo del Sol Project, with an effective date of January 13, 2019, which demonstrated the project's robust economic potential. The PFS, which was based only on the oxide portion of the current Mineral Resource and used prices of US$3.00/lb copper, US$1,300/oz gold, and US$20/oz silver, yielded an after-tax net present value ("NPV") of US$1.28 billion at a discount rate of 8%, and generated an internal rate of return of 23%. Positive valuations were also maintained across a wide range of sensitivities on key assumptions.

The Company's most recent Mineral Resource and Mineral Reserve statement for the Filo del Sol Project is shown below.

Category	**Tonnes (millions)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**	**Lbs Cu (billions)**	**Oz Au (millions)**	**Oz Ag (millions)**
Mineral Resource							
Indicated	425.1	0.33	0.32	10.7	3.1	4.4	146.9
Inferred	175.1	0.27	0.33	6.2	1.1	1.8	34.8
Mineral Reserve							
Proven	-	-	-	-	-	-	-
Probable	259.1	0.39	0.33	15.1	2.2	2.8	126.0

The Company's Mineral Resource estimate is inclusive of the Mineral Reserve estimate as set forth above.

The technical information relating to the PFS is based on a technical report titled "NI 43-101 Technical Report, Pre-feasibility Study for the Filo del Sol Project" dated February 22, 2019, with an effective date of January 13, 2019 (the "Technical Report"). The Technical Report was prepared for Filo Mining by Ausenco Engineering Canada Inc. and 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 Filo del Sol Project continues to hold significant exploration potential, and drilling completed subsequent to the PFS has intersected long intervals of copper, gold and silver mineralization well outside of the resource envelope. Wide-spaced drilling over the past two years has defined an approximate 1km^3 high-grade area of the mineralized structure, called the Aurora Zone. Within the Aurora Zone, there is at least one section with distinguishably elevated grades, named Breccia 41, after its discovery hole, FSDH041.

FSDH041 returned 163m at 5.43% copper equivalent ("CuEq") (2.31% Cu; 2.07g/t Au; 183.0g/t Ag) from a depth of 780m within a broader interval of 858m at 1.80% CuEq (0.86% Cu; 0.70g/t Au; 48.1g/t Ag) from a depth of 188m. Hole FSDH054, collared 60m east of FSDH041, also intersected Breccia 41 and returned 172m at 3.22% CuEq (1.51% Cu; 1.42g/t Au; 75.9g/t Ag) from a depth of 830m within a broader interval of 1,224m at 1.26% CuEq (0.71% Cu; 0.54g/t Au; 18.0g/t Ag) from a depth of 146m. This mineralization has been transformative for the Filo del Sol Project, and further exploration thereof is a strategic focus for the Company moving forward.

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 through further exploration, and by advancing 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.

The Company's common shares trade on the Toronto Stock Exchange under the symbol "FIL".

Q1 2022 OPERATING AND CORPORATE HIGHLIGHTS

2021/2022 Drill Program Extends High-grade Aurora Zone at Filo del Sol

The Company opened the first quarter of 2022 with five diamond rigs turning at the Filo del Sol Project, and as of the date of this MD&A the campaign has ramped up to seven diamond rigs, with an additional reverse circulation ("RC") rig. The RC rig is being used to pre-collar holes in the challenging area overlying Breccia 41 in order to improve drill productivity and hole completion rates. The 2021/2022 drill campaign is the most ambitious program undertaken in the project's history, and it has continued to deliver strong results which validate Filo del Sol's potential as a generational discovery in an emerging copper-gold-silver district. Highlights from the 2021/2022 campaign to date include:

- FSDH054, which successfully extended Breccia 41, intersected 172m at 3.22% CuEq (1.51% Cu; 1.42g/t Au; 75.9g/t Ag) from a depth of 830m within a broader interval of 1,224m at 1.26% CuEq (0.71% Cu; 0.54g/t Au; 18.0g/t Ag) from a depth of 146m. This hole was collared 60m east of, and drilled parallel to, FSDH041 and the mineralization intersected is completely outside of the current Mineral Resource;

- FSDH055A, which returned the best precious metal intersections on the project to date, with 64m at 1,213.8g/t Ag and 0.49g/t Au from a depth of 362m;

- FSDH056, which intersected 502m at 0.89% CuEq (0.50% Cu; 0.40g/t Au; 11.4g/t Ag) from a depth of 168m, ending in over 1% CuEq mineralization at a depth of 670m, where it was abandoned due to poor ground conditions; and

- FSDH058, drilled almost 500m south of FSDH041, returned 1,252m at 0.91% CuEq (0.56% Cu; 0.41g/t Au; 6.6g/t Ag) from a depth of 100m, including 310m at 1.40% CuEq (0.87% Cu; 0.62g/t Au; 8.2g/t Ag) from a depth of 600m. This hole was drilled to a final depth of 1,352m and is outside of the resource shell below a depth of 380m.

The assay results received so far from the 2021/2022 drill program have extended the high-grade mineralization of Breccia 41, confirmed the continuity of strong mineralization within the broader Aurora Zone, and served as a reminder of the remarkable precious metal content of the deposit, which provides optionality for future development and project financing scenarios.

Assay results to date from the 2021/2022 drill program are summarized in the table below:

Hole-ID	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq[1] (%)
FSDH054	146.0	1,369.5	1,223.5	0.71	0.54	18.0	1.26
incl.	435.9	442.0	6.1	0.59	0.24	127.5	1.89
incl.	498.0	1,090.0	592.0	1.15	0.84	31.9	2.04
incl.	830.0	1,001.5	171.5	1.51	1.42	75.9	3.22
FSDH055A	362.0	426.0	64.0	0.01	0.49	1,213.8	
incl.	374.4	402.0	27.6	0.01	0.50	2,439.2	
incl.	380.0	388.0	8.0	0.01	0.45	5,280.0	
FSDH055B	366.0	428.0	62.0	0.01	0.61	280.5	
FSDH056	168.0	670.2	502.2	0.50	0.40	11.4	0.89
incl.	388.0	670.2	282.2	0.68	0.39	17.9	1.13
and incl.	420.0	432.5	12.5	0.39	0.93	135.8	
FSDH058	100.0	1,351.5	1,251.5	0.56	0.41	6.6	0.91
incl.	500.0	1,004.0	504.0	0.77	0.54	7.4	1.23
and incl.	600.0	910.0	310.0	0.87	0.62	8.2	1.40
and incl.	232.0	238.0	6.0	0.24	0.24	398.3	

[1] CuEq for drill intersections is calculated based on US$3.00/lb Cu, US$1,500/oz Au and US$18/oz Ag, with 80% metallurgical recoveries assumed for all metals. The formula is: CuEq % = Cu % + (0.7292 * Au g/t) + (0.0088 * Ag g/t).

As of the date of this MD&A, four additional holes have been completed with assays pending. Holes FSDH055C and FSDH057 are respectively 50m and 200m step-outs of FSDH041 and have the potential to extend the high-grade mineralization of Breccia 41 to the north. FSDH059, approximately 100m north of FSDH041, was abandoned at 312m prior to reaching target depth. The fourth hole, FSDH060, was completed to a final depth of 1,070m, approximately 2km north of FSDH041, and tests the north-south expanse of the Filo del Sol deposit. Assay results for these holes will be released as they are received, analyzed and confirmed by the Company.

$100 Million Strategic Investment by BHP

On March 11, 2022, by way of a non-brokered private placement, the Company closed the sale of 6,270,000 common shares to BHP Western Mining Resources International Pty Ltd, a wholly owned subsidiary of BHP Group Limited (collectively, "BHP"), at a price of $15.95 per common share for total gross proceeds of $100 million (the "Private Placement"). The subscription price represented a 12% premium to the 20-day volume weighted average trading price of the Company's common shares ending the last trading day prior to announcement of the Private Placement. Share issuance costs related to the Private Placement totaled $0.3 million, and comprised of professional fees and regulatory fees. No finder's fee or commissions were payable in connection with the Private Placement.

Upon closing of the Private Placement, BHP owned approximately 5% of the Company's issued and outstanding common shares on an undiluted basis. The common shares acquired by BHP pursuant to the Private Placement are subject to a statutory four-month hold period in accordance with applicable securities regulations.
In connection with the Private Placement, BHP has been granted certain participation and top-up rights, allowing BHP to maintain its ownership interest from time to time, provided that such participation rights will not apply to any portion of BHP's ownership interest in excess of a 9.9% undiluted ownership level in the Company. In addition, the Company and BHP have agreed to form a joint advisory committee to share expertise, exploration concepts, and discuss future project development.

The Company intends to use the net proceeds of the Private Placement to advance exploration and development of the Company's Filo del Sol Project and for working capital and general corporate purposes.

OUTLOOK

The Company's 2021/2022 drill program is currently ongoing and is planned to continue year-round for the first time in the project's history. The program is currently operating with seven diamond drill rigs, and the Company is reviewing the possibility of adding additional rigs to the program later in 2022, following the South American winter, to further expedite advancement of the Filo del Sol Project. In addition, the Company has deployed an RC rig, which is pre-collaring holes drilled in and around Breccia 41, an area overlain by intensely altered rock. The RC pre-collars are expected to increase overall drill productivity and hole completion rates.

The current drill program is testing the area around Breccia 41, and the broader Aurora Zone, and will seek to improve the Company's understanding of the geometry, extent and geological context of these high-grade sections within the Filo del Sol deposit. In addition, the Company has planned step-out holes to determine the edges of the overall deposit, which remains open to the north, south, east and at depth and for which continuous mineralization identified to date spans a north-south distance of 4.5km, an east-west distance of over 1km, and a depth of almost 1.5km. The step-out drilling will be a combination of holes testing the sparsely drilled area north of FSDH037, the undrilled area north-east of FSDH051 and, eventually, the area south of the southern extent of the current Mineral Resource. Hole locations will be determined as the drill program progresses, guided by drill results, surface mapping, and geophysical interpretations. In particular, data collected from the drilling will be used to develop a comprehensive geological model which will guide further exploration and form the basis of an eventual update to the Mineral Resource estimate.

The Company has also initiated preliminary metallurgical testwork on the sulphide mineralization, as well as the continuation of environmental and social baseline data collection in support of future project permitting.

The Company's drilling plans have been developed to enable the Company to rapidly define the deposit and advance key exploration efforts, however the Company's plans and timelines are subject to equipment and staff availability, along with being able to operate safely and effectively throughout the winter and in accordance with the Company's COVID-19 protocols. As a result of its current strategies, the Company is confident that it can safely and effectively carry out its 2021/2022 field program, however, this expectation will be continuously evaluated as the situation with respect to the COVID-19 pandemic in Chile and Argentina develops.

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. There is no expectation of generating operating profits until it develops a commercially viable mineral deposit.

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

Three Months Ended	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
Exploration costs ($000's)	14,869	10,328	8,696	9,358	12,519	4,214	969	1,932
Operating loss ($000’s)	16,935	12,006	11,798	9,996	13,214	4,879	2,665	2,776
Net loss ($000’s)	14,400	8,053	9,142	4,793	10,431	3,271	2,510	1,262
Net loss per share, basic and diluted ($)	0.12	0.07	0.08	0.04	0.09	0.03	0.02	0.01

Due to the geographic location of the Filo del Sol Project, the Company’s business activities have historically fluctuated with the seasons, through increased drilling and other exploration activities during the summer months in South America. However, from June 2021 to early August 2021, the Company completed winterization preparations which allowed it to commence its 2021/2022 exploration program in August 2021, prior to the end of winter in South America. These winterization efforts were intended to also enable the Company to undertake continuous, year-round field operations and reduce this seasonal fluctuation in exploration expenditures moving forward. However, 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, operating loss, and net loss in a particular period.

Filo Mining incurred a net loss of $14.4 million for the three months ended March 31, 2022 (2021: $10.4 million), including an operating loss of $16.9 million (2021: $13.2 million) and a net gain of $2.0 million from the use of marketable securities (2021: $2.6 million). Exploration and project investigation costs are generally the most significant expenditures of the Company and for the three months ended March 31, 2022, they accounted for approximately 88% of the operating loss for the period (2021: 95%). 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, 2022 were $14.9 million (2021: $12.5 million), which increased relative to the comparative 2021 period. The increase in the current exploration costs is primarily the result of increased road maintenance, field staff compensation and information technology costs incurred in support of the currently ongoing 2021/2022 field program. With respect to road maintenance and field staff compensation costs, increases were required for the three months ended March 31, 2022 as the Company opened its access to the Filo del Sol Project from Chile in order to allow for the addition of diamond rigs to the program from Chile. The Chilean access to the project was not opened in the comparative 2021 period as all rigs from the 2020/2021 drill campaign were contracted solely from San Juan, Argentina.

Detailed breakdowns of exploration costs 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, 2022 totalled $0.9 million (2021: $0.5 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 increase observed in administration costs, excluding share-based compensation, for the three months ended March 31, 2022 is due primarily to a higher general office and public company maintenance costs, such as stock exchange and regulatory fees and insurance costs. The increases in these costs are largely the result of the Company's graduation from the TSX Venture Exchange to the Toronto Stock Exchange, effective October 1, 2021 and the significant increase in the Company's market capitalization since early 2021. In addition, the increase in administration costs is also partially the result of a higher average headcount at the Company's corporate headquarters relative to the 2021 comparative period and increased payroll-related statutory levies triggered by gains on the exercise of stock options by directors, officers, employees and other eligible persons.

During the three months ended March 31, 2022, the Company recognized a net monetary gain of $448,628 (2021: $243,220) in relation to the application of hyperinflationary accounting for the Company's Argentine subsidiary. The monetary gain recognized is the results of changes in the Argentine price indices and changes to the Company's net monetary position during the three months ended March 31, 2022. Further discussion regarding the application of hyperinflationary accounting has been provided in the notes to the condensed interim consolidated financial statements.

From time to time, the Company acquires and transfers marketable securities as a mechanism to facilitate intragroup funding transfers between its Canadian headquarters and its Argentine operating subsidiary. Accordingly, for the three months ended March 31, 2022, the Company recognized a gain of $2.0 million (2021: $2.6 million) on the use of marketable securities for the purposes of facilitating intragroup funding transfers, which represents the net benefit of having used this funding mechanism over traditional methods. The decrease in the gain is primarily the result of less funds provided to its Argentine subsidiary during the three months ended March 31, 2022, compared to the comparative 2021 quarter.

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 $255,900 for the three months ended March 31, 2022 (2021: loss of $111,949) on translation of subsidiary company accounts from their respective functional currencies to the Canadian dollar presentation currency. The foreign exchange translation gain reported in the current period is primarily the result of fluctuations of the Canadian dollar relative to the Chilean peso over the period. For the three months ended March 31, 2022, the impacts of hyperinflation amounted to a loss of $153,500 (2021: $239,711) and consist of adjustments recognized on the continuing inflation of opening non-monetary balances during the period and the ongoing translation of the Company's Argentine subsidiary into the Canadian dollar presentation currency.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2022, the Company had cash of $111.4 million and net working capital of $100.1 million, compared to cash of $19.4 million and net working capital of $13.1 million as at December 31, 2021. The increase in the Company's cash and net working capital is due to $99.7 million in net proceeds generated by the Private Placement and $0.5 million in gross proceeds received by the Company in relation to the exercise of stock options during the three months ended March 31, 2022. These cash inflows have been partially offset by funds used in operations, including amounts used in the acquisition of equipment and facilities for the Filo del Sol Project, and for general corporate purposes.

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

RELATED PARTY TRANSACTIONS

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. During the three months ended March 31, 2022, the Company engaged with Josemaria Resources Inc. ("Josemaria") and NGEx Minerals Ltd. ("NGEx Minerals"), which were related parties to the Company by way of directors, officers and shareholders in common.

Related party services

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

	Three months ended March 31, 2022	2021
Management Services to Josemaria	42,374	100,392
Management Services to NGEx Minerals	189,078	89,469
Management Services from Josemaria	-	(42,065)
Management Services from NGEx Minerals	(93,062)	(134,303)

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, 2022	December 31, 2021
Receivables and other assets	Josemaria	30,843	46,678
Receivables and other assets	NGEx Minerals	90,109	15,113
Accounts payable and accrued liabilities	Josemaria	-	(1,667)
Accounts payable and accrued liabilities	NGEx Minerals	(67,466)	(24,343)

Camp usage agreement

On June 26, 2019, the Company, through a wholly-owned subsidiary, entered into a transaction with a wholly-owned subsidiary of Josemaria whereby the Company extended its right to use Josemaria's Batidero Camp in Argentina.

The agreement may be terminated with one year's prior notice by Josemaria, and in the absence of such notice the agreement may be renewed for another year at the Company's election. On April 8, 2022, Filo Mining provided formal notice of renewal for the period through April 1, 2023.

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,	
	2022	**2021**
Salaries	267,500	212,500
Short-term employee benefits	7,719	6,751
Directors fees	55,250	31,750
Stock-based compensation	1,106,142	182,484
	1,436,611	**433,485**

SIGNIFICANT ACCOUNTING POLICIES

The Company continues to follow the accounting policies described in Note 3 to the audited consolidated financial statements for the year ended December 31, 2021, as on SEDAR at www.sedar.com, with the addition of the following:

Depreciation of equipment and facilities

When an asset is available for use at the location, and in the condition, as intended by management, it is deprecated using the straight-line method to allocate its cost less its residual value over its estimated useful life. The depreciation methods and rates currently used by the Company are as follows:

Class of Asset	Method
Facilities	Straight line over 10 years

CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the consolidated financial statements in accordance with IFRS, including the condensed interim consolidated financial statements for the three months ended March 31, 2022, 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 2021 MD&A filed on SEDAR at www.sedar.com on March 22, 2022.

FINANCIAL INSTRUMENTS

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

As at March 31, 2022, the Company's financial instruments are exposed to the following financial risks, including credit 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) 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 December 31, 2021, the Company's largest foreign currency risk exposures existed at the level of its Canadian headquarters, where the Company held a net financial asset position denominated in US dollars having a Canadian dollar equivalent of approximately $4.0 million. A 10% change in the foreign exchange rate between the US dollar and the Canadian dollar, the functional currency of Filo Mining, would give rise to an increase/decrease of approximately $399,000 in financial position/comprehensive loss.

OUTSTANDING SHARE DATA

As at May 4, 2022, the Company had 121,451,606 common shares outstanding and 6,308,931 share options outstanding under its share-based incentive plan.

FINANCIAL INFORMATION

The Company's next scheduled financial report will be for the three and six months ended June 30, 2022, which is expected to be published on or around August 11, 2022.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures ("DC&P")

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

There have not been any material changes in the Company's DC&P during the three months ended March 31, 2022.

Internal controls over financial reporting ("ICFR")

The Company's ICFR are designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. The design of the Company's ICFR are the responsibility of its management.

Any system, no matter how well conceived or operated, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation and will not prevent all, or detect all, misstatements and frauds. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

There have not been any material changes in the Company's internal controls during the three months ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which includes the acquisition, financing, exploration, development and operation of mineral and mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, and these risk factors could materially affect the Company's future operations and financial position and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. There have been no material changes in the risks and uncertainties affecting the Company, which were discussed in the Company's 2021 annual information form, as filed on SEDAR at www.sedar.com as of March 31, 2022.

OFF-BALANCE SHEET ARRANGEMENTS

During the three months ended March 31, 2022, there were no material off-balance sheet transactions which have not been recorded in the Company's consolidated financial statements. The Company has not entered into any specialized financial arrangement to minimize its currency risk.

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 Jamie Beck, B.A.Sc., P.Eng. Mr. Carmichael is Filo Mining's Vice-President of Exploration and a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects. ("NI 43-101"). Mr. Beck is Filo Mining's President and Chief Executive Officer and is also a Qualified Person under NI 43-101.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information pertaining to the assumptions used in the PFS for the Filo del Sol Project, the assumptions used in the Mineral Reserves and Resources estimates for the Filo del Sol Project, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological conditions, as applicable; ability to develop infrastructure; assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits; expectations regarding access and demand for equipment, skilled labour and services needed for exploration and development of mineral properties; and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks. In addition, this MD&A may contain forward-looking statements or information pertaining to: the potential exploration results or anticipated outcomes of infill or step-out drilling planned at Filo del Sol; exploration and development plans and expenditures, including but not limited to its plans to add additional rigs, the sequencing or prioritization of drill targets, the impact of reverse circulation drilling for the purposes of pre-collaring, and a transition to year-round operations; the ability of the Company's COVID-19 operating protocol to continue to meet government mandated health and safety guidelines enabling it to conduct its field programs as planned; the ultimate size and scope of its field programs and the Company's ability to achieve the objectives thereof; the size and scope of its field programs and the Company's ability to achieve the objectives thereof; the impact of the Company's winterization efforts at Filo del Sol, and whether such efforts will enable year-round operations and have adequately anticipated the challenges of winter operation, including but not limited to weather and potential supply chain disruptions; the anticipated use of proceeds from the Private Placement and/or its current treasury balance; the timing or results of an upgrade to the Mineral Resources estimate at Filo del Sol, including the inputs used therein; opportunities to improve project economics; the success of future exploration activities; potential for resource expansion; potential for the discovery of new mineral deposits; ability to build shareholder value; expectations with regard to adding to Mineral Reserves or Resources through exploration; expectations with respect to the conversion of inferred resources to an indicated resources classification; ability to execute the planned work programs; estimation of commodity prices, Mineral Reserves and Resources, estimations of costs, and permitting timelines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as the Company's actual results and future events could differ materially from those anticipated in such statements, as a result of the factors discussed in the "Risk and Uncertainties" section of this MD&A, and elsewhere, and in the "Risk Factors" section of the Company's most recent Annual Information Form, which is available under the Company's profile on SEDAR at www.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, 2022**	**December 31, 2021**
ASSETS			
Current assets:			
Cash		$ 111,424,886	$ 19,416,984
Receivables and other assets	*5*	689,504	697,660
		112,114,390	20,114,644
Non-current assets:			
Equipment and facilities	*6*	256,303	168,347
Taxes receivable	*5*	2,109,709	2,314,091
Mineral properties	*7*	8,391,354	8,062,918
		10,757,366	10,545,356
TOTAL ASSETS		122,871,756	30,660,000
LIABILITIES			
Current liabilities:			
Trade payables and accrued liabilities		12,001,916	7,062,830
TOTAL LIABILITIES		12,001,916	7,062,830
SHAREHOLDERS' EQUITY			
Share capital	*8*	280,709,562	180,266,718
Contributed surplus		9,671,373	8,544,029
Deficit		(177,512,490)	(163,112,572)
Accumulated other comprehensive loss		(1,998,605)	(2,101,005)
TOTAL SHAREHOLDERS' EQUITY		110,869,840	23,597,170
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 122,871,756	$ 30,660,000

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

On behalf of the Board:

/s/Alessandro Bitelli
Director

/s/James Beck
Director

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

	Note	Three months ended March 31, 2022	2021
Expenses			
Exploration and project investigation	*10*	$ 14,868,616	$ 12,518,738
General and administration:			
Salaries and benefits		384,642	236,943
Share-based compensation	*9c*	1,189,372	223,466
Management fees		49,725	32,025
Professional fees		28,641	23,570
Travel		34,448	-
Promotion and public relations		61,689	90,402
Office and general		317,646	88,709
Operating loss		16,934,779	13,213,853
Other expenses			
Financing costs		-	193
Net monetary gain	*4*	(448,628)	(243,220)
Gain on use of marketable securities	*13*	(2,006,508)	(2,617,776)
Other foreign exchange loss (gain)		(79,725)	78,382
Net loss		14,399,918	10,431,432
Other comprehensive loss (gain)			
Items that may be reclassified subsequently to net loss:			
Foreign currency translation adjustment		(255,900)	111,949
Impact of hyperinflation	*4*	153,500	239,711
Comprehensive loss		$ 14,297,518	$ 10,783,092
Basic and diluted loss per common share		$ 0.12	$ 0.09
Weighted average common shares outstanding		116,606,731	110,776,530

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, 2022**	**2021**
Cash flows used in operating activities			
Net loss for the period		$ (14,399,918)	$ (10,431,432)
Items not involving cash:			
Share-based compensation	*9c*	1,350,019	276,330
Financing costs		-	193
Net monetary loss		155,394	140,071
Unrealized foreign exchange loss (gain)		-	19,796
Depreciation	*6*	1,666	-
Net changes in working capital and other items:			
Receivables and other		(8,977)	20,342
Trade payables and accrued liabilities		5,490,716	2,663,397
		(7,411,100)	(7,311,303)
Cash flows from (for) financing activities			
Proceeds from equity financings, net		99,737,749	-
Proceeds from option exercises		482,420	322,667
Repayment of lease liabilities		-	(5,247)
		100,220,169	317,420
Cash flows for investing activities			
Acquisition of equipment and facilities	*6*	(82,111)	-
		(82,111)	-
Effect of exchange rate change on cash		(719,056)	(420,347)
Increase (decrease) in cash during the period		92,007,902	(7,414,230)
Cash, beginning of the period		$ 19,416,984	$ 36,326,118
Cash, end of the period		$ 111,424,886	$ 28,911,888

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 Loss**	**Total Shareholders' Equity**
Balance, January 1, 2021		110,770,770	$ 166,119,611	$ 9,763,491	$(130,693,363)	$ (1,638,055)	$ 43,551,684
Share-based compensation		-	-	276,330	-	-	276,330
Shares issued pursuant to credit facilities		146,667	487,017	(164,350)	-	-	322,667
Net loss and other comprehensive loss		-	-	-	(10,431,432)	(351,660)	(10,783,092)
Balance, March 31, 2021		**110,917,437**	**$ 166,606,628**	**$ 9,875,471**	**$(141,124,795)**	**$ (1,989,715)**	**$ 33,367,589**
Balance, January 1, 2022		115,042,939	$ 180,266,718	$ 8,544,029	$(163,112,572)	$ (2,101,005)	$ 23,597,170
Shares issued pursuant to the Private Placement	*8*	6,270,000	100,006,500	-	-	-	100,006,500
Share issuance costs	*8*	-	(268,751)	-	-	-	(268,751)
Share-based compensation	*9c*	-	-	1,350,019	-	-	1,350,019
Shares issued pursuant to stock option exercises	*9b*	138,667	705,095	(222,675)	-	-	482,420
Net loss and other comprehensive loss		-	-	-	(14,399,918)	102,400	(14,297,518)
Balance, March 31, 2022		**121,451,606**	**$ 280,709,562**	**$ 9,671,373**	**$(177,512,490)**	**$ (1,998,605)**	**$ 110,869,840**

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

(Expressed in Canadian Dollars, unless otherwise stated)

1. NATURE OF OPERATIONS

Filo Mining Corp. (the "Company" or "Filo Mining") was incorporated on May 12, 2016 under the Canada Business Corporations Act in connection with the plan of arrangement to reorganize Josemaria Resources Inc. ("Josemaria", formerly NGEx Resources Inc.), 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 San Juan Province, Argentina and Region III, Chile. Its registered office is located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. The Company's common shares trade on the Toronto Stock Exchange under the symbol "FIL". In addition, the Company's common shares trade on the NASDAQ First North Growth Market under the symbol "FIL" and on the OTCQX under the symbol "FLMMF".

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of condensed interim consolidated financial statements, including IAS 34, Interim Financing Reporting. Accordingly, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted, and these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021. 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, 2021.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 4, 2022.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company continues to follow the accounting policies described in Note 3 to the audited consolidated financial statements for the year ended December 31, 2021, as on SEDAR at www.sedar.com, with the addition of the following:

Depreciation of equipment and facilities

When an asset is available for use at the location, and in the condition, as intended by management, it is deprecated using the straight-line method to allocate its cost less its residual value over its estimated useful life. The depreciation methods and rates currently used by the Company are as follows:

Class of Asset	Method
Facilities	Straight line over 10 years

4. HYPERINFLATION

Argentina was designated a hyperinflationary 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 hyperinflation on its financial position and results, the Company has elected to use the Wholesale Price Index (*Indice de Precios Mayoristas* or "*IPIM*") for periods up to December 31, 2016, and the Retail Price Index (*Indice de Precios al Consumidor* or "*IPC*") thereafter. These price indices have been recommended by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences.

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

The Company recognized a loss of $153,500 for the three months ended March 31, 2022 (2021: $239,711) in relation to the impact of hyperinflation within other comprehensive income, which is primarily the result of continued inflation, and depreciation of the Argentine Peso relative to the Canadian dollar during the period.

As a result of changes in the IPC and changes to the Company's net monetary position, the Company recognized a net monetary gain of $448,628 for the three months ended March 31, 2022 (2021: $243,220), to adjust transactions recorded during the period into a measuring unit current as of March 31, 2022.

The level of the IPC at March 31, 2022 was 676.1 (December 31, 2021: 582.5), which represents an increase of approximately 16% over the IPC at December 31, 2021, and an approximate 6% increase over the average level of the IPC during the three months ended March 31, 2022.

(Expressed in Canadian Dollars, unless otherwise stated)

5. RECEIVABLES AND OTHER ASSETS

	March 31, 2022	December 31, 2021
Current		
Taxes receivable	84,420	59,150
Other receivables	277,616	237,238
Prepaid expenses and deposits	327,468	401,272
	689,504	**697,660**
Non-current		
Taxes receivable	2,109,709	2,314,091
	2,109,709	**2,314,091**

Pursuant to regulations, the Company is entitled to a refund of certain value added taxes ("VAT") paid in Argentina. While the Company continues to expect full payment of the amounts claimed, the timing of receipt of the refunds has become increasingly uncertain. Accordingly, the corresponding taxes receivable balance has been classified as non-current.

(Expressed in Canadian Dollars, unless otherwise stated)

6. EQUIPMENT AND FACILITIES

The Company's equipment and facilities relate to mobile equipment and modular field facilities acquired for its Filo del Sol property in Argentina.

	Works in progress			
	Equipment	**Facilities**	**Facilities**	**Total**
Cost				
January 1, 2021	**$ -**	**$ -**	**$ -**	**$ -**
Additions	32,309	133,389	-	165,698
Adjustment for the impacts of hyperinflation	(529)	3,178	-	2,649
December 31, 2021	**$ 31,780**	**$ 136,567**	**-**	**$ 168,347**
Additions	-	82,111	-	82,111
Adjustment for the impacts of hyperinflation	1,849	5,852	-	7,701
Reclassifications	-	(224,530)	224,530	-
March 31, 2022	**$ 33,629**	**$ -**	**$ 224,530**	**$ 258,159**
Accumulated depreciation				
January 1, 2021	**$ -**	**$ -**	**$ -**	**$ -**
December 31, 2021	**$ -**	**$ -**	**$ -**	**$ -**
Depreciation	-	-	(1,666)	(1,666)
Adjustment for the impacts of hyperinflation	-	-	(190)	(190)
March 31, 2022	**$ -**	**$ -**	**$ (1,856)**	**$ (1,856)**
Net book amount				
December 31, 2021	**$ 31,780**	**$ 136,567**	**$ -**	**$ 168,347**
March 31, 2022	**$ 33,629**	**$ -**	**$ 222,674**	**$ 256,303**

(Expressed in Canadian Dollars, unless otherwise stated)

7. MINERAL PROPERTIES

	Filo del Sol	Tamberias	Total
January 1, 2021	**$ 3,385,531**	**$ 5,471,870**	**$ 8,857,401**
Adjustment for the impacts of hyperinflation	108,294	-	108,294
Effect of foreign currency translation	-	(902,777)	(902,777)
December 31, 2021	**$ 3,493,825**	**$ 4,569,093**	**$ 8,062,918**
Adjustment for the impacts of hyperinflation	33,442	-	33,442
Effect of foreign currency translation	-	294,994	294,994
March 31, 2022	**$ 3,527,267**	**$ 4,864,087**	**$ 8,391,354**

The Company's primary mineral property assets are the Filo del Sol and Tamberias properties (together, the "Filo del Sol Project"), which are comprised of adjacent mineral titles in San Juan Province, Argentina and Region III, Chile, and are 100% controlled by Filo 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 certain scheduled option payments. In addition, Tamberias SCM will retain a 1.5% net smelter royalty, which will be paid only after the Company has recovered all its exploration and development costs.

Pursuant to a series of amendments to the terms of the remaining option payments payable under the option agreement with Tamberias SCM, the last of which was executed on May 13, 2020 (the "Option Amendments"), the remaining option payments were rescheduled and extended through to June 30, 2026. As at March 31, 2022, the Company's total remaining option payments were as follows:

Payment by:	Amount (US$)
June 30, 2022	500,000
June 30, 2023	750,000
June 30, 2024	950,000
June 30, 2025	1,050,000
June 30, 2026	12,000,000
	15,250,000

8. SHARE CAPITAL

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

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

Upon closing of the Private Placement, BHP owned approximately 5% of the Company's issued and outstanding common shares on an undiluted basis. The common shares acquired by BHP pursuant to the Private Placement are subject to a statutory four-month hold period in accordance with applicable securities regulations.

In connection with the Private Placement, BHP has been granted certain participation and top-up rights, allowing BHP to maintain its ownership interest from time to time, provided that such participation rights will not apply to any portion of BHP's ownership interest in excess of a 9.9% undiluted ownership level in the Company. In addition, the Company and BHP have agreed to form a joint advisory committee to share expertise, exploration concepts, and discuss future project development.

The Company intends to use the proceeds of the Private Placement to advance exploration and development of the Company's Filo del Sol Project and for working capital and general corporate purposes.

9. SHARE OPTIONS

a) Share option plan

The Company has a share option plan adopted by the Board of Directors on July 8, 2016 and amended May 12, 2017, which reserves an aggregate of 10% of the issued and outstanding shares of the Company for issuance upon the exercise of options granted. The granting, vesting and terms of the share options are at the discretion of the Board of Directors.

b) Share options outstanding

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

(Expressed in Canadian Dollars, unless otherwise stated)

	Number of shares issuable pursuant to share options	**Weighted average exercise price per share**
Balance at January 1, 2021	9,455,834	$ 2.29
Options granted	1,082,600	9.04
Exercised	(4,272,169)	2.25
Expired or forfeited	(28,667)	6.49
Balance at December 31, 2021	6,237,598	$ 3.47
Options granted	210,000	19.45
Exercised	(138,667)	3.48
Balance at March 31, 2022	6,308,931	$ 4.00

The weighted average share price on the exercise date for the share options exercised during the three months ended March 31, 2022 was $15.18.

On March 27, 2022, the Company granted a total of 210,000 share options to an officer of the Company at an exercise price of $19.45 per share. The Company uses the Black-Scholes option pricing model to estimate the fair value for all options granted and the resulting stock-based compensation. The assumptions used in this pricing model, and the resulting fair value per option, for the 210,000 share options granted during the three months ended March 31, 2022, were as follows:

(i)	Risk-free interest rate:	2.4%
(ii)	Expected life:	4.0 years
(iii)	Expected volatility:	62.25%
(iv)	Expected dividends:	nil
(v)	Fair value per option:	$9.57

The following table details the share options outstanding and exercisable as March 31, 2022:

	Outstanding options			Exercisable options		
Exercise price	Options outstanding	Weighted average remaining contractual life (Years)	Weighted average exercise price	Options exercisable	Weighted average remaining contractual life (Years)	Weighted average exercise price
$1.91	1,213,333	3.38	$1.91	765,001	3.38	$1.91
$2.20	1,365,000	1.37	$2.20	1,365,000	1.37	$2.20
$2.50	1,045,000	0.45	$2.50	1,045,000	0.45	$2.50
$2.75	1,453,332	2.53	$2.75	1,453,332	2.53	$2.75
$8.95	991,666	4.39	$8.95	324,334	4.39	$8.95
$11.00	15,000	4.19	$11.00	5,000	4.19	$11.00
$12.90	15,600	4.64	$12.90	5,200	4.64	$12.90
$19.45	210,000	4.99	$19.45	70,000	4.99	$19.45
	6,308,931	2.48	$4.00	5,032,867	2.07	$3.07

(Expressed in Canadian Dollars, unless otherwise stated)

c) Share-based compensation

	Three months ended	March 31,
	2022	**2021**
Exploration and project investigation	160,647	52,864
General and administration	1,189,372	223,466
	1,350,019	**276,330**

10. EXPLORATION AND PROJECT INVESTIGATION

All exploration and project investigation costs are related to the Filo del Sol Project. Due to the geographic location of the Filo del Sol Project, the Company's business activities have historically fluctuated with the seasons, through increased drilling and other exploration activities during the summer months in South America. However, commencing in June 2021, the Company has undertaken winterization efforts which may allow for continuous, year-round field operations and reduce this seasonal fluctuation in exploration expenditures moving forward.

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

	Three months ended	March 31,
	2022	**2021**
Land holding and access costs	140,562	8,256
Drilling, fuel, camp costs and field supplies	7,557,848	7,315,909
Roadwork, travel and transport	2,046,085	1,203,448
Consultants, geochemistry and geophysics	288,702	234,026
Environmental and community relations	312,098	258,152
VAT and other taxes	2,892,593	2,288,519
Office, field and administrative salaries, overhead and other administrative costs	1,084,274	568,095
COVID-19-related health and safety	385,807	589,469
Share-based compensation	160,647	52,864
	14,868,616	**12,518,738**

11. RELATED PARTY TRANSACTIONS

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. During the three months ended March 31, 2022, the Company engaged with Josemaria and NGEx Minerals Ltd. ("NGEx Minerals"), which were related parties to the Company by way of directors, officers and shareholders in common.

(Expressed in Canadian Dollars, unless otherwise stated)

a) Related party services

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

	Three months ended March 31, 2022	**2021**
Management Services to Josemaria	42,374	100,392
Management Services to NGEx Minerals	189,078	89,469
Management Services from Josemaria	-	(42,065)
Management Services from NGEx Minerals	(93,062)	(134,303)

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, 2022**	**December 31, 2021**
Receivables and other assets	Josemaria	30,843	46,678
Receivables and other assets	NGEx Minerals	90,109	15,113
Accounts payable and accrued liabilities	Josemaria	-	(1,667)
Accounts payable and accrued liabilities	NGEx Minerals	(67,466)	(24,343)

c) Camp usage agreement

On June 26, 2019, the Company, through a wholly-owned subsidiary, entered into a transaction with a wholly-owned subsidiary of Josemaria whereby the Company extended its right to use Josemaria's Batidero Camp in Argentina.

The agreement may be terminated with one year's prior notice by Josemaria, and in the absence of such notice the agreement may be renewed for another year at the Company's election. On April 8, 2022, Filo Mining provided formal notice of renewal for the period through April 1, 2023.

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:

(Expressed in Canadian Dollars, unless otherwise stated)

	Three months ended March 31, 2022	2021
Salaries	267,500	212,500
Short-term employee benefits	7,719	6,751
Directors fees	55,250	31,750
Stock-based compensation	1,106,142	182,484
	1,436,611	**433,485**

12. SEGMENTED INFORMATION

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

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

As at		Filo del Sol Project	Corporate	Total
March 31, 2022	Current assets	3,971,618	108,142,772	112,114,390
	Equipment and facilities	256,303	-	256,303
	Taxes receivable	2,109,709	-	2,109,709
	Mineral properties	8,391,354	-	8,391,354
	Total assets	14,728,984	108,142,772	122,871,756
	Current liabilities	10,911,875	1,090,041	12,001,916
December 31, 2021	Current assets	6,524,265	13,590,379	20,114,644
	Equipment and facilities	168,347	-	168,347
	Taxes receivable	2,314,091	-	2,314,091
	Mineral properties	8,062,918	-	8,062,918
	Total assets	17,069,621	13,590,379	30,660,000
	Current liabilities	6,628,841	433,989	7,062,830

(Expressed in Canadian Dollars, unless otherwise stated)

Three months ended March 31,		**Filo del Sol Project**	**Corporate**	**Total**
2022	Exploration and project investigation	14,868,616	-	14,868,616
	Gain on use of marketable securities	(2,006,508)	-	(2,006,508)
	General and administration and other items	(448,628)	1,986,438	1,537,810
	Net loss	12,413,480	1,986,438	14,399,918
2021	Exploration and project investigation	12,518,738	-	12,518,738
	Gain on use of marketable securities	(2,617,776)	-	(2,617,776)
	General and administration and other items	(243,220)	773,690	530,470
	Net loss	9,657,742	773,690	10,431,432

13. USE OF MARKETABLE SECURITIES

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

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

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

As a result of having utilized this mechanism for intragroup funding for the three months ended March 31, 2022, the Company realized a net gain of $2,006,508 (2021: $2,617,776). The net gain for the three months ended March 31, 2022 was comprised of a favorable foreign currency impact of $2,518,375 (2021: $3,425,880) and a trading loss of $511,867 (2021: $808,104), including the impact of fees and commissions.

CORPORATE DIRECTORY

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Trevor D'Sa
VP Corporate Development & IR
Jeffrey Yip
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