FILO MINING

2022 THIRD QUARTER REPORT

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

For the Nine Months Ended September 30, 2022
(UNAUDITED)

FILO MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 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 and nine months ended September 30, 2022 (the "2022 Financial Statements") 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 Accounting Standard 34, *Interim Financial Reporting of International Financial Reporting Standards*, as issued by the International Accounting Standards Board ("IFRS"). The effective date of this MD&A is November 10, 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. 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".

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.

Drilling continues to demonstrate the significant exploration potential of the Filo del Sol Project, intersecting long intervals of copper, gold and silver mineralization. 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.

Since completing a pre-feasibility study ("PFS") on the Filo del Sol Project, with an effective date of January 13, 2019 (summarized below), which demonstrated the robust economic potential of the oxide portion of the mineral resource at the time, exploration drilling has defined a very large area of high-grade copper-gold-silver sulphide mineralization, now called the "Aurora Zone". Within the Aurora Zone, there is at least one section with considerably higher grades: Breccia 41, named after its discovery hole, FSDH041, which intersected 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. Both the Aurora Zone and Breccia 41 remain open to expansion in several directions and drilling to further define them is ongoing.

Additionally, the Company has recently discovered what is interpreted to be a new porphyry centre along the broader Filo trend, now named the "Bonita Zone", with drillhole FSDH060. Collared 2km northeast of FSDH041, FSDH060 intersected 738m at 0.51% CuEq (0.39% Cu; 0.14g/t Au; 1.9g/t Ag) from a depth of 332m, including 322m at 0.63% CuEq (0.50% Cu; 0.16g/t Au; 1.8g/t Ag) from 620m. The Bonita discovery supports the interpretation that Filo del Sol hosts a multikilometer, northeast-trending alignment of overlapping porphyry-centered hydrothermal systems which is open to expansion both to the south and to the north. The Bonita Zone is evidence of the untapped exploration potential that still exists at Filo del Sol despite the significant mineral discoveries made to date.

The Company is continuing to ramp up exploration drilling activities during the South American spring and summer and will continue a combination of larger step-out holes to try to find the edges of the mineralized system, along with step-out and infill holes to further define the size of the remarkable Aurora Zone. The Company's strategy is to create value for its shareholders by expanding and increasing the confidence in and continuity of the resources and reserves at the Filo del Sol Project through further exploration, and by advancing engineering and other studies that are required to prepare the Filo del Sol Project for eventual development.

PRE-FEASIBILITY STUDY SUMMARY (2019 – OXIDES)

The Company 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. This Resource does not include any of the mineralization hosted in the Aurora, Breccia 41 or Bonita Zones and the Reserve only encompasses the oxide portion of the Resource.

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 described in 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.

THIRD QUARTER 2022 OPERATING AND CORPORATE HIGHLIGHTS

Former Chairman Lukas H. Lundin Passes Away

On July 27, 2022, the Company sadly announced the death of former member of the Board of Directors, Mr. Lukas H. Lundin. Mr. Lundin was an instrumental driving force behind the tremendous success of the Company. Lukas's sons, Adam and Will, as Board Members, continue to provide the drive that the Lundin Group is known for.

Appointment of Ron Hochstein to the Board of Directors

On September 21, 2022, the Company announced the appointment of Mr. Ron F. Hochstein to its Board of Directors, and the resignation of Mr. Phil Brumit.

Drill Results Extend the Aurora Zone Strike Length to 1.6km; Build Confidence in Geological Continuity

During and subsequent to the end of the third quarter of 2022, the Company announced results from three holes at the Filo del Sol Project. Drillholes **FSDH061**, **FSDH063**, and **FSDH067** successfully extended the strike length of the Aurora Zone by 180m to a total of 1.6km in the north-south direction, in addition to infilling certain areas of the Aurora Zone which increased confidence in the geological continuity throughout this Zone.

- The Aurora Zone is interpreted to be continuous between **FSDH063** to the south, and **FSDH061** to the north (1.6km total distance between holes); large undrilled gaps remain between these holes and the Zone remains open in all directions;

- **FSDH061** intersected 701.2m at 1.13% CuEq from a depth of 392m, including 406m at 1.36% CuEq from 508m and the hole ended in strong mineralization at a depth of 1,093m; clearly extending the Aurora Zone, and confirming its generally NNE strike direction. The Aurora Zone remains completely open northeast of this intersection;

- **FSDH063**, located 1.6km southwest of **FSDH061**, was drilled to a final depth of 1,141m and intersected 844.2m at 0.53% CuEq from a depth of 16m, including 142m at 0.71% CuEq from a depth of 16m and 112m at 0.86% CuEq from a depth of 436m. The Aurora Zone remains open to the south of this hole, and large distances remain to the north and down-dip for expansion. Down dip, **FSDH025** is just over 500m away from **FSDH063**, and to the north there is an undrilled gap of 590m between **FSDH063** and **FSDH048** (1,081m @ 0.88% CuEq; 0.52% Cu, 0.43g/t Au, 5.3g/t Ag); and

- **FSDH067**, an infill hole between **FSDH061** and **FSDH063**, intersected 1,131.6m at 1.11% CuEq from a depth of 132m, including 4m at 1.54% Cu, 12.08 g/t Au and 20.5 g/t Ag from 202m and 36m at 0.76% Cu, 0.71 g/t Au and 123.2 g/t Ag from 248m. The hole ended in strong mineralization at a depth of 1,263.6m.

Assay results received by the Company during and subsequent to the end of the third quarter of 2022 are summarized in the following table:

Hole-ID	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq[1] (%)
FSDH061	392.0	1,093.2	701.2	0.81	0.33	9.1	1.13
incl.	508.0	914.0	406.0	0.97	0.40	11.1	1.36
FSDH063	16.0	860.2	844.2	0.29	0.25	6.5	0.53
incl.	16.0	548.0	532.0	0.35	0.32	9.0	0.66
incl.	16.0	158.0	142.0	0.36	0.26	18.1	0.71
incl.	436.0	548.0	112.0	0.42	0.42	15.0	0.86
FSDH067	132.0	1,263.6	1,131.6	0.62	0.53	11.9	1.11
incl.	160.0	480.0	320.0	0.66	0.73	29.9	1.45
incl.	202.0	206.0	4.0	1.54	12.08	20.5	10.52
incl.	248.0	284.0	36.0	0.76	0.71	123.2	2.36

[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, additional holes have been completed with assays pending, which include:

- **FSDH062**, infilling a 200m gap between holes **FSDH044** and **FSDH046**, completed to a depth of 1,400m; and

- **FSDH064**, infilling a 400m gap between holes **FSDH032** and **FSDH048**, completed to a depth of 1,447m.

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

Two additional holes, **FSDH065** (196m) and **FSDH066** (458m) were suspended earlier this year, prior to the winter weather, and will be deepened during the upcoming months.

Executive Leadership Appointments

On September 1, 2022, the Company announced the appointment of Mr. Ian Gibbs as Chief Financial Officer ("CFO") and Mr. Arndt Brettschneider as Vice President, Operations & Projects, effective September 1, 2022.

Exercise of Top-up Right by BHP

On July 29, 2022, the Company closed a non-brokered private placement to BHP Western Mining Resources International Pty Ltd, a wholly owned subsidiary of BHP Group Limited (collectively, "BHP"), whereby the Company issued 44,047 common shares to BHP for gross proceeds of $675,681 (the "Anti-dilution Top-Up").

The Anti-dilution Top-Up was undertaken pursuant to the terms of the March 11, 2022 private placement of 6,270,000 common shares to BHP at a price of $15.95 per common share for total gross proceeds of $100 million (the "Private Placement"), whereby BHP was granted certain anti-dilutive rights, allowing BHP to top-up and maintain its pro rata 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. The Company continues to use the proceeds of the Private Placement for exploration and development of the Filo del Sol Project and for working capital and general corporate purposes.

OUTLOOK

Six drill rigs are currently active, and the Company will add additional rigs to the program as the weather moderates. The winter campaign, which focused on the Aurora and Breccia 41 Zones, was planned to keep the drill rigs close together to prioritize safety. As these holes finish up, drilling will begin to spread out to test new exploration targets while also keeping a focus on expanding and defining the known zones. Some big step-out holes are planned to the north and south (including testing the Gemelos target, located 5km northeast of the Aurora Zone) along with smaller step-outs, as the Company drills to the north of FSDH061 and south of FSDH063. The Company continues to maintain a strong focus on improving drill productivity through a variety of initiatives, including the incorporation of two brand new, state-of-the-art diamond drill rigs, and is planning for consistent drilling over the next 12 months.

Data collected from the current campaign 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 will continue preliminary metallurgical testwork on the sulphide mineralization, as well as environmental and social baseline programs in support of future project permitting.

The Company's plans and timelines are subject to equipment and staff availability, along with being able to operate safely and effectively throughout the winter and in accordance with the Company's COVID-19 protocols.

RESULTS FROM OPERATIONS

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

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

Three Months Ended	Sep-22	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21	Dec-20
Exploration costs ($000's)	19,915	22,136	14,869	10,328	8,696	9,358	12,519	4,214
Operating loss ($000's)	26,238	23,666	17,013	12,037	11,835	10,041	13,268	4,945
Net loss ($000's)	20,040	13,513	14,400	8,053	9,142	4,793	10,431	3,271
Net loss per share, basic and diluted ($)	0.16	0.11	0.12	0.07	0.08	0.04	0.09	0.03

Costs have been increasing during 2022 with increased exploration activities being undertaken on a year around basis. Other relevant factors, such as the financial position of the Company, other corporate initiatives, and the scope of planned exploration/project work, could affect the level of exploration activities, operating loss, and net loss in any particular period.

Filo Mining incurred net losses of $20.0 million and $48.0 million, respectively, for the three and nine months ended September 30, 2022 (2021 – $9.1 million and $24.4 million), including operating losses of $26.2 million and $66.9 million, respectively (2021 – $11.8 million and $35.1 million) and net gains of $4.0 million and $16.6 million, respectively, from the use of marketable securities (2021 – $2.5 million and $10.6 million). Exploration and project investigation costs are generally the most significant expenditures for the Company and for the three and nine months ended September 30, 2022, they accounted for approximately 76% and 85% of the operating loss for the respective periods (2021 – 73% and 87%). This is reflective of the Company's accounting policy to expense its exploration costs through the consolidated statement of comprehensive loss, except for mineral property option payments and mineral property acquisition costs, which are capitalized.

Exploration and project investigation costs for the three and nine months ended September 30, 2022 were $19.9 million and $56.9 million, respectively, which increased relative to the comparative 2021 periods (2021 – $8.7 million and $30.6 million). The increases of the current periods are primarily the result of larger work programs undertaken and continued drill and field operations through the third quarter of 2022, which have culminated in the Company's first South American winter operations this year. By comparison, during the three and nine months ended September 30, 2021, the 2020/2021 drill campaign concluded in May 2021, with only winterization and maintenance of the field camp and access roads having taken place in preparation for an early start to the 2021/2022 campaign and year-round operations for 2022. In addition, during the three and nine months ended September 30, 2022, the Company opened and maintained its Chilean access to the Filo del Sol Project, which was not opened in the comparative 2021 periods, resulting in higher roadwork costs.

Detailed breakdowns of exploration costs are provided in note 10 to the 2022 Financial Statements.

Excluding share-based compensation expense, administration costs for the three and nine months ended September 30, 2022 totalled $2.3 million and $3.9 million, respectively (2021 – $1.6 million and $2.6 million). The increase observed in administration costs, excluding share-based compensation, for the three and nine months ended September 30, 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 for the three and nine months ended September 30, 2022, relative to the 2021 comparative periods.

Share-based compensation expense for the three and nine months ended September 30, 2022, was $5.1 million and $7.5 million, respectively (2021 – $2.0 million and $2.6 million). Share based compensation is a non-cash cost which reflects the amortization of the estimated fair value of share options over their vesting period. The fair value of share options is calculated using the Black-Scholes pricing model, which relies heavily on the Company's share price and historical share price volatility. Due to the hiring of additional employees and the material increase in the Company's share price since 2021, the calculated fair value of the Company's share options has increased considerably, resulting in a higher share-based compensation expense being recognized. 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.

Interest income has increased to $616,062 and $1,092,868 for the three and nine months ended September 30, 2022, respectively (2021 – $36,813 and $136,621), which is due to the significant increase to the Company's average treasury balance following the closing of the Private Placement, combined with increases in the interest rates offered by the Canadian financial institutions with which the Company holds funds.

During the three and nine months ended September 30, 2022, the Company recognized net monetary gains of $452,945 and $542,692, respectively (2021 – gains of $111,751 and $122,272) in relation to the application of hyperinflationary accounting for the Company's Argentine subsidiary. The monetary gains recognized are the result of changes in the Argentine price indices and changes to the Company's net monetary position during the three and nine months ended September 30, 2022. Further discussion regarding the application of hyperinflationary accounting has been provided in the note 4 to the 2022 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 and nine months ended September 30, 2022, the Company recognized gains of $4.0 million and $16.6 million (2021 – $2.5 million and $10.6 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 increase in the gains is primarily the result of more funds provided to its Argentine subsidiary, and an overall increase in the size of the premiums realized by the Company during the three and nine months ended September 30, 2022, relative to the comparative 2021 periods.

Other foreign exchange gains for the three and nine months ended September 30, 2022 totalled $1,123,363 and $687,433, respectively (2021 – gain of $7,776 and a loss of $72,003), which increased relative to the 2021 comparative periods due to larger average US dollar balances held and depreciation of the Canadian dollar, the Company's functional currency, relative to the US dollar from the time of when the US dollars were purchased and September 30, 2022.

In other comprehensive income, the Company reported a foreign exchange translation gain of $146,651 and a loss of $93,427 for the three and nine months ended September 30, 2022, respectively (2021 – losses of $395,822 and $544,532) on translation of subsidiary company accounts from their respective functional currencies to the Canadian dollar presentation currency. The foreign exchange translation losses reported in the current periods are primarily the result of fluctuations of the Canadian dollar relative to the Chilean peso over the respective periods. For the three and nine months ended September 30, 2022, the impacts of hyperinflation amounted to a loss of $26,523 and a gain of $408,885, respectively (2021 – gains of $38,283 and $174,997) and consist of adjustments recognized on the continuing inflation of opening non-monetary balances during the respective periods and the ongoing translation of the Company's Argentine subsidiary into the Canadian dollar presentation currency.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2022, the Company had cash and cash equivalents of $91.7 million and net working capital of $76.9 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 cash equivalents and net working capital is due to $100.4 million in net proceeds generated by the Private Placement and $4.3 million in gross proceeds received by the Company in relation to the exercise of stock options during the nine months ended September 30, 2022. These cash inflows have been partially offset by funds used in operations and for general corporate purposes, plus mineral property payments and amounts used in the acquisition of equipment and facilities for the Filo del Sol Project.

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

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

RELATED PARTY TRANSACTIONS

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. During the three and nine months ended September 30, 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. Josemaria ceased to be a related party of the Company as of April 28, 2022, following the acquisition of all of Josemaria's issued and outstanding common shares by Lundin Mining Corporation.

Related party services

The Company has an ongoing cost sharing arrangement with NGEx Minerals and, through April 28, 2022, Josemaria. Under the terms of these arrangements, the Company provides management, technical, administrative and/or financial services (collectively, "Management Services") to NGEx Minerals and Josemaria, and vice versa. These transactions were incurred in the normal course of operations, and are summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Management Services to NGEx Minerals	$ 213,513	$ 164,856	$ 607,859	$ 348,555
Management Services to Josemaria	-	35,222	42,374	225,766
Management Services from NGEx Minerals	(87,032)	(97,133)	(261,700)	(438,156)
Management Services from Josemaria	-	(2,023)	-	(99,434)

Related party balances

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

	Related Party		September 30, 2022		December 31, 2021
Receivables and other assets	NGEx Minerals	$	162,656	$	15,113
Receivables and other assets	Josemaria		-		46,678
Accounts payable and accrued liabilities	NGEx Minerals		(39,776)		(24,343)
Accounts payable and accrued liabilities	Josemaria		-		(1,667)

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 September 30,				Nine months ended September 30,		
		2022		**2021**		**2022**		**2021**
Salaries	$	299,167	$	260,833	$	834,167	$	697,833
Short-term employee benefits		9,597		7,515		25,015		20,709
Directors fees		51,884		39,150		166,417		104,779
Stock-based compensation		3,548,283		1,210,940		5,451,494		1,609,625
Incentive bonuses		1,165,000		1,030,000		1,165,000		1,030,000
	$	**5,073,931**	**$**	**2,548,438**	**$**	**7,642,093**	**$**	**3,462,946**

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:

Cash equivalents

Cash equivalents are comprised of short-term, highly liquid investments that can be readily cashed within 90 days of purchase or less without significant change in value.

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 method and rate currently used by the Company for its Facilities is 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 and nine months ended September 30, 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 and cash equivalents, 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 September 30, 2022, the Company's financial instruments are exposed to the following financial risks, including credit and currency risks:

(i) Credit risk associated with cash and cash equivalents 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 September 30, 2022, 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 $19.9 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 $2.0 million financial position/comprehensive loss.

OUTSTANDING SHARE DATA

As at November 10, 2022, the Company had 123,040,985 common shares outstanding and 6,051,199 share options outstanding under its share-based incentive plan.

FINANCIAL INFORMATION

The Company's next scheduled financial report will be for the year ended December 31, 2022, which is expected to be published on or around March 17, 2023.

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 and nine months ended September 30, 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 is 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 and nine months ended September 30, 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 nine months ended September 30, 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 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 current or future drilling at Filo del Sol, including the exploration results of the recent Bonita Zone discovery and the Company's current interpretation of Filo del Sol as part of a multikilometer, northeast-trending alignment of overlapping porphyry-centered hydrothermal systems; exploration and development plans and expenditures, including but not limited to its plans to add additional rigs, the sequencing or prioritization of drill targets, and the continuation of winter or 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 have adequately anticipated the challenges of winter operation, including but not limited to significant weather events and potential supply chain disruptions; the anticipated use of proceeds from the Private Placement or Anti-dilution Top-Up 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		**September 30, 2022**		**December 31, 2021**
ASSETS					
Current assets					
Cash and cash equivalents		$	91,675,894	$	19,416,984
Receivables and other assets	*5*		706,127		697,660
			92,382,021		20,114,644
Non-current assets					
Taxes receivable	*5*		1,747,173		2,314,091
Equipment and facilities	*6*		290,511		168,347
Mineral properties	*7*		9,101,436		8,062,918
			11,139,120		10,545,356
TOTAL ASSETS			103,521,141		30,660,000
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities			15,454,962		7,062,830
TOTAL LIABILITIES			15,454,962		7,062,830
SHAREHOLDERS' EQUITY					
Share capital	*8*		287,175,339		180,266,718
Contributed surplus			13,741,905		8,544,029
Deficit			(211,065,518)		(163,112,572)
Accumulated other comprehensive loss			(1,785,547)		(2,101,005)
TOTAL SHAREHOLDERS' EQUITY			88,066,179		23,597,170
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	103,521,141	$	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 September 30, 2022		Three months ended September 30, 2021		Nine months ended September 30, 2022		Nine months ended September 30, 2021
Expenses									
Exploration and project investigation	*10*	$	19,915,079	$	8,695,705	$	56,919,222	$	30,572,513
General and administration:									
Salaries and benefits			1,710,298		1,372,642		2,470,993		1,869,227
Share-based compensation	*9c*		3,996,111		1,491,058		6,065,824		1,971,705
Management fees			49,725		32,025		149,175		96,075
Professional fees			68,879		52,223		149,250		104,231
Travel			96,148		4,520		137,009		4,693
Promotion and public relations			139,973		77,149		249,716		205,540
Office and general			262,254		109,600		776,163		320,766
Operating loss			26,238,467		11,834,922		66,917,352		35,144,750
Other income and expenses									
Interest income			(616,062)		(36,813)		(1,092,868)		(136,621)
Financing costs			-		32		-		338
Net monetary gain	*4*		(452,945)		(111,751)		(542,692)		(122,272)
Gain on use of marketable securities	*13*		(4,006,398)		(2,536,856)		(16,638,816)		(10,590,513)
Other foreign exchange loss (gain)			(1,123,363)		(7,776)		(687,433)		72,003
Other recoveries			-		-		(2,597)		(1,385)
Net loss			20,039,699		9,141,758		47,952,946		24,366,300
Other comprehensive loss									
Items that may be reclassified subsequently to net loss:									
Foreign currency translation adjustment			(146,651)		395,822		93,427		544,532
Impact of hyperinflation	*4*		26,523		(38,283)		(408,885)		(174,997)
Comprehensive loss		$	19,919,571	$	9,499,297	$	47,637,488	$	24,735,835
Basic and diluted loss per common share		$	0.16	$	0.08	$	0.40	$	0.22
Weighted average common shares outstanding			122,447,129		113,307,690		120,196,926		112,125,197

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

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

	Note	**Nine months ended September 30, 2022**	**2021**
Cash flows used in operating activities			
Net loss for the period		$ (47,952,946)	$ (24,366,300)
Items not involving cash			
Share-based compensation	*9c*	7,450,932	2,626,088
Financing costs		-	338
Net monetary loss		978,192	503,437
Unrealized foreign exchange loss (gain)		(1,450,646)	28,249
Depreciation	*6*	10,373	-
Net changes in working capital and other items:			
Receivables and other		(60,045)	338,867
Trade payables and accrued liabilities		10,811,207	1,014,301
		(30,212,933)	(19,855,020)
Cash flows from (for) financing activities			
Proceeds from option exercises		4,260,084	6,947,809
Proceeds from equity financings, net		100,395,481	-
Repayment of lease liabilities		-	(12,738)
		104,655,565	6,935,071
Cash flows for investing activities			
Acquisition of equipment and facilities	*6*	(82,111)	-
Mineral properties and related expenditures	*7*	(1,118,190)	-
		(1,200,301)	-
Effect of exchange rate change on cash and cash equivalents		(983,421)	(470,073)
Increase (decrease) in cash and cash equivalents during the period		72,258,910	(13,390,022)
Cash and cash equivalents, beginning of the period		19,416,984	36,326,118
Cash and cash equivalents, end of the period		$ 91,675,894	$ 22,936,096

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	*9c*	-	-	2,626,088	-	-	2,626,088
Shares issued pursuant to stock option exercises	*9b*	3,030,537	10,265,083	(3,317,274)	-	-	6,947,809
Net loss and other comprehensive loss		-	-	-	(24,366,300)	(369,535)	(24,735,835)
Balance, September 30, 2021		**113,801,307**	**$ 176,384,694**	**$ 9,072,305**	**$ (155,059,663)**	**$ (2,007,590)**	**$ 28,389,746**
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*	6,314,047	100,682,181	-	-	-	100,682,181
Share issuance costs	*8*	-	(286,700)	-	-	-	(286,700)
Share-based compensation	*9c*	-	-	7,450,932	-	-	7,450,932
Shares issued pursuant to stock option exercises	*9b*	1,590,999	6,513,140	(2,253,056)	-	-	4,260,084
Net loss and other comprehensive loss			-	-	(47,952,946)	315,458	(47,637,488)
Balance, September 30, 2022		**122,947,985**	**$ 287,175,339**	**$ 13,741,905**	**$ (211,065,518)**	**$ (1,785,547)**	**$ 88,066,179**

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. 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 2200, 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 Accounting Standard 34, *Interim Financial Reporting of International Financial Reporting Standards*, as issued by the International Accounting Standards Board ("IFRS"). 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, with the addition of the policies as described in Note 3 below. Certain prior year comparatives have been reclassified to align with current year presentation. Specifically, interest income is now separately presented on the condensed interim consolidated statements of comprehensive loss.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 10, 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, with the addition of the following:

Cash equivalents

Cash equivalents are comprised of short-term, highly liquid investments that can be readily cashed within 90 days of purchase or less without significant change in value.

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 method and rate currently used by the Company for its Facilities is 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 Argentinian 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 Argentinian 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 $26,523 and a gain of $408,885, respectively, for the three and nine months ended September 30, 2022 (2021 – gains of $38,283 and $174,997) in relation to the impact of hyperinflation within other comprehensive income, which is primarily the result of continued inflation, and depreciation of the Argentinian Peso relative to the Canadian dollar from the time that funding was provided to the Argentinian operating subsidiary, during the three and nine months ended September 30, 2022, to the end of 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 $452,945 and $542,692, respectively, for the three and nine months ended September 30, 2022 (2021 – gains of $111,751 and $122,272), to adjust transactions recorded during the period into a measuring unit current as of September 30, 2022.

The level of the IPC at September 30, 2022 was 967.3 (December 31, 2021 – 582.5), which represents an increase of approximately 66% over the IPC at December 31, 2021, and an approximate 26% increase over the average level of the IPC during the nine months ended September 30, 2022.

(Expressed in Canadian Dollars, unless otherwise stated)

5. RECEIVABLES AND OTHER ASSETS

		September 30, 2022		December 31, 2021
Current				
Taxes receivable	$	128,090	$	59,150
Other receivables		231,855		237,238
Prepaid expenses and deposits		346,182		401,272
		706,127		**697,660**
Non-current				
Taxes receivable		1,747,173		2,314,091
	$	**2,453,300**	**$**	**3,011,751**

Pursuant to statutory 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	8,068	5,852	41,524	55,444
Reclassifications	-	(224,530)	224,530	-
September 30, 2022	**$ 39,848**	**$ -**	**$ 266,054**	**$ 305,902**
Accumulated depreciation				
January 1, 2021	$ -	$ -	$ -	$ -
December 31, 2021	**$ -**	**$ -**	**$ -**	**$ -**
Depreciation	-	-	(10,373)	(10,373)
Adjustment for the impacts of hyperinflation	-	-	(5,018)	(5,018)
September 30, 2022	**$ -**	**$ -**	**$ (15,391)**	**$ (15,391)**
Net book amount				
December 31, 2021	**$ 31,780**	**$ 136,567**	**$ -**	**$ 168,347**
September 30, 2022	**39,848**	**-**	**250,663**	**290,511**

(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**	**$**	**8,062,918**
Additions		-		1,118,190		1,118,190
Adjustment for the impacts of hyperinflation		145,917		-		145,917
Effect of foreign currency translation		-		(225,589)		(225,589)
September 30, 2022	**$**	**3,639,742**	**$**	**5,461,694**	**$**	**9,101,436**

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. In June 2022, the Company made a US$500,000 payment pursuant to the Option Amendments and as at September 30, 2022, the Company's total remaining option payments were as follows:

Payment by:	Amount (US$)
June 30, 2023	750,000
June 30, 2024	950,000
June 30, 2025	1,050,000
June 30, 2026	12,000,000
TOTAL	**14,750,000**

In addition, in June 2022, the Company acquired a five-hectare claim block, which is located within the broader Tamberias property area (the "Austral Claims"). Prior to the acquisition, the Austral Claims were the only claim blocks within the Tamberias property footprint that were not owned or controlled by the Company. The Austral Claims were acquired for a purchase price of US$400,000.

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 consisted 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 were subject to a statutory four-month hold period in accordance with applicable securities regulations, which ended July 12, 2022.

In connection with the Private Placement, BHP has been granted certain participation and top-up rights (the "Top-Up Provision"), allowing BHP to maintain its ownership interest from time to time, provided that such participation rights will not apply to any portion of BHP's ownership interest in excess of a 9.9% undiluted ownership level in the Company. On July 29, 2022, the Company closed a non-brokered private placement to BHP in accordance with the Top-Up Provision, whereby the Company sold 44,047 common shares to BHP for gross proceeds of $675,681, less share issuance costs of $17,949.

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. In addition, the Company and BHP have agreed to form a joint advisory committee to share expertise, exploration concepts, and discuss future project development.

9. SHARE OPTIONS

a) Share option plan

The Company has a share option plan adopted by the Board of Directors on July 8, 2016 and amended May 6, 2022, which reserves an aggregate of 10% of the issued and outstanding shares of the Company for issuance upon the exercise of options granted. The granting, vesting and terms of the share options are at the discretion of the Board of Directors.

(Expressed in Canadian Dollars, unless otherwise stated)

b) Share options outstanding

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

	Number of shares issuable pursuant to share options		Weighted average exercise price per share
Balance at January 1, 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**	**$**	**3.47**
Options granted	1,540,000		17.17
Exercised	(1,590,999)		(2.68)
Forfeited	(42,400)		(14.06)
Balance at September 30, 2022	**6,144,199**	**$**	**7.04**

The weighted average share price on the exercise date for the share options exercised during the nine months ended September 30, 2022 was $18.65.

The Company uses the Black-Scholes option pricing model to estimate the fair value for all options granted and the resulting stock-based compensation. The weighted average assumptions used in this pricing model, and the resulting fair value per option, for the 1,540,000 share options granted during the nine months ended September 30, 2022, were as follows:

	For the nine months ended September 30, 2022
Risk-free interest rate	2.8%
Expected life	4.8 years
Expected volatility	62.9%
Expected dividends	Nil
Fair value per option	$9.29

(Expressed in Canadian Dollars, unless otherwise stated)

The following table details the share options outstanding and exercisable as September 30, 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	1,168,333	2.9	$	1.91	1,168,333	2.9	$	1.91
$	2.20	1,245,000	0.9	$	2.20	1,245,000	0.9	$	2.20
$	2.75	1,235,000	2.0	$	2.75	1,235,000	2.0	$	2.75
$	8.95	957,666	3.9	$	8.95	638,444	3.9	$	8.95
$	11.00	15,000	3.7	$	11.00	10,000	3.7	$	11.00
$	12.90	5,200	4.1	$	12.90	5,200	4.1	$	12.90
$	15.42	80,000	5.0	$	15.42	26,667	5.0	$	15.95
$	16.03	226,000	4.9	$	16.03	75,333	4.9	$	16.03
$	16.93	952,000	4.9	$	16.93	317,333	4.9	$	16.93
$	19.45	210,000	4.5	$	19.45	70,000	4.5	$	19.45
$	20.10	50,000	4.7	$	20.10	16,667	4.7	$	20.10
		6,144,199	**2.9**	**$**	**7.04**	**4,807,977**	**2.5**	**$**	**4.78**

c) Share-based compensation

		Three months ended September 30,				Nine months ended September 30,		
		2022		2021		2022		2021
Exploration and project investigation	$	1,063,765	$	548,651	$	1,385,108	$	654,383
General and administration		3,996,111		1,491,058		6,065,824		1,971,705
	$	**5,059,876**	**$**	**2,039,709**	**$**	**7,450,932**	**$**	**2,626,088**

10. EXPLORATION AND PROJECT INVESTIGATION

All exploration and project investigation costs are related to the Filo del Sol Project. Costs have been increasing during 2022 with increased exploration activities being undertaken on a year around basis.

(Expressed in Canadian Dollars, unless otherwise stated)

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

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Land holding and access costs	$ 75,040	$ 91,392	$ 232,739	$ 115,052
Drilling, fuel, camp costs and field supplies	8,803,466	3,077,011	29,188,011	14,712,657
Roadwork, travel and transport	4,200,435	1,437,100	9,493,764	4,114,329
Conceptual and engineering studies	72,990	-	111,525	-
Consultants, geochemistry and geophysics	374,390	259,937	1,053,985	781,520
Environmental and community relations	485,784	133,770	1,434,060	610,606
VAT and other taxes	2,991,953	1,448,134	9,543,630	5,232,505
Office, field and administrative salaries, overhead and other administrative costs	1,665,739	1,190,001	3,637,446	2,710,870
COVID-19-related health and safety	181,517	509,709	838,954	1,640,591
Share-based compensation	1,063,765	548,651	1,385,108	654,383
	$ 19,915,079	**$ 8,695,705**	**$ 56,919,222**	**$ 30,572,513**

(Expressed in Canadian Dollars, unless otherwise stated)

11. RELATED PARTY TRANSACTIONS

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. During the three and nine months ended September 30, 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. Josemaria ceased to be a related party of the Company as of April 28, 2022, following the acquisition of all of Josemaria's issued and outstanding common shares by Lundin Mining Corporation.

a) Related party services

The Company has an ongoing cost sharing arrangement with NGEx Minerals and, through April 28, 2022, Josemaria. Under the terms of these arrangements, the Company provides management, technical, administrative and/or financial services (collectively, "Management Services") to NGEx Minerals and Josemaria, and vice versa. These transactions were incurred in the normal course of operations, and are summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Management Services to NGEx Minerals	$ 213,513	$ 164,856	$ 607,859	$ 348,555
Management Services to Josemaria	-	35,222	42,374	225,766
Management Services from NGEx Minerals	(87,032)	(97,133)	(261,700)	(438,156)
Management Services from Josemaria	-	(2,023)	-	(99,434)

b) Related party balances

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

	Related Party	**September 30, 2022**	**December 31, 2021**
Receivables and other assets	NGEx Minerals	$ 162,656	$ 15,113
Receivables and other assets	Josemaria	-	46,678
Accounts payable and accrued liabilities	NGEx Minerals	(39,776)	(24,343)
Accounts payable and accrued liabilities	Josemaria	-	(1,667)

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.

(Expressed in Canadian Dollars, unless otherwise stated)

d) Key management compensation

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

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Salaries	$ 299,167	$ 260,833	$ 834,167	$ 697,833
Short-term employee benefits	9,597	7,515	25,015	20,709
Directors fees	51,884	39,150	166,417	104,779
Stock-based compensation	3,548,283	1,210,940	5,451,494	1,609,625
Incentive bonuses	1,165,000	1,030,000	1,165,000	1,030,000
	$ 5,073,931	**$ 2,548,438**	**$ 7,642,093**	**$ 3,462,946**

(Expressed in Canadian Dollars, unless otherwise stated)

12. SEGMENTED INFORMATION

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

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

As at			Filo del Sol Project		Corporate		Total
September 30, 2022	Current assets	$	10,308,698	$	82,073,323	$	92,382,021
	Taxes receivable		1,747,173		-		1,747,173
	Equipment and facilities		290,511		-		290,511
	Mineral properties		9,101,436		-		9,101,436
	Total assets	$	21,447,818	$	82,073,323	$	103,521,141
	Current liabilities	$	15,030,836	$	424,126	$	15,454,962
December 31, 2021	Current assets	$	6,524,265	$	13,590,379	$	20,114,644
	Taxes receivable		2,314,091		-		2,314,091
	Equipment and facilities		168,347		-		168,347
	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 September 30,		**Filo del Sol Project**	**Corporate**	**Total**
2022	Exploration and project investigation	$ 19,915,079	$ -	$ 19,915,079
	Gain on use of marketable securities	(4,006,398)	-	(4,006,398)
	General and administration and other items	(452,945)	4,583,963	4,131,018
	Net loss	**$ 15,455,736**	**$ 4,583,963**	**$ 20,039,699**
2021	Exploration and project investigation	$ 8,695,705	$ -	$ 8,695,705
	Gain on use of marketable securities	(2,536,705)	-	(2,536,705)
	General and administration and other items	(111,751)	3,094,660	2,982,909
	Net loss	**$ 6,047,098**	**$ 3,094,660**	**$ 9,141,758**

Nine months ended September 30,		**Filo del Sol Project**	**Corporate**	**Total**
2022	Exploration and project investigation	$ 56,919,222	$ -	$ 56,919,222
	Gain on use of marketable securities	(16,638,816)	-	(16,638,816)
	General and administration and other items	(542,692)	8,215,232	7,672,540
	Net loss	**$ 39,737,714**	**$ 8,215,232**	**$ 47,952,946**
2021	Exploration and project investigation	$ 30,572,513	$ -	$ 30,572,513
	Gain on use of marketable securities	(10,590,513)	-	(10,590,513)
	General and administration and other items	(122,272)	4,506,572	4,384,300
	Net loss	**$ 19,859,728**	**$ 4,506,572**	**$ 24,366,300**

13. USE OF MARKETABLE SECURITIES

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

The Company does not acquire marketable securities or engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large, established companies, with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations 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 and nine months ended September 30, 2022, the Company realized net gains of $4,006,398 and $16,638,816, respectively (2021 – $2,536,856 and $10,590,513). The net gain for the three months ended September 30, 2022 was comprised of a favorable foreign currency impact of $4,554,105 (2021 – $3,025,773) and a trading loss of $547,707 (2021 – $488,917), including the impact of fees and commissions. For the nine months ended September 30, 2022, the net gain was comprised of a favorable foreign currency impact of $18,274,939 (2021 – $13,042,733) and a trading loss of $1,636,124 (2021 – $2,452,220), including the impact of fees and commissions.

CORPORATE DIRECTORY

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

DIRECTORS
Adam Lundin, Chair
Jamie Beck
Wojtek Wodzicki
Ron Hochstein
Erin Johnston
Alessandro Bitelli
Carmel Daniele
William Lundin

AUDITORS
PricewaterhouseCoopers LLP
Vancouver, British Columbia, Canada

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

CORPORATE OFFICE
Suite 2000 - 885 West Georgia Street
Vancouver, British Columbia
Canada V6C 3E8
Telephone: +1 604 689-7842
Fax: +1 604 689-4250

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

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

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