



**NOTICE OF 2018 ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR**



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NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "Meeting") of the shareholders of Filo Mining Corp. (the "Corporation") will be held at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, on Thursday, June 14, 2018 at the hour of 10:00 a.m. (Pacific Time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2017, together with the report of the auditors thereon;
2. to fix the number of directors at seven;
3. to elect directors of the Corporation for the ensuing year;
4. to appoint the auditor of the Corporation for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the auditor;
5. to consider and, if thought fit, to pass an ordinary resolution providing for the required annual approval of the Corporation's incentive stock option plan, as more particularly described in the accompanying management information circular (the "**Information Circular**"); and
6. to transact such further and other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Accompanying this Notice of Meeting is the Corporation's Information Circular, a form of proxy or voting instruction form, and a financial statement request form. The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice of Meeting.

If you are a *registered shareholder* of the Corporation and are unable to attend the Meeting in person, please complete, sign, date and return the enclosed form of proxy either in the addressed envelope enclosed to Proxy Department, Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax to 1-866-249-7775. Proxies must be received not less than 48 hours (excluding Saturdays, and holidays) before the time for holding the Meeting or any adjournment thereof.

If you are a *non-registered shareholder* of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. **If you are a non-registered shareholder and do not complete and return the materials in accordance with such instructions, you may not be entitled to vote at the Meeting, either in person or by proxy.**

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining and depositing the required form of proxy, you should contact Computershare Investor Services Inc. by telephone (toll free) at 1-800-564-6253, by fax at 1-866-249-7775 or by e-mail at service@computershare.com.

DATED at Vancouver, British Columbia, this 10th day of May, 2018.

BY ORDER OF THE BOARD

/s/ "Adam I. Lundin"

Adam I. Lundin

President, Chief Executive Officer and Director

MANAGEMENT INFORMATION CIRCULAR

Table of Contents

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS	1
MANAGEMENT INFORMATION CIRCULAR	1
SOLICITATION OF PROXIES	1
APPOINTMENT OF PROXYHOLDER AND VOTING OF PROXIES	1
NON-REGISTERED HOLDERS OF COMMON SHARES	1
HOLDERS OF EUROCLEAR SWEDEN REGISTERED SHARES	2
NOTICE AND ACCESS	2
REVOCAION OF PROXIES	2
VOTING OF PROXIES	3
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON	3
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES	3
PLAN OF ARRANGEMENT	4
PARTICULARS OF MATTERS TO BE ACTED UPON	4
ELECTION OF DIRECTORS	4
APPOINTMENT OF AUDITOR	7
ANNUAL APPROVAL OF 10% ROLLING STOCK OPTION PLAN	7
AUDIT COMMITTEE	8
STATEMENT OF EXECUTIVE COMPENSATION	8
COMPENSATION DISCUSSION AND ANALYSIS	9
SUMMARY COMPENSATION TABLE	14
INCENTIVE PLAN AWARDS	17
TERMINATION AND CHANGE OF CONTROL BENEFITS	18
DIRECTOR COMPENSATION	21
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	23
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE	23
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN	23
DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE	26
MANAGEMENT CONTRACTS	26
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	26
OTHER BUSINESS	26
ADDITIONAL INFORMATION	27
APPENDIX 1 - Corporate Governance Disclosure	28
SCHEDULE A – BOARD OF DIRECTORS - OTHER DIRECTORSHIPS	32



MANAGEMENT INFORMATION CIRCULAR

(Containing information as at May 4, 2018, unless indicated otherwise)

SOLICITATION OF PROXIES

This management information circular ("Information Circular") is furnished in connection with the solicitation of proxies by the management ("Management") of Filo Mining Corp. (the "Corporation") for use at the annual general and special meeting (the "Meeting") of the holders (the "Shareholders") of common shares in the capital of the Corporation (the "Common Shares") to be held on Thursday, June 14, 2017 at the time and place and for the purposes set out in the accompanying Notice of Annual General and Special Meeting of Shareholders (the "Notice of Meeting"). References in this Information Circular to the Meeting include any adjournment(s) or postponement(s) thereof.

While it is expected that the solicitation will be made by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation at nominal cost. All costs of this solicitation will be borne by the Corporation.

Unless otherwise stated, the information contained in this Information Circular is as of May 4, 2017. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars, which is the Corporation's reporting currency.

APPOINTMENT OF PROXYHOLDER AND VOTING OF PROXIES

The individuals named in the enclosed form of proxy are officers and/or directors of the Corporation (the "Management Proxyholders"). **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent such Shareholder at the Meeting, may do so, either by striking out the names of those persons named in the accompanying form of proxy and inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy. A proxy will not be valid unless the completed form of proxy is received by the Corporation's transfer agent, Computershare Investor Services Inc. ("Computershare"), at Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, or via fax to 1-866-249-7775, or via phone to 1-866-732-8683, or via Internet to www.investorvote.com, not less than 48 hours (excluding Saturdays, and holidays) before the time for holding the Meeting, or any adjournment or postponement thereof.**

NON-REGISTERED HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through banks, brokers, trustees or other persons ("Intermediaries"), or who otherwise do not hold their Common Shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares ("**Registered Shareholders**") will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares more likely will be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name of the Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The Intermediaries have their own mailing procedures and provide their own return

instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to Registered Shareholders by the Corporation and is commonly referred to as a "**voting instruction form**". However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails such forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote their Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through an Intermediary, please contact that Intermediary promptly for assistance.** Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

These securityholder materials are being sent to both Registered Shareholders and Beneficial Shareholders who have not objected to the Intermediary through which their Common Shares are held disclosing ownership information about themselves to the Corporation ("**NOBO's**"). If you are a NOBO, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

If you are a Beneficial Shareholder who has objected to the Intermediary through which your Common Shares are held disclosing ownership information about you to the Corporation (an "**OBO**"), the Corporation does intend to pay for an Intermediary to deliver the proxy-related materials with respect to the Meeting and related forms to OBOs.

HOLDERS OF EUROCLEAR SWEDEN REGISTERED SHARES

The information in this section is of significance to Shareholders who hold their securities ("**Euroclear Registered Securities**") through Euroclear Sweden AB, which securities trade on the NASDAQ OMX Stockholm. **Shareholders who hold Euroclear Registered Securities are not registered holders of voting securities for the purposes of voting at the Meeting. Instead, Euroclear Registered Securities are registered under CDS & Co., the registration name of the Canadian Depository for Securities. Holders of Euroclear Registered Securities will receive a voting instruction form (the "VIF") by mail directly from Computershare AB ("Computershare Sweden").** The VIF cannot be used to vote securities directly at the Meeting. Instead, the VIF must be completed and returned to Computershare Sweden, strictly in accordance with the instructions and deadlines that will be described in the instructions provided with the VIF.

NOTICE AND ACCESS

The Corporation is not sending the Meeting materials to Shareholders using "notice and access", as defined in National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer.

REVOCAION OF PROXIES

A Registered Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Corporation at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8, at any time up to and including

the last business day preceding the day of the Meeting or any adjournment or postponement of it or to the chair of the Meeting on the day of the Meeting or any adjournment or postponement of it. **Only Registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.** A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

The Common Shares represented by a properly executed proxy in favour of Management Proxyholders will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the Management Proxyholder on any ballot that may be called for; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL, SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. If any amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the Management Proxyholders to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, Management knows of no such amendment, variation or other matter that may be presented to the Meeting.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as set out herein, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee of Management for election as a director of the Corporation and, to the knowledge of the Corporation, no associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors. Directors and executive officers may, however, be interested in the approval of the Corporation's share option plan (the "Plan") as detailed in "Particulars of Matters to be Acted Upon – Annual Approval Of 10% Rolling Stock Option Plan", as such persons are entitled to participate in the Plan.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Common Shares of which 72,137,279 Common Shares are issued and outstanding as at May 4, 2018.

Shareholders registered as at May 4, 2018 (the "Record Date") are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must deliver their form of proxy at the place and within the time set forth in the notes to the form of proxy to entitle the person appointed by the form of proxy to attend and vote.

Every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote for each Common Share registered in that Shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare and will be available at the Meeting. **Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

The following table sets forth the only persons who as of the date hereof, to the knowledge of the directors and executive officers of the Corporation, beneficially own or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares:

Name	Number of Shares	Percentage
Lorito Holdings S.à.r.l. (“ Lorito ”) ⁽¹⁾	5,700,000	7.90%
Zebra Holdings and Investments S.à.r.l. (“ Zebra ”) ⁽¹⁾	14,545,068	20.16%

Note:

⁽¹⁾ Lorito and Zebra, who report their security holdings as joint actors, are private corporations owned by a trust whose settlor was the late Adolf H. Lundin. Together, Lorito and Zebra hold a total of 20,245,068 Common Shares, which represents approximately 28.06% of the current outstanding Common Shares. In addition, Zebra holds an unsecured US\$ 2 million Debenture issued by the Corporation (the “**Debenture**”), which has a maturity date of January 12, 2019 (the “**Maturity Date**”). For each US\$50,000 drawn and outstanding from time to time on the Debenture, the Corporation will issue an additional 300 Common Shares per month up to the Maturity Date. All securities issued with respect to the Debenture are subject to a four month hold period. As of the date of this Information Circular, there are no funds drawn on the Debenture.

PLAN OF ARRANGEMENT

The Corporation was incorporated under the *Canada Business Corporations Act* (the “**BCBA**”) on May 12, 2016 as a wholly owned subsidiary of NGEx Resources Inc. (“**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 the Corporation, and pursuant to the court approved plan of arrangement, whereby NGEx transferred to the Corporation its wholly-owned subsidiaries that directly or indirectly hold the Filo del Sol Project, along with \$3.0 million in cash (the “**Arrangement**”). Under the terms of the Arrangement, which closed on August 16, 2016, NGEx then distributed 100% of the 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 Common Share for every four 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 the Corporation (an “**Option**”) and the exercise prices for the NGEx Replacement Options and the Options were adjusted to reflect the relative value of the shares. As NGEx Shareholders received the 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. The Corporation 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**”.

PARTICULARS OF MATTERS TO BE ACTED UPON

ELECTION OF DIRECTORS

The board of directors (the “**Board**”) presently consists of seven directors and it is intended to elect seven directors for the ensuing year.

According to its Articles of Incorporation, the Corporation may have a minimum of 1 and a maximum of 10 directors. The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as Management’s nominees and the Management Proxyholders in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected or appointed unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the CBCA.

The Corporation’s by-laws provide for an advance notice requirement for nominations of directors by shareholders. The Corporation did not receive notice of any director nominations in connection with the Meeting within the time periods prescribed by the by-laws. Accordingly, at the Meeting, the only persons eligible to be nominated for election to the Board are the proposed directors (as defined below).

The following table and notes thereto sets out the name of each person proposed to be nominated by Management for election as a director (a “**proposed director**”), the province and country in which he is ordinarily resident, all offices of the Corporation now held by him, his principal occupation, the period of time for which he has been a director of the Corporation, and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by him and his associates or affiliates, as at the date hereof.

Name and Province and Country of Residence ⁽¹⁾	Positions with the Corporation	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽²⁾	Principal Occupation and Term as Director
Lukas H. Lundin Geneva, Switzerland	Chairman of the Board and Director	475,461	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., International Petroleum Corporation, and Lundin Petroleum S.A. Former President and Chief Executive Officer of Lundin Gold Inc., from 2008-2014. Director since July 11, 2016
Adam I. Lundin British Columbia, Canada	President, Chief Executive Officer and Director	182,500	President and Chief Executive Officer and a director of the Corporation since September 11, 2017. Formerly Co-Head, London Office, Pareto Securities Ltd. from November, 2012 to August, 2017.
Alessandro Bitelli British Columbia, Canada	Director	NIL	Executive Vice President, Chief Financial Officer of Lundin Gold Inc. since 2016; and Director of Group Eleven Resources Corp. since December 2017. Former Chief Financial Officer of Orca Gold Inc. from 2013-2016; and former Chief Financial Officer of RB Energy Inc. from 2011-2014.
C. Ashley Heppenstall, Hong Kong, Hong Kong	Lead Director	2,326,650	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, Lead Director, International Petroleum Corp., Chair of Africa Energy Corp., and director of ShaMaran Petroleum Corp. Former President and Chief Executive Officer 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. Director since July 11, 2016
Paul McRae Vilamoura, Portugal	Director	NIL	Senior Vice-President, Projects, of Lundin Mining Corporation since January 2012; Director of Lundin Gold Inc. and Bluestone Resources Inc. Former Project Director of AMEC from June 2009 to December 2011. Director since July 11, 2016

Name and Province and Country of Residence ⁽¹⁾	Positions with the Corporation	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽²⁾	Principal Occupation and Term as Director
Pablo Mir Santiago, Chile	Director	NIL	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. Director since November 28, 2016
Wojtek A. Wodzicki British Columbia, Canada	Director	282,050	President, Chief Executive Officer and a director of NGEx Resources Inc.; Former President and Chief Executive Officer of the Corporation from May 12, 2016 to September 11, 2017 Director since May 12, 2016

Notes:

- (1) The information as to the province or state, as applicable, country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective proposed directors individually.
- (2) The information as to Common Shares beneficially owned or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective proposed directors individually.

The following table sets out the current membership of the proposed directors on the committees of the Board:

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
Alessandro Bitelli (Chair) C. Ashley Heppenstall Paul McRae	Lukas Lundin (Chair) C. Ashley Heppenstall Pablo Mir	C. Ashley Heppenstall (Chair) Alessandro Bitelli Paul McRae

Other than as disclosed below, none of the proposed directors (or any of their personal holding companies) of the Corporation:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Corporation, that:
- (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "order") that was issued while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (ii) was subject to an order that was issued after the person 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;
- (b) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, 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
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a

proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

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 publicly-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 Companies’ Creditors Arrangement Act (“**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.

Mr. Pablo Mir was a director of Sirocco Mining Inc. (“**Sirocco**”). Pursuant to a plan of arrangement completed on January 31, 2014, Canadian Lithium Corp. acquired Sirocco. Under the plan of arrangement, Canadian Lithium Corp. amalgamated with Sirocco to form RB Energy Inc. (“**RBI**”). In October 2014, RBI commenced proceedings under the Companies’ Creditors Arrangement Act (“**CCAA**”). CCAA proceedings continued in 2015 and a receiver was appointed in May 2015. The Toronto Stock Exchange (“**TSX**”) de-listed RBI’s common shares on November 24, 2014 for failure to meet the continued listing requirements of the TSX. Pablo Mir was a director of RBI from the time of the plan of arrangement with Canadian Lithium Corp. to October 3, 2014. This information was not previously disclosed by the Company.

None of the proposed directors (or any of their personal holding companies) 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 securityholder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

The Common Shares represented by the proxies solicited in respect of the Meeting on any ballot that may be called for, unless authority to do so is withheld, will be voted for the appointment of the firm of PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditor of the Corporation, and to authorize the directors to fix the remuneration to be paid to the auditor for the ensuing year. PricewaterhouseCoopers LLP have served as auditor of the Corporation since December 9, 2016.

ANNUAL APPROVAL OF 10% ROLLING STOCK OPTION PLAN

As noted under “Securities Authorized for Issuance Under Equity Compensation Plan”, the Corporation’s current 10% rolling stock option plan (the “**Plan**”) governing the issuance of Options was approved by Shareholders on June 14, 2017. See “Securities Authorized for Issuance Under Equity Compensation Plan” for a summary of the terms and conditions governing the Plan.

A copy of the Plan may be inspected at the head office of the Corporation, Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 during normal business hours and at the Meeting. In addition, a copy of the Plan will be mailed, free of charge, to any holder of Common Shares who requests a copy, in writing, from the Corporate Secretary of the Corporation. Any such requests should be mailed to the Corporation, at its head office, to the attention of the Corporate Secretary.

The policies of the TSXV require that rolling plans be approved by shareholders on an annual basis. Accordingly, at the Meeting Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution to ratify and confirm the Plan as adopted by the Board which permits the issuance of up to 10% of the issued and outstanding Common Shares of the Corporation from time to time. To be effective, the resolution must be passed by a simple majority of the votes cast thereon by Shareholders present in person or represented by proxy at the Meeting.

At the Meeting, Shareholders will be asked to pass an ordinary resolution, in substantially the following form to re-approve the Plan:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the 10% Rolling Stock Option Plan (the “**Plan**”) of Filo Mining Corp. (the “**Corporation**”), as adopted by the Board of Directors, and as described in the Corporation’s management information circular dated May 10, 2018, be and is hereby approved and ratified, and the Corporation be and is hereby authorized to reserve for issuance pursuant to the Plan up to 10% of the issued and outstanding common shares of the Corporation from time to time;
2. the Board of Directors be and is hereby authorized on behalf of the Corporation to make any amendments to the Plan as may be required by regulatory authorities or otherwise made necessary by applicable legislation, without further approval of the shareholders of the Corporation, in order to ensure the adoption and efficient function of the Plan; and
3. any director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the implementation of the Plan.”

The directors of the Corporation believe that the passing of the foregoing ordinary resolution is in the best interests of the Corporation and recommend that Shareholders vote in favor of the resolution.

The persons named as proxies in the enclosed Proxy intend to cast the votes represented by proxy in favor of the foregoing resolution unless the holder of Common Shares who has given such proxy has directed that the votes be otherwise cast.

AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor. This information is provided in the Corporation’s annual information form dated April 20, 2018 (the “**AIF**”) with respect to the year ended December 31, 2017. The AIF is available for review by the public on the SEDAR website located at www.sedar.com “Company Profiles – Filo Mining Corp.” and may also be obtained free of charge by sending a written request to the Corporate Secretary of the Corporation at the Corporation’s head office located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Information Circular, a Named Executive Officer (a “**NEO**”) means each of the following individuals: (a) the Chief Executive Officer of the Corporation (“**CEO**”), (b) the Chief Financial Officer of the Corporation (“**CFO**”), (c) each of the three most highly compensated executive officers of the Corporation including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6, for the year ended December 31, 2017; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Corporation or its subsidiary, nor acting in a similar capacity, as of December 31, 2017.

During the year ended December 31, 2017, the Corporation had six NEOs, namely Mr. Adam I. Lundin, President and CEO, Mr. Jeff Yip, CFO, Mr. Robert Carmichael, Vice President, Exploration, Mr. James Beck, Vice President, Corporate Development and Projects, Mr. Wojtek A. Wodzicki, the former President and CEO, and Mr. Alfredo Vitaller, General Manager, South American Operations. Mr. Adam I. Lundin was appointed to the position of President and CEO on September 11, 2017, succeeding Mr. Wojtek A. Wodzicki, who stepped down as President and CEO of the Corporation on September 11, 2017, in order to focus his activities as President and CEO of NGEx Resources Inc. Mr. Wodzicki continues to serve as a director of the Corporation and is a lead advisor to the Corporation’s technical team.

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Compensation Philosophy

The administration of the Corporation's compensation mechanism is handled by the compensation committee (the "**Compensation Committee**") of the Board. On an annual basis, the Compensation Committee shall review the compensation of its NEOs to ensure that each is being compensated in accordance with the objectives of the Corporation's compensation programs which are to:

- provide competitive compensation that attracts and retains talented employees;
- align compensation with Shareholder interests;
- pay for performance;
- support the Corporation's vision, mission and values; and
- be flexible to recognize the needs of the Corporation in different business environments.

Role of the Compensation Committee

As at December 31, 2017, the Compensation Committee was comprised of Lukas Lundin (Chair), C. Ashley Heppenstall and Pablo Mir, a majority of whom are considered to be independent directors. All of these individuals have direct experience that is relevant to their responsibilities in determining executive compensation for the Corporation as they have been previously, and are currently, involved with compensation matters at other companies, both public and private, with which they are directors.

The Compensation Committee has the depth of knowledge and the diversity of skills necessary to make informed and independent decisions on compensation matters. In particular, the following skills and experience enable the Compensation Committee to think critically and to make decisions on the suitability of the Corporation's compensation policies and practices:

Mr. Lundin: Mr. Lukas Lundin is a business/mining executive; and a director of a number of publicly traded resource-based companies, including Lucara Diamond Corp., Lundin Mining Corporation, Lundin Gold Inc., Denison Mines Corp., International Petroleum Corp. and Lundin Petroleum S.A. Mr. Lundin has led several companies through highly profitable business acquisitions and mergers such as Lundin Mining's \$3.3 billion merger with EuroZinc Mining, the \$2 billion sale of Tanganyika Oil Company Ltd. and most recently the \$9.2 billion sale of Red Back Mining Inc. Mr. Lundin was formerly the President and Chief Executive Officer of Lundin Gold Inc., from 2008-2014. Mr. Lundin is a graduate of the New Mexico Institute of Mining and Technology.

Mr. Heppenstall: 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, International Petroleum Corp., 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.

Mr. Mir: Mr. Mir practices in the area of natural resources law with a focus on mining. He is a senior partner of the Chilean law firm Bofill Mir & Alvarez Jana, one of the largest law firms in Chile, where he leads the natural resources practice. Mr. Mir has advised international mining companies on the exploration, development, construction, and acquisitions of mining projects in Chile and Argentina. He has been recognized by specialized legal publications as one of the top mining lawyers in Latin America. Mr. Mir has served as counsel to several equity financings for mining projects located in Chile and Argentina, including the listing process on the TSX, ASX and AIM markets. Mr. Mir received his Law Degree from Universidad de Chile and was admitted to practice in 1989.

The Compensation Committee is responsible for implementing and overseeing the Corporation's compensation policies and programs as approved by the Board. The Compensation Committee's responsibilities include:

- recommending compensation policies and guidelines to the Board;

- ensuring that the Corporation has in place programs to attract and develop executive officers of the highest caliber and a process to provide for the orderly succession of executive officers; and
- reviewing and approving corporate goals and objectives relevant to the compensation of executive officers and, in light of those goals and objectives, recommending to the Board the annual salary, bonus and other benefits, direct and indirect, of executive officers.

The Compensation Committee considers and evaluates executive compensation levels on an annual basis against available information for “peer group” companies, which are principally comprised of “junior mineral exploration” companies, to ensure that the Corporation’s executive compensation levels are within the range of comparable norms. In selecting peer group companies, the Compensation Committee primarily looks for public companies that are comparable in terms of business and size. For the 2017 review, using public filings, the Compensation Committee considered the executive compensation levels, including benefits, of Bear Creek Mining Corp., Balmoral Resources Ltd., Denison Mines Corp., INV Metals, Liberty Gold, and Northern Dynasty (the “**Comparator Group**”). Specific targets for each element of compensation as against the Comparator Group are further discussed under each applicable heading.

The Compensation Committee also considered the Corporation’s performance during 2017 and Management’s impact on the Corporation’s performance in determining total compensation. The Compensation Committee assesses performance as a whole. Key milestones achieved during 2017 include:

- The completion of an updated Mineral Resource estimate at the Filo del sol Project, achieving a 98% conversion rate of Inferred material to the Indicated category and an overall 61% increase to the Mineral Resource;
- The completion of the second phase of metallurgical test-work, which further refined recovery estimates for gold oxide and copper-gold oxide material from the main Filo del Sol deposit, and provided critical data for a Preliminary Economic Assessment (“PEA”) of the Filo del Sol Project; and
- The completion of a positive PEA of the Filo del Sol Project, incorporating the updated Mineral Resource estimate, open-pit mining, and heap leach processing of only the oxide portions of the Mineral Resource.

Role of Management in Determining Compensation

The accountability for decisions on executive remuneration is clearly within the mandate of the Compensation Committee, but Management has a key role in helping support the Compensation Committee in fulfilling its obligations. For example, the CEO makes recommendations to the Compensation Committee regarding executive officer base salary adjustments, Option grants and discretionary bonuses, other than with respect to the CEO’s own remuneration. The Compensation Committee reviews the basis for these recommendations and can exercise its discretion in modifying any of the recommendations prior to making its recommendations to the Board. The Board can also exercise discretion to increase or decrease amounts prior to making its final determination. The CEO does not make a recommendation to the Compensation Committee with respect to his own remuneration package, which is determined by the Compensation Committee for recommendation and approval by the Board.

Elements of NEO Compensation

NEO compensation for the year ended December 31, 2017, was comprised of three components; namely, base salary, equity compensation in the form of stock options, and discretionary performance-based bonuses. In addition, NEOs are entitled to participate in the Corporation’s benefits program. A NEO’s base salary is intended to remunerate the NEO for discharging job responsibilities and reflects the executive’s performance over time. Base salaries are used as a measure to compare to, and remain competitive with, compensation offered by competitors and as the base to determine other elements of compensation and benefits. The stock option component of a NEO’s compensation, which includes a vesting element to ensure retention, meets the objectives of the Corporation’s compensation program by both motivating the executive towards increasing share value and enabling the executive to share in the future success of the Corporation. Discretionary performance-based bonuses are considered from time to time to reward those who have achieved exceptional performance and meet the objectives of the Corporation’s compensation program by rewarding pay for performance. Other benefits do not form a significant part of the remuneration package of any of our NEOs.

A number of factors are considered by the Compensation Committee and the Board when determining NEO compensation, including:

- the NEO’s individual contribution to the benefit of the Corporation and the assessment of each NEO’s individual performance;
- the long-term interests of the Corporation and its Shareholders including exploration success;
- the NEO’s responsibilities, length of service and levels of compensation provided by industry competitors; and
- the operational performance and the Corporation’s financial position.

Base Salary

Base salaries are a fixed component of compensation to ensure that the Corporation remains competitive and continues to attract and retain qualified and experienced executives. Base salaries are reviewed and, if appropriate, adjusted annually. The Corporation endeavours to pay the salaries of its NEOs at the mid-range level of industry standards while providing NEOs with additional performance-based compensation such as discretionary performance-based bonuses and Options, as further discussed below. There will, however, be occasions when the Corporation pays salaries above or below this level depending on the individual skills and experience of the executive.

Performance-based Bonuses

The Compensation Committee may provide recommendations on discretionary cash bonuses from time to time. Bonuses are a variable, or “at-risk”, component of compensation designed to pay for performance and support the Corporation’s vision, mission and values. To determine the amount of discretionary cash bonuses to award to a NEO the Compensation Committee will consider the performance factors described above in the section under the heading “Elements of NEO Compensation” as well as taking into consideration both individual and corporate performance measures, including financials, budgetary, projects and other initiatives. Such performance measures are based on a subjective assessment by the Compensation Committee in light of overall performance achieved during that year and are not based on objectively defined targets. The Compensation Committee may review bonuses paid by other “peer group” companies, which are principally comprised of “junior mineral exploration”, however, the Compensation Committee may not formally benchmark bonuses.

On March 19, 2018, the Board, on the recommendation of the Compensation Committee, determined that it was appropriate to pay bonuses to the NEOs for their performance in 2017. Namely, in connection with their performance for the year ended December 31, 2017, Messrs. A. Lundin, Carmichael, Vitaller, Beck, Yip and Wodzicki each were awarded the following bonuses in recognition of their efforts on behalf of the Corporation:

Name	Bonus Awarded (\$)
Adam I. Lundin President & CEO ⁽¹⁾	\$80,000
Robert Carmichael VP Exploration	\$100,000
James Beck VP Corporate Development	\$85,000
Alfredo Vitaller General Manager, South American Operations	\$60,000
Jeff Yip CFO	\$55,000
Wojtek A. Wodzicki Former President & CEO ⁽²⁾	\$125,000

Notes:

⁽¹⁾ Mr. Adam Lundin was appointed to the position of President and Chief Executive Officer on September 11, 2017.

⁽²⁾ Mr. Wojtek Wodzicki resigned from the position of President and Chief Executive Officer on September 11, 2017.

Among other things, these bonus awards were in recognition of the Corporation's successful completion of:

- an updated Mineral Resource estimate at the Filo del Sol Project, which achieved a 98% conversion rate of Inferred material to the Indicated category and resulted in an overall 61% increase to the Mineral Resource estimate;
- the second phase of metallurgical test-work, which further refined recovery estimates for gold oxide and copper-gold oxide material from the main Filo del Sol deposit and provided critical data for a PEA of the Filo del Sol Project; and
- a positive PEA of the Filo del Sol Project, incorporating the updated Mineral Resource estimate, open-pit mining, and heap leach processing of only the oxide portions of the Mineral Resource.

The performance bonus awarded to the NEOs in respect of the financial year ended December 31, 2017, was paid in March 2018.

Stock Options

The Corporation provides long-term incentives through Option grants pursuant to the Plan. Options are a variable, or "at-risk", component of compensation which are considered to be an effective vehicle for deepening a sense of ownership amongst executives and increasing alignment with the interests of Shareholders, as they vest over time and provide an incentive to create long-term growth.

The purpose of the Plan is to promote the interests of the Corporation by:

- providing its directors, officers, employees, management company employees and consultants (the "**Eligible Persons**") with additional incentive;
- encouraging stock ownership by such Eligible Persons;
- increasing proprietary interest of Eligible Persons in the success of the Corporation;
- encouraging Eligible Persons to remain with the Corporation or its affiliates; and
- attracting new employees, directors and officers.

All NEOs are eligible to participate in the Plan. Reference is made to the heading "Equity Compensation Plan Information" for a description of the Plan.

Options are generally awarded to Eligible Persons at the commencement of employment and periodically thereafter. In making a determination as to whether a grant of Options is appropriate, and if so, the number of Options that should be granted, consideration is given to: in addition to the performance factors referred to under "Elements of NEO Compensation", the number and terms of outstanding Options held by the NEO; past and expected future performance of the NEO; the potential dilution to Shareholders; general industry standards; and the limits imposed by the terms of the Plan and the TSXV. The Corporation considers the granting of Options to be a particularly important element of compensation as it allows the Corporation to reward each NEO's efforts to increase value for Shareholders without requiring the Corporation to use cash from its treasury. Options also allow the Corporation to be flexible to recognize the needs of the Corporation in different business environments. The terms and conditions of the Corporation's Option grants, including vesting provisions and exercise prices, are governed by the terms of the Plan, which are described under "Incentive Plan Awards" and "Equity Compensation Plan Information". Although the Compensation Committee reviews Options granted by the peer group noted above, the Compensation Committee does not formally benchmark Option grants.

Taking into account the factors described above, the Compensation Committee recommended and the Board approved the following Option grants to the NEOs during the year ended December 31, 2017:

Name	Options Granted ⁽¹⁾ (#)	Option Exercise Price (\$)	Option Expiration Date
Adam I. Lundin President & CEO	425,000	2.50	Sept. 13, 2022
Robert Carmichael VP Exploration	100,000	2.50	Sept. 13, 2022
James Beck VP Corporate Development	100,000	2.50	Sept. 13, 2022
Alfredo Vitaller General Manager, South America Operations	100,000	2.50	Sept. 13, 2022
Jeff Yip CFO	100,000	2.50	Sept. 13, 2022

Note:

⁽¹⁾ Options granted vest over a two-year period, one-third immediately, one-third after 12 months and one-third after 24 months from the date of grant. See "Incentive Plan Awards".

Benefits and Perquisites

Benefits do not form a significant part of the remuneration package of any of the NEOs. In most cases, employment benefits, health care and life insurance are provided in a manner which is in keeping with industry standards. During the year ended December 31, 2017, none of the NEOs received any perquisites which in the aggregate were greater than \$50,000 or 10% of the respective NEO's salary.

Risks Associated with Corporation's Compensation Policies and Practices

Given the current stage of development of the Corporation, neither the Board nor the Compensation Committee has proceeded to a formal evaluation of the implications of the risks associated with the Corporation's compensation policies and practices; however, risk management is a consideration of the Board generally when implementing its compensation program. The Board and the Compensation Committee do not believe that the Corporation's compensation program results in unnecessary or inappropriate risk taking and the Board and the Compensation Committee have not identified any risks arising from the compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

The Corporation's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

SUMMARY COMPENSATION TABLE

Summary Compensation Table

Pursuant to the Arrangement, the Corporation became a reporting issuer on August 16, 2016. Prior to that date, the Corporation was a private company and no compensation was paid to or earned by the Corporation's NEOs. The following table sets forth a summary of the total compensation earned by and paid to the NEO and attributable to their service to the Corporation during the period from completion of the Arrangement on August 16, 2016 up to December 31, 2017:

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based Awards (\$) ⁽¹⁾	Non-equity Incentive Plan Compensation (\$)		Pension value (\$) ⁽³⁾	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans ⁽²⁾	Long-term incentive plans			
Adam I. Lundin ⁽⁴⁾ President and CEO	2017	76,389	Nil	615,441	80,000	Nil	Nil	Nil	771,830
Jeff Yip ⁽⁵⁾ CFO	2017	105,000 ⁽⁶⁾	Nil	144,810	55,000	Nil	Nil	Nil	304,810
	2016	Nil ⁽⁶⁾	Nil	175,079	20,000	Nil	Nil	Nil	195,079
Robert Carmichael VP Exploration	2017	189,200	Nil	144,810	100,000	Nil	Nil	Nil	434,010
	2016	⁽⁷⁾ 63,525 ⁽⁷⁾	Nil	175,079	40,000	Nil	Nil	Nil	278,604
James Beck VP Corporate Development and Projects	2017	118,375 ⁽⁸⁾	Nil	144,810	85,000	Nil	Nil	Nil	348,185
	2016	34,875 ⁽⁸⁾	Nil	175,079	25,000	Nil	Nil	Nil	234,954
Alfredo Vitaller General Manager, South America Operations	2017	117,643 ⁽⁹⁾ ⁽¹⁰⁾	Nil	144,810	60,000	Nil	Nil	Nil	322,453
	2016	81,750 ⁽⁹⁾⁽¹⁰⁾	Nil	175,079	33,000	Nil	Nil	Nil	289,829
Wojtek A. Wodzicki ⁽¹¹⁾ Former President and CEO	2017	123,408 ⁽¹²⁾	Nil	Nil	125,000	Nil	Nil	Nil ⁽¹¹⁾	248,408
	2016	66,375 ⁽¹²⁾	Nil	350,158	107,000	Nil	Nil	Nil	523,533

Notes:

- ⁽¹⁾ The Corporation used the Black-Scholes option pricing model for determining the fair value of Options issued at grant date. The Corporation selected the Black-Scholes model given its prevalence of use within North America. The key assumptions used for this determination for 2017 were: a) average risk-free rate of 1.39%; b) expected life of 5 years; c) the price of the Common Shares on the grant date; d) expected volatility of 62.55%; and e) no expected dividend payments. For 2016 the key assumptions used were: a) average risk-free rate of 0.9%; b) expected life of 5 years; c) the price of the Common Shares on the grant date; d) expected volatility of 63.3%; and e) no expected dividend payments. The amount presented in the table represents the fair value of the Options granted in the period. It should be recognized that the actual future value will be based on the difference between the market value of the Common Shares at time of exercise and the exercise price of the Options. Therefore, the value attributed to the Options under the Black-Scholes model does not necessarily correspond to the actual future value that will be realized.
- ⁽²⁾ During the year ended December 31, 2017, the Corporation paid performance-based bonuses to the NEOs of the Corporation in recognition of their efforts during 2016. The performance-based bonuses were approved by the Board in June 2017, on the recommendation of the Compensation Committee, and paid shortly thereafter. Similarly, the Corporation paid performance-based bonuses to the NEOs of the Corporation in March 2018 in recognition of their efforts during 2017. The incentive bonus payments are listed in accordance with the applicable performance year in the table above.
- ⁽³⁾ The Corporation does not have any pension, retirement or deferred compensation plans, including defined contribution plans.
- ⁽⁴⁾ Mr. Lundin was appointed to the position of President and Chief Executive Officer on September 11, 2017. Mr. Adam Lundin is also a director of the Corporation and does not receive any additional compensation in his role as a director.
- ⁽⁵⁾ Mr. Yip was appointed Chief Financial Officer of the Corporation on November 28, 2016.
- ⁽⁶⁾ Mr. Yip is also the Chief Financial Officer of Orca Gold Inc. ("Orca") and his services to Orca are carried out pursuant to an employment agreement with Orca and a services agreement between the Corporation and Orca dated January 1, 2017 (the "CFO Services Agreement"). Only the amounts attributable to Mr. Yip's service to the Corporation are provided in the table above. During the year ended December 31, 2017, the Corporation paid a base salary of \$210,000 to Mr. Yip, and pursuant to the CFO Services Agreement, Orca has reimbursed

the Corporation \$105,000, which represents 50% of Mr. Yip's total base salary for his service to both the Corporation and Orca. During the year ended December 31, 2016, Mr. Yip did not receive a salary from the Corporation. See "Services Agreement with Orca Gold Inc." below.

- (7) Mr. Carmichael is also the Vice President, Exploration of NGEx and his services to NGEx are carried out pursuant to an employment agreement with NGEx and a services agreement between the Corporation and NGEx, dated September 11, 2017 (the "Services Agreement"). Only the amounts attributable to Mr. Carmichael's service to the Corporation are provided in the table above. During the year ended December 31, 2017, the Corporation paid a base salary of \$248,000 to Mr. Carmichael, and pursuant to the Services Agreement, NGEx has reimbursed the Corporation \$58,800, which represents 24% of Mr. Carmichael's total base salary for the year. During the year ended December 31, 2016, the Corporation paid a base salary of \$90,750 to Mr. Carmichael, of which NGEx reimbursed the Corporation \$27,225, representing 30% of Mr. Carmichael's total base salary for the period. See "Services Agreement with NGEx Resources Inc." below.
- (8) Mr. Beck is also the Vice President, Corporate Development and Projects of NGEx and his services to NGEx are carried out pursuant to an employment agreement with NGEx and the Services Agreement. Only the amounts attributable to Mr. Beck's service to the Corporation are provided in the table above. During the year ended December 31, 2017, the Corporation paid a base salary of \$221,750 to Mr. Beck, and pursuant to the Services Agreement, NGEx has reimbursed the Corporation \$103,375, which represents 47% of Mr. Beck's total base salary for the year. During the year ended December 31, 2016, the Corporation paid a base salary of \$69,750 to Mr. Beck, of which NGEx reimbursed the Corporation \$34,875, representing 50% of Mr. Beck's total base salary for the period. See "Services Agreement with NGEx Resources Inc." below.
- (9) Mr. Vitaller is also a consultant to NGEx and his services to NGEx are carried out pursuant to a consulting agreement with NGEx and the Services Agreement. Only the amounts attributable to Mr. Vitaller's service to the Corporation as a NEO are provided in the table above. Pursuant to the Services Agreement, during the two years ended December 31, 2017 and December 31, 2016, NGEx reimbursed the Corporation approximately \$70,487 and \$40,900, respectively, which represents approximately 50% of Mr. Vitaller's total cumulative remuneration for his service to both the Corporation and NGEx. See "Services Agreement with NGEx Resources Inc." below.
- (10) Represents salaries and fees. The salaries and a portion of the fees have been paid in Argentine pesos and are converted into Canadian dollars using the exchange rate of 12.7389 per Canadian dollar for the reporting year of December 31, 2017; and 11.5407 per Canadian dollar for the reporting year of December 31, 2016. In addition, a portion of the fees are paid in United States dollars and are converted into Canadian dollars using the exchange rate of 0.7692 per Canadian dollar for the reporting year of December 31, 2017; and 0.7448 per Canadian dollar for the reporting year of December 31, 2016.
- (11) Mr. Wodzicki resigned from his position as President and Chief Executive Officer of the Corporation on September 11, 2017. Mr. Wodzicki continues to serve as a director and as a lead advisor to the technical team of the Corporation. Following his resignation and pursuant to the Services Agreement (as defined below), NGEx has charged the Corporation approximately \$53,592 for the period to December 31, 2017, in relation to Mr. Wodzicki's continued provision of services to the Corporation as a lead advisor. Also after ceasing to be an NEO of the Corporation to December 31, 2017, Mr. Wodzicki earned non-executive director's fees totalling \$4,583.
- (12) During the year ended December 31, 2017, Mr. Wodzicki was also the President and Chief Executive Officer of NGEx and his services to NGEx were carried out pursuant to an employment agreement with NGEx and the Services Agreement (as defined below). Only the amounts attributable to Mr. Wodzicki's service to the Corporation as an NEO are provided in the table above. From January 1 to September 11, 2017, the Corporation paid a base salary of \$246,817 to Mr. Wodzicki, and pursuant to the Services Agreement, NGEx has reimbursed the Corporation \$123,408, which represents 50% of Mr. Wodzicki's total base salary for the period. Mr. Wodzicki resigned from his position as President and Chief Executive Officer of the Corporation on September 11, 2017. During the year ended December 31, 2016, the Corporation paid a base salary of \$132,750 to Mr. Wodzicki, of which NGEx reimbursed the Corporation \$66,375, representing 50% of Mr. Wodzicki's total base salary for the period. See "Services Agreement with NGEx Resources Inc." below.

Services, Employment and Consulting Agreements

Services Agreement with NGEx

The Corporation has a cost sharing arrangement with NGEx. Under the terms of a services agreement between the Corporation and NGEx, dated September 11, 2017 (the "Services Agreement"), NGEx provides accounting and technical advisory services (the "NGEx Services") to the Corporation, while the Corporation provides management, corporate secretarial, business and corporate development services (the "Filo Management Services") to NGEx. In consideration of the Filo Management Services, NGEx pays the Corporation a monthly fee as reimbursement for the Filo Management Services; and, in consideration of the NGEx Services, the Corporation pays NGEx a monthly fee as reimbursement for the NGEx Services.

CFO Services Agreement with Orca Gold Inc.

The Corporation has a cost sharing arrangement with Orca, whereby the Corporation provides Orca with financial and management services (the "CFO Services") pursuant to the CFO Services Agreement between the Corporation and Orca dated January 1, 2017. Under the terms of the CFO Services Agreement, in consideration of the

Corporation directing its CFO to provide the CFO Services to Orca, Orca pays a monthly fee to the Corporation as reimbursement for the CFO Services.

Employment Agreements

Mr. Adam I. Lundin's services are provided pursuant to an employment agreement with the Corporation dated September 11, 2017 (the "**Lundin Employment Agreement**"). Pursuant to the Lundin Employment Agreement, Mr. Lundin is paid an annual salary of \$250,000 for his services as the President and Chief Executive Officer of the Corporation. The Corporation also reimburses Mr. Lundin for any reasonable travelling and other direct expenses incurred by Mr. Lundin in connection with his services. The Lundin Employment Agreement has an indefinite term and automatically renews each year unless terminated by the Corporation (without Cause) on 60 days written notice or by Mr. Lundin (voluntarily) on 90 days written notice. Pursuant to the Lundin Employment Agreement, Mr. Lundin receives standard employment benefits, including medical, extended health, and where applicable, life insurance.

Mr. Yip's services are provided pursuant to an employment agreement with the Corporation dated January 1, 2017 (the "**Yip Employment Agreement**") and the CFO Services Agreement. Pursuant to the Yip Employment Agreement and the CFO Services Agreement, Mr. Yip is paid a cumulative annual salary of \$210,000 for his services as the Chief Financial Officer of the Corporation and for his services as the Chief Financial Officer of Orca. \$105,000 of Mr. Yip's cumulative base salary for the year ended December 31, 2017 was attributable to his services to the Corporation. The Corporation also reimburses Mr. Yip for any reasonable travelling and other direct expenses incurred by Mr. Yip in connection with his services. The Yip Employment Agreement has an indefinite term and automatically renews each year unless terminated by the Corporation (without Cause) on 60 days written notice or by Mr. Yip (voluntarily) on 90 days written notice. Pursuant to the Yip Employment Agreement, Mr. Yip receives standard employment benefits, including medical, extended health, and, where applicable, life insurance.

Mr. Carmichael's services are provided pursuant to an employment agreement with the Corporation dated August 16, 2016, as amended on September 1, 2017, (the "**Carmichael Employment Agreement**") and the Services Agreement. Pursuant to the Carmichael Employment Agreement and the Services Agreement, Mr. Carmichael is paid a cumulative annual salary of \$260,000 for his services as the Vice President, Exploration of the Corporation and for his services as the Vice President, Exploration of NGEx. \$189,200 of Mr. Carmichael's cumulative base salary for the year ended December 31, 2017 was attributable to his services to the Corporation. The Corporation also reimburses Mr. Carmichael for any reasonable travelling and other direct expenses incurred by Mr. Carmichael in connection with his services. The Carmichael Employment Agreement has an indefinite term and automatically renews each year unless terminated by the Corporation (without Cause) on 60 days written notice or by Mr. Carmichael (voluntarily) on 90 days written notice. Pursuant to the Carmichael Employment Agreement, Mr. Carmichael receives standard employment benefits, including medical, extended health, and where applicable, life insurance.

Mr. Beck's services are provided pursuant to an employment agreement with the Corporation dated February 1, 2017 (the "**Beck Employment Agreement**") and the Services Agreement. Pursuant to the Beck Employment Agreement, and the Services Agreement, Mr. Beck is paid a cumulative annual salary of \$225,000 for his services as the Vice President, Corporate Development and Projects of the Corporation and for his services as the Vice President, Corporate Development and Projects of NGEx. \$118,375 of Mr. Beck's cumulative base salary for the year ended December 31, 2017 was attributable to his services to the Corporation. The Corporation also reimburses Mr. Beck for any reasonable travelling and other direct expenses incurred by Mr. Beck in connection with his services. The Beck Employment Agreement has an indefinite term and automatically renews each year unless terminated by the Corporation (without Cause) on 60 days written notice or by Mr. Beck (voluntarily) on 90 days written notice. Pursuant to the Beck Employment Agreement, Mr. Beck receives standard employment benefits, including medical, extended health, and where applicable, life insurance.

Mr. Vitaller's services are provided pursuant to a consulting agreement dated October 1, 2017 with the Corporation, the Services Agreement and a work contract dated September 1, 2016 with Filo del Sol Exploracion S.A. as described below (collectively the "**Vitaller Agreements**"). Pursuant to the Vitaller Agreements, Mr. Vitaller provides consulting services on an exclusive basis to the Corporation and NGEx and for the services rendered by Mr. Vitaller to the Corporation, the Corporation pays Mr. Vitaller a monthly rate of US\$3,500 and annual salary of 829,486 Argentine pesos (\$65,114) and annual fees of 14,595 Argentine pesos (\$1,146). The Corporation also reimburses Mr. Vitaller for any reasonable travelling and other direct expenses incurred by Mr. Vitaller in connection with his services, and where applicable, pre-approved by the Corporation. The Vitaller Agreements, subject to Argentine labour laws in effect, as amended from time to time, have an indefinite term and automatically renew each year unless terminated

by the Corporation or by Mr. Vitaller on 30 days written notice. Pursuant to his work contract with Filo del sol Exploracion S.A., Mr. Vitaller receives standard employment benefits, including medical, extended health, and where applicable, life insurance.

Prior to his resignation on September 11, 2017, Mr. Wodzicki's services were provided pursuant to an employment agreement with the Corporation dated August 16, 2016 (the "**Wodzicki Employment Agreement**") and the Services Agreement. Pursuant to the Wodzicki Employment Agreement and the Services Agreement, Mr. Wodzicki was paid a cumulative annual salary of \$354,000 for his services as President and Chief Executive Officer of the Corporation and for his services as President and Chief Executive Officer of NGEx. \$123,408 of Mr. Wodzicki's cumulative base salary for the year ended December 31, 2017 was attributable to his services to the Corporation. Subsequent to his resignation on September 11, 2017, Mr. Wodzicki's services as a Technical Advisor to the Corporation were provided pursuant to a consulting agreement with the Corporation dated September 11, 2017 (the "**Wodzicki Consulting Agreement**"). From September 11, 2017 and up until December 31, 2017, the Corporation reimbursed \$• to NGEx for Mr. Wodzicki's services as a Technical Advisor to the Corporation, which represented 50% of Mr. Wodzicki's base salary for that period.

See "Termination and Change of Control Benefits" below for details regarding termination and change of control benefits payable to the NEOs.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table sets forth for the NEOs, the Options outstanding pursuant to the Plan as at December 31, 2017, including Options that were issued to the NEOs as a result of holding NGEx options under the terms of the Arrangement. The Corporation does not grant any share-based awards.

Name and Position	Number of Securities Underlying Unexercised Options (#) and percentage of class	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-money Options (\$) ⁽¹⁾	
				Exercisable	Unexercisable
Adam I. Lundin ⁽²⁾ President and CEO	425,000 ⁽³⁾	2.50	Sept. 13, 2022	Nil	Nil
Jeff Yip CFO	100,000 ⁽³⁾	2.50	Sept. 13, 2022	Nil	Nil
	200,000 ⁽⁴⁾	2.00	Dec. 5, 2021	54,667	27,333
Robert Carmichael VP Exploration	100,000 ⁽³⁾	2.50	Sept. 13, 2022	Nil	Nil
	200,000 ⁽⁴⁾	2.00	Dec. 5, 2021	54,667	27,333
	50,000 ⁽⁵⁾	0.50 ⁽⁶⁾	Feb. 24, 2019	95,500	n/a
	62,500 ⁽⁵⁾	0.74 ⁽⁶⁾	May 11, 2018	104,375	n/a
James Beck Vice President, Corporate Development and Projects	100,000 ⁽³⁾	2.50	Sept. 13, 2022	Nil	Nil
	200,000 ⁽⁴⁾	2.00	Dec. 5, 2021	54,667	27,333
	15,000 ⁽⁵⁾	0.50 ⁽⁶⁾	Feb. 24, 2019	28,650	n/a
	31,250 ⁽⁵⁾	0.74 ⁽⁶⁾	May 11, 2018	52,188	n/a
Alfredo Vitaller General Manager, South America Operations	100,000 ⁽³⁾	2.50	Sept. 13, 2022	Nil	Nil
	200,000 ⁽⁴⁾	2.00	Dec. 5, 2021	54,667	27,333
	50,000 ⁽⁵⁾	0.50 ⁽⁶⁾	Feb. 24, 2019	95,500	n/a
	62,500 ⁽⁵⁾	0.74 ⁽⁶⁾	May 11, 2018	104,375	n/a

Notes:

⁽¹⁾ Calculated using the closing price of the Common Shares on the TSXV on December 29, 2017 (being the last trading day of 2017) of \$2.41 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

⁽²⁾ Mr. Adam Lundin was appointed President and Chief Executive Officer on September 11, 2017.

⁽³⁾ These Options vest over a two-year period, one-third immediately, one-third after 12 months and one-third after 24 months from the date of grant. As of December 31, 2017, one-third have vested. See "Incentive Plan Awards".

⁽⁴⁾ These Options vest over a two-year period, one-third immediately, one-third after 12 months and one-third after 24 months from

the date of grant. As of December 31, 2017, two-thirds have vested. See "Incentive Plan Awards".

⁽⁵⁾ Pursuant to the Arrangement, each outstanding stock option of NGEx was deemed to be exchanged for a fully-vested NGEx Replacement Option and one quarter of one fully-vested Option, and the exercise prices for the NGEx Replacement Options and the Options were adjusted to reflect the relative value of the shares. The amounts reflected here represent the Options that were received pursuant to the Arrangement. See "Plan of Arrangement" above for further details.

⁽⁶⁾ As adjusted in accordance with the terms of the Arrangement. See "Plan of Arrangement" above for further details.

Incentive Plan Awards – Value Vested or Earning During the Year

The following table sets forth for the NEOs, the value of all incentive plan awards vested during the year ended December 31, 2017. The Corporation does not grant any share-based awards.

Name	Option-based awards – Value vested during the year⁽¹⁾ (\$)	Share -based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Adam I. Lundin ⁽²⁾ President and CEO	Nil	Nil	Nil
Jeff Yip CFO	33,334	Nil	Nil
Robert Carmichael VP Exploration	33,334	Nil	Nil
James Beck ⁽³⁾ Vice President, Corporate Development and Projects	33,334	Nil	Nil
Alfredo Vitaller General Manager, South America Operations	33,334	Nil	Nil

Notes:

⁽¹⁾ The value of vested stock options has been calculated using the closing price of the Common Shares on the TSXV on the dates on which stock options vested during the year ended December 31, 2017 and subtracting the exercise price of in-the-money stock options.

⁽²⁾ Mr. Adam Lundin was appointed President and Chief Executive Officer on September 11, 2017.

⁽³⁾ Mr. Beck was appointed Vice President, Corporate Development and Projects on February 1, 2017.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Termination and Change of Control Benefits

Other than as set forth below, the Corporation does not have any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in the NEO's responsibilities.

Any payments to a NEO following or in connection with any termination are subject to the terms of the NEO's employment agreement and the Services Agreement, as applicable. See "Services, Employment and Consulting Agreements" above for further details.

Mr. A. Lundin, President and Chief Executive Officer

Pursuant to the Lundin Employment Agreement, Mr. Lundin, at any time, may terminate the Lundin Employment Agreement voluntarily by giving 90 days written notice to the Corporation. Mr. Lundin may also terminate the Lundin Employment Agreement for "Good Reason" (see Note 1 below) at any time, and the Corporation may terminate the Lundin Employment Agreement at any time without "Cause" (See Note 2 below), by giving 60 days written notice, or payment and benefits in lieu of notice, to Mr. Lundin, whereupon the Corporation will pay Mr. Lundin a lump sum amount equal to the pro rata compensation earned up to the termination date plus 18 months base salary at the rate being paid at the time of termination (this amount does not apply if Mr. Lundin is transferred or retained full-time by another entity affiliated with the Lundin group of companies within one month of termination). Pursuant to the Lundin Employment Agreement, within six months following a "Change of Control" (see Note 3 below), Mr. Lundin shall be entitled to resign and the Corporation will pay Mr. Lundin a lump sum amount equal to the pro rata

compensation earned up to the termination date plus 18 months base salary at the rate being paid at the time of termination and any Options held by Mr. Lundin will vest immediately.

The Corporation may terminate the Lundin Employment Agreement without notice for Cause, whereupon Mr. Lundin would not be entitled to any severance payment other than the pro rata compensation earned by Mr. Lundin up to the date of termination.

Mr. Yip, Chief Financial Officer

Pursuant to the Yip Employment Agreement, Mr. Yip, at any time, may terminate the Yip Employment Agreement voluntarily by giving 90 days written notice to the Corporation. Mr. Yip may also terminate the Yip Employment Agreement for Good Reason at any time, and the Corporation may terminate the Yip Employment Agreement at any time without Cause, by giving 60 days written notice, or payment and benefits in lieu of notice, to Mr. Yip, whereupon the Corporation will pay Mr. Yip a lump sum amount equal to the pro rata compensation earned up to the termination date plus six months base salary at the rate being paid at the time of termination (this amount does not apply if Mr. Yip is transferred or retained full-time by another entity affiliated with the Lundin group of companies, or by Orca, within one month of termination). This amount shall be in respect of the provision of his services to the Corporation only and shall be prescribed pursuant to the CFO Services Agreement. Pursuant to the Yip Employment Agreement, within six months following a Change of Control, Mr. Yip shall be entitled to resign and the Corporation will pay Mr. Yip a lump sum amount equal to 12 months base salary at the rate being paid at the time of termination and any Options held by Mr. Yip will vest immediately.

The Corporation may terminate the Yip Employment Agreement without notice for Cause, whereupon Mr. Yip would not be entitled to any severance payment other than the pro rata compensation earned by Mr. Yip up to the date of termination.

Mr. Carmichael, Vice President, Exploration

Pursuant to the Carmichael Employment Agreement, Mr. Carmichael, at any time, may terminate the Carmichael Employment Agreement voluntarily by giving 90 days written notice to the Corporation. Mr. Carmichael may also terminate the Carmichael Employment Agreement for Good Reason at any time, and the Corporation may terminate the agreement at any time without Cause, by giving 60 days written notice, or payment and benefits in lieu of notice, to Mr. Carmichael, whereupon the Corporation will pay Mr. Carmichael a lump sum amount equal to the pro rata compensation earned up to the termination date plus 12 months base salary at the rate being paid at the time of termination (this amount does not apply if Mr. Carmichael is transferred or retained full-time by another entity affiliated with the Lundin group of companies within one month of termination). This amount shall be in respect of the provision of his services to the Corporation only and shall be prescribed pursuant to the Services Agreement. Pursuant to the Carmichael Employment Agreement, within six months following a Change of Control, Mr. Carmichael shall be entitled to resign and the Corporation will pay Mr. Carmichael a lump sum amount equal to the pro rata compensation earned up to the termination date plus 12 months base salary at the rate being paid at the time of termination and any Options held by Mr. Carmichael will vest immediately.

The Corporation may terminate the Carmichael Employment Agreement without notice for Cause, whereupon Mr. Carmichael would not be entitled to any severance payment other than the pro rata compensation earned by Mr. Carmichael up to the date of termination.

Mr. Beck, Vice President, Corporate Development and Projects

Pursuant to the Beck Employment Agreement, Mr. Beck, at any time, may terminate the Beck Employment Agreement voluntarily by giving 90 days written notice to the Corporation. Mr. Beck may also terminate the employment agreement for Good Reason at any time, and the Corporation may terminate the agreement at any time without Cause, by giving 60 days written notice, or payment and benefits in lieu of notice, to Mr. Beck, whereupon the Corporation will pay Mr. Beck a lump sum amount equal to the pro rata compensation earned up to the termination date plus the equivalent of six months base salary plus one month for each additional year of service subsequent to February 1, 2017 (to a maximum of 12 months) at the rate being paid at the time of termination (this amount does not apply if Mr. Beck is transferred or retained full-time by another entity affiliated with the Lundin group of companies within one month of termination). This amount shall be in respect of the provision of his services to the Corporation only and shall be prescribed pursuant to the Services Agreement. Pursuant to the Beck Employment Agreement, within six months following a Change of Control, Mr. Beck shall be entitled to resign and the Corporation will pay Mr. Beck a lump sum amount equal to 12 months base salary at the rate being paid at the

time of termination and any Options held by Mr. Beck will vest immediately.

The Corporation may terminate the Beck Employment Agreement without notice for Cause, whereupon Mr. Beck would not be entitled to any severance payment other than the pro rata compensation earned by Mr. Beck up to the date of termination.

Mr. Vitaller, General Manager, South America Operations

Pursuant to the Vitaller Agreement, subject to Argentine labour laws in effect, as amended from time to time, Mr. Vitaller, at any time, may terminate the consulting agreement by giving 30 days written notice to the Corporation, and at any time the Corporation may terminate the consulting agreement by giving 30 days written notice to Mr. Vitaller. In the event of termination, the Corporation shall not be liable for any payment to Mr. Vitaller, other than for payment of services rendered up to the date of termination and reimbursement of reasonable and, if applicable, pre-approved, out-of-pocket expenses incurred on or before the date of termination, and as applicable, any amounts as determined under Argentine labour laws in effect, as amended from time to time.

Notes:

- (1) "Good Reason" shall mean (i) a material reduction in the executive's responsibilities, title or reporting; (ii) a reduction of the executive's base salary or vacation; (iii) a material change in the place of employment from which the executive works; or (iv) any other circumstances that would otherwise constitute a constructive dismissal at common law.
- (2) "Cause" shall mean any one of the following: (i) if there is a repeated and demonstrated failure to perform the material duties of the executive's position in a competent manner or to observe the policies, codes and mandates of the Corporation and where the executive fails to substantially remedy the failure within a reasonable period of time after receiving written notice of such failure from the Corporation; (ii) if the executive is convicted of a criminal offence; (iii) if the executive is sanctioned or otherwise penalized by the TSXV and/or any regulatory authorities having jurisdiction for an offence involving fraud or dishonesty; (iv) if the executive fails to honour his/her fiduciary duties to the Corporation, including the duty to act in the best interests of the Corporation and its associates and affiliates or is in breach of any provision of their respective employment agreement; or (v) if the executive disobeys reasonable and lawful instructions given in the course of employment by the CEO or the Board, as applicable, that are not remedied by such executive within a reasonable period of time after receiving written notice of such disobedience.
- (3) "Change of Control" shall mean any one of the following: (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity, as a result of which the holders of Common Shares prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction; (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets rights or properties of the Corporation and/or any of its subsidiaries, which have an aggregate book value greater than 50% off the book value of the assets, rights and properties of the Corporation and its subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a majority-owned subsidiary of the Corporation in the course of a reorganization of the Corporation's assets and its subsidiaries; (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation; (iv) any person, entity or group of persons or entities acting jointly or in concert acquires or acquires control of 40% or more of the outstanding Common Shares, unless a majority of the Board as constituted immediately prior to such acquisition determines that the circumstances are such that a Change of Control should be deemed not have occurred; (v) as a result of or in connection with a contested election of directors or a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation, where the incumbent directors no longer constitute a majority of the Board; or (vi) the Board adopts a resolution to the effect that a Change of Control has occurred or is imminent.

Pursuant to the employment agreements between the Corporation and each of Messrs. A. Lundin, Yip, Carmichael, and Beck, the Corporation may terminate each employment agreement, as applicable, if the executive becomes permanently disabled, whereupon the Corporation will pay the executive for 12 months commencing from the date of the executive is deemed to have become permanently disabled, an amount equal to the salary at the rate being paid at the time of termination (less any severance payments or disability benefits) and all the Options held by the executive, as applicable, will vest immediately and be exercisable until the earlier of the expiry date or 12 months from the date of termination.

Mr. Wodzicki ceased to act as President and CEO on September 11, 2017 and, accordingly, has not been included in this discussion.

Pursuant to the applicable employment agreement and the Services Agreement, if a severance payment triggering event had occurred on December 31, 2017, the severance payments that would be payable to Messrs. A. Lundin, Yip, Carmichael, Beck and Vitaller would have been as follows:

Name	Termination by the Corporation for any reason other than Cause and unrelated to Change of Control of the Corporation (estimated) (\$)	Termination by the Corporation without Cause after a Change of Control of the Corporation (estimated) (\$)
Adam Lundin	375,000 ⁽¹⁾	375,000
Jeff Yip	210,000 ⁽²⁾	210,000
Robert Carmichael	260,000 ⁽³⁾	260,000
James Beck	112,500 ⁽⁴⁾	225,000
Alfredo Vitaller	N/A ⁽⁵⁾	N/A ⁽⁵⁾

Notes:

- (1) Approximately \$250,000 in the case of disability less any severance payments or disability benefits.
- (2) Approximately \$210,000 in the case of disability less any severance payments or disability benefits.
- (3) Approximately \$260,000 in the case of disability less any severance payments or disability benefits.
- (4) Approximately \$225,000 in the case of disability less any severance payments or disability benefits.
- (5) As applicable, under Argentine labour laws in effect, as amended from time to time.

DIRECTOR COMPENSATION

The objectives of the compensation program for directors are to attract, retain and inspire performance of members of the Board of a quality and nature that will enhance the Corporation's growth. The compensation is intended to provide an appropriate level of remuneration considering the experience, responsibilities, time requirements and accountability of directors. The philosophy and market comparisons and review with respect to director compensation, is the same as for executive compensation. The Compensation Committee reviews director compensation annually. See "Compensation Discussion and Analysis".

Director Compensation Table

Each non-executive director is paid a retainer of \$15,000 per year, an additional amount of up to \$5,000 per year for the Chair of the Audit Committee, and an additional amount of up to \$1,000 per year for the Chair of each of the Compensation Committee and the Corporate Governance and Nominating Committee.

The following table sets forth the compensation provided to each non-executive director during the year ended December 31, 2017:

Name	Fees Earned (\$) ⁽¹⁾	Share-based awards (\$) ⁽²⁾	Option-based Awards ⁽²⁾ (\$) ⁽³⁾	Pension value (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total (\$) ⁽⁶⁾
Lukas H. Lundin	16,000	Nil	72,405	Nil	Nil	88,405
Alessandro Bitelli	20,000 ⁽³⁾	Nil	72,405	Nil	Nil	92,405
C. Ashley Heppenstall	16,000	Nil	72,405	Nil	Nil	88,405
Paul McRae	15,000	Nil	72,405	Nil	Nil	87,405
Pablo Mir ⁽⁴⁾	15,000	Nil	72,405	Nil	Nil	87,405
Wojtek Wodzicki ⁽⁵⁾	4,583 ⁽⁶⁾	Nil	289,619	Nil	Nil	294,202

Notes:

- (1) Non-executive directors are paid an annual retainer of \$15,000. The annual retainer fee is prorated to reflect the term of the directorship.
- (2) The Corporation used the Black-Scholes option pricing model for determining the fair value of Options issued at grant date. See "Summary Compensation Table" for the assumptions underlying the Black-Scholes option pricing model. These amounts do not represent actual amounts received by the directors as any gain, if any, will depend on the market value of the Common Shares on the date that the Option is exercised.
- (3) Fees earned include an additional \$5,000 in fees for serving as the Chair of the Audit Committee.
- (4) In 2017, the Company incurred legal fees of approximately \$68,000 with a law firm of which Mr. Mir is a partner. This amount has not been included in the table above, as these amounts are not payable to Mr. Mir and do not relate to his directorship.
- (5) Mr. Wodzicki was the Corporation's President and Chief Executive Officer up until September 11, 2017 and did not receive any directorship fees prior to that date.
- (6) This amount reflects Mr. Wodzicki's director fees earned subsequent to September 11, 2017.

Outstanding Option-Based Awards

The following table sets forth for each non-executive director the Options outstanding pursuant to the Plan as at December 31, 2017, including awards granted before the most recently completed financial year. The Corporation does not grant any share-based awards.

Name	Number of Securities Underlying Unexercised Options (#) and percentage of class	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-money Options (\$) ⁽¹⁾	
				Exercisable	Unexercisable
Lukas H. Lundin	50,000 ⁽²⁾	2.50	Sept. 13, 2022	Nil	Nil
	100,000 ⁽³⁾	2.00	Dec. 5, 2021	27,333	13,667
	37,500 ⁽⁴⁾	0.50 ⁽⁵⁾	Feb. 24, 2019	71,625	n/a
	50,000 ⁽⁴⁾	0.74 ⁽⁵⁾	May 11, 2018	83,500	n/a
Alessandro Bitelli	50,000 ⁽²⁾	2.50	Sept. 13, 2022	Nil	Nil
	100,000 ⁽³⁾	2.00	Dec. 5, 2021	27,333	13,667
C. Ashley Heppenstall	50,000 ⁽²⁾	2.50	Sept. 13, 2022	Nil	Nil
	100,000 ⁽³⁾	2.00	Dec. 5, 2021	27,333	13,667
Paul McRae	50,000 ⁽²⁾	2.50	Sept. 13, 2022	Nil	Nil
	100,000 ⁽³⁾	2.00	Dec. 5, 2021	27,333	13,667
Pablo Mir	50,000 ⁽²⁾	2.50	Sept. 13, 2022	Nil	Nil
	100,000 ⁽³⁾	2.00	Dec. 5, 2021	27,333	13,667
Wojtek A. Wodzicki ⁽⁶⁾ Director, Former President & CEO	200,000 ⁽²⁾	2.50	Sept. 13, 2022	Nil	Nil
	400,000 ⁽³⁾	2.00	Dec. 5, 2021	109,333	54,667
	100,000 ⁽⁴⁾	0.50 ⁽⁵⁾	Feb. 24, 2019	191,000	n/a
	125,000 ⁽⁴⁾	0.74 ⁽⁵⁾	May 11, 2018	208,750	n/a

Notes:

- (1) Calculated using the closing price of the Common Shares on the TSXV on December 29, 2017 (being the last trading day of 2017) of \$2.41 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) These Options vest over a two-year period, one-third immediately, one-third after 12 months and one-third after 24 months from the date of grant. As of December 31, 2017, one-third have vested. See "Incentive Plan Awards".
- (3) These Options vest over a two-year period, one-third immediately, one-third after 12 months and one-third after 24 months from the date of grant. As of December 31, 2017, two-thirds have vested. See "Incentive Plan Awards".
- (4) Pursuant to the Arrangement, each outstanding stock option of NGEx was deemed to be exchanged for a fully-vested NGEx Replacement Option and one quarter of one fully-vested Option, and the exercise prices for the NGEx Replacement Options and the Options were adjusted to reflect the relative value of the shares. The amounts reflected here represent the Options that were received pursuant to the Arrangement. See "Plan of Arrangement" above for further details.
- (5) As adjusted in accordance with the terms of the Arrangement. See "Plan of Arrangement" above for further details.
- (6) Mr. Wodzicki was the Corporation's President and Chief Executive Officer up until September 11, 2017.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each non-executive director of the Corporation the value of all incentive plan awards vested during the year ended December 31, 2017. The Corporation does not grant any share-based awards.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Lukas H. Lundin	16,667	N/A	N/A
Alessandro Bitelli	16,667	N/A	N/A
C. Ashley Heppenstall	16,667	N/A	N/A
Paul McRae	16,667	N/A	N/A
Pablo Mir	16,667	N/A	N/A
Wojtek A. Wodzicki ⁽²⁾	66,667	N/A	N/A

Note:

⁽¹⁾ The value of vested stock options has been calculated using the closing price of the Common Shares on the TSXV on the dates on which stock options vested during the year ended December 31, 2017 and subtracting the exercise price of in-the-money stock options.

⁽²⁾ Mr. Wodzicki was the Corporation's President and Chief Executive Officer up until September 11, 2017.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Corporation's last completed financial year or as of May 10, 2018 was any director, executive officer, employee, proposed management nominee for election as a director of the Corporation, nor any associate of any such director, executive officer or proposed management nominee of the Corporation, or any former director, executive officer or employee of the Corporation or any of its subsidiaries, indebted to the Corporation or any of its subsidiaries, or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation has purchased and maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of \$20 million, against liabilities incurred by such persons as directors and officers of the Corporation and its subsidiaries, except where the liability relates to such person's failure to act honestly and in good faith with a view to the best interests of the Corporation. The annual premium paid by the Corporation for this insurance in respect of the directors and officers as a group is \$48,290. No premium for this insurance is paid by the individual directors and officers. The insurance contract underlying this insurance does not expose the Corporation to any liability in addition to the payment of the required premium.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

Equity Compensation Plan Information

The following table provides information regarding compensation plans under which securities of the Corporation are authorized for issuance to directors, officers, employees and consultants in effect as of December 31, 2017, the Corporation's most recently completed fiscal year end:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	4,618,750	\$1.96	1,608,095
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	4,618,750	\$1.96	1,608,095

The Plan was adopted by the Board on July 8, 2016, as amended May 12, 2017 and approved by the Shareholders on June 14, 2017. The Plan is a rolling stock option plan which sets the number of Options available for grant by the

Corporation at an amount equal to 10% of the issued and outstanding Common Shares from time to time. Under TSXV policy, the Plan must be approved and ratified by Shareholders on an annual basis.

The purpose of the Plan is to allow the Corporation to grant Options to Eligible Persons, as additional compensation, and as an opportunity to participate in the success of the Corporation. The granting of such Options is intended to align the interests of such persons with that of the Shareholders.

The Plan authorizes the Board, or a committee appointed for such purposes, to grant Options to purchase Common Shares to Eligible Persons, to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants, to interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules relating to the Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority, and without further Shareholder approval.

Pursuant to the Plan, the Board may from time to time authorize the issuance of Options to directors, officers, employees and consultants of the Corporation and its affiliated entities. The Board will establish the exercise price of an Option at the time each Option is granted, provided that such price shall not be less than the "Discounted Market Price" (as defined in the policies of the TSXV) and provided that the exercise price shall not be less than \$0.05 per Common Share, with the Market Price being the closing price of the Common Shares on the TSXV on the last business day immediately preceding the day the Option is granted.

The maximum number of Common Shares which may be issued pursuant to Options granted under the Plan, and any other security-based compensation plan of the Corporation, may not exceed 10% of the issued and outstanding Common Shares at the time of the grant. In addition, the number of Common Shares which may be reserved for issuance within a 12-month period to any one individual may not exceed 5% of the aggregate number of Common Shares issued and outstanding as at the date of grant or 2% of the aggregate number of Common Shares issued and outstanding if the optionee is engaged in investor relations activities or is a consultant. The total number of Common Shares which may be i) reserved for issuance to insiders at any time or ii) issued within any 12-month period may not exceed 10% of the aggregate number of Common Shares issued and outstanding as at the date of grant.

Options will be exercisable over periods of up to 10 years as determined by the Board, except in the event that any Option expires during, or within 48 hours after, a self-imposed blackout period on trading securities of the Corporation, such expiry date will become the 10th day following the end of such blackout period. The Plan contains no vesting requirements but permits the Board to specify a vesting schedule in its discretion, provided that if required by any stock exchange on which the Common Shares trade, Options issued to a person engaged in investor relations activities must vest in stages over not less than 12 months with no more than one-quarter of the Options vesting in any three-month period. The Plan also provides that if Change of Control (as defined in the Plan) occurs, all Options shall immediately become vested and may thereupon be exercised in whole or in part by the Option holder. The acceleration of any TSXV-imposed vesting conditions will be subject to the prior written approval of the TSXV. If there is any change in the outstanding Common Shares by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of Common Shares, or other fundamental corporate change, the Board will make, subject to stock exchange approval or the approval of other applicable regulatory authorities, if any, an appropriate substitution or adjustment to (i) the exercise price of unexercised Options under the Plan, (ii) the number and kind of shares or other securities reserved for issuance pursuant to the Plan, or (iii) the number and kind of shares subject to unexercised Options under the Plan. In the event of the reorganization of the Corporation or the amalgamation or consolidation of the Corporation with another corporation, the Board may make such provision for the protection of the rights of participants as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

Notwithstanding any other provision of the Plan, if the Board at any time by resolution declares it advisable to do so in connection with any proposed sale or conveyance of all or substantially all of the property and assets of the Corporation or any proposed merger, consolidation, amalgamation or offer to acquire all of the outstanding Common Shares (collectively, a "**Proposed Transaction**"), the Corporation may give written notice to all participants advising that their respective Options, may be exercised only within 90 days after the date of the notice and not thereafter, and that all rights of the participants under any Options not exercised will terminate at the expiration of the 90-day period, provided that the Proposed Transaction is completed within 180 days after the date of the notice. If the Proposed Transaction is not completed within the 180-day period, no right under any Option will be affected by the notice, except that the Option may not be exercised between the date of expiration of the 90-day period and the day after the expiration of the 180-day period.

If a participant ceases to be an Eligible Person for any reason, other than death, each Option held will cease to be exercisable 90 days after such termination date or any such longer period as determined by the Board, provided that in no event shall such longer period extend beyond one year from the date of termination. If such person ceases to be an Eligible Person due to termination for cause, the Options shall cease to be exercisable immediately. If a participant dies, the legal representative of such participant may exercise the Options within a period after the date of the participant's death determined by the Board, provided that no Options shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of such Option; and (ii) 12 months after the date of death, but only to the extent the Options were exercisable on the date of death. The Options are non-assignable and non-transferrable.

The Board may make the following types of amendments to the Plan, subject to receipt of requisite regulatory approval where required, without obtaining Shareholder approval: (i) changes to termination provisions of an Option or the Plan that do not entail an extension beyond the original expiry date of an Option; (ii) amendments to comply with applicable laws or regulatory requirements; and (iii) any other change not requiring shareholder approval under the rules of the TSXV or applicable legislation, including amendments of a "clerical" or "housekeeping" nature. Any other amendments to the Plan require Shareholder approval in accordance with the terms of the Plan and TSXV policy, including:

- (i) any amendment to increase the number of securities issuable under the Plan, including, if applicable, an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by Shareholders will not require additional Shareholder approval;
- (ii) any amendment to the insider participation limits in Section 1.4 of the Plan which result in the security holder approval to be required on a disinterested basis;
- (iii) any change to the definition of "Eligible Person" which would have the potential of broadening or increasing insider participation;
- (iv) any amendment to Section 3.5 of the Plan relating to the amending provisions of the Plan;
- (v) any amendment to Section 3.2 of the Plan that would permit Options to be assigned or transferred, other than for normal estate settlement purposes;
- (vi) any amendment to the exercise price of any Option issued under the Plan where such amendment reduces the exercise price of such Option (for this purpose, a cancellation or termination of an Option of a participant prior to its expiry for the purpose of re-issuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);
- (vii) any amendment of the Plan that would permit an extension beyond the original expiry date of outstanding Options;
- (viii) a discontinuance of the Plan; and
- (ix) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to eligible participants, especially insiders of the Corporation, at the expense of the Corporation and its existing Shareholders.

There are no stock appreciation rights associated with Options granted under the Plan and there is no provision under the Plan to transform Options into stock appreciation rights.

The Corporation does not provide any financial assistance to participants in order to facilitate the purchase of Common Shares under the Plan.

As at the date of this Information Circular, there are Options to purchase 4,585,416 Common Shares outstanding (representing approximately 6.36% of the issued and outstanding Common Shares) and 2,628,311 Common Shares are available for future Option awards (representing approximately 3.64% of the issued and outstanding Common Shares.)

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE

National Instrument 58-101, Disclosure of Corporate Governance Practices (“**NI 58-101**”) requires reporting issuers to disclose the corporate governance practices, on an annual basis, that they have adopted. Attached as Appendix “1” to this Information Circular is the disclosure required by NI 58-101 which has been prepared by the Corporate Governance and Nominating Committee and approved by the Board.

The Board recognizes the importance of corporate governance to the effective management of the Corporation and to the protection of its employees and Shareholders. The Corporation’s approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation’s affairs and in light of opportunities or risks which may arise.

The Corporation’s corporate governance practices have been, and continue to be, in compliance with applicable Canadian requirements. The Corporation continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

Differences regarding Swedish Corporate Governance Code

The Nasdaq Stockholm exchange in Sweden has a set of rules of corporate governance as set forth in the Swedish Corporate Governance Code (the “**Swedish Code**”). The Corporation has a secondary listing on the Nasdaq First North exchange, however, as its primary exchange is the TSXV, it follows the Corporate Governance rules applicable to a TSXV-listed Company under Canadian securities laws (“**Canadian Corporate Governance Rules**”). There are differences between shareholder rights in Sweden, including the Swedish Code requirements, and Canadian Corporate Governance Rules. A description of the key differences is posted on the Corporation’s website.

MANAGEMENT CONTRACTS

The management functions of the Corporation are performed by the directors and officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted, except as set forth below.

Pursuant to the Services Agreement, the Corporation has a cost sharing arrangement with NGEx. Under the terms of the Services Agreement, the Corporation provides management, corporate secretarial, business and corporate development services to NGEx, while NGEx provides accounting and technical advisory services to the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director or executive officers of the Corporation, nor any Nominee, nor any associate or affiliate of any of them has since January 1, 2017 (being the commencement of the Corporation’s last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Corporation or any of its subsidiaries.

OTHER BUSINESS

Pursuant to the CBCA, proposals intended to be presented by Shareholders for action at the Meeting must comply with the provisions of the CBCA and be deposited at the Corporation’s head office not later than February 9, 2018 in order to be included in this Information Circular and the form of proxy relating to the Meeting.

Other than the matters referred to in the Notice of Meeting, Management is not aware of any other matters to come before the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the Common Shares represented by proxies in favour of Management nominees will be voted on such matters as the proxy nominee sees fit.

ADDITIONAL INFORMATION

The Corporation's AIF, annual audited financial statements and annual management's discussion and analysis ("MD&A") for the most recently completed financial year as well as other prescribed documents are available on SEDAR at www.sedar.com. The Corporation has also established and maintains a corporate website at www.filo-mining.com that includes, among other things, an investor section containing the most recent AIF, the most recent and past annual and quarterly financial statements and related MD&A and press releases. The Corporation will provide, without charge to a Shareholder, a copy of its most recent AIF and any document incorporated therein by reference, its annual financial statements and annual MD&A for the period ended December 31, 2017, interim financial statements for subsequent periods, and this Information Circular upon request to the Corporation as follows:

E-mail: info@filo-mining.com
Telephone: 604-689-7842
Mail: Filo Mining Corp.
Suite 2000 - 885 West Georgia Street
Vancouver, B.C. V6C 3E8
Attn: Investor Relations

DIRECTORS' APPROVAL

The contents and the sending of this Information Circular have been approved by the Board of Directors of the Corporation.

DATED at Vancouver, British Columbia the 10th day of May, 2018.

BY ORDER OF THE BOARD

/s/ "Adam I. Lundin"

Adam Lundin

President, Chief Executive Officer and Director

APPENDIX 1 - Corporate Governance Disclosure

The following is the disclosure required for Venture Issuers under National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”).

Required Disclosure of Corporate Governance Practices	Response
1. Board of Directors	
(a) Disclose how the board of directors facilitates its exercise of independent supervision over management.	The Board has functioned and is of the view that it can continue to function independently of management, as required. The Board and its committees meet independent of management where needed, but do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. In addition to the standing committees of the Board, independent committees are appointed from time to time, when appropriate. At each meeting of the Board a determination is made as to whether an in-camera session, without management and non-independent directors present, is required.
(b) Disclose the identity of directors who are independent.	The Corporation’s Board of Directors (the “ Board ”) is currently comprised of seven directors; namely, Messrs. Adam I. Lundin, Lukas H. Lundin, Alessandro Bitelli, C. Ashley Heppenstall, Paul McRae, Pablo Mir and Wojtek A. Wodzicki. With the assistance of the Corporate Governance and Nominating Committee, the Board has considered the relationship to the Corporation of each of the directors and has determined that four of the seven directors; namely, Messrs. Lukas Lundin, Alessandro Bitelli, C. Ashley Heppenstall, and Paul McRae are independent for the purposes of Board membership.
(c) Disclose the identity of directors who are not independent and describe the basis for that determination.	The non-independent directors of the Board are Adam I. Lundin, Pablo Mir and Wojtek A. Wodzicki. Mr. Adam Lundin is not considered to be independent as he is President and Chief Executive Officer of the Corporation. Mr. Pablo Mir is not considered to be independent as the Company incurred legal fees of approximately \$68,000 with a law firm of which Mr. Mir is a partner. Mr. Wodzicki is not considered to be independent as he is the former President and Chief Executive Officer of the Corporation and held that position within the past three (3) years.
2. Directorships – If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Certain of the directors of the Corporation are directors and/or officers of other reporting issuers (see Schedule A to this Appendix 1 for details).

Required Disclosure of Corporate Governance Practices		Response
3. Orientation and Continuing Education		
(a) Describe what steps, if any, the board takes to orient new directors.		The Corporate Governance and Nominating Committee is responsible for ensuring that new directors are provided with an orientation package that includes, among other things, information about the duties and obligations of directors the business and operations of the Corporation and documents from recent Board meetings. All directors are provided with a comprehensive Board orientation manual which includes board and committee mandates, corporate policies, and other corporate information. Directors have full access to officers and employees of the Corporation and may arrange meetings either directly or through the President and CEO. Management provides briefings to directors with respect to the business and operations of the Corporation at every regularly scheduled Board meeting.
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors.		All directors are expected to pursue educational opportunities as appropriate to enable them to perform their duties as directors. The Corporation will make available appropriate funding to directors to attend seminars or conferences relevant to their position as directors of the Corporation. Included in the Corporate Governance and Nomination Committee mandate is the requirement to develop, with the assistance of management, an orientation and education program for new recruits to the Board, where necessary. The Corporation's outside legal counsel also provides directors and senior officers with summary updates of any developments relating to the duties and responsibilities of directors and officers and corporate governance matters.

Required Disclosure of Corporate Governance Practices	Response
<p>4. Ethical Business Conduct – Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Board has adopted a written Code of Business Conduct and Ethics (the “Code”) for directors, officers and employees of the Corporation and its subsidiaries. The Code is available on the Corporation’s website and has been filed on and is accessible through SEDAR at www.sedar.com.</p> <p>Directors, officers or employees who have concerns or questions about violations of laws, rules or regulations, or of the Code, are required to report them to the Corporate Secretary or to the chair of the Corporation’s Audit Committee. Following receipt of any complaints, the Corporate Secretary or chair of the Audit Committee, as the case may be, will investigate each matter so reported and report to the Audit Committee. The Board is ultimately responsible, acting through the Audit Committee, for the Code and monitoring compliance with the Code. The Corporation encourages all directors, officers and employees to report promptly any suspected violation of the Code to the Corporate Secretary or chair of the Audit Committee.</p> <p>The Audit Committee has also established a Policy and Procedures for the Receipt, Retention and Treatment of Complaints Regarding Accounting or Auditing Matters (the “Whistleblower Policy”) to encourage employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment. In addition to the general complaint procedure set out in 5(a)(ii) above, under the Whistleblower Policy, a confidential complaint regarding a questionable accounting or auditing matter may be forwarded directly to the chair of the Audit Committee.</p>
<p>5. Nomination of Directors – Disclose what steps, if any, are taken to identify new candidates for board nomination, including (i) who identifies new candidates, and (ii) the process of identifying new candidates.</p>	<p>The Board has established a Corporate Governance and Nominating Committee, which has the primary responsibility for identifying prospective Board members, to establish criteria for Board committee membership, to recommend composition of the Board and its committees and, as circumstances arise, assess directors’ performance. (See “Other Board Committees” for a full description of the responsibilities and operation of the Corporate Governance and Nominating Committee.).</p> <p>The Corporate Governance and Nominating Committee coordinates the search for qualified candidates with input from management and other Board members, giving careful consideration to the competencies and skills that the Board as a whole should possess, and the skills and experience of existing Board members. Other factors are considered which may include the ability of the individual candidate to contribute on an overall basis, the ability of the individual to contribute sufficient time and resources to the Board, as well as the individual’s direct experience with public companies in general and mining companies, in particular. The Corporate Governance and Nominating Committee will recommend a nominee and seek full Board endorsement of the selected candidate.</p>

Required Disclosure of Corporate Governance Practices	Response
<p>6. Compensation – Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including: (i) who determines compensation, and (ii) the process of determining compensation.</p>	<p>Reference is made to the disclosure contained in the Information Circular to which this Appendix 1 is attached under the section entitled “Compensation Discussion and Analysis”.</p>
<p>7. Other Board Committees – If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>In addition to the Audit Committee and the Compensation Committee, the Board has established the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee is comprised of three directors, all of whom are independent.</p> <p>The Corporate Governance and Nominating Committee is responsible for developing and monitoring the Corporation’s approach to corporate governance issues and has primary responsibility for identifying prospective Board members. The Corporate Governance and Nominating Committee, among other things, oversees the effective functioning of the Board and oversees the relationship between the Board and management. The Corporate Governance and Nominating Committee has been mandated to annually review and make recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the appropriateness of the committees of the Board; and (iii) the contribution of individual directors. The Corporate Governance and Nominating Committee is required to meet at least annually and to report to the Board following its meetings. The Corporate Governance and Nominating Committee has the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.</p>
<p>8. Assessments – Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.</p>	<p>The Corporate Governance and Nominating Committee is responsible for reviewing director performance and the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board and identifying any perceived needs on an annual basis. The Corporate Governance and Nominating Committee prepares and delivers an annual Board Effectiveness Assessment questionnaire to each member of the Board for completion. The questionnaire is divided into four parts dealing with board responsibility, board operations, board effectiveness and individual assessment. The Corporate Governance and Nominating Committee reviews and considers the responses received and makes a final report, with recommendations, if any, to the Board.</p>

SCHEDULE A – BOARD OF DIRECTORS - OTHER DIRECTORSHIPS

The following directors of the Corporation also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)
Alessandro Bitelli	Group Eleven Resources Corp. (TSXV)
Lukas H. Lundin	Lundin Mining Corporation (TSX/NASDAQ Stockholm); Lucara Diamond Corp. (TSX/NASDAQ Stockholm/Botswana); Lundin Gold Inc. (TSX/NASDAQ Stockholm); Denison Mines Corp. (TSX/NYSE MKT); Lundin Petroleum AB (NASDAQ Stockholm); International Petroleum Corp. (TSX/NASDAQ First North); NGEx Resources Inc. (TSX/NASDAQ Stockholm)
C. Ashley Heppenstall	Africa Energy Corp. (TSXV/NASDAQ First North), Etrion Corporation (TSX/NASDAQ Stockholm); Lundin Gold Inc. (TSX/NASDAQ Stockholm); Lundin Petroleum AB (NASDAQ Stockholm); International Petroleum Corp. (TSX/NASDAQ First North), and ShaMaran Petroleum Corp. (TSXV/NASDAQ First North)
Paul McRae	Lundin Gold Inc. (TSX/NASDAQ Stockholm); Bluestone Resources Inc. (TSX-V)
Pablo Mir	Lundin Gold Inc. (TSX/NASDAQ Stockholm)
Wojtek Wodzicki	NGEx Resources Inc. (TSX/NASDAQ Stockholm)

Legend:

TSX	=	Toronto Stock Exchange
TSXV	=	TSX Venture Exchange
NYSE MKT	=	NYSE MKT LLC
Botswana	=	Botswana Stock Exchange
NASDAQ Stockholm	=	NASDAQ Stockholm AB
NASDAQ First North	=	NASDAQ First North Exchange

