September 30, 2016

FILO MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016
(Amounts in Canadian Dollars unless otherwise indicated)

The following management's discussion and analysis ("MD&A") of Filo Mining Corp. ("Filo Mining" or the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2016 and related notes therein, which have been prepared under the continuity of interest basis of accounting as described in the section below. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is partly derived from the Company's condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The effective date of this MD&A is November 28, 2016. Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and the Company's website www.filo-mining.com.

Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

PLAN OF ARRANGEMENT AND CONTINUITY OF INTEREST

Filo Mining was incorporated on May 12, 2016 under the Canada Business Corporations Act as a wholly owned subsidiary of NGEx Resources Inc. ("NGEx"), for the purposes of completing a plan of arrangement under the Canada Business Corporations Act whereby NGEx transferred to Filo Mining its wholly-owned subsidiaries that directly or indirectly hold the Filo del Sol copper-gold-silver mineral exploration project ("Filo del Sol" or 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 distributed 100% of the Filo Mining common shares it received under the Arrangement to holders ("NGEx Shareholders") of common shares of NGEx (the "NGEx Common Shares") on a pro rata basis, such that NGEx Shareholders received one (1) common share of Filo Mining for every four (4) NGEx Common shares held as of August 23, 2016.

As NGEx Shareholders received the Filo Mining Common Shares in their respective, pre-arrangement proportionate interests, no change of control resulted in either the Company, or the underlying assets or business acquired. As such, the Arrangement is considered a capital reorganization and is excluded from the scope of IFRS 3, *Business Combinations*. Accordingly, the results up to August 16, 2016 have been presented in this MD&A, and in the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2016, on a continuity of interest basis of accounting with financial positions prior to the Arrangement based on amounts related to the Filo del Sol Project previously recorded by NGEx. In addition, the information contained in the unaudited condensed interim statements of comprehensive loss and statements of changes in equity have been derived from certain allocations from NGEx's financial statements, and management cautions readers of this MD&A that the allocation of expenses may not necessarily reflect, or be otherwise indicative of, the future financial performance of the Company.

CORE BUSINESS

Filo Mining is a mineral exploration company, focused on the acquisition, exploration and development of mineral properties located in South America. The Company's 100% controlled flagship Filo del Sol Project is comprised of adjacent land holdings including the Filo del Sol Property located in San Juan Province, Argentina, and the Tamberias Property, located in Region III, Chile. The Filo del Sol Project is located between the prolific Maricunga and El Indio gold belts, two major mineralized trends that contain such deposits as Caspiche, La Coipa, Veladero, El Indio, and Pascua Lama. The region is mining-friendly and hosts a number of large scale mining operations. The project area is covered under the Mining Integration and Complementation Treaty between Chile and Argentina which provides the framework for the development of cross border mining projects.

The Filo del Sol Project has a current defined Inferred mineral resource estimate of 381 million tonnes at 0.39% copper, 0.33 g/t gold and 12.2 g/t silver containing 3.3 billion pounds of copper, 4 million ounces of gold and 150 million ounces of silver (effective date August 26, 2015), and significant exploration potential with less than 20% of the project area explored to date.

The Filo del Sol project and the resource estimate is described in a Technical Report titled "Geological Report for the Filo del Sol Property, Region III, Chile and San Juan Province, Argentina" dated June 10, 2016, which was prepared for Filo Mining by Fionnuala Devine, M. Sc., P.Geo., of Merlin Geosciences Inc., Diego Charchaflié, M. Sc., P.Geo. of LPF Consulting SRL, and James N. Gray, P.Geo. of Advantage Geoservices Ltd., all of whom are Qualified Persons as defined by NI-43-101 and are independent of Filo Mining. The Technical Report is available for review under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.filo-mining.com

The Company's strategy is to create value for its shareholders by expanding and increasing the quality of its resources and, if warranted, completing the engineering and other studies that are required to prepare its projects for eventual development by the Company or by third parties.

The Company has a strong management team and board with extensive experience in the resource sector and in Chile and Argentina. The board and management team have an appropriate mix of geological, engineering, financial, and business skills to advance the Company's projects and to generate value for its shareholders.

THIRD QUARTER 2016 OPERATING HIGHLIGHTS

Following the most recent update to the Filo del Sol mineral resource in August, 2015, the Company turned its focus towards beginning to understand conceptual development options for the deposit, while continuing to evaluate the compelling exploration potential of the property.

A field program completed in March of 2016 was successful in discovering a new area of hydrothermal alteration and anomalous surface samples located 2.5 km to the northwest of the deposit area. The program also confirmed the presence of extensive mineralization at surface, 700 metres south of the existing resource, where historical shallow reverse circulation drilling intersected good oxide copper and gold values. Rock sampling in four roadcut trenches in 2016 returned intervals of 230 metres grading 0.36 g/t gold, 470 metres grading 0.30 g/t gold and 0.18% copper, 227 metres grading 0.45 g/t gold and 0.46% copper, and 90 metres grading 0.35 g/t gold. These trenches cover a strike distance of 660 metres. None of these trenches exposed the full width of the zone and all will need to be extended.

An internal review of conceptual development options was used to identify additional information that would be required before initiating more formal engineering studies of the project. This review helped to guide planning for a comprehensive field program which commenced in November 2016 (see Outlook section).

Metallurgical Test Work

During the quarter, the Company received the results of initial metallurgical testwork on samples of mineralized material from the Filo del Sol deposit (see News Release dated October 11, 2016). Testwork was completed by SGS Canada Inc. in Lakefield, Ontario.

Bottle-roll tests were completed on reverse circulation ("RC") drill cuttings of three separate types of mineralization representing three distinct zones within the deposit. The results are summarized below:

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

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

Bottle roll tests are used to determine whether metals can be recovered by heap leaching, and provide a good indication of maximum expected metal recoveries. Heap leaching is a widely used processing method for recovering metals from oxidized mineralization and typically involves lower capital and operating costs than the flotation process that is used for sulfide material.

In addition to the tests above, a sequential leach test was done on the oxide copper sample. Sequential leach testing involves acid leaching of the material to recover copper, followed by thorough rinsing, neutralisation and cyanide leaching to recover gold. It offers the potential to recover both copper and gold from the oxide copper material. The sequential leach test provided 94% copper recovery and 87% gold recovery, indicating that it is a processing method that warrants additional testwork in order to determine if it might be applicable on a project scale.

FINANCING UPDATE

On November 16, 2016, Filo Mining completed a private placement of 10,000,000 common shares of the Company at a price of $2.00 per share for gross proceeds of $20 million (the "Private Placement") (see News Release dated November 16, 2016). A finders' fee of $0.5 million was paid in connection with a portion of the Private Placement. The net proceeds received by the Company upon completion of the Private Placement totaled $19.5 million.

CORPORATE UPDATE

The Company has appointed Mr. Pablo Mir to the Company's Board of Directors effective as of November 28, 2016. 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 in Chile, where he leads the natural resources practice. Mr. Mir has advised international mining companies on the exploration, development, financing, construction, and acquisitions of mining projects in Chile, Argentina and Ecuador. He has been recognized by specialized legal publications as one of the top mining lawyers in Latin America. Mr. Mir received his Law Degree from Universidad de Chile and was admitted to practice in 1989.

In addition, the Company has appointed Mr. Jeff Yip as the Company's Chief Financial Officer effective as of November 28, 2016. Mr. Yip received his Bachelor of Commerce from the University of British Columbia and is a member of the Chartered Professional Accountants of British Columbia (CPA, CA). After three years at Ernst & Young LLP (Vancouver), Mr. Yip served as the Corporate Controller of Rusoro Mining Ltd., a junior gold producer with operations in Venezuela, and for RB Energy Inc., a TSX-listed iodine producer with assets in Chile and Canada. Mr. Yip also currently serves as the CFO of Orca Gold Inc., an Africa-focused gold exploration company listed on the TSX Venture Exchange. Mr. Yip replaces Ms. Joyce Ngo, the Company's former Interim Chief Financial Officer.

OUTLOOK

With an experienced board of directors and management team, and a treasury in excess of $21 million, Filo Mining is well poised to advance the Filo del Sol Project while also remaining flexible and responsive to continuing volatility in the resource sector.

For the remainder of 2016 and into early 2017, focus for the Company will be on the implementation of a comprehensive field program which will collect data required for initial engineering studies and begin to test some of the compelling exploration targets on the property. The focus will be on the oxidized portion of the system and on evaluating its potential to be processed by heap leaching.

A total of 8,000 metres of drilling is planned for the season. The program is designed to include infill holes into the resource area, step-out holes to expand the resource, and exploration holes which will test three high-quality exploration targets within 2 km of the resource. Drilling is scheduled to begin in early December, 2016.

Infill drill holes will establish the internal grade continuity of the deposit and will begin to convert a portion of the Inferred resource to the Indicated category.

The Filo del Sol resource remains open along strike both to the north and south, and step-out holes, if successful, could lead to an increase in the resource. Upon completion of the drill program the Company will update the resource estimate.

The exploration holes will test targets that have the potential to discover new types of mineralization within the large alteration system. Three target areas will be tested initially: Filo North; Tamberias; and Cerro Vicuña. Filo North lies between 1 and 2 km north of the deposit in an area thought to host a feeder zone to the deposit mineralization. Evidence is provided by surface geochemistry, geophysics and detailed studies of the zonation of alteration minerals.

The Tamberias target lies between 400 and 1,100 metres southwest of the deposit, in the area of the 2016 surface trenches described in the Operating Highlights section. Surface mapping and sampling in this area has defined a northwesterly-trending gold +/- copper bearing zone of strong silicification, quartz stockworking and breccia with minimum dimensions of 1,000 metres along strike by 200 metres wide. Wide-spaced historical drilling failed to test this zone.

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

In addition to the drilling, the Company will conduct a more extensive program of metallurgical testwork to follow up on the encouraging initial results received this quarter. The Company plans to complete column leach tests which provide information on the optimum fragment size for leaching and will provide more information on how the mineralized material will behave on a leach pad. This information together with an updated resource estimate is expected to provide the information needed for an updated internal conceptual study of development options and allow the company to decide whether to initiate a formal preliminary economic assessment of the project.

Filo Mining is also actively evaluating other exploration and development assets with a view to building a robust and diversified South American focused mineral resource company. While at any given time discussions and activities may be in progress on a number of initiatives, the Company currently does not have any binding agreements or binding commitments to enter into any such transactions. There is no assurance that these corporate activities will ever progress to the stage where a potential transaction might be successfully completed.

RESULTS FROM OPERATIONS

Year Ended	Dec-15[1]	Dec-14[1]	Dec-13[1]
Net loss ($000's)	11,817	13,076	3,235
Loss per share, basic and diluted ($)	0.23	0.26	0.06
Total assets ($000's)	6,355	18,340	6,814

[1] Amounts presented in the table were carved out from figures previously reported by NGEx in accordance with the continuity of interest basis of accounting (see Plan of Arrangement and Continuity of Interest Section above).

Filo Mining is a junior exploration company, and as such, its net losses are largely driven by its exploration and project investigation activities and there is no expectation of generating operating profits until it identifies and develops a commercially viable mineral deposit. The increase in the net loss for the year ended December 31, 2014, compared to the year ended December 31, 2013, is largely the result of NGEx's focus on other properties within its portfolio in the latter year. The higher costs in fiscal 2014 and 2015 are the result of extensive work done to prepare the initial mineral resource estimate and the subsequent update thereto, respectively, which included large drill programs.

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

Three Months Ended	Sep-16	Jun-16	Mar-16	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14
Exploration costs ($000's)	457	331	1,286	441	510	896	7,734	3,910
Operating loss ($000's)	858	634	1,789	507	822	1,159	8,504	4,246
Net loss ($000's)	860	647	1,862	465	826	1,159	8,635	4,317
Net loss per share, basic and diluted ($)	0.02	0.01	0.05	0.01	0.02	0.03	0.16	0.08

[1] Amounts presented in the table prior to the completion of the Arrangement on August 16, 2016 were carved out from figures previously reported byNGEx in accordance with the continuity of interest basis of accounting (see Plan of Arrangement and Continuity of Interest Section above).

Due to the geographic location of the Filo del Sol Project, the Company's business activities fluctuate with the seasons, through increased drilling and other exploration activities during the summer months in South America. As a result, a general recurring trend is the increase in exploration expenditures, and therefore net losses, for the fourth quarter and first quarter of the fiscal year, relative to the second and third quarters. In addition, other relevant factors, such as the financial position of the Company, other corporate initiatives, as well as the type of planned exploration/project work, could affect the level of exploration activities and net loss in a particular period.

Filo Mining incurred net losses of $0.9 million and $3.5 million (2015: $1.0 million and $11.0 million), respectively, for the three and nine months ended September 30, 2016. Exploration and project investigation costs are the most significant expenditures of the Company and account for more than half of the net loss in each of the respective periods. This is reflective of the Company's accounting policy to expense its exploration costs through the consolidated statement of comprehensive loss, except for mineral property option payments and mineral property acquisition costs.

Exploration and project investigation costs for the three months ended September 30, 2016 of $0.5 million were consistent with the 2015 comparative period (2015: $0.5 million), however a significant decrease is noted for the nine month period ended September 30, 2016, which had exploration and project investigation costs of $2.1

million (2015: $9.1 million). This decrease is due to the nine month 2015 comparative period reflecting the execution of a larger exploration program, which included more than 5,000 metres of drilling, following the receipt of proceeds from a $35 million private placement by NGEx in 2014. By comparison, during the nine months ended September 30, 2016, the Company focused on completing the Arrangement (see Plan of Arrangement and Continuity of Interest Section above), and therefore exploration programs were kept minimal during this period of reorganization. Detailed breakdowns of exploration costs for the three and nine months ended September 30, 2016 and 2015, are provided in the notes to the unaudited condensed interim consolidated financial statements.

Excluding share-based compensation, administration costs for the three and nine months ended September 30, 2016, were $0.3 million and $0.9 million (2015: $0.2 million and $0.9 million), respectively. Share-based compensation, a non-cash cost, reflects the amortization of the estimated fair value of options over their vesting period and is based to a large degree on the Company's share price and its volatility. The actual future value to the option holders may differ materially from these estimates as it depends on the trading price of the Company's shares if and when the options are exercised. In addition, as the granting of options and their vesting is at the discretion of the Board, the related expense is unlikely to be uniform across quarters or financial years. The Company has not issued any share options since completion of the Arrangement.

Administration costs, as reported for the three and nine months ended September 30, 2016, include amounts which have been allocated from NGEx's pre-arrangement results of operations (see Plan of Arrangement and Continuity of Interest Section above). The higher professional fees and office expenses during the 2016 periods compared to the 2015 periods reflects the additional legal and corporate costs associated with establishing a stand-alone public entity. This was offset by a decrease in travel and promotion expenses incurred during the three and nine months ended September 30, 2016, as the Company shifted its focus from promotional activities to the Arrangement, which closed on August 16, 2016.

No tax recovery is recognized as a result of the nature of activities and lack of expectations of taxable profits in the near term.

In other comprehensive income, the Company also reported foreign exchange translation losses of $0.08 million and $0.6 million (2015: gains of $0.2 million and $0.3 million), respectively, for the three and nine months ended September 30, 2016, on translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. This is principally the result of fluctuations of the Canadian dollar relative to the Chilean peso and Argentine peso during the respective periods.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2016, the Company had cash of $2.6 million and net working capital of $2.5 million, compared to cash of $0.3 million and net working capital of $0.2 million as at December 31, 2015. The increase in cash and net working capital is primarily the result of the receipt of $3.0 million in cash from NGEx pursuant to the Arrangement (see Plan of Arrangement and Continuity of Interest section above).

The $19.5 million net proceeds received from the Private Placement which closed on November 16, 2016 will be used towards ongoing work programs in Chile and Argentina as well as for general corporate purposes. Other than for general corporate and administrative costs, the majority of funds held by Filo Mining are directed towards exploration in South America.

Based on Filo Mining's financial position at September 30, 2016, and the net proceeds generated by closing of the Private Placement on November 16, 2016, the Company has a strong treasury to support its ongoing exploration initiatives and general corporate activities, while being able to exercise a high degree of flexibility in adapting its work programs and expenditures to changes in market conditions, as necessary.

RELATED PARTY TRANSACTIONS

Key management compensation

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

	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Salaries	74,500	-	74,500	-
Short term employee benefits	7,372	-	7,372	-
Directors fees	8,375	-	8,375	-
Stock-based compensation	-	-	-	-
	90,247	**-**	**90,247**	**-**

From the Company's incorporation on May 12, 2016, up until the completion of the NGEx Arrangement on August 16, 2016, no compensation was paid to its officers or directors. The compensation costs reported for key management personnel therefore only reflect compensation costs incurred after August 16, 2016.

Related party services

The Company has a cost sharing arrangement with NGEx, a related party by way of directors, officers and shareholders in common. Under the terms of this arrangement, the Company provided executive management services to NGEx, and NGEx provided financial management and administrative services to the Company.

	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Executive management services to NGEx	98,512	-	98,512	-
Financial management and administrative services from NGEx	(122,930)	-	(122,930)	-

All balances owing between the related parties for the rendering and receipt of services are outstanding as at September 30, 2016.

Due to the fact that Filo Mining was not incorporated until May 12, 2016, and the Arrangement was not completed until August 16, 2016, there were no provision and sharing of management services between the related parties prior to that date.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS, such as the underlying condensed interim consolidated financial statements for the three and nine months ended September 30, 2016, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenditures. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual results could differ from those estimates and such differences could be material. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. Information about estimates and assumptions that could have the most significant effect on the recognition and measurement of assets is provided below.

Carve-out basis of accounting – The preparation of these condensed interim consolidated financial statements pursuant to the carve-out basis of accounting, as described in Note 2 to the unaudited condensed interim consolidated financial statements, requires the identification and allocation of pre-arrangement assets, liabilities, results from operations and cash flows of NGEx, which are deemed to be attributable to the Company. As common expenses have been allocated on a pro-rata basis based on the level of exploration expenditures incurred for the relevant periods, management is required to make estimates and judgements in performing the allocation.

Valuation of mineral properties – The Company carries the acquisition costs of its mineral properties at cost less any provision for impairment. The Company undertakes periodic reviews of the carrying values of mineral properties and whenever events or changes in circumstances indicate that their carrying values may exceed their fair value. In undertaking these reviews, management of the Company is required to make significant estimates. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the mineral properties and related expenditures.

SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company's significant account policies is provided in Note 4 of the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2016.

New Accounting Pronouncements

The IASB has issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company beginning on the dates indicated below. Pronouncements that are not applicable to the Company have been excluded from those described below.

Pronouncement	Effective Date
IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement. The standard includes: (i) a third measurement category for financial assets – fair value through other comprehensive income and (ii) a single, forward-looking 'expected loss' impairment model.	Required to be applied for years beginning on or after January 1, 2018.
IFRS 7 *Financial instruments – disclosure* has been amended to require additional disclosures on transition from IAS 39 to IFRS 9.	Required to be applied for years beginning on or after January 1, 2018.
IFRS 16 *Leases* specifies how leases should be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	Required to be applied for years beginning on or after January 1, 2019.

Management is currently assessing whether these new standards and interpretations would have a material impact on the future financial position and results of the Company.

FINANCIAL INSTRUMENTS

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

The Company's financial instruments are exposed to the following financial risks, including credit, liquidity and currency risks:

(i) Credit risks associated with cash is minimal as the Company deposits the majority of its cash with a large Canadian financial institution that has been accorded a strong investment grade rating by a primary rating agency.

(ii) Liquidity risks associated with the inability to meet obligations as they become due is minimized through the management of its capital structure as explained on Note 10 to the unaudited condensed interim financial statements for the three and nine months ended September 30, 2016, and by maintaining good relationships with bankers. The Company also closely monitors and reviews its costs to date and actual cash flows on a monthly basis. Trade payables and accrued liabilities are due within twelve months of the Statement of Financial Position date. The Company further arranged a private placement in November 2016 to support and fund the Company's ongoing exploration activities.

(iii) Foreign currency risk can arise when the Company or its subsidiaries transact or have net financial assets or liabilities which are denominated in currencies other than their respective functional currencies.

At September 30, 2016, the Company's primary foreign currency risk exposure existed at the Canadian head office level, which holds a net financial asset position denominated in US dollars. The estimated impact of relative currency rate fluctuations between US dollar and the Canadian dollar, the functional currency, based on this foreign currency exposure is as follows:

	Foreign currency cash held (in source currency)	Net financial asset (liability) position	Change in net financial position from a 10% variation in exchange rates
US dollar	964,000	1,232,000	123,000

OUTSTANDING SHARE DATA

As at November 28, 2016, the Company had 61,344,700 common shares outstanding and 1,634,375 share options outstanding under its share-based incentive plan and no share purchase warrants outstanding.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. These risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. The more significant risks include:

Exploration and Development Risk

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

Mineral Resource Estimates

The reported Mineral Resources on the Filo del Sol Project are only estimates. No assurance can be given that the estimated Mineral Resources will be recovered. By their nature Mineral Resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable because, among other factors, they are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral Resource estimates may require revision (either up or down). Market fluctuations in the price of metals, as well as increases in estimated production costs or reductions in estimated recovery rates, may render certain Mineral Resources uneconomic and may ultimately result in a restatement of estimated resources. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty which may attach to Mineral Resources, there is no assurance that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves; and no assurance that all or any part of an Inferred Mineral Resources exists, or is economically or legally mineable. 100% of the Filo del Sol Mineral Resource is Inferred.

Foreign Operations Risk

The Filo Business is conducted through exploration activities in foreign countries, including Argentina and Chile. Each of these countries exposes the Company to risks that may not otherwise be experienced if all operations were located in Canada. The risks vary from country to country and can include, but are not limited to, civil unrest or war, terrorism, illegal mining, changing political conditions, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labor unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Company's existing assets and operations. Real and perceived political risk may also affect the ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities. Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries which are deemed of national or strategic importance in countries in which the Filo Business has assets, including mineral exploration, will not be nationalized. The risk exists that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Filo Business. There can be no assurance that the Company's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body. In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company.

Metal Price Risk

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

Environmental and Socio-Political Risks

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company conducts activities. The Company also aims to conduct its activities in accordance with high corporate social responsibility principles. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. The Company is subject to environmental regulation in the various jurisdictions in which it operates. Failure to comply with these laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may also be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Furthermore, environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Programs may also be delayed or prohibited in some areas due to technical factors, new legislative constraints, social opposition or local government capacity or willingness to issue permits to explore in a timely manner. In parts of Argentina, there is significant environmental opposition to both mineral exploration and mining. The Argentine Congress has passed legislation designed to protect the country's glaciers. This law would restrict development on and around glaciers. The detailed regulations that will govern implementation of the law have not yet been written but this legislation could affect the Company's ability to develop parts of the Filo del Sol Project.

Economic and Political Instability in Argentina

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

Infrastructure

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power and water supplies are important determinants that affect costs. The Company's ability to obtain a secure supply of power and water at a reasonable cost depends on many factors, including: global and regional supply and demand; political and economic conditions; problems that can affect local supplies; delivery; and relevant regulatory regimes. Power and water are currently in short supply throughout Northern Chile and this may adversely affect the ability of the Company to explore and develop its Chilean projects. Unusual or infrequent weather phenomena, sabotage or government, and other interference in the maintenance or provision of such infrastructure could adversely affect the activities and profitability of the Company. Establishing such infrastructure will require significant resources, identification of adequate sources of raw materials and supplies and necessary cooperation from national and regional governments, none of which can be assured. There is no guarantee that the Company will secure these power, water and access rights going forward or on reasonable terms.

Currency Risk

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

Internal Controls

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

Corruption and Bribery

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

Nature of the Securities

The holding of Filo Common Shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Filo Common Shares should not be held by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of Filo Mining should not constitute a major portion of an investor's portfolio.

Limited Operating History

Filo Mining was incorporated on May 12, 2016 and has a limited operating history and no operating revenues.

Dependence on Management

Filo Mining will be very dependent upon the personal efforts and commitment of its directors and officers, especially Wojtek Wodzicki, Filo Mining's current President and Chief Executive Officer. If one or more of Filo Mining's executive officers become unavailable for any reason, a severe disruption to the business and operations of Filo Mining could result, and Filo Mining may not be able to replace them readily, if at all. As Filo Mining's business activity grows, Filo Mining will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that Filo Mining will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If Filo Mining is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on Filo Mining's future cash flows, earnings, results of operations and financial condition.

Filo Mining's operations are subject to human error

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage Filo Mining's interests, and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to Filo Mining. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort Filo Mining might undertake and legal claims for errors or mistakes by Filo Mining personnel.

Financing Risks

Additional funding may be required to conduct future exploration programs on the Filo del Sol Property and to conduct other exploration programs. If Filo Mining's proposed exploration programs are successful, additional funds will be required for the development of an economic mineral body and to place it in commercial production. The only sources of future funds presently available to Filo Mining are the sale of equity capital, or the offering by Filo Mining of an interest in its properties to be earned by another party or parties carrying out exploration or development thereof. There is no assurance that any such funds will be available for operations. Failure to obtain additional financing on a timely basis could cause Filo Mining to reduce or terminate its proposed operations.

Conflicts of Interest

Certain directors and officers of Filo Mining are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of Filo Mining. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of Filo Mining. Directors and officers of Filo Mining with conflicts of interest will be subject to the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

No History of Earnings

Filo Mining has no history of earnings or of a return on investment, and there is no assurance that the Filo del Sol Property or any other property or business that Filo Mining may acquire or undertake will generate earnings, operate profitably or provide a return on investment in the future. Filo Mining has no plans to pay dividends for some time in the future. The future dividend policy of Filo Mining will be determined by the Filo Board.

Environmental Risks and Other Regulatory Requirements

The current or future operations of Filo Mining, including future exploration and development activities and commencement of production on its property or properties, will require permits or licences from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which Filo Mining may require for the conduct of its operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any project which Filo Mining might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies and mine reclamation and remediation activities, or more stringent implementation thereof, could have a material adverse impact on Filo Mining and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Future offerings of debt or equity securities

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

Market Price of Shares

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

Nature of Mineral Exploration and Development

All of Filo Mining's operations are at the exploration stage and there is no guarantee that any such activity will result in commercial production of mineral deposits. The exploration for mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration programs planned by Filo Mining or any future development programs will result in a profitable commercial mining operation. There is no assurance that the Filo Mining's mineral exploration activities will result in any discoveries of commercial quantities of ore. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted. The long-term profitability of Filo Mining will be in part directly related to the cost and success of its exploration programs and any subsequent development programs.

Foreign Country Risks

The Filo del Sol Property is located in Argentina and Chile, countries with social, political and economic policies that differ from Canada's. Although Filo Mining believes the current conditions in Argentina and Chile are stable and conducive to conducting business, there is no assurance that such conditions will continue to prevail. Governmental policies may change to discourage foreign investment or mining; nationalization of mining industries may occur; and other unforeseen limitations, restrictions or requirements may be implemented. There can be no assurance that Filo Mining's assets will not be subject to nationalization, expropriation, requisition or confiscation, whether legitimate or not, by any authority or body. There can also be no assurance that adverse developments such as terrorism, military repression, civil unrest, crime, extreme fluctuations in currency exchange rates or high inflation will not occur.

Filo Mining may encounter difficulties in conducting its business through foreign subsidiaries

Filo Mining will be conducting a portion of its business through one or more foreign subsidiaries, and a portion of its assets may be held by such entities. Accordingly, any limitation on the transfer of cash or other assets between Filo Mining and its subsidiaries, or among its subsidiaries, could restrict Filo Mining's ability to fund operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Filo Mining's valuation.

Filo Mining is a Canadian corporation. All of its officers are residents of Canada and a significant part of its assets are, or will be, located outside of the United States. As a result, it may be difficult or impossible for U.S. Shareholders to effect service of process within the United States upon Filo Mining, its directors or officers, or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, Shareholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

No Operating History

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

Commodity Prices

The price of the Filo Common Shares and Filo Mining's financial results may be significantly adversely affected by a decline in the price of copper, gold, silver and other mineral commodities. Metal prices fluctuate widely and are affected by numerous factors beyond Filo Mining's control. The level of interest rates, the rate of inflation, world supply of mineral commodities, global and regional consumption patterns, speculative trading activities, the value of the United States dollar and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems, political systems and political and economic developments. The price of mineral commodities has fluctuated widely in recent years and future serious price declines could cause potential commercial production to be uneconomic. A severe decline in the price of minerals would have a material adverse effect on Filo Mining.

Acquisition Strategy

As part of Filo Mining's business strategy, it has sought and will continue to seek new exploration, development and mining opportunities in the resource industry. In pursuit of such opportunities, Filo Mining may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into Filo Mining. Filo Mining cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit Filo Mining.

Dividend Policy

No dividends on Filo Common Shares have been paid by Filo Mining to date. Filo Mining anticipates that it will retain all earnings and other cash resources for the foreseeable future for the operation and development of its business. Filo Mining does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board of Directors of Filo Mining after taking into account many factors, including Filo Mining's operating results, financial condition and current and anticipated cash needs.

Permitting

Filo Mining's mineral property interests are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of existing permits, additional permits for any possible future developments or changes to operations or additional permits associated with new legislation. Prior to any development of any of their properties, Filo Mining must receive permits from appropriate governmental authorities. There can be no assurance that Filo Mining will continue to hold all permits necessary to develop or continue its activities at any particular property. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, may have a material adverse impact on Filo Mining, resulting in increased capital expenditures and other costs or abandonment or delays in development of properties.

Land Title

The acquisition of title to resource properties is a very detailed and time-consuming process. No assurances can be given that there are no title defects affecting the properties in which Filo Mining has an interest. The properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. Other parties may dispute the title to a property or the property may be subject to prior unregistered agreements and transfers or land claims by Indigenous people. The title may also be affected by undetected encumbrances or defects or governmental actions. Filo Mining has not conducted surveys of properties in which it holds an interest and the precise area and location of claims or the properties may be challenged. Filo Mining may not be able to register rights and interests it acquires against title to applicable mineral properties. An inability to register such rights and interests may limit or severely restrict Filo Mining's ability to enforce such acquired rights and interests against third parties or may render certain agreements entered into by Filo Mining invalid, unenforceable, uneconomic, unsatisfied or ambiguous, the effect of which may cause financial results yielded to differ materially from those anticipated. Although Filo Mining believes it has taken reasonable measures to ensure proper title to the properties in which it has an interest, there is no guarantee that such title will not be challenged or impaired.

Influence of Third Party Stakeholders

The mineral properties in which Filo Mining holds an interest, or the exploration equipment and road or other means of access which Filo Mining intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, Filo Mining's work programs may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for Filo Mining.

Insurance

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, ground or slope failures, fires, environmental occurrences and natural phenomena such as prolonged periods of inclement weather conditions, floods and earthquakes. It is not always possible to obtain insurance against all such risks and Filo Mining may decide not to insure against certain risks because of high premiums or other reasons. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to Filo Mining's properties or the properties of others, delays in exploration, development or mining operations, monetary losses and possible legal liability. Filo Mining expects to maintain insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development. Filo Mining expects to carry liability insurance with respect to its mineral exploration operations, but is not expected to cover any form of political risk insurance or certain forms of environmental liability insurance, since insurance against political risks and environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of Filo Mining. If Filo Mining is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy. The lack of, or insufficiency of, insurance coverage could adversely affect Filo Mining's future cash flow and overall profitability.

Significant Competition for Attractive Mineral Properties

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. Filo Mining expects to selectively seek strategic acquisitions in the future, however, there can be no assurance that suitable acquisition opportunities will be identified. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Filo Mining, Filo Mining may be unable to acquire additional attractive mineral properties on terms it considers acceptable. In addition, Filo Mining's ability to consummate and to integrate effectively any future acquisitions on terms that are favourable to Filo Mining may be limited by the number of attractive acquisition targets, internal demands on resources, competition from other mining companies and, to the extent necessary, Filo Mining's ability to obtain financing on satisfactory terms, if at all.

FINANCIAL INFORMATION

The report for the year ended December 31, 2016 is expected to be published on March 28, 2017.

QUALIFIED PERSON

The technical contents of this MD&A have been reviewed and approved by Bob Carmichael, P. Eng. (BC). Mr. Carmichael is Filo Mining's Vice-President of Exploration and a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made and information contained herein in the MD&A constitutes "forward-looking information" and forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information"). The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward looking information. Generally, this forward-looking information can frequently, but not always, be identified by use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotations thereof.

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

The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information speaks as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information pertaining to the Company's assumptions used in the updated mineral resources estimates for the Filo del Sol project; exploration and development expenditures; the timing and nature of any potential development scenarios; opportunities to improve project economics; estimation of commodity prices, mineral resources, costs and the success of exploration activities; expectations with regard to adding to mineral resources through exploration; permitting time lines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

Statements relating to "mineral resources" are deemed to be forward looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described can be profitably produced in the future.

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

	Note	**September 30, 2016**	**December 31, 2015**
ASSETS			
Current assets:			
Cash		$ 2,642,103	$ 271,228
Receivables and other assets		441,817	132,503
		3,083,920	403,731
Mineral properties	*5*	6,065,707	5,950,829
TOTAL ASSETS		9,149,627	6,354,560
LIABILITIES			
Current liabilities:			
Trade payables and accrued liabilities		602,032	243,179
SHAREHOLDERS' EQUITY			
Share capital	*6*	39,014,372	-
Other capital reserves		-	34,972,757
Deficit		(30,466,777)	(28,861,376)
TOTAL SHAREHOLDERS' EQUITY		8,547,595	6,111,381
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,149,627	$ 6,354,560

Subsequent event (Note 12)

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

On behalf of the Board:

/s/Alessandro Bitelli
Director

/s/Wojtek A. Wodzicki
Director

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

	Note	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Expenses					
Exploration and project investigation	*7*	$ 456,788	$ 510,383	$ 2,073,880	$ 9,140,519
General and Administration:					
Salaries and benefits		123,868	98,401	348,178	305,141
Share-based compensation	*6c*	112,448	98,776	297,996	465,952
Management fees		37,375	38,892	133,590	164,043
Professional fees		40,724	11,707	147,171	86,237
Travel		7,127	13,597	25,853	76,547
Promotion and public relations		19,582	33,041	72,041	111,786
Office and general		59,840	17,096	181,966	135,170
Operating loss		857,752	821,893	3,280,675	10,485,395
Other expenses					
Foreign exchange loss		1,901	136	2,983	10,367
Other expenses		866	4,376	84,895	124,453
Net loss		860,519	826,405	3,368,553	10,620,215
Other comprehensive loss					
Items that may be reclassified subsequently to net loss:					
Foreign currency translation adjustment		87,932	(154,444)	624,612	(252,990)
Comprehensive loss		$ 948,451	$ 671,961	$ 3,993,165	$ 10,367,225
Basic and diluted loss per common share		$ 0.02	$ 0.02	$ 0.07	$ 0.21
Weighted average common shares outstanding	*6a*	51,278,934	51,270,950	51,273,660	51,270,950

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

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

	Note	Nine months ended September 30, 2016	2015
Cash flows used in operating activities			
Net loss for the period		$ (3,368,553)	$ (10,620,215)
Items not involving cash:			
Depreciation		7,432	7,172
Share-based compensation	*6c*	407,953	625,996
Unrealized foreign exchange loss		2,983	10,367
Net changes in working capital items:			
Receivables and other		(268,169)	62,722
Trade payables and accrued liabilities		332,642	844,789
		(2,885,712)	(9,069,169)
Cash flows from financing activities			
Funding received from NGEx Resources Inc. ("NGEx") for operations	*2*	2,972,976	1,798,799
Cash received pursuant to the NGEx Arrangement	*2*	3,048,613	-
Proceeds from exercise of share options		48,450	-
		6,070,039	1,798,799
Cash flows used in investing activities			
Mineral properties and related expenditures		(756,519)	(304,581)
		(756,519)	(304,581)
Effect of exchange rate change on cash		(56,933)	208,689
Increase / (decrease) in cash during the period		2,370,875	(7,366,262)
Cash, beginning of period		271,228	7,671,044
Cash, end of period		$ 2,642,103	$ 304,782

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

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

	Note	Number of Shares	Share Capital	Other Capital reserves	Deficit	Total Shareholders' Equity
Balance, January 1, 2015		-	-	$ 32,034,288	$ (16,557,697)	$ 15,476,591
Funding and expenses paid by NGEx Resources Inc. ("NGEx")		-	-	1,798,799	-	1,798,799
Share-based compensation		-	-	625,996	-	625,996
Net loss and comprehensive loss		-	-	-	(10,367,225)	(10,367,225)
Balance, September 30, 2015		-	-	34,459,083	(26,924,922)	7,534,161
Balance, January 1, 2016		-	-	34,972,757	(28,861,376)	6,111,381
Funding and expenses paid by NGEx		-	-	2,972,976	-	2,972,976
Share-based compensation	*6c*	-		407,953	-	407,953
Cash contributed by NGEx pursuant to the NGEx Arrangement	*2*	-	-	3,000,000	-	3,000,000
Shares issued pursuant to the NGEx Agreement	*2 & 6a*	51,270,950	38,965,922	(38,965,922)	-	-
Adjustment for shares issued in connection with the NGEx Arrangement	*2*			(2,387,764)	2,387,764	-
Exercise of options		67,500	48,450			48,450
Net loss and comprehensive loss		-		-	(3,993,165)	(3,993,165)
Balance, September 30, 2016		51,338,450	$ 39,014,372	$ -	$ (30,466,777)	$ 8,547,595

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

1. NATURE OF OPERATIONS

Filo Mining Corp. (the "Company" or "Filo Mining") was incorporated on May 12, 2016 under the laws of the Canada Business Corporations Act in connection the plan of arrangement to reorganize NGEx Resources Inc. ("NGEx"), which was completed on August 16, 2016 (see Note 2). The Company's principal business activities are the acquisition, exploration and development of mineral properties located in South America.

The Company's registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. The Company's common shares commenced trading on the TSX Venture Exchange (the "TSXV") and the NASDAQ First North Exchange under the symbol "FIL" on August 26, 2016 and September 6, 2016, respectively.

2. PLAN OF ARRANGEMENT

On August 16, 2016, NGEx completed a plan of arrangement (the "NGEx Arrangement") pursuant to which NGEx transferred $3,000,000 in cash, and its wholly owned subsidiaries that directly or indirectly hold the Filo del Sol property in Argentina (the "Filo del Sol Property") and the Tamberias property in Chile (the "Tamberias Property"), including an additional $48,613 in cash, to the Company in exchange for 51,270,950 common shares of the Company. NGEx subsequently distributed the shares to the shareholders of NGEx as a return of capital.

As the shareholders of NGEx continued to hold their respective interests in Filo Mining, there was no resultant change of control in either the Company, or the underlying assets and business acquired. As such, the NGEx Arrangement is considered a capital reorganization and is excluded from the scope of IFRS 3, *Business Combinations*.

Under the continuity of interest basis of accounting, the assets and liabilities transferred are recorded at their pre-arrangement carrying values. The statements of comprehensive loss include the allocated expenditures from the business acquired. The exploration expenditures have been allocated directly from NGEx and all remaining expenses have been allocated on a pro-rata basis based on the level of exploration activities for the period up to August 16, 2016. The carve-out entity did not operate as a separate legal entity and as such, the financial statements may not be indicative of the financial performance of the carve-out entity on a standalone basis and do not necessarily reflect what its results of operations, financial position and cash flows would have been had the carve-out entity operated as an independent entity during the periods presented.

(Expressed in Canadian Dollars, unless otherwise stated)

The carrying value of the net assets received pursuant to the NGEx Arrangement, as at August 16, 2016 are as follows:

Assets:		
Cash	$	3,048,613
Receivables and other assets		100,979
Mineral properties		5,991,033
Total assets		9,140,625
Liabilities:		
Trade payables and accrued liabilities		(207,174)
Carrying value of net assets		**8,933,451**
Accumulated losses		32,420,235
Subtotal		41,353,686
Shares issued pursuant to the NGEx Arrangement		38,965,922
Adjustment for shares issued in connection with the NGEx Arrangement	**$**	**2,387,764**

An adjustment of $2,387,764 was made through accumulated deficit to reconcile: i) the carrying values of the net assets contributed and recorded under the continuity of interest basis of accounting, to the fair value of the common shares issued upon closing of the NGEx Arrangement; and ii) the allocated NGEx accumulated losses which amounted to $32,420,235 up to the close of the NGEx Arrangement.

The condensed interim consolidated statement of changes in equity includes $3,000,000 of cash that was transferred by NGEx to the Company pursuant to the NGEx Arrangement. Other assets have been reflected in these condensed interim financial statements at earlier dates in accordance with the continuity of interest basis of accounting.

3. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), applicable to the preparation of interim financial statements, including International Accounting Standards 34, Interim Financial Reporting.

These condensed interim consolidated financial statements have been prepared on a continuity of interest basis of accounting following the NGEx Arrangement, which requires that prior to the August 16, 2016 effective date thereof, the assets, liabilities, results of operations and cash flows of Filo Mining be on a 'carve-out' basis from the consolidated financial statements and accounting records of NGEx, in accordance with the financial reporting framework specified in subsection 3.11(6) of National Instrument 52-107, *Acceptable Accounting Principles and Auditing Standards*, for carve-out financial statements.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 28, 2016.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

The condensed interim consolidated financial statements of the Company include the following subsidiaries:

Subsidiaries	Jurisdiction	Nature of operations
NGEx Filo del Sol Holdings Inc.	Canada	Holding company
NGEx Chile Holdings Inc.	Canada	Holding company
Filo del Sol Uruguay S.A.	Uruguay	Holding company
Frontera Holdings (Bermuda) IV Ltd.	Bermuda	Holding company
Frontera Holdings (Bermuda) V Ltd.	Bermuda	Holding company
Filo del Sol Exploracion S.A.	Argentina	Exploration company
Frontera Chile Limitada	Chile	Exploration company

All intercompany balances, transactions, including income and expenses arising from inter-company transactions are eliminated in preparing the condensed interim consolidated financial statements.

b) Critical accounting estimates and assumptions

The preparation of the condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenditures on the financial statements. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual results could differ from those estimates and such differences could be material. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. Information about estimates and assumptions that could have the most significant effect on the recognition and measurement of assets is provided below.

Carve-out basis of accounting – The preparation of these condensed interim consolidated financial statements pursuant to the carve-out basis of accounting, as described in Note 2 above, requires the identification and allocation of pre-arrangement assets, liabilities, results from operations and cash flows of NGEx, which are deemed to be attributable to the Company. As common expenses have been allocated on a pro-rata basis based on the level of exploration expenditures incurred for the relevant periods, management is required to make estimates and judgements in performing the allocation.

Valuation of mineral properties – The Company carries the acquisition costs of its mineral properties at cost less any provision for impairment. The Company undertakes periodic reviews of the carrying values of mineral properties and whenever events or changes in circumstances indicate that their carrying values may exceed their fair value. In undertaking these reviews, management of the Company is required to make significant estimates. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the mineral properties and related expenditures.

c) Foreign currency translation

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. The functional currency of its material subsidiaries, which have operations in Chile and Argentina, is the Chilean peso and the Argentine peso, respectively.

The results and financial positions of the subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated using the exchange rate prevailing at the date of that statement of financial position.

- Income, expenses, and other comprehensive income for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

- All resulting exchange differences are recognized as a separate component of equity and in other comprehensive income.

d) Mineral properties and exploration expenditure

The Company capitalizes acquisition costs for property rights, including payments for exploration rights and estimated fair value of exploration properties acquired as part of a business acquisition.

Mineral exploration costs and maintenance payments are expensed prior to the determination that a property has economically recoverable ore reserves. When it has been established that a mineral property is considered to be sufficiently advanced to the development stage and economic viability has been demonstrated, all further expenditures for the current year and subsequent years are capitalized as incurred and subsequently amortized on a units of production based on proven and probable reserves of the assets to which they relate.

e) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units, or "CGU's"). Value in use is determined as the present value of future cash inflows expected to be derived from a CGU using a pre-tax discount rate that reflects the current time value of money and the risks specific to that CGU.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

f) Financial instrument classification

In respect of the recognition and measurement of financial instruments, the Company has adopted the following policies:

Financial instruments	**Loans and receivables**	**Other financial liabilities**
Measured at amortized cost:		
Receivables and others and cash	X	
Trade payables and accrued liabilities		X

g) Cash

Cash includes cash on hand, deposits held at call with financial institutions, net of bank overdrafts.

h) Impairment of receivables and other assets

The Company assesses at the end of each reporting period whether there is objective evidence that its receivable and other assets are impaired. They are considered to be impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in the consolidated statement of loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the consolidated statement of loss.

i) Current and deferred income tax

The Company follows the liability method of accounting for income taxes. Under the liability method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, unused tax losses and other income tax deductions. Deferred income tax assets are recognized for deductible temporary differences, unused tax losses and other income tax deductions to the extent that it is probable the Company will have taxable income against which those deductible temporary differences, unused tax losses and other income tax deductions can be utilized.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the related assets are realized or the liabilities are settled. The measurement of deferred income tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover and settle the carrying amounts of its assets and liabilities, respectively. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the period in which the change is substantively enacted.

j) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares or options are show in equity as a deduction, net of tax, from the proceeds.

k) Share-based compensation

The Company has a share-based compensation plan, whereby it is authorized to grant share options to officers, employees, directors, and other eligible persons. The fair value of the options is measured at the date the options are granted, using the Black-Scholes option-pricing model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the common shares and an expected life of the options. The fair value less estimated forfeitures is charged over the vesting period of the related options as an expense on its financial statements.

l) Provisions

Provisions for restructuring costs and legal claims are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligations using the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

m) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charge to the income statement on a straight-line basis over the period of the lease.

n) Segment reporting

As the Company primarily focuses its activity on the exploration and development of mineral properties, its operating and reportable segments are the Filo del Sol Property, the Tamberias Property, other general exploration and project generation initiatives, and the Company’s corporate administration function. Operating segments are components of an entity that engage in business activities from which they incur expenses and whose operating results are regularly reviewed by a chief operating decision maker to make resource allocation decisions and to assess performance. The Chief Executive Officer, the chief operating decision-maker for the Company, obtains and reviews operating results of each operating segment on a monthly basis.

o) New accounting pronouncements

The IASB has issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company beginning on the dates indicated below. Pronouncements that are not applicable to the Company have been excluded from those described below.

Pronouncement	Effective Date
IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement. The standard includes: (i) a third measurement category for financial assets – fair value through other comprehensive income and (ii) a single, forward-looking 'expected loss' impairment model.	Required to be applied for years beginning on or after January 1, 2018.
IFRS 7 *Financial instruments – disclosure* has been amended to require additional disclosures on transition from IAS 39 to IFRS 9.	Required to be applied for years beginning on or after January 1, 2018.
IFRS 16 *Leases* specifies how leases should be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	Required to be applied for years beginning on or after January 1, 2019.

Management is currently assessing whether these new standards and interpretations would have a material impact on the future financial position and results of the Company.

(Expressed in Canadian Dollars, unless otherwise stated)

5. MINERAL PROPERTIES

	Filo del Sol	Tamberias	Total
January 1, 2015	**$ 8,724,353**	**$ 1,667,092**	**$10,391,445**
Additions	-	304,581	304,581
Adjustments to acquisition cost of Filo del Sol	(2,881,858)	-	(2,881,858)
Effect of foreign currency translation	(1,890,576)	27,237	(1,863,339)
December 31, 2015	**$ 3,951,919**	**$ 1,998,910**	**$ 5,950,829**
Additions	-	756,519	756,519
Effect of foreign currency translation	(706,125)	64,484	(641,641)
September 30, 2016	**$ 3,245,794**	**$ 2,819,913**	**$ 6,065,707**

The Company's primary mineral property assets are the Filo del Sol and Tamberias Properties (together, the "Filo del Sol Project"), which are comprised of adjacent mineral titles in Chile and the San Juan Province in Argentina, and are 100% controlled by Filo Mining either through direct ownership or option agreements, which were acquired pursuant to the NGEx Arrangement (see Note 2).

Filo del Sol Property (San Juan Province, Argentina)

Sole ownership of the Filo del Sol Property was acquired by NGEx in October 2014, through the acquisition of its then joint exploration partner's, Pan Pacific Copper Co. ("PPC"), 40% interest in the property in exchange for cash (US$3.5 million) and the assumption of an obligation to fund PPC's proportionate share of future exploration activities on other properties, on which PPC and NGEx continued to be joint venture partners, up to a maximum of US$3.5 million (the "Filo Buy-Out").

In fiscal 2015, an adjustment was recorded against the Filo del Sol Property to reduce the carrying value of the consideration paid for the Filo Buy-Out. This reduction was the result of the carrying-value of the payable to PPC, which was recorded at amortized cost, being adjusted for changes in the expected timing of settlement of the remaining obligation. Subsequent to completion of the NGEx Arrangement, any remaining obligations outstanding to PPC in relation to the Filo Buy-Out resides with NGEx.

Tamberias Property (Region III, Chile)

On March 25, 2011 the Company entered into an option agreement with Compania Minera Tamberias SCM ("Tamberias SCM") whereby it can earn a 100% interest in the Tamberias Property by making option payments totaling US$20 million on or before June 30, 2023. In addition, Tamberias SCM will retain a 1.5% net smelter royalty, which will be paid only after the Company has recovered all of its exploration and development costs. The Company's total remaining option payments as at September 30, 2016 were US$17.5 million.

(Expressed in Canadian Dollars, unless otherwise stated)

6. SHARE CAPITAL AND OTHER CAPITAL RESERVES

a) Authorized share capital

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

Pursuant to the NGEx Arrangement, the Company issued 51,270,950 shares in exchange for certain net assets received from NGEx (see Note 2). The balance of share capital immediately following the close of the NGEx Arrangement was $38,965,922. This amount was determined to be the fair market value attributed to the net assets received from NGEx pursuant the NGEx Arrangement.

Loss per share information in these consolidated financial statements has been presented as if the common shares issued in connection with the closing of the NGEx Arrangement had been issued and outstanding from the start of all periods presented.

b) Share options

The Company has a share option plan approved on July 8, 2016, reserving an aggregate of 10% of the issued and outstanding shares of the Company for issuance upon the exercise of options granted. The granting, vesting and terms of the share options are at the discretion of the Board of Directors.

The movements in the number of share options issued and outstanding during the nine months ended September 30, 2016, and their related weighted average exercise prices are as follows:

	Number of share issuable pursuant to share options	**Weighted average exercise price per share**
Balance at January 1, 2016	-	$ -
Options pursuant to NGEx Arrangement *	1,746,875	0.89
Exercised **	(67,500)	0.72
Expired	(38,750)	1.39
Balance at September 30, 2016	1,640,625	$ 0.89

* Pursuant to the NGEx Arrangement, 1,746,875 share options were issued to individuals which held issued and outstanding NGEx share options at closing. In exchange for each NGEx share option, the holder was issued one fully vested NGEx replacement option and 0.25 fully vested option of Filo Mining (the "Filo Options"). The exercise prices assigned to the Filo Options reflect the allocation of the original exercise price of the original NGEx share option between the replacement options issued, based on the relative market value of the Company and NGEx following completion of the NGEx Arrangement.

** The weighted average share price on the exercise date for the share options exercised during the nine months ended September 30, 2016 was $1.52.

(Expressed in Canadian Dollars, unless otherwise stated)

The following table details the share options outstanding and exercisable as at September 30, 2016:

Exercise price	Vested options outstanding	Expiry date
$0.56	6,250	November 14, 2016
$1.49	9,375	December 15, 2016
$1.49	482,500	May 7, 2017
$0.74	150,000	August 16, 2017
$0.50	112,500	August 16, 2017
$0.74	471,250	May 11, 2018
$0.65	25,000	November 25, 2018
$0.50	380,000	February 24, 2019
$0.56	3,750	March 31, 2019
	1,640,625	

c) Share-based compensation

During the nine month period ended September 30, 2016, the Company granted no share options.

Pursuant to the continuity of interest accounting, share-based compensation for the three and nine month period ended September 30, 2016 is presented on the statement of comprehensive loss as follows:

	Three months ended September 30,		**Nine months ended September 30,**	
	2016	**2015**	**2016**	**2015**
Exploration and project investigation	37,498	35,986	109,957	160,044
General and administration	112,448	98,776	297,996	465,952
	149,946	**134,762**	**407,953**	**625,996**

(Expressed in Canadian Dollars, unless otherwise stated)

7. EXPLORATION AND PROJECT INVESTIGATION

The Company expensed the following exploration and project investigation costs, all incurred in South America, for the three and nine months ended September 30, 2016:

Three months ended September 30,		**Filo del Sol Property**	**Tamberias Property**	**Other**	**Total**
2016	Land holding costs	17,966	36,267	8,439	62,672
	Drilling, fuel, camp costs and field supplies	25,039	13,770	13,642	52,451
	Roadwork, travel and transport	-	-	8,541	8,541
	Conceptual studies	17,982	-	-	17,982
	Consultants, geochemistry and geophysics	14,761	-	10,953	25,714
	VAT and other taxes	-	2,412	-	2,412
	Office, field and administrative salaries, overhead and other administrative costs	169,542	5,023	74,953	249,518
	Share-shared compensation	22,124	4,953	10,421	37,498
	Total	**267,414**	**62,425**	**126,949**	**456,788**
2015	Land holding costs	47,396	1,811	34,259	83,466
	Drilling, fuel, camp costs and field supplies	21,770	2,422	1,170	25,362
	Roadwork, travel and transport	7,878	637	558	9,073
	Consultants, geochemistry and geophysics	27,967	-	12,832	40,799
	Environmental and community relations	403	6,728	-	7,131
	VAT and other taxes	36,026	37,545	1,079	74,650
	Office, field and administrative salaries, overhead and other administrative costs	181,365	-	52,551	233,916
	Share-shared compensation	26,644	3,728	5,614	35,986
	Total	**349,449**	**52,871**	**108,063**	**510,383**

Costs incurred prior to the completion of the NGEx Arrangement on August 16, 2016 were carved out from figures previously reported by NGEx as described on Notes 2 and 3.

(Expressed in Canadian Dollars, unless otherwise stated)

Nine months ended September 30,		Filo del Sol Property	Tamberias Property	Other	Total
2016	Land holding costs	51,220	59,062	47,743	158,025
	Drilling, fuel, camp costs and field supplies	218,162	20,764	15,840	254,766
	Roadwork, travel and transport	295,788	-	9,882	305,670
	Conceptual studies	31,535	-	-	31,535
	Consultants, geochemistry and geophysics	248,138	-	10,953	259,091
	Environmental and community relations	16,088	-	-	16,088
	VAT and other taxes	-	3,624	-	3,624
	Office, field and administrative salaries, overhead and other administrative costs	826,950	5,023	103,151	935,124
	Share-shared compensation	94,502	4,953	10,502	109,957
	Total	**1,782,383**	**93,426**	**198,071**	**2,073,880**
2015	Land holding costs	464,720	52,005	129,600	646,325
	Drilling, fuel, camp costs and field supplies	2,989,569	517,508	7,367	3,514,444
	Roadwork, travel and transport	902,261	247,428	2,831	1,152,520
	Consultants, geochemistry and geophysics	374,270	93,134	13,574	480,978
	Environmental and community relations	118,791	27,399	-	146,190
	VAT and other taxes	1,370,718	193,726	38,559	1,603,003
	Office, field and administrative salaries, overhead and other administrative costs	1,234,773	79,149	123,093	1,437,015
	Share-shared compensation	132,861	21,570	5,613	160,044
	Total	**7,587,963**	**1,231,919**	**320,637**	**9,140,519**

Costs incurred prior to the completion of the NGEx Arrangement on August 16, 2016 were carved out from figures previously reported by NGEx as described on Notes 2 and 3.

(Expressed in Canadian Dollars, unless otherwise stated)

8. RELATED PARTY TRANSACTIONS

Key management compensation

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

	Three months ended September 30,		Nine months ended September 30,	
	2016	**2015**	**2016**	**2015**
Salaries	74,500	-	74,500	-
Short term employee benefits	7,372	-	7,372	-
Directors fees	8,375	-	8,375	-
Stock-based compensation	-	-	-	-
	90,247	**-**	**90,247**	**-**

From the Company's incorporation on May 12, 2016, up until the completion of the NGEx Arrangement on August 16, 2016, no compensation was paid it its officers or directors. The compensation costs reported for key management personnel therefore only reflect compensation costs incurred after August 16, 2016.

Related party services

The Company has a cost sharing arrangement with NGEx, a related party by way of directors, officers and shareholders in common. Under the terms of this arrangement, the Company provided executive management services to NGEx, and NGEx provided financial management and administrative services to the Company.

	Three months ended September 30,		Nine months ended September 30,	
	2016	**2015**	**2016**	**2015**
Executive management services to NGEx	98,512	-	98,512	-
Financial management and administrative services from NGEx	(122,930)	-	(122,930)	-

All balances owing between the related parties for the rendering and receipt of services are outstanding as at September 30, 2016.

Due to the fact that Filo Mining was not incorporated until May 12, 2016, and the Arrangement was not completed until August 16, 2016, there were no provision and sharing of management services between the related parties prior to that date.

9. SEGMENTED INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in South America. Materially all of the Company's mineral properties and exploration and project investigation costs relate to the Filo del Sol Project, which straddles the border between the San Juan Province, Argentina and Region III, Chile, whereas materially all of the Company's cash and general and administrative costs are held and incurred by the Canadian parent.

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management and definition of capital, the Company considers the items included in shareholders' equity to be capital.

The Company manages the capital structure and makes adjustments, as necessary, in light of changes in economic conditions and the risk characteristics of its assets. In order to maintain or adjust the capital structure, the Company may attempt to issue new shares or debt instruments, acquire or dispose of assets, or to bring in joint venture partners.

To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including, but not limited to, successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has estimated the fair values of its financial instruments based on appropriate valuation methodologies. These values are not materially different from their carrying value.

The Company classifies the fair value of its financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Company's financial instruments are exposed to the following financial risks, including credit, liquidity and currency risks:

(i) Credit risks associated with cash is minimal as the Company deposits the majority of its cash with a large Canadian financial institution that has been accorded a strong investment grade rating by a primary rating agency.

(ii) Liquidity risks associated with the inability to meet obligations as they become due is minimized through the management of its capital structure as explained on Note 10 and by maintaining good relationships with bankers. The Company also closely monitors and reviews its costs to date and actual cash flows on a monthly basis. Trade payables and accrued liabilities are due within twelve months of the Statement of Financial Position date. The Company arranged a private placement in November 2016 as explained on Note 12 to support and fund the Company's ongoing exploration activities and corporate working capital purposes.

(iii) Foreign currency risk can arise when the Company or its subsidiaries transact or have net financial assets or liabilities which are denominated in currencies other than their respective functional currencies.

At September 30, 2016, the Company's only material foreign currency risk exposure existed at the Canadian head office level, which holds a net financial asset position denominated in US dollars. The estimated impact of relative currency rate fluctuations between US dollar and the Canadian dollar, the functional currency, based on this foreign currency exposure is as follows:

	Foreign currency cash held (in source currency)	**Net financial asset (liability) position**	**Change in net financial position from a 10% variation in exchange rates**
US dollar	964,000	1,232,000	123,000

12. SUBSEQUENT EVENT

On November 16, 2016, the Company completed a private placement of 10,000,000 common shares of the Company for gross proceeds of $20 million. Share issuance costs totaling $0.5 million were paid in relation to the private placement. The net proceeds received by the Company upon completion of the private placement totaled $19.5 million.