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ANNUAL INFORMATION FORM
For the Year Ended December 31, 2016

March 28, 2017

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DEFINITIONS

In this Annual Information Form, all units are SI metric unless otherwise noted. Abbreviations are as defined below unless the context otherwise indicates:

Ag means silver.

AIF means this Annual Information Form.

Au means gold.

CIM means the Canadian Institute of Mining, Metallurgy and Petroleum.

Cu means copper.

Filo del Sol Project means the Filo del Sol copper-gold-silver project located in San Juan Province, Argentina.

Filo del Sol Report means the the NI 43-101 technical report dated June 10, 2016, prepared by Fionnuala Devine, P. Geo., Diego Charchaflié, P. Geo., and James N. Gray, P. Geo., titled “Geological Report for the Filo del Sol Property, Region II, Chile and San Juan Province, Argentina” with an effective date of May 30, 2016.

Filo Mining or the **Corporation** means Filo Mining Corp., including its subsidiaries.

g/t means grams per tonne.

ha means hectare.

LOM means life of mine.

m means metre.

MD&A means Management’s Discussion and Analysis of results of operations and financial condition of the Corporation for the fiscal year ended December 31, 2016, dated March 28, 2017.

Mineral Resource has the meaning set out in the CIM definition standards.

Mineral Reserve has the meaning set out in the CIM definition standards.

National Instrument 43-101 or **NI 43-101** means National Instrument 43-101 “Standards of Disclosure for Mineral Projects” adopted by the Canadian Securities Administrators.

NGEx means NGEx Resources Inc., a company incorporated pursuant to the laws of Canada.

Oz means ounces.

QA/QC means quality assurance / quality control.

Qualified Person means a qualified person within the meaning of National Instrument 43-101.

SEDAR means the System for Electronic Document Analysis and Retrieval.

SI means International System of Units.

TSXV means the TSX Venture Exchange.

US\$ means United States dollars.

CAUTIONARY NOTE TO U.S. READERS CONCERNING MINERAL RESERVE AND RESOURCE ESTIMATES

Information concerning the properties and operations of Filo Mining has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies. The terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” are Canadian mining terms as defined in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“**NI 43-101**”) and the Canadian Institute of Mining, Metallurgy and Petroleum (“**CIM**”) as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted and updated by the CIM Council, on May 10, 2014. While the terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” are recognized and required by Canadian regulations, they are not defined terms under standards of the United States Securities and Exchange Commission and are not normally permitted to be used in documents filed with the Securities and Exchange Commission. Under United States standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. As such, certain information contained in this Annual Information Form (“**AIF**”) concerning descriptions of mineralization and resources under Canadian standards is not comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission. An “Inferred Mineral Resource” has a great amount of uncertainty as to its existence and as to its economic and legal feasibility. It cannot be assumed that all or any part of an “Inferred Mineral Resource” will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies except in rare cases. Readers are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. Readers are also cautioned not to assume that all or any part of an “Inferred Mineral Resource” exists, or is economically or legally mineable. In addition, the definitions of “Proven Mineral Reserves” and “Probable Mineral Reserves” under CIM standards differ in certain respects from the standards of the United States Securities and Exchange Commission. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with United States standards.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This AIF and documents incorporated by reference herein contain forward-looking information within the meaning of applicable Canadian securities legislation and forward-looking statements (collectively referred to as “forward-looking statements”). All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements include, but are not limited to, statements with respect to the estimation of commodity prices, Mineral Resources, potential development scenarios, potential production rates, costs and timing of the development of new deposits, the success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining activities, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” “potentially” or “will be taken”, “occur” or “be achieved” or “has the potential to”. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking statements including, but not limited to, risks and uncertainties relating to, among other things, changes in commodity prices, currency fluctuation, financing, unanticipated variations in resource grades or tonnages, 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 and other risks and uncertainties described under “Risks Factors” in this AIF and in the Management’s Discussion and Analysis for the year ended December 31, 2016, available under the Corporation’s profile at www.sedar.com, as well as the following: global financial conditions; the market price of the Corporation’s securities; volatility in market prices for copper and gold; ability to access capital; changes in foreign

currency exchange rates and interest rates; liabilities and risks inherent in exploration and development operations; uncertainties associated with estimating Mineral Resources and production; uncertainty as to reclamation and decommissioning liabilities; failure to obtain industry partner and other third party consents and approvals when required; delays in obtaining permits and licenses for development properties; competition for, among other things, capital, acquisitions of mineral reserves, undeveloped lands and skilled personnel; public resistance to mining; mining industry competition and international trade restrictions; incorrect assessments of the value of acquisitions; property title risk; geological, technical and processing problems; the ability of the Corporation to meet its obligations to its creditors; actions taken by regulatory authorities with respect to mining activities; the potential influence of or reliance upon its business partners, and the adequacy of insurance coverage. Accordingly, readers should not place undue reliance on forward looking statements. These factors are not, and should not be construed as being, exhaustive. Statements relating to Mineral Resources are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the Mineral Resources described can be profitably produced in the future. Although the Corporation has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking statements contained in this document are qualified by these cautionary statements. Readers should not place undue reliance on forward-looking statements. The Corporation expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

The financial information in this AIF is taken from the Corporation's audited consolidated financial statements for the year ended December 31, 2016. Readers are cautioned to refer to such financial statements for complete information, as the information in this AIF has been selectively drawn from the financial statements and is not complete.

ITEM 1 INTRODUCTION

1.1. General

References herein to the “Corporation” may include, collectively or individually, one or more of the direct or indirect subsidiaries of Filo Mining.

1.2. Date of Information

This AIF is dated as of March 28, 2017. Unless otherwise indicated, all information in this AIF is as of December 31, 2016.

1.3. Currency

The Corporation reports its financial results and prepares its financial statements in Canadian dollars. All currency amounts in this AIF are expressed in Canadian dollars, unless otherwise indicated. The closing exchange rates for one Canadian dollar in terms of the United States dollar, as quoted by the Bank of Canada, were:

	Year Ended December 31		
	2014	2015	2016
Bank of Canada Noon exchange rate for \$/US\$	US\$0.8620	US\$0.7225	US\$0.7448

1.4. Accounting Policies and Financial Information

Financial information is presented in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Unless otherwise indicated, financial information contained in this AIF is presented in accordance with IFRS.

1.5. Conversion Table

In this AIF, metric units may be used with respect to Filo Mining’s various mineral properties. Conversion rates from imperial measures to metric units and from metric units to imperial measures are provided in the table set out below.

<u>Imperial Measure</u>	=	<u>Metric Unit</u>	<u>Metric Unit</u>	=	<u>Imperial Measure</u>
2.47 acres		1 hectare	0.4047 hectares		1 acre
3.28 feet		1 metre	0.3048 metres		1 foot
0.62 miles		1 kilometre	1.609 kilometres		1 mile
2.2 pounds		1 kilogram	0.454 kilograms		1 pound
0.032 ounces (troy)		1 gram	31.1 grams		1 ounce (troy)
2,204.60 pounds		1 tonne	1 tonne		2,204.60 pounds

1.6. Classification of Mineral Resources

In this AIF, the terms “Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” have the meanings ascribed to those terms by the CIM, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

1.7. Qualified Persons

The disclosure of scientific and technical information regarding the Corporation’s properties in this AIF was prepared by, or reviewed and approved by, Robert Carmichael, P. Eng., the Corporation’s Vice President, Exploration. Mr. Carmichael is a Qualified Persons in accordance with the requirements of NI 43-101.

ITEM 2 CORPORATE STRUCTURE

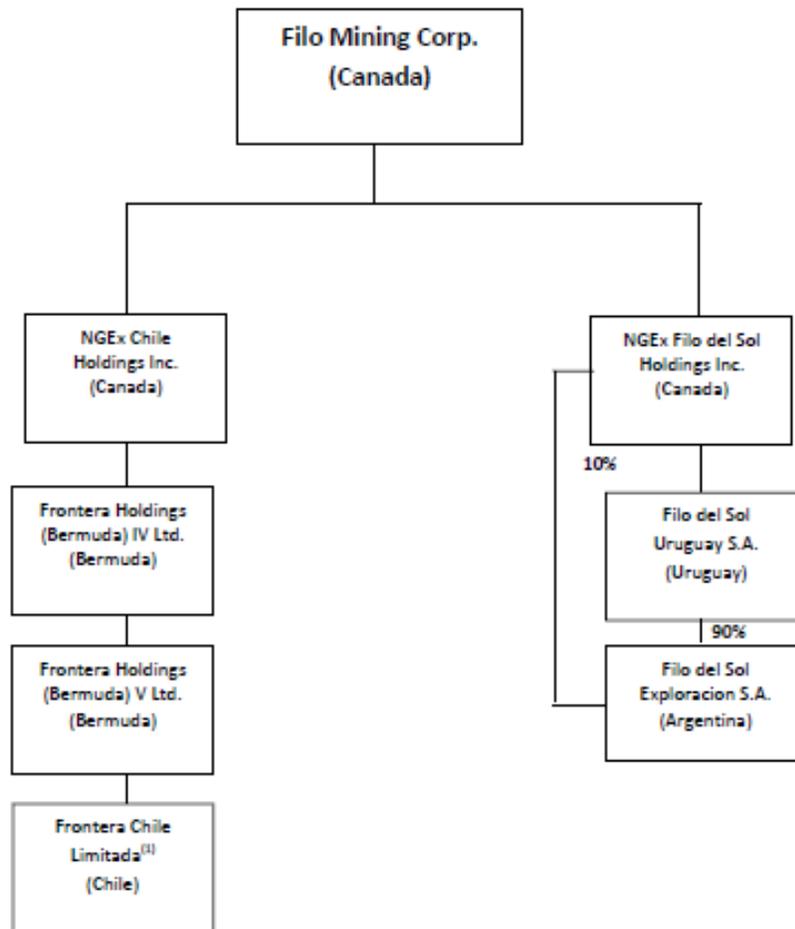
2.1. Name, Address and Incorporation

Filo Mining was incorporated under the *Canada Business Corporations Act* (“CBCA”) on May 12, 2016 as a wholly owned subsidiary of **NGEx** for the purposes of completing a plan of arrangement under the CBCA in accordance with the terms of the arrangement agreement entered into between NGEx and Filo Mining, and pursuant to the court approved plan of arrangement, whereby NGEx transferred to Filo Mining its wholly-owned subsidiaries that directly or indirectly hold the Filo del Sol Project, along with \$3.0 million in cash (the “Arrangement”). Prior to completion of the Arrangement, the sole shareholder of Filo Mining approved certain amendments to its by-laws that reflect the requirements applicable to public companies, such as audit committees, and also an advance notice provision with respect to the election of directors. No other material amendments have been made to Filo Mining’s articles or other constating documents since its incorporation.

Filo Mining’s head and principal business address are all located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8. Filo Mining’s registered office address is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

2.2. Intercorporate Relationships

A significant portion of the Corporation’s business is carried on through its various subsidiaries. The following chart illustrates, as at December 31, 2016, the Corporation’s significant subsidiaries, including their respective jurisdiction of incorporation and the percentage of voting securities in each that are held by the Corporation either directly or indirectly:



Notes:

- (1) In connection with the ownership, 0.01% is held by Pablo Mir, in trust.
- (2) Unless otherwise indicated, ownership is 100%.

ITEM 3 GENERAL DESCRIPTION OF THE BUSINESS

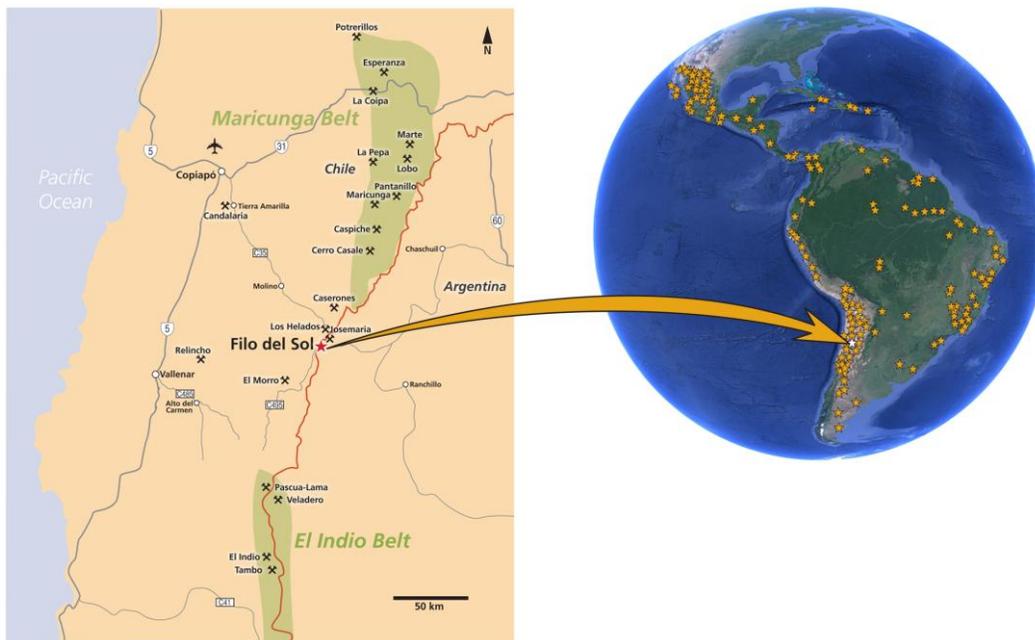
Filo Mining was incorporated on May 12, 2016 as a wholly owned subsidiary of NGEx for the purposes of the Arrangement, whereby NGEx transferred to Filo Mining its wholly owned subsidiaries that directly or indirectly hold the Filo del Sol Project, along with \$3.0 million in cash. Under the terms of the Arrangement, which closed on August 16, 2016, NGEx distributed 100% of the common shares of Filo Mining (the "**Filo Mining Common Shares**") it received under the Arrangement to holders (the "**NGEx Shareholders**") of common shares of NGEx (the "**NGEx Common Shares**") on a pro rata basis, such that NGEx Shareholders received one (1) Filo Mining Common Share for every four (4) NGEx Common Shares held as of August 23, 2016. In addition, each outstanding stock option of NGEx was deemed to be exchanged for a fully-vested replacement stock option of NGEx (an "**NGEx Replacement Option**") and one quarter of one fully-vested stock option of Filo Mining (a "**Filo Option**"), and the exercise prices for the NGEx Replacement Options and the Filo Options were adjusted to reflect the relative value of the shares. As NGEx Shareholders received the Filo Mining Common Shares in their respective, pre-arrangement proportionate interests, no change of control resulted in either the Corporation, or the underlying assets or business acquired. Filo Mining was listed for trading on the TSXV on August 26, 2016 and on Nasdaq First North Exchange on September 1, 2016 under the trading symbol "FIL".

As a result of the Arrangement, Filo Mining owns a 100% interest in the Filo del Sol Project (through direct ownership or option agreements) and intends to concentrate its activities on the exploration of the Filo del Sol Project in Argentina and Chile.

ITEM 4 GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation is principally engaged in the acquisition, exploration and development of precious and base metals properties located in Chile and Argentina. The Corporation’s primary project is its 100% interest (through direct ownership or option agreements) in the Filo del Sol Project, a copper, gold and silver mineral exploration project located in Argentina and Chile, which is in the resource definition stage.

The following map illustrates the Corporation’s Filo del Sol Project location in South America:



Filo del Sol Project, Argentina

The Filo del Sol Project is a high sulphidation epithermal copper-gold-silver system associated with a porphyry copper-gold system. The Filo del Sol Project straddles the international border between San Juan Province, Argentina and Region III, Chile and is comprised of adjacent mineral titles in Chile and Argentina which are 100% controlled by the Corporation through direct ownership or option agreements. It is located approximately 15 km southwest of the Josemaria Project.

See “Item 4.3.2 Filo del Sol Project, Chile and Argentina” under Item 4. Description of the Business below.

4.1. Three Year History

Filo Mining was incorporated under the CBCA on May 12, 2016 for the purposes of the Arrangement. Prior to May 12, 2016, the Corporation had no business operations.

2016

- On August 16, 2016, NGEx and Filo Mining completed the Arrangement, pursuant to which NGEx transferred to Filo Mining its wholly-owned subsidiaries that directly or indirectly hold the Filo del Sol Project, along with \$3.0 million in cash and NGEx Shareholders received one common share of Filo Mining for every four NEX Common Share held as of the record date of the Arrangement. There was no change in shareholders' holdings in NGEx as a result of the Arrangement.

- On August 26, 2016, Filo Mining announced that the Filo Common Shares had commenced trading on the TSXV as a Tier 2 Issuer under the ticker symbol "FIL".
- On September 1, 2016, Filo Mining announced that the Filo Common Shares had been approved for listing on the Nasdaq First North Exchange, which subsequently commenced trading on September 6, 2016 under the symbol "FIL".
- On September 19, 2016, Filo Mining provided an introduction to its 100% controlled Filo del Sol Project located on the border between San Juan Province, Argentina and Region III, Chile and outlined its corporate plans following the Arrangement.
- On October 11, 2016, the Corporation reported recoveries of 95.5% Copper, 93.2% for gold and 92.7% for silver from an initial program of metallurgical testwork on oxide mineralization from the Filo del Sol deposit.
- On November 16, 2016, the Corporation reported that it had closed a private placement, whereby the Corporation had sold an aggregate of 10,000,000 Filo Common Shares at a price of \$2.00 per share for gross proceeds of \$20 million. Net proceeds of the financing will be used towards ongoing work programs in Chile and Argentina as well as for general corporate purposes.
- On November 28, 2016, the Corporation appointed Mr. Pablo Mir to the Corporation's board of directors and appointed Mr. Jeff Yip as the Corporation's Chief Financial Officer.
- On December 5, 2016, the Corporation granted incentive stock options to certain directors, officers, employees and other eligible persons to purchase up to 2,335,000 Filo Mining Common Shares of the Corporation at an exercise price of \$2.00 over a five-year period, subject to vesting provisions.

Subsequent to December 31, 2016

- On January 20, 2017, the Corporation announced details of its 2016/2017 drill program underway at the Filo del Sol Project.
- On February 1, 2017, the Corporation appointed Mr. James Beck as the Corporation's Vice President, Corporate Development and Projects.
- On February 15, 2017, the Corporation announced the first assay results from the 2016/2017 drill program at the Filo del Sol Project.

ITEM 5 DESCRIPTION OF THE BUSINESS

The principal business of the Corporation is mineral exploration, including the identification, acquisition, and evaluation of projects that have the potential to host mineralization that may warrant development into mines. The Corporation is currently focused on its Filo del Sol Project comprised of adjacent land holdings including the Filo del Sol Property located in San Juan Province, Argentina, and the Tamberias Property, located in Region III, Chile.

5.1. General

Specialized Skills and Knowledge

The Corporation's business requires specialized skills and knowledge in the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs, mining, engineering, accounting, and compliance. To date, the Corporation has been able to locate and retain such professionals, employees and consultants and believes it will continue to be able to do so.

Competitive Conditions

The Corporation operates in a competitive industry and competes with other companies, many of which have greater financial resources and technical facilities for the acquisition and development of mineral properties, as well as for the recruitment and retention of qualified employees and consultants.

Business Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. If the global economy stalls and commodity prices decline as a consequence, a continuing period of lower prices could significantly affect the economic potential of many of the Corporation's current properties and result in the Corporation determining to cease work on, or drop its interest in, some or all of such properties.

In addition to commodity price cycles and recessionary periods, exploration activity may also be affected by seasonal and irregular weather conditions in the areas where the Corporation operates.

Environmental Protection

All phases of the Corporation's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner that requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Regulation governing development of mining operations with the potential to affect glaciers continues to evolve in both Chile and Argentina. The Argentine Congress has passed legislation designed to protect the country's glaciers. This law would restrict development on and around glaciers. The detailed regulations that will govern implementation of the law have not yet been written but this legislation could affect the Corporation's ability to develop parts of the Corporation's properties in Argentina, including the Filo del Sol Project. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties, which are unknown to the Corporation at present, which have been caused, by previous or existing owners or operators of the properties. The Corporation is currently engaged in exploration with limited environmental impact. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations.

Employees

As of December 31, 2016, the Corporation has five employees in Canada, 19 full time employees and nine part-time employees in Argentina, and one part time employee in Chile. At the date of this AIF, the Corporation has five employees in Canada, 19 full time employees and eight part-time employees in Argentina, and one part time employee in Chile. Following the Arrangement, the Corporation and NGEx implemented a cost sharing arrangement regarding shared personnel and consulting services in order to leverage off certain synergies. The Corporation also relies on and engages consultants on a contract basis to assist the Corporation in carrying on its administrative and exploration activities.

Foreign Operations

The Corporation conducts a majority of its exploration activities in foreign countries.

Bankruptcy and Similar Procedures

There are no bankruptcy, receivership or similar proceedings against the Corporation, nor is the Corporation aware of any such pending or threatened proceedings. There have not been any voluntary bankruptcy, receivership or similar proceedings by the Corporation within the three most recently completed financial years or currently proposed for the current financial year.

Reorganizations

Other than the Arrangement, there have been no material reorganizations involving the Corporation within most recently completed financial year nor are any reorganizations proposed for the current financial year.

5.2. Risk Factors

The Corporation's projects are subject to various risks and uncertainties, including but not limited to, those listed below. Unless the context indicates or implies otherwise, references in this section to the "Corporation" include the Corporation and its subsidiaries

Exploration and Development Risk

The Corporation's properties are in the early exploration stage and are without a known body of commercial ore. Exploration for Mineral Resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: legal and political risk arising from operating in certain developing countries, civil unrest, general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Corporation's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power; anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices, taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Corporation. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Corporation's business.

Dependence on Single Project

The Filo del Sol Project is the Corporation's sole project and therefore, any adverse development with respect to the Filo del Sol Project will have a material adverse effect on the Corporation.

Mineral Resource Estimates

The Corporation's reported Mineral Resources are estimations only. No assurance can be given that the estimated Mineral Resources will be recovered. By their nature Mineral Resource estimations are imprecise and depend, to a certain extent, upon statistical inferences, which may ultimately prove unreliable because, among other factors, they are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral Resource estimations may require revision (either up or down). Market fluctuations in the price of metals, as well as increases in estimated production costs or reductions in estimated recovery rates, may render certain Mineral Resources uneconomic and may ultimately result in a restatement of Mineral Resource estimations.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty which may attach to Mineral Resources, there is no assurance that all or any part of Measured or Indicated Mineral Resources will ever

be converted into Mineral Reserves; and no assurance that all or any part of an Inferred Mineral Resources exists, or is economically or legally mineable.

Environmental and Socio-Political Risks

The Corporation seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Corporation conducts activities. The Corporation also aims to conduct its activities in accordance with high corporate social responsibility principles. Present or future laws and regulations, however, may affect the Corporation's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. The Corporation is subject to environmental regulation in the various jurisdictions in which it operates. Failure to comply with these laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may also be required to compensate those suffering loss or damage due to the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Furthermore, environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

Programs may also be delayed or prohibited in some areas due to technical factors, new legislative constraints, social opposition or local government capacity or willingness to issue permits to explore in a timely manner.

In parts of Argentina, there is significant environmental opposition to both mineral exploration and mining; however this has not affected properties in San Juan province where the Corporation works.

The Argentine Congress has passed legislation designed to protect the country's glaciers. This law would restrict development on and around glaciers. The detailed regulations that will govern implementation of the law have not yet been written but this legislation could affect the Corporation's ability to develop parts of the Corporation's properties in Argentina including the Filo del Sol Project. The Chilean Congress is also considering legislation designed to protect the country's glaciers. This legislation has not yet been approved but depending on its final language could affect the Corporation's ability to develop the Tamberias property.

Indigenous Peoples

The Corporation operates in some areas including parts of the Tamberias area presently or previously inhabited or used by indigenous peoples. Various international and national laws, codes, resolutions, conventions, guidelines, and other material relate to the rights of indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions, which may affect indigenous people, including actions to approve or grant mining rights or permits. ILO Convention 169, which has been ratified by Argentina and Chile, is an example of such an international convention. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. Examples of recent developments in this area include the United Nations Declaration of the Rights of Indigenous People and the International Finance Corporation's revised Performance Standard 7, which requires governments to obtain the free, prior, and informed consent of indigenous peoples who may be affected by government action, such as the granting of mining concessions or approval of mine permits. The Corporation's current and future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development of the Corporation's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Corporation's activities. Opposition by indigenous people to the Corporation's operations may require modification of, or preclude operation or development of, the Corporation's projects or may require the Corporation to enter into agreements with indigenous people with respect to the Corporation's projects.

Title Risk

The Corporation has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Corporation's investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The Corporation has not conducted surveys of all of its properties, and the precise area and location of claims or the properties may be challenged and no assurances can be given that there are no title defects affecting such properties. The rules governing mining concessions in Chile and Argentina are complex and any failure by the Corporation to meet requirements would have a material adverse effect on the Corporation. Any defects in the title to the Corporation's properties could have a material and adverse effect on the Corporation.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Although the Corporation has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license.

The Corporation is earning an interest in the Tamberias property through an option agreement requiring property payments and acquisition of title to the properties is completed only when the option conditions have been met.

If the Corporation does not satisfactorily complete these option conditions in the period laid out in the option agreements, the Corporation's title to the related property will not vest and the Corporation will have to write down its previously capitalized costs related to that property.

Dependence on Key Personnel

The Corporation's success will largely depend on the efforts and abilities of certain senior officers and key employees. Certain of these individuals have significant experience in the mining industry and, in particular the mining industry in South America. While the Corporation does not foresee any reason why such officers and key employees will not remain with the Corporation, if for any reason they do not, the Corporation could be adversely affected. In addition, certain of these individuals are also senior officers and key employees of NGEx and, pursuant to the terms of a services agreement between the Corporation and NGEx dated August 16, 2016 (the "**Services Agreement**"), the employment costs associated with these individuals are shared between the Corporation and NGEx on a pro-rata basis. If such officers and key employees do not remain employed with NGEx for the purposes of the cost-sharing basis under the Services Agreement, the Corporation could be adversely affected. The Corporation has not purchased key man life insurance for any of these individuals.

No Operating History

Exploration projects have no operating history upon which to base estimates of future cash flows. Substantial expenditures are required to develop mineral projects. It is possible that actual costs and future economic returns may differ materially from Filo Mining's estimates. There can be no assurance that the underlying assumed levels of expenses for any project will prove to be accurate. Further, it is not unusual in the mining industry for new mining operations to experience unexpected problems during start-up, resulting in delays and requiring more capital than anticipated. There can be no assurance that Filo Mining's projects will move beyond the exploration stage and be put into production, achieve commercial production or that Filo Mining will produce revenue, operate profitably or provide a return on investment in the future. Mineral exploration involves considerable financial and technical risk. There can be no assurance that the funds required for exploration and future development can be obtained on a timely basis. There can be no assurance that Filo Mining will not suffer significant losses in the near future or that Filo Mining will ever be profitable.

Surface Access

The Corporation has surface access rights but does not own any surface rights at the Filo del Sol Project. The owners of the surface rights are in agreement with the Corporation's subsidiaries in conducting exploration activities on their ground.

From time to time, a land possessor may dispute the Corporation's surface access rights and, as a result, the Corporation may be barred from its legal temporary occupation rights. Surface access issues have the potential to result in the delay of planned exploration programs, and these delays may be significant. Such delays may have a material adverse effect on the Corporation.

The Corporation may require additional surface rights and property interests to further develop or exploit the resources on its properties, which will require negotiations with private landowners for the additional ownership and/or surface rights in order for the Corporation to fully operate. Surface rights may also be regulated and restricted by applicable law. There is no assurance that the Corporation will be able to obtain the required surface rights or negotiate successfully with private landowners to allow it to develop its properties and establish commercial mining operations on a timely basis. To the extent additional surface rights are available, they may only be acquired at significantly increased prices, potentially adversely impacting financial performance of the Corporation.

Conflicts of Interest

Some of the directors and employees/officers of the Corporation are also directors and employees/officers of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. In addition, certain individuals also serve as officers of NGEx and are subject to the Services Agreement. Such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences will be that corporate opportunities presented to a director or employee/officer of the Corporation may be offered to another corporation or companies with which the director or employee/officer is associated, and may not be presented or made available to the Corporation. The directors and employees/officers of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation, to disclose any interest that they may have in any project or opportunity of the Corporation, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed by the Corporation's Code of Business Conduct and Ethics and the CBCA.

Foreign Operations Risk

The Corporation conducts exploration activities in foreign countries, including Argentina and Chile. Each of these countries exposes the Corporation to risks that may not otherwise be experienced if all operations were located in Canada. The risks vary from country to country and can include, but are not limited to, civil unrest or war, terrorism, illegal mining, changing political conditions, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Corporation's existing assets and operations. Real and perceived political risk may also affect Corporation's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries, which are deemed of national or strategic importance in countries in which the Corporation has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Corporation. There can be no assurance that the Corporation's assets in these

countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Corporation also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Corporation to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Corporation.

Metal Price Risk

The Corporation's portfolios of properties and investments have exposure to predominantly copper, gold, and silver. Commodity prices fluctuate widely and are affected by numerous factors beyond the Corporation's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The prices of these metals greatly affect the value of the Corporation, the price of the common shares of the Corporation and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures, option agreements and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Corporation's assets at different metals prices.

Uncertainty of Funding

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Corporation's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Corporation, a significant disruption to the Corporation's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Corporation will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Corporation needs to raise additional funds, such financing may substantially dilute the interests of shareholders of the Corporation and reduce the value of their investment.

Market Price of Shares

Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Corporation's securities is also likely to be significantly affected by short-term changes in commodity prices, other mineral prices, currency exchange fluctuation, or in its financial condition or results of exploration on its projects. Other factors unrelated to the performance of the Corporation that may have an effect on the price of the securities of the Corporation include the following: the extent of analytical coverage available to investors concerning the business of the Corporation may be limited if investment banks with research capabilities do not follow the Corporation's securities; lessening in trading volume and general market interest in the Corporation's securities may affect an investor's ability to trade significant numbers of securities of the Corporation; the size of the Corporation's public float and its inclusion in market indices may limit the ability of some institutions to invest in the Corporation's securities; and a substantial decline in the price of the securities of the Corporation that persists for a significant period of time could cause the Corporation's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of the Corporation does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Corporation may decline. If an active market does not exist, investors may lose their entire investment in the Corporation. As a result of any of these factors, the market price of the securities of the Corporation at any given point in time may not accurately reflect the long-term value of the Corporation. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future

be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Future offerings of debt or equity securities

The Corporation may require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Corporation raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Corporation's shareholders. Since the Corporation's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Corporation bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Corporation.

Economic and Political Instability in Argentina

The Filo del Sol Project is located in San Juan Province, Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina, especially as there is social opposition to mining operations in certain parts of the country. During an economic crisis in 2001 to 2003 and again in 2014, Argentina defaulted on foreign debt repayments and on the repayment on a number of official loans to multinational organizations. In addition, the government has renegotiated or defaulted on contractual arrangements. The previous Argentinean government placed currency controls on the ability of companies and its citizens to obtain United States dollars, in each case requiring Central Bank approval (resulting in, at times, a limitation on the ability of multi-national companies to distribute dividends abroad in United States dollars) and revoked exemptions previously granted to companies in the oil and gas and mining sectors from the obligation to repatriate 100% of their export revenues to Argentina for conversion in the local foreign exchange markets, prior to transferring funds locally or overseas. Similarly, the government adopted a requirement that importers provide notice to the government and obtain approval for importation before placing orders for certain goods. These measures have been lifted by the new government that took office in December 2015. However, the past actions indicate that the Argentinean government may from time to time alter or impose additional requirements or policies that may adversely affect the Corporation's activities in Argentina or in its ability to attract joint venture partners or obtain financing for its projects in the future.

Infrastructure

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power and water supplies are important determinants that affect costs. The Corporation's ability to obtain a secure supply of power and water at a reasonable cost depends on many factors, including: global and regional supply and demand; political and economic conditions; problems that can affect local supplies; delivery; and relevant regulatory regimes. Power and water are currently in short supply throughout Northern Chile and this may adversely affect the ability of the Corporation to explore and develop its Chilean projects. Unusual or infrequent weather phenomena, sabotage or government, and other interference in the maintenance or provision of such infrastructure could adversely affect the activities and profitability of the Corporation.

Establishing such infrastructure will require significant resources, identification of adequate sources of raw materials and supplies and necessary cooperation from national and regional governments, none of which can be assured. There is no guarantee that the Corporation will secure these power, water and access rights going forward or on reasonable terms.

Current Global Financial Condition

Market events and conditions have caused significant volatility to commodity prices. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. Increased levels of volatility can adversely affect the Corporation's operations and the value and price of the Filo Mining Common Shares. The Corporation is dependent on the equity markets as its main source of operating working capital and the Corporation's capital

resources are largely determined by the strength of the resource markets and by the status of the Corporation's projects in relation to these markets, and its ability to compete for the investor support of its projects. Access to public financing has been negatively impacted by concerns over global growth rates and conditions. Consequently, equity financing may not be available to the Corporation in the amount required at any time or for any period or, if available, it may not be obtained on terms satisfactory to the Corporation.

Currency Risk

The Corporation will transact business in a number of currencies including but not limited to the US Dollar, the Argentine Peso and the Chilean Peso. The Argentine Peso in particular has had significant fluctuations in value relative to the US and Canadian dollars. Ongoing economic uncertainty in Argentina as well as unpredictable changes to foreign exchange rules may result in fluctuations in the value of the Argentine Peso that are greater than those experienced in the recent past. Fluctuations in exchange rates may have a significant effect on the cash flows of the Corporation. Future changes in exchange rates could materially affect the Corporation's results in either a positive or a negative direction. The Corporation does not currently engage in foreign currency hedging activities.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Information Systems and Cyber Security

The Corporation's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Corporation's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Corporation's reputation and results of operations.

Although to date the Corporation has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Corporation will not incur such losses in the future. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Corruption and Bribery

The Corporation is required to comply with anti-corruption and anti-bribery laws, including the *Extractive Sector Transparency Measures Act*, the *Canadian Corruption of Foreign Public Officials Act* and the U.S. *Foreign Corrupt Practices Act*, as well as similar laws in the countries in which the Corporation conducts its business. If the Corporation finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Corporation resulting in a material adverse effect on the Corporation.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential, as well as the necessary labour and supplies required to develop such properties. The Corporation competes with other exploration and mining companies, many of which have greater financial resources, operational experience and technical capabilities than the Corporation, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. The Corporation may not be able to maintain or acquire attractive mining properties on terms it considers acceptable, or at all. Consequently, its financial condition could be materially adversely affected.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Corporation may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Corporation. The Corporation does not maintain insurance against political risks.

Tax

The Corporation runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these countries are complicated and subject to changes. For this reason, future negative effects on the result of the Corporation due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes. The Corporation has no control over withholding tax rates.

5.3. Mineral Projects

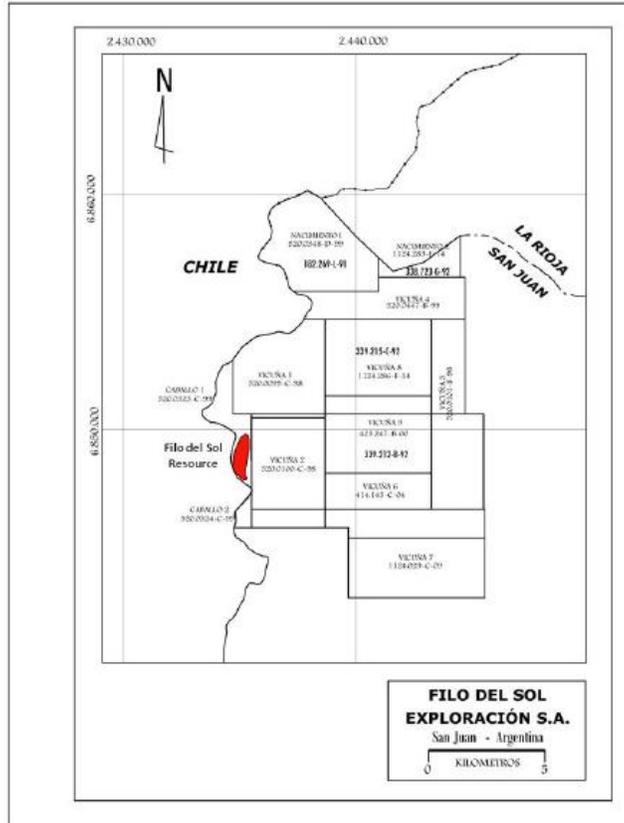
5.3.2. Filo del Sol Project, Chile and Argentina

The Corporation holds a 100% interest in the Filo del Sol Project, which straddles the international border between San Juan Province, Argentina and Region III, Chile.

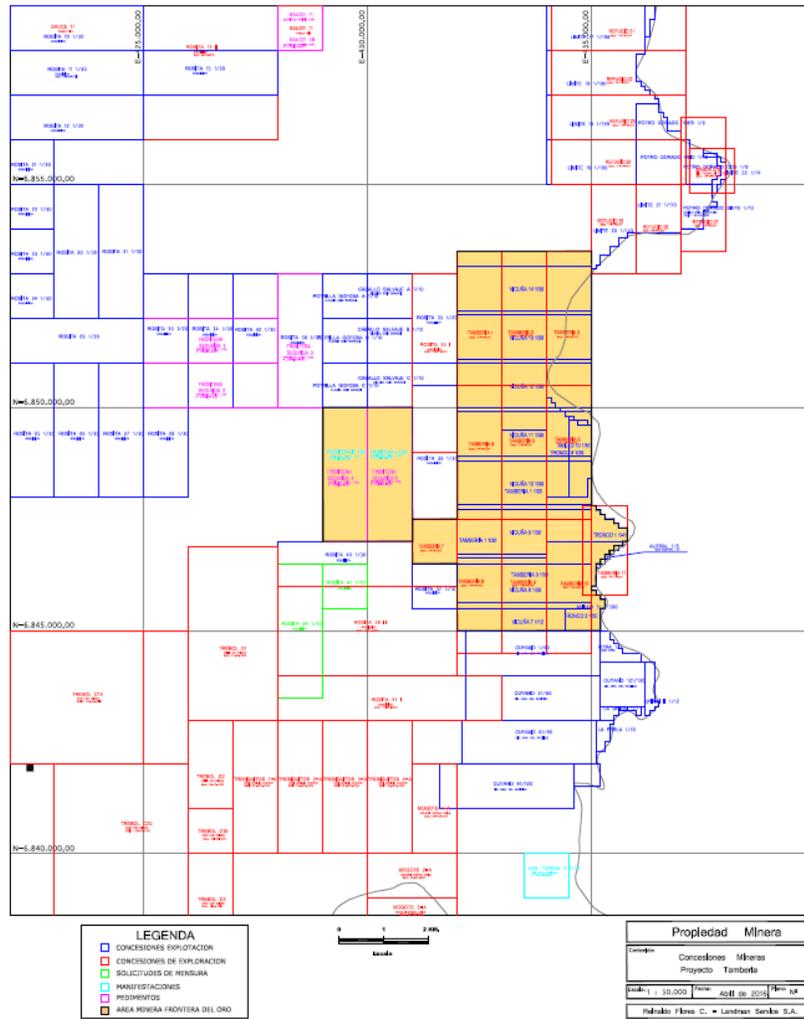
The following disclosure regarding the Filo del Sol Project is derived from and expands on the NI 43-101 technical report dated June 10, 2016, prepared by Fionnuala Devine, P. Geo., Diego Charchaflié, P. Geo., and James N. Gray, P. Geo., titled *Geological Report for the Filo del Sol Property, Region II, Chile and San Juan Province, Argentina* with an effective date of May 30, 2016 (the "Filo del Sol Report"). The Filo del Sol Report is available under Filo Mining's profile on SEDAR www.sedar.com. The Filo del Sol Report was originally prepared for NGEx, and was updated and re-addressed to Filo Mining in connection with the Arrangement. The Filo del Sol Report is an independently prepared technical report. Each of the qualified persons that prepared the Filo del Sol Report is independent of Filo Mining as defined in NI 43-101. Mr. Robert Carmichael, Vice-President, Exploration, has reviewed and approved the scientific and technical information contained herein related to the Filo del Sol Project.

Project Description, Location and Access

The Filo del Sol Project is located in the Atacama Region of Northern Chile and adjacent San Juan province of Argentina, 140 kilometres southeast of the city of Copiapó, Chile and straddles the border between Argentina and Chile. The centre of the main deposit area is located at 28.49° S latitude and 69.66° W longitude.



Location of Filo del Sol Project - Argentina



Location of Filo del Sol Project - Chile

The Filo del Sol Project is comprised of mineral titles in both Chile and Argentina. Those in Argentina are controlled by Filo del Sol Exploración S.A. and are referred to as the Filo del Sol Property, those in Chile are controlled by Frontera Chile Limitada and are referred to as the Tamberías Property. For the purposes of the Filo del Sol Report and this summary, the “Filo del Sol Project” comprises both the claims in Argentina and those in Chile. For the purposes of the Filo del Sol Report and this summary, the “Filo del Sol Project” comprises both the claims in Argentina and those in Chile. Both Filo del Sol Exploración S.A. and Frontera Chile Limitada will be wholly-owned subsidiaries of Filo Mining upon completion of the Arrangement.

The Filo del Sol Project is comprised of adjacent mineral titles in Chile and Argentina which are 100% controlled by Filo Mining either through direct ownership or option agreements. In Argentina, Filo del Sol Exploración S.A. owns four exploration permits (“Cateos”) and 12 exploitation permits (“Manifestaciones”). In Chile, Frontera Chile Limitada is the owner of 16 exploration concessions (“Manifestaciones”) 2 exploitation mining concessions (“Mensuras”) in the process of being granted and one unilateral and irrevocable option agreement to purchase 17 mining licenses (“Mensuras”). The total area is approximately 16,616 hectares. A title opinion with respect to the Tamberías Property was obtained, dated June 10, 2016, and a title opinion with respect to the Filo del Sol property was obtained, dated June 6, 2016.

Climate and Access

The climate is cold and windy, typical of the high Andes. The exploration field season runs from October to April and requires the presence of a bulldozer all season in case of sudden snowfalls. The project could be kept open all year if 2 to 3 bulldozers were kept working, but low temperatures make it difficult to work in the winter months.

Field work is based out of a camp located approximately 20 kilometres from the project in Argentina. The camp can accommodate approximately 120 people. The site is remote and, other than road access, there is no infrastructure available.

Elevations on the property range from 3,800 to 5,400 metres above sea level. The mountains are generally not rugged and vehicle access is possible to most of the property. Vegetation is almost entirely absent in the area.

Properties in Argentina

In Argentina, mineral rights are acquired by application to the government through a system based entirely on paper staking. A mineral property may go through several stages of classification during its life time. This begins with a Cateo (exploration permit). A Cateo consists of one to twenty units, each unit being 500 ha in size. A fee, calculated per hectare, is required within five days of the Cateo's approval. The term of a Cateo, the length of which varies based on size, begins 30 days after approval. A Cateo of one unit has a duration of 150 days and for each additional unit its duration is increased by an additional 50 days.

To move to the next stage the Cateo holder must apply within the term of the Cateo by reporting a mineral discovery. Upon approval this will result in a Manifestacion de Descubrimiento or mining rights for an area up to 3,000 hectares. This area is comprised of Mining Units, with one Mining Unit being 100 hectares in the case of a disseminated deposit unit and six hectares in the case of a vein deposit unit. Once this is approved the holder may conduct a Mensura or legal survey to apply for a Mina or mining lease. The property will generally stay in the Manifestacion stage until a mineral resource has been defined. Filo del Sol Exploración S.A. has the properties detailed in Table 0-1 and Table 0-2 below.

Table 0-1: Exploration Cateos Owned - Argentina

CONCESSION	FILE NUMBER	HECTARES
Cateo	182.269-L-91	1,446*
Cateo	338.723-G-92	291*
Cateo	339.215-C-92	3,807
Cateo	339.212-B-92	4,027

An annual exploration fee due to the Province of San Juan is proportional to the mining units covered by each Mina. Each disseminated deposit mining unit covers 100 hectares and costs ARP 3,200 per annum and each vein deposit mining unit covers six hectares and costs ARP 320 per annum. The total fees are shown in Table 0-2.

Table 0-2: Manifestaciones Owned – Argentina

CONCESSION	FILE NUMBER	HECTARES	MINING UNITS	ANNUAL FEE (ARP)
Caballo I	520-0323-C-99	451*	5	16,000
Caballo II**	520-0324-C-99	76*	13	4,160
Nacimiento 1	520-0348-D-99	1,446*	15	48,000
Nacimiento 2	1124-285-F-14	291*	3	9,600
Vicuña 1	520-0099-C-98	1,439*	15	48,000
Vicuña 2	520-0100-C-98	1,483*	15	48,000
Vicuña 3	520-0101-B-98	1,491	15	48,000
Vicuña 4	520-0447-B-99	1,033*	11	35,200
Vicuña 5	425-247-B-00	1,500	15	48,000
Vicuña 6	414-145-C-04	1,500	15	48,000
Vicuña 7	1124-029-C-09	1,500	15	48,000
Vicuña 8	1124-286-F-14	1,488	15	48,000

* Area uncertain due to undefined National or Provincial boundary;

**Caballo II is comprised of vein deposit mining units.

The Argentine Mining Code also requires the presentation of a plan of investment for each Mina. The plan of investment contemplates a minimum expenditure of 300 times the annual fee and should be accomplished within five years following the request from the government.

The Properties Nacimiento 1, Nacimiento 2, Permit No. 338.723-G-92 and Permit No. 182.269-L-91 are affected by the payment of royalties as follows: US\$2.0 million in the event of commercial production. Furthermore, Filo del Sol Exploración S.A. shall pay the Owners a Net Smelting Return of 0.5% of the amount of the project benefits over 10 years less costs. The Filo del Sol mineral resource lies within the Caballo I Manifestacion.

Surface Rights in Argentina

The properties of Filo del Sol Exploración S.A. are located in the Iglesias Department of the Province of San Juan, in the area called “Cerro el Potro” within the “Usos Múltiples” (“Multiple Uses”) Area of the San Guillermo Provincial Reserve, where mining activities are fully authorized. The owner is the Provincial State.

Properties in Chile

Mining rights in Chile are acquired in the following stages.

Pedimento

A pedimento is an initial exploration claim whose position is well defined by UTM coordinates which define north-south and east-west boundaries. The minimum size of a pedimento is 100 hectares and the maximum is 5,000 hectares with a maximum length-to-width ratio of 5:1.

The duration of validity is for a maximum period of two years; however, at the end of this period, and provided that no overlying claim has been staked, the claim may be reduced in size by at least 50% and renewed for an additional two years. If the yearly claim taxes are not paid on a pedimento, the claim can be restored to good standing by paying double the annual claim tax the following year.

New pedimentos are allowed to overlap with pre-existing ones; however, the underlying (previously-staked) claim always takes precedent, providing the claim holder avoids letting the claim lapse due to a lack of required payments, corrects any minor filing errors, and converts the pedimento to a manifestacion within the initial two-year period.

Manifestacion

Before a pedimento expires, or at any stage during its two-year life, it may be converted to a manifestacion or exploration concession. Within 220 days of filing a manifestacion, the applicant must file a "Request for Survey" (Solicitud de Mensura) with the court of jurisdiction, including official publication to advise the surrounding claim holders, who may raise objections if they believe their pre-established rights are being encroached upon. A manifestation may also be filed on any open ground without going through the pedimento filing process.

Mensura

Within nine months of the approval of the "Request for Survey" by the court, the claim must be surveyed by a government licensed surveyor. Surrounding claim owners may be present during the survey. Once surveyed, presented to the court, and reviewed by the National Mining Service (Sernageomin), the application is adjudicated by the court as a permanent property right (a mensura), which is equivalent to a "patented claim" or exploitation right. Exploitation concessions are valid indefinitely, and are subject to the payment of annual fees. Once an exploitation concession has been granted, the owner can remove materials for sale.

Chilean Properties

Frontera Chile Limitada is the owner of 16 exploration concessions ("**Manifestaciones**") both granted and in the process of being granted, 2 exploitation mining concessions ("**Mensuras**") in the process of being granted and one unilateral and irrevocable option agreement to purchase 17 exploitation concessions ("**Mensuras**"), hereinafter the "**Properties**" that form the project. These Properties are listed in Table 0-3 and Table 0-4.

Table 0-3: Exploration Mining Concessions Owned – Chile

CONCESSION	NATIONAL ID NUMBER (ROL NACIONAL)	STATUS	HOLDER	HECTARE
TAMBERIA 1	03203-D373-8	Granted	Frontera Chile Limitada	300
TAMBERIA 2	03203-D374-6	Granted	Frontera Chile Limitada	300
TAMBERIA 3	03203-D375-4	Granted	Frontera Chile Limitada	300
TAMBERIA 4	03203-D376-2	Granted	Frontera Chile Limitada	300
TAMBERIA 5	03203-D377-0	Granted	Frontera Chile Limitada	300
TAMBERIA 6	03203-D378-9	Granted	Frontera Chile Limitada	300
TAMBERIA 7	03203-D379-7	Granted	Frontera Chile Limitada	100
TAMBERIA 8	03203-D380-0	Granted	Frontera Chile Limitada	300
TAMBERIA 9	03203-D381-9	Granted	Frontera Chile Limitada	300
TAMBERIA 10	03203-D382-7	Granted	Frontera Chile Limitada	300
TAMBERIA 11	03203-D383-5	Granted	Frontera Chile Limitada	200
FRONTERA SEGUNDA 1	03201-K858-5	Granted	Frontera Chile Limitada	300
FRONTERA SEGUNDA 2	03201-K859-3	Granted	Frontera Chile Limitada	300
FRONTERA SEGUNDA 3	03201-K860-7	Granted	Frontera Chile Limitada	300
FRONTERA SEGUNDA 4	03201-K861-5	In Process	Frontera Chile Limitada	300
FRONTERA SEGUNDA 5	03201-K862-3	In Process	Frontera Chile Limitada	300

Table 0-4: Exploitation Mining Concessions in Process of Granting.

CONCESSION	NATIONAL ID NUMBER (ROL NACIONAL)	STATUS	HOLDER	HECTARES
FRONTERA IV 1/60	N/A	In Process	Frontera Chile Limitada	300
FRONTERA V 1/60	N/A	In Process	Frontera Chile Limitada	300

Unilateral and Irrevocable Option Agreement

By public deed dated March 25, 2011 before the Santiago Notary Public of Antonieta Mendoza Escalas, Compañía Minera Tamberías SCM granted to Sociedad Contractual Minera Frontera del Oro SpA a unilateral and irrevocable option to purchase the Mensuras shown in Table 0-5 (the “**Option Agreement**”). By public deed dated July 27, 2012 before the Santiago Notary Public of Antonieta Mendoza Escalas, Sociedad Contractual Minera Frontera del Oro SpA assigned the Option Agreement to Frontera Chile Limitada.

Compañía Minera Tamberías SCM is at arm’s length to each of NGEx and Filo Mining. Total cumulative consideration paid to date is US\$2,500,000.

The following instalment payments remain:

- June 30, 2017 US\$300,000
- June 30, 2018 US\$400,000
- June 30, 2019 US\$500,000
- June 30, 2020 US\$1,000,000
- June 30, 2021 US\$1,000,000
- June 30, 2022 US\$1,000,000
- June 30, 2023 US\$13,300,000 (Note: may be paid in shares)

Table 0-5: Exploitation Mining Concessions (Mensuras) Under Option Agreement - Chile

CONCESSION	NATIONAL ID NUMBER (ROL NACIONAL)	STATUS	HECTARES
VICUÑA 14 1/30	03203-2889-6	Granted	300
VICUÑA 13 1/30	03203-2888-8	Granted	300
VICUÑA 12 1/30	03203-2882-9	Granted	300
VICUÑA 11 1/30	03203-2887-K	Granted	300
VICULA 10 1/30	03203-2886-1	Granted	300
VICUÑA 9 1/30	03203-2885-3	Granted	300
VICUÑA 8 1/30	03203-2884-5	Granted	300
VICUÑA 7 1/12	03203-2881-0	Granted	120
TAMBERIA 1 1/20	03203-4046-2	Granted	200
TAMBERIA 1 1/30	03203-4047-0	Granted	300
TAMBERIA 3 1/30	03203-4048-9	Granted	300
TRONCO 1 1/41	03203-4145-0	Granted	41
TRONCO 2 1/76	03203-4146-9	Granted	76
TRONCO 3 1/50	03203-4147-7	Granted	50
TRONCO 6 1/39	03203-4193-0	Granted	178
ANILLO 10 1/81	03203-4351-8	Granted	81
ANILLO 11 1/30	03203-4352-6	Granted	19

Frontera Chile Limitada may exercise the Option Agreement within the period that ends on June 30, 2023. The purchase price of the Option Agreement is US\$20,000,000, to be paid in installments during the term of the Option Agreement, and a royalty of 1.5% of the Net Smelter Returns. There are no work commitments.

Surface Rights in Chile

Surface land rights in the area of the Chilean Property are held by a local community, “Comunidad Civil Ex Estancia Pulido”. Filo does not currently own any surface rights at the Chilean Property, however, Filo and its subsidiaries

maintain a good relationship with the Pulido community, and have an access agreement in place with Minera Frontera Chile Limitada to conduct exploration activities on their ground.

The Filo del Sol Project is included within the “Vicuña Additional Protocol” under the Mining Integration and Complementarity Treaty between Chile and Argentina. The main benefit during the exploration stage of the Vicuña Additional Protocol is the authorization which allows for people and equipment to freely cross the border of both countries in support of exploration and prospecting activities within an area defined as an “operational area”. Development of transboundary mining projects is possible under the Treaty.

The Filo del Sol Project is accessible by road from either Copiapó, Chile or San Juan, Argentina although Copiapó is much closer and is approximately five hours driving time.

History

Cyprus-Amax was the first company to have done any serious exploration work in the area, beginning in 1997 and based on recognition of auriferous silica and a copper-gold porphyry occurrence on the Chilean side of the border. Cyprus-Amax’s work during the 1998/99 season consisted of 1:10,000 geologic mapping, talus fine sampling, rock chip sampling, road construction to the project site, and a drill program of 2,519 metres in 16 reverse circulation (“RC”) drill holes. NGEx and its subsidiaries became involved in the project through its predecessor company, Tenke Mining Corp., which negotiated purchase arrangements with Cyprus-Amax in August 1999.

Effective as of August 16, 2016, NGEx and Filo Mining completed the Arrangement, pursuant to which NGEx transferred to Filo Mining its wholly- owned subsidiaries that directly or indirectly hold the Filo del Sol Project.

Geological Setting, Mineralization and Deposit Types

Filo del Sol is a high-sulphidation epithermal copper-gold-silver deposit associated with a large porphyry copper-gold system. Overlapping mineralizing events combined with weathering effects, including supergene enrichment, have created several different styles of mineralization, including structurally-controlled gold, manto-style high-grade silver (+/- copper) and high-grade supergene enriched copper within a broader envelope of disseminated sulphide copper and gold mineralization. Mineralization is hosted in clastic rocks inferred to be part of the Jurassic-Paleocene Cuartitos formation as well as underlying rhyolitic volcanic rocks inferred to be part of the Permo-Triassic basement. It is located in the Andean Frontal Mountain Range (in Spanish, Cordillera Frontal), between the Maricunga gold porphyry zone to the north and the El Indio high-sulphidation zone to the south, both of Miocene age.

Three main zones of mineralization occur on the property called, from South to North, Filo del Sol, Maranceles and Potro. Filo del Sol is by far the most advanced and is the location of the mineral resource presented here. Maranceles and Potro are defined by widespread surface alteration very similar to that seen at Filo del Sol, anomalous copper, gold and pathfinder elements in talus fine samples and a few widely spaced, shallow drill holes.

The Filo del Sol Project displays a full transition between a high-sulphidation epithermal environment and a porphyry system, and both deposit types are represented. Weathering and supergene processes have created high-grade copper oxide and silver zones. Mineralization of potential economic interest within the Filo del Sol deposit includes high-grade leachable oxide/mixed copper mineralization, structurally controlled gold-silver mineralization, sub-horizontal “manto” high-grade silver mineralization and disseminated copper, gold, silver, molybdenum sulphide mineralization.

Exploration

NGEx, or its predecessor companies, have been exploring at Filo del Sol since the 1999-2000 field season. A total of twelve work programs have been completed over these years, and there have been four seasons where no work was done. Exploration has been limited to the summer season, typically between November and April, and exploration seasons are described by the years which they bridge. Surface work completed to date has included talus fine sampling, rock chip sampling, geological mapping and induced polarization and magnetic geophysical surveys.

The table below summarizes the surface work done during each field season:

Exploration Summary by Year			
Season	Surface	Geophysics	Drilling
1998/99	1:10000 geological mapping Talus fine and rock sampling		2,519 metres
1999/00	1470 talus fine samples 3720 trench samples 1150 rock channel samples	153 km MAG 37.8 km IP-CSAMT	
2000/01	462 rock chip samples	100 km MAG	2,662 metres
2003/04	216 talus fine samples		1,171 metres
2004/05	149 talus fine samples	km IP-Res 30.4, 1,762	metres
2005/06	83 talus fine samples 11 rock chip samples		1,708 metres
2006/07			578 metres
2007/08	310 talus fine samples	30.0 km IP-Re ^s 2,890 77.6 km MAG	metres
2010/11	Geological mapping 1:5000		156 metres
2011/12		36.2 km P-DP IP	1,853 metres
2012/13			821 metres
2013/14			8,406 metres
2014/15	Geological mapping 1:5000 And 1:7500; PIMA sampling	23 km P-DP IP	7,320 metres
2015/16	Geological mapping 1:5000, Geochem and PIMA sampling	27.7 km P-DP IP	

Drilling

Drilling at the Filo del Sol Project was initiated by Cyprus in 1998-1999 and since then a total of 28,963 metres of RC drilling in 109 holes and 4,257 metres of diamond drilling (“DD”) in 19 holes has been completed. All of these holes with the exception of eight RC holes (1,374 metres) were drilled in the Filo del Sol Project deposit area. Three of the eight were drilled in the Maranceles zone and five in the Potro zone. Drilling conditions at Filo del Sol Project are challenging due to the deep weathering profile and thick zone of leached and steam-heated alteration. DD method in particular has been used sparingly due to difficulties in completing holes and cost related to lost equipment. Most of the drilling has been done by RC methods due to its lower cost and higher productivity.

Recovery for RC drilling was estimated by comparing the ideal weight of the sample (calculated as drilled volume multiplied by expected density) and the recovered material weight. This method is not exact as it relies on an estimation of the bulk rock density in order to determine the ideal weight of the sample. Poor recoveries (below 50%) are often related to fault zones or highly porous intervals in the steam-heated and residual silica zones. Recoveries over 100% are to be monitored as these may indicate sample contamination from material that has been introduced to the drilled interval (e.g. wall crumbling or hole cleaning). Detailed recovery records from holes drilled before 2008 are missing, however NGEx's internal reports indicate that the overall average was 72% recovery (intervals with greater than 100% recovery ignored), with a minimum of 0% recovery. There were 81 samples with greater than 100% recovery, or about 1.7% of the total samples. Recoveries for RC holes drilled during the 2013/14 and 2014/15 campaigns were similar. The overall average core recovery for the diamond drill holes in the 2012/13 season was 84%.

Sampling, Analysis and Data Verification

Sampling procedures and protocols from drill programs have evolved over the last 18 years not only at the Filo del Sol Project, but throughout the industry. Sample preparation and security protocols implemented in 2011 at the Filo del Sol Project are adequate.

The quality control protocol implemented in 2013 was continued in the 2014/15 season.

Blank material inserted during the 2014/15 campaign consisted of white quartz chips purchased in Copiapo. The blanks are considered un-mineralized as copper concentration is generally below 20 parts per million and gold is commonly below the 0.01 parts per million detection limit.

Field duplicates were obtained taking a second split of the sample to be analyzed independently. Both preparation and assays duplicates were made by the laboratory and assigned a specific number in the sequence. The preparation duplicate consisted of a second pulp from the original sample whereas the assay duplicate was a subsample made from the original pulp.

In late 2014, three standards were prepared using selected coarse rejects from the Los Helados previous drill season. Selected coarse rejects were submitted to Vigalab Laboratories in Copiapo for crushing, pulverization, homogenization and splitting. Vigalab produced small envelopes containing 80 to 90 grams of material. Five analytical laboratories located within the region were used to perform a round robin test of results: ACME, ActLabs, Andes Analytical Assay, ALS and Vigalab. Five envelopes of each standard were sent to each of these laboratories. Based on the round robin results, the standards have been assigned averages and accepted ranges.

More than 66% of the current RC and DDH dataset had a rigorous follow up with blanks, standards and laboratory duplicates. Another 8% has been checked with a second lab but does not have blank and standard controls. The remaining 26% of the dataset has only being verified (satisfactorily) with duplicates. No sample appears to be misplaced or intentionally deleted from the database. The current drillhole dataset for the Filo del Sol Project is consistent and of adequate quality to be used for mineral resource estimation.

To verify information provided by NGEx, D. Charchaflié (Independent qualified person) supervised reassaying of historic RC pulps with known gold, silver and copper grades for check analyses, visited the area of drilling and located a number of drillholes with a hand-held GPS. The results of these checks are considered a satisfactory confirmation of the results reported by NGEx.

A visit to the Copiapó office and support facilities was carried out by James Gray, P. Geo. between June 16th and 21st, 2014. Six samples were taken from a variety of geological settings. Samples were coarse rejects from RC drill cuttings and were approximately five kilograms in size. Results of these independent samples agreed closely with the original values.

Almost all holes were sampled in 2-metre intervals and all were analyzed by either ALS Chemex Chile (prior to 2009/10) or ACME Laboratories Chile (since 2010/11).

ACME is an internationally certified laboratory. In 1994, ACME began adapting its Quality Management System to an ISO 9000 model. ACME implemented a quality system compliant with the International Standards Organization

(ISO) 9001 Model for Quality Assurance and ISO/IEC 17025 General Requirements for the Competence of Testing and Calibration Laboratories. In 2005 the Santiago laboratory received ISO 9001:2000 registration and in July 2010 the Copiapo facility was added to the Santiago registration. The Santiago hub laboratory is also ISO 17025:2005 compliant since 2012 (<http://acmelab.com/services/quality-control/>). ISO/IEC 17025 includes ISO 9001 and ISO 9002 specifications, CAN-P-1579 (Mineral Analysis) for specific registered tests by the Standard Council of Canada (SCC). CAN-P-1579 is the SCC's requirements for the accreditation of mineral analysis testing laboratories.

ALS facilities operate to the higher of ISO 9001-2008 or ISO 17025 standards as appropriate to the services offered at each.

Both laboratories are completely independent of NGEx or Filo Mining.

Mineral Processing and Metallurgical Testing

A preliminary test program was completed in 2001 by Novatec S.A. of Santiago, Chile consisting of Bottle Roll and Sequential Leach tests on 20 samples of RC chips. Testwork was focussed on leach recovery of copper from the oxide and mixed zones.

Testwork resulted in excellent results for recovery of copper through leaching with dilute sulphuric acid solution, including several samples which leached with only potable water and produced sulphuric acid. Bottle Roll tests produced copper recoveries between 27% and 98% with an average of 76% copper.

These preliminary metallurgical results are presented as historical information and have not been verified by the qualified persons, and should not be relied upon nor considered as current. The qualified persons have no reason to doubt the reliability of the information and the testwork program appears to have been completed in a competent manner.

In order to confirm and update the information, Filo Mining completed some additional leach tests on vacuum-sealed samples collected during the 2014/15 drill campaign during 2016.

Mineral Resource Estimate

The current mineral resource estimate, dated December 11, 2015, is an update to the initial mineral resource reported December 2, 2014 and documented in a technical report dated December 19, 2014. Copper, gold, silver, arsenic and molybdenum grades were estimated by ordinary kriging using Gemcom® software. Conceptually, the controls on grade estimation are the same as used for the initial 2014 mineral resource estimate; an updated geological model of mineralization type was used as control grade for the interpolation of all elements. Additionally, gold and molybdenum grades were controlled by an interpreted zone of silica alteration and silver and arsenic grades were controlled by a geochemically defined zone of silver mineralization. The distribution of assay and composite grades were statistically well-behaved for all elements. High-grade capping was applied to economic metals, with a generally low impact on metal reduction. The reporting of the resource inside an optimized pit ensures reasonable prospects of eventual economic extractions.

The Filo del Sol Project mineral resource is based on assay data available as of August 26, 2015. Results from 30,900 metres of drilling in 114 holes were used for mineral resource estimation. Drilling has been predominantly by reverse circulation; only 18 of the holes used for estimation were core holes. Two grids of 15 x 15 x 10 metre blocks were used in the preparation of the mineral resource estimate. Grades were estimated into a less extensive grid and imported to the larger framework for pit optimization. A third, finer array of 7.5 x 7.5 x 2 metre blocks was used for nearest neighbour interpolation; the small block size was chosen to match the sample composite length.

Reasonable prospects of eventual economic extraction were established by the optimization of a Whittle® pit shell using the following parameters: US\$3 per pound copper, US\$1300 per ounce gold, US\$23 per ounce silver, slope of 42°, mining cost of \$2.20 per tonne and process (including G&A) cost of \$7.40 per tonne. Blocks were assigned as Inferred Mineral Resource where they are: within 50m of a drillhole and/or have sample data in at least three octants of a 150 metre spherical search and fall within the optimized pit shell. At a copper equivalent cutoff grade of 0.3%, the optimized pit shell results in a strip ratio of 1.7 : 1.

The total mineral resource and the included high-grade silver and copper subsets are shown in the following table:

Filo del Sol Mineral Resource Summary

Zone	Inferred Mineral Resource							Metal		
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	As (ppm)	CuEq (%)	Cu (billion lb)	Au (million oz)	Ag (million oz)
Oxide	49.9	0.42	0.39	6.6	50	643	0.70	0.5	0.6	10.5
Transition	133.4	0.51	0.31	23.3	70	892	0.91	1.5	1.3	100.1
Hypogene	197.7	0.31	0.32	6.2	44	499	0.54	1.3	2.1	39.2
Sulphide	331.2	0.39	0.32	13.1	54	657	0.69	2.8	3.4	139.3
Total	381.0	0.39	0.33	12.2	54	656	0.69	3.3	4.0	149.8

COG (% Cu)	Contained within Inferred Mineral Resource					Metal		
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lb)	Au (million oz)	Ag (million oz)
0.7	27.3	1.31	0.32	11.2	1.59	0.8	0.3	9.8
0.5	53.0	0.95	0.34	9.7	1.23	1.1	0.6	16.5

COG (g/t Ag)	Contained within Inferred Mineral Resource					Metal		
	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (billion lb)	Au (million oz)	Ag (million oz)
80	14.2	0.52	0.38	160.5	2.37	0.2	0.2	73.2
50	23.1	0.46	0.38	123.2	1.93	0.2	0.3	91.4
20	34.4	0.42	0.38	93.6	1.58	0.3	0.4	103.6

Notes:

- (1) Copper equivalent assumes metallurgical recoveries of 84% for copper, 70% for gold and 77% for silver based on similar deposits, as only limited acid-leach metallurgical testwork has been done on Filo del Sol mineralization, and metal prices of US\$3 per pound copper, US\$1300 per ounce gold, US\$23 per ounce silver. The CuEq formula is: $CuEq = Cu + Ag * 0.0102 + Au * 0.5266$;
- (2) The Qualified Person for the resource estimate is James N. Gray, P.Geo. of Advantage Geoservices Ltd.;
- (3) All figures are rounded to reflect the relative accuracy of the estimate;
- (4) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability;
- (5) The resource was constrained by a Whittle® pit shell using the following parameters: US\$3.00 per pound copper, US\$23 per ounce silver, US\$1300 per ounce gold, slope of 42°, mining cost of \$2.20 per tonne and process cost of \$7.40 per tonne.

Permits

By Resolution No. 192, dated September 2, 2013, the *Servicio de Evaluacion Ambiental* of the III Region approved the Environmental Impact Declaration (DIA) presented by Frontera Chile Limitada for the exploration of the Tamberias Property. According to this resolution, Frontera Chile Limitada was authorized to develop four exploration campaigns including an aggregate number of 200 drill holes.

The following environmental permits have been obtained or are in the process of being obtained:

- Caballo I and Caballo II: approved exploration environmental impact report (“EIR”) and evaluation of 1st Update;
- Vicuña 1, Vicuña 2 and Vicuña 3: approved EIR and evaluation of 1st Update;
- Vicuña 4, Vicuña 5, Vicuña 6: the filing procedure has been complied with and it is ready for measurement, inclusion in the approved EIR may be requested;
- Vicuña 7 and permits 339215-C-92 and 339212-B-92: not yet eligible for inclusion in the approved EIR;
- Nacimiento 1 and permits 182269-L-91 and 338723-G-92: the EIR has been filed for the exploration stage, under evaluation by the authority;
- Vicuña 8 and Nacimiento 2: eligible for inclusion in the approved EIR.

Interpretation and Conclusions

The Filo del Sol Project encompasses a very large alteration zone and several mineralized showings within a prolific mineral district. Both high-sulphidation epithermal gold-silver-copper and porphyry copper-gold mineralization have been discovered and both styles of mineralization are compelling exploration targets. Despite a long history of exploration, the short field season and large size of the hydrothermal systems result in a project that remains under-explored and warrants significant additional work. This is reinforced by the updated mineral resource estimate presented in this report which establishes an important copper-gold-silver deposit on the property and remains open in most directions.

The mineral resource estimate for the Filo del Sol deposit includes several different styles of mineralization, in terms of metal combinations and grade distribution, which occur as the result of a complex series of geological processes. Mineralization of potential economic interest within the deposit includes: high-grade leachable oxide/mixed copper mineralization; structurally controlled gold-silver mineralization; sub-horizontal “manto” high-grade silver mineralization and disseminated copper, gold, silver, molybdenum sulphide mineralization.

In addition to the Filo del Sol resource, the property contains several other target areas defined by talus fine and rock sampling, geophysical surveys and geological mapping within a very large hydrothermal alteration system. These zones represent early-stage exploration targets and additional work is required to fully evaluate them.

Induced Polarization geophysics has proven to be an excellent tool to help define the general geometry of the deposit, including areas of potential expansion. This type of geophysical survey should be extended across all the main mineralized areas.

RC drilling has provided most of the drill information from the project. Although RC is useful for establishing the grade distribution and general geological framework of the deposit, diamond drilling is essential to fully understand the controls on, and detailed geometry of, the mineralization. Diamond drilling has proven to be difficult in the highly porous and fractured steam-heated and residual quartz alteration associated with the deposit, however similar rock types at other deposits (Pascua-Lama, Yanacocha, Veladero) have been successfully diamond drilled and a concerted effort needs to be made to include extensive diamond drilling in future drill programs.

Very preliminary metallurgical testwork indicates that the oxide and mixed (oxide/sulphide) copper mineralization may be amenable to recovery of copper through leaching – possibly using only water. Additional testwork should be completed in order to investigate this further.

The Filo del Sol Project presents several challenges to exploration and development including its high altitude, short summer season, locally difficult drilling conditions due to bad ground and distance from infrastructure, however these conditions are no worse than those at many successful mines in the region. Balanced against these

challenges is the potential for the occurrence of an economic mineral deposit suggested by the tenor of the mineral resource, the size of the alteration zone and analogies with geologically similar deposits in the Maricunga and El Indio belts.

Exploration, Development, Production and Recommendations

Filo del Sol is a very large mineralized system and there is significant potential for expansion of known zones and new discoveries. The mineral resource remains open in several directions and additional drilling has a high potential of increasing its size. Several other exploration targets on the property have seen only very limited exploration and there is a good opportunity for the discovery of new deposits, of different types, with ongoing work. The primary goals of future work programs should be:

- to continue to explore the mineralized targets away from the deposit in order to evaluate the potential for additional deposits on the property;
- to continue to expand the known resource through additional drilling;
- to drill selective infill holes into the resource volume in order to convert Inferred tonnes to Indicated and test for structurally-controlled high-grade gold zones; and
- to initiate early-stage engineering studies (particularly metallurgical) and begin to evaluate the economic potential of the Filo del Sol deposit.

The Filo del Sol Report outlined recommendations for further work which were divided into three phases in order to better define the goals and objectives and assist in planning and budgeting the work. The scope of subsequent phases will depend on the results of the preceding phase. Brief descriptions of the phases are presented below. A detailed budget for Phase III will be a result of Phase II.

The objective of this three-phase program is to provide sufficient knowledge about the project to allow an informed decision on whether or not to undertake a Preliminary Economic Assessment. As of the date of this AIF, Phase I has been completed and Phase II is in progress.

Phase I:

Data from the comprehensive surface work program carried out during the 2015/16 field season has been incorporated into the project database. The 2015/2016 program included extension of IP geophysical surveying, talus fine geochemical sampling, surface geological mapping and detailed trench mapping and sampling. The updated database was used to develop specific drill targets. This updated dataset was used to refine drill targets outside of the resource area in order to explore for additional mineralization.

Work in Phase I also included a detailed review of previous drilling into the resource volume in order to develop the most effective program for converting Inferred resources into Indicated resources. An additional goal of this planning was to review and investigate high-grade gold intersections within the existing drilling in order to target these as potential structurally-controlled zones which could contain significant gold mineralization.

This data compilation and interpretation phase guided the development of the Phase II drill program.

Phase I also included preliminary metallurgical testwork on existing sample material (RC drill chips from the 2014/15 drilling) in order to begin to characterize the metallurgical response of the different types of mineralization and assist in planning a detailed metallurgical test program.

Phase II:

The Phase II work program is a substantial field program following the data evaluation and planning from Phase I. This program began in late November, 2016 and is ongoing as of the date of this AIF.

The Phase II program included RC drilling and tested outlying targets as well as areas internal to the resource. Holes drilled into the deposit were drilled with metallurgical testwork in mind, and a sampling protocol including bulk sampling of near surface material to provide appropriate samples was developed.

Once all data from the drill program and metallurgical test work has been received and validated, an update to the Filo del Sol resource will be completed.

Phase III:

The third phase of work recommends a more detailed economic evaluation of the deposit, leading towards the completion of a Preliminary Economic Assessment (PEA), if warranted. This phase should develop a conceptual project plan, based on reasonable assumptions, leading to a preliminary economic evaluation of the project. This initial phase should also include a gap analysis in order to determine any additional information which would be required prior to initiating a PEA.

Metallurgical testwork on samples collected from the Phase II program is a critical aspect of Phase III, and the results of this work will be an important factor in determining the project's future. The Corporation currently anticipates beginning work on Phase III during the third quarter of 2017.

Subsequent Work

Upon completion of the \$20 million private placement in November, 2016 the Corporation decided to accelerate the exploration program and to undertake the work contemplated in Phase II during the 2016/2017 field season. The 2016/2017 field program commenced in November 2016 and was completed in March 2017. The program includes a collection of representative sample material for ongoing metallurgical testing and approximately 8,600 metres of additional reverse circulation drilling. The drill program has three main objectives: conversion of Inferred resources to the Indicated classification, expansion of the current resource and discovery of new deposits through testing of three high-quality targets within 2 km of the Filo del Sol deposit, Filo North, Filo South, and Cerro Vicuña.

Filo North lies between 1 and 2 km north of the deposit in an area thought to host a potential feeder zone to the Filo del Sol deposit. Evidence for a potential feeder zone is provided by surface geochemistry, geophysics and detailed studies of the zonation of alteration minerals.

The Filo South target lies 1,000 metres south of the deposit. Surface mapping and sampling in this area has defined a northwesterly-trending gold +/- copper bearing zone of strong silicification, quartz stockwork and breccia with minimum dimensions of 1,000 metres along strike by 200 metres wide. Wide-spaced historical drilling did not test this zone, however, surface trenching across it in 2016 returned 114 metres of 0.85% copper and 0.35 g/t gold.

Cerro Vicuña is a distinct conical hill located 1 km southeast of the deposit, and immediately to the east of the Filo South target. Surface mapping shows this hill to be underlain by a silicified and stockwork porphyry intrusive, the Vicuña Porphyry, with grab samples of up to 5 g/t gold collected from surface. The hill is covered by an extensive copper and gold surface geochemistry anomaly and is characterized by an alteration zonation and geophysical signature characteristic of porphyry deposits. This target has never been drilled.

Assay results from the 2016/2017 drill program have confirmed the presence of higher grade zones within the oxide gold zone of the current resource (see News Release dated February 15, 2017). The first set of assay results include intersects of 84 metres at 1.36 g/t gold and 78 metres at 1.02 g/t gold, respectively representing the best and third best gold intersections in the Filo del Sol deposit to date (gold grade times width).

Results from an initial program of metallurgical testwork on oxide mineralization from the Filo del Sol deposit were disclosed on October 11, 2016. Testwork was completed by SGS Canada Inc. in Lakefield, Ontario under the supervision of Dr. Joe C. Ferron who is a consultant to the Corporation. Bottle-roll tests were completed on reverse circulation (RC) drill cuttings of three separate types of mineralization representing three distinct zones within the deposit. The results are summarized below:

Zone	Head Grade	Recovery
Oxide Copper (CuOx)	0.33 gpt Au; 0.44% Cu	95.1% Copper
Oxide Gold (AuOx)	0.49 gpt Au; 0.02% Cu	93.2% Gold
Mixed Silver (M)	0.34 gpt Au; 0.29% Cu; 103 gpt Ag	88.6% Gold; 92.4% Copper; 92.7% Silver

Key results from this initial test program were that the metallurgy of the AuOx mineralization appears totally problem-free and that the CuOx mineralization also appears straightforward, with copper being almost completely soluble. The metallurgy of the M zone mineralization indicates good extractions of silver, gold and copper by cyanidation, but at the expense of high cyanide and lime consumption. The M zone mineralization will require additional work to determine the optimum processing solution.

ITEM 6 DIVIDENDS

There are no restrictions that prevent the Corporation from paying dividends. The Corporation has not paid dividends to date on its common shares and has no plans to pay dividends in the near future. Any decision to pay dividends in the future will be based on the Corporation's earnings and financial requirements and other factors that its Board of Directors may consider appropriate in the circumstances.

ITEM 7 CAPITAL STRUCTURE

The Corporation's authorized capital consists of an unlimited number of common shares without par value. All of the issued common shares are fully paid and non-assessable.

The holders of Filo Mining Common Shares are entitled to receive notice of, and to one vote per share at, every meeting of shareholders of the Corporation, to receive such dividends as the Board of Directors declares and to share equally in the assets of the Corporation remaining upon the liquidation, dissolution or winding up of the Corporation after the creditors of Corporation have been satisfied.

As of December 31, 2016, the Corporation had an aggregate of 61,388,450 Filo Mining Common Shares issued and outstanding. As at the date of this AIF, the Corporation had an aggregate of 61,399,700 Filo Mining Common Shares issued and outstanding.

ITEM 8 MARKET FOR SECURITIES

The common shares of the Corporation are currently listed and posted for trading on the TSXV in Canada under the trading symbol "FIL" and in Sweden on the NASDAQ First North Exchange under the symbol "FIL".

8.1. Trading Price and Volume

The following table provides information as to the high and low closing prices and volume traded of the Filo Mining Common Shares during the most recently completed financial year for each month since the initial date of trading on the TSXV (August 26, 2016):

Month	High (\$)	Low (\$)	Volume
August 26 – 31, 2016	\$0.27	\$0.27	54
September 2016	\$1.73	\$0.64	1,222,088
October 2016	\$2.15	\$1.49	490,991
November 2016	\$2.05	\$1.86	951,506
December 2016	\$1.92	\$1.55	658,007

The price of the common shares of the Corporation as quoted by the TSXV at the close of business on December 31, 2016 was \$1.75 and on March 27, 2017, the last trading day prior to the date of this AIF, was \$1.85.

8.2. Prior Sales

As at December 31, 2016, the Corporation had outstanding stock options to purchase 3,916,250 Filo Mining Common Shares, including 1,581,250 stock options, exercisable at various prices ranging from \$0.50 to \$1.49 per Filo Mining Common Share, issued pursuant to the Arrangement.

During the year ended December 31, 2016, the Corporation granted 2,335,000 stock options, exercisable at a price of \$2.00 per Filo Mining Common Share, subject to applicable vesting conditions, for a period of 5 years ending December 5, 2021.

ITEM 9 DIRECTORS AND OFFICERS

9.1. Name, Occupation and Security Holding

During the year ended December 31, 2016, the Board of Directors of the Corporation was comprised of six directors. Each director holds office until the next annual meeting of shareholders or until his successor is duly elected unless his office is earlier vacated in accordance with the by-laws of the Corporation. The names, provinces and countries of residence of each of the directors and executive officers of the Corporation, their respective positions and offices held with the Corporation, their principal occupations within the preceding five years, as at December 31, 2016 is set forth in the following table.

Name, Province and Country of Residence	Period of Service as an Officer or Director	Principal Occupation and Occupation during the Past Five Years
Lukas H. Lundin Geneva, Switzerland	Chairman since August 3, 2016 and Director since July 11, 2016	Business/mining executive; director of a number of publicly traded resource-based companies, including NGEx Resources Inc., Lucara Diamond Corp., Lundin Mining Corporation, Lundin Gold Inc., Denison Mines Corp., and Lundin Petroleum S.A. Former President and Chief Executive Officer of Lundin Gold Inc., from 2008-2014.
Wojtek A. Wodzicki British Columbia, Canada	President, Chief Executive Officer and Director since May 12, 2016	President and Chief Executive Officer of the Corporation since May 12, 2016; Mr. Wodzicki also serves as the President and Chief Executive Officer and a director of NGEx Resources Inc., an exploration company listed on the Toronto Stock Exchange (the "TSX") and the Nasdaq Stockholm Exchange. Former director of Newstrike Capital Inc., from February 17, 2011 to May 26, 2015; and former director of Horn Petroleum Corporation, from September 20, 2011 to March 10, 2015.
Alessandro Bitelli British Columbia, Canada	Director since July 11, 2016	Executive Vice President, Chief Financial Officer of Lundin Gold Inc. since 2016; Former Chief Financial Officer of Orca Gold Inc. from 2013-2016; and former Chief Financial Officer of RB Energy Inc. from 2011-2014.

Name, Province and Country of Residence	Period of Service as an Officer or Director	Principal Occupation and Occupation during the Past Five Years
C. Ashley Heppenstall Hong Kong, Hong Kong	Director since July 11, 2016	Chairman of the Board at Etrion Corporation since June 14, 2016; Lead Director of Lundin Gold Inc. since 2015; and director of Lundin Petroleum AB, Africa Energy Corp., and ShaMaran Petroleum Corp. Former President and CEO of Lundin Petroleum AB, from 2002-2015; and former director of Vostok Nafta Investment Ltd., a corporation traded on the Nasdaq OMX Nordic Exchange in Stockholm.
Paul McRae Vilamoura, Portugal	Director since July 11, 2016	Senior Vice-President, Projects, of Lundin Mining Corporation since January 2012; and director of Lundin Gold Inc. Former Project Director of AMEC from June 2009 to December 2011.
Pablo Mir Santiago, Chile	Director since November 28, 2016	Pablo Mir is a senior partner of the Chilean law firm Bofill Mir & Alvarez Jana. Mr. Mir is also a director of Lundin Gold Inc.
Robert Carmichael British Columbia, Canada	Vice President, Exploration since July 11, 2016	Vice President, Exploration of the Corporation since July 11, 2016; Mr. Carmichael also serves as the Vice-President, Exploration of NGEx Resources Inc., an exploration company listed on the TSX and the Nasdaq Stockholm Exchange; Self-employed from August 1, 2011 to August 31, 2011; General Manager, Resource Exploration Lundin Mining Corporation from 2006 to July 31, 2011.
Jeff Yip British Columbia, Canada	Chief Financial Officer since November 28, 2016	Chief Financial Officer since November 28, 2016. Mr. Yip is also the Chief Financial Officer of Orca Gold Inc., an Africa-focused gold exploration company listed on the TSXV. Mr. Yip was the Corporate Controller for Orca Gold Inc. from April 2013 until his appointment as Chief Financial Officer in February 2016. Prior to that, Mr. Yip served as the Corporate Controller of Rusoro Mining Ltd., a junior gold producer with operations in Venezuela from February 2011 to April 2012, and for RB Energy Inc., a TSX-listed iodine producer with assets in Chile and Canada, from April 2012 to May 2015.

There are currently three standing committees of the Board; namely, the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. The following table identifies the members of each of these Committees as at December 31, 2016 and the date of this AIF:

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
Alessandro Bitelli, Chair C. Ashley Heppenstall Paul McRae	Lukas Lundin, Chair C. Ashley Heppenstall Paul McRae	C. Ashley Heppenstall, Chair Alessandro Bitelli Paul McRae

Securities Holdings

As at December 31, 2016, the directors and executive officers of the Corporation, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 2,962,911 Filo Mining Common Shares of the Corporation, representing approximately 4.83% of the issued and outstanding Filo Mining Common Shares of the Corporation (excluding securities issuable on exercise of stock options).

9.2. Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, no director or executive officer of the Corporation, is, or during the ten years preceding the date of this AIF has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an “order”) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed below, no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is at the date hereof, or has been within the ten years preceding the date of this AIF, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Mr. Carmichael was a director of Redcorp Ventures Ltd., which sought court protection under the Companies’ Creditors Arrangement Act (the “**CCAA**”) and was granted such protection by an order of the Supreme Court of British Columbia on March 4, 2009. On June 29, 2009, Redcorp Ventures Ltd. was assigned into bankruptcy and Abakhan & Associates Inc. was appointed as Trustee of the Estates.

Mr. Lukas Lundin was a director of Sirocco Mining Inc. (“**Sirocco**”). Mr. Lundin resigned as a director of Sirocco on January 31, 2014, at which time Sirocco was a public-traded company and financially solvent. Pursuant to a Plan of Arrangement completed on January 31, 2014, Canada Lithium Corp. (“**Canada Lithium**”) acquired Sirocco. The final step in the transaction was the amalgamation of Canada Lithium and Sirocco to form RB Energy Inc. (“**RBI**”). In October, 2014, RBI commenced proceedings under the CCAA and, in November, 2014, the TSX delisted RBI’s common shares for failure to meet its continued listing requirements. Although Mr. Lundin was never a director, officer or insider of RBI, he was a director of Sirocco within the 12 month period prior to RBI filing for protection under the CCAA. Mr. Alessandro Bitelli was the chief financial officer of RBI when it sought court protection under the CCAA and was granted such protection by an order of the Québec Superior Court on October 14, 2014.

No director or executive officer of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

9.3. Conflicts of Interest

To the best of the Corporation's knowledge, and other than as disclosed in this AIF, there are no known existing or potential conflicts of interest between the Corporation and any director or officer of the Corporation. The Corporation's directors and officers may serve as directors or officers of other companies, including of NGEx, the company which Filo Mining has entered into the Services Agreement with, or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or the terms of such participation. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, the involvement in a greater number of programs or a reduction in financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of Canada, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and the financial position at that time.

The directors and officers of the Corporation are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the CBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. Other than as disclosed above, the directors and officers of the Corporation are not aware of any such conflicts of interest in any existing or contemplated contracts with or transactions involving the Corporation. See "Risk Factors — Conflicts of Interest".

ITEM 10 PROMOTER

NGEx took the initiative in the Corporation's organization and, accordingly, may be considered to be the promoter of Filo Mining within the meaning of applicable Securities Legislation. NGEx does not beneficially own, or control or direct, any Filo Mining Common Shares. During the period from incorporation to and including the closing of the Arrangement, the only material thing of value which NGEx has received from Filo Mining is the Filo Common Shares issued to NGEx in consideration for the transfer to Filo Mining by NGEx of the Filo del Sol Project and \$3 million in cash, which Filo Common Shares were distributed to the NGEx Shareholders pursuant to the Arrangement.

ITEM 11 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

11.1. Legal Proceedings

There are no pending legal proceedings, and the Corporation knows of no contemplated legal proceedings to which the Corporation is a party or of which any of the properties are the subject.

11.2. Regulatory Actions

No penalties or sanctions were imposed by a court relating to securities legislation or by a securities regulatory authority during the Corporation's recently completed financial year, nor were there any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision, nor were any settlement agreements entered into before a court relating to securities legislation or with a securities regulatory authority during the Corporation's recently completed financial year.

The Corporation is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Corporation cannot reasonably predict the likelihood or outcome of these actions. The Corporation does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason therein, will have a material effect on the financial condition or future results of operations of the Corporation.

ITEM 12 AUDIT COMMITTEE

The Audit Committee oversees the accounting and financial reporting processes of the Corporation and its subsidiaries and all audits and external reviews of the financial statements of the Corporation on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Corporation and its subsidiaries. All auditing services and non-audit services to be provided to the Corporation by the Corporation's auditors are pre-approved by the Audit Committee. The Audit Committee reviews, on a continuous basis, any reports prepared by the Corporation's external auditors relating to the Corporation's accounting policies and procedures, as well as internal control procedures and systems. The Audit Committee is also responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, quarterly review engagements, if any, the Corporation's internal accounting controls, any complaints and concerns regarding accounting, internal controls or auditing matters and the resolution of issues identified by the Corporation's external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders and the compensation of the auditors. The Audit Committee shall meet a minimum of four times per fiscal year. As a result of the Arrangement, the Corporation became a reporting issuer on August 16, 2016. Consequently, the Audit Committee met only one time in 2016. The Audit Committee Charter is attached as Schedule "A" to this AIF.

12.1. Composition of the Audit Committee

Below are the details of each audit committee member, including his name, whether he is independent and financially literate as such terms are defined under National Instrument 52-110 – *Audit Committees* ("NI 52-110") and his education and experience as it relates to the performance of his duties as an audit committee member. The qualifications and independence of each member is discussed below and will be included in the Corporation's management information circular for the year ended December 31, 2016 for its annual meeting to be held in June, 2017.

Member Name	Independent ⁽¹⁾	Financially Literate ⁽²⁾	Education and Experience Relevant to Performance of Audit Committee Duties
Alessandro Bitelli (Chair)	Yes	Yes	Mr. Bitelli is currently Executive Vice President, Chief Financial Officer of Lundin Gold Inc. Mr. Bitelli is a Chartered Professional Accountant with over 30 years of experience in the mining industry and in public accounting, having worked in both North America and Europe. Over the years Mr. Bitelli served as Chief Financial Officer of several public companies including, most recently, Orca Gold Inc. and Red Back Mining Inc. from September 2007 to August 2010; He held the position of Vice President of Finance at Ashton Mining of Canada Inc. from 1995 to 2007.
C. Ashley Heppenstall	Yes	Yes	Mr. C. Ashley Heppenstall has been Chairman of the Board at Etrion Corporation since June 14, 2016. Prior to that, Mr. Heppenstall served as the Chief Executive Officer and President at Lundin Petroleum AB from 2001 until October 1st 2015. Mr. Heppenstall is also a director of Lundin Petroleum AB, Lundin Gold Inc., Africa Energy Corp., and ShaMaran Petroleum Corp., and, from May 2010 until May 2013, was a director of Vostok Nafta Investment Ltd., a corporation traded on the Nasdaq OMX Nordic Exchange in Stockholm. Mr. Heppenstall holds a Bachelor of Science Degree in Mathematics from the University of Durham.
Paul McRae	Yes	Yes	Mr. McRae is the Senior Vice-President, Projects, of Lundin Mining Corporation. Mr. McRae was most recently responsible for the successful development of Lundin Mining Corporation's Eagle Mine in Northern Michigan. His track record includes on time/on budget project management of major underground investments for INCO including McCreedy East, Garson and Birch Tree projects, serving as Project Manager on the highly successful De Beers Victor Project in Northern Canada, and leadership of numerous other projects from conceptual through construction phases in Australia, Canada, Spain, Portugal and South America, over a career spanning more than 40 years. Mr. McRae is also a director of Lundin Gold Inc.

Notes:

- (1) Independent within the meaning of NI 52-110.
- (2) An individual is financially literate within the meaning of NI 52-110 if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues and can reasonably be expected to be raised by the Corporation's financial statements.

12.2. Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemption in Section 2.4 (De Minimis Non-Audit Services), Section 3.2 (Initial Public Offerings),

Section 3.4 (Events Outside Control of Member), Section 3.5 (Death, Disability or Resignation of Audit Committee Member) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

12.3. Reliance on Exemption in Subsection 3.3(2) or Section 3.6

Since the commencement of the Corporation’s most recently completed financial year, the Corporation has not relied on the exemption in subsection 3.3(2) (Controlled Companies) or Section 3.6 (Temporary Exemption for Limited Exceptional Circumstances).

12.4. Reliance on Section 3.8

Since the commencement of the Corporation’s most recently completed financial year, the Corporation has not relied on the exemption in Section 3.8 (Acquisition of Financial Literacy).

12.5. Audit Committee Oversight

Since the commencement of the Corporation’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Corporation’s Board of Directors.

12.6. Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter attached hereto as Schedule A.

12.7. External Auditor Service Fees (by Category)

The following table discloses the fees billed to the Corporation by its external auditor during the last two fiscal years ended December 31, 2016, and December 31, 2015:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2016	\$11,000	\$10,000	\$nil	\$nil
December 31, 2015	n/a ⁽⁵⁾	n/a ⁽⁵⁾	n/a ⁽⁵⁾	n/a ⁽⁵⁾

Notes:

- (1) The aggregate fees billed for audit services.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not disclosed in the audit fees column.
- (3) The aggregate fees billed for tax compliance, tax advice, tax return and tax planning services.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns, including any services rendered in connection with the Corporation’s NASDAQ First North Exchange listing, corporate reorganization and Canadian Public Accountability Board audit quality review.
- (5) The Corporation first appointed an external auditor on November 28, 2016, following completion of the Arrangement.

PricewaterhouseCoopers LLP, Chartered Accountants, have prepared the Independent Auditors’ Report in respect of the Corporation’s consolidated audited financial statements as at and for the period ended December 31, 2016. PricewaterhouseCoopers LLP have advised the Corporation that they are independent in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

ITEM 13 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the best of the Corporation's knowledge, no director, executive officer or greater than 10% shareholder of Filo Mining and no associate or affiliate of the foregoing persons has or had any material interest, direct or indirect, in any transaction since incorporation or in any proposed transaction which in either such case has materially affected or will materially affect Filo Mining save as described herein.

ITEM 14 TRANSFER AGENTS AND REGISTRARS

Computershare Investor Services Inc. ("**Computershare**") acts as the registrar and transfer agent for the common shares of the Corporation at its offices in Vancouver and Toronto. Computershare is located at: 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; and 100 University Avenue, 11th Floor, Toronto, Ontario, M5J 2Y1.

ITEM 15 MATERIAL CONTRACTS

Except as set forth below, and other than as disclosed in this AIF, there were no other contracts, other than those entered into in the ordinary course of business, that were material to the Corporation and that were entered into between May 12, 2016 (being the date of incorporation of the Corporation) and up to the date of this AIF or that were entered into prior to May 12, 2016 and remain in effect during 2016.

- Arrangement Agreement dated as of June 13, 2016 between NGEx Resources Inc. and Filo Mining Corp., whereby NGEx and Filo Mining agreed to proceed with a reorganization transaction by way of Plan of Arrangement, whereby, among other things, NGEx undertook a reorganization to spin-out certain of its assets to Filo Mining as described under the heading "General Development of the Business".

ITEM 16 NAMES AND INTERESTS OF EXPERTS

The following persons or companies are named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing made under National Instrument 51-102 *Continuous Disclosure Obligations* by the Corporation during or relating to the most recently completed financial year and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

- Robert Carmichael, B.A.Sc, P.Eng., in respect of the preparation of certain scientific and technical information in the Corporation's news releases, this AIF, and other disclosure documents. Mr. Carmichael is a "qualified person" for the purposes of NI 43-101, but not independent as he is Vice President, Exploration of the Corporation and as of the date of this AIF, he holds directly or indirectly, 10,000 common shares and stock options to purchase an aggregate of 356,250 common shares of the Corporation as follows: 43,750 common shares exercisable at \$1.49 per share until May 7, 2017, 62,500 common shares exercisable at \$0.74 per share until May 11, 2018; 50,000 common shares exercisable at \$0.50 per share until February 24, 2019; and 200,000 common shares exercisable at \$2.00 per share until December 5, 2021. If all the options held by Robert Carmichael were exercised, he would hold less than one percent of the common shares of the Corporation.
- Fionnuala Devine, MSc., P.Geo., of Merlin Geosciences Inc., D. Charchaflié, P.Geo. of LPF Consulting SRL, and James N. Gray, P.Geo. of Advantage Geoservices Ltd. in respect of the Filo del Sol Report. Each of Ms. Devine, Mr. Charchaflié, and Mr. Gray is an independent "qualified person" for the purposes of NI 43-101.

Except as set forth above, no person or company named or referred to under this item beneficially owns, directly or indirectly, 1% or more of any class of the Corporation's outstanding securities.

PricewaterhouseCoopers LLP are the auditors who issued the auditor's report for the Corporation's financial statements for the period ended December 31, 2016. PricewaterhouseCoopers LLP has advised the Corporation

that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Other than Mr. Carmichael, Vice President, Exploration, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or any associate or affiliate of the Corporation.

ITEM 17 ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on under the Corporation's profile on the SEDAR website at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and options to purchase securities, will be contained in the Corporation's management information circular for its first annual meeting of shareholders involving the election of directors, scheduled to be held in June, 2017.

Additional financial information is provided in the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2016 together with the auditors' report thereon, and the related Management Discussion and Analysis for its most recently completed financial year.



SCHEDULE A

FILO MINING CORP. (the "Corporation")

CHARTER OF THE AUDIT COMMITTEE

(as ratified by the Board on August 3, 2016)

1. Purpose of the Audit Committee

The Audit Committee oversees the accounting and financial reporting processes of the Corporation and its subsidiaries and all audits and external reviews of the financial statements of the Corporation on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Corporation and its subsidiaries.

2. Composition and Procedures of the Audit Committee

2.1 The Audit Committee shall be appointed annually by the Board and shall be composed of at least three members, each of whom must be a director of the Corporation.

2.2 Each member of the Audit Committee shall hold office as such until the next annual meeting of shareholders after his or her appointment, provided that any member of the Audit Committee may be removed or replaced at any time by the Board and shall at any time cease to be a member of the Audit Committee on ceasing to be a director.

2.3 At least one member of the Audit Committee shall be independent and the Board and the Audit Committee shall endeavour to appoint a majority of independent directors to the Audit Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Audit Committee members' independent judgment.

2.4 At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

3. Meeting Requirements

3.1 The times of and the places where meetings of the Audit Committee will be held and the calling of and the procedure at those meetings shall be determined from time to time by the Audit Committee, but in any event, the Audit Committee will meet on a regular basis at least once every quarter; provided that notice of every such meeting shall be given to the Auditor (as defined in paragraph 4.1.1 below) of the Corporation and that meetings shall be convened whenever requested by the Auditor or any member of the Audit Committee in accordance with the *Canada Business Corporations Act*.

3.2 Two members of the Audit Committee shall constitute a quorum.

4. Duties and Responsibilities

4.1 *Appointment, Oversight and Compensation of Auditor*

- (a) The Audit Committee shall recommend to the Board:
 - (i) the auditor (the “**Auditor**”) to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation; and
 - (ii) the compensation of the Auditor.
- (b) In making such recommendations, the Audit Committee shall evaluate the Auditor’s performance and review the Auditor’s fees for the preceding year.
- (c) The Auditor shall report directly to the Audit Committee.
- (d) The Audit Committee shall be directly responsible for overseeing the work of the Auditor, including the resolution of disagreements between management and the Auditor regarding financial reporting.
- (e) The Audit Committee shall review information, including written statements from the Auditor, concerning any relationships between the Auditor and the Corporation or any other relationships that may adversely affect the independence of the Auditor and assess the independence of the Auditor.

4.2 *Non-Audit Services*

- (a) All auditing services and non-audit services provided to the Corporation or the Corporation’s subsidiaries by the Auditor shall, to the extent and in the manner required by applicable law or regulation, be pre-approved by the Audit Committee. In no circumstances shall the Auditor provide any non-audit services to the Corporation that are prohibited by applicable law or regulation.

4.3 *Review of Financial Statements etc.*

- (a) The Audit Committee shall review the Corporation’s:
 - (i) interim and annual financial statements and Management’s Discussion and Analysis (“**MD&A**”), intended for circulation among shareholders; and
 - (ii) Annual Information Form only to the extent that it contains financial information or projections, and shall report on them to the Board.
- (b) The Audit Committee shall satisfy itself that the audited financial statements and interim financial statements present fairly the financial position and results of operations in accordance with generally accepted accounting principles and that the auditors have no reservations about such statements.
- (c) The Audit Committee shall review changes in the accounting policies of the Corporation and accounting and financial reporting proposals that are provided by the Auditor that may have a significant impact on the Corporation’s financial reports, and report on them to the Board.

4.4 *Review of Public Disclosure of Financial Information*

- (a) The Audit Committee shall review the Corporation's annual and interim press releases relating to financial results before the Corporation publicly discloses this information.
- (b) The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection 4.4.1, and must periodically assess the adequacy of those procedures.

4.5 *Review of Annual Audit*

- (a) The Audit Committee shall review the nature and scope of the annual audit, and the results of the annual audit examination by the Auditor, including any reports of the Auditor prepared in connection with the annual audit.
- (b) The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect the audited financial statements.
- (c) The Audit Committee shall satisfy itself that, where there are unsettled issues that do not affect the audited financial statements (e.g. disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.
- (d) The Audit Committee shall satisfy itself that there is generally a good working relationship between management and the Auditor.

4.6 *Review of Quarterly Review Engagements*

- (a) The Audit Committee shall review the nature and scope of any review engagements for interim financial statements, and the results of such review engagements by the Auditor, including any reports of the Auditor prepared in connection with such review engagements.
- (b) The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect any interim financial statements.
- (c) The Audit Committee shall satisfy itself that, where there are unsettled issues that do not affect any interim financial statements (e.g. disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.

4.7 *Internal Controls*

- (a) The Audit Committee shall have responsibility for oversight of management reporting and internal control for the Corporation and its subsidiaries.

- (b) The Audit Committee shall satisfy itself that there are adequate procedures for review of interim statements and other financial information prior to distribution to shareholders.

4.8 *Complaints and Concerns*

- (a) The Audit Committee shall establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

4.9 *Hiring Practices*

- (a) The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former Auditors of the Corporation.

4.10 *Other Matters*

- (a) The Audit Committee shall be responsible for oversight of the effectiveness of management's interaction with and responsiveness to the Board;
- (b) The Audit Committee shall review and monitor all related party transactions which may be entered into by the Corporation.
- (c) The Audit Committee shall approve, or disapprove, material contracts where the Board determines it has a conflict.
- (d) The Audit Committee shall satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulations relating to insider trading, continuous disclosure and financial reporting.
- (e) The Audit Committee shall periodically review the adequacy of this Charter and recommend any changes to the Board.
- (f) The Board may refer to the Audit Committee such matters and questions relating to the financial position of the Corporation and its affiliates as the Board from time to time may see fit.

5. Rights and Authority of the Audit Committee and the Members Thereof

5.1 The Audit Committee has the authority:

- (a) To engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) To set and require the Corporation to pay the compensation for any advisors employed by the Audit Committee; and

(c) To communicate directly with the Auditor and, if applicable, the Corporation's internal auditor.

5.2 The members of the Audit Committee shall have the right, for the purpose of performing their duties, to inspect all the books and records of the Corporation and its affiliates and to discuss those accounts and records and any matters relating to the financial position of the Corporation with the officers and Auditor of the Corporation and its affiliates, and any member of the Audit Committee may require the Auditor to attend any or every meeting of the Audit Committee.

6. Miscellaneous

Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Corporation or members of the Audit Committee. The purposes, responsibilities, duties and authorities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.